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(when available)*

Key daily drivers

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SNIPPETS

(Fixed Income)	Small inflows into the local bond market yesterday, liquidity remains thin
(Currencies)	FX Markets remain subdued, focus shifting to Jackson Hole
(Commodities)	Gold rallies marginally as a result of dollar weakness, oil remains range-bound ahead of weekly US inventory data
(Equities)	Global markets traded mostly lower, weighed by political comments from Donald Trump, with traders taking a cautious stance ahead of the Jackson Hole meeting which starts today
(Economics)	SA CPI falls sharply in July, weighed by transport and food

Key overnight factors and upcoming events this week

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Date	Region	Event	↓ ↑ →	Actual/expected/prior	Implications
23/08	SA	CPI		4.6%/4.7%/5.1%	Inflation eased 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
25/08	US	Durable orders	goods	--/6%/6.4%	Decline of orders may indicate subdued business spending

Source: Nedbank

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

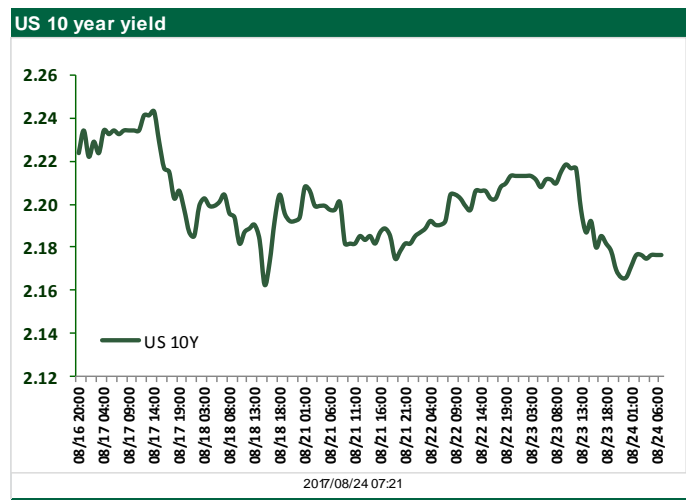
Bonds	Last price	Δ			Month trend
		1d	MTD	YTD	
	%	bps	bps	bps	
R203-0.1 yrs	6.16	-15.51	-77.31	-153.81	↓
R208-3.6 yrs	7.45	-0.10	-7.70	-82.90	↓
R186-9.3 yrs	8.56	-0.00	-5.40	-34.50	↓
R2048-30.5 yrs	9.82	-0.15	-4.25	19.45	↓
US 10 yr	2.18	1.04	-11.78	-26.80	↓
UK 10 yr	1.06	-2.80	-17.10	-18.00	↓
German 10 yr	0.38	-2.30	-16.60	16.90	↓
Japan 10 yr	0.03	-1.20	-5.70	-2.00	↓
Money Market	Last price	Δ			Month trend
	%	1d	MTD	YTD	
	%	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)	4.60		-50.00		↓
SA 3m JIBAR	7.05	0.00	-2.50	-30.80	↓
SA 3m NCD	7.05	2.50	0.00	-32.50	→
SA 6m NCD	7.43	5.00	-5.00	-55.00	↓
SA 12m NCD	7.70	2.50	-5.00	-75.00	↓
US 3m LIBOR	1.32	0.00	0.67	31.93	↑
UK 3m LIBOR	0.28	-0.16	-0.62	-8.67	↓
Japan 3m LIBOR	-0.03	-0.32	-1.69	1.39	↓

