

DAILY FOREX NEWSLETTER

Thursday 17th March 2022

Local Markets:

The Kenyan shilling weakened on Wednesday as oil importers sought to secure dollars in anticipation of further increases in international prices.

Top News:

- Japan and Hong Kong led a jump in regional stocks on Thursday, joining a rally on Wall Street overnight as potential risks from Federal Reserve monetary tightening to the Ukraine war and a slowdown in China became less murky.
- Oil futures rose in early trading on Thursday, recovering some of the prior day's losses, after the International Energy Agency (IEA) said a decline in oil demand due to higher prices would not offset a shut-in of Russian oil supplies.

International Markets

USD: The dollar was down on Thursday morning in Asia. The yen was at a six-year low on the dollar as investors continue to digest a hawkish outlook from the U.S. Federal Reserve that contrasts sharply with that of the Bank of Japan (BOJ).

GBP: GBP/USD is eyeing 1.3200 as DXY weakens post the Fed's policy announcement. The BOE is expected to raise its interest rates for the third time consecutively. This risk-on impulse has improved the demand for risk-sensitive currencies. The GBP/USD pair has witnessed a sharp upside move after forming a base in a narrow range of 1.3000-1.3082. The cable was vulnerable in the past few trading sessions; however, the major has rebounded sharply on the announcement of the interest rate policy by the Federal Reserve (Fed).

EUR: EUR/USD treads water around weekly top, pauses three-day recovery. DXY, yields can't cheer Fed's rate-hike, hawkish dot-plot as Chairman Powell expects inflation to ease post 2022. Softer US Retail Sales, mixed clues on Ukraine's peace talks and upbeat news from China trouble pair traders. ECB President Lagarde, second-tier US data may entertain traders, but risk catalysts are more important for clearer directions. EUR/USD remains as a dull affair around 1.1030-35, after refreshing the weekly top to 1.1052 during the early Asian session on Thursday.

INR: USD/INR has slipped near 76.00 on falling oil prices. The risk-on impulse has underpinned the Indian rupee against the greenback. The Fed has raised the interest rates by 25 bps and is determined to increase further gradually. The USD/INR pair continues to plunge further backed by plunging oil prices and weak performance from the US dollar index (DXY) amid risk-on impulse. The major has continued its two-day losing streak and has tumbled near 76.00.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	112.80	115.50			
GBP/KES	146.00	151.80	GBP/USD	1.3180	1.3085
EUR/KES	122.10	127.20	EUR/USD	1.1060	1.0985
INR/KES		1.5365	AUD/USD	0.7335	0.7235
			USD/INR	75.70	76.31
			Commodities		
			Gold	1933	1916
			Brent Crude	99.82	100.91

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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