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(* when available)*

Key daily driver

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SNIPPETS

(Currencies)	USDZAR remains on the back foot; majors mixed as dollar remains volatile
(Equities)	The JSE continued to trade on thin volumes ending 3 tenths of a percent higher; U.S. markets ended lower led by weaker energy shares as the price of crude dropped; Asian markets are higher after positive Chinese PMI data
(Economics)	US inflation metrics ease, consumption likely to rebound, while house prices continues to rise; Japanese industrial production highest since 2008; Eurozone confidence metrics ease

Key overnight factors and upcoming events

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Date	Region	Event	↓ ↑ →	Actual/expected/prior	Implications
29/05 09/06	SA	Imminent review	Moody's	--	Moody's is expected to downgrade SA's credit rating by one notch, with a negative outlook
26/05 02/06	US & EZ	Policymakers speak		--	Various Fed and ECB policymakers are expected to speak about monetary policy and the state of the economy, among them Bullard, Williams, Brainard, Kaplan from Fed
02/06	SA	S&P reviews credit rating	SA	--/BB+/BB+	S&P set to review SA credit rating, no changes expected but may warn against any further fiscal slippage and deteriorating political front

Source: Nedbank

Currencies

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

- Yesterday the local trading session opened with the rand trading marginally above the 13.0000 handle , some initial sellers of dollars around that level although the effects of this was short lived , and the local unit continued to weaken topping out at a high of 13.1650 on the day , the currency closed the day trading at 13.1125.
- This morning the rand is currently trading at 13.1050, EURZAR is trading at 14.6450 and GBPZAR is trading at 16.7980.
- On the international front little by way of any real news to prove the catalyst for market activity on the day , data from Europe provided some support for EURUSD , and it traded steadily firmer on the day , from 1.1110 to a high of 1.1204 , closing the day marginally below that level , currently trading at 1.1175.
- Gold has held steady over the most recent sessions, this morning marginally off from the same time yesterday, at 1260.80.
- Data releases scheduled for today, locally we have trade data, and from Europe we have French CPI, German unemployment and Eurozone unemployment and CPI. From the U.S mortgage applications, Chicago CPI, pending home sales and the release of the FED Beige book.
- The market focus remains on the release of the U.S NFP data on Friday and the outcome of the Moody's sovereign debt rating and the possible effects of these.
- Possible trading ranges in the rand today 12.9500 to 13.2500.

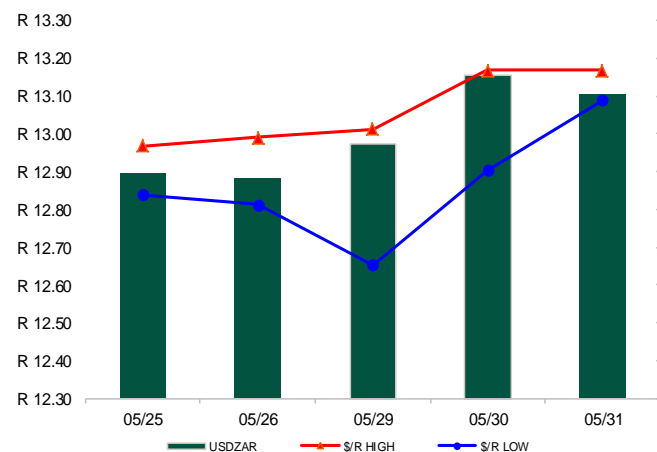
Majors	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend	USD trend
GBPUSD	1.28	-0.30	-1.12	3.78	↓	USD strength
EURUSD	1.12	0.00	2.57	6.26	↑	USD weakness
USDJPY	110.98	0.17	-0.46	-5.11	↓	USD weakness
USDAUD	1.34	0.12	0.47	-3.39	↑	USD strength
Rand crosses	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend	ZAR trend
USDZAR	13.11	-0.37	-1.98	-4.62	↓	ZAR strength
GBPZAR	16.79	-0.64	-3.07	-0.93	↓	ZAR strength
EURZAR	14.65	-0.35	0.57	1.35	↑	ZAR weakness
AUDZAR	9.77	-0.28	-2.41	-1.33	↓	ZAR strength
ZARJPY	8.47	0.52	1.55	-0.73	↑	ZAR strength
African FX	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend	ZAR trend
ZARMWK (Malawian kwacha)	55.38	0.32	1.98	4.53	↑	ZAR strength
ZARBWP (Botswana pula)	0.79	0.37	0.85	1.00	↑	ZAR strength
ZARKES (Kenyan shilling)	7.89	0.36	2.25	5.74	↑	ZAR strength
ZARMUR (Mauritian rupee)	2.65	0.29	1.98	1.16	↑	ZAR strength
ZARNGN (Nigerian naira)	24.02	0.37	2.34	4.70	↑	ZAR strength
ZARGHS (Ghanian cedi)	0.33	-2.51	5.70	6.72	↑	ZAR strength
ZARZMW (Zambian kwacha)	0.71	1.38	2.27	-1.61	↑	ZAR strength
ZARMZN (Mozambican metical)	4.52	0.37	-5.94	-13.23	↓	ZAR weakness