Source: Bloomberg & Nedbank CIB
Time: 2017/08/24 07:21

FRAs and Swaps	Last price	Δ			Month trend
		1d	MTD	YTD	
	%	bps	bps	bps	
3X6 FRA	6.84	0.00	-5.00	-55.00	↓
6X9 FRA	6.66	-0.50	-4.50	-76.50	↓
9X12 FRA	6.56	1.00	-9.00	-89.00	↓
18X21 FRA	6.61	1.00	-11.00	-92.00	↓
SA 2yr Sw ap	6.69	0.40	-7.70	-77.10	↓
SA 3yr Sw ap	6.81	0.40	-5.70	-74.60	↓
SA 5yr Sw ap	7.13	0.00	-4.50	-68.10	↓
SA 10yr Sw ap	7.78	-0.50	-6.50	-55.10	↓
SA 15yr Sw ap	8.03	-0.50	-3.85	-46.00	↓
Spreads	Last price	Δ			Month trend
	%	1d	MTD	YTD	
	%	bps	bps	bps	
2v10y	-1.09	0.90	-1.20	-22.00	↓
3v10y	-0.97	0.90	0.80	-19.50	↑
R186-R203	2.40	15.51	71.90	119.31	↑
R2048-R186	1.25	-0.15	1.15	53.95	↑
5y-R186	-1.43	0.00	0.90	-33.60	↑
10y-R186	-0.79	-0.50	-1.10	-20.60	↓
15y-R186	-0.54	-0.50	1.55	-11.50	↑
SA 5yr CDS spread - basis points	176.00	0.00	-7.50	-39.00	↓

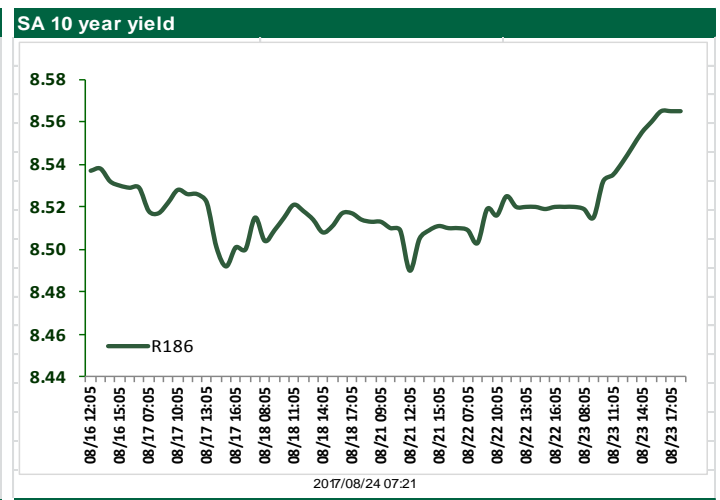
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US 10 year yield



Source: Bloomberg, Nedbank

SA 10 year yield



Source: Bloomberg, Nedbank

Currencies

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

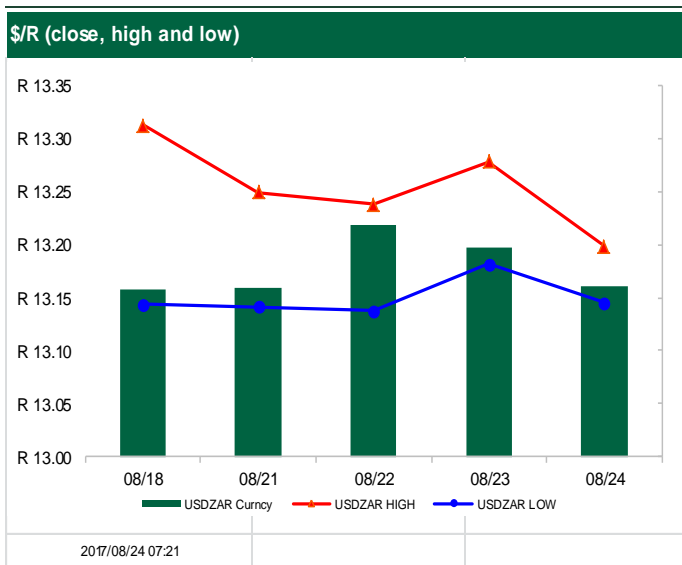
- Yesterday the local trading session opened with the rand trading in the low 13.20's, for the majority of the session the local unit remained under pressure, although the extent of this weakness was limited, USDZAR trading to a high of 13.2775 on the day, before a modest recovery going into the local close, at which time it was trading at 13.1975.
- In the overnight session the dollar was broadly under some pressure and that saw the rand trade to a best level of 13.1450 currently trading at 13.1600, EURZAR is trading at 15.5315 and GBPZAR at 16.8305
- International markets initially saw the dollar on the front foot, EURUSD trading down to 1.1742, before trading to 1.1805 by the time of the local close, the overnight session particularly subdued, this morning it currently trades at 1.1800. Gold has held steady in the mid 1280's over the most recent sessions, this morning trading with a marginally firmer bias at 1288.75.
- Data releases scheduled for today, locally no releases, from France we have business confidence and manufacturing confidence, from the U.K GDP preliminary and from the U.S jobless claims, existing home sales, Kansas FED manufacturing and mortgage foreclosures.
- Possible trading range in the rand today 13.0000 to 13.3000.

