

Market report

Rand eases on Greece, no impact from reserve data

THE rand traded near the previous session's three-week lows today, taking its cue from weak markets in major commodity importer China and while investors continued to fret about the impact of Greece's financial woes.

With market focus firmly on global markets, the rand barely moved on central bank data showing South

Africa's net gold and foreign exchange reserves ticked slightly higher to \$41.59 billion last month.

The rand has weakened more than 7 percent against the dollar since the beginning of the year under selling pressure from investors anticipating higher interest rates in the US.

More recently, investors

worried about the implications of Greece's debt problems have sold riskier emerging market assets, hitting the rand particularly hard as South Africa relies heavily on portfolio flows to plug its current account deficit.

At 8.53am the local unit traded 0.4 percent softer at 12.4410 to the dollar compared with yesterday's close.

"The rand is languishing at weak levels and faces risks from Greece and the slide in Chinese equities," Rand Merchant Bank currency analyst John Cairns said.

Government bonds were flat ahead of a weekly debt auction today, with the yield on paper maturing in 2026 unchanged at 8.275 percent. – Reuters