

DAILY FOREX NEWSLETTE

Monday 14th March 2022

Local Markets:

The Kenyan shilling was stable on Friday after hitting a fresh all-time low a day earlier but was expected weaken due to persisting dollar demand from companies preparing to pay dividends their shareholders outside the country.

Kenya lifted its remaining COVID-19 restrictions on Friday, including a ban on large indoor gatherings such as religious services and a requirement to present a negative COVID-19 test for arriving air passengers.

Top News:

- Most share markets firmed, and oil slid on Monday on hopes for progress in Russian-Ukraine peace talks even as fighting continued to rage, while bond markets braced for rate rises in the United States and UK this week.
- Oil prices shed as much as \$4 a barrel on Monday, extending last week's decline as diplomatic efforts to end the war in Ukraine were stepped up and markets braced for higher U.S. rates.

International Markets

USD: The dollar was up on Monday morning in Asia. The Japanese yen hit a fresh five-year low as a slew of central banks prepare to hand down their policy decisions throughout the week.

GBP: Pound bulls are hoping for a pullback near the lower end of the falling channel. The RSI (14) is indicating more weakness, but an oversold situation cannot be ruled out. Bears can continue holding grip if the cable slips below 1.2854. The GBP/USD pair seems to be in a free-fall amid a broader risk-aversion theme in the market from the last few trading sessions. The pair has witnessed an open-test drive session on Monday as the major opened at 1.3037 and tested the upside at 1.3052. However, a follow-up selling triggered as investors capitalized on the pullback.

EUR: EUR/USD fades early Asian rebound, stays on the way to 1.0750. 50-SMA, three-day-long descending trend line challenges recovery moves. Weekly horizontal support may test bears before directing them to 61.8% FE. EUR/USD reverses the early Asian session gains while taking offers around 1.0915 by the press time on Monday. In doing so, the major currency pair remains below a convergence of the nearby descending trend line and 50-SMA amid bearish MACD signals.

INR: USD/INR snaps two-day uptrend despite firmer DXY as Indian traders turn optimistic. India covid numbers drop to early pandemic days, foreign fund outflow slows down. SBI suggests RBI should intervene via NDF to limit Rupee liquidity. Updates from Ukraine, China's worsening COVID-19 conditions and Fed's rate-hike should also be watched carefully for fresh impulse. USD/INR remains pressured around an intraday low of 76.62, down 0.13% on a day during the initial Indian trading session on Monday. In doing so, the Indian rupee (INR) pair ignores the firmer US dollar to print the first daily loss in three.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	112.40	115.10			
GBP/KES	144.80	150.20	GBP/USD	1.3040	1.3120
EUR/KES	121.60	125.80	EUR/USD	1.0940	1.1040
INR/KES		1.5250	AUD/USD	0.7280	0.7360
			USD/INR	76.25	76.20
			Commodities		
			Gold	1976	1985
			Brent Crude	110.33	109.49

T-Bills Rates:

Duration	Current	Previous
91 Days	7.206%	7.265%
182 Days	8.032%	8.063%
364 Days	9.771%	9.774%

For further enquiries, kindly contact: Joseph Nyamache /Daniel Yegon/, D/L 020-2223409/2213470 or general nos. 2228461/2

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