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




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SNIPPETS

(Charts of the day)	French policy uncertainty index rises sharply on the back of Presidential election result, euro gaps up stronger as a result
(Currencies)	USDZAR strengthens to R13.02/\$ this morning; dollar index remains downbeat, supporting majors
(Equities)	Top 40 and US equities sharply higher on the back of global risk rally; Asian markets follow positive this morning
(Foreign flows)	Foreign flows post biggest inflow in 4 weeks as bond market supported, while equities continue to be sold off

Key overnight factors and upcoming events

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Date	Region	Event   	Actual/expected/prior	Implications
23/04	EZ	French presidential election	--	Newcomer Emmanuel Macron and Le Pen to go head-to-head in second round vote which takes place on May 7 th . Political risks to remain at a premium in the Eurozone
24/04	US	Fed speakers	--	Kashkari speaks in LA, may provide some indication of pace of rate hikes
25/04	SA	Leading indicator	--/--/97.1	Leading indicator likely to reflect marginal growth in the local context over the medium term
26/04	UK	May testifies in the House of Commons	--	Questions regarding Brexit likely to be fielded by May, may be market-moving
27/04	JN	BOJ outlook report	--	Outlook on CPI and growth over the medium term provided, may provide indication on monetary policy outlook

Source: Nedbank

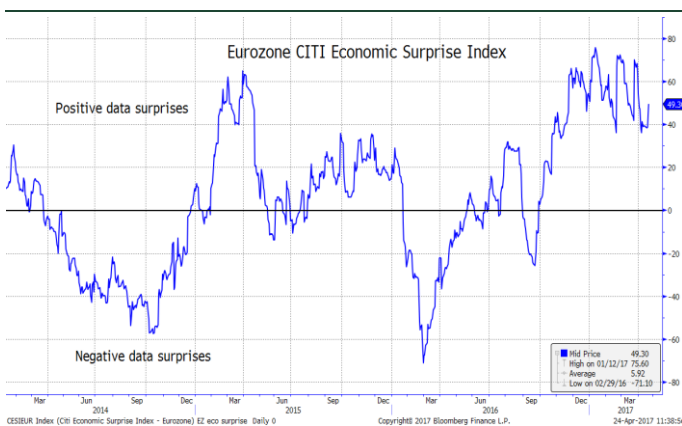
Charts of the day

[back to top](#)

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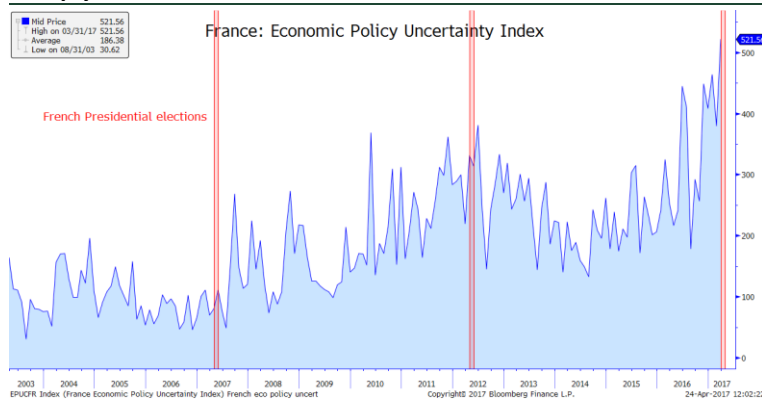
- The euro gapped up yesterday, as the first round of the French Presidential elections yielded a historic result, with the centrist, pro-growth globalist Emmanuel Macron and the populist, far-right candidate Marine Le Pen winning the top spots to move into the second round of voting which takes place on 07 May 2017. It is the first time in French history that neither the socialists nor the republicans have entered the 2nd round of elections. While early polls show a Macron win, recent history (Brexit, Trump election) have highlighted the pitfalls of these polls. The French will be voting in essence to either stay in the EU, and remain an open economy tolerant of immigrants, or not. This is because Le Pen's party is against globalisation, immigration and the EU, while Macron has postulated a more open, tolerant and inclusive country which will strengthen the EU.
- Despite the on-going uncertainty regarding the political situation in the EU and the Eurozone, the Citi Economic Surprise index remains positive, which means that more economic data releases have had positive surprises in the last few months. This is in stark contrast to the Economic Policy Uncertainty index which has surged in France to the highest level ever on the back of the recent presidential elections. The index for Europe as a whole also remains 80-points above its long-term mean (not shown), which reflects the elevated nature of policy uncertainty in the region.
- The euro is predisposed to some downside risk in the near term, as the RSI has reached overbought territory. Support at \$1.05/€ will likely hold, with resistance close to \$1.10/€. The longer term trajectory is mired with uncertainty – on the one hand we remain bullish on the dollar into year-end and maintain the view of a weaker euro, on the other hand a key risk to this view is a more hawkish ECB. Should the ECB begin to sound the tapering alarm this year, then this would be supportive of the euro as well.

