

DAILY FOREX NEWSLETTER

Wednesday 23rd Feb 2022

Local Markets:

The Kenya's shilling weakened on Tuesday due to a general increase in importer dollar demand. Kenya's earnings from exports of cut flowers, fruits and vegetables rose 5% in 2021 from the previous year, data from the statistics office showed.

Top News:

- Asian stocks steadied on Wednesday and demand for safe havens waned a little as investors regarded Russian troop movements near Ukraine and initial Western sanctions as leaving room to avoid a war, while a rate hike lifted New Zealand's dollar.
- Oil prices took a breather on Wednesday after surging to seven-year highs in the previous session as it became clear the first wave of U.S. and European sanctions on Russia for sending troops into eastern Ukraine would not disrupt oil supply.

International Markets

USD: The dollar was up on Wednesday morning in Asia. Investors look to get a handle on the latest developments in Ukraine.

GBP: GBP/USD keeps the bounce off monthly support to print mild intraday gains. Brexit talks to continue a more regular basis, NI, post-Brexit tests got recent attention. UK leads in levying extra sanctions on Russia but PM Johnson is under pressure to do more. MPR will be key as BOE's Ramsden sounds hawkish while CME's BOE Watch tool expects 0.30% rate-hike in March. GBP/USD struggles to defend the previous day's bounce off monthly support line, approaching 1.3600 during early Wednesday morning in Asia.

EUR: EUR/USD bulls' days could be numbered, and the bull flag nullified. Bears stay in charge in a slow grind to the downside of the bearish channel. In an earlier article from the US session, posted around the US president, Joe Biden's, announcement of sanctions on Russia, EUR/USD was posing as a bull flag pattern that has so far yet to materialize into a meaningful breakout.

INR: USD/INR stays pressured around monthly low, keeps Tuesday's losses intact. Market sentiment improves in absence of Russia's retaliation to Western sanctions, ambiguity over border moves. INR swap premiums, upbeat US stock futures add to the bearish bias amid sluggish Asian session. Risk catalysts are the key, but Japan's holidays may restrict intraday moves. USD/INR holds lower ground near 74.68 despite the latest bounce from the intraday low. In doing so, the Indian rupee (INR) pair drops 0.05% intraday while keeping the previous day's losses during the late Asian session on Wednesday.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	112.40	115.00			
GBP/KES	150.50	156.55	GBP/USD	1.3625	1.3630
EUR/KES	125.30	130.30	EUR/USD	1.1340	1.1340
INR/KES		1.5560	AUD/USD	0.7260	0.7235
			USD/INR	74.55	74.65
			Commodities		
			Gold	1895	1908
			Brent Crude	97.21	96.72

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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