Source: Bloomberg & Nedbank CIB Time: 2017/05/31 07:20

**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

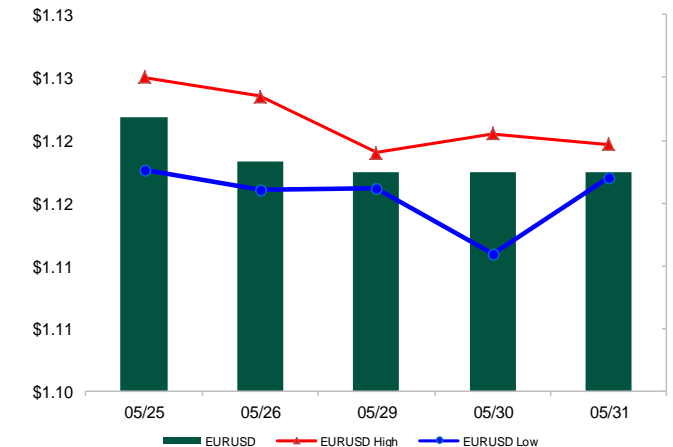
\$/R (close, high and low)



Source: Bloomberg, Nedbank

EUR/USD

€/€ (close, high, low)



Source: Bloomberg, Nedbank

Commodities

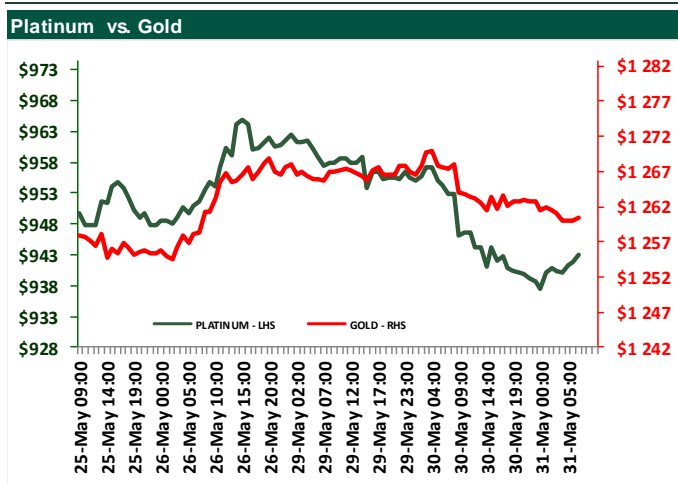
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- While easing over the last two days, the gold price still remains elevated, this morning at \$1261/oz. A downbeat dollar and concerns over geopolitics, particularly in the US has kept the gold price elevated. This is expected to persist in the near term.
- Despite efforts by OPEC to boost the price of oil by cutting production, Brent continued to ease, with the oil price currently at \$51.5/bbl. The supply glut remains firmly entrenched, particularly from US shale oil producers, hence a bearish medium term bias for oil is maintained.