Economic data in the Eurozone remains upbeat



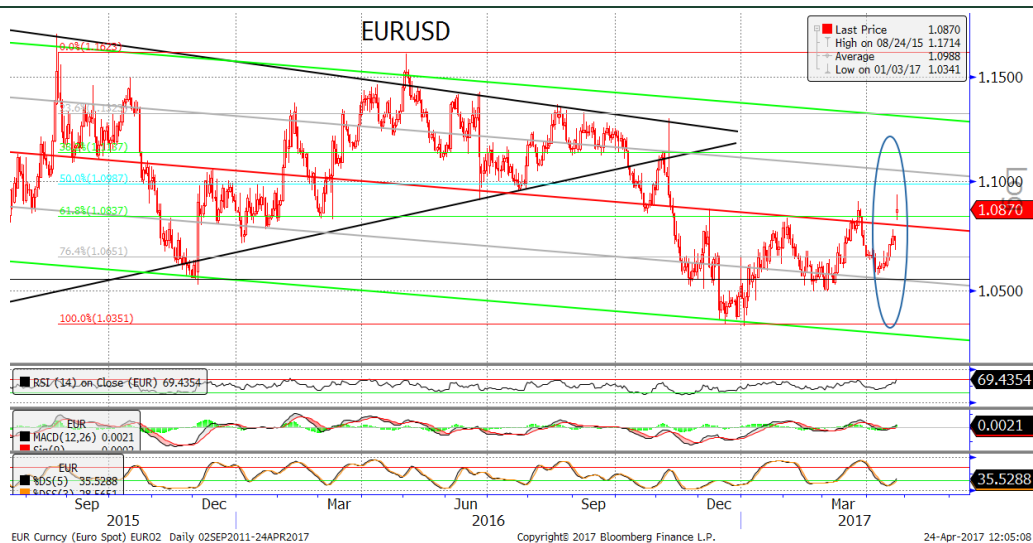
Source: Bloomberg, Nedbank

But economic policy uncertainty in France and the EU has risen sharply due to the recent elections



Source: Bloomberg, Nedbank

Euro gaps up after first round of French elections



Source: Bloomberg, Nedbank

Currencies

[back to top](#)

