



Morning Currency Report

Global Picture Detracting From Risk Appetite

The ZAR started yesterday's trading session flirting with the the R15.00 level and spent the bulk of the day there. In the afternoon it broke through that psychological resistance and looks to be struggling to avoid a run higher. This morning the local unit remains firmly on the backfoot trading at R15.04 to the greenback.

The Trump impeachment process continues to develop with a snippet from the transcript of the conversation being released yesterday. A key factor though is Congress blocking a unanimous vote by the House and Senate to release the official whistleblower complaint. This is illegal and gives the President an incredibly guilty look. With Trump though, there is a very good chance that he did something blatantly wrong but truly believes there was nothing to it.

Washington's ongoing battle with Terhan is also putting further pressure on the markets. Yesterday the US Treasury department blacklisted two oil tankers - these belong to subsidiaries of Chinese shipping giant, Cosco. The US stance to put sanctions on all Chinese companies and officials shipping Iranian oil adds risk to the already shaky relationship between the two world super powers.

UK PM Johnson has returned all guns blazing accusing opposition MPs of sabotaging Brexit. He continues to push for an early election in what he describes as "people vs parliament" but Labour has confirmed they will only support the motion once the EU confirms an extension to the 31 October deadline.

Various banks have the USDZAR trading in a range of R14.90 and R15.20 today.

	Bid	Ask	Last
usdzar	15.0367	15.0409	15.0367
eurzar	16.4557	16.4656	16.4557
gbpzar	18.5742	18.5864	18.5742
eurusd	1.0944	1.0946	1.0944
gbpusd	1.2353	1.2357	1.2353

Source: Reuters

09:00am

USDZAR Chart



Source: Reuters

Dollar Index Chart



Source: Reuters

Option Quotes

Spot ref: R 15.03

Dec-19

Volatility
14.50%

Put		Call	
Strike	Premium	Strike	Premium
R 15.20	0.4090	15.20	0.4090
15.15	0.3838	15.25	0.3851
15.10	0.3596	15.30	0.3623
15.05	0.3364	15.35	0.3403
15.00	0.3141	15.40	0.3194
14.95	0.2928	15.45	0.2993
14.90	0.2725	15.50	0.2802
14.85	0.2531	15.55	0.2620
14.80	0.2347	15.60	0.2447
14.75	0.2172	15.65	0.2282
14.70	0.2007	15.70	0.2126
14.65	0.1850	15.75	0.1979
14.60	0.1703	15.80	0.1839
14.55	0.1564	15.85	0.1707
14.2	0.0812	16.20	0.0979

Source: Yield X

Mar-20

Volatility
14.50%

Put		Call	
Strike	Premium	Strike	Premium
R 15.35	0.6057	15.35	0.6057
15.30	0.5801	15.40	0.5821
15.25	0.5551	15.45	0.5590
15.20	0.5307	15.50	0.5366
15.15	0.5071	15.55	0.5149
15.10	0.4841	15.60	0.4938
15.05	0.4617	15.65	0.4733
15.00	0.4400	15.70	0.4535
14.95	0.4190	15.75	0.4342
14.90	0.3986	15.80	0.4156
14.85	0.3789	15.85	0.3976
14.80	0.3598	15.90	0.3802
14.75	0.3414	15.95	0.3633
14.70	0.3237	16.00	0.3471
14.35	0.2166	16.35	0.2484

Source: Yield X

At the money

*all prices are based on Dec19 and Mar20 options quoted on Yield X and on the price of the Dec19 and Mar20 future at the time of writing. Options are available at R0.01 strike intervals and a minimum of 100 contracts. Please do not hesitate to contact us if you require more information.

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