



26 January 2017 | 7:49 AM

For any queries, please contact:

Mohammed Yaseen Nalla, CFA | MohammedN@Nedbankcapital.co.za

Reezwana Sumad | ReezwanaS@Nedbank.co.za

[Charts of the day](#) | [Currencies](#) | [Commodities](#) | [Fixed income & interest rates](#) | [Equities](#) | [Equity derivatives](#)
[Economics](#) | [*Foreign flows](#) | [JSE performance](#) | [LDT](#) | [Economic calendar](#) | [Other reports](#)
[#Contacts](#)

*Click on any of the above links to access your point of interest
 (* when available)*

Key daily driver

Nedbank CIB Market Commentary | CIBMarketComm@Nedbank.co.za | +27 11 295 5430

SNIPPETS

(Charts of the day)	SA risk premium compressed more than global peers, rand rallied stronger than bonds, spreads tightest since 'Nenegate'
(Currencies)	Rand continued to benefit from softer US dollar along with other EM FX, euro range bound while sterling rallies on Brexit optimism as May is pushed to publish a Brexit plan to parliament
(Equities)	Top 40 closes lower as strong rand hurts dual listed stocks, US markets push to record as Dow Jones pushes through 20 000 on earnings momentum, Asia led higher by US optimism
(Economics)	German confidence starts to stall amid event risk, US mortgage applications support resilient housing market

Key overnight factors and upcoming events

Nedbank CIB Market Commentary | CIBMarketComm@Nedbank.co.za | +27 11 295 5430

Date	Region	Event ↓ ↑ →	Actual/expected/prior	Implications
26/01	SA	PPI Dec 2016	--/6.9%/6.9%	Expected to maintain peak before tailing off in 2017
27/01	SA	Potential Cabinet re-shuffle	--	News reports have resulted in large scale unease in markets around potential political risks in the market. This has been masked by supportive global factors

Source: Nedbank

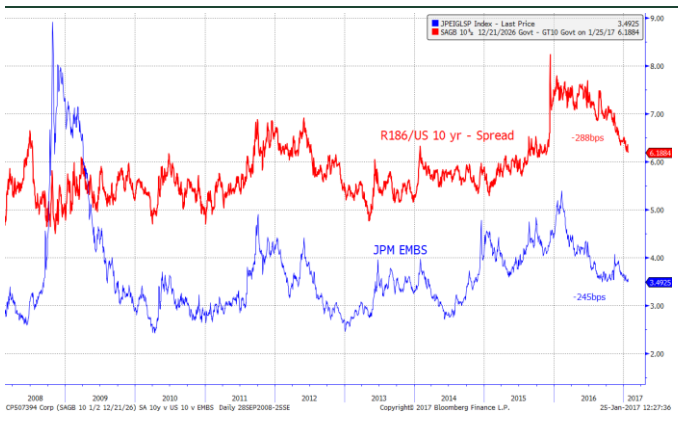
Charts of the day

[back to top](#)

Nedbank CIB Market Commentary | CIBMarketComm@Nedbank.co.za | +27 11 295 5430

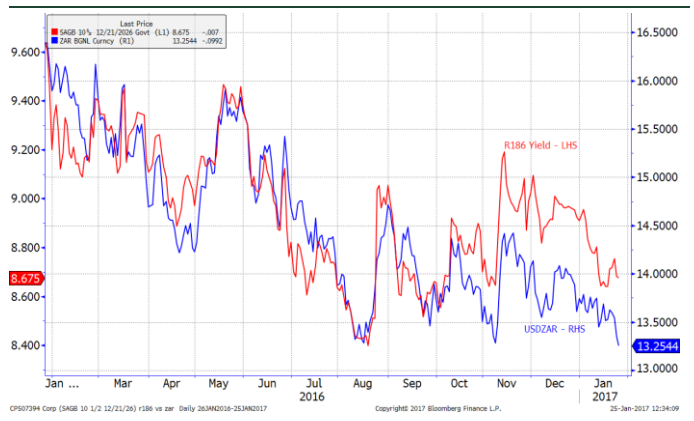
- The recent rally in global risk appetite has favoured the rand and SA assets along with some of our EM peers. When comparing the R186/US 10 year spread, the compression is evident and has led to the best levels since the December 2015 'Nenegate' sell off. At around 620 bps, the spread is almost in line with the long term average around 600 bps implying a significantly benign outlook of domestic SA orientated risks. This, in the context of event risk around an ANC policy and elective conference this year, may be too complacent.
- The extent of the optimism is driven by both global and local factors evidenced by the fact that while the EMBS has narrowed by 245bps since the Jan 2016 peaks, the R186/US 10 year spread has fallen by 288bps. This is further compounded by the fact that the rand appears to have done the 'heavy lifting' having rallied more strongly than the bonds. This implies that there is more risk in tactical positioning in the currency rather than the underlying assets.
- Admittedly, SA has done relatively better than peers such as Mexico (hurt by Trump policy reform), Turkey (hurt by elevated political and economic risk) and Brazil (worse economic backdrop relative to SA). This has seen the CDS spread on SA sovereign debt decouple from the 'Brazil-Turkey' nexus and gravitate toward a more centrist positioning relative to EM peers. This suggests a degree of confidence in the credibility of both the National Treasury and the SARB, while it may be argued that it is too tight a spread to encapsulate some of the more unquantifiable risks such as the rumoured potential Cabinet reshuffle and the commensurate noise associated with the ANC succession debate.

