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Key daily driver




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SNIPPETS

(Charts of the day)	USDZAR weakens sharply, CDS spreads rise, and ZAR 3m risk reversal spikes as fears mount over Gordhan removal
(Currencies)	This morning the rand is currently trading at 13.0200, EURUZAR is trading at 14.0750 and GBPZAR at 16.1750.
(Equities)	Top 40 rises 1.24%, led by rand hedges; US equities upbeat; Asian markets follow positive this morning
(Economics)	US data signals firmer manufacturing conditions while consumer confidence surged; Japanese retail sales softer in February

Key overnight factors and upcoming events

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Date	Region	Event   	Actual/expected/prior	Implications
28/03	SA	Political risks	--	Zuma recalls Pravin Gordhan and Mcebisi Jonas from investor road show in London, likely to weigh on the rand if there are any further negative developments
30/03	SA	SARB MPC	--/7.0%/7.0%	SARB expected to keep rates on hold but revise forecast profile lower
30/03	UK	Article 50 invocation	--	Brexit proceedings to begin, may weigh on the pound

Source: Nedbank

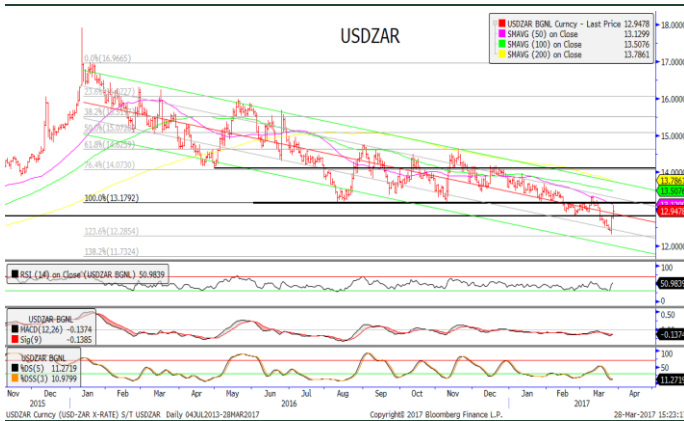
Charts of the day

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- Political risks have escalated locally, with rumours of the imminent removal of Finance Minister Pravin Gordhan and/or his Deputy Mcebisi Jonas making headlines. This after President Zuma recalled the two from an investor road show in London and the US. As a result, the CDS spread surged by almost 22 bps, and is still rising due to the uncertain nature of SA politics. The USDZAR weakened by almost 70-cents since early yesterday. Both the CDS spread and the USDZAR has further upside risk, especially in the face of an uncertain political outlook.
- Given significant support for the rand over the last 15 months, in the face of deteriorating economic and political fundamentals, we are likely to see some support for the rand materialising if the political noise eases – foreign investors may take advantage of oversold technical indicators over the medium term. If the headlines do materialise, there may be some negative reaction from credit ratings agencies, which will hamper the perceived sovereign credit risk. CDS spreads are likely to spike further in such a scenario.
- While the USDZAR and the 3-month risk reversal indicator had diverged for most of this year, both only started trending more closely this week. A spike in the risk reversal indicator would signal a flare up of risks, and possible weakening in the currency. On the CDS spread, the recent political wrangling has only recently resulted in a divergence between the SA CDS and the EM average. This is expected to persist over the near term.
- Technical levels to look out for on the USDZAR cross are support levels around R13.20/\$, the 100% Fibonacci level from the 2016 high. The R13.80/\$ mark will also represent key support, as it is the +2 standard deviation level from the mean of R12.90/\$. Further support levels are around R14.00/\$ and R14.10/\$, which lies around the 76.4% Fibonacci levels. As mentioned, any easing of political risks are likely to yield some reprieve on the USDZAR, close to the mean, and possibly even lower.