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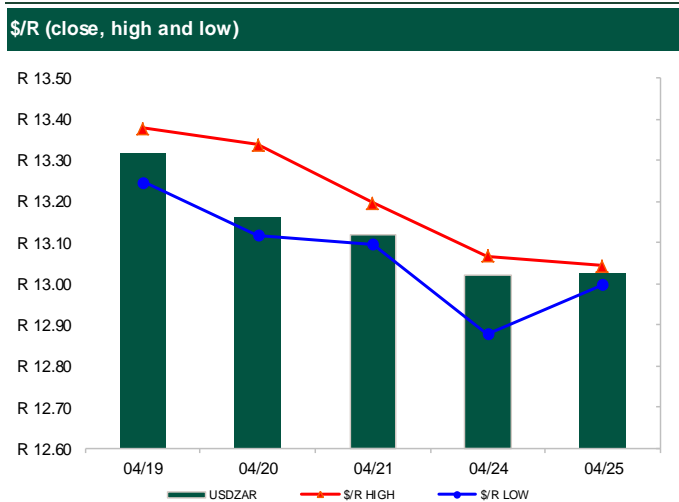
- The new week opened with the rand trading marginally above the 13.0000 level, this post the outcome of the initial elections in France which saw emerging markets and the risk complex benefit , almost from the open we encountered additional dollar sellers and the local unit managed to trade to a best level of 12.8800 before bottoming out , by the time of the local close it was trading at 12.9900. This morning the rand is currently trading at 13.0250, EURZAR at 14.1530 and GBPZAR at 16.6530.
- The major currency pairs had already posted significant gains against the dollar by the time of the local open , EURUSD opened the day trading around 1.0865 , from a NY close at 1.0700 , on the day only limited trading flows and this morning it continues to trade around the 1.0860 level at the time of writing. Gold has also held steady around the 1274.00 level.
- Data releases scheduled for today, locally we have Leading index, from Europe we have French business and manufacturing confidence, Eurozone government deficit and debt , from the U.K public finances and net borrowing. From the U.S new home sales consumer confidence and Richmond FED manufacturing.
- The local currency has continued to benefit as a result of the currently prevailing global risk sentiment, having recovered a significant portion of its losses post the cabinet reshuffle, however local factors continue to weigh on the local unit and overall liquidity remains somewhat sketchy, this likely to continue as we head into another public holiday and a super long weekend.
- Possible trading range in the rand today 12.9000 to 13.2000

Majors	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend	USD trend
GBPUSD	1.28	0.02	1.87	3.61	↑	USD weakness
EURUSD	1.09	0.24	2.02	3.33	↑	USD weakness
USDJPY	110.08	0.26	-1.18	-5.88	↓	USD weakness
USDAUD	1.32	0.04	0.98	-4.69	↑	USD strength
Rand crosses	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend	ZAR trend
USDZAR	13.03	0.05	-2.88	-5.19	↓	ZAR strength
GBPZAR	16.66	0.06	-1.10	-1.69	↓	ZAR strength
EURZAR	14.16	0.31	-1.00	-2.02	↓	ZAR strength
AUDZAR	9.84	-0.00	-3.92	-0.58	↓	ZAR strength
ZARJPY	8.45	0.20	1.83	-0.94	↑	ZAR strength
African FX	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend	ZAR trend
ZARMWK (Malawian kwacha)	55.67	-0.18	2.87	5.07	↑	ZAR strength
ZARBWP (Botswana pula)	0.79	-0.05	0.91	1.71	↑	ZAR strength
ZARKES (Kenyan shilling)	7.93	-0.05	3.30	6.29	↑	ZAR strength
ZARMUR (Mauritian rupee)	2.69	-0.23	2.42	2.55	↑	ZAR strength
ZARNGN (Nigerian naira)	24.14	2.88	3.53	5.24	↑	ZAR strength
ZARGHS (Ghanian cedi)	0.32	-2.51	-0.53	2.93	↓	ZAR weakness
ZARZMW (Zambian kwacha)	0.71	-0.06	-1.13	-1.75	↓	ZAR weakness
ZARMZN (Mozambican metical)	5.06	1.22	0.65	-2.88	↑	ZAR strength

