

22 August 2017 | 7:30 AM

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[Charts of the day](#) | [Currencies](#) | [Commodities](#) | [Fixed income & interest rates](#) | [Equities](#) | [Equity derivatives](#)
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(when available)*

Key daily drivers




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SNIPPETS

(Fixed Income)	Last week saw net foreign inflows of R1.8 billion into the bond market
(Currencies)	USDZAR continues to hold steady in quiet, illiquid markets.
(Commodities)	Both Brent and Gold remained elevated, but oil remains hypersensitive to US data, and gold to geopolitical event risks
(Equities)	Geopolitical tensions cause mixed trading with Jackson Hole the focus for the week

Key overnight factors and upcoming events this week

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Date	Region	Event   	Actual/expected/prior	Implications
22/08	SA	Leading index	--/--/95.8	Leading index for June likely to reflect further downside risks to growth
23/08	SA	CPI	--/4.6%/5.1%	Inflation expected to come off sharply as a result of lower food and transport costs
23/08	Global	Preliminary PMIs	--	Preliminary data reflects mixed global manufacturing conditions
24/08	UK	GDP q/q	--/0.3%/0.2%	GDP growth expected to remain benign amid Brexit risks

Source: Nedbank

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

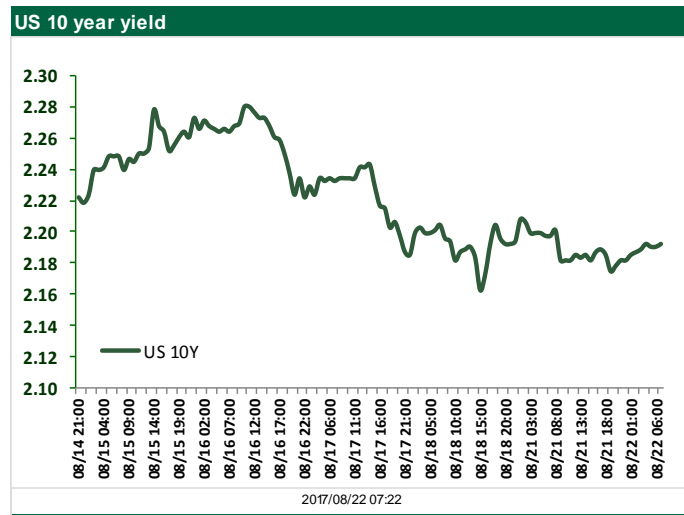
Bonds	Last price	Δ 1d	Δ MTD	Δ YTD	Month trend
	%	bps	bps	bps	
R203-0.1 yrs	6.51	-9.76	-42.76	-119.26	↓
R208-3.6 yrs	7.42	0.05	-11.15	-86.35	↓
R186-9.3 yrs	8.51	-0.05	-10.95	-40.05	↓
R2048-30.5 yrs	9.73	-0.10	-13.10	10.60	↓
US 10 yr	2.19	1.05	-10.21	-25.22	↓
UK 10 yr	1.07	-2.00	-16.00	-16.90	↓
German 10 yr	0.40	-1.40	-14.30	19.20	↓
Japan 10 yr	0.04	1.00	-4.20	-0.50	↓
Money Market	Last price	Δ 1d	Δ MTD	Δ YTD	Month trend
	%	bps	bps	bps	
SA repo rate	6.75	0.00	0.00	-25.00	→
SA prime rate	10.25	0.00	0.00	-25.00	→
SA CPI (MTD = previous month)	5.10		-30.00		↓
SA 3m JIBAR	7.06	0.00	-1.70	-30.00	↓
SA 3m NCD	7.05	0.00	0.00	-32.50	→
SA 6m NCD	7.45	0.00	-2.50	-52.50	↓
SA 12m NCD	7.73	0.00	-2.50	-72.50	↓
US 3m LIBOR	1.31	-0.03	0.39	31.66	↑
UK 3m LIBOR	0.28	0.38	-0.46	-8.51	↓
Japan 3m LIBOR	-0.03	0.43	-1.58	1.50	↓