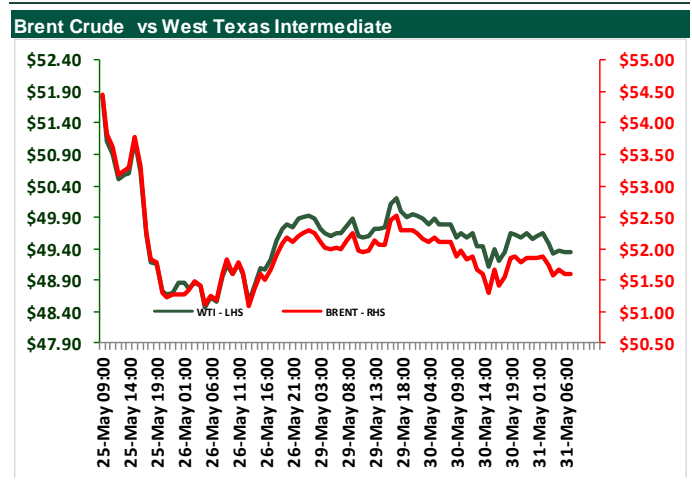
Commodities	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
Brent near future (\$)	51.59	-0.48	-0.27	-9.20	↓
WTI crude (\$)	49.34	-0.64	0.02	-8.15	↑
Gold spot (\$)	1 260.85	-0.12	-0.59	9.88	↓
Platinum spot (\$)	942.53	0.19	-0.39	4.37	↓
SA white maize spot (R)	1 783.00	3.12	-6.84	-49.66	↓
Source: Bloomberg & Nedbank CIB		Time 2017/05/31 07:20			

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	
R203-0.3 yrs	7.43	-2.20	-1.10	-27.20	↓
R208-3.8 yrs	7.64	-0.20	-4.10	-63.90	↓
R186-9.6 yrs	8.60	-0.70	-9.10	-31.30	↓
R2048-30.7 yrs	9.67	-0.20	1.40	5.10	↑
US 10 yr	2.22	1.10	-5.90	-22.30	↓
UK 10 yr	0.99	-1.78	-8.39	-19.77	↓
German 10 yr	0.29	-2.01	-7.89	66.86	↓
Japan 10 yr	0.05	9.30	161.11	2.17	↑

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)	5.30		-80.00		↓
SA 3m JIBAR	7.33	0.00	-0.90	-2.50	↓
SA 3m NCD	7.35	2.50	2.50	-2.50	↑
SA 6m NCD	7.88	0.00	-2.50	-10.00	↓
SA 12m NCD	8.23	2.50	-7.50	-22.50	↓
US 3m LIBOR	1.20	0.00	2.95	20.39	↑
UK 3m LIBOR	0.30	-0.31	-2.88	-7.01	↓
Japan 3m LIBOR	-0.01	0.01	-0.62	4.34	↓

FRAs and Swaps	Last price	Δ 1d	Δ MTD	Δ YTD	Month trend
	%	bps	bps	bps	
3X6 FRA	7.24	0.00	0.00	-15.00	→
6X9 FRA	7.10	0.00	-6.00	-32.00	↓
9X12 FRA	7.01	-1.00	-6.00	-44.00	↓
18X21 FRA	7.06	-1.00	-8.00	-47.00	↓
SA 2yr Sw ap	7.11	-0.75	-5.40	-35.10	↓
SA 3yr Sw ap	7.17	-1.75	-9.40	-39.10	↓
SA 5yr Sw ap	7.39	-2.50	-12.50	-42.60	↓
SA 10yr Sw ap	7.89	-2.50	-11.00	-46.00	↓
SA 15yr Sw ap	8.09	-2.50	-10.00	-40.00	↓

