

DAILY FOREX NEWSLETTER

Thursday 31st March 2022

Local Markets:

The Kenyan shilling was broadly stable on Wednesday but seen on the backfoot as dollar demand by the energy sector outstripped inflows from non-governmental organizations and agriculture exports.

Top News:

- Asian stocks on Thursday eased after this week's global rally, following Wall Street's overnight stumble, while oil dropped sharply as the United States weighed a massive draw from its reserves to rein in surging fuel prices.
- Oil prices dived more than \$5 a barrel on Thursday as the United States is considering the release of up to 180 million barrels from its strategic petroleum reserve (SPR) over several months to calm soaring crude prices.

International Markets

USD: The dollar was up on Thursday morning in Asia. The euro held at a one-month high against the dollar, after rallying over hopes that the war in Ukraine could be entering a new de-escalating phase. The Japanese yen was set for its worst month since November 2016.

GBP: GBP/USD has attracted offers from 1.3144 as investors await UK's GDP and US Initial Jobless Claims. The DXY is responding more to the economic data after the hangover of the Russia-Ukraine peace talks. US Initial Jobless claims are likely to underperform while UK's GDP will remain flat. The GBP/USD pair has witnessed a steep fall in the Asian session after tumbling below the consolidation, which placed in a narrow range of 1.3125-1.3144. The cable is indicating a negative double distribution trading session going forward as the asset has slipped lower after forming a range at open and is likely to auction back and forth again on the downside.

EUR: EUR/USD's upside breakout challenges the 50-DMA roadblock at 1.1181. The US dollar attempts a bounce amid broad risk-aversion, recovery in yields. Bullish RSI suggests any pullback could be short-lived, focus on US/EU inflation. EUR/USD is feeling the pull of gravity, as the US dollar recovers lost ground across the board amid a risk-off market profile.

INR: The Indian rupee rose against the dollar, tracking the decline in Brent crude on reports that the U.S. is weighing releasing reserves to cool off prices. The rupee was trading at 75.73 to a dollar, up from 75.91 yesterday. The rupee has managed to recover from a record low of 76.97 reached earlier this month but is still poised for its worst quarterly performance in two years.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	114.50	116.60			
GBP/KES	146.50	153.10	GBP/USD	1.3140	1.3135
EUR/KES	124.20	130.15	EUR/USD	1.1190	1.1132
INR/KES		1.5530	AUD/USD	0.7520	0.7545
			USD/INR	75.51	75.50
			Commodities		
			Gold	1921	1924
			Brent Crude	107.26	110.98

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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