

# DAILY FOREX NEWSLETTE

Friday 4th March 2022

## Local Markets:

The Kenyan shilling was unchanged on Thursday though persistent importer dollar demand and thin inflows meant it was expected to weaken further.

Kenyan private sector activity returned to growth in February, helped by manufacturing and agriculture after a drop in COVID-19 infection rates, a survey showed on Wednesday.

## Top News:

- Asian equity markets and the euro suffered heavy losses on Friday while oil prices jumped as investors took fright from reports of a nuclear power plant on fire amid fierce fighting between Ukraine and Russian troops
- Oil prices rebounded on Friday as the disruption of Russian oil exports because of western sanctions outweighed the prospect of more Iranian supplies from a possible nuclear deal.

## International Markets

**USD:** The dollar was up on Friday morning in Asia, but the euro was set for its worst week versus the U.S. currency in nine months. The Russian invasion of Ukraine and the resultant higher commodities prices continue to drag on expectations of European economic growth

**GBP:** GBP/USD has returned to 1.3350 after a sharp plunge on Ukraine's nuclear worries. The elevated uncertainty has eased off slightly, however, the risk-off impulse is still active. Investors await more development over shelling at Ukraine nuclear power stations for further guidance. The GBP/USD attracted significant offers from the market participants and slipped near 1.3316 amid the Russian attack on Europe's largest nuclear power station in Ukraine. The headline brought a broad-based selling in the risk-perceived assets as investors considered it further escalation in the Russia-Ukraine war. However, a follow-up buying has been observed and cable is looking to retest 1.3350.

**EUR:** EUR/USD rebounds firmly from 2022 lows as risk-off trades calm a bit. DXY retreats as fears over the Ukrainian nuclear power plant attacks ease. All eyes continue to remain on the Ukraine crisis ahead of the US NFP. EUR/USD is on a quick retracement towards 1.1050, having hit fresh 2022 lows at 1.1010 in the last hours.

**INR:** USD/INR remains firmer, eyes 11-week top marked on Wednesday. Five-week-old resistance line precedes, ascending trend line from late April 2021 to challenge further upside. Fortnight-long support limit nearby declines, 200-DMA becomes the key support. USD/INR holds onto the previous day's gains as bulls poke multi-day highs marked above 76.00 during early Friday morning in Europe

## 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>	148.20	153.20	<b>GBP/USD</b>	1.3385	1.3440
<b>EUR/KES</b>	122.50	127.20	<b>EUR/USD</b>	1.1065	1.1135
<b>INR/KES</b>		1.5380	<b>AUD/USD</b>	0.7390	0.7335
			<b>USD/INR</b>	75.80	75.57
			<b>Commodities</b>		
			<b>Gold</b>	1938	1925
			<b>Brent Crude</b>	112.57	116.94

## T-Bills Rates:

Duration	Current	Previous
91 Days	7.265%	7.254%
182 Days	8.063%	8.062%
364 Days	9.774%	9.764%

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