

Bonds weaker as ANC closes ranks behind Zuma

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The South African bond market was weaker after the rand fell 30c against the dollar on the news that the ANC national working committee (NWC) rejected calls from the SACP and Cosatu for President Jacob Zuma to step down.



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The benchmark R186 slipped above the 9% yield level again after firming on Tuesday on the growing groundswell of anti-Zuma sentiment.

ANC secretary general Gwede Mantashe said at a press conference Cosatu and the SACP will be engaged on their views, but rejected reports that he and others would have to apologise for questioning the removal of Pravin Gordhan as finance minister, which led to S&P Global Ratings' downgrade on Monday.

"People saying we had to apologise were very economical with the facts," Mantashe said.

At 11.55am, the yield on the R186 was at 9.10% from 8.90% and the yield on the R207 was at 7.925% from 7.755%.

The rand was at R13.8474 against the dollar from R13.6015.

Futuregrowth portfolio manager, Wikus Furstenberg, said volatility in the bond market, with a weakening bias, was expected

to continue.

"As bond managers, we are particularly disturbed by the serious negative implications for the finely balanced fiscal outlook following S&P's downgrade," he said.

The US 10-year bond was flat at 2.3634%.

Source: *BDpro*

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