Source: Bloomberg & Nedbank CIB
Time: 2017/08/22 07:22

FRAs and Swaps	Last price	Δ 1d	Δ MTD	Δ YTD	Month trend
	%	bps	bps	bps	
3X6 FRA	6.85	-0.50	-4.50	-54.50	↓
6X9 FRA	6.65	-0.50	-5.50	-77.50	↓
9X12 FRA	6.54	0.00	-11.00	-91.00	↓
18X21 FRA	6.59	0.50	-13.50	-94.50	↓
SA 2yr Swap	6.68	-0.10	-9.20	-78.60	↓
SA 3yr Swap	6.80	-0.60	-7.20	-76.10	↓
SA 5yr Swap	7.12	-0.50	-6.00	-69.60	↓
SA 10yr Swap	7.75	-0.50	-9.00	-57.60	↓
SA 15yr Swap	7.99	-1.25	-7.35	-49.50	↓
Spreads	Last price	Δ 1d	Δ MTD	Δ YTD	Month trend
	%	bps	bps	bps	
2v10y	-1.08	0.40	-0.20	-21.00	↓
3v10y	-0.96	-0.10	1.80	-18.50	↑
R186-R203	2.00	9.71	31.81	79.21	↑
R2048-R186	1.22	-0.05	-2.15	50.65	↓
5y-R186	-1.39	-0.45	4.95	-29.55	↑
10y-R186	-0.76	-0.45	1.95	-17.55	↑
15y-R186	-0.52	-1.20	3.60	-9.45	↑
SA 5yr CDS spread - basis points	179.50	0.00	-4.00	-35.50	↓

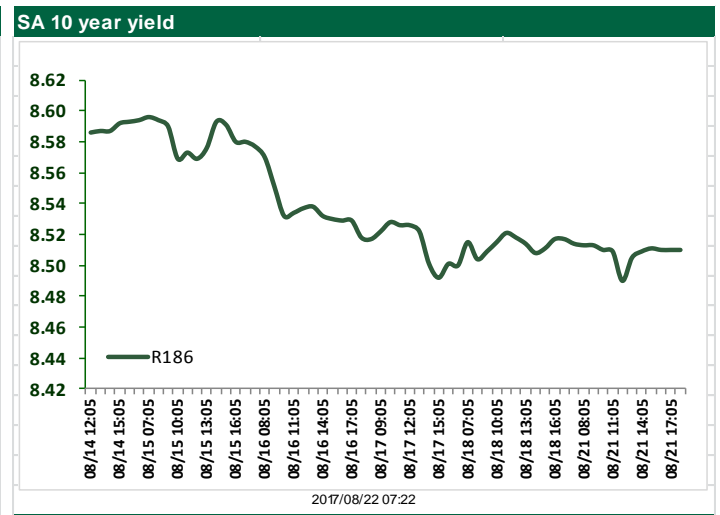
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US 10 year yield



Source: Bloomberg, Nedbank

SA 10 year yield



Source: Bloomberg, Nedbank

Currencies

[back to top](#)

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

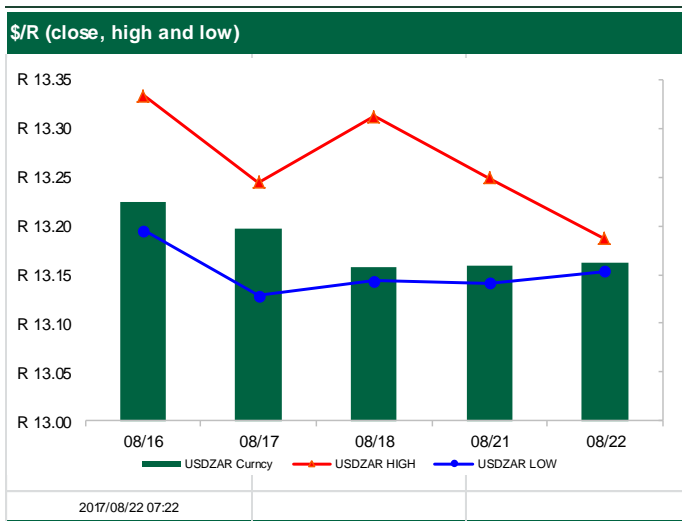
- The new week opened with the rand trading around the 13.2000 level this after having posted steady gains over the preceding week, after some initial demand for dollars pushed the local unit to a high of 13.2500, before topping out and recovering to trade to a best level of 13.1525 on the day, we closed the local session trading at 13.1675.
- In the overnight session the rand failed to post any additional gains, in what proved to be a particularly quiet session, this morning currently trading at 13.1615, EURZAR is trading at 15.5340 and GBPZAR at 16.9515.
- On the international front the euro continued to post steady against the dollar , after starting the session trading around 1,1750 it traded to a high of 1.1824 on the day , in a similarly subdued overnight session little byway of any real activity or follow through to the upside , EURUSD currently trading at 1.1805.
- Gold posted gains in the region of 5 dollars on the day to close at 1291.30, this morning marginally off from that level at 1288.50 currently.
- Data releases scheduled for today, locally we have leading index data, from Europe we have German ZEW index and from the U.K public finances and net borrowing, from the U.S we have house price index and Richmond FED manufacturing.
- Although the rand managed to post gains yesterday, it failed to breach below the previous lows, 13.2000 remains technically significant.
- Possible trading range in the rand today 13.0500 to 13.3000.

