



FX REPORT 22 Feb 2012

CURRENCY	LAST
USD/ZAR	7.7315
EUR/ZAR	10.2350
GBP/ZAR	12.2085
EUR/USD	1.3238

HIGHLIGHTS

- The rand weakened against the dollar for the first time in 3 days, Greenback is poised for its longest series of daily advances

SOUTH AFRICAN MARKET

- The rand weakened against the dollar for the first time in three days on concern a bailout deal for Greece won't be enough to stave off a recession in the euro region, damping demand for South Africa's exports.
- The rand depreciated 0.9% to 7.7472 per dollar as of 1:48 p.m. in Johannesburg, the worst performance out of more than 20 emerging-market currencies monitored by Bloomberg.
- It fell 0.6% to 10.2280 per euro.
- Bonds retreated for the first time in three days.
- Gordhan will probably forecast a shortfall of 5.4% of gross domestic product in the year through March 2013 in his budget speech today, according to the median estimate of 10 economists surveyed by Bloomberg.
- The yield on South Africa's 103 billion rand of 10.5% bonds due 2026 rose two basis points, or 0.02 percentage point, to 8.23%. The nation's \$1.5 billion of 4.665% notes due 2024 fell, driving the yield up eight basis points to 4.31%.

OTHER MARKETS

- The greenback is poised for its longest series of daily advances since April.
- The euro bought \$1.3229 from \$1.3234 this morning.
- The euro has climbed 0.7% in the past week, the second-biggest advance among 10 developed nation peers tracked by Bloomberg Correlation Weighted Indexes. The dollar has weakened 0.6% and the yen has dropped 2.7% over the same period.
- The Australian and New Zealand dollars fell versus most major peers after a report signalled China's manufacturing may shrink for a fourth month, spurring concern exports to the world's fastest-growing major economy will drop.
- Australia's currency slipped 0.1% to \$1.0655 at 4:19 p.m. in Sydney after earlier touching \$1.0611.
- Bank of England Deputy Governor Charlie Bean said agreement on a second bailout for Greece may not be enough to end the debt crisis and countries in the euro- area periphery must reduce debt and improve competitiveness.
- The euro-region economy, which buys 22% of South Africa's exports, contracted in the fourth quarter for the first time in 2 1/2 years as the region's debt crisis undermined confidence and forced governments from Spain to Greece to toughen budget cuts.
- GDP in the 17-nation euro area fell 0.3% from the prior three months, the first drop since the second quarter of 2009.

Resources: Reuters, DailyFX.com, Bloomberg, Fin24, Business Day

(For full news articles and real-time currency rates, please refer to the Rate Watch application.)

TIME (CAT)	EVENT ANNOUNCEMENTS	FORECAST	PREVIOUS
11:30	GBP - MPC Meeting Minutes		
17:00	USD - Existing Home Sales	4.67M	4.61M



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