

# Surprise oil-production cut unsettles markets



By [Andre Cilliers](#)

3 Apr 2023

Yesterday Opec+ announced a surprise 1.16 million barrels per day cut in oil production, raising inflation fears once again and sending the dollar stronger.



Source: [Pexels](#)

Brent crude closed at \$79.77 on Friday and has gapped to open at \$86.00 this morning. The DXY index has moved back above 103.00 as the euro, pound, and yen all trade around 0.4% weaker this morning. US Treasury yields are flat this morning, while US equity futures are negative after a strong close on Friday.

EM currencies have opened weaker on the back of the stronger dollar, with the rand trading at R17.90 levels earlier today. The major economic prints to look forward to this week are the US nonfarm payrolls number on Friday and the ISM manufacturing and services PMI data today and Wednesday. We also have various Fed officials talking throughout the week.

The surprise move by OPEC+ and the jump in the dollar have seen precious metal prices fall quite sharply this morning. Gold is down 0.8%, Platinum is down 1.05%, and Palladium is down 0.6%. As stated earlier, Brent opened higher at \$86.00 this morning but has eased back slightly to be trading at \$83.60 currently.

## 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.

- Rand retreats as coalition dynamics spook investors - 31 May 2024
- Risk sentiment soars on rising Middle East tensions and US rate cut concerns - 16 Apr 2024
- Nervous markets as Middle East tension rises - 15 Apr 2024
- Middle East tensions spark Gold and oil surge, yet rand resilient - 18 Oct 2023
- Middle East conflict spurs risk-off scenario - 9 Oct 2023

[View my profile and articles...](#)