Local Markets:

- Intraday the ZAR tested as low 13.71 before making retracements to 13.79 where it currently is trading.

- The euro and sterling edged higher against the dollar on Friday after Britain and the European Union agreed a draft text setting out their future relationship before a summit on Sunday.

- Traders were cautiously optimistic about the draft declaration agreed by the United Kingdom and the European Commission which outlined how the trading relationship, security and other matters will work once the divorce is finalised. The euro and sterling traded marginally higher on Friday, having advanced overnight by 0.2 percent and 0.8 percent respectively.

- Traders are still waiting for more clarity around the Brexit deal as it faces a rocky ride once it reaches a deeply divided British parliament, with hardline eurosceptic and staunch pro-EU factions, and various shades of gray in-between.

- The dollar index, a gauge of its value versus six major peers, traded marginally lower at 96.46. Much of the weakness is due to the strength in the euro and sterling, which together constitute 70 percent of the index.

- The dollar has lost ground for two consecutive trading sessions and is drifting lower from a 16-month high of 97.69 hit earlier this month.

- The Fed is expected to deliver its fourth rate hike of 2018 in December, but markets are trying to gauge how much tighter can policy get next year without risking a slowdown in the domestic economy, which has so far held up well even as borrowing costs have risen.

- SARB rate hike, might ironically help household cash flows through reducing the ZAR price of fuel

- Cabinet reshuffle announced by Ramaphosa does not go far enough, he may be balancing factional interests

- As has been the case for most of this week, traders will likely prefer selling the USD-ZAR upticks. Technically the pair is on track to retreat even further through the weeks ahead, with the only major risk factor to contend with today being the S&P review of SA’s credit rating.
• That will however only be announced after hours and given the developments through the past few months, is unlikely to change materially. Levels back below 13.7000 could well be tested through the course of the trading session now that long USD positions have capitulated and will be a little gun-shy.

• Range for the day: 13.60/90000

USDZAR

• Intraday techs show that the ZAR has strengthened, it tested as low as 13.71
• Importers look to buy from 13.70-13.80. Exporters sell upticks towards 14.00-14.10.
• The next upside level is 13.82. A break above this level could signal a move toward 13.92.
• The level on the downside is 13.74. A break below this level could signal a move toward 13.68.

EURZAR

• Intraday techs show that the ZAR has strengthened, it tested as low as 15.65
• Importers Look to buy from 15.60–15.70. Exporters sell upticks toward 16.00.
• The next upside level 15.77. A break above this level could signal a move to 15.87.
• The level on the downside is 15.68, A break below this level could signal a move toward 15.55.

GBPZAR

• Intraday techs show that the ZAR has strengthened, it tested as low as 17.65
• Importers Look to buy from 17.60 –17.70. Exporters sell upticks toward 18.00.
• The next upside level is 17.80. A break above this level could signal a move 17.90.
• The level on the downside is 17.65. A break below this level could signal a move toward 17.55.