

Rand holding firm

Friday's poor US non-farm payrolls number was offset by a surprise drop in unemployment and higher hourly earnings. Non-farm payrolls data showed only 199k new jobs created versus a market estimate of 447k, while unemployment fell to 3.9% from 4.2%.



Source: [Fxabay](#)

US bond yields kicked up, but the dollar ended the week on the back foot. The rand continued to show resilience, firming to R15.55 before closing at R15.59 where we are trading unchanged this morning. The local currency seems to be holding firm as markets expect the SARB to hike rates at a similar pace to US rates. We need to break the key R15.50 technical level to see further strength in the rand for now, which could be challenging in the short term.

Commodity update

Gold closed firmer on Friday, Platinum was weaker, while Palladium jumped by 3.2%. Gold and Platinum are trading flat this morning at \$1,794 and \$964, respectively, while Palladium is slightly weaker at \$1,931. Oil is holding steady, just below last week's best levels with Brent sitting at \$81.89 and WTI at \$79.02.

International update

The dollar closed softer last week with the DXY falling below 96.00 but there has been a bit of a recovery this morning in the Far East. The DXY is currently at 95.94 with the dollar trading at 1.1335 against the euro and at 1.3585 against the pound.

US Treasury yields are holding steady at Friday's higher levels. The 30y yield has opened at 2.12% this morning, the 10y yield is at 1.77%, and the 2y yield is at 0.87%.

Markets are betting on the Fed raising rates earlier on the back of the strong unemployment data, a strong economy, and persistently high inflation.

On Friday, Wall Street closed in the red as higher bond yields weighed on the equity market. US futures have opened positive this morning while Asian markets are in the green.

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