Source: Bloomberg & Nedbank CIB
Time: 2017/04/25 07:21

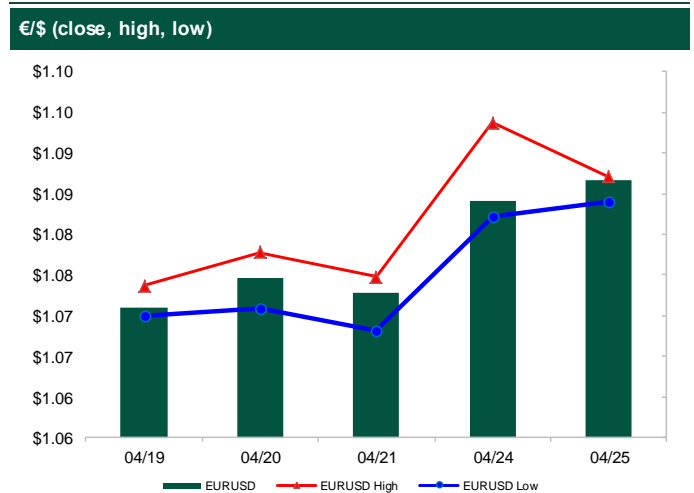
**Please note that the sign on the % change reflects the change on the headline number. The narrative indicates the trend direction over the month. For trade in any of these currencies, contact our FX dealing desks*

USDZAR



Source: Bloomberg, Nedbank

EUR/USD



Source: Bloomberg, Nedbank

Commodities

[back to top](#)

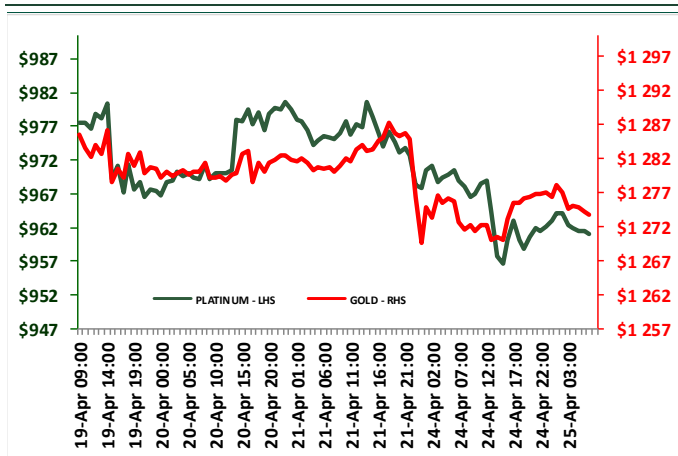
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- Despite a weaker dollar over the course of the day, a risk rally has kept safe haven buying on the back foot, with the gold price remaining close to the day's lows after the sharp drop in the previous session. Gold will likely remain on the back foot over the near term as markets focus on French elections, Trump pro-growth strategies and risk-on demand dominates.
- Brent remained downbeat yesterday, falling further in the NY session. The oil price is predisposed to some downside risk as the supply glut remains firmly in place.

Commodities	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
Brent near future (\$)	51.84	0.47	-1.87	-8.76	↓
WTI crude (\$)	49.45	0.45	-2.27	-7.95	↓
Gold spot (\$)	1 273.18	-0.14	1.92	10.95	↑
Platinum spot (\$)	960.84	0.08	1.10	6.39	↑
SA white maize spot (R)	1 821.00	-1.67	-6.33	-48.59	↓

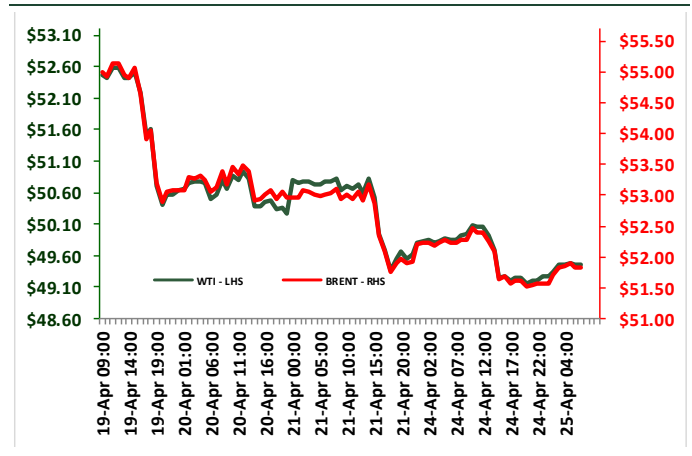
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Platinum vs Gold