R186 spread of US 10yr at best since 'Nenegate'



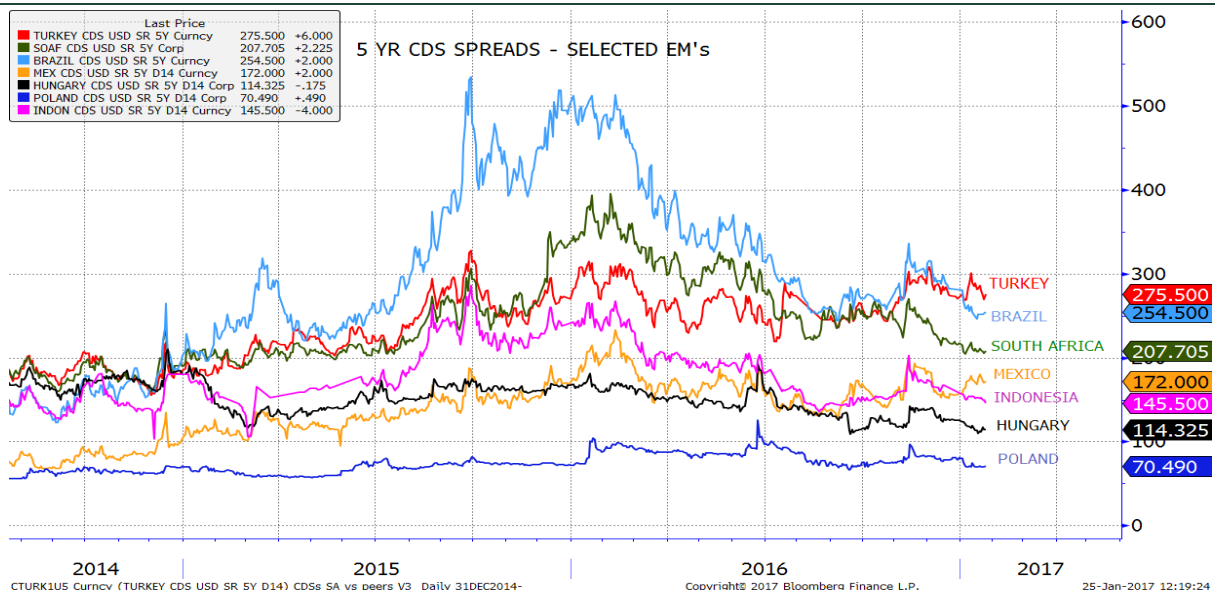
Source: Bloomberg, Nedbank

Rand has rallied stronger than bonds



Source: Bloomberg, Nedbank

SA risk premium has compressed more than global peers such as Mexico, Turkey and Brazil



Source: Bloomberg, Nedbank

Currencies

[back to top](#)

Business Banking FX | +27 11 535 4003 | Corporate FX | +2711 535 4002 | Institutional FX | +2711 535 4005