Majors	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend	USD trend
GBPUSD	1.28	-0.02	-3.06	3.62	↓	USD strength
EURUSD	1.18	0.01	-0.08	12.22	↓	USD strength
USDJPY	109.16	-0.01	-1.15	-7.15	↓	USD weakness
USDAUD	1.27	-0.11	1.02	-8.84	↑	USD strength
Rand crosses	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend	ZAR trend
USDZAR	13.16	-0.27	-0.55	-4.39	↓	ZAR strength
GBPZAR	16.83	-0.27	-3.70	-0.65	↓	ZAR strength
EURZAR	15.53	-0.26	-0.62	6.97	↓	ZAR strength
AUDZAR	10.40	-0.15	-1.57	4.77	↓	ZAR strength
ZARJPY	8.29	0.27	-0.60	-2.83	↓	ZAR weakness
African FX	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend	ZAR trend
ZARMWK (Malawian kwacha)	55.15	0.30	0.51	3.94	↑	ZAR strength
ZARBWP (Botswana pula)	0.77	0.10	0.35	-0.45	↑	ZAR strength
ZARKES (Kenyan shilling)	7.84	0.28	-0.19	4.83	↓	ZAR weakness
ZARMUR (Mauritian rupee)	2.53	0.31	0.32	-3.75	↑	ZAR strength
ZARNNGN (Nigerian naira)	27.51	0.41	13.38	16.60	↑	ZAR strength
ZARGHS (Ghanian cedi)	0.34	0.00	1.34	7.66	↑	ZAR strength
ZARZMW (Zambian kwacha)	0.69	0.26	2.20	-5.61	↑	ZAR strength
ZARMZN (Mozambican metical)	4.63	0.27	0.38	-12.49	↑	ZAR strength

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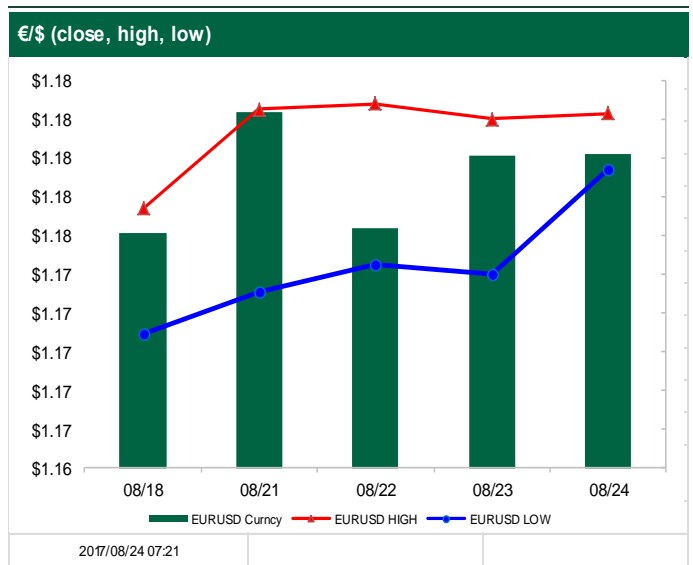
**Please note that the sign on the % change reflects the change on the headline number. The narrative indicates the trend direction over the month. For trade in any of these currencies, contact our FX dealing desks*