Majors	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend	USD trend
GBPUSD	1.29	-0.23	-2.37	4.36	↓	USD strength
EURUSD	1.18	-0.19	-0.08	12.21	↓	USD strength
USDJPY	109.28	0.42	-1.03	-7.03	↓	USD weakness
USDAUD	1.26	0.05	0.57	-9.25	↑	USD strength
Rand crosses	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend	ZAR trend
USDZAR	13.16	0.02	-0.55	-4.39	↓	ZAR strength
GBPZAR	16.95	-0.24	-2.99	0.04	↓	ZAR strength
EURZAR	15.53	-0.16	-0.63	6.97	↓	ZAR strength
AUDZAR	10.45	-0.03	-1.10	5.21	↓	ZAR strength
ZARJPY	8.30	0.42	-0.49	-2.72	↓	ZAR weakness
African FX	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend	ZAR trend
ZARMWK (Malawian kwacha)	55.08	0.01	0.39	3.82	↑	ZAR strength
ZARBWP (Botswana pula)	0.77	0.06	0.31	-0.49	↑	ZAR strength
ZARKES (Kenyan shilling)	7.83	0.00	-0.31	4.72	↓	ZAR weakness
ZARMUR (Mauritian rupee)	2.50	-1.59	-0.96	-5.08	↓	ZAR weakness
ZARNGN (Nigerian naira)	27.43	-0.42	13.14	16.37	↑	ZAR strength
ZARGHS (Ghanian cedi)	0.34	-0.30	1.10	7.44	↑	ZAR strength
ZARZMW (Zambian kwacha)	0.69	0.00	2.20	-5.61	↑	ZAR strength
ZARMZN (Mozambican metical)	4.64	-0.01	0.56	-12.29	↑	ZAR strength

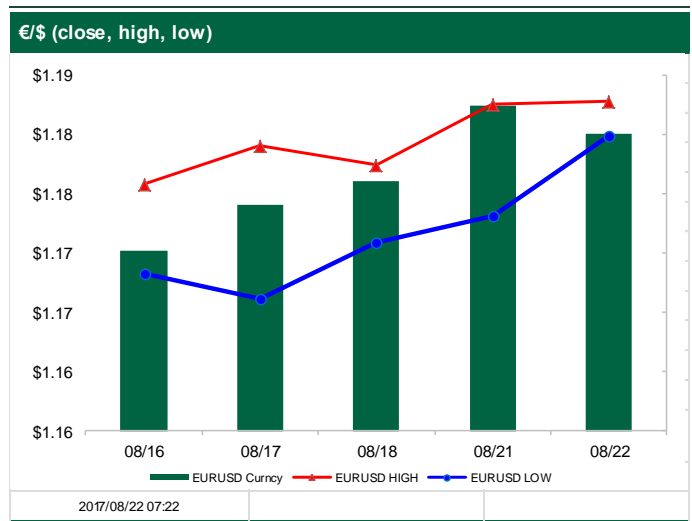
Source: Bloomberg & Nedbank CIB
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**Please note that the sign on the % change reflects the change on the headline number. The narrative indicates the trend direction over the month. For trade in any of these currencies, contact our FX dealing desks*

USDZAR



EUR/USD



Commodities

[back to top](#)