Spreads	Last price	Δ 1d	Δ MTD	Δ YTD	Month trend
	%	bps	bps	bps	
2v10y	-0.77	1.75	5.60	10.90	↑
3v10y	-0.73	0.75	1.60	6.90	↑
R186-R203	1.15	1.50	-8.00	-4.10	↓
R2048-R186	1.07	0.50	10.50	36.40	↑
5y-R186	-1.19	-1.80	-3.40	-11.30	↓
10y-R186	-0.69	-1.80	-1.90	-14.70	↓
15y-R186	-0.49	-1.80	-0.90	-8.70	↓
SA 5yr CDS spread - basis points	189.08	3.56	-1.26	-27.92	↓

Source: Bloomberg & Nedbank CIB
Time: 2017/05/31 07:20

- Core rates lower in Asia and the USD a touch weaker as we go into month end, which is more significant for SA than usual as we drop out of the JP EMBI, so expect some noise this afternoon. Offshore inflows remain buoyant however, and they took over a yard yesterday on a very quiet day.
- We open with lower yields in line with global risk, and 8.63 looks to be the level that holds the topside for now.

Equities

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Cash equities | +2711 535 4030/31

South Africa

- The JSE closed higher with the Top 40 gaining over 3 tenths of a percent and the All Share up 4 tenths of a percent. Corporate news was largely responsible for the big moves on the day while Sibanye Gold fell for the 6th consecutive session. Nampak jumped 15% after a positive set of earnings and news that the firm will recover funds from Nigeria. Lonmin plunged over 7% on the back of a broker downgrade and a weaker platinum price. Liberty Holdings jumped over 3% after Thabo Dloti resigned and David Munro was appointed as chief executive with immediate effect. Mr Price rose over 4%. The clothing retailer reported a drop in earnings while an improvement in sales hinted that they capturing market share in a tough retail market. Value traded was R13.8bn and the rand was at R13.13 to the dollar.

UK/Europe

- European markets ended lower for a fourth session, as increased political concerns reduced investors risk appetite. Data that economic confidence in the euro area fell added to the subdued trading mood. Banking shares took the most pain after Deutsche Bank cut their European banking rating to underweight. The FTSE lost 3 tenths of a percent sheltered by comments from JP Morgan which said that they expect UK stocks to recover from the recent underperformance versus its global and euro zone peers particularly blue-chip dividend paying exporters. The report went on to say that they favoured sectors which have defensive qualities such as telecom and utilities while cutting their rating on the auto industry to neutral. Both the DAX and CAC lost half a percent.

USA

- U.S. markets ended lower as a weaker oil price weighed on commodity stocks and offset gains by retailers which rallied after a report by the Commerce Department showed that both personal spending and income increased in April in-line with expectations. The Dow dropped a quarter of a percent with only the communication and industrial sectors gaining on the day. Goldman Sachs and JP Morgan fell 2.2% and 1.7% respectively. The S&P fell over a tenth of a percent led by weaker energy as the oil price fell ahead of the release of today's monthly crude production and supply report. Investors are looking for stronger signs that OPEC cuts have reduced inventories. Fed Bank President James Bullard made comments that the Trump administration will have to fulfil the expectations which have driven the market since taking over.

Asia

- Asian markets are mixed this morning, at the time of writing the Nikkei was flat as weaker car manufacturers and banks weighed on the market as the yen strengthened. Overnight JP Morgan made comments that they have reduced their exposure to Japanese equities as the strengthening yen weighs on corporate profits. The Hang Seng rose a quarter of a percent with gains in consumer stocks offsetting weaker energy shares. Tencent was down just over a percent. The Shanghai composite opened after a two-day holiday rallying half a percent as Chinese manufacturing remained at 51.2 in May in line with forecasts indicating that the Chinese economy is holding on to momentum from the first quarter. The ASX in Australia is up 3 tenths of a percent led by a stronger financial sector.

