

Rand surges in Asian markets this morning

By Andre Cilliers

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The rand has firmed against all the major currencies in the Far East this morning as it continues its recovery from the recent heavily oversold position.



Source: Reuters.

The local currency is currently nearly 0.5% stronger against the dollar, euro, and pound at R17.67, R19.57 and R22.69, respectively. The rand has consolidated its break of the 200-day moving average, which comes in at R18.0250, and we are now targeting a possible move toward R17.50 in the short term.

The strength in the rand is a bit surprising given the weaker euro and pound against the dollar and given the uncertainty ahead of tomorrow's FOMC meeting.

EU and UK manufacturing and services PMI numbers were disappointing yesterday, but US numbers showed a still resilient US economy. While moderating, US inflation remains well above the Fed's target, and traders will wait to see whether Powell will be sticking to the Fed's two rate hikes this year plan.

Precious metals treading water

Precious metal prices are steady this morning as markets await the Fed. Still, the promise from the Chinese Government's Politburo that it will be rolling out further stimulus measures to support the ailing economy has seen base metals and oil firms. Copper and Nickel are up on the day, while Brent crude is now sitting above \$83.00 in hopes of increased demand out of China.

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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