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 (* when available)*

Key daily driver




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SNIPPETS

(Charts of the day)	Probability for SA falling into a recession stands at 45%, but mining and agri sector rebound may offset weakness in manufacturing and retail
(Currencies)	Dollar rebounds overnight, weighing on global majors; USDZAR resilient, maintains stronger momentum, at R13.16/\$ this morning
(Equities)	Top 40 marginally lower due to health care and resource stocks; US equities sharply higher due to better reported earnings; Asian markets follow upbeat this morning
(Economics)	US labour market trend remains upbeat, leading indicator continues to rise

Key overnight factors and upcoming events

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Date	Region	Event   	Actual/expected/prior	Implications
20/04	UK	Carney speaks in Washington	--	BOE's Carney speaks in Washington, likely to provide insight on economic recovery, Brexit and monetary policy
21/04	UK	Retail sales	--/3.3%/3.7%	Retail sales growth likely to remain positive, but trend may slow as confidence wanes
21/04	Global	Preliminary PMIs	--	Firmer manufacturing conditions expected in April
23/04	EZ	French presidential election	--	Newcomer Emmanuel Macron leads in the most recent polls, second round vote takes place on May 7 th . Political risks to remain at a premium in the Eurozone

Source: Nedbank

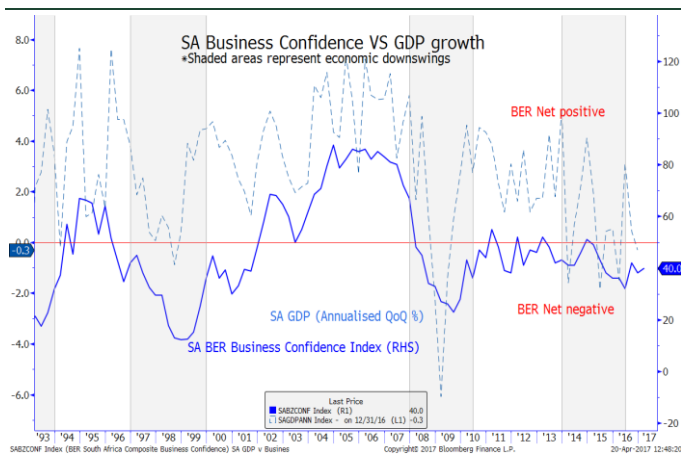
Charts of the day

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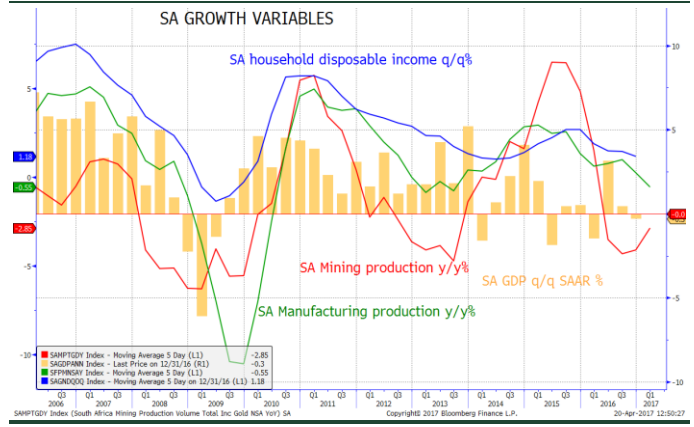
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- The recent political noise and credit rating downgrades have turned the market increasingly bearish on growth and hawkish on inflation and interest rate trends. According to a Bloomberg poll, the medium forecast for the probability of a recession rose sharply in April, to 45%, from 20% in the previous month. This is currently at the highest level in almost a year, but is still a far-cry from economic reality. The definition of a technical recession is two consecutive quarters of negative quarterly growth rates. While consumer spending and business investment are likely to remain low, or even contract on an annualised basis – this is not new – in Q1 last year, household spending contracted by 1.5% q/q, while gross fixed capital formation slumped 10.4%. For the full year, household spending remained benign, while GFCF slumped 3.9%. Growth is measured on a q/q basis, and is impacted by base effects. Hence the extremely low base in Q4 will provide some solace for Q1/2017 growth, which is expected to remain low nonetheless (around 1% q/q).
- Confidence indicators remain weak and signal continued strained labour market, decline in capital formation and low household spending growth. However, the bright spots in the economy emanates from the rebound in the agricultural and mining sectors which make up 11% of GDP, trade activity which has seen a 7% YTD surge in exports and a slump in imports, and a sharp inventory draw-down in the last quarter may necessitate a capacity rebuild in Q1. In contrast, manufacturing, utilities, and consumer spending will likely contribute negatively to GDP growth in Q1.
- While the high probability of a recession is not unfounded, one must note that low base effects tend to provide some reprieve in subsequent quarters. In extreme cases, we may see multiple quarters of contraction in specific subcomponents, but more often than not, this is due to exogenous factors (drought), or extremely deficient demand, or a financial crisis. The current global backdrop is made up of better economic conditions and rising global demand, which may offset deficient local demand to some extent.

