

DAILY FOREX NEWSLETTER

Friday 4th February 2022

Local Markets:

The Kenya's shilling was steady against the dollar on Thursday, with supply matching importer demand in slow trade. Kenya's private sector activity shrank in January, hit by falling consumer spending and increased input prices, a survey showed on Thursday.

Top News:

- Asian equity markets fought for a footing on Friday, supported by an Amazon-led bounce in U.S futures, but oil's rise to a seven-year high kept traders on edge over prospects that interest rates will rise to curb global inflationary pressures.
- Oil prices climbed on Friday, extending sharp gains in the previous session as frigid weather swept across large swathes of the United States, threatening to further disrupt oil supplies.

International Markets

USD: The dollar was down on Friday morning and was set for the worst week in nearly two years, as the Bank of England (BOE) and European Central Bank (ECB) tightened their monetary policies.

GBP: GBP/USD bulls take a breather around a fortnight high surrounding 1.3600, during the sixth positive day amid Friday's Asian session. The cable pair justifies the clear upside break of the 50% Fibonacci retracement (Fibo.) of the July-December 2021 downside, as well as sustained trading beyond the 100-DMA.

EUR: EUR/USD takes the bids to refresh three-week top during the six-day uptrend. ECB's Lagarde showcased bullish bias, propelled rate hike concerns in 2022. Fed's Barking marks indecision over pace, length of rate hike process, US data came in mixed. DXY ignores firmer yields as markets fear downbeat NFP, Eurozone Retail Sales eyes as well. EUR/USD braces for the biggest weekly gains since March 2020 with eyes on the US monthly employment data during early Friday. That said, the major currency pair refreshes a three-week high to 1.1470, up 0.35% intraday, while heading into the European session.

INR: The Indian rupee was at 74.75/74.7580 against the U.S. currency, compared with 74.86/74.87 in the previous session, tracking gains in most regional currencies following further losses on the dollar index. India's benchmark 6.54% bond maturing in 2032 was at 97.17 rupees, yielding 6.94%, highest level since June 2019, and against 97.51 rupees, yielding 6.89%, at the previous close, as traders await debt auction, while rise in U.S. rates and oil prices further weighed.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	112.40	115.00			
GBP/KES	151.10	156.60	GBP/USD	1.3640	1.3585
EUR/KES	126.80	132.20	EUR/USD	1.1490	1.1340
INR/KES		1.5570	AUD/USD	0.7185	0.7145
			USD/INR	74.50	74.55
			Commodities		
			Gold	1807	1806
			Brent Crude	91.60	89.25

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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