USDZAR



Source: Bloomberg, Nedbank

EUR/USD



Source: Bloomberg, Nedbank

Commodities

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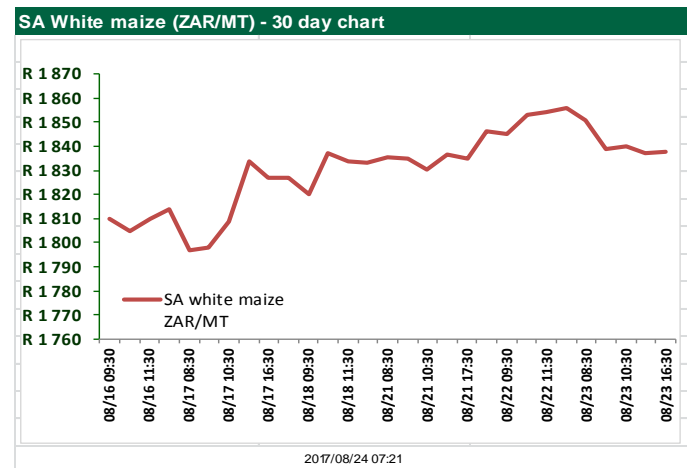
- Oil held gains above \$48 a barrel as stockpiles extended declines during a period of seasonally strong demand, trimming an inventory overhang. Futures were little changed after advancing for a second session Wednesday.
- Gold falls ahead of Jackson Hole gathering, which starts later Thursday. Bullion for immediate delivery -0.3% to \$1,287.79/oz.
- Silver -0.3% to \$17.0536/oz.
- Platinum steady at \$977.92/oz.

Source: Bloomberg

Commodities	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
Brent near future (\$)	52.57	0.00	-0.15	-7.48	↓
WTI crude (\$)	48.36	-0.10	-3.61	-9.98	↓
Gold spot (\$)	1 288.72	0.08	1.64	12.31	↑
Platinum spot (\$)	978.50	0.21	4.28	8.35	↑
SA white maize spot (R)	1 838.00	-0.97	-0.05	-48.11	↓

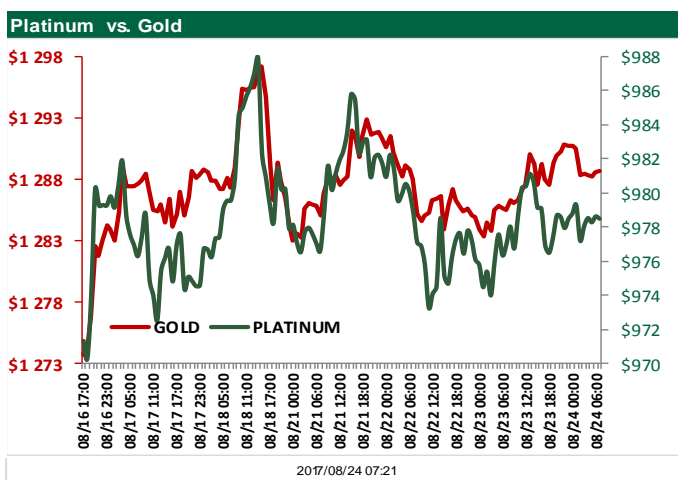
Source: Bloomberg & Nedbank CIB
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SA white maize



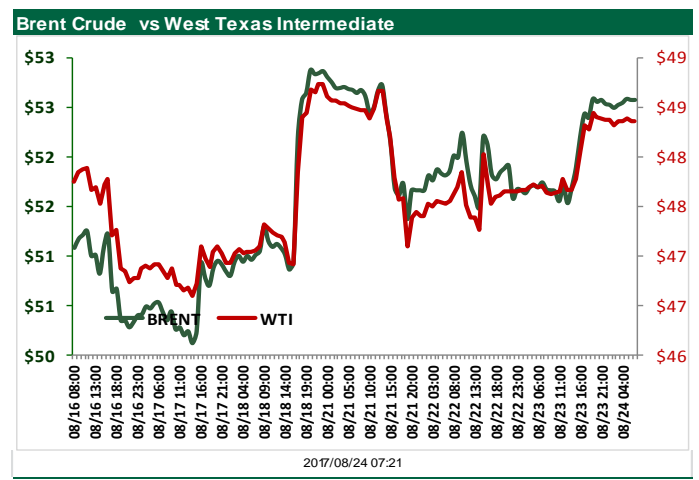
Source: Bloomberg, Nedbank

Platinum vs Gold



Source: Bloomberg, Nedbank

Brent Crude vs West Texas Intermediate



Source: Bloomberg, Nedbank

Equities

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Cash equities | +2711 535 4030/31

