



21st February 2017

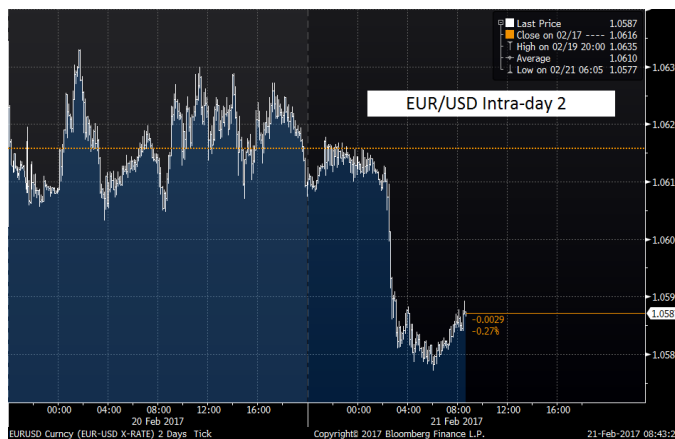
## DATA &amp; NEWS RELEASES

	08:00 GMT – FR – Mkt Manu. PMI Surv: 53.5
	08:00 GMT- FR – Mkt Services PMI Surv:53.9
EC	08:30 GMT – GE – Mkt Manu. PMI Surv: 56.0
	08:30 GMT – GE – Mkt Services PMI Surv: 53.6
	09:30 GMT – EU – Mkt Manu. PMI Surv: 55.0
	09:30 GMT – EU – Services Manu. PMI Surv: 53.7
US	14:45 GMT – Markit Manufacturing PMI Surv: 55.3
	14:45 GMT – Markit US Service PMI Surv: 55.8
	14:45 GMT – Markit Composite PMI

## HAWKISH HARKER

The USD rally was given a fresh boost overnight following comments from Federal Reserve Bank of Philadelphia, Patrick Harker who bolstered expectations of a March hike out of the Fed. The strength of the USD was evident in the New Zealand Dollar (NZD/USD) and Japanese Yen (USD/JPY) after Harker said a March hike wasn't off the table. Harker, who votes on policy this year boosted the odds of a March hike to more than a one in three chance. A strong January inflation reading and somewhat hawkish congressional testimony from Janet Yellen has seen the likelihood of a May hike jump to 56%. Gains in the greenback were also evident in EUR/USD with the pair dipping back below 1.0600. With the election clock ticking in Europe and particularly France don't be surprised to see some more volatility in EUR/USD. Anti-Euro Candidate Marine Le Pen has been making some ground in polling benefitting from security concerns. French bonds slumped as the election appears more "open" than ever.

Despite the firmer greenback, the ZAR made some headway this morning to trade 13.0600 at the time of writing. The cross was supported by a buoyant Asian equity session where the likes of the Korean Kospi were at multi month highs. Yesterday morning saw the local unit losing steam against the majors to trade 13.1800,



some of which may have been some spec cash on the back of the appointment of Brian Molefe to ANC MP. It's a big week on the domestic front with the Budget speech coming out tomorrow.

## TRADE OVERVIEW

It was a quiet start to the week with very little to speak of in terms of flow. We have already seen some decent import interest this morning with decent tickets around 13.0500.

## CONTACT THE TEAM

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