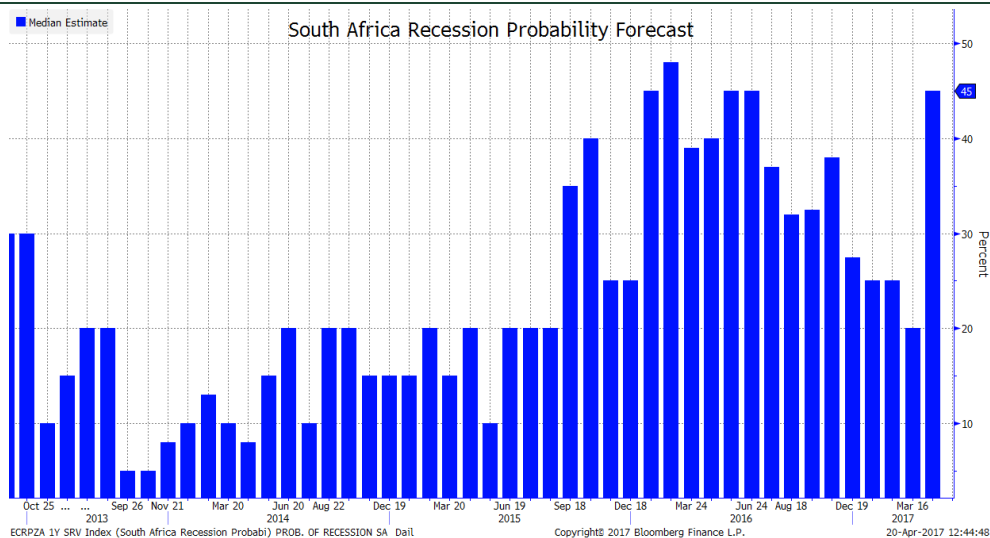
Confidence levels remain benign



Weakness in manufacturing and consumer sectors may be counterbalanced by better mining and agri sectors



Bloomberg survey finds the median forecast of the probability of an SA recession is 45%



Currencies

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

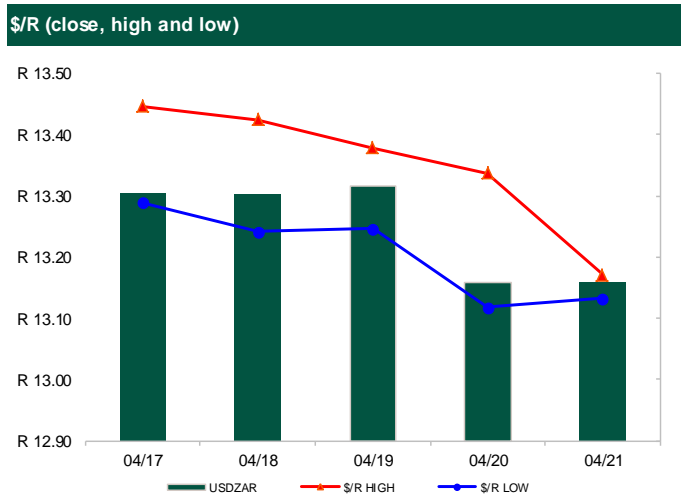
- Yesterday the session opened with the rand trading marginally below the 13.3000 level, although we did encounter demand for dollars the local unit traded steadily firmer throughout the session, touching its best level since the untimely recall of the Finance minister, closing the day trading at 13.1625. In the overnight session, little if any activity and at the time of writing the rand is currently trading at 13.1550, EURZAR is trading at 14.0980 and GBPZAR at 16.8300.
- On the international front the euro continues to hold steady above the 1.0700 level, during yesterday's session trading to a best level of 1.0777, this morning currently trading at 1.0716, markets awaiting the outcome of the French elections over the weekend. Gold trading unchanged from the same time yesterday, currently at 1280.00
- Data releases scheduled for today, no local release, from Europe, manufacturing and services PMI releases for France, Germany and the zone as well as current account data for the zone. From the U.S manufacturing and services PMI and existing home sales.
- Yesterday we did allude to the positive close and open below the technically significant 13.3000 level, the market overshot the objective at 13.1800, going into the weekend the markets will most likely be cautious and there could be some position squaring but the bias for the local unit has continued to improve along with our global peers, this despite the backdrop of local politics.
- Possible trading range in the rand today 13.0000 to 13.3500

