

# Yen drops to lowest in five years

The Yen hits its five-year weakest level of 116.00 as US bond yields climbed a second day in a row.



Source: [Fxabay](#)

## Rand update

Rising US bond yields coupled with surging Covid cases and a strong dollar are weighing on risk sentiment and putting EM currencies under pressure. We saw the rand initially firm to R15.80 levels yesterday, but there was a sharp reversal thereafter as the rand weakened up to R16.07 before closing at R16.00 last night. The local currency is on the back foot this morning and is currently quoted at R16.05.

## Commodity update

Precious metals ended stronger yesterday, with Gold up 0.8%, Platinum up 1.9%, and Palladium up 2.6%. This morning, all three metals are trading relatively flat at \$1,815 for Gold, \$976 for Platinum, and \$1,867 for Palladium. Brent managed to breach the \$80.00 levels after OPEC+ confirmed their planned production increase for February. This morning Brent and WTI are both a touch softer at \$79.82 and \$76.79, respectively.

## International update

The euro fell below 1.1300 yesterday while the yen hit a five-year weakest level of 116.00 as US bond yields climbed for the second day in a row. The 30y-yield is currently quoted at 2.06%, and the 10y-yield at 1.65%. The DXY index is holding at 96.26, with the euro trading at 1.1290 and the pound at 1.3525.

The Dow closed at a new record high again yesterday, up 0.59% on the day, but there were losses for both the S&P and the Nasdaq. Asian-Pacific stocks are all in the red this morning, while US futures have opened lower. The JSE had a strong day yesterday, with the ALSI ending 1.8% up at 75,052.

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