

GLOBAL MARKETS NEWSLETTER

Tuesday July 9th, 2024

Local Markets:

Kenya's shilling was steady on Monday and it is expected to gain ground in the next few days due to increased dollar inflows from tea exporters.

Today's expected USD/KES trading range is 127.25 – 129.25

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	127.25	129.25			
GBP/KES	162.30	166.20	GBP/USD	1.2839	1.2839
EUR/KES	137.50	140.60	EUR/USD	1.0857	1.0854
INR/KES		1.5550	AUD/USD	0.6780	0.6767
			USD/INR	83.70	83.31
			Commodities		
			Gold	2366.10	2381.87
			Brent Crude	85.62	86.34

Benchmark Rates:

Tenor	Current	Previous	Next meeting
91 Days	15.9868%	15.9771%	-
182 Days	16.7951%	16.7636%	-
364 Days	16.8299%	16.7911%	-
KES INFLATION	4.60%	5.1%	31st July 24
KES CBR	13.00%	13.00%	
FED RATE	5.50%	5.50%	
ECB RATE	3.75%	4.00%	
BOE RATE	5.25%	5.25%	
RBI RATE	6.50%	6.50%	

Top News

Oil: Oil prices slid on after rising for four weeks, as the prospect of a ceasefire deal in Gaza eased tensions in the Middle East, while investors assessed potential disruption to U.S. energy supplies from Hurricane Beryl.

Asia-Pacific markets: Asia-Pacific markets were mostly higher on Tuesday. U.S. stock futures were little changed Monday night after the S&P 500 and Nasdaq Composite closed at fresh record highs Monday.

International Markets

USD: The US Dollar continues to struggle amid signs of disinflation in the US economy, fostering confidence in a potential September rate cut from the Federal Reserve (Fed) among market participants. This week, Fed Chair Jerome Powell and other governors' words might bail out the USD and limit the losses if they remain cautious.

GBP: GBP/USD briefly tested a fresh four-week high on Monday, crossing above 1.2840 before broad-market flows dragged Cable back down to the week's opening bids. UK data remains thin this week, leaving traders grappling with peaking rate cut hopes clashing with an overly-cautious Federal Reserve (Fed) that insists on waiting for further signs that US inflation will ease towards the Fed's 2% annual inflation target.

EUR: EUR/USD continues its winning streak for the sixth day, trading around 1.0830 during the Asian session on Tuesday. The Euro continues to advance as investors digest the initial shock of France's election results.

INR: The Indian Rupee (INR) weakens on Tuesday amid the recovery of the Greenback. The local currency loses traction as concerns about tropical storm Beryl disrupting US oil supply weigh on sentiment. However, the rising bets on a September rate cut by the US Federal Reserve (Fed) after US employment data on Friday signaled a cooling US labor market, which might undermine the US Dollar (USD).

Source: Reuters.

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