

DAILY FOREX NEWSLETTE

Wednesday 2nd March 2022

Local Markets:

The Kenyan shilling was stable on Tuesday amid slow appetite for dollars from merchandise importers and commercial banks.

Top News:

- Asian stocks came under renewed pressure on Wednesday and the price of oil surged past \$110 per barrel as investors fretted about the impact of aggressive sanctions against Russia over its invasion of Ukraine.
- Oil prices rose on Wednesday as sanctions on Russian banks following Moscow's invasion of Ukraine hampered trade finance for crude shipments and some traders opted to avoid Russian supplies in an already tight market.

International Markets

USD: The dollar was down on Wednesday morning in Asia, but the moves were small. Investors flocking to safe-haven assets as Russia's invasion into Ukraine intensified.

GBP: GBP/USD remains on the back foot around weekly low, fades early Asian session rebound. UK PM Johnson backs Russian exclusion from SWIFT, US President Biden bans flights from Moscow in US airspace. BOE, Fed policymakers flash mixed signals over Russia-Ukraine jitter's impact on next moves. Global markets remain sluggish, yields, stock futures pare recent losses, DXY stays firmer. GBP/USD takes offers to refresh intraday low around 1.3310, down for the second consecutive day amid early Wednesday morning in Europe. In doing so, the cable pair portrays the mixed feelings in the market, as well as cautious optimism, ahead of the key US data/events.

EUR: EUR/USD looks down to 1.1090 amid escalation in restrictions on Moscow by the US. The fresh wave in the risk-aversion theme has underpinned the greenback against the shared currency. The Ukraine crisis is likely to extend in whole Europe gradually. The EUR/USD pair has attracted significant bids near 1.1135 amid a fresh wave of risk aversion theme as US President Joe Biden confirms banning the Russian flights from using the US airspace. The plunge in the major looks to send it near Tuesday's low at 1.1090, which is also an eight-month low.

INR: USD/INR retreats from 10-week high, snaps two-day winning streak. RSI hints at a pullback towards 61.8% Fibonacci retracement level. Weekly support line, bullish MACD signals can defend buyers afterward. Upside break of 76.20 will aim for December 2021 peak. USD/INR takes a U-turn from the highest levels since late December 2021, sidelined around 75.80 during the initial Indian trading session on Wednesday.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	112.40	115.00			
GBP/KES	147.50	153.00	GBP/USD	1.3340	1.3435
EUR/KES	123.20	128.20	EUR/USD	1.1145	1.1240
INR/KES		1.5380	AUD/USD	0.7295	0.7290
			USD/INR	75.50	75.15
			Commodities		
			Gold	1934	1905
			Brent Crude	110.06	98.97

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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