

How have the markets reacted to SA's credit rating going up?



By [Andre Cilliers](#)

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Despite Moody's raising South Africa's credit rating to "stable" from "negative" late on Friday, we start the new week trading relatively flat at R14.65.



Source: [Fixabay](#)

Rand update

The rand blipped up to R14.70 after the US unemployment number on Friday, before closing at R14.66 on a day that saw the rand trade mainly on the back foot.

This morning, the dollar is trading unchanged in the Far East, with Chinese markets closed for a holiday. The recent R14.40 to R14.80 range is likely to hold for now as developments between Russia and Ukraine unfold.

Commodity update

Gold ended weaker on Friday, while Platinum and Palladium closed essentially unchanged. This morning we have Gold trading lower at \$1,915, Platinum is flat at \$985, and Palladium is firmer at \$2,307.

The news of a cease-fire in Yemen and Joe Biden's plan to release 180 million barrels of US oil reserves is keeping the oil price on the back foot, despite the ongoing supply concerns due to the war. Brent is currently trading at \$104.60, while WTI is at \$99.35.

International update

The DXY index is sitting at 98.57 this morning with the dollar trading flat at 1.1050 and 1.3125 against the euro and pound respectively, while it is stronger against the Yen at 122.65.

Further sanctions on Russia and the lack of any positive news from last week's peace talks have seen the euro slip from last week's stronger levels and push investors back to the dollar. The good US payrolls and unemployment data saw the US bond yields jump in the shorter end, further inverting the yield curve. The 30y yield is now at 2.47%, the 10y yield is at 2.42%, the 5y yield is at 2.59%, and the 2y yield at 2.48%.

Wall Street's three major indices closed with modest gains on Friday, and US futures have opened unchanged this morning. Asian stocks are trading relatively flat today with Chinese markets closed.

ABOUT ANDRE CILLIERS

Andre is the Currency Risk Strategist at TreasuryONE. Andre's career in treasury spans more than 30 years. He has gained his extensive currency risk experience in both the banking and corporate arena. Before joining TreasuryONE, Andre headed up the treasury department for a Tier One German international bank in South Africa.

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