Developed Markets	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
Dow Jones	21 029.47	-0.24	0.42	6.41	↑
Nasdaq	6 203.19	-0.11	2.57	15.23	↑
S&P 500	2 412.91	-0.12	1.20	7.78	↑
DJ Eurostoxx 50	3 448.26	-0.58	-3.13	4.79	↓
DAX	12 598.68	-0.24	1.29	9.73	↑
CAC	5 305.94	-0.50	0.73	9.12	↑
FTSE	7 526.51	-0.28	4.48	5.37	↑
ASX200	5 732.90	0.26	-3.23	1.18	↓
Nikkei 225	19 621.29	-0.29	2.21	2.65	↑
MSCI World	1 909.90	-0.09	1.68	9.06	↑
Emerging Markets	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
Hang Seng	25 682.40	-0.07	6.51	16.74	↑
Shanghai	3 113.98	0.13	-3.37	0.33	↓
Brazil Bovespa	63 962.27	0.32	-1.57	6.20	↓
India - NSE	31 171.23	0.04	5.24	17.07	↑
Russia Micex	1 932.91	-0.40	-3.16	-13.43	↓
MSCI Emerging	1 011.77	-0.34	5.57	17.34	↑
SA Indices	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
JSE All Share	54 158.04	0.40	4.04	6.92	↑
Top 40	47 699.35	0.35	5.61	8.65	↑
Resi 10	31 489.10	0.75	-2.58	-1.93	↓
Indi 25	74 501.91	0.30	8.99	15.90	↑
Fini 15	15 057.54	0.14	3.25	-0.14	↑

Source: Bloomberg & Nedbank CIB
Time: 2017/05/31 07:21

Economics

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US

- US personal and income growth continue to reflect households propensity to consume has waned, but is still positive.
- Personal income growth rose to 0.4% m/m in April from 0.2% previously, in line with consensus. Income growth was led by private sector wages and salaries, supplemental and rental incomes. The savings rate remained unchanged at 5.3% for the last 3 months. The stabilisation of the savings rate (and not an uptick in savings) signals that spending may recover in subsequent quarters.
- Personal spending growth eased to 0.2% m/m in April, from 0.5% previously, in line with forecasts. Spending on goods surged while spending on services waned. However, despite the slowdown, spending growth remains positive and is expected to recover over the medium-term, after the slowdown in Q1.
- Both measures of PCE declined in April. The core PCE, the Fed's preferred gauge for inflation, fell to 1.5% y/y in April, from 1.6% previously. The PCE deflator fell to 1.7% y/y, from 1.9% previously. Lower data prices, falling gasoline costs and lower car prices have resulted in the lower PCE. However, this is likely to be short lived as the labour market remains tight and will place pressure on wages. Furthermore, house prices remain on an incline, with the Case Shiller house price index rising to the highest since mid-2014. Both are likely to be key inflationary drivers this year.

Synopsis: We anticipate a 25 bps rate hike by the Fed in June, and another possibly in December. The Fed is expected to continue tightening monetary policy gradually, with the interest rate rising towards the long run target of 3%. Inflation is expected to remain close to the Fed target while unemployment has fallen towards full employment levels.

Europe

- Eurozone Business Climate indicator (BCI) slipped to 0.9 index points in May, from 1.1 previously, worse than forecasts. Consumer confidence remained unchanged while industrial confidence rose marginally. Key negative drivers of the BCI were the services, retail and construction industries.
- Inflation expectations eased. However consumers remained upbeat about the outlook for the future. Despite the deterioration in the index, confidence levels remain close to all-time highs. This indicates that the mood among consumers and businesses is still positive. This is expected to persist as the economy continues to recover and economic activity picks up.

Synopsis: Better economic data and gradually rising inflation will likely prompt the ECB to signal possible tightening measures in 2018. However, as recent as this week, Draghi has provided a still dovish stance on monetary policy. Towards year end as inflation rises, we may see the tone within the ECB starting to change in order to signal possible tightening.

