

# DAILY FOREX NEWSLETTE

Tuesday 1st March 2022

## Local Markets:

The Kenyan shilling was stable on Monday, and it could weaken due to dollar demand from listed companies preparing to pay dividends to their foreign shareholders.

## Top News:

- Markets paused for breath on Tuesday, after days of volatility with Asian shares edging up and gold slipping slightly as investors watched the conflict in Ukraine unfold, and weighed its economic implications, notably regarding energy prices.
- Oil futures rose on Tuesday morning, following a volatile start to the week, as the market weighed a coordinated international release of crude inventories against Russian supply disruptions in the wake of Moscow's invasion of Ukraine.

## International Markets

**USD:** The dollar was up on Tuesday morning in Asia. The roble steadied somewhat after crashing to a record low, while the safe-haven yen steadied after its biggest rallies in almost seven weeks. However, investors' focus remains on the Russian invasion of Ukraine

**GBP:** GBP/USD pauses the two-day winning streak, fades last week's bounce off 10-week low. UK public inflation expectations propel BOE rate-hike calls, but US inflation expectations fail to back 0.50% rate-lift. EU's Funding halt to British scientists portray Brexit woes, Russia extends Ukraine's invasion despite global sanctions. February's activity numbers, US President Biden's SOTU will entertain traders, but risk catalysts will be the key. GBP/USD remains depressed around the intraday low of 1.34005 during Tuesday's Asian session. The cable pair consolidated the monthly losses in the last two days before the latest retreat.

**EUR:** EUR/USD is hovering around 1.1200 ahead of fresh impetus from the Russia-Ukraine tensions. Besides Russia, Europe looks to be the most impacted economy from the sanctions. Tuesday's Manufacturing PMI from the US and Europe will remain under the radar. The EUR/USD is trading lackluster in the early Asian session on Tuesday as investors are waiting for fresh triggers from Russia's invasion of Ukraine. The major has witnessed a principal jump on Monday after a bearish opening gap as the risk-off impulse kicks in after the peace talks between Moscow and Kyiv.

**INR:** India's currency, debt and equity markets will be closed on Tuesday, March 1, for a holiday. Markets will resume trading on Wednesday, March 2. The NSE Nifty 50 index. NSEI closed 0.81% higher at 16,793.90 on Monday, while the S&P BSE Sensex .BSESN was up 0.70% to 56,247.28. The 10-year benchmark bond yield IN065432G=CC ended at 6.770% on Monday, while the rupee INR=IN settled at 75.34 to the dollar.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	112.40	115.00			
<b>GBP/KES</b>	149.50	154.60	<b>GBP/USD</b>	1.3435	1.3385
<b>EUR/KES</b>	124.20	129.20	<b>EUR/USD</b>	1.1240	1.1185
<b>INR/KES</b>		1.5380	<b>AUD/USD</b>	0.7290	0.7220
			<b>USD/INR</b>	75.15	75.40
			<b>Commodities</b>		
			<b>Gold</b>	1905	1906
			<b>Brent Crude</b>	98.97	102.86

## T-Bills Rates:

Duration	Current	Previous
91 Days	7.254%	7.250%
182 Days	8.062%	8.075%
364 Days	9.764%	9.724%

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