

# South African rand surges as dollar sinks on US inflation data

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The South African rand surged on Wednesday as the dollar sunk on a cooler-than-expected US inflation report.



Source: Reuters.

At 1520 GMT, the rand traded at 16.1600 against the dollar, up more than 2.7% from its previous close.

The dollar was down 1.4% against a basket of currencies as the US.

July inflation reading raised expectations of a less aggressive rate hike cycle from the Federal Reserve. The risk-sensitive rand is particularly susceptible to swings in global market sentiment.

Also supporting the currency, data on Wednesday showed the South African business confidence index rose in July, helped by an increase in trade volumes and vehicle sales.

Johannesburg-listed shares fell, with the stock exchange's all-share index ending down about 0.7% and the top-40 index 1% lower. Among the decliners, shares in Quilter, Old Mutual's former wealth-management business, dropped more than 4.7% after it said its assets under management and administration decreased 12% between the end of December and

June.

The South African government's benchmark 2030 bond strengthened sharply, with the yield down 23.5 basis points to 10.025%.

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