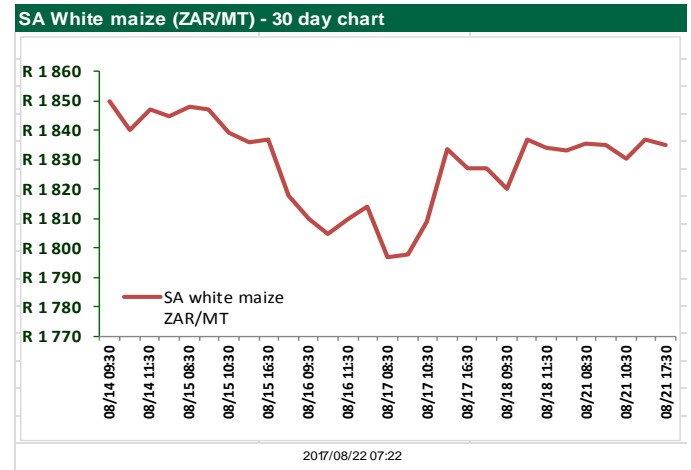
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- The oil price remained elevated on the back of reports of oil rig activity slowing over the past month in the US. However, the oil price remains volatile and hyper sensitive to weekly data. After reaching a high close to \$53/bbl., profit taking resulted in a sell-off afterwards. Hence we focus on our medium-term outlook for oil, which remains bearish given a global supply glut from September onwards.
- Gold remained elevated as investors remain on high-alert after the recent terror attacks in Spain and the possibility of a flare up in geopolitical tensions between the US and North Korea. Gold will likely remain range-bound in the near term, unless we see a sustained break above the key \$1300/oz. mark.

Commodities	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
Brent near future (\$)	51.83	0.33	-1.56	-8.78	↓
WTI crude (\$)	47.53	0.34	-5.26	-11.52	↓
Gold spot (\$)	1 288.30	-0.25	1.61	12.27	↑
Platinum spot (\$)	979.75	-0.33	4.42	8.49	↑
SA w white maize spot (R)	1 835.00	0.11	-0.22	-48.19	↓

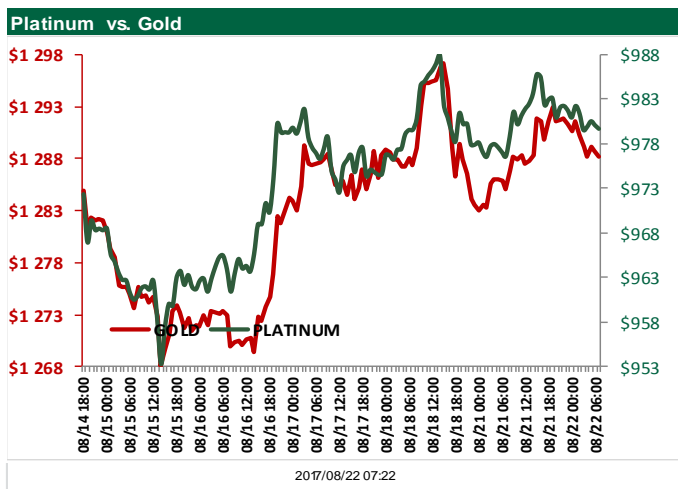
Source: Bloomberg & Nedbank CIB
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SA white maize



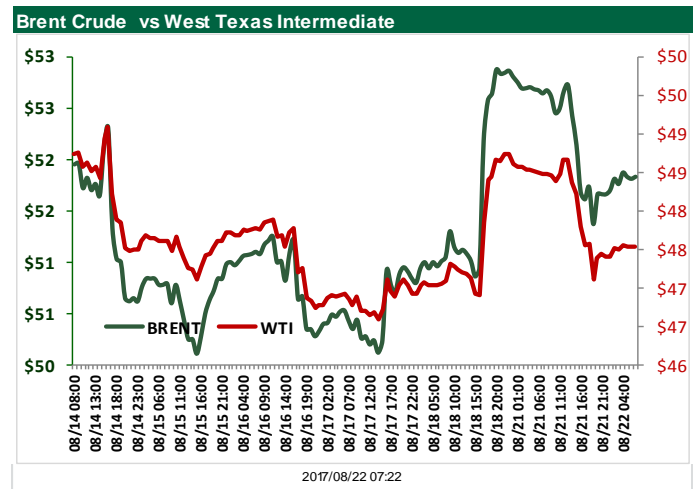
Source: Bloomberg, Nedbank

Platinum vs Gold



Source: Bloomberg, Nedbank

Brent Crude vs West Texas Intermediate



Source: Bloomberg, Nedbank

Equities

[back to top](#)

