

# DAILY FOREX NEWSLETTER

Monday 25th April 2022

## Local Markets:

The Kenyan shilling traded level on Monday, but it was expected to inch lower on the back of unmatched dollar demand from the energy and manufacturing sectors.

## Top News:

- Asian shares were cautiously higher on Tuesday after a late revival on Wall Street, though global growth fears stoked by China's stringent COVID-19 curbs and an expected streak of aggressive Federal Reserve tightening sapped risk appetite.
- Oil prices opened slightly higher on Tuesday, after falling sharply the prior session on worries that continued COVID-19 lockdowns in China would eat into demand and as the U.S. dollar rose to a two-year high.

## International Markets

**USD:** The dollar climbed to around a two-year high against the euro and an 18-month high versus the pound as fears about the economic impact of China's COVID-19 lockdowns and an aggressive pace of U.S. rate hikes sent investors scrambling for safety.

**GBP:** GBP/USD bulls seeking a break of 1.2765 in the sessions ahead. Bulls eye a significant correction from weekly support. GBP/USD is an interesting schematic on the charts. Following a negative start to the week, where the weekly chart has extended further to the downside, there are now prospects of a meaningful correction from what could prove to be a firm area of support.

**EUR:** EUR/USD has witnessed a minute bounce after nosediving to near 1.0700. The ECB will move to rate hike measures after concluding the APP. The greenback will remain strengthened on a prolonged liquidity shrinking plan. The EUR/USD pair is displaying a minor bounce after dropping to near the psychological support of 1.0700 in the Asian session. The pair has been plunging from a few trading sessions amid renewed fears of stagflation in the eurozone and a stronger greenback on progressive odds of a jumbo rate hike by the Federal Reserve (Fed) in May

**INR:** The Indian rupee was trading higher against the dollar tracking a rebound in the Chinese yuan and local equities. The rupee was quoting at 76.48 to the dollar compared with 76.69 yesterday. The onshore Chinese yuan climbed 0.4% to 6.5355 to the dollar after having fallen about 3% in a week. The rapid decline on the yuan prompted the People's Bank of China to reduce the amount of foreign exchange deposits banks have to set aside.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	114.50	117.50			
GBP/KES	145.50	150.20	GBP/USD	1.2795	1.2850
EUR/KES	122.00	126.30	EUR/USD	1.0760	1.0790
INR/KES		1.5600	AUD/USD	0.7265	0.7200
			USD/INR	76.05	76.00
			Commodities		
			Gold	1904	1915
			Brent Crude	103.55	103.45

## 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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