

Russia at war; markets unstable



By [Andre Cilliers](#)

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Russia has launched an attack on Ukraine targeting Ukrainian military installations. Large explosions have been heard in some of the major cities while Russian troops have entered Eastern Ukraine. The markets are volatile.



Source: [Pexels](#)

Rand update

There has been a rush to safe-haven assets in the financial markets with the dollar strengthening sharply, Gold surging higher, the oil price breaking above \$100, and global equity markets being sold off.

The Russian Ruble has weakened by nearly 9.0% this morning, now quoted at a record low of 88.32 against the Dollar and dragging EM currencies weaker. Yesterday's post-budget positivity in the rand has completely disappeared with the rand currently trading 1.2% softer at 15.28.

We expect a volatile day as the situation in Ukraine unfolds with the short-term target of 15.35 now well within range.

Commodity update

Gold has surged to \$1,943 this morning, up 1.85% already, while Platinum and Palladium are both up around 1.0% at \$1,102 and \$2,504 respectively. The price of Brent has broken above \$100 for the first time since 2014 as supply concerns hit the market. Currently, Brent is trading at \$101.43 while WTI is up at \$96.58.

International update

The DXY index is quoted up at 96.63 with the dollar trading stronger against both the euro and pound. Currently, the dollar is trading at 1.1228 against the euro and at 1.3497 against the pound.

US bond yields closed higher last night but have slipped back across the entire curve this morning. Wall Street closed weaker last night and US futures have opened sharply lower this morning.

The Nikkei is currently 1.95% down, the Shanghai is 1.4% weaker, while the Hang Seng has lost 3.18%. The JSE was negative last night, closing at 74,987. Today we have local PPI data, US Q4 GDP and jobless claims numbers.

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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