

# Oil prices slipping on crude?



By [Andre Cilliers](#)

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Oil slipped to a slightly lower close as strong dollar, pandemic concerns, and new sanctions on Russia weigh on the price..



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Hawkish comments from two Fed FOMC members saw US bond yields spike sharply and the dollar firming against most currencies. Markets are now betting on a 50bp hike in April, along with a quicker balance-sheet reduction.

## Rand update

The rand fell by more than 10 cents to close at 14.67 as traders dumped riskier assets. This morning we are trading toward the upper end of the recent range for the rand, with the local currency currently quoted at 14.70. Markets are waiting for the release of the Fed FOMC minutes later this evening for further clarity on the Fed's tightening trajectory.

## Commodity update

The stronger dollar saw Gold close softer on the day with Platinum and Palladium also losing some ground. This morning we have Gold and Platinum trading flat at \$1,923 and \$968 respectively, while Palladium is a touch stronger at \$2,247. Oil also slipped to a slightly lower close as the strong dollar, pandemic concerns, and new sanctions on Russia weigh on the price. Brent is currently quoted at \$107.00 and WTI at \$102.00 in the Far East.

## International update

US Treasury yields rose sharply across the curve after hawkish comments from the Fed officials with the 30y yield now at 2.63%, the 10y yield at 2.61%, the 5y yield at 2.77%, and the 2y yield at 2.58%.

The DXY index is sitting at 99.57 with the dollar trading at 1.0897 against the euro, at 1.3072 against the pound, and at 123.91 against the yen. The higher yields pushed Wall Street lower as the S&P lost 1.26%, the Dow lost 0.80%, and the Nasdaq was 2.26% weaker.

US futures have opened flat this morning while Asian markets are down.

## ABOUT ANDRE CILLIERS

Andre is the Currency Risk Strategist at TreasuryONE. Andre's career in treasury spans more than 30 years. He has gained his extensive currency risk experience in both the banking and corporate arena. Before joining TreasuryONE, Andre headed up the treasury department for a Tier One German international bank in South Africa.

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