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						FRAs and Swaps					
	Last price	Δ 1d	Δ MTD	Δ YTD	Month trend		Last price	Δ 1d	Δ MTD	Δ YTD	Month trend
	%	bps	bps	bps			%	bps	bps	bps	
R203-0.4 yrs	7.39	-2.20	-4.20	-31.40	↓	3X6 FRA	7.19	0.00	-23.00	-20.00	↓
R208-3.9 yrs	7.67	0.10	-25.70	-61.40	↓	6X9 FRA	7.12	0.00	-39.00	-30.00	↓
R186-9.7 yrs	8.62	0.00	-25.30	-29.30	↓	9X12 FRA	7.07	0.00	-49.00	-38.00	↓
R2048-30.8 yrs	9.59	0.00	-13.70	-3.20	↓	18X21 FRA	7.12	0.00	-25.00	-41.00	↓
US 10 yr	2.28	0.62	-10.78	-16.48	↓	SA 2yr Swap	7.15	0.00	-19.90	-31.50	↓
UK 10 yr	1.05	1.64	-7.73	-15.17	↓	SA 3yr Sw ap	7.23	0.00	-20.40	-33.00	↓
German 10 yr	0.33	30.04	0.30	88.00	↑	SA 5yr Sw ap	7.47	0.00	-21.50	-34.10	↓
Japan 10 yr	0.02	-18.18	-74.29	-60.87	↓	SA 10yr Sw ap	7.94	0.50	-22.25	-41.00	↓
						SA 15yr Sw ap	8.13	1.75	-21.00	-36.00	↓
Money Market						Spreads					
	Last price	Δ 1d	Δ MTD	Δ YTD	Month trend		Last price	Δ 1d	Δ MTD	Δ YTD	Month trend
	%	bps	bps	bps			%	bps	bps	bps	
SA repo rate	7.00	0.00	0.00	0.00	→	2v10y	-0.79	-0.50	2.35	9.50	↑
SA prime rate	10.50	0.00	0.00	0.00	→	3v10y	-0.70	-0.50	1.85	8.00	↑
SA CPI (MTD = previous month)	6.10		-20.00		↓	R186-R203	1.21	2.20	-21.10	2.10	↓
SA 3m JIBAR	7.34	0.00	-1.60	-1.60	↓	R2048-R186	0.97	0.00	11.60	26.10	↑
SA 3m NCD	7.33	2.50	-5.00	-5.00	↓	5y-R186	-1.15	0.00	3.80	-4.80	↑
SA 6m NCD	7.88	0.00	-7.50	-10.00	↓	10y-R186	-0.69	0.50	3.05	-11.70	↑
SA 12m NCD	8.28	0.00	-10.00	-17.50	↓	15y-R186	-0.51	1.75	4.30	-6.70	↑
US 3m LIBOR	1.17	1.03	1.69	16.86	↑	SA 5yr CDS spread - basis points	193.87	-4.43	3.53	-23.13	↑
UK 3m LIBOR	0.33	-0.12	-0.34	-3.26	↓						
Japan 3m LIBOR	0.00	0.70	-1.13	6.11	↓						
Source: Bloomberg & Nedbank CIB		Time		2017/04/25 07:21		Source: Bloomberg & Nedbank CIB		Time		2017/04/25 07:21	

Equities

[back to top](#)

Cash equities | +2711 535 4030/31

South Africa

- The Top40 snapped a 6 day losing streak and jumped +1.5% to close at the highs of the day. We gapped up at the open and grinded higher throughout the day as the French elections and bargain hunters lifted our market into an upward trajectory. Resources were flat, Mondi climbed while gold stocks fell as it lost its safe haven appeal. Financials rallied +2.4% with equal contributions from banks and insurers. Industrials added +1.8% led by retailers most notably Steinhoff soaring +5.3%. Rebois advanced +1.8% in line with peers after their FY results showed revenue beat estimates but net income fell short. Kumba was drilled -4% after missing production and sales targets for Q1 and Anglo America was flat after their production report. The value traded was R18.5 billion and the rand was hovering around 12.99 to the US dollar at the close.

