MORNING NOTE

Morning Snapshot:

Market midrates
• Usdzar 12.6500
• Eurzar 14.7900
• Gbpzar 16.9200

Commodities
• Brent 77.60
• Crude 65.76
• Gold 1292

Bonds
• US Ten year 2.91
• Local 186 8.62

Market Analysis:

Local Markets:
• Last week we saw the ZAR test as high as 12.75 after stronger US payrolls data was released. This weakness was short-lived as we saw the ZAR bounce off this level and is currently trading at 12.65.

• It would appear that a combination of the rising trade tensions and concerns over the upcoming Korean summit has been enough to offset the more positive sentiment on the USD.

• Local GDP, Manufacturing and Mining data will be the main data events through the week ahead.

• This week's main political event will be the former President Zuma's appearance in court on arms deal charges.

• Petrol price rises by a massive 82c/ltr this week to deal inflation another blow.
• Intra-day, USDZAR resistance towards 12.7000 is expected to keep the topside capped. With the USD on the defensive through Asian trade and with traders expressing their concern about trade wars and the upcoming Korean summit, the USD may struggle to gain more ground this week.

• Daily Range 12.50-12.76

USDZAR

• Intraday techs show the ZAR briefly tested as high as 12.75 before making retracement to 12.65 in this morning’s trade.
• Importers look to buy at levels targeting between 12.45-55. Exporters sell upticks at these levels towards 12.65-75.
• The next upside level is 12.66. A break above this level could signal a move toward 12.75.
• The level on the downside is 12.62. A break below this level could signal a move toward 12.55.

EURZAR

• Intraday techs show the ZAR briefly tested as high as 14.88 before making retracement to 14.79 in this morning’s trade.
• Importers Look to buy from 14.50-14.60. Exporters sell upticks toward 14.75 – 14.85.
• The next upside level is 14.80. A break above this level could signal a move toward 14.90.
• The level on the downside is 14.72 A break below this level could signal a move toward 14.60.

GBPZAR

• Intraday techs show the ZAR briefly tested as high as 16.96 before making retracement to 16.92 in this morning’s trade.
• Importers Look to buy from 16.60 – 16.70. Exporters sell upticks toward 16.90– 17.00.
• The next upside level is 16.92. A break above this level could signal a move toward 16.99.
• The level on the downside is 16.85. A break below this level could signal a move toward 16.75.