

South African rand strengthens as global banking fears ease

South Africa's rand strengthened against the dollar in early trade on Tuesday after efforts by regulators to allay fears over the global banking system fuelled risk appetite.



Source: Reuters.

At 0642 GMT, the risk-sensitive rand traded at 18.2900 against the dollar, 0.16% stronger than its previous close.

The dollar index, which measures the currency against six rivals, was last trading down 0.07% at 102.68.

"We are seeing a slight relief rally in markets as the concerns over the banking system ease. The rand is ... firmer this morning as risk-sensitive currencies recover some lost ground," said Andre Cilliers, currency strategist at TreasuryOne.

No major local economic data is expected until Thursday when investors are likely to turn their focus to the central bank's interest-rate decision, with markets expecting a 25-basis-point hike.

The government's benchmark 2030 bond was marginally strong in early deals, with the yield down 1 basis point to 9.915%.