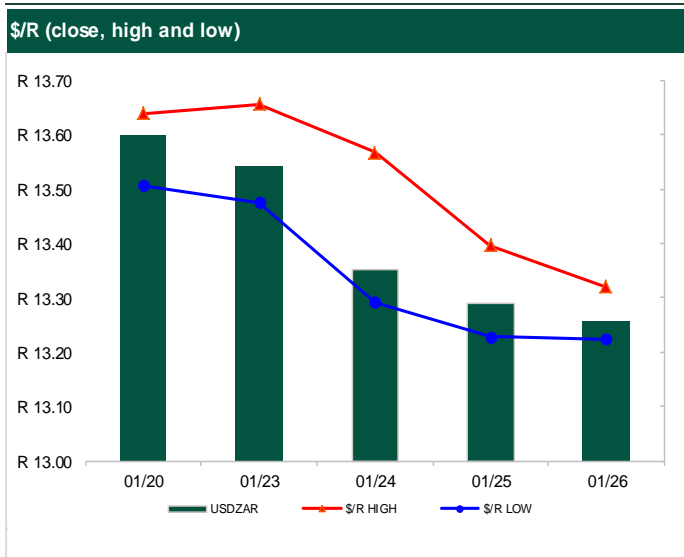
- The local session opened with the rand trading marginally below the 13.40 level, some initial demand for dollars into the improvement, but this demand was easily satisfied and the local unit posted significant gains on the day, touching a best level of 13.2300. This morning the rand is trading at 13.2600, unchanged from the local close last night, EURZAR is trading at 14.2550 and GBPZAR is currently trading at 14.2575.
- On the international front markets were again far more subdued, EURUSD occupying a 60 point trading range on the day. This morning it is trading at 1.0760 toward the upper end of the previous day's range. Gold has relinquished some of its recent gains, and significantly has dipped below the 1200.00 level, currently trading at 1199.00.
- Data releases scheduled for today, locally we have PPI, from Germany GFK consumer confidence, from the U.K GDP. From the U.S we have a number of releases including jobless claims, Trade, Chicago FED index, new home sales and leading index.
- This week the rand has shown significant resilience, after breaching the technically significant level at 13.4000, which appeared to be the catalyst for some stale long dollar positions exiting. Thus far, the local unit has extended and consolidate on these gains, despite demand for dollars from importers into this improvement.
- Possible trading range in the rand today 13.1500 to 13.4500.

Majors	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend	USD trend
GBPUSD	1.27	0.40	2.57	2.57	↑	USD weakness
EURUSD	1.08	0.20	2.31	2.31	↑	USD weakness
USDJPY	113.27	-0.35	-3.15	-3.15	↓	USD weakness
USDAUD	1.32	-0.18	-4.89	-4.89	↓	USD weakness
Rand crosses	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend	ZAR trend
USDZAR	13.26	-0.25	-3.51	-3.51	↓	ZAR strength
GBPZAR	16.78	0.15	-0.95	-0.95	↓	ZAR strength
EURZAR	14.26	-0.05	-1.30	-1.30	↓	ZAR strength
AUDZAR	10.04	-0.13	1.37	1.37	↑	ZAR weakness
ZARJPY	8.54	-0.10	0.17	0.17	↑	ZAR strength
African FX	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend	ZAR trend
ZARMMK (Malawian kwacha)	54.63	0.36	3.11	3.11	↑	ZAR strength
ZARBWP (Botswana pula)	0.79	0.04	0.99	0.99	↑	ZAR strength
ZARKES (Kenyan shilling)	7.85	0.33	5.16	5.16	↑	ZAR strength
ZARMUR (Mauritian rupee)	2.69	0.23	2.47	2.47	↑	ZAR strength
ZARNGN (Nigerian naira)	23.75	1.21	3.55	3.55	↑	ZAR strength
ZARGHS (Ghanian cedi)	0.33	0.71	5.14	5.14	↑	ZAR strength
ZARZMW (Zambian kwacha)	0.74	0.57	1.99	1.99	↑	ZAR strength
ZARMZN (Mozambican metical)	5.32	0.35	2.12	2.12	↑	ZAR strength

Source: Bloomberg & Nedbank CIB
Time: 2017/01/26 07:12

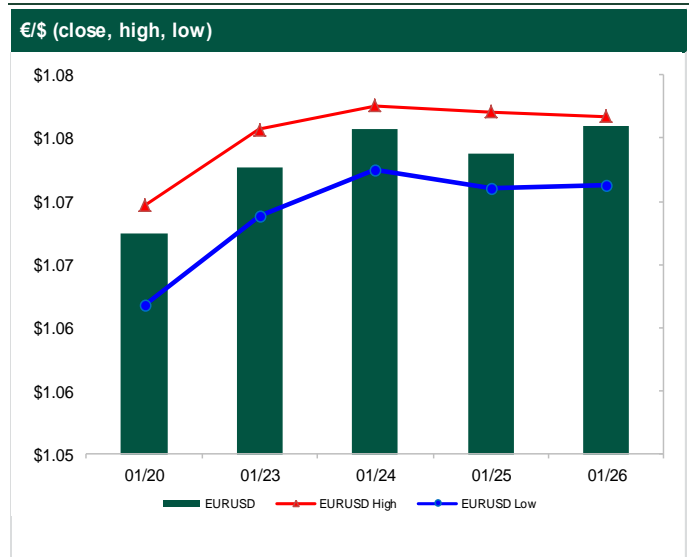
**Please note that the sign on the % change reflects the change on the headline number. The narrative indicates the trend direction over the month. For trade in any of these currencies, contact our FX dealing desks*

USDZAR



Source: Bloomberg, Nedbank

EUR/USD



Source: Bloomberg, Nedbank

Commodities

[back to top](#)

