

DAILY FOREX NEWSLETTE

Tuesday 15th March 2022

Local Markets:

The Kenyan shilling dipped to a fresh low on Monday, weighed on by demand for hard currency from the energy sector and companies preparing to pay 2021 dividends to their offshore shareholders.

Top News:

- Asian stocks were in the red on Tuesday as surging COVID-19 cases in China hit the confidence of investors who are already worried about the Ukraine war and the first U.S. interest rate rise in three years, which could come this week.
- Oil prices slid to a two-week low on Tuesday on continued ceasefire talks between Russia and Ukraine and concerns about demand in China after a surge in COVID-19 cases.

International Markets

USD: The dollar was down on Tuesday morning in Asia, alongside the Japanese yen and the Australian dollar. The latest COVID-19 outbreak in China saw lockdowns in some cities, but the focus is firmly on the U.S. Federal Reserve's March policy decision.

GBP: GBP/USD looks to settle below 1.3000 amid a souring mood in the market. Investor's eye one more interest rate hike from the BOE this week. Fed's monetary policy holds utmost importance for FX currencies this week. The GBP/USD pair has been dumped heavily by the market participants on intensifying fears of China's bailout to Russia. The US has told its allies that Russia has requested military assistance from China in the ongoing Russian invasion of Ukraine. Moreover, the latter has displayed its willingness to support the former in the future. The US has also stated that the dragon economy might be providing military assistance to Russia already

EUR: EUR/USD picks up bids to extend previous day's rebound amid cautious optimism in the market. Yields renews multi-day top but fail to lift DXY amid market's cautious optimism. EU Commission announced ore sanctions on Russia, Moscow showed readiness to pay Eurobond coupon. China's covid updates, Ukraine-Russia peace talks, and US PPI are extra catalysts to watch for fresh impulse. EUR/USD holds onto the week-start rebound to renew daily high around 1.0980, up 0.33% intraday during very early Tuesday morning in Europe.

INR: USD/INR remains on the back foot for the second consecutive day. Hidden bearish divergence on RSI keeps pair seller's hopeful. Bulls need to overcome weekly horizontal region to retake control. USD/INR sellers jostle with a short-term key support line around 76.45 during Tuesday's Asian session.

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	1.3082	1.3040
EUR/KES	121.60	126.50	EUR/USD	1.1020	1.0940
INR/KES		1.5250	AUD/USD	0.7210	0.7280
			USD/INR	76.18	76.25
			Commodities		
			Gold	1932	1976
			Brent Crude	101.90	110.33

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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