

DAILY FOREX NEWSLETTE

Monday 7th March 2022

Local Markets:

The Kenyan shilling was stable on Friday amid a slowdown in appetite for dollars from merchandise importers

Top News:

- Oil prices soared and shares sank in frantic trading on Monday as the risk of a U.S. and European ban on Russian product and delays in Iranian talks triggered what was shaping up as a major stagflationary shock for world markets
- Oil prices soared more than 6%, touching their highest since 2008 on Monday after the United States and European allies mull a Russian oil import ban while delays in the potential return of Iranian crude to global markets fueled tight supply fears.

International Markets

USD: The dollar was up on Monday morning in Asia, with the euro falling to a fresh 22-month low against the dollar and hitting multi-year lows on the yen, Swiss franc, and the pound. The ongoing conflict in Ukraine drove up commodity prices and stoked fears of a stagflationary shock that would hit Europe the hardest.

GBP: GBP/USD has plunged to the fresh lows of 2022 at 1.3185 amid extended dumping in risk-sensitive assets. US President Joe Biden seems determined to ban Russian oil imports by nations. The odds of a 50-bps interest rate hike in March's monetary policy meeting are scaling higher. The GBP/USD pair has plunged to the fresh lows of 2022 at 1.3185 amid intensifying fears over the Russia-Ukraine war. The failure from the second round of the Russia-Ukraine peace talks in providing an outcome of a ceasefire has elevated the fears. In addition to that, the agreement of allowing Ukrainian civilians to shift at the safe passages is also failing now.

EUR: EUR/USD has rebounded from 1.0820, which seems a dead cat bounce in absence of any fundamental trigger. The DXY has slipped below 99.00 amid uncertainty over US inflation numbers. Euro events this week: ECB's monetary policy, GDP numbers, and Employment data the EUR/USD pair has rebounded superficially after hitting the nine-month low of 1.0820 on Monday. The rebound is not backed by any fundamental development in the world economy. Therefore, electing the risk-aversion theme would be optimal at this point. However, the oil situation is getting worse as US President Joe Biden is considering a ban on Russian oil imports in the US without the participation of allies in Europe, at least initially,

INR: USD/INR retreats from multi-day as an upward sloping resistance line from April 2021 challenge buyers. Overbought RSI highlights 2021 peak as nearby support but bears need cautious until witnessing clear break of 75.60. USD/INR bulls take a breather around the highest levels since April 2020, recently easing to 76.70 during the initial Indian session on Monday.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	112.40	115.00			
GBP/KES	147.00	152.50	GBP/USD	1.3245	1.3385
EUR/KES	120.50	125.50	EUR/USD	1.0895	1.1065
INR/KES		1.5050	AUD/USD	0.7440	0.7390
			USD/INR	76.65	75.80
			Commodities		
			Gold	1985	1938
			Brent Crude	130.51	112.57

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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