

Russia's central bank slashes key interest

The Russian Ruble lost 17.0% after the Russian central bank slashed interest rates by 3.0% to stem Ruble's recent strength.

 By Andre Cilliers 30 May 2022



Source: The Russian Central Bank. REUTERS.

Rand update

The rand ended on a firmer note last week, closing at R15.57 as the dollar slid against the euro and pounce. We start the new week unchanged on what is likely to be a fairly quiet day due to the Memorial Day holiday in the US, and we expect the rand to consolidate around current levels for now.

The rand's EM peers are all trading flat except for the Russian ruble, which is weaker at 66.50 against the dollar. The ruble lost close to 17.0% last week after the Russian central bank slashed interest rates by 3.0% in order to stem the Ruble's recent strength.

Commodity update

Metal prices all firmed on Friday ahead of the US holiday and long weekend, and we are seeing further gains this morning. Gold is up at \$1,862, Platinum up at \$958, and Palladium up at \$2,080. Oil continues to rally on tight supply, and increasing demand buoys the price. New Covid cases in China appear to be declining, and this has seen Brent crude rise to \$120.0 while WTI is up at \$116.00.

International update

The dollar has lost some of its attractiveness as investors weigh the possibility of the Fed not increasing interest rates at the previously expected aggressive pace. The DXY index is lower at 101.47, with the euro up at 1.0763 and the pound up at 1.2652 this morning.

The Japanese Yen has also firmed this morning and is currently quoted at 126.97. US Treasury yields

closed a touch lower on Friday, while Wall Street had a strong close to the week.

The S&P ended 2.47% stronger, the Dow was 1.76% higher, and the Nasdaq gained a massive 3.33%.

Asian markets are following the positive trend, with The Nikkei and the Hang Seng both up over 2.0% while the Shanghai is up around 0.5%.

ABOUT ANDRE CILLIERS

Andre is the Currency Risk Strategist at TreasuryONE. Andre's career in treasury spans more than 30 years. He has gained his extensive currency risk experience in both the banking corporate arena. Before joining TreasuryONE, Andre headed up the treasury department for a Tier One German international bank in South Africa.
View my profile and articles...

For more, visit: <https://www.bizcommunity.com>