Cash equities | +2711 535 4030/31

South Africa

- After a strong open, the Top40 trickled lower throughout the day but managed to close in the black. Resources gained +0.8%, financials inched higher by +0.1% and industrials were flat in low volume day with 1/3 of the volume executing in the closing auction. Monday was the cut off day for index rebalancing which will see NEPI Rockcastle replace Truworthis in the Top40 index. Anglo Gold reported results broadly in line with but was drilled -2.6% in a day where peers' performance was mixed. Bidvest released a trading statement showing they expect EPS and HEPS to be higher than the previous period. The value traded was R16.4 billion and the rand was hovering around 13.17 to the US dollar at the close.

UK/Europe

- European markets closed a choppy trading session down -0.4% to mark the 3rd day of losses. The euro gained and the beginning of the 10-day joint military exercise by the US and South Korea flared increasing geopolitical tensions with North Korea. The Dax shed -0.8%, the Cac dropped -0.4% and the FTSE sunk -0.5%. Activity will be fairly subdued until as everyone awaits the Jackson Hole conference by the US and Euro Fed later this week. In company news, China's HNA group acquired Swiss airport retailer Dufry AG to take stake over 20%, in the oil energy space, AP Moeller Maersk sold its energy unit to Total for \$7.45 billion and Fiat rallied on speculation that Great Wall Motor from China was interested to buy them.

USA

- The US market swung between gains and losses throughout the day before closing with modest gains, the Dow inched higher by +0.1%, the Nasdaq fell -0.1% and the S&P500 rose +0.1%. The lack of direction on the day was caused by weaker dollar, realisation of Trump's inability to implement pro-business policies and the outcome from the Jackson Hole conference this Friday. Real estates, telecommunication, gold and healthcare stocks showed strength on the day while weakness was seen in the financials and energy sectors.

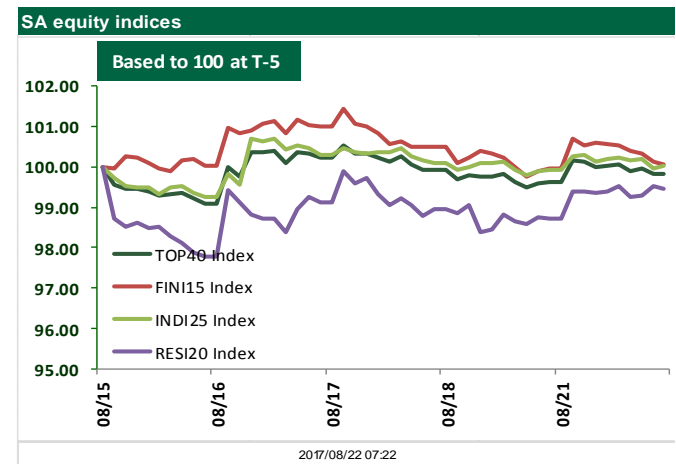
Asia

- Asian markets are trading higher this morning despite a weak close on Wall Street overnight, the MSCI Asia Pacific is +0.7%. The Australian market is being boosted by higher commodity prices and BHP Billiton's results revealing a swing back into profits albeit missing analyst estimates, they are trading up +1.2% while South 32 is down -0.3%. Markets in Singapore, Hong Kong, New Zealand, Taiwan and Malaysia are all trading in the black while Shanghai is bucking the trend and trading in the red. Tencent is currently trading up +0.6% in Hong Kong this morning.

Developed Markets	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
Dow Jones	21 703.75	0.13	-0.86	9.82	↓
Nasdaq	6 213.13	-0.05	-2.13	15.42	↓
S&P 500	2 428.37	0.12	-1.70	8.47	↓
DJ Eurostoxx 50	3 423.53	-0.65	-0.75	4.04	↓
DAX	12 065.99	-0.82	-0.43	5.09	↓
CAC	5 087.59	-0.52	-0.12	4.63	↓
FTSE	7 318.88	-0.07	-0.72	2.46	↓
ASX200	5 743.90	0.32	0.41	1.38	↑
Nikkei 225	19 376.75	-0.08	-2.75	1.37	↓
MSCI World	1 932.22	0.09	-1.47	10.34	↓
Emerging Markets	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
Hang Seng	27 444.11	1.07	0.44	24.74	↑
Shanghai	3 292.18	0.16	0.59	6.07	↑
Brazil Bovespa	68 634.65	-0.12	4.12	13.96	↑
India - NSE	31 278.82	0.06	-3.80	17.47	↓
Russia Micex	1 937.66	0.36	0.94	-13.22	↑
MSCI Emerging	1 063.66	0.39	-0.24	23.36	↓
SA Indices	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
JSE All Share	55 450.53	0.26	0.44	9.47	↑
Top 40	49 029.00	0.20	0.32	11.68	↑
Resi 10	34 393.33	0.76	-0.14	7.11	↓
Indi 25	75 006.59	0.09	0.22	16.68	↑
Fini 15	15 498.78	0.13	1.62	2.79	↑

