

DAILY FOREX NEWSLETTER

Wednesday 16th March 2022

Local Markets:

The Kenyan shilling was stable on Tuesday, drawing some support from hard currency inflows from exports of agricultural commodities.

Top News:

- Asian share markets rose on Wednesday, with investors' eyes on volatile oil prices, Ukraine-Russia peace talks and the U.S. Federal Reserve, which is expected to raise rates for the first time in three years and give guidance on future tightening.
- Oil prices rose early on Wednesday, bouncing back after earlier falling more than \$1 a barrel, as Russia's invasion of Ukraine continues to dominate volatile trading with ceasefire talks the latest market trigger.

International Markets

USD: The dollar was down on Wednesday morning in Asia but was near a five-year high against the yen. Investors await the U.S. Federal Reserve's latest policy decision, with the conflict in Ukraine and the surging number of COVID-19 cases in China also on their radars.

GBP: The bears GBP/USD will look to take over on the daily chart and break below 1.30 the figure. The weekly M-formation is noted, but the weekly demand area could be mitigated before a correction to the upside. GBP/USD is stalling in the sell-off as the price moves into what could be deemed as a solid longer-term demand area. However, there is room to go with 1.2850 in focus for the days and weeks ahead

EUR: EUR/USD prints three-day winning streak, mildly bid around daily highs of late. Receding covid fears from China, mixed concerns over Moscow-Kyiv talks drag Treasury yields, greenback. Softer Eurozone data contrasts mixed US economics, pre-Fed anxiety add to the market's filters. Fed's 0.25% rate hike is less important than the economic projections, Chairman Powell's speech. EUR/USD holds onto the week-start recovery near 1.0970, up 0.13% intraday during early Wednesday morning in Asia. In doing so, the major currency pair cheers the US Treasury yields' retreat ahead of the key Federal Open Market Committee (FOMC)

INR: USD/INR snaps two-day downtrend to rebound from weekly low. Oil prices recover from fortnight low on USD retreat, risk-on mood in Asia-Pacific. Ukraine-Russia tussles, pre-Fed anxiety weigh on yields, US stock futures. Fed's 0.25% rate-hike is priced in, focus on Powell's speech and economic projections. USD/INR extends bounce off weekly bottom, up 0.11% intraday around 76.35-40 during the mid-Asian session on Wednesday. In doing so, the Indian rupee (INR) pair rises for the first time in three while tracking prices of oil.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	112.40	115.20			
GBP/KES	144.80	150.40	GBP/USD	1.3085	1.3082
EUR/KES	121.60	126.50	EUR/USD	1.0985	1.1020
INR/KES		1.5250	AUD/USD	0.7235	0.7210
			USD/INR	76.31	76.18
			Commodities		
			Gold	1916	1932
			Brent Crude	100.91	101.90

T-Bills Rates:

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

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