

DAILY FOREX NEWSLETTER

Wednesday 6th April 2022

Local Markets:

The Kenyan shilling was steady on Tuesday, but it was expected to lose ground against the dollar, undermined by demand from petroleum companies.

Kenyan private sector activity slowed down in March, undermined by rising input costs that were driven up partly by Russia's invasion of Ukraine.

Top News:

- Asian share markets slipped on Wednesday as investors faced up to the possibility of aggressive monetary tightening by the U.S. Federal Reserve to fight inflation, while focus was also on new Western sanctions against Russia over its invasion of Ukraine.
- Oil futures were mixed on Wednesday, recovering from early losses, as the threat of new sanctions on Russia raised supply concerns, countering fears of weaker demand following a build in U.S. crude stockpiles and Shanghai's extended lockdown.

International Markets

USD: The dollar edged up to its highest in nearly two years on Wednesday after jumping overnight on more hawkish comments from a Federal Reserve official, while the euro was hurt by the prospect of new Western sanctions on Russia.

GBP: GBP/USD remains vulnerable amid BOE/Fed policy divergence. Risk-aversion adds to the pain the GBP/USD pair on the Ukraine crisis. All eyes remain on the Fed minutes for fresh near-term direction. GBP/USD is off the lows but remains modestly flat above 1.3050 in Wednesday's Asian trading, as bears take a breather after Tuesday's one big figure sell-off.

EUR: EUR/USD is under pressure on a combination of weighty fundamentals. Bears move in for the kill, forcing the euro to below 1.09 the figure. EUR/USD has been under pressure in Asia as markets are trading risk-off and the dollar continues higher on the bud, extending the overnight gains. The euro has dropped to a low of 1.0890 from the 1.0908 highs of the session.

INR: The Indian rupee was at 75.57/75.58 to the U.S. currency, against 75.32/75.33 in the previous session, as dollar index and U.S. Treasury yields rose following comments by a Federal Reserve official that the U.S. central bank could reduce its balance sheet at a faster pace.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	114.50	117.40			
GBP/KES	147.50	154.20	GBP/USD	1.3110	1.3147
EUR/KES	123.50	129.80	EUR/USD	1.0910	1.0985
INR/KES		1.5680	AUD/USD	0.7615	0.7645
			USD/INR	75.21	75.20
			Commodities		
			Gold	1921	1929
			Brent Crude	106.92	108.84

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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