

DAILY FOREX NEWSLETTE

Thursday 10th March 2022

Local Markets:

The Kenyan shilling weakened to a new record low on Wednesday due to rising global energy prices related to the Ukraine and Russia war leading to increased demand for dollars locally.

Top News:

- Asian shares surged on Thursday, tracking Wall Street's gains as planned diplomatic talks between Russia & Ukraine buoyed sentiment, although analysts warned the rally could be susceptible to a sharp reversal as risks remain.
- Oil prices rebounded on Thursday after the United Arab Emirates said it is committed to major producers' pact to add 400,000 barrels per day of supply monthly, hours after UAE's ambassador to Washington said his country favored a bigger increase.

International Markets

USD: The dollar was up on Thursday morning in Asia, while the euro held onto most of its overnight gains. The latter had posted its steepest daily jump in nearly six years after a meeting between Ukrainian and Russian foreign ministers, and investor sentiment also improved as oil prices eased

GBP: GBP/USD struggles to extend the bounce off 16-month low. Previous support from late January, two-week-old resistance line challenge recovery moves. Early October 2020 peak restricts downside ahead of the 1.3000 threshold. MACD conditions do favor further upside towards monthly high. GBP/USD seesaws around 1.3180 after rising the most in a week amid market's anxiety during Thursday's Asian session.

EUR: EUR/USD keeps pullback from one-week high inside a tight range. ECB have a tough time rejecting stagflation fears amid firmer oil prices, no change in monetary policy expected. US CPI for February may provide another reason to back Fed's 0.5% rate hike in March. Yields, stock futures wobble on Ukraine's retreat ahead of today's talks in Turkey. EUR/USD holds onto the initial losses, down 0.11% intraday while taking rounds to 1.1050 during early Thursday morning in Europe.

INR: USD/INR rebounds from weekly low, prints first daily gains in three. Fears of inflation in India, abroad joins market's anxiety over Russia-Ukraine talks to favor bulls. Uncertainty over fuel prices battle Indian PM Modi's optimism, polls suggest further upside pressure on inflation. US CPI, Russia-Ukraine talks will be the key catalysts to watch for fresh impulse. USD/INR picks up bids to renew intraday high around 76.40 as Indian markets open for Thursday. In doing so, the rupee (INR) snaps a two-day rebound while easing from a one-week top.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	112.40	115.10			
GBP/KES	146.20	151.80	GBP/USD	1.3200	1.3160
EUR/KES	122.50	127.40	EUR/USD	1.1090	1.0965
INR/KES		1.5250	AUD/USD	0.7350	0.7320
			USD/INR	76.00	76.60
			Commodities		
			Gold	1978	2055
			Brent Crude	114.90	130.95

T-Bills Rates:

Duration	Current	Previous
91 Days	7.265%	7.254%
182 Days	8.063%	8.062%
364 Days	9.774%	9.764%

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