UK/Europe

- European markets gapped up at the open and traded in a narrow sideways direction to maintain those gains. Former investment banker, pro-growth and centralist, Emmanuel Macron edged over anti-EU Marine Le Pen in the first round of the French elections which boosted the region. The FTSE climbed +2%, the Dax jumped +3% and the Cac surged +4%. Financials, led by banks were the top performer with industrials and material stocks also showing strong gains. In company news, Deutsche post rallied +5% after a report showing its plans to invest in India and electronics maker, Philips rose after posting a huge jump in Q1 profits.

USA

- US markets closed a very choppy trading session in positive territory, the Nasdaq rose +1.2%, the Dow added +1.1% and the S&P500 rose +1.1%. The volatility was caused by the mixed direction given by the usual market drivers, the dollar weakened and oil prices fell but the overriding factor was Emmanuel Macron's first round victory in the French elections which boosted the markets. Financials, industrials and information technology were the sectors that showed the most strength. In company news Hasbro jumped +6% after their results beat analyst estimates and C.R. Bard Inc, a medical devices manufacturer, rocketed +20% after agree to be bought by Becton, Dickinson and Co for \$24 billion.

Asia

- Asian markets are trading higher this morning taking the cue from a global rally on the back of the French first round elections and a positive close on Wall Street, the MSCI Asia Pacific is up +0.8%. Oil prices have rebounded and ticked higher during Asian trade which has also supported the rally. The Australian market is closed for a public holiday. The Chinese market is recouping losses from yesterday after announcing a crackdown on leverage late last week. The Japanese market is positive despite a stronger yen, extending gains to a 3rd day. Tencent is currently up 0.9% in Hong Kong this morning.

Developed Markets	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
Dow Jones	20 763.89	1.05	0.49	5.07	↑
Nasdaq	5 983.82	1.24	1.22	11.16	↑
S&P 500	2 374.15	1.08	0.48	6.04	↑
DJ Eurostoxx 50	3 448.26	-0.58	-1.50	4.79	↓
DAX	12 454.98	3.37	1.15	8.48	↑
CAC	5 268.85	4.14	2.86	8.36	↑
FTSE	7 264.68	2.11	-0.80	1.71	↓
ASX200	5 871.78	0.30	0.12	3.64	↑
Nikkei 225	19 011.66	0.72	0.54	-0.54	↑
MSCI World	1 871.65	1.61	0.97	6.88	↑
Emerging Markets	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
Hang Seng	24 369.34	0.95	1.07	10.77	↑
Shanghai	3 144.11	0.47	-2.43	1.30	↓
Brazil Bovespa	64 389.02	0.99	-0.92	6.91	↓
India - NSE	29 801.43	0.49	0.61	11.92	↑
Russia Micex	1 979.57	1.79	-0.82	-11.34	↓
MSCI Emerging	971.36	1.00	1.36	12.65	↑
SA Indices	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
JSE All Share	52 921.41	1.39	1.66	4.48	↑
Top 40	46 187.93	1.51	2.26	5.21	↑
Resi 10	32 070.12	-0.01	-0.78	-0.12	↓
Indi 25	70 646.90	1.77	3.35	9.90	↑
Fini 15	14 900.41	2.41	2.17	-1.18	↑

Source: Bloomberg & Nedbank CIB
Time: 2017/04/25 07:21

Foreign flows

[back to top](#)