USDZAR surges by 70-cents, targets support at R13.20/\$



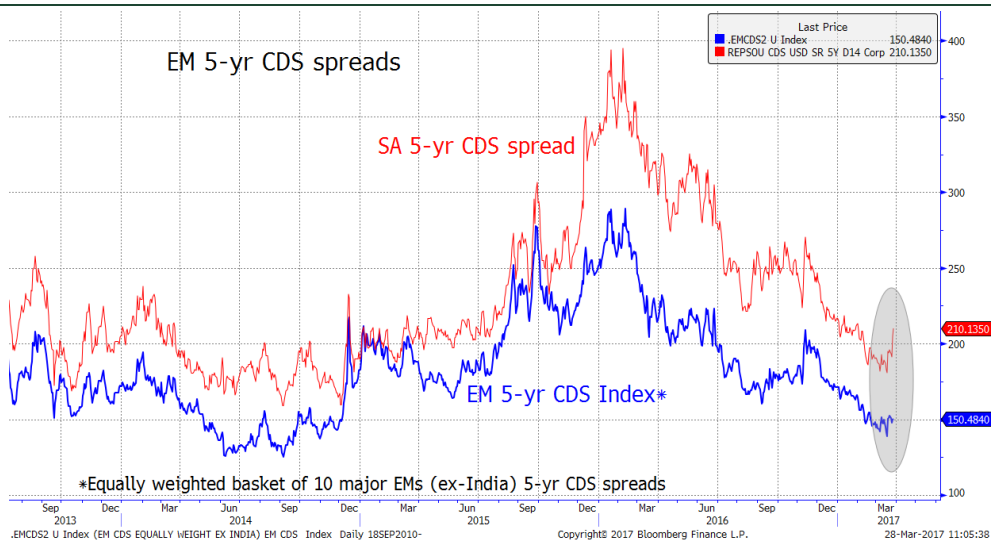
Source: Bloomberg, Nedbank

USDZAR and 3m risk reversal resume positive correlation



Source: Bloomberg, Nedbank

Sovereign credit risks spikes on the back of local political risks



Source: Bloomberg, Nedbank

Currencies

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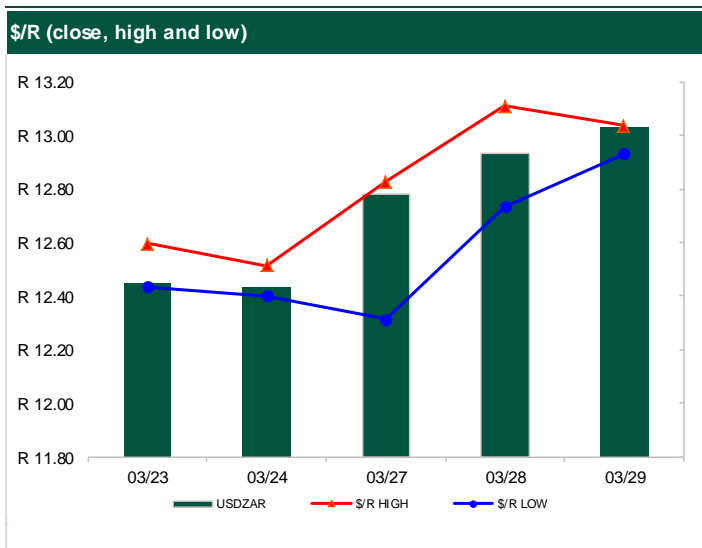
- Yesterday the local session opened with the rand trading in the 12.70's ,but immediate demand for dollars , in a low liquidity environment, this saw the local unit trade to a high of 13.1150 in double quick time. Thereafter the rand did post a modest recovery, by the time of the local close trading at 12.9100.
- This morning the rand is trading at 13.0200, EURUZAR is trading at 14.0750 and GBPZAR at 16.1750.
- On the international front, EURUSD trading consistently above the 1.0800 level, reaching a high of 1.0872, in the overnight session it has sold off to currently trade at 1.0810. Gold held steady throughout yesterday's session around the 1255.00 level, this morning some 7 dollars off, currently at 1248.50.
- Today data releases as follows , locally nothing , from Europe we have French consumer confidence , from the U.K consumer credit and mortgage loan applications , and indications are that Mrs May will be invoking Article 50. From the U.S mortgage applications and pending home sales, as well as a number of FED speakers.
- Local focus remains firmly on the ongoing saga between the Finance minister and the President and the possible cabinet reshuffle and the effects and consequences thereof; as a result liquidity in the foreign exchange markets limited at best and price action erratic and extreme.
- Possible trading range in the rand today 12.9000 to 13.3000.

