

Global markets navigate tensions amid Gaza siege

By [Katja Hamilton](#)

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Amidst heightened geopolitical tensions, the initial surge in coveted safe-haven assets, including the dollar, gold, and government bonds, has subsided. This comes despite a declared blockade on Gaza, restricting essential supplies amid ongoing Israeli airstrikes.



Source: Reuters.

Currency risk strategist at TreasuryONE, Andre.Cilliers confirmed the dollar was trading flat at 1.0565 against the euro and 1.2225 against the pound early on Tuesday, 10 October.

However, the situation is dynamic and Israel's sweeping Gaza siege could still trigger a discernible flight to safety in financial markets.

"Dovish comments from two Fed officials yesterday saw US bond yields fall sharply," Cilliers said. "The two-year yield is down at 4.97% from yesterday's earlier 5.08% levels."

Investors and analysts will be watching the opening of US markets after the long weekend for any reaction to the unfolding events.

"Later this week, we have both US PPI and CPI numbers due out, which will likely have a more significant impact on the

dollar,” Cilliers said.

Meanwhile, gold's safe-haven attraction is growing.

“Gold closed around 1.5% stronger at \$1,861 on Monday. There were also small gains for Platinum,” Cilliers noted.

“Brent crude opened 0.5% softer at \$87.80 this morning after yesterday's strong rally as markets reassess the impact of the Israeli/Palestinian situation on oil supply.”

The rand was holding steady at 19.36 this morning as it kept to a relatively narrow trading range and tracks international moves.

ABOUT KATJA HAMILTON

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

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