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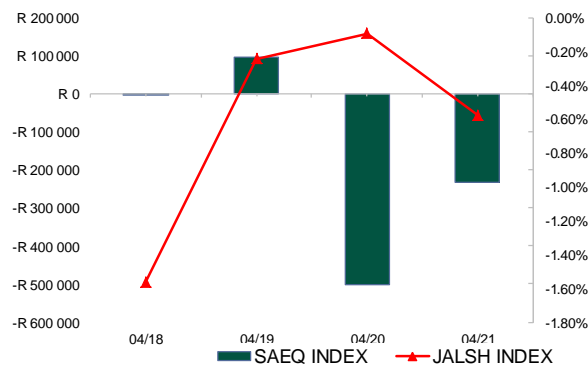
- Last week saw a net inflow of R3.5 billion, which was the biggest net inflow in 4 weeks. This was driven by the Bond market, with inflows of R4.15 billion. Foreign investors have been supportive of the SA bond market over equities as a result of the search for yield, and selling off equities due to the relative riskiness of EM equities over bonds.
- For the month to date, net inflows are R6.2 billion, due to bond flows of R6.5 billion and the equity market yielded an outflow of R0.3 billion.
- YTD flows remain positive, at R5.35 billion and driven by bond flows. Foreign sentiment remains fickle – if sentiment does sour, we are likely to see sharp reversals of flows, and this will likely be highly volatile and damaging for portfolio flows.

SA equities and bonds	Week of 18 to 21 April 2017	Month to 21 April 2017	Year to 21 April 2017
Foreign flows into SA equity market	-R 0.641bn	-R 0.297bn	-R 34.396bn
Foreign flows into SA bond market	R 4.149bn	R 6.478bn	R 39.746bn
Total foreign flows	R 3.508bn	R 6.181bn	R 5.350bn

Source : Bloomberg

Equity market continues to shed foreign capital

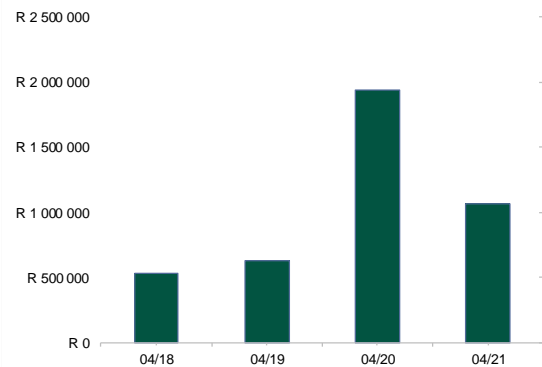
Net Foreign Flows: Equities (R'000) (LHS) vs. ALSI daily % change (RHS)



Source: Bloomberg, Nedbank

Bond market continues to attract inflows

Net Foreign Flows: Bonds (R'000)



Source: Bloomberg, Nedbank

JSE performance

[back to top](#)