Majors	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend	USD trend
GBPUSD	1.24	-0.70	-0.18	0.44	↓	USD strength
EURUSD	1.08	-0.24	1.89	2.76	↑	USD weakness
USDJPY	111.16	0.46	-0.70	-4.96	↓	USD weakness
USDAUD	1.31	0.04	0.56	-5.70	↑	USD strength
Rand crosses	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend	ZAR trend
USDZAR	13.06	0.93	-0.42	-4.98	↓	ZAR strength
GBPZAR	16.18	0.23	-0.61	-4.50	↓	ZAR strength
EURZAR	14.11	0.69	1.45	-2.37	↑	ZAR weakness
AUDZAR	9.97	0.89	-0.91	0.68	↓	ZAR strength
ZARJPY	8.51	-0.47	-0.27	-0.17	↓	ZAR weakness
African FX	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend	ZAR trend
ZARMWK (Malawian kwacha)	55.61	-0.78	0.64	4.97	↑	ZAR strength
ZARBWP (Botswana pula)	0.79	-0.48	-0.08	1.80	↓	ZAR weakness
ZARKES (Kenyan shilling)	7.88	-0.97	0.43	5.66	↑	ZAR strength
ZARMUR (Mauritian rupee)	2.70	-0.75	-0.13	3.10	↓	ZAR weakness
ZARNGN (Nigerian naira)	24.19	-0.28	0.61	5.45	↑	ZAR strength
ZARGHS (Ghanian cedi)	0.33	-0.68	-6.97	7.23	↓	ZAR weakness
ZARZMW (Zambian kwacha)	0.73	-1.22	0.36	0.37	↑	ZAR strength
ZARMZN (Mozambican metical)	5.20	-0.89	-2.73	-0.18	↓	ZAR weakness

Source: Bloomberg & Nedbank CIB
Time: 20/03/29 07:40

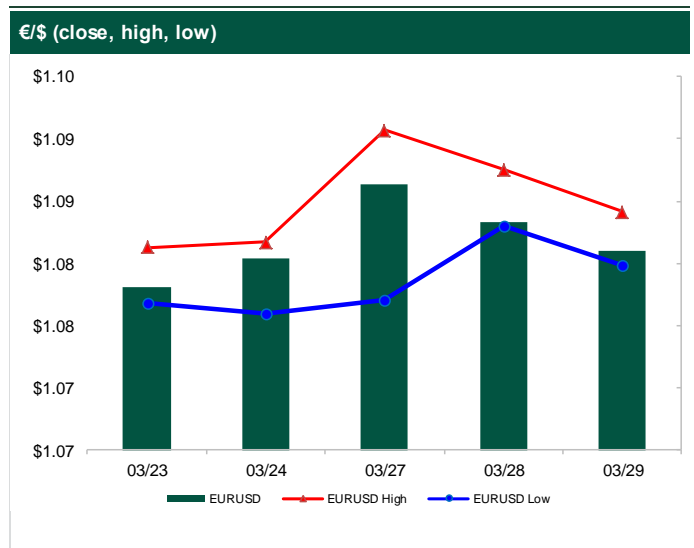
**Please note that the sign on the % change reflects the change on the headline number. The narrative indicates the trend direction over the month. For trade in any of these currencies, contact our FX dealing desks*

USDZAR



Source: Bloomberg, Nedbank

EUR/USD



Source: Bloomberg, Nedbank

Commodities

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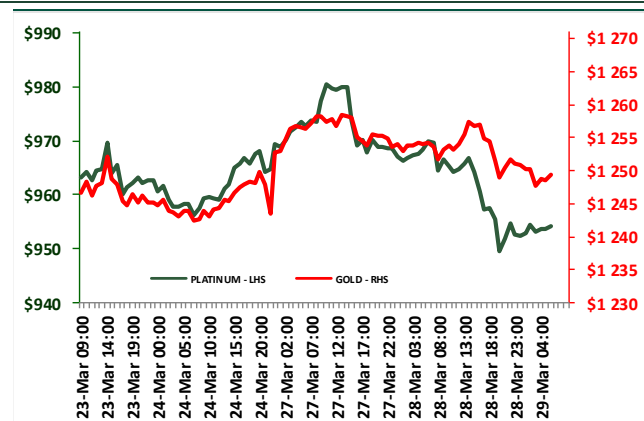
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- Gold declined by close to \$5/oz. as the dollar firmed up marginally. The price still remains elevated and will likely trend inversely to the dollar unless safe haven demand picks up materially.
- Brent remained roughly unchanged around \$51.5/bbl. The oil price is predisposed to some downside risk as global supplies still exceed demand, and the US inventory overhang continues to build. OPEC comments over the extension of production cuts will have a temporary and short-lived impact on the oil price.

