

DAILY FOREX NEWSLETTER

Tuesday 8th February 2022

Local Markets:

The Kenyan shilling was stuck close to its record low against the dollar on Monday and traders said demand and supply of hard currency were evenly matched.

Top News:

- Asian equities consolidated recent gains as investors' sentiment improved amid strong results by U.S. companies, helping stocks recover from the worst start to the year since 2016, while a resurgent euro paused ahead of U.S inflation data.
- Oil prices eased on Tuesday ahead of the resumption of indirect talks between the United States and Iran which may revive a nuclear deal that could lead to the removal of sanctions on Iranian oil sales, increasing global supplies

International Markets

USD: The dollar was up on Tuesday morning in Asia. A strong euro remained just below strong resistance levels as U.S. inflation data due later in the week, wary that it could trigger gains for the U.S. currency.

GBP: GBP/USD is sideways in Asia as markets consolidate ahead of catalysts later in the week. UK GDP and US CPI could move the needle in financial markets. GBP/USD is flat on the session and has moved within a range of 1.3520 and 1.3539 on the session so far after it dipped under 1.3500 in European markets before returning to 1.3535 thereafter. It's been one of those starts to the week where there is no momentum one way or the other as the markets digest the events of the prior week and await the next catalyst.

EUR: EUR/USD extends pullback from two-month high, remains pressured for the second consecutive day. ECB's Lagarde step back from hawkish rhetoric on inflation, Kazaks also rejected July rate hike concerns. USD tracks firmer yields amid mixed sentiment relating trade, politics and Fed's next move ahead of the key US CPI. US trade numbers to direct intraday moves, risk catalysts are more important. EUR/USD holds onto the week-start bearish bias, mildly offered around 1.1420 during early Tuesday morning in Europe.

INR: USD/INR snaps three-day downtrend near one-week low, recently easing from intraday top. Foreign outflows from Asian equities jump to seven-month high in January, US T-bond yields stay firmer around two-year peak. Mixed concerns over Wednesday's RBI rate decisions, covid updates also challenge INR bulls. Light calendar, cautious mood ahead of Thursday's US CPI limit market moves. USD/INR bears take a breather around weekly bottom near 74.65 during initial Indian trading on Tuesday.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	112.40	115.00			
GBP/KES	150.10	155.60	GBP/USD	1.3545	1.3555
EUR/KES	126.50	131.50	EUR/USD	1.1445	1.1460
INR/KES		1.5570	AUD/USD	0.7140	0.7120
			USD/INR	74.53	74.60
			Commodities		
			Gold	1820	1811
			Brent Crude	92.51	93.44

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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