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Top40 constituents	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
AGL : Anglo American Plc	188.40	-0.08	-7.67	-3.43	↓
ANG : Anglogold Ashanti Ltd	157.56	-5.03	9.99	3.26	↑
APN : Aspen Pharmacare Holdings Lt	266.16	1.09	-3.12	-6.14	↓
BGA : Barclays Africa Group Ltd	148.54	2.89	6.47	-11.94	↑
BID : Bid Corp Ltd	272.15	2.34	4.79	11.01	↑
BIL : Bhp Billiton Plc	203.40	0.79	-1.83	-6.99	↓
BTI : British American Tobacco Plc	887.03	1.53	0.63	13.92	↑
BVT : Bidvest Group Ltd	160.53	4.16	4.33	-11.43	↑
CFR : Financiere Richemont-Dep Rec	105.38	1.43	-0.60	16.13	↓
DSY : Discovery Ltd	131.73	3.58	2.35	15.05	↑
FFA : Fortress Income Fund Ltd-A	16.86	1.57	0.42	1.75	↑
FFB : Fortress Income Fund Ltd	33.25	1.96	0.03	2.85	↑
FSR : Firststrand Ltd	49.00	1.45	5.69	-7.84	↑
GFI : Gold Fields Ltd	47.46	-6.54	1.48	8.88	↑
GRT : Grow thpoint Properties Ltd	25.44	1.84	-1.78	-1.74	↓
IMP : Impala Platinum Holdings Ltd	44.27	-3.55	-2.10	3.58	↓
INL : Investec Ltd	97.24	1.62	6.32	7.15	↑
INP : Investec Plc	96.44	1.78	5.28	6.27	↑
ITU : Intu Properties Plc	45.79	-0.56	-1.67	-2.53	↓
LHC : Life Healthcare Group Holdin	28.54	2.96	-1.55	-5.91	↓
MEI : Mediclinic International Plc	123.90	2.15	3.96	-4.69	↑
MND : Mondi Ltd	334.04	1.41	4.22	19.30	↑
MNP : Mondi Plc	334.65	2.06	3.94	20.07	↑
MRP : Mr Price Group Ltd	159.20	4.22	-0.44	-0.22	↓
MTN : Mtn Group Ltd	122.89	1.56	0.73	-2.60	↑
NED : Nedbank Group Ltd	226.21	2.31	-6.33	-5.01	↓
NPN : Naspers Ltd-N Shs	2 490.53	1.04	7.58	23.66	↑
NTC : Netcare Ltd	25.66	3.26	0.23	-19.41	↑
OML : Old Mutual Plc	33.43	3.66	-0.74	-2.93	↓
RDF : Redefine Properties Ltd	11.00	1.38	-0.09	-1.70	↓
REI : Reinet Investments Sa-Dr	30.25	0.70	3.74	12.87	↑
REM : Remgro Ltd	220.39	2.17	6.94	-1.19	↑
RMH : Rmb Holdings Ltd	61.10	2.47	4.32	-7.98	↑
SAP : Sappi Limited	94.99	-0.01	4.24	5.60	↑
SBK : Standard Bank Group Ltd	147.25	2.86	2.43	-2.97	↑
SHP : Shoprite Holdings Ltd	206.40	1.79	6.61	20.38	↑
SLM : Sanlam Ltd	70.64	3.88	4.85	12.31	↑
SNH : Steinhoff International H Nv	67.39	5.30	5.02	-5.46	↑
SOL : Sasol Ltd	401.01	0.90	2.67	0.53	↑
TBS : Tiger Brands Ltd	402.25	0.87	0.45	1.11	↑
TRU : Truworths International Ltd	89.44	4.10	3.27	12.26	↑
VOD : Vodacom Group Ltd	150.13	1.62	-1.23	-1.49	↓
WHL : Woolworths Holdings Ltd	74.00	3.08	5.85	4.20	↑

Source: Bloomberg & Nedbank CIB

Time 2017/04/25 07:21

Economic calendar

[back to top](#)

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Time	Country	Event	Period	Survey	Actual	Prior	Revised
24-Apr							
07:00	JN	Leading Index CI	Feb F	--	104.8	104.4	--
10:00	GE	Ifo Business Climate	Apr	112.4	112.9	112.3	112.4
10:00	GE	Ifo Expectations	Apr	105.9	105.2	105.7	--
10:00	GE	Ifo Current Assessment	Apr	119.2	121.1	119.3	119.5
11:00	EC	Govt Debt/GDP Ratio	2016	--	89.20%	90.40%	90.30%
14:30	US	Chicago Fed Nat Activity Index	Mar	0.50	0.08	0.34	0.27
16:30	US	Dallas Fed Manf. Activity	Apr	16.5	--	16.9	--
25-Apr							
09:00	SA	Leading Indicator	Feb	--	--	97.1	--
10:30	UK	PSNB ex Banking Groups	Mar	3.2b	--	1.8b	--
15:00	US	S&P CoreLogic CS 20-City YoY NSA	Feb	5.70%	--	5.73%	--
16:00	US	New Home Sales	Mar	586k	--	592k	--
16:00	US	New Home Sales MoM	Mar	-1.00%	--	6.10%	--
16:00	US	Conf. Board Consumer Confidence	Apr	123.5	--	125.6	--
16:00	US	Richmond Fed Manufact. Index	Apr	16	--	22	--

Source: Bloomberg

Contacts

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Money Market Institutional Sales Desk
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Bond Trading
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Forex Business Banking Sales Desk
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Forex Retail Sales Desk
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Money Market Business Banking Sales Desk
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Non Soft & Soft Commodities Trading
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