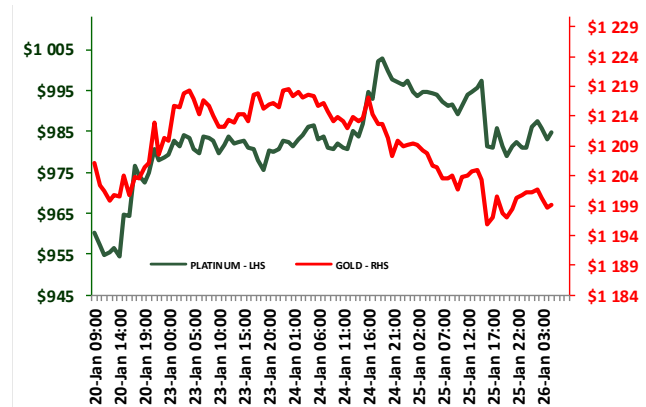
Nedbank CIB Market Commentary | CIBMarketComm@Nedbank.co.za | +27 11 295 5430 | +27 11 535 4038

- Gold slipped further yesterday despite a softer dollar. This was due to a continued rally in risk assets which eroded safe haven demand for bullion in favour of equities. We maintain a negative view on gold on overbought momentum, growth optimism and a longer term stronger dollar despite short term weakness.
- Brent crude oil remains range bound around the \$55 pivot with little to drive direction in the near term. As has been the case recent, OPEC cuts are counterbalanced by rising US stockpiles which are keeping a lid on prices in the near term.

Commodities	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
Brent near future (\$)	55.57	0.89	-2.20	-2.20	↓
WTI crude (\$)	53.20	0.85	-0.97	-0.97	↓
Gold spot (\$)	1 199.04	0.10	4.49	4.49	↑
Platinum spot (\$)	984.00	0.33	8.96	8.96	↑
SA white maize spot (R)	3 088.00	-3.14	-12.82	-12.82	↓

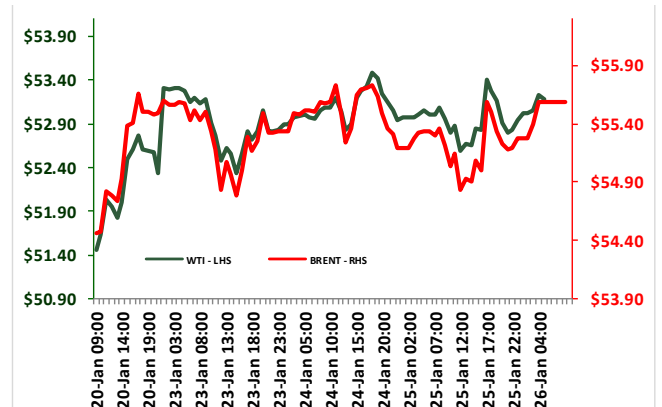
Source: Bloomberg & Nedbank CIB
Time 2017/01/26 07:12

Platinum vs Gold



Source: Bloomberg

Brent Crude vs West Texas Intermediate



Source: Bloomberg

Fixed income and interest rates

[back to top](#)

Bond flow sales | +2711 535 4021 | Corporate Money Markets | +2711 535 4007 | Business Bank Money Markets | +2711 535 4006

Bonds	Last price	Δ 1d	Δ MTD	Δ YTD	Month trend
	%	bps	bps	bps	
R203-0.6 yrs	7.84	14.10	14.00	14.00	↑
R208-4.2 yrs	8.06	0.20	-21.90	-21.90	↓
R186-9.9 yrs	8.74	-0.50	-17.50	-17.50	↓
R2048-31.1 yrs	9.48	-0.10	-14.00	-14.00	↓
US 10 yr	2.52	0.80	7.60	7.60	↑
UK 10 yr	1.47	4.92	18.72	18.72	↑
German 10 yr	0.46	13.73	123.08	165.14	↑
Japan 10 yr	0.09	17.57	89.13	89.13	↑
Money Market	Last price	Δ 1d	Δ MTD	Δ YTD	Month trend
	%	bps	bps	bps	
SA repo rate	7.00	0.00	0.00	0.00	→
SA prime rate	10.50	0.00	0.00	0.00	→
SA CPI (MTD = previous month)	6.80		20.00		↑
SA 3m JIBAR	7.37	0.90	0.90	0.90	↑
SA 3m NCD	7.33	0.00	-5.00	-5.00	↓
SA 6m NCD	7.95	2.50	-2.50	-2.50	↓
SA 12m NCD	8.43	2.50	-2.50	-2.50	↓
US 3m LIBOR	1.03	-0.61	3.39	3.39	↑
UK 3m LIBOR	0.36	0.22	-0.33	-0.33	↓
Japan 3m LIBOR	0.00	1.57	5.67	5.67	↑