Majors	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend	USD trend
GBPUSD	1.28	-0.18	1.97	3.70	↑	USD weakness
EURUSD	1.07	-0.29	0.59	1.88	↑	USD weakness
USDJPY	109.25	-0.07	-1.92	-6.59	↓	USD weakness
USDAUD	1.33	0.02	1.32	-4.36	↑	USD strength
Rand crosses	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend	ZAR trend
USDZAR	13.16	-0.01	-1.90	-4.24	↓	ZAR strength
GBPZAR	16.84	-0.19	-0.03	-0.63	↓	ZAR strength
EURZAR	14.10	-0.30	-1.43	-2.44	↓	ZAR strength
AUDZAR	9.91	-0.05	-3.28	0.08	↓	ZAR strength
ZARJPY	8.30	-0.05	0.08	-2.65	↑	ZAR strength
African FX	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend	ZAR trend
ZARMWK (Malawian kwacha)	55.12	-0.06	1.86	4.04	↑	ZAR strength
ZARBWP (Botswana pula)	0.79	0.06	0.74	1.54	↑	ZAR strength
ZARKES (Kenyan shilling)	7.86	0.00	2.37	5.33	↑	ZAR strength
ZARMUR (Mauritian rupee)	2.68	0.07	2.09	2.22	↑	ZAR strength
ZARNGN (Nigerian naira)	24.03	-0.05	3.06	4.76	↑	ZAR strength
ZARGHS (Ghanian cedi)	0.31	-2.51	-2.24	1.16	↓	ZAR weakness
ZARZMW (Zambian kwacha)	0.71	0.06	-1.57	-2.19	↓	ZAR weakness
ZARMZN (Mozambican metical)	5.02	0.88	-0.30	-3.80	↓	ZAR weakness

Source: Bloomberg & Nedbank CIB
Time: 2017/04/21 07:21

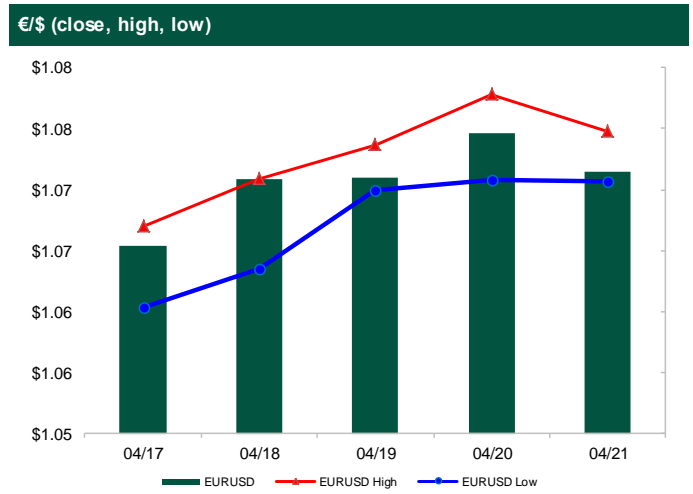
**Please note that the sign on the % change reflects the change on the headline number. The narrative indicates the trend direction over the month. For trade in any of these currencies, contact our FX dealing desks*