Commodities	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
Brent near future (\$)	51.48	0.29	-7.39	-9.40	↓
WTI crude (\$)	48.55	0.37	-10.11	-9.62	↓
Gold spot (\$)	1 249.13	-0.42	-0.58	8.86	↓
Platinum spot (\$)	953.20	-0.42	-7.46	5.55	↓
SA white maize spot (R)	1 854.00	4.33	-33.31	-47.66	↓

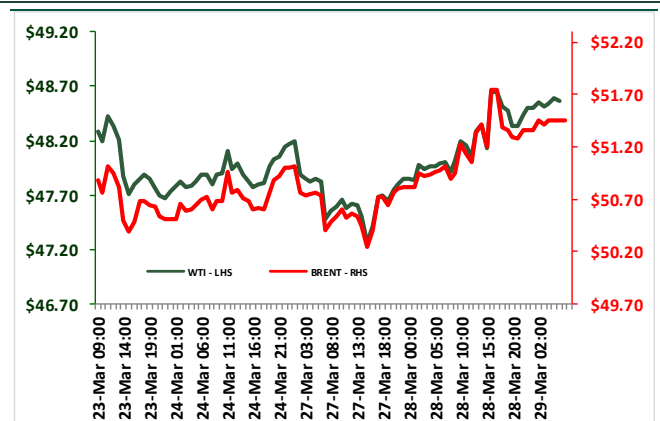
Source: Bloomberg & Nedbank CIB
Time 2017/03/29 07:25

Platinum vs Gold



Source: Bloomberg

Brent Crude vs West Texas Intermediate



Source: Bloomberg

Fixed income and interest rates

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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	
R203-0.5 yrs	7.38	-1.10	-0.20	-32.00	↓
R208-4 yrs	7.87	0.60	-7.60	-41.40	↓
R186-9.7 yrs	8.73	1.20	-5.90	-17.90	↓
R2048-30.9 yrs	9.56	0.70	-7.10	-5.90	↓
US 10 yr	2.42	0.10	2.90	-2.50	↑
UK 10 yr	1.19	2.14	3.56	-3.79	↑
German 10 yr	0.39	-3.48	86.54	121.71	↑
Japan 10 yr	0.06	6.90	10.71	34.78	↑
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)	6.30		-30.00		↓
SA 3m JIBAR	7.33	0.80	0.80	-2.50	↑
SA 3m NCD	7.30	0.00	-5.00	-7.50	↓
SA 6m NCD	7.93	0.00	0.00	-5.00	→
SA 12m NCD	8.43	0.00	7.50	-2.50	↑
US 3m LIBOR	1.15	0.06	8.79	15.40	↑
UK 3m LIBOR	0.34	0.34	-1.18	-2.19	↓
Japan 3m LIBOR	-0.01	-0.92	2.46	5.19	↑