Source: Bloomberg & Nedbank CIB
Time: 2017/01/26 07:12

FRA's and Swaps	Last price	Δ 1d	Δ MTD	Δ YTD	Month trend
	%	bps	bps	bps	
3X6 FRA	7.40	0.00	1.00	1.00	↑
6X9 FRA	7.42	0.00	0.00	0.00	→
9X12 FRA	7.42	0.00	-3.00	-3.00	↓
18X21 FRA	7.46	0.00	-7.00	-7.00	↓
SA 2yr Sw ap	7.43	0.00	-3.30	-3.30	↓
SA 3yr Sw ap	7.50	0.00	-5.30	-5.30	↓
SA 5yr Sw ap	7.72	0.00	-9.10	-9.10	↓
SA 10yr Sw ap	8.19	1.50	-14.10	-16.00	↓
SA 15yr Sw ap	8.34	0.25	-15.00	-15.00	↓
Spreads	Last price	Δ 1d	Δ MTD	Δ YTD	Month trend
	%	bps	bps	bps	
2v10y	-0.76	-1.50	10.80	12.70	↑
3v10y	-0.67	-1.50	8.80	10.70	↑
R186-R203	1.04	-14.60	-31.50	-31.50	↓
R2048-R186	0.74	0.40	3.50	3.50	↑
5y-R186	-1.02	0.50	8.40	8.40	↑
10y-R186	-0.57	2.00	3.40	1.50	↑
15y-R186	-0.41	0.75	2.50	2.50	↑
SA 5yr CDS spread - basis points	209.67	4.19	-7.34	-7.34	↓

Source: Bloomberg & Nedbank CIB
Time: 2017/01/26 07:12

Equities

[back to top](#)

Cash equities | +2711 535 4030/31

South Africa

- The JSE pulled back from a strong start as a stronger rand weighed on mining stocks. The Top 40 fell 2 tenths of a percent and the broader based All Share lost just under 2 tenths of a percent. Resource shares were the first to come under pressure which later spread to other sectors. Kumba Iron Ore continued its fine form bringing its 3- day rally to over 20 percent while Sibanye ended its recent run losing 7.5 percent. Today investors will be keeping an eye on Anglo American, Anglo American Platinum and Lonmin. The companies in the Anglo American stable will be reporting 2016 fourth quarter sales and revenue figures while Lonmin will be holding its annual general meeting. In the news, African Bank announced that they would be undergoing a name change to African Phoenix Investments Ltd., with trading in these shares commencing on the JSE on the 1st February 2017. Value traded was R24bn and the rand was R13.25 at to the dollar.

UK/Europe

- European shares traded higher as a combination of positive earnings and increased sentiment that Trump will follow through with his infrastructure spend buoyed markets. Banks and insurers were the top performers. Spain's Banco Santander rose over 4% after posting better than expected quarterly profit. The DAX was the top performer up 1.8%. Deutsche Bank jumped over 5%. In France, the CAC gained just under a percent with Societe Generale & BNP Paribas both up over 4% while Telecom stocks lagged. The FTSE rose a mere 3 tenths of a percent as poor performances by mining and resource shares weighed on the bourse. Vodafone plunged over 3% after suffering a broker downgrade.

USA

- U.S. followed European markets and put in a solid performance with both major averages up 8 tenths of a percent. President Trump has been proceeding with plans to boost the economy; his latest endeavours include revising the Dakota Pipeline and Keystone XL Projects. The DOW closed managed to breach the 20,000 level and closed at 20,068.51 while the S&P closed at 2,298.37. Industrials led gains supported by positive earnings by Boeing which gained over 4%, while IT hardware manufacturer Seagate technology jumped over 15% after reporting better than expected results. The recent spate of positive corporate results has renewed investors optimism in economic growth. Companies reporting earnings today include Caterpillar, Ford Motor Co., Microsoft, Alphabet and Intel. While economic data for the region includes initial jobless claims.

Asia

- Asian markets are trading higher this morning as the global rally continues and banks and financial shares extend their gains. At the time of writing the Nikkei was up 1.4% led by stronger financial and technology sectors. The Shanghai Composite lagged gains up just over a tenth of a percent. China's central bank said that it is trying to curb excess leverage in the financial system by limiting new loans. It has requested that banks keep mortgage lending in the first quarter of 2017 below the increase seen in the fourth quarter of 2016. Banks who fail to comply with this may see higher costs imposed on them or receive reduced interest rates on their reserves placed with the central bank. In mainland China, the Hang Seng rose 1.2%. HSBC and Tencent rose 1.7% and 1.4% respectively. In ASX in Australia is a closed for the Australia day bank holiday.

