

Rand breaks through key technical levels

By  Andre Cilliers

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The rand flirted with the R15.10 level yesterday as it broke through key technical levels and firmed steadily throughout the day.



Source: [Fxabay](#)

Rand update

We saw good two-way trade yesterday, with volumes well above the daily average. The rand gave back some ground in New York as US bond yields narrowed and the dollar firmed. The local currency closed at R15.20, still 0.8% stronger on the day.

This morning we have the rand still trading at R15.20 as we wait and see if the currency will make another attempt at the R15.10 level. The rest of the emerging market space was also on the front foot, with Brazilian Real trading almost 1% stronger. The outlier on the EM front is Russia, with geopolitical issues between them and the US placing a dampener on the currency.

Commodity update

Gold is having a great week, with the metal now trading at \$1,841, Platinum is slightly weaker this morning at \$1,035, and Palladium is down at \$2,047. Nickel stockpiles have stabilised yesterday but there remains tight supply of the metal. Oil has slipped from yesterday's seven-year highs of \$89.00 on higher US inventories and some profit-taking. This morning we have Brent quoted at \$87.10 and WTI at 86.90.

International update

US Treasury yields closed lower last night and have opened even lower this morning. The 30y yield is currently at 2.10%, the 10y yield is at 1.78%, and the 2y yield is at 1.57%, as markets show some caution ahead of next week's Federal Open Market Committee (FOMC) meeting.

The DXY index is quoted at 95.70 with the dollar trading slightly weaker than last night's closing levels. The greenback is sitting at 1.1327 against the euro and at 1.3589 against the pound this morning.

Wall Street fell last night with the S&P losing 1.10%, the Nasdaq down 1.30%, and the Dow 0.89% weaker. US futures have opened softer this morning while Asian-Pacific markets are all in the red.

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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