Japan

- Japanese industrial production growth surged in April to 5.7% y/y, from 3.5% previously, but below consensus of 6.1%. Industrial output is currently at the highest since 2008.
- Production rose almost across the board, with output of iron and steel, machinery, electrical goods, transport equipment, mining and utilities rising.
- This may be an indication that investment in the region may be recovering following the output boom. Shipments surged, particularly that of capital goods. Early surveys have indicated a possible pare back in production in May, with a resumption in output in June. We are likely to see production being driven by external demand, which will likely drive growth in Japan this year.

Synopsis: The BOJ is unlikely to change the current loose stance of monetary policy as inflation remains well below the 2% target. While the output gap has narrowed, labour market has tightened and economic activity has picked up, the country has battled with deflation and disinflation for a prolonged period. Hence we may see ultra-loose policy being maintained for at least the medium term.

JSE performance

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Top40 constituents	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
AGL : Anglo American Plc	178.60	0.74	-6.94	-8.46	↓
ANG : Anglogold Ashanti Ltd	149.99	0.71	-0.79	-1.70	↓
APN : Aspen Pharmacare Holdings Lt	298.60	2.01	7.71	5.30	↑
BGA : Barclays Africa Group Ltd	145.95	-0.57	-0.71	-13.48	↓
BID : Bid Corp Ltd	293.23	-1.58	3.56	19.61	↑
BIL : Bhp Billiton Plc	203.66	1.32	0.30	-6.87	↑
BTI : British American Tobacco Plc	932.58	1.15	3.52	19.77	↑
BVT : Bidvest Group Ltd	170.34	0.95	6.79	-6.02	↑
CFR : Financiere Richemont-Dep Rec	108.33	0.61	-3.39	19.39	↓
DSY : Discovery Ltd	128.80	-0.12	-3.74	12.49	↓
FFA : Fortress Income Fund Ltd-A	17.10	0.65	-2.45	3.20	↓
FFB : Fortress Income Fund Ltd	34.99	0.29	4.29	8.23	↑
FSR : Firststrand Ltd	50.78	0.22	1.87	-4.50	↑
GFI : Gold Fields Ltd	47.74	-1.38	9.12	9.52	↑
GRT : Grow thpoint Properties Ltd	25.29	0.48	-1.29	-2.32	↓
IMP : Impala Platinum Holdings Ltd	36.64	-1.56	-14.69	-14.27	↓
INL : Investec Ltd	103.50	-0.48	3.34	14.05	↑
INP : Investec Plc	103.25	-0.32	4.11	13.77	↑
ITU : Intu Properties Plc	45.56	1.74	-4.65	-3.02	↓
LHC : Life Healthcare Group Holdin	28.60	1.20	-0.45	-5.71	↓
MEI : Mediclinic International Plc	132.72	1.53	-5.89	2.09	↓
MND : Mondi Ltd	339.69	1.79	-2.03	21.32	↓
MNP : Mondi Plc	341.34	1.98	-1.63	22.47	↓
MRP : Mr Price Group Ltd	152.39	4.24	-3.00	-4.49	↓
MTN : Mtn Group Ltd	119.20	-0.89	-5.77	-5.52	↓
NED : Nedbank Group Ltd	223.15	-0.56	-1.02	-6.29	↓
NPN : Naspers Ltd-N Shs	2 800.00	0.04	10.30	39.02	↑
NTC : Netcare Ltd	26.81	1.78	1.13	-15.80	↑
OML : Old Mutual Plc	32.42	0.15	-3.77	-5.87	↓
RDF : Redefine Properties Ltd	10.98	-0.09	-0.18	-1.88	↓
REI : Reinet Investments Sa-Dr	31.57	0.19	1.77	17.80	↑
REM : Remgro Ltd	220.40	-0.57	-0.65	-1.19	↓
RMH : Rmb Holdings Ltd	62.77	-0.10	2.33	-5.47	↑
SAP : Sappi Limited	96.16	-1.27	-3.16	6.90	↓
SBK : Standard Bank Group Ltd	152.06	0.05	2.49	0.20	↑
SHP : Shoprite Holdings Ltd	212.15	0.19	1.12	23.73	↑
SLM : Sanlam Ltd	69.48	0.12	-1.99	10.46	↓
SNH : Steinhoff International H Nv	72.03	-1.19	5.77	1.05	↑
SOL : Sasol Ltd	395.74	0.43	-3.48	-0.79	↓
TBS : Tiger Brands Ltd	391.53	0.64	-3.07	-1.58	↓
TRU : Truworths International Ltd	75.91	1.21	-12.27	-4.72	↓
VOD : Vodacom Group Ltd	165.10	-0.12	9.19	8.33	↑
WHL : Woolworths Holdings Ltd	68.00	2.26	-6.21	-4.25	↓