Developed Markets	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
Dow Jones	20 068.51	0.78	1.55	1.55	↑
Nasdaq	5 656.34	0.99	5.08	5.08	↑
S&P 500	2 298.37	0.80	2.66	2.66	↑
DJ Eurostoxx 50	3 326.15	1.36	1.08	1.08	↑
DAX	11 806.05	1.82	2.83	2.83	↑
CAC	4 877.67	0.99	0.32	0.32	↑
FTSE	7 164.43	0.20	0.30	0.30	↑
ASX200	5 671.51	0.38	0.10	0.10	↑
Nikkei 225	19 376.86	1.68	1.37	1.37	↑
MSCI World	1 805.81	0.85	3.12	3.12	↑
Emerging Markets	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
Hang Seng	23 365.01	1.37	7.22	6.20	↑
Shanghai	3 153.77	0.13	1.62	1.62	↑
Brazil Bovespa	65 840.09	0.14	9.32	9.32	↑
India - NSE	27 708.14	1.21	4.06	4.06	↑
Russia Micex	2 176.00	0.06	-2.54	-2.54	↓
MSCI Emerging	912.16	0.39	5.79	5.79	↑
SA Indices	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
JSE All Share	53 250.79	-0.17	5.13	5.13	↑
Top 40	46 365.74	-0.21	5.61	5.61	↑
Resi 10	35 705.82	-1.39	11.20	11.20	↑
Indi 25	67 398.92	-0.03	4.85	4.85	↑
Fini 15	15 283.54	0.74	1.36	1.36	↑

Economics

[back to top](#)

Nedbank CIB Market Commentary | CIBMarketComm@Nedbank.co.za | +27 11 295 5430

Germany

- The German IFO indices showed that confidence seems to be stalling after being remarkably upbeat over the last few months. The Business climate index printed at 109.8 from 111 prior, slightly below estimates for an improvement. The current assessment improved from 116.7 to 116.9 but the expectations index declined from 105.5 to 103.2.
- The slowing momentum in confidence may be underpinned by uncertainty related to the impact of the Brexit and a new US administration on trade performance as well as the potential for domestic political risk in the upcoming general election in the latter part of the year.

Synopsis: No material changes to our view on monetary policy in the region with the ECB expected to maintain easy monetary policy during 2017. We maintain a weaker euro view which could serve to underpin German export competitiveness. Political risks in the region remain the main event risk over this year which could catalyse a more adverse market reaction in the event that further momentum is gathered from the euro-sceptic parties.

USA

- MBA mortgage applications in the US rose by 4.0% last week from a sluggish but positive 0.8% prior. Purchases rose by 6% after a decline last week while refinancing was flat at +0.2% from +6.8% prior. Mortgage rates on fixed rate mortgages rose to 4.35% (from 4.27%) and 3.57% (from 3.51%) on the 30 year and 15 year respectively. Average loan sizes rose to \$271 800.

Synopsis: Recent housing data has been positive and has indicated the resilience of the US housing market. Should the Fed consider a more aggressive hiking cycle, this momentum will likely reverse. Strong housing data is premised on rising disposable incomes and net gains in the labour market. The impact of the incoming administration's policies will need to be gauged over the medium to longer term. We maintain a view of 1 Fed hike in Q3 2017 and a stronger dollar into the end of this year.

JSE performance

[back to top](#)

