

SA braces for yet another interest-rate hike

Amidst soaring global oil prices, a bird flu outbreak, and a fluctuating rand, the South African Reserve Bank (Sarb) is set to implement another 25 basis points interest-rate hike in November.



Source: Reuters.

This is the forecast by Bank of America's (BofA) global research emerging insight report *South Africa – All change, not done hiking*.

Driven by the surge in global oil prices, South Africa witnessed a 7.5% rise in local fuel prices in September and a further 4.7% increase in October.

BofA's senior economist Tatonga Rusike mentioned that the oil supply shock is unfavourable for emerging-market currencies, including the rand, as it is anticipated that the strength of the dollar will persist until the end of the year.

He said that dollar weakness will bring rand strength into 2024.