Source: Bloomberg & Nedbank CIB

Time 2017/05/3107:21

Economic calendar

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Time	Country	Event	Period	Survey	Actual	Prior	Revised
30-May							
01:30	JN	Jobless Rate	Apr	2.80%	2.80%	2.80%	--
01:30	JN	Overall Household Spending YoY	Apr	-0.70%	-1.40%	-1.30%	--
01:50	JN	Retail Trade YoY	Apr	2.20%	3.20%	2.10%	--
08:00	SA	Money Supply M3 YoY	Apr	5.70%	5.33%	5.62%	--
08:00	SA	Private Sector Credit YoY	Apr	5.30%	5.90%	4.95%	4.98%
11:00	EC	Economic Confidence	May	110	109.2	109.6	109.7
11:00	EC	Business Climate Indicator	May	1.11	0.90	1.09	1.10
11:00	EC	Industrial Confidence	May	3.1	2.8	2.6	--
11:00	EC	Services Confidence	May	14.1	13.0	14.2	--
11:00	EC	Consumer Confidence	May F	-3.3	-3.3	-3.3	--
14:00	SA	South Africa Budget	Apr	--	-30.7	3.1b	--
14:00	GE	CPI YoY	May P	1.60%	1.50%	2.00%	--
14:30	US	Personal Income	Apr	0.40%	0.40%	0.20%	0.30%
14:30	US	Personal Spending	Apr	0.40%	0.20%	0.00%	0.50%
14:30	US	PCE Deflator YoY	Apr	1.70%	1.70%	1.80%	1.90%
14:30	US	PCE Core YoY	Apr	1.50%	1.50%	1.60%	--
15:00	US	S&P CoreLogic CS 20-City YoY NSA	Mar	--	5.89%	5.85%	--
16:00	US	Conf. Board Consumer Confidence	May	119.9	117.9	120.3	119.4
31-May							
01:50	JN	Industrial Production YoY	Apr P	6.00%	5.70%	3.50%	--
03:00	CH	Manufacturing PMI	May	51	51.2	51.2	--
08:00	GE	Retail Sales YoY	Apr	2.20%	--	2.30%	--
09:55	GE	Unemployment Claims Rate SA	May	5.70%	--	5.80%	--
10:30	UK	Net Consumer Credit	Apr	1.5b	--	1.6b	--
10:30	UK	M4 Money Supply YoY	Apr	--	--	6.60%	--
11:00	EC	Unemployment Rate	Apr	9.40%	--	9.50%	--
11:00	EC	CPI Estimate YoY	May	1.50%	--	1.90%	--
11:00	EC	CPI Core YoY	May A	1.00%	--	1.20%	--
13:00	US	MBA Mortgage Applications	26-May	--	--	4.40%	--
14:00	SA	Trade Balance Rand	Apr	7.4b	--	11.4b	--
15:45	US	Chicago Purchasing Manager	May	57.3	--	58.3	--
16:00	US	Pending Home Sales MoM	Apr	1.00%	--	-0.80%	--
16:00	US	Pending Home Sales NSA YoY	Apr	--	--	0.50%	--

Source: Bloomberg

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