

# DAILY FOREX NEWSLETTER

Tuesday 22nd Feb 2022

## Local Markets:

The Kenya's shilling was unchanged on Monday, and it was expected to weaken due to increased dollar demand, especially from the energy sector.

## Top News:

- Global stocks tumbled while safe havens rallied, and oil surged on Tuesday as Europe's eastern flank stood on the brink of war after Russian President Vladimir Putin ordered troops into breakaway regions of eastern Ukraine.
- Efforts by governments to drive an economic rebound are likely to add strain to tight oil supplies and could send prices to fresh peaks, unless international talks end sanctions on Tehran and lead to a surge in Iranian exports

## International Markets

**USD:** The dollar was up on Tuesday morning in Asia as Russia recognized two breakaway parts of eastern Ukraine, increasing concerns of a major war.

**GBP:** GBP/USD slides in midday Asia as markets stay in risk-off mode. The Ukraine crisis is in the driving seat while traders await key MPC speakers. GBP/USD is under pressure at 1.3585 after ranging from a high of 1.3601 to a low of 1.3580. The markets are focused on the latest moves from the Kremlin with the Russian president, Vladimir Putin, who on Monday signed a decree that recognizes Donetsk and Luhansk in Eastern Ukraine as independent states.

**EUR:** EUR/USD is on the back foot as traders await further developments to unfold amid the Ukraine crisis. Federal Reserve sentiment is also contributing to a firmer US dollar. EUR/USD is trading flat in the session but is subject to volatility in financial markets pertaining to the escalations of the Ukraine crisis. The single currency has travelled from a high of 1.1319 to a low of 1.1296, weighed by risk-off tones following critical developments at the Kremlin.

**INR:** USD/INR pares intraday losses after bouncing off monthly low the previous day. 100-SMA, weekly resistance line guard recovery moves, previous support add to the upside filters. 61.8% Fibonacci retracement level offers strong support below 200-SMA. USD/INR struggles to keep the bounce off the 200-SMA, around 74.77, down 0.15% on a day during Tuesday's Asian session. The Indian rupee (INR) pair dropped to the lowest since January 24 on Monday before stepping back from a convergence of the 100-SMA and one-week-old descending trend line near 74.95.

## 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>	150.50	156.55	<b>GBP/USD</b>	1.3630	1.3655
<b>EUR/KES</b>	125.30	130.30	<b>EUR/USD</b>	1.1340	1.1395
<b>INR/KES</b>		1.5560	<b>AUD/USD</b>	0.7235	0.7245
			<b>USD/INR</b>	74.65	74.24
			<b>Commodities</b>		
			<b>Gold</b>	1908	1891
			<b>Brent Crude</b>	96.72	92.23

## 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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