Nedbank CIB Market Commentary | CIBMarketComm@Nedbank.co.za | +27 11 295 5430

Top40 constituents	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
AGL : Anglo American Plc	229.92	-0.08	17.85	17.85	↑
ANG : Anglogold Ashanti Ltd	162.89	-3.96	6.76	6.76	↑
APN : Aspen Pharmacare Holdings Lt	312.98	2.48	10.37	10.37	↑
BAT : Brait Se	79.85	-0.42	-8.81	-8.81	↓
BGA : Barclays Africa Group Ltd	165.06	0.34	-2.15	-2.15	↓
BID : Bid Corp Ltd	235.12	-1.18	-4.09	-4.09	↓
BIL : Bhp Billiton Plc	244.97	-1.78	12.02	12.02	↑
BTI : British American Tobacco Plc	810.40	1.56	4.08	4.08	↑
BVT : Bidvest Group Ltd	169.20	-0.18	-6.65	-6.65	↓
CFR : Financiere Richemont-Dep Rec	104.14	1.51	14.77	14.77	↑
DSY : Discovery Ltd	117.00	-0.43	2.18	2.18	↑
FFA : Fortress Income Fund Ltd-A	17.65	0.46	6.52	6.52	↑
FFB : Fortress Income Fund Ltd	35.00	0.00	8.26	8.26	↑
FSR : Firstrand Ltd	52.72	0.76	-0.85	-0.85	↓
GFI : Gold Fields Ltd	46.30	-3.54	6.22	6.22	↑
GRT : Grow thpoint Properties Ltd	26.39	0.73	1.93	1.93	↑
IMP : Impala Platinum Holdings Ltd	53.50	-2.73	25.18	25.18	↑
INL : Investec Ltd	97.32	2.43	7.24	7.24	↑
INP : Investec Plc	97.26	1.81	7.17	7.17	↑
ITU : Intu Properties Plc	45.43	-0.42	-3.30	-3.30	↓
LHC : Life Healthcare Group Holdin	34.44	-0.17	5.64	5.64	↑
MEI : Mediclinic International Plc	134.10	1.21	3.15	3.15	↑
MND : Mondi Ltd	300.00	0.00	7.15	7.15	↑
MNP : Mondi Plc	300.00	-0.08	7.63	7.63	↑
MRP : Mr Price Group Ltd	162.05	4.54	1.57	1.57	↑
MTN : Mtn Group Ltd	127.45	0.38	1.01	1.01	↑
NED : Nedbank Group Ltd	239.30	0.97	0.49	0.49	↑
NPN : Naspers Ltd-N Shs	2 135.50	-1.42	6.03	6.03	↑
NTC : Netcare Ltd	31.80	-2.75	-0.13	-0.13	↓
OML : Old Mutual Plc	35.50	0.65	3.08	3.08	↑
RDF : Redefine Properties Ltd	11.21	0.54	0.18	0.18	↑
REI : Reinnet Investments Sa-Dr	28.31	1.58	5.63	5.63	↑
REM : Remgro Ltd	230.26	1.70	3.23	3.23	↑
RMH : Rmb Holdings Ltd	68.00	1.06	2.41	2.41	↑
SAP : Sappi Limited	86.30	2.71	-4.06	-4.06	↓
SBK : Standard Bank Group Ltd	149.86	1.12	-1.25	-1.25	↓
SHP : Shoprite Holdings Ltd	173.42	1.12	1.14	1.14	↑
SLM : Sanlam Ltd	66.03	0.43	4.98	4.98	↑
SNH : Steinhoff International H NV	67.65	-2.91	-5.09	-5.09	↓
SOL : Sasol Ltd	422.00	-2.08	5.79	5.79	↑
TBS : Tiger Brands Ltd	412.26	-0.62	3.63	3.63	↑
VOD : Vodacom Group Ltd	151.00	-0.98	-0.92	-0.92	↓
WHL : Woolw orths Holdings Ltd	75.24	0.99	5.94	5.94	↑

Source: Bloomberg & Nedbank CIB
Time 2017/01/26 07:12

Last day to trade

[back to top](#)

Susan Correia | Scorreia@Nedbankcapital.co.za | +27 11 295 8227

Share Code	Share name	Dividend / interest rate
31 January 2017		
CULP	Cullinana Hldgs Prefs	dividend @ 5.5cps
ESR	Esor Limited	Rights Offer 25:100 @ 38cps
GDN	Gooderson Leisure Corp Ltd	Merger @ 85cps
NPKP	Nampak Ltd Prefs	dividend @ 6cps
NPP1	Nampak Ltd Prefs	dividend @ 6.5cps

Source: JSE

Economic calendar

[back to top](#)

Nedbank CIB Market Commentary | CIBMarketComm@Nedbank.co.za | +27 11 295 5430

Time	Country	Event	Period	Survey	Actual	Prior	Revised
25-Jan							
01:50	JN	Trade Balance	Dec	¥270.0b	¥641.4b	¥152.5b	¥150.8b
01:50	JN	Exports YoY	Dec	1.20%	5.40%	-0.40%	--
01:50	JN	Imports YoY	Dec	-0.80%	-2.60%	-8.80%	--
11:00	GE	Ifo Business Climate	Jan	111.30	109.80	111.00	--
11:00	GE	Ifo Expectations	Jan	105.80	103.20	105.60	105.50
11:00	GE	Ifo Current Assessment	Jan	117.00	116.90	116.60	116.70
14:00	US	MBA Mortgage Applications	2017/01/20	--	4.0%	0.80%	--
26-Jan							
09:00	GE	GfK Consumer Confidence	Feb	10.00	--	9.90	--
11:30	UK	GDP QoQ	4Q A	0.50%	--	0.60%	--
11:30	UK	GDP YoY	4Q A	2.10%	--	2.20%	--
11:30	SA	PPI MoM	Dec	0.30%	--	0.40%	--
11:30	SA	PPI YoY	Dec	6.90%	--	6.90%	--
15:30	US	Wholesale Inventories MoM	Dec P	--	--	1.00%	--
15:30	US	Chicago Fed Nat Activity Index	Dec	--	--	(0.27)	--
15:30	US	Initial Jobless Claims	2017/01/21	--	--	234k	--
15:30	US	Continuing Claims	2017/01/14	--	--	2046k	--
16:45	US	Markit US Services PMI	Jan P	--	--	53.90	--
16:45	US	Markit US Composite PMI	Jan P	--	--	54.10	--
17:00	US	New Home Sales	Dec	586k	--	592k	--
17:00	US	Leading Index	Dec	0.50%	--	0.00%	--

