

DAILY FOREX NEWSLETTER

Tuesday 29th March 2022

Local Markets:

The Kenyan shilling was little changed on Monday, it was projected to weaken due to higher demand for dollars from the energy sector and general importers.

Top News:

- Japanese shares led gains in Asian stocks on Tuesday as the Bank of Japan defended its ultra-easy stance, while oil slid on fears of lower demand from China as Shanghai applied a "zero-COVID" strategy by locking down despite a relatively modest caseload.
- Oil prices dropped on Tuesday, extending losses from the previous day as Ukraine and Russia headed for peace talks and on fears of a drop in fuel demand in China after the financial hub of Shanghai shut down to curb a surge in COVID-19 cases.

International Markets

USD: The dollar was down on Tuesday morning in Asia. The yen fought for a footing after its worst session in 16 months, as the Bank of Japan (BOJ) keeps bond yields down while they are rising sharply elsewhere.

GBP: GBP/USD has found bids near 1.3080 as the risk-aversion theme loses appeal. Higher UK's CPI advocates for a fourth interest rate hike in a row. Going forward, US NFP and UK's GDP will be keenly watched. The GBP/USD pair has attracted some significant bids near 1.3080 as the risk appetite of investors improves and risk-perceived assets are gaining more demand. Earlier, the cable was underperforming despite tightening monetary policy from the Bank of England (BOE).

EUR: EUR/USD holds in a tight range for Asia below 1.10 the figure. Price is trapped between hourly support and resistance below a bearish counter trendline. EUR/USD is trading around 0.1% higher after climbing from a low of 1.0968 and reaching a high of 1.0997 so far on Tuesday. The price is being resisted on an hourly basis around 1.1000 for the start of the week while trapped between there and support near 1.0950. The main focus is on the Ukraine crisis and forthcoming peace talks that start up again today.

INR: The Indian rupee was at 75.9250/75.9350 against the U.S. currency, compared with 76.1550/76.1650 in the previous session, as crude oil prices extended losses on hopes of a ceasefire between Ukraine and Russia. India's benchmark 6.54% bond maturing in 2032 was at 98.00 rupees, yielding 6.82%, compared with 97.90 rupees and 6.84% yield at the previous close, tracking the fall in oil prices.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	114.50	116.50			
GBP/KES	146.50	152.90	GBP/USD	1.3140	1.3180
EUR/KES	122.20	128.30	EUR/USD	1.0985	1.0980
INR/KES		1.5365	AUD/USD	0.7510	0.7560
			USD/INR	75.70	75.90
			Commodities		
			Gold	1923	1942
			Brent Crude	111.28	117.07

T-Bills Rates:

Duration	Current	Previous
91 Days	7.283%	7.252%
182 Days	8.134%	8.093%
364 Days	9.767%	9.763%

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