

# DAILY FOREX NEWSLETTER

Monday 21st March 2022

## Local Markets:

The Kenyan shilling was stable on Friday, and it was forecast to weaken due to swelling dollar demand from commercial banks paying dividends to their foreign shareholders.

## Top News:

- Asian share markets started the week in a sober mood on Monday as fighting in Ukraine raged on with no sign of stopping, leaving investors clutching at hopes for an eventual peace deal.
- Oil prices jumped \$2 on Monday as Ukrainian forces dug in against heavy Russian attacks, while major oil producers reported they are struggling to produce their allotted quotas under a supply agreement.

## International Markets

**USD:** The dollar was up on Monday morning in Asia, recording slight gains on the Japanese yen to as much as 119.3 yen and challenging the six-year peak of 119.39 touched on Friday.

**GBP:** A back and forth move of cable in a range of 1.3093-1.3203 is indicating a volatility contraction. Pound bulls are firmer above 100-period EMA, which adds to the upside filters. The formation of a head and shoulder pattern is indicating a strong upside move. The GBP/USD pair is oscillating in March 17's intraday range of 1.3093-1.3203. The cable's performance has remained subdued in the Asian session and is likely to continue to get contracted until a decisive move.

**EUR:** EUR/USD extends Friday's losses, consolidates the biggest weekly gains in six. Off in Japan restricts yields but fears from Ukraine underpin DXY's safe-haven demand. Multiple ECB policymakers tried to defend the rate-hike view; Fed speak has been hawkish as well. Comments from ECB President Lagarde, Fed Chairman Powell can offer fresh impulse, Biden's call with Western leaders eyed as well. EUR/USD remains on the back foot for the second consecutive day, around 1.1045 amid Monday's early European morning. The major currency pair rose the most since late January the last week amid the US dollar's inability to cheer the Fed's rate hike. However, the latest risk-off mood, mainly propelled by the Ukraine-Russia crisis, seems to favour the bears ahead of the day's key events.

**INR:** The Indian rupee was at 76.0750/76.0850 against the U.S. currency, compared with 75.7950/75.8050 in the previous session, as crude oil prices and the dollar reversed some of their recent declines.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	113.20	115.50			
GBP/KES	146.10	152.40	GBP/USD	1.3187	1.3185
EUR/KES	122.20	128.00	EUR/USD	1.1080	1.1110
INR/KES		1.5365	AUD/USD	0.7435	0.7410
			USD/INR	75.75	75.80
			Commodities		
			Gold	1927	1932
			Brent Crude	111.47	109.11

## T-Bills Rates:

Duration	Current	Previous
91 Days	7.252%	7.206%
182 Days	8.093%	8.032%
364 Days	9.763%	9.771%

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

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