

# DAILY FOREX NEWSLETTER

Monday 25th April 2022

## Local Markets:

The Kenyan shilling traded flat on Friday but will remain squeezed by dollar demand from the energy sector and month-end obligations from corporations.

## Top News:

- Asian stocks fell the most in two weeks on Monday as concern about rapid U.S. rate rises and slowing growth rattled investors, while the euro found support after Emmanuel Macron won a second term as French president.
- Oil prices slumped to near two-week lows on Monday, extending losses from last week, as concerns grew that prolonged COVID-19 lockdowns in Shanghai and potential U.S. rate hikes would hurt global economic growth and fuel demand.

## International Markets

**USD:** The dollar was up on Monday morning in Asia, with the euro gaining a fraction after French President Emmanuel Macron's re-election on Sunday.

**GBP:** GBP/USD bears moved in with force and the price is potentially moving into bullish accumulation. The Fibonacci is drawn and the 38.2% ratio is eyed ahead of the 61.8%. GBP/USD has been pressured in the open on Monday as the US dollar firms. It has touched a low of 1.2815 after sliding from a high of 1.2843. The flows are moving through the euro due to the French elections, but the bulls have thrown in the towel, at least for now.

**EUR:** EUR/USD is back in the red after bulls fail to sustain the recovery momentum. Risk-aversion, Lagarde's comments offset Macron win-induced opening gains. German IFO survey eyed amid a relatively quiet start to the US GDP week. EUR/USD is resuming its downtrend towards the previous week's low of 1.0761, wiping out all of its early gains triggered by the French Presidential election results. In doing so, the main currency pair closed out the bullish opening gap of about 50-pips to 1.0841 highs. The main catalyst behind the latest leg lower could be attributed to Sunday's remarks from European Central Bank (ECB) President Christine Lagarde.

**INR:** The Indian rupee was trading lower against the U.S. currency tracking the fall in Chinese yuan decline to its lowest level in a year. The rupee was quoting at 76.68 to the dollar, down from 76.48 on Friday. The onshore Chinese yuan plunged 0.7% to 6.5450 to the dollar amid mounting concerns over coronavirus outbreak and the U.S. Federal Reserve's interest rate outlook.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	114.50	117.50			
GBP/KES	145.50	150.60	GBP/USD	1.2850	1.3060
EUR/KES	122.00	126.70	EUR/USD	1.0790	1.0875
INR/KES		1.5680	AUD/USD	0.7200	0.7380
			USD/INR	76.00	75.95
			Commodities		
			Gold	1915	1952
			Brent Crude	103.45	107.45

## T-Bills Rates:

Duration	Current	Previous
91 Days	7.448%	7.424%
182 Days	8.373%	8.315%
364 Days	9.755%	9.745%

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