USDZAR



Source: Bloomberg, Nedbank

EUR/USD



Source: Bloomberg, Nedbank

Commodities

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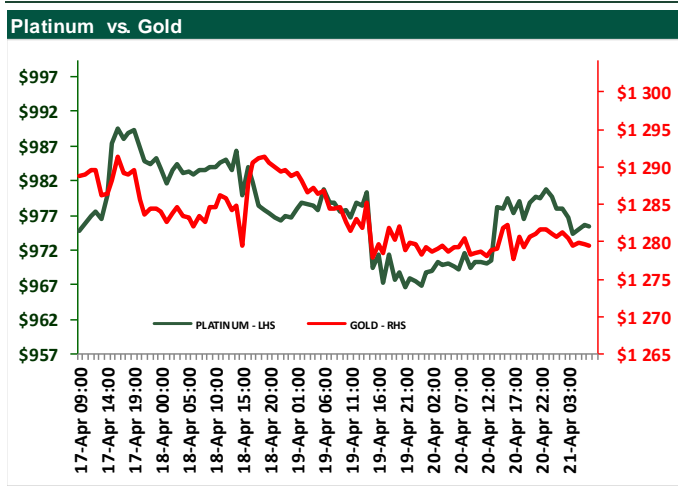
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- Brent prices remained low as the US supply glut persists – US crude production rose sharply while gasoline stockpiles continues to rise. Added to this, Libya reopening a key oil field will add to global supplies. OPEC on the other hand, have been indicating a possible extension to the production cuts into year end, however even if this were to materialise, the supply overhang in the US will continue to rise, adding to the glut and keeping the oil price within a narrow range.
- Gold remained within a narrow trading range yesterday, unfazed by a stronger dollar overnight. Safe haven demand has kept the gold price elevated in the past week, and this is expected to persist in the near term, until geopolitical tensions die down. Gold will continue to be driven by either safe haven demand or the dollar.

Commodities	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
Brent near future (\$)	52.98	-0.02	0.28	-6.76	↑
WTI crude (\$)	50.74	0.93	0.28	-5.55	↑
Gold spot (\$)	1 279.81	-0.08	2.45	11.53	↑
Platinum spot (\$)	975.15	-0.36	2.61	7.98	↑
SA white maize spot (R)	1 881.00	-2.29	-3.24	-46.89	↓

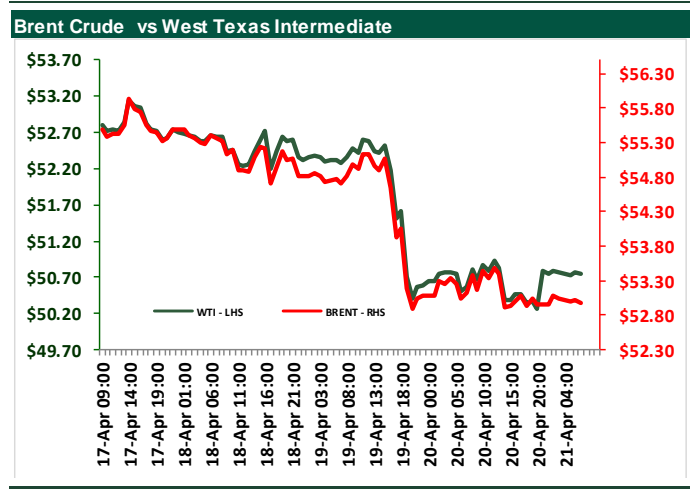
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Platinum vs Gold



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	
R203-0.4 yrs	7.41	-0.70	-1.80	-29.00	↓
R208-3.9 yrs	7.70	-0.10	-22.50	-58.20	↓
R186-9.7 yrs	8.67	-0.10	-20.10	-24.10	↓
R2048-30.9 yrs	9.61	-0.10	-11.60	-1.10	↓
US 10 yr	2.24	0.44	-15.06	-20.76	↓
UK 10 yr	1.07	0.38	-6.15	-13.72	↓
German 10 yr	0.24	20.20	-25.61	39.43	↓
Japan 10 yr	0.02	-20.00	-77.14	-65.22	↓
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)	6.10		-20.00		↓
SA 3m JIBAR	7.34	0.00	-1.60	-1.60	↓
SA 3m NCD	7.30	-5.00	-7.50	-7.50	↓
SA 6m NCD	7.90	-3.75	-5.00	-7.50	↓
SA 12m NCD	8.35	-7.50	-2.50	-10.00	↓
US 3m LIBOR	1.15	-0.25	0.36	15.53	↑
UK 3m LIBOR	0.34	-0.09	-0.16	-3.08	↓
Japan 3m LIBOR	0.00	-0.12	-1.72	5.52	↓

