

Robust US jobs data pushed the dollar stronger

The dollar rebounded strongly yesterday after the US ADP nonfarm employment number surprised to the upside while new jobless claims fell to a three-month low.

By [Andre Cilliers](#) 6 Jan 2023



Source: [Fxabay](#)

Markets are now wary that today's US payrolls number could also be above estimates which could see a more hawkish Fed. Analysts expect a 200k rise in the nonfarm payrolls number while unemployment is like to remain at 3.7%.

US bond yields jumped in the short end, with the two-year yield now up at 4.46%. The DXY index has climbed back above 105.00 as the euro has slipped to 1.0518, the pound is down at 1.1907, and the yen has weakened to 133.92.

The rand closed 1.6% weaker at R17.16 on the day after touching an intra-day worst of R17.27 at one point. This morning we have the rand still on the back foot at R17.20 as traders remain cautious ahead of the payrolls number. Eurozone inflation data due later today is expected to show CPI moderating to 9.7% from the previous 10.1%.

The Chinese yuan continues to strengthen ahead of this weekend's re-opening of the country's borders and is currently trading near a four-month high of 6.8560.

Precious metal prices succumbed to the stronger dollar, closing weaker on the day. Currently, prices are fairly flat with Gold at \$1,836, Platinum at \$1,055, and Palladium at \$1,750.

The price of Brent crude and WTI are both up around 0.6% at \$79.20 and \$74.20, respectively after US inventories fell and on hopes of increased Chinese demand.

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 and corporate arena. Before joining TreasuryONE, Andre headed up the treasury department for a Tier One German international bank in South Africa.
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