

The dollar is at its strongest point for 2023

By [Andre Cilliers](#)

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Friday's non-farm payrolls number scared the market after the jobs number printed nearly three times higher than expected.



Source: [Pexels](#)

Although there were revisions to past numbers and the gain primarily due to seasonal factors, the market has jumped shipped and flooded into the dollar market.

On Monday morning we saw the dollar index quoted at its highest level for the year, with the euro and pound quoted at 1.0795 and 1.2065, respectively. US equities closed softer on Friday evening, while the Asian markets opened weaker.

US Treasury Yields all jumped higher on the back of the jobs number, with the 10yr yield quoted at 3.55%.

Stronger dollar = weaker EMs

The payroll number capped off an event-filled line-up last week, where our local currency traded in a wide 60-cent range. This morning we were looking at the rand hovering below the R17.50 handle after losing nearly 2.5% on Friday. The rand was accompanied by most EM currencies this morning after the rally in the dollar led to a vast sell-off in EMs.

Compared to last week, the data and rate decisions are few and far between, however, President Ramaphosa will deliver the State of the Nation Address on Thursday evening. For now, we can expect the rand to track the dollar, perhaps seeing a slight risk-off tone ahead of Thursday evening.

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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