

Currency Markets

(Spot : 03 Mar 2020)

International Market

Currency	Mid Yesterday 5pm	Bid	Offer	Mid
EUR/USD	1.0977	1.0999	1.1002	1.1001
USD/JPY	109.9450	108.8600	108.8900	108.8750
GBP/USD	1.2883	1.2888	1.2889	1.2889
USD/CHF	0.9697	0.9673	0.9677	0.9675
USD/CAD	1.3363	1.3442	1.3446	1.3444
AUD/USD	0.6579	0.6522	0.6524	0.6523
NZD/USD	0.6325	0.6236	0.6240	0.6238

Market concern around the coronavirus escalated with investors turning to safe havens. Global shares experienced its worst week which was last seen in the global financial crisis of 2008. Markets are forecasting a 50% probability that the Federal Reserve would cut interest rates by 25bps as early as next month to aid economic growth due to the coronavirus. The CBOE volatility index (which is an indicator of market concern) increased to levels that were last seen 2 years ago. The oil price was lower with US crude futures experiencing losses last seen more than 5 years ago. The 10-year treasury yield curve reached a record low. US GDP for the 4th quarter printed in line with the forecasted 2.1%. US durable goods orders for January contracted by 0.2% compared to the forecasted contraction of 1.5%. US initial jobless claims printed higher at 219K compared to the forecasted 212K. The Euro Zone consumer confidence for February printed in line with the forecasted -6.6. US goods trade balance, PMI, retail inventories and wholesale inventories; China's PMI and; Germany's CPI and employment figures are anticipated later today. The safe-haven



Local Market

Currency	Mid Yesterday 5pm	Bid	Offer	Mid
USD/ZAR	15.4245	15.6225	15.6365	15.6295
EUR/ZAR	16.9286	17.1866	17.2028	17.1947
GBP/ZAR	19.8694	20.1327	20.1567	20.1447
JPY/ZAR	0.1404	0.1435	0.1436	0.1435
AUS/ZAR	10.1739	10.1814	10.1924	10.1869
CAD/ZAR	11.5671	11.6117	11.6234	11.6176

Yesterday the rand was under pressure on the back of concerns around the coronavirus and comments by credit rating agency Moody's. At the time of writing this report the rand was trading around 15.63. Moody's raised concerns of South Africa's ability to negotiate with unions on the reduced wage bill that was highlighted at the budget speech. Moody's went further to highlight that with Mboweni announcing that taxes were unchanged, this would increase the country's deficit to 7.5% in 2020 and 7.1% in 2021 (if SA was unable to achieve the lower wage bill). Eskom was in the spotlight after it cut electricity supply to the rail service in the western cape (due to outstanding bills) which left commuters stranded. Protest action is anticipated in Sandton today due to concern around electricity cuts and the possibility of the power utility Eskom being privatised. Protest action against SA Airlink is anticipated today at OR Tambo International Airport. Markets ignored the positive PPI figures that was released for January at 4.6% (YoY) and 0.3% (MoM). South Africa's trade balance for January, money supply and



Financial Markets

Commodity	Previous Close	Bid	Ask	Last	Change
Brent Crude	52.18	50.67	50.70	50.67	-1.33
Light Crude	47.09	45.57	45.58	45.57	-1.51
Gold	1 641.95	1 630.16	1 631.00	1 630.16	-11.79
Platinum	898.85	889.78	896.46	889.78	-9.07
Silver	17.70	17.15	17.18	17.15	-0.54

Index	Previous Close	Last	Change
ALSI	47 892.00	-	-
S&P 500	3 116.39	2 978.76	-137.6
JSE All Share	55 047.20	-	-
Dow Jones	26 957.59	25 766.64	-1 191.0

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