FRA's and Swaps	Last price	Δ 1d	Δ MTD	Δ YTD	Month trend
	%	bps	bps	bps	
3X6 FRA	7.29	0.00	-13.00	-10.00	↓
6X9 FRA	7.19	0.00	-32.00	-23.00	↓
9X12 FRA	7.15	0.00	-41.00	-30.00	↓
18X21 FRA	7.17	0.00	-20.00	-36.00	↓
SA 2yr Swap	7.21	0.00	-13.90	-25.50	↓
SA 3yr Swap	7.28	0.00	-15.40	-28.00	↓
SA 5yr Swap	7.53	0.00	-15.50	-28.10	↓
SA 10yr Swap	7.99	0.00	-16.75	-35.50	↓
SA 15yr Swap	8.17	0.00	-16.10	-31.10	↓
Spreads	Last price	Δ 1d	Δ MTD	Δ YTD	Month trend
	%	bps	bps	bps	
2v10y	-0.78	0.00	2.85	10.00	↑
3v10y	-0.71	0.00	1.35	7.50	↑
R186-R203	1.25	0.60	-18.30	4.90	↓
R2048-R186	0.94	-0.00	8.50	23.00	↑
5y-R186	-1.14	0.10	4.60	-4.00	↑
10y-R186	-0.68	0.10	3.35	-11.40	↑
15y-R186	-0.50	0.10	4.00	-7.00	↑
SA 5yr CDS spread - basis points	200.60	-4.29	10.26	-16.40	↑

Source: Bloomberg & Nedbank CIB Time 2017/04/21 07:21

Equities

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Cash equities | +2711 535 4030/31

South Africa

- The Top40 continued lower on Thursday, but closed off its worst levels, losing 0.08% to close at 45735.60. Retailers, banks and industrials outperformed, while gold miners and platinum stocks were under pressure, with the likes of Harmony and Amplats falling 5%, as the stronger currency weighed on the sector. Aspen dragged the healthcare sector lower, losing 3.96%, as concerns of anti-competitive allegations continued to weigh on the stock. The value traded at the close was 19.1billion with the ZAR trading at 13.15 at the close.

UK/Europe

- European markets closed firmer, with France's CAC40 outperforming, closing up 1.5%, ahead of the results of the closely contested French election. Banking stocks lead their market higher as the euro rallied to a three week high against the dollar, with the likes of BNP Paribas and Societe Generale adding 4% and 2.8% respectively. The FTSE100 eked out a small gain of 0.06%, the first in five days, with energy shares under pressure following the sharp decline in oil prices. Amongst the bigger gainers were hedge fund manager, Man Group, which surged 7.19% after reporting a 10% rise in funds under management for the first quarter. Rio Tinto closed up 1.2% after trimming its copper production target, but left its guidance for iron ore unchanged. The DAX added 0.09%.

USA

- US markets closed Thursday session well in the black, with the Nasdaq(+0.92%) closing at a record high, with a number of companies reporting solid earnings, lifting the market. American Express rallied 5.9% after their results beat estimates. Steel stocks rose after President Trump announced a government probe into whether foreign steel imports are harming national security. The NYSE Arca Steel Index closed up 3.7%. On the downside, Phillip Morris, lost 3.5% after their first quarter profit forecast fell below estimates. The Dow rose 0.85%, and the S&P 500 added 0.76%

Asia

- Asian markets are trading higher this morning, with the Nikkei heading for its first weekly gain in six weeks. Automakers and exporters outperformed, while Fujifilm Holdings Corp fell more than 3% after postponing an earnings report due to investigations into accounting practices at one of their overseas units. A strong US close and higher metal prices, boosted the ASX. Material and financial stocks were amongst the better performers, with the likes of BHP Billion and Rio Tinto adding 1.7% and 2.4% respectively.

