

DAILY FOREX NEWSLETTER

Friday 18th Feb 2022

Local Markets:

The Kenyan shilling was steady on Thursday but was seen under pressure due to demand from importers.

Top News:

- U.S. stock futures bounced on Friday and selling pressure eased in Asian share markets after the U.S. Secretary of State agreed to a meeting with Russia's foreign minister, raising hopes for a diplomatic solution to the East-West standoff over Ukraine.
- Oil prices retreated on Friday after wild swings during the week, as the prospect of extra supply from Iran returning to the market outweighed fears of a possible Russian invasion of Ukraine, which could disrupt supply.

International Markets

USD: The dollar was up on Friday morning in Asia. However, the safe-haven yen gained more ground on the dollar after U.S. President Joe Biden accused Russia of preparing a pretext to justify a possible attack on Ukraine.

GBP: GBP/USD tumbles to 1.3614 after investors prefer defensives over risk-sensitive forex. The rising geopolitical tensions between Russia and Ukraine have kept the market on its toes. The DXY has been capped after a poor show from the US Initial Jobless Claims. The GBP/USD pair has attracted some offers in the US session around 1.3630, as the geopolitical tensions between Russia and Ukraine renew after the shelling between Ukraine armed forces and pro-Moscow rebels across a ceasefire line in eastern Ukraine.

EUR: EUR/USD looks to break higher from 1.1357-1.1371 on the Blinkin-Lavrov meeting next week. The DXY is likely to auction lower as risk sentiment in the market improves. Easing fears over an imminent Russian invasion of Ukraine underpin Treasury yields. The EUR/USD pair extends the bounce from Thursday's low of 1.1322, as investors cheer the meeting between US Secretary Antony Blinken and Russian Foreign Minister Sergei Lavrov. The former has accepted the invitation for meeting late next week, with a stipulation that there is no further Russian invasion of Ukraine, said US State Department.

INR: USD/INR to open firm abv 75.0, likely to consolidate amid 75.0-75.25 rg intraday Pair closed at 75.18 yest, traded btw 74.94-75.23 rg intraday. Russia-Ukraine tensions, inflation worries to underpin Calls for faster rate hikes by Fed Bullard further supportive for US

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	112.40	114.90			
GBP/KES	150.20	156.80	GBP/USD	1.3625	1.3610
EUR/KES	125.60	130.90	EUR/USD	1.1390	1.1395
INR/KES		1.5560	AUD/USD	0.7230	0.7210
			USD/INR	74.80	74.90
			Commodities		
			Gold	1890	1874
			Brent Crude	92.44	93.86

T-Bills Rates:

Duration	Current	Previous
91 Days	7.250%	7.285%
182 Days	8.075%	8.108%
364 Days	9.724%	9.668%

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