Source: Bloomberg & Nedbank CIB Time 2017/08/22 07:22

Short-term performance of SA equity indices



Source: Bloomberg, Nedbank

Last day to trade

[back to top](#)

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Share code	Share name	Dividend / interest rate
22 August 2017		
FSRP	Firststrand Ltd B Pref	dividend @ 393.5848cps
MIX	Mix Telematics Ltd	dividend @ 2.5cps
MND	Mondi Ltd	DRIP @ 299.9485cps
MNP	Mondi plc	DRIP @ 299.9485cps
MTN	MTN Group Ltd	dividend @ 250cps
NBKP	Nedbank Ltd Prefs	dividend @ 43.39039cps
NFGOVI	Newfunds Govi ETF	Distribution (if any) TBA
NFILBI	Newfunds ILBI ETF	Distribution (if any) TBA
NFTRCI	Newfunds TRACI 3 Month ETF	Distribution (if any) TBA
PBG	PBT Group Ltd	Capital distribution @ 1.57cps
SBV	Sabvest Ltd	dividend @ 26cps
STXRAF	Satrix RAFI 40 Portfolio	Distribution TBA on or before 01/09/17
SVN	Sabvest Ltd N	dividend @ 26cps
TDHP	Tradehold Ltd Prefs	dividend @ 19.98734cps

Source: JSE

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	219.92	1.16	1.46	12.72	↑
ANG : AngloGold Ashanti Ltd	131.18	-2.59	-1.44	-14.03	↓
APN : Aspen Pharmacare Holdings Lt	273.88	0.74	-0.86	-3.42	↓
BGA : Barclays Africa Group Ltd	149.69	0.72	3.52	-11.26	↑
BID : Bid Corp Ltd	308.00	0.00	-2.64	25.64	↓
BIL : Bhp Billiton Plc	231.46	1.08	-3.41	5.84	↓
BTI : British American Tobacco Plc	810.00	0.48	-1.84	4.03	↓
BVT : Bidvest Group Ltd	172.14	0.96	2.65	-5.03	↑
CFR : Financiere Richemont-Dep Rec	112.87	0.09	0.64	24.39	↑
CPI : Capitec Bank Holdings Ltd	865.75	0.59	0.69	24.57	↑
DSY : Discovery Ltd	143.00	-0.26	1.92	24.89	↑
FFA : Fortress Income Fund Ltd-A	17.33	-0.46	-1.70	4.59	↓
FFB : Fortress Income Fund Ltd	39.00	0.52	2.09	20.63	↑
FSR : Firstrand Ltd	55.55	0.63	7.12	4.48	↑
GFI : Gold Fields Ltd	58.25	1.75	9.95	33.63	↑
GRT : Growthpoint Properties Ltd	24.95	-0.48	0.69	-3.63	↑
INL : Investec Ltd	98.80	0.10	0.25	8.87	↑
INP : Investec Plc	98.80	0.20	-0.78	8.87	↓
ITU : Intu Properties Plc	42.00	0.38	-5.60	-10.60	↓
LHC : Life Healthcare Group Holdin	25.25	0.08	-0.20	-16.75	↓
MEI : Mediclinic International Plc	122.00	-0.11	-4.87	-6.15	↓
MND : Mondi Ltd	353.66	0.75	3.35	26.31	↑
MNP : Mondi Plc	353.45	0.65	2.30	26.81	↑
MRP : Mr Price Group Ltd	178.00	0.91	2.81	11.56	↑
MTN : Mtn Group Ltd	125.00	-0.87	5.49	-0.93	↑
NED : Nedbank Group Ltd	223.58	-0.10	2.06	-6.11	↑
NPN : Naspers Ltd-N Shs	2 898.79	-0.04	-0.33	43.93	↓
NTC : Netcare Ltd	24.84	-0.64	1.18	-21.98	↑
OML : Old Mutual Plc	34.55	-0.37	1.23	0.32	↑
RDF : Redefine Properties Ltd	10.64	-0.09	-1.21	-4.92	↓
REI : Reinet Investments Sa-Dr	27.75	0.18	-0.39	3.54	↓
REM : Remgro Ltd	219.00	0.26	2.46	-1.82	↑
RMH : Rmb Holdings Ltd	66.15	0.61	4.03	-0.38	↑
SAP : Sappi Limited	86.00	0.00	-1.50	-4.39	↓
SBK : Standard Bank Group Ltd	161.64	-0.23	-1.28	6.52	↓
SHP : Shoprite Holdings Ltd	201.00	0.44	-0.34	17.23	↓
SLM : Sanlam Ltd	69.19	0.49	4.28	10.00	↑
SNH : Steinhoff International H Nv	64.11	-0.73	-2.86	-10.06	↓
SOL : Sasol Ltd	392.80	0.57	-1.06	-1.53	↓
TBS : Tiger Brands Ltd	397.56	-0.86	-0.49	-0.07	↓
TRU : Truworths International Ltd	80.00	1.95	5.82	0.41	↑
VOD : Vodacom Group Ltd	180.60	-0.13	1.42	18.50	↑
WHL : Woolworths Holdings Ltd	64.96	0.87	3.11	-8.53	↑

