

South African rand, stocks on back foot after Fed rate signals

The South African rand weakened against a stronger dollar on Thursday, 16 December, after the U.S. Federal Reserve and the European Central Bank signalled more interest rates hikes.



South African Rand coins are seen in this illustration. Reuters/Mike Hutchings/Illustration

At 1642 GMT, the rand traded at 17.4850 against the dollar, 1.92% weaker than its Wednesday close.

Statistics South Africa figures on Thursday showed producer inflation slowed to 15% year on year in November from 16% in October.

Another data showed the country's formal sector employment, excluding agriculture, rose 0.1% quarter on quarter to 9.984 million people in the third quarter of 2022.

On the stock market, the Top-40 index ended 1.88% lower while the broader all-share fell 1.76%.

Shares in Steinhoff International Holdings NV fell over 60% after the retailer said on Thursday it had reached an agreement with some of its largest creditors to extend the maturity of its debt.

The South African government's benchmark 2030 bond was stronger in afternoon deals, with the yield falling 4.5 basis points to 10.215%.

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