

Israeli shekel plunges to 8-year low

By  Katja Hamilton

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The Israeli shekel hit an over eight-year low at 3.99 per dollar, following Prime Minister Benjamin Netanyahu's pledge to "demolish Hamas" ahead of troops entering Gaza.



Source: Reuters.

The shekel depreciated over 3% against the dollar since gunmen affiliated with the Palestinian group Hamas attacked Israeli towns on 7 October.

Meanwhile, the trading week has started cautiously with geopolitical tensions the main focus.

"The Dollar is trading slightly off Friday's stronger closing levels as traders remain wary of further escalation in the Hamas/Israeli conflict. Israel is preparing for its ground offensive into Gaza while there have been clashes with Hezbollah on the Lebanon border," said Andre Cilliers, currency risk strategist at TreasuryOne.

"US Treasury yields opened higher this morning, with the two-year yield back at 5.06%. The DXY index is at 106.50, with the dollar at 1.0528 against the euro and 1.2165 against the pound."

He added that there is not much to look forward to on the US economic data front this week except tomorrow's retail sales number.

“However, we have Chinese Q3 GDP, retail sales, and industrial production numbers out later this week.”

The rand remains fairly resilient despite the strong dollar and geopolitical uncertainty. The local currency currently holds below the 19.00 level at 18.97 while it sits below the 20.00 level against the euro and 23.06 against the pound.

Consolidation of safe-haven Gold

Cilliers confirmed that Gold closed strongly at \$1,932 on Friday as demand for safe-haven assets continues.

“The yellow metal has slipped a touch this morning and is currently quoted at \$1,920 as it consolidates the break of \$1,900. Platinum and Palladium are trading largely unchanged this morning, while Brent crude is holding at the \$90.00 level after Friday's 5.0% jump.”

ABOUT KATJA HAMILTON

Katja is the Finance, Property and Healthcare Editor at Bizcommunity.

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