

DAILY FOREX NEWSLETTER

Wednesday 27th April 2022

Local Markets:

The Kenyan shilling was stable on Tuesday, but dollar demand from the energy and manufacturing sectors were expected to continue to exerting weakening pressure on the local unit.

Top News:

- Shares in Asia-Pacific were mixed in Wednesday trade after overnight losses saw the tech-heavy Nasdaq Composite sliding to a fresh low for 2022. Mainland Chinese stocks attempted to bounce back from days of losses.
- Oil prices extended gains in early Asian trade on Wednesday amid simmering geopolitical tensions as Russia cut gas supplies to Poland, while hopes of Chinese economic stimulus buoyed the demand outlook. Brent crude futures rose 44 cents, or 0.4%, to \$105.43 a barrel by 0418 GMT.

International Markets

USD: The dollar was up on Wednesday morning in Asia, at its highest level since the COVID-19 pandemic began and set for its best month since 2015. The prospect of aggressive interest rate hikes in the U.S., and a move towards safe-haven assets thanks to slowing economic growth in China and Europe, also gave the U.S. currency a boost.

GBP: Downside pressure from greenback bulls exposes a drop to near 1.2500. The GBP/USD pair is falling like a house of cards since Friday after slipping below the two-week-old barricade at 1.2973. The asset has eased around 3.70% in the last four trading sessions and is showing no sign of reversal yet.

EUR: EUR/USD hits fresh five-year lows below 1.0636 EUR/USD cracks the 2020 low of 1.0636, with more pain in the offing. The US dollar cheers haven demand amid Fed-ECB policy divergence. Intensifying EU-Russia tensions over energy weigh on the euro ahead of Lagarde's speech.

INR: The Indian rupee was trading lower against the U.S. currency as the dollar index extended its recent advance amid worries over the growth outlook. The rupee was quoting at 76.69 to the dollar compared with 76.58 yesterday. The dollar index rose to 102.40 today, taking its gains this month to 4%. The index is on course for its best monthly performance since 2015, helped by the expected aggressive U.S. Federal Reserve rate hikes and safe-haven demand.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	114.50	117.80			
GBP/KES	145.00	149.20	GBP/USD	1.2610	1.2795
EUR/KES	122.00	126.40	EUR/USD	1.0680	1.0760
INR/KES		1.5600	AUD/USD	0.7220	0.7265
			USD/INR	76.20	76.05
			Commodities		
			Gold	1899	1904
			Brent Crude	105.50	103.55

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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