

DAILY FOREX NEWSLETTER

Thursday 10th Feb 2022

Local Markets:

The Kenyan shilling is expected to benefit from the sale of an infrastructure bond by the government this month, which usually buoys dollar supplies from investors abroad

Top News:

- A tech-fueled global stocks rally cooled in Asian trade on Thursday as investors took a more cautious posture amid uncertainties around the outlook for inflation and interest rates.
- Oil prices edged down on Thursday, after rallying on an unexpected drop in U.S. crude inventories in the previous session, as investors await the outcome of U.S.-Iran nuclear talks that could add crude supplies quickly to global markets.

International Markets

USD: The dollar slid further on Wednesday and the euro extended gains following a hawkish shift from the European Central Bank last week and ahead of key data on U.S. consumer prices due on Thursday.

GBP: GBP/USD remains pressured after stepping back from weekly top, recently sidelined. EU files first post-Brexit court case against UK, PM Johnson reacts with "show some common sense" BOE's Pill cites uncertainty on rate hikes, BOE Governor Bailey was previously criticized for late action. US CPI for January, BOE's Bailey will offer double attack and hence warrant caution. GBP/USD treads water around 1.3530 during the late Asian session on Thursday. The cable pair refreshed weekly top the previous day before reversing from 1.3589.

EUR: EUR/USD adds to weekly losses, refreshes intraday low. US Treasury yields remain strong, stock futures drop as draft for EU Economic Forecasts reject inflation fears. White House comments, Fed speak add to market's indecision ahead of the key data. Details of EU Quarterly Economic Projections, US CPI will be crucial for fresh impulse. EUR/USD consolidates the previous day's gains, adding to the weekly loss around 1.1415 during Thursday's Asian session. In doing so, the major currency pair reacts to the market's fears of US inflation and the draft of the European Commission's (EC) economic forecasts.

INR: USD/INR crosses short-term key hurdle during three-day run-up, refresh two-week top. RBI keeps policy rates unchanged, cites supply constraints. Market sentiment remains sluggish as traders await US CPI for January amid mixed concerns over March rate hikes. USD/INR takes the bids to refresh fortnight high around 75.01, up 0.33% intraday following the RBI inaction on early Thursday. In doing so, the Indian rupee (INR) pair also justifies the market's risk-off mood ahead of the key US Consumer Price Index (CPI) data for January.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	112.40	115.00			
GBP/KES	150.10	155.80	GBP/USD	1.3565	1.3580
EUR/KES	126.50	131.60	EUR/USD	1.1446	1.1460
INR/KES		1.5570	AUD/USD	0.7195	0.7190
			USD/INR	74.80	74.67
			Commodities		
			Gold	1834	1827
			Brent Crude	91.56	91.50

T-Bills Rates:

Duration	Current	Previous
91 Days	7.317%	7.343%
182 Days	8.095%	8.112%
364 Days	9.594%	9.544%

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