

SA rand hits 29-month low after hot US consumer inflation

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14 Oct 2022

South Africa's rand hit a 29-month low on Thursday after data showed US consumer prices came in higher than expected, raising further bets of the Federal Reserve delivering another large rate-hike next month.



Source: Reuters.

At 1625 GMT, the rand traded at 18.2850 against the dollar, not far from its last close as it recouped some losses.

Earlier in the session, it hit a low of 18.5850, its weakest since May 2020.

Data from the US Labor Department showed consumer prices increased more than expected in September as rents surged by the most since 1990, while the cost of food also rose.

Emerging-market currencies including the rand are on the back-burner as investors scurry towards the safety of safe-haven assets at times of high economic uncertainty.

Locally, data released by Statistics South Africa showed August mining output fell 5.9% year on year.

Shares on the Johannesburg Stock Exchange fell, mirroring similar moves in global equities as investors increased bets of more big Fed rate hikes following the US inflation data.

Overall on the stock market, the Top-40 index ended down 0.37% while the broader all-share dropped 0.21%. The government's benchmark 2030 bond fell slightly, with the yield up 1.5 basis points to 10.845%.

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