Source: Bloomberg

Contacts

Head: Strategic Research
Mohammed Yaseen Nalla, CFA
 (011) 295 5430

ALM Portfolio Management
 (011) 535 4042

Equities Sales and Distribution
 (011) 535 4030/31

Forex Institutional Sales Desk
 (011) 535 4005

Interest Rate Swaps & FRA's Trading
 (011) 535 4004

Money Market Institutional Sales Desk
 (011) 535 4008

Treasury: Economic Analyst
Reezwana Sumad
 (011) 294 1753

Bond Trading
 (011) 535 4021

Forex Business Banking Sales Desk
 (011) 535 4003

Forex Retail Sales Desk
 (011) 535 4020

Money Market Business Banking Sales Desk
 (011) 535 4006

Non Soft & Soft Commodities Trading
 (011) 535 4038

Credit Derivatives
 (011) 535 4047

Forex Corporate Sales Desk
 JHB (011) 535 4002; DBN (031) 327 3000;
 CTN (021) 413 9300

Inflation Trading
 (011) 535 4026

Money Market Corporate Sales Desk
 JHB (011) 535 4007; DBN (031) 327 3000;
 CTN (021) 413 9300

Preference shares desk
 (011) 535 4072

Disclaimer

The information furnished in this report, brochure, document, material, or communication (“the Commentary”), has been prepared by Nedbank Limited (acting through its Nedbank Corporate and Investment Banking division), a registered bank in the Republic of South Africa, with registration number: 1951/000009/06 and having its registered office at 135 Rivonia Road, Sandton, Johannesburg (“Nedbank”). The information contained herein may include facts relating to current events or prevailing market conditions as at the date of this Commentary, which conditions may change and Nedbank shall be under no obligation to notify the recipient thereof or modify or amend this Commentary. The information included herein has been obtained from various sources believed by Nedbank to be reliable and expressed in good faith, however, Nedbank does not guarantee the accuracy and/or completeness thereof and accepts no liability in relation thereto.

Nedbank does not expressly, or by implication represent, recommend or propose that any securities and/or financial or investment products or services referred to in this Commentary are appropriate and or/ suitable for the recipient’s particular investment objectives or financial situation. This Commentary should not be construed as “advice” as contemplated in the Financial Advisory and Intermediary Services Act, 37 of 2002 in relation to the specified products. The recipient must obtain its own advice prior to making any decision or taking any action whatsoever.

This Commentary is neither an offer to sell nor a solicitation of an offer to buy any of the products mentioned herein. Any offer to purchase or sell would be subject to Nedbank’s internal approvals and agreement between the recipient and Nedbank. Any prices or levels contained herein are preliminary and indicative only and do not represent bids or offers and may not be considered to be binding on Nedbank. All risks associated with any products mentioned herein may not be disclosed to any third party and the recipient is obliged to ascertain all such risks prior to investing or transacting in the product or services. Products may involve a high degree of risk including but not limited to a low or no investment return, capital loss, counterparty risk, or issuer default, adverse or unanticipated financial markets fluctuations, inflation and currency exchange. As a result of these risks, the value of the product may fluctuate. Nedbank cannot predict actual results, performance or actual returns and no guarantee, assurance or warranties are given in this regard. Any information relating to past financial performance is not an indication of future performance.

Nedbank does not warrant or guarantee merchantability, non-infringement or third party rights or fitness for a particular purpose. Nedbank, its affiliates and individuals associated with them may have positions or may deal in securities or financial products or investments identical or similar to the products.

This Commentary is available to persons in the Republic of South Africa, financial services providers as defined in the FAIS Act, as well as to other investment and financial professionals who have experience in financial and investment matters.

All rights reserved. Any unauthorized use or disclosure of this material is prohibited. This material may not be reproduced without the prior written consent of Nedbank, and should the information be so distributed and/or used by any recipients and/or unauthorized third party, Nedbank disclaims any liability for any loss of whatsoever nature that may be suffered by any party by relying on the information contained in this Commentary.

Certain information and views contained in this Commentary are proprietary to Nedbank and are protected under the Berne Convention and in terms of the Copyright Act 98 of 1978 as amended. Any unlawful or attempted illegal copyright or use of this information or views may result in criminal or civil legal liability.

All trademarks, service marks and logos used in this Commentary are trademarks or service marks or registered trademarks or service marks of Nedbank or its affiliates.

Nedbank Limited is a licensed Financial Services Provider and a Registered Credit Provider (FSP License Number 9363 and National Credit Provider License Number NCRCP 16).