Developed Markets	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
Dow Jones	20 578.71	0.85	-0.41	4.13	↓
Nasdaq	5 916.78	0.92	0.09	9.91	↑
S&P 500	2 355.84	0.76	-0.29	5.23	↓
DJ Eurostoxx 50	3 448.26	-0.58	-1.50	4.79	↓
DAX	12 027.32	0.09	-2.32	4.76	↓
CAC	5 077.91	1.48	-0.87	4.43	↓
FTSE	7 118.54	0.06	-2.79	-0.34	↓
ASX200	5 857.30	0.62	-0.13	3.38	↓
Nikkei 225	18 590.16	0.87	-1.69	-2.74	↓
MSCI World	1 846.65	0.63	-0.38	5.45	↓
Emerging Markets	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
Hang Seng	24 087.37	0.13	-0.10	9.49	↓
Shanghai	3 172.55	0.01	-1.55	2.22	↓
Brazil Bovespa	63 760.62	0.56	-1.88	5.87	↓
India - NSE	29 468.92	0.16	-0.51	10.68	↓
Russia Micex	1 932.17	0.82	-3.19	-13.46	↓
MSCI Emerging	958.45	0.58	0.01	11.15	↑
SA Indices	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
JSE All Share	52 496.62	-0.09	0.85	3.64	↑
Top 40	45 735.57	-0.08	1.26	4.18	↑
Resi 10	32 295.10	-0.66	-0.09	0.58	↓
Indi 25	69 757.84	0.13	2.05	8.52	↑
Fini 15	14 623.21	0.04	0.27	-3.02	↑

Source: Bloomberg & Nedbank CIB

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US

- Initial jobless claims in the US rose to 244k last week, from 234k in the previous week, worse than expectations of 240k. However, given the gradual decline in claims over the last few weeks, the 4-week moving average has fallen sharply, to 243k from 247.3k in the previous week. As a result, continuing claims – the total number of people receiving jobless benefits – fell to 1.98 million, from 2.03 million in the previous week. Continuing claims is currently at the lowest level since April 2000, and indicative of continued labour market gains in the US.
- The Philadelphia Fed business outlook index fell to 22 points in April, from 32.8 index points previously, worse than consensus of 25.5. Prices, new orders, shipments, unfilled orders deteriorated sharply. Sentiment over general business conditions in 6 months' time also deteriorated due to expectations of sharply lower prices, orders and shipments. The outlook stands in stark contrast to upbeat conditions reflected in the leading indicator and other survey-based indicators. A soft start to the year may have impacted sentiment in the survey, which may improve in coming months.
- Leading index growth remained positive at 0.4% m/m in March, but eased from 0.5% previously, better than forecasts of 0.2%. Building permits, new orders and consumer confidence added positively to the leading index. The leading indicator signals better growth in the US in 6-9 months' time.

Synopsis: Given that this year is being characterised by rising inflation and a better economic and labour market outlook, the Fed will probably provide 2 more rate hikes before year-end. This compared to last year when the Fed was less convinced of achieving their dual mandate. The Fed will likely continue to talk hawkish, which may keep market expectations elevated in the near term. This supports our medium to long term stronger dollar view.

