

No respite for the rand

By [Andre Cilliers](#)

18 May 2023

The rand gave back most of this week's gains yesterday, losing nearly 1.0%, as the dollar firmed and local headwinds still weigh.



Source: Pexels.

The broad R19.00/R19.50 range remains intact for now, but there is a distinct feeling of unease over the rand, with the rand trading weaker at R19.33 this morning.

The G7 meeting kicks off today with South Africa not being invited, load-shedding continues unabated, and there is some concern over the S&P's credit rating review tomorrow.

On the international front, the dollar remains firm after the US debt-ceiling negotiations showed some progress yesterday. Euro, pound, and yen are softer this morning, with the yen being the biggest loser, falling 1.0% yesterday to 137.67. The Chinese yuan also continues to weaken, breaking above the key 7.0000 level against the dollar and sitting at 7.0150.

The two-year US bond yield jumped last night, closing at 4.16%, while Wall Street had a strong day, with all three major indices up by over 1.0%. Today we have US jobless claims, the Philadelphia Fed Manufacturing Index, and existing home sales numbers due out.

Gold and palladium lost further ground yesterday, while platinum and copper managed small gains. Brent crude closed strongly higher last night but is marginally weaker this morning as global growth concerns cap further gains. Oil prices were up around 3% yesterday about optimism that the debt ceiling in the US will be resolved.

Brent is currently at \$76.50, while WTI is holding above the key \$70.00 level.

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.

- Risk sentiment soars on rising Middle East tensions and US rate cut concerns - 16 Apr 2024
- Nervous markets as Middle East tension rises - 15 Apr 2024
- Middle East tensions spark Gold and oil surge, yet rand resilient - 18 Oct 2023
- Middle East conflict spurs risk-off scenario - 9 Oct 2023
- Dollar soars; pressuring commodity prices - 6 Sep 2023

[View my profile and articles...](#)

For more, visit: <https://www.bizcommunity.com>