Source: Bloomberg & Nedbank CIB

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Foreign flows

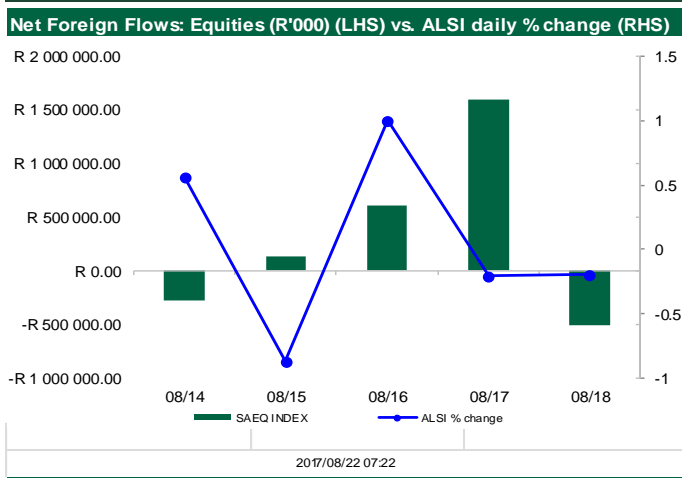
[back to top](#)

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- Last week saw inflows, of R3.4 billion made up of R1.8 billion into the bond market and R1.6 billion into the equity market. This lies in stark contrast to sharp outflows seen in the prior 2 weeks. While bond flows have been patchy recently, earlier outflows have resulted in month to date net outflows of R1.3 billion, while equity outflows stand at R1.7 billion.
- Despite this, the inflows for the YTD are R2.2 billion, driven by bond market inflows. We remain of the view that flows are driven by foreign sentiment – over the last 4 years, the last quarter of the year had seen sharp outflows of capital, from both the equity and bond markets. This as a result of the risk-off sentiment which gripped the market on the back of a taper tantrum, Fed interest rate hikes and geopolitical risks. Much of this year was characterised by investor complacency. However, as global monetary policy conditions begin to tighten from 4Q17 onwards, we may start to see the cracks emerge, with possible outflows of foreign capital over the medium term. For now however, risk appetite remains in favour of EM bonds.

