

DAILY FOREX NEWSLETTER

Tuesday 12th April 2022

Local Markets:

The Kenyan shilling was steady on Monday although demand for dollars from firms in manufacturing and energy sectors was likely to cause further depreciation.

Top News:

- Asian shares were down while the U.S. dollar held strong on Tuesday, as Treasury yields spiked to a three year high ahead of U.S. inflation data which could foreshadow even more aggressive interest rate hikes from the Federal Reserve.
- Oil futures rose early on Tuesday, reversing sharp losses from the prior day, as the market weighed the potential for more sanctions on Russia's energy sector and OPEC warned it would be impossible to increase output enough to offset lost supply.

International Markets

USD: The dollar was up on Tuesday morning in Asia, climbing back above the 100 mark. The U.S. currency was supported by high yields ahead of inflation data due later in the day, which also heightened expectations of tighter monetary policy.

GBP: A barricade of the 200-EMA has dragged the asset to its critical bottom to near 1.3000. A bearish range shift in the RSI (14) is advocating the greenback bulls to dictate the asset. The trendline placed from 1.3300 will continue to act as a strong resistance. The GBP/USD pair is oscillating in a wide range of 1.2989-1.3056 since Monday, struggling hard to secure 1.3000. The pair has witnessed a sheer downside after printing March highs to near 1.3300. The cable is eyeing a trigger that may help in finding a direction going forward. However, the asset is going to witness heavy volumes and wider ticks soon.

EUR: EUR/USD has tumbled below 1.0900 amid uncertainty over the release of the US CPI. Higher US inflation may force the Fed to paddle interest rates quickly. The ECB will announce its monetary policy later this week. The EUR/USD pair is scaling lower sharply after sliding below 1.0900 on Monday. The shared currency has been the worst performer these days amid the ongoing Ukraine crisis after Russia's invasion of Ukraine. The military activity in the eastern part of Ukraine has triggered the fears of stagflation in the Eurozone. The asset is likely to remain uncertain as investors are waiting for the release of the US Consumer Price Index (CPI) and European Central Bank (ECB)'s Bank Lending Survey on Tuesday.

INR: The Indian rupee was at 76.01/76.02 to the U.S. currency, against 75.95/75.96 in the previous session, as the dollar index and U.S. Treasury yields continued to rise, while traders awaited inflation data that is expected to show a pickup in U.S. price pressures.

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	1.3060	1.3040
EUR/KES	123.50	129.80	EUR/USD	1.0910	1.0920
INR/KES		1.5680	AUD/USD	0.7460	0.7480
			USD/INR	75.80	75.55
			Commodities		
			Gold	1959	1944
			Brent Crude	100.53	100.80

T-Bills Rates:

Duration	Current	Previous
91 Days	7.377%	7.302%
182 Days	8.219%	8.164%
364 Days	9.743%	9.752%

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