Source: Bloomberg & Nedbank CIB Time 2017/03/29 07:25

FRA's and Swaps	Last price	Δ 1d	Δ MTD	Δ YTD	Month trend
	%	bps	bps	bps	
3X6 FRA	7.37	3.00	4.00	-2.00	↑
6X9 FRA	7.38	5.00	5.00	-4.00	↑
9X12 FRA	7.36	4.00	5.00	-9.00	↑
18X21 FRA	7.41	5.75	3.75	-12.25	↑
SA 2yr Swap	7.40	5.70	5.70	-6.60	↑
SA 3yr Swap	7.48	5.20	6.20	-7.60	↑
SA 5yr Swap	7.74	6.50	7.00	-7.60	↑
SA 10yr Swap	8.19	7.00	5.50	-15.50	↑
SA 15yr Swap	8.37	7.00	7.25	-12.00	↑
Spreads	Last price	Δ 1d	Δ MTD	Δ YTD	Month trend
	%	bps	bps	bps	
2v10y	-0.80	-1.30	0.20	8.90	↑
3v10y	-0.69	-1.80	0.70	7.90	↑
R186-R203	1.33	2.00	-6.00	13.80	↓
R2048-R186	0.84	-0.50	-1.20	12.00	↓
5y-R186	-1.05	4.60	12.20	9.60	↑
10y-R186	-0.60	5.10	10.70	1.70	↑
15y-R186	-0.42	5.10	12.45	5.20	↑
SA 5yr CDS spread - basis points	210.81	19.79	20.47	-6.19	↑

Source: Bloomberg & Nedbank CIB Time 2017/03/29 07:40

Equities

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Cash equities | +2711 535 4030/31

South Africa

- The All Share index started its trading day in positive territory on Tuesday morning as Rand hedges continued to rally from the day before on the back of a weaker Rand. This as investors awaits further news as to why President Jacob Zuma recalled Pravin Gordan from an international roadshow.
- The All Share index held on to it's a gains closing at session highs up 1.13% with Sasol advancing 5.89% and Naspers up 3.11%
- The Platinum & Precious Metals sector led the upside to close 3.06% in the black with the likes of Lonmin and Anglo Platinum jumping 5.56% and 4.68% respectively. On the other hand, General Retailers dropped 1.59%.
- Capitec Bank Holdings advanced 1.38% this after its full-year results came in ahead of estimates showing 18% HEPS growth.
- Value traded at 5pm was around R24.9bn with the currency at R12.87c vs. the USD at the close.

UK/Europe

- European markets closed in the black on Tuesday night with the FTSE 100 up 0.68% and the Cac40 climbing 0.57%
- The bulk of the move came at the back-end of the trading day with the US open, this despite the looming triggering of Brexit expected the following day
- The Euro Stoxx 50 was up 0.81% with the likes of Deutsche Bank and BNP Paribas advancing 2.90% and 2.58% respectively.

USA

- US markets resumed their rally shaking off recent weakness caused by President Donald Trump's failure to repeal Obamacare. Sentiment was buoyed by better than expected consumer confidence data.
- The Dow Jones and S&P 500 both advanced 0.73% on the day with the S&P500 posting its biggest gain in two weeks.
- On the economic data front, the Richmond Fed Manufacturing came in ahead of estimates at 22 index points while wholesale inventories gained 0.4% (m/m)

Asia

- Asian markets bar Japan have followed their US counterparts higher as the rise in consumer confidence rekindled optimism in the strength of the US economy.
- The Nikkei is down 0.94% following weaker than expected retail sales data while the Hang Seng has gained 0.21%
- The Australian ASX up 0.83% with the likes of BHP Billiton climbing 0.46% and WorleyParsons up 2.98%

Developed Markets	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
Dow Jones	20 701.50	0.73	-0.53	4.75	↓
Nasdaq	5 875.14	0.60	0.85	9.14	↑
S&P 500	2 358.57	0.73	-0.21	5.35	↓
DJ Eurostoxx 50	3 465.07	0.81	4.38	5.30	↑
DAX	12 149.42	1.28	2.66	5.82	↑
CAC	5 046.20	0.57	3.86	3.78	↑
FTSE	7 343.42	0.68	1.10	2.81	↑
ASX200	5 873.50	0.90	2.82	3.67	↑
Nikkei 225	19 212.34	0.05	0.49	0.51	↑
MSCI World	1 858.88	0.74	1.10	6.15	↑
Emerging Markets	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
Hang Seng	24 383.10	0.15	2.71	10.83	↑
Shanghai	3 257.71	0.15	0.49	4.96	↑
Brazil Bovespa	64 640.45	0.52	-3.03	7.33	↓
India - NSE	29 473.10	0.22	2.54	10.69	↑
Russia Micex	2 032.54	0.96	-0.16	-8.97	↓
MSCI Emerging	970.32	0.48	3.63	12.53	↑
SA Indices	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
JSE All Share	52 309.23	1.13	2.27	3.27	↑
Top 40	45 215.36	1.24	2.46	2.99	↑
Resi 10	31 323.90	2.45	-1.04	-2.45	↓
Indi 25	68 443.39	1.12	4.15	6.47	↑
Fini 15	15 233.24	0.07	2.14	1.03	↑

