

# DAILY FOREX NEWSLETTER

Wednesday 2nd Feb 2022

## Local Markets:

The Kenya's shilling was unchanged on Tuesday, but was expected to weaken due to increased end-month importer dollar demand,

## Top News:

- Gold was steady on Wednesday above the \$1,800 psychological level as concerns surrounding Ukraine supported the safe-haven metal, while investors awaited U.S. jobs data that is considered key for the Federal Reserve's tapering timeline.
- Oil prices rose on Wednesday towards last week's seven-year highs after data showing a fall in U.S. crude stocks underlined solid demand, but investors remained cautious ahead of an OPEC+ meeting due later in the day

## International Markets

**USD:** The dollar was carrying a couple of bruises on Wednesday as Federal Reserve officials played down the chance of a half point rate hike in March and a rally in global equity markets tarnished some of its haven allure.

**GBP:** GBP/USD grinds higher around weekly top following three-day uptrend. three-week-old resistance line tests buyers ahead of 100-SMA. Bullish MACD, sustained break of 50-SMA favor buyers. Sellers need validation from 61.8% Fibonacci retracement to take fresh entries.

**EUR:** EUR/USD struggles during the fourth day of rebound from 20-month low. Eurozone Unemployment Rate dropped to record low, German Retail Sales, US ISM Manufacturing PMI improved. Markets struggle for clear direction ahead of ECB, US NFP amid mixed Fed speak, risk catalyst. Eurozone CPI, US ADP Employment Change bear downbeat forecasts for January but bulls' eye positive surprises. EUR/USD grinds higher around the weekly top near 1.1280, extending the bounce from a multi-day low heading into Wednesday's European session

**INR:** USD/INR reverses a part of the previous rebound amid DXY weakness. Indian rupee gains on hopes of a February rate hike by the RBI. USD/INR breaches 100-DMA but bullish RSI could keep downside capped. USD/INR has returned to the red zone after kicking off February on a positive note, as sellers continue to lurk just below the \$75 mark.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	112.40	115.00			
<b>GBP/KES</b>	150.00	155.80	<b>GBP/USD</b>	1.3540	1.3480
<b>EUR/KES</b>	125.10	129.90	<b>EUR/USD</b>	1.1295	1.1280
<b>INR/KES</b>		1.550	<b>AUD/USD</b>	0.7160	0.7090
			<b>USD/INR</b>	74.60	74.30
			<b>Commodities</b>		
			<b>Gold</b>	1798	1800
			<b>Brent Crude</b>	89.52	89.65

## T-Bills Rates:

Duration	Current	Previous
91 Days	7.343%	7.331%
182 Days	8.112%	8.069%
364 Days	9.544%	9.510%

For further enquiries, kindly contact: Joseph Nyamache /Daniel Yegon/, D/L 020-2223409/2213470 or general nos. 2228461/2

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