South Africa

- The JSE ended the day up 0.29% at 49734.50. Naspers lead the market high trading at all-time highs and breaking through the 3000 level for the first time, trading as high as 3001, before ending the day up 2.27% at 2993. MTN underperformed in the telecom space, due to the stock trading ex its dividend of 250cps, while the likes of Shoprite(-0.55%) and Imperial (-0.25%) edged lower following their strong performance yesterday. PPC Ltd saw its fifth straight day of gains, surging a further 6.98%, up 33% since reporting an operational update last week. The value traded at the close was R20.5 billion with the ZAR trading at 13.19 vs the dollar.

UK/Europe

- European markets closed in the red on Wednesday, despite the strong economic data, with private sector activity maintaining its strong growth momentum in August. The market was however concerned by political comments from Donald Trump and the likelihood of the termination of the North American Free Trade Agreement, and the impact on global trade. The FTSE 100 outperformed in the region, eking out a small gain (+0.01%), as the weaker pound lifted exporters and mining stocks. On the downside, advertising giant, WPP PLC tumbled 10.92% after they reported a disappointing outlook. This report weighed on media stocks across Europe. The DAX lost 0.45% and the CAC40 fell 0.32%.

USA

- US markets retraced Tuesday's gains, with the Dow and S&P500 losing 0.4% and the Nadsaq dipping 0.3%. The retreat came after Trump pledged to a crowd of supporters the he would build the wall on the border with Mexico even if it meant shutting down the government. A report from the Commerce Department, which unexpectedly showed a steep drop in new home sales for the month on July, also weighed on sentiment. The volume traded was the lowest recorded for the year, with traders on the side lines ahead of the start of the Jackson Hole meeting.

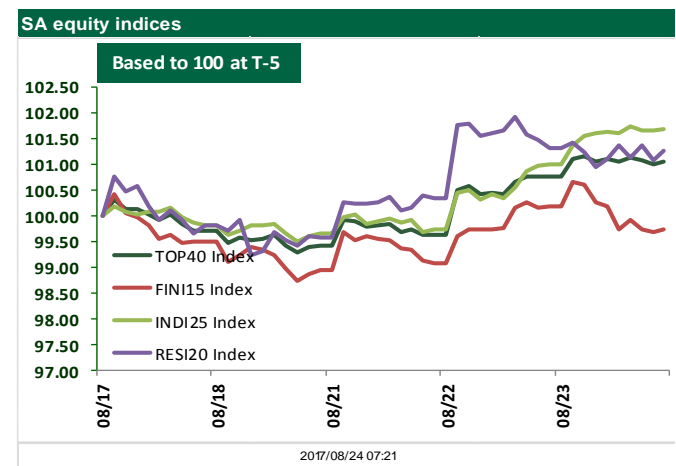
Asia

- Asian markets are trading mixed this morning, with traders taking a cautious stance following Trumps comments and ahead of the Jackson Hole meeting which starts today. In Japan, a stronger yen weighed on exporters and steel stocks were lower after reports of a Toyota Motor Corp price cut. Hong Kong stocks resumed trading after being closed yesterday due to typhoon Hato. The Hang Seng was higher for the third consecutive day, with banking stocks leading the gains. Australian stocks were marginally higher, lifted by gains in the mining sector. South32 was up more than 3% after reporting a turnaround to profit in the full year on higher revenues. Higher gold and oil prices overnight added to the moves.