Economics

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US

- Wholesale inventories grew by 0.4% m/m in February, from -0.2% previously, better than expectations of 0.2%. Inventories of both durable and non-durable goods rose in February, due to some build-up in capacity and easing demand in the US during the seasonally slow first quarter. Inventory of motor vehicles surged in February, which may signal a slowdown in consumption of vehicles. Retail sales data has confirmed this slowdown in February.
- S&P CoreLogic house price index rose by 5.73% y/y, from 5.47% previously, better than consensus of 5.6%. This is the fastest pace of growth since 2014 as housing inventories continue to decline as fewer people are willing to sell their homes. This will likely persist, keeping the prices elevated over the medium term.
- Richmond Fed manufacturing index improved to 22 index points, from 17 previously, better than consensus of 15. Shipments, backlogged orders, capacity utilizations, employment and wages all improved. Manufacturing conditions has been improving over the last 3 months on the back of fiscal stimulus expectations, which may disappoint in coming months.
- Consumer confidence in the US surged to 125.6 from 116.1 in February, better than forecasts of 114. Both expectations of the current situation and sentiment of the future improved markedly. Better labour market, household finances and income prospects were noted. More households now plan on buying large durable items compared to a month earlier, despite higher interest rates.

Synopsis: The Fed will likely continue to sound hawkish this year (data dependent), with the risk of the 3 rate hikes materialising as their dual mandate may be reached. While Q1 may reflect a seasonal slowdown in consumer spending, caution is warranted over the medium term if we see a sustained slowdown real wage growth.

Japan

- Japanese retail sales growth eased to 0.1% y/y in February, from 1% previously, worse than forecasts of 0.7%. General merchandise, food, apparel, machinery and equipment sales contracted sharply, while only motor vehicles, fuel and pharmaceutical goods sales surged.
- Household spending in Japan still remains weak, with only a gradual recovery expected this year. Wage growth remains benign and growth is mainly being buoyed by exports and international demand. This is expected to keep the local retail sector downbeat over the medium term.

Synopsis: The BOJ has further impetus to keep monetary policy accommodative as they combat sluggish growth despite a recent (small) uptick in inflation. Interest rates will likely remain low for as long as inflation shows no evidence of rising to 2%. We expect a weaker yen into year end.