JSE performance

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Top40 constituents	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
AGL : Anglo American Plc	191.82	0.19	-5.99	-1.68	↓
ANG : Anglogold Ashanti Ltd	165.65	-3.35	15.64	8.57	↑
APN : Aspen Pharmacare Holdings Lt	261.01	-3.96	-4.99	-7.96	↓
BGA : Barclays Africa Group Ltd	144.00	0.35	3.22	-14.64	↑
BID : Bid Corp Ltd	266.89	-2.56	2.77	8.87	↑
BIL : Bhp Billiton Plc	203.77	-0.36	-1.65	-6.82	↓
BTI : British American Tobacco Plc	882.32	-0.05	0.10	13.32	↑
BVT : Bidvest Group Ltd	156.65	1.10	1.81	-13.57	↑
CFR : Financiere Richemont-Dep Rec	104.44	-0.45	-1.49	15.10	↓
DSY : Discovery Ltd	128.50	-0.74	-0.16	12.23	↓
FFA : Fortress Income Fund Ltd-A	16.93	1.56	0.83	2.17	↑
FFB : Fortress Income Fund Ltd	33.33	0.30	0.27	3.09	↑
FSR : Firstrand Ltd	48.25	1.15	4.08	-9.25	↑
GFI : Gold Fields Ltd	51.81	-2.72	10.78	18.86	↑
GRT : Grow thpoint Properties Ltd	25.23	-0.08	-2.59	-2.55	↓
IMP : Impala Platinum Holdings Ltd	46.64	-2.02	3.14	9.12	↑
INL : Investec Ltd	95.45	0.85	4.36	5.18	↑
INP : Investec Plc	94.62	0.61	3.30	4.26	↑
ITU : Intu Properties Plc	46.50	-1.57	-0.15	-1.02	↓
LHC : Life Healthcare Group Holdin	26.41	-1.64	-8.90	-12.93	↓
MEI : Mediclinic International Plc	122.97	-0.77	3.18	-5.41	↑
MND : Mondi Ltd	327.00	-0.14	2.02	16.79	↑
MNP : Mondi Plc	326.50	-0.16	1.41	17.14	↑
MRP : Mr Price Group Ltd	154.24	1.14	-3.54	-3.33	↓
MTN : Mtn Group Ltd	122.31	0.02	0.25	-3.06	↑
NED : Nedbank Group Ltd	224.69	1.11	-6.96	-5.64	↓
NPN : Naspers Ltd-N Shs	2 478.92	1.15	7.08	23.08	↑
NTC : Netcare Ltd	24.40	-1.41	-4.69	-23.37	↓
OML : Old Mutual Plc	32.35	-1.97	-3.95	-6.07	↓
RDF : Redefine Properties Ltd	11.00	0.73	-0.09	-1.70	↓
REI : Reinnet Investments Sa-Dr	30.23	-1.18	3.67	12.80	↑
REM : Remgro Ltd	215.71	0.38	4.67	-3.29	↑
RMH : Rmb Holdings Ltd	59.66	1.27	1.86	-10.15	↑
SAP : Sappi Limited	95.00	0.00	4.25	5.61	↑
SBK : Standard Bank Group Ltd	142.73	0.51	-0.71	-5.94	↓
SHP : Shoprite Holdings Ltd	202.01	0.29	4.34	17.82	↑
SLM : Sanlam Ltd	68.92	-0.12	2.30	9.57	↑
SNH : Steinhoff International H Nv	64.50	-0.92	0.51	-9.51	↑
SOL : Sasol Ltd	396.79	-0.96	1.59	-0.53	↑
TBS : Tiger Brands Ltd	400.45	0.11	0.00	0.66	→
TRU : Truworths International Ltd	86.50	1.69	-0.13	8.57	↓
VOD : Vodacom Group Ltd	147.14	0.02	-3.20	-3.45	↓
WHL : Woolworths Holdings Ltd	72.25	0.35	3.35	1.73	↑

Source: Bloomberg & Nedbank CIB

Time 2017/04/21 07:21

Last day to trade

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Share Code	Share name	Dividend / interest rate
24 April 2017		
CRP	Capital & Regional plc	dividend @ 30.12540cps or share option TBA
NFGOVI	Newfunds GOVI ETF	interest @ 34.9860cps
NFILBI	Newfunds ILBI ETF	interest @ 16.1550cps
NFTRCI	Newfunds TRACI 3-M ETF	interest @ 11.5540cps
STXRAF	Satrix RAFI 40 Portfolio	dividend @ 9.44cps

Source: JSE

Economic calendar

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Time	Country	Event	Period	Survey	Actual	Prior	Revised
20-Apr							
01:50	JN	Trade Balance Adjusted	Mar	¥159.5b	¥172.2b	¥680.3b	¥609.0b
01:50	JN	Exports YoY	Mar	6.20%	12.00%	11.30%	--
01:50	JN	Imports YoY	Mar	10.00%	15.80%	1.20%	--
08:00	GE	PPI YoY	Mar	3.20%	3.10%	3.10%	--
14:30	US	Initial Jobless Claims	15-Apr	240k	244k	234k	--
14:30	US	Continuing Claims	08-Apr	2024k	1979k	2028k	--
14:30	US	Philadelphia Fed Business Outlook	Apr	25.5	22.0	32.8	--
16:00	EC	Consumer Confidence	Apr A	-4.8	-3.6	-5	--
16:00	US	Leading Index	Mar	0.20%	0.40%	0.60%	0.50%
21-Apr							
02:30	JN	Nikkei Japan PMI Mfg	Apr P	--	--	52.4	--
09:30	GE	Markit/BME Germany Manufacturing PMI	Apr P	--	--	58.3	--
10:00	EC	Markit Eurozone Manufacturing PMI	Apr P	--	--	56.2	--
10:00	EC	ECB Current Account SA	Feb	--	--	24.1b	25.4b
10:30	UK	Retail Sales Inc Auto Fuel YoY	Mar	3.50%	--	3.70%	--
15:45	US	Markit US Manufacturing PMI	Apr P	53.5	--	53.3	--
16:00	US	Existing Home Sales	Mar	5.55m	--	5.48m	--
16:00	US	Existing Home Sales MoM	Mar	1.30%	--	-3.70%	--

Source: Bloomberg

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