

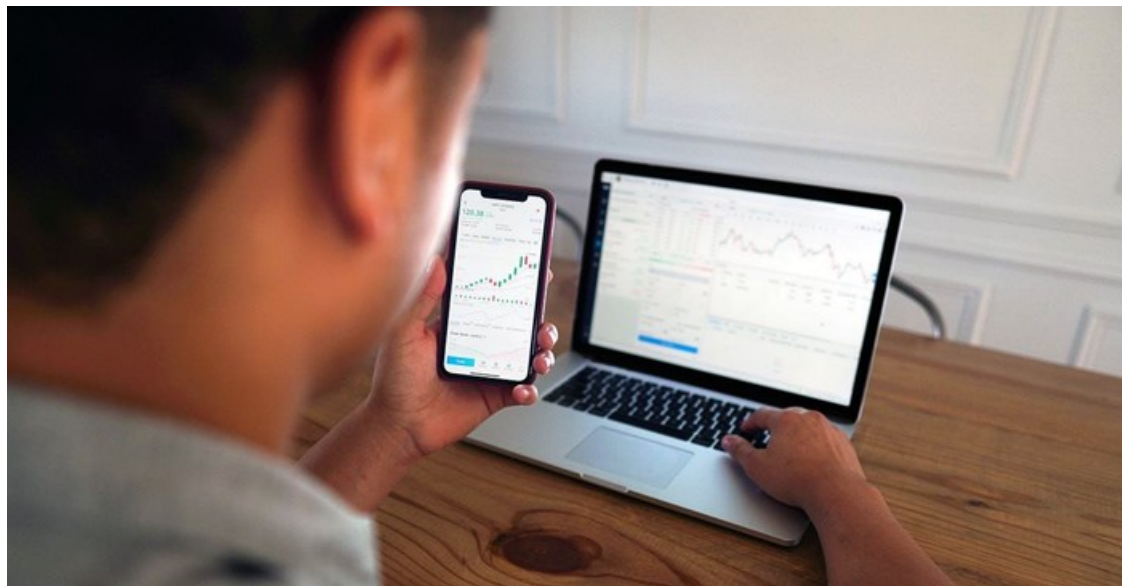
US MoM producer price out



By [Andre Cilliers](#)

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For December, US MoM producer price inflation came out below estimates, while US jobless claims rose above estimates, keeping the dollar on the back foot and pushing US bond yields lower.



Source: [Fxabay](#)

Rand update

Despite the slightly weaker dollar, the rand closed weaker on the day at R15.40 as EM currencies retreated. The rand had traded as firm as R15.27 but, as mentioned yesterday, was looking overbought in the short term, and a correction was likely. We expect a trading range of R15.30/R15.50 for today, with the currency likely to track international moves.

Commodity update

Metals closed marginally in the red last night on a day of small moves. This morning we have Gold and Platinum trading firmer at \$1,826 and \$978, respectively, while Palladium is around 1.0% weaker at \$1,870. Copper has slipped from yesterday's three-month high, trading below the \$10,000 per ton level again. The oil price is holding fairly steady at \$84.40 for Brent crude and at \$81.90 for WTI.

International update

The DXY index is down at 94.66 as the dollar trades weaker against both the euro and pound. The greenback is currently quoted at 1.1477 against the euro and at 1.3730 against the pound.

US Treasury yields closed lower yesterday after the lower PPI number but are trading slightly higher again this morning. The 30y-yield is at 2.06%, and the 10y-yield is at 1.72%.

Wall Street had a poor day yesterday, with the S&P falling 1.42%, the Nasdaq falling 2.51%, and the Dow ending 0.49% lower. US futures are slightly in the green this morning, but Asian-Pacific markets are all weaker. The JSE ALSI ended relatively flat at 75,926 last night.

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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