

DAILY FOREX NEWSLETTER

Friday 1st April 2022

Local Markets:

The Kenyan shilling was steady on Thursday, and it was expected it to weaken due to sustained dollar demand from the energy sector and other goods importers.

Top News:

- Asian shares fell on Friday following the biggest quarterly drop in global equities in two years, as investors worried about the impact of the Russian-Ukrainian war and rising risks of recession.
- Oil prices seesawed on Friday ahead of a meeting of consuming nations to discuss a new release of emergency oil reserves alongside a huge, planned release by the United States.

International Markets

USD: The dollar was up on Friday morning in Asia, extending a rally against the yen. Investors now await the latest U.S. jobs report that could indicate the probability of a U.S. Federal Reserve interest rate hike in May 2022.

GBP: GBP/USD is auctioning around 1.3150 ahead of the US NFP. Risk-off impulse has improved the safe-haven appeal. An outperformance of the UK's GDP has failed to underpin the sterling against the greenback. The GBP/USD pair is displaying back and forth moves in 1.3106-1.3176 as a rebound in the US dollar index (DXY) has paused the risk-perceived currencies. The volatility in cable has been contracted sharply despite an outperformance from the UK's Gross Domestic Product (GDP). The quarterly GDP landed at 1.3% higher than the market estimate and prior figure of 1%. While the yearly GDP has been recorded at 6.6% slightly higher than the street consensus and previous print of 6.5%.

EUR: EUR/USD bears are moving in in the 50% mean reversion. A 61.8% Fib ratio is eyed that has a confluence with the neckline of the W-formation. EUR/USD is flat on the session so far as economic uncertainties from the Federal Reserve's tightening monetary policy and Russia's intervention in Ukraine keeps the US dollar underpinned. This is leaving a bearish prospect on the charts for the euro which is illustrated in the following chart

INR: The Indian rupee has held up extremely well despite a multitude of negative factors since the beginning of the year but given the absence of positive news, its chances of a significant recovery currently appear slim.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	114.50	117.00			
GBP/KES	146.50	153.20	GBP/USD	1.3165	1.3140
EUR/KES	123.50	129.20	EUR/USD	1.1095	1.1190
INR/KES		1.5580	AUD/USD	0.7521	0.7520
			USD/INR	75.45	75.51
			Commodities		
			Gold	1937	1921
			Brent Crude	104.48	107.26

T-Bills Rates:

Duration	Current	Previous
91 Days	7.302%	7.283%
182 Days	8.164%	8.134%
364 Days	9.752%	9.767%

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