JSE performance

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Top40 constituents	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
AGL : Anglo American Plc	196.50	1.66	-3.49	0.72	↓
ANG : Anglogold Ashanti Ltd	145.31	-0.97	-0.21	-4.76	↓
APN : Aspen Pharmacare Holdings Lt	272.97	1.10	-3.67	-3.74	↓
BGA : Barclays Africa Group Ltd	150.68	-1.80	-0.84	-10.68	↓
BID : Bid Corp Ltd	266.20	-0.39	1.23	8.59	↑
BIL : Bhp Billiton Plc	198.21	2.88	-5.13	-9.36	↓
BTI : British American Tobacco Plc	844.36	0.64	2.81	8.44	↑
BVT : Bidvest Group Ltd	161.42	-1.57	4.13	-10.94	↑
CFR : Financiere Richemont-Dep Rec	101.28	0.95	6.02	11.62	↑
DSY : Discovery Ltd	133.60	-0.34	8.62	16.68	↑
FFA : Fortress Income Fund Ltd-A	16.97	-0.59	-2.47	2.41	↓
FFB : Fortress Income Fund Ltd	33.14	-0.84	-4.93	2.51	↓
FSR : Firststrand Ltd	50.21	-0.75	0.99	-5.57	↑
GFI : Gold Fields Ltd	46.38	0.28	15.23	6.40	↑
GRT : Grow thpoint Properties Ltd	26.25	-0.19	-0.87	1.39	↓
IMP : Impala Platinum Holdings Ltd	44.15	1.49	0.25	3.30	↑
INL : Investec Ltd	95.35	0.74	3.42	5.07	↑
INP : Investec Plc	94.80	1.01	2.46	4.46	↑
ITU : Intu Properties Plc	44.07	0.30	-5.19	-6.19	↓
LHC : Life Healthcare Group Holdin	31.35	3.79	-6.43	-3.82	↓
MEI : Mediclinic International Plc	125.18	1.92	4.04	-3.71	↑
MND : Mondi Ltd	311.86	0.96	3.77	11.38	↑
MNP : Mondi Plc	311.72	1.09	2.76	11.84	↑
MRP : Mr Price Group Ltd	167.11	-2.84	-1.70	4.74	↓
MTN : Mtn Group Ltd	123.55	-0.31	3.14	-2.08	↑
NED : Nedbank Group Ltd	256.50	-0.08	4.69	7.71	↑
NPN : Naspers Ltd-N Shs	2 305.49	3.11	9.91	14.47	↑
NTC : Netcare Ltd	30.35	-0.33	-4.56	-4.68	↓
OML : Old Mutual Plc	35.00	0.34	-0.31	1.63	↓
RDF : Redefine Properties Ltd	11.16	0.27	2.67	-0.27	↑
REI : Reinnet Investments Sa-Dr	28.45	0.42	1.32	6.16	↑
REM : Remgro Ltd	212.00	-1.17	-5.06	-4.95	↓
RMH : Rmb Holdings Ltd	62.75	-0.21	-1.04	-5.50	↓
SAP : Sappi Limited	89.51	2.45	9.41	-0.49	↑
SBK : Standard Bank Group Ltd	155.27	0.82	8.42	2.32	↑
SHP : Shoprite Holdings Ltd	202.20	0.48	6.84	17.93	↑
SLM : Sanlam Ltd	69.50	-0.04	2.55	10.49	↑
SNH : Steinhoff International H Nv	63.65	1.35	-8.85	-10.70	↓
SOL : Sasol Ltd	382.21	5.89	2.47	-4.18	↑
TBS : Tiger Brands Ltd	414.50	-0.41	-0.84	4.19	↓
TRU : Truworths International Ltd	89.40	-1.43	2.55	12.21	↑
VOD : Vodacom Group Ltd	154.98	0.06	4.55	1.69	↑
WHL : Woolworths Holdings Ltd	72.07	-2.13	2.96	1.48	↑

Source: Bloomberg & Nedbank CIB

Time 2017/03/29 07:25

Economic calendar

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Time	Country	Event	Period	Survey	Actual	Prior	Revised
28-Mar							
11:30	SA	Non-Farm Payrolls QoQ	4Q	--	--	1.00%	--
11:30	SA	Non-Farm Payrolls YoY	4Q	--	--	0.90%	--
14:30	US	Wholesale Inventories MoM	Feb P	0.20%	0.40%	-0.20%	--
15:00	US	S&P CoreLogic CS 20-City YoY NSA	Jan	5.65%	5.73%	5.58%	5.47%
16:00	US	Conf. Board Consumer Confidence	Mar	113.6	--	114.8	--
16:00	US	Richmond Fed Manufact. Index	Mar	15	--	17	--
29-Mar							
01:50	JN	Retail Trade YoY	Feb	0.70%	--	1.00%	--
01:50	JN	Retail Sales MoM	Feb	0.30%	--	0.50%	0.20%
10:30	UK	Net Consumer Credit	Feb	--	--	1.4b	--
10:30	UK	Net Lending Sec. on Dwellings	Feb	--	--	3.4b	--
10:30	UK	Mortgage Approvals	Feb	70.0k	--	69.9k	--
10:30	UK	Money Supply M4 MoM	Feb	--	--	0.90%	--
10:30	UK	M4 Money Supply YoY	Feb	--	--	7.00%	--
13:00	US	MBA Mortgage Applications	42818	--	--	-2.70%	--

Source: Bloomberg

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Money Market Institutional Sales Desk
 (011) 535 4008

Bond Trading
 (011) 535 4021

Forex Business Banking Sales Desk
 (011) 535 4003

Forex Retail Sales Desk
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Money Market Business Banking Sales Desk
 (011) 535 4006

Non Soft & Soft Commodities Trading
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Credit Derivatives
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 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;
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Preference shares desk
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