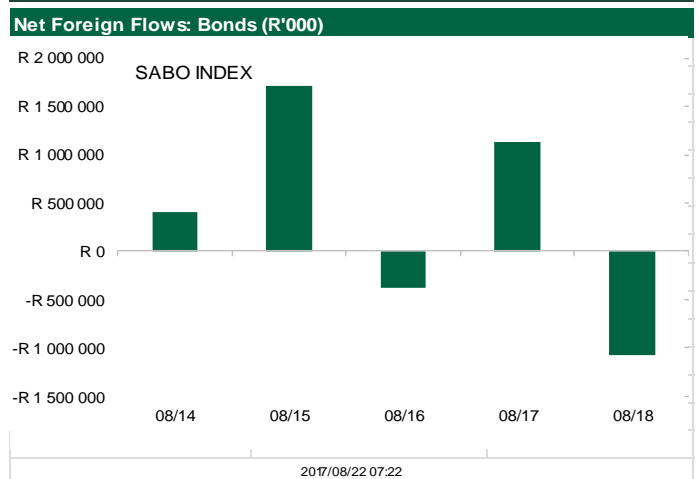
SA equities and bonds (bn)	Week to 18 Aug 2017	Month to 18 Aug 2017	Year to 18 Aug 2017
Foreign flows into SA equity market	R 1.559	-R 1.714	-R 46.153
Foreign flows into SA bond market	R 1.799	-R 1.302	R 48.426
Total foreign flows	R 3.359	-R 3.017	R 2.273
<i>Source: Bloomberg</i>			
2017/08/22 07:22			

Foreign equity flows: 5-day history



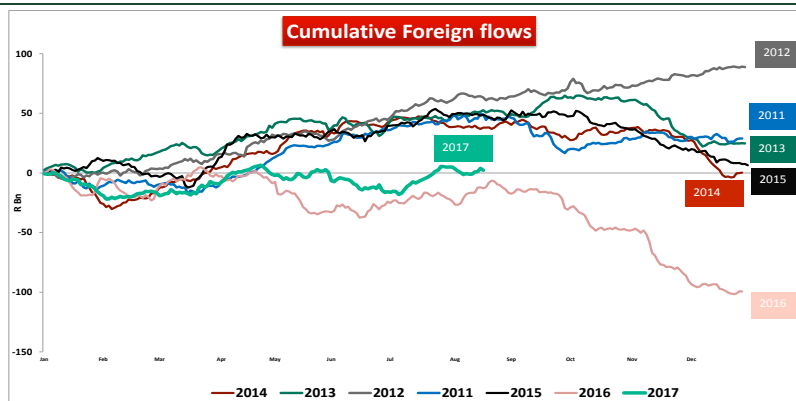
Source: Bloomberg, Nedbank

Foreign bond flows: 5-day history



Source: Bloomberg, Nedbank

Foreign investors typically sell-off in the last quarter of the year



Source: Bloomberg, Nedbank

Economic calendar

[back to top](#)

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	Country	Event	Period	Survey	Actual	Prior	Revised
21-August							
02:30 PM	US	Chicago Fed Nat Activity Index	JUL	0.10	-0.01	0.13	0.16
22-August							
09:00 AM	SA	Leading Indicator	JUN	-	-	95.8	-
10:30 AM	UK	PSNB ex Banking Groups	JUL	GBP 1.0b	-	GBP 6.9b	-
11:00 AM	EC	ZEW Survey Expectations	AUG	-	-	35.6	-
11:00 AM	GE	ZEW Survey Current Situation	AUG	85.2	-	86.4	-
11:00 AM	GE	ZEW Survey Expectations	AUG	15.0	-	17.5	-
04:00 PM	US	Richmond Fed Manufact. Index	AUG	10	-	14	-
23-August							
02:30 AM	JN	Nikkei Japan PMI Mfg	AUG P	-	-	52.1	-
09:30 AM	GE	Markit/BME Germany Manufacturing PMI	AUG P	57.6	-	58.1	-
09:30 AM	GE	Markit Germany Services PMI	AUG P	53.3	-	53.1	-
10:00 AM	EC	Markit Eurozone Manufacturing PMI	AUG P	56.3	-	56.6	-
10:00 AM	EC	Markit Eurozone Services PMI	AUG P	55.4	-	55.4	-
10:00 AM	SA	CPI YoY	JUL	4.60%	-	5.10%	-
03:45 PM	US	Markit US Manufacturing PMI	AUG P	53.5	-	53.3	-
03:45 PM	US	Markit US Services PMI	AUG P	54.9	-	54.7	-
04:00 PM	EC	Consumer Confidence	AUG A	-1.80	-	-1.70	-
04:00 PM	US	New Home Sales	JUL	610k	-	610k	-
04:00 PM	US	New Home Sales MoM	JUL	0.00%	-	0.80%	-

Source: Bloomberg 2017/08/22 07:21

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