Developed Markets	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
Dow Jones	21 812.09	-0.40	-0.36	10.37	↓
Nasdaq	6 278.41	-0.30	-1.10	16.63	↓
S&P 500	2 444.04	-0.35	-1.06	9.17	↓
DJ Eurostoxx 50	3 438.63	-0.49	-0.31	4.50	↓
DAX	12 174.30	-0.45	0.46	6.04	↑
CAC	5 115.39	-0.32	0.42	5.20	↑
FTSE	7 382.65	0.01	0.14	3.36	↑
ASX200	5 741.40	0.07	0.36	1.33	↑
Nikkei 225	19 376.77	-0.30	-2.75	1.37	↓
MSCI World	1 942.15	-0.16	-0.97	10.90	↓
Emerging Markets	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
Hang Seng	27 575.64	0.63	0.92	25.34	↑
Shanghai	3 285.84	-0.06	0.39	5.87	↑
Brazil Bovespa	70 477.63	0.67	6.91	17.02	↑
India - NSE	31 597.53	0.09	-2.82	18.67	↓
Russia Micex	1 958.52	0.57	2.03	-12.28	↑
MSCI Emerging	1 075.60	0.29	0.88	24.74	↑
SA Indices	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
JSE All Share	56 162.30	0.23	1.73	10.88	↑
Top 40	49 734.51	0.29	1.76	13.29	↑
Resi 10	34 709.96	-0.06	0.78	8.10	↑
Indi 25	76 461.02	0.65	2.17	18.95	↑
Fini 15	15 604.73	-0.42	2.31	3.49	↑

Source: Bloomberg & Nedbank CIB
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Short-term performance of SA equity indices



Source: Bloomberg, Nedbank

Last day to trade

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Share code	Share name	Dividend / interest rate
29 August 2017		
AFE	AECI Ltd	dividend @ 138cps
HMN	Hammerson PLC	dividend @ 183.215030cps
ILU	Indluplace Properties Ltd	dividend @ 24.724520cps
LBH	Liberty Hldgs Ltd	dividend @ 276cps
NEWUSD	Newwave USD ETN 12MAR42	dividend @ 6cps
NVS	Novus Holdings Ltd	dividend @ 56cps
RES	Resilient Reit Ltd	dividend @ 297.07cps

Source: JSE

JSE performance

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Top40 constituents	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
AGL : Anglo American Plc	222.99	0.35	2.88	14.30	↑
ANG : Anglogold Ashanti Ltd	121.43	-0.63	-8.77	-20.42	↓
APN : Aspen Pharmacare Holdings Lt	273.86	-0.41	-0.87	-3.43	↓
BGA : Barclays Africa Group Ltd	150.95	0.43	4.39	-10.52	↑
BID : Bid Corp Ltd	307.00	-1.38	-2.95	25.23	↓
BIL : Bhp Billiton Plc	237.81	0.24	-0.76	8.75	↓
BTI : British American Tobacco Plc	801.50	-1.23	-2.87	2.94	↓
BVT : Bidvest Group Ltd	173.77	0.45	3.63	-4.13	↑
CFR : Financiere Richemont-Dep Rec	114.86	0.39	2.42	26.58	↑
CPI : Capitec Bank Holdings Ltd	883.07	0.58	2.71	27.06	↑
DSY : Discovery Ltd	146.42	1.50	4.35	27.88	↑
FFA : Fortress Income Fund Ltd-A	17.00	-1.56	-3.57	2.60	↓
FFB : Fortress Income Fund Ltd	38.85	-0.38	1.70	20.17	↑
FSR : Firstrand Ltd	56.25	-0.67	8.47	5.79	↑
GFI : Gold Fields Ltd	56.50	-1.38	6.64	29.62	↑
GRT : Grow thpoint Properties Ltd	24.82	0.08	0.16	-4.13	↑
INL : Investec Ltd	100.20	-0.35	1.67	10.41	↑
INP : Investec Plc	100.09	-0.42	0.51	10.29	↑
ITU : Intu Properties Plc	41.49	-0.95	-6.74	-11.69	↓
LHC : Life Healthcare Group Holdin	25.60	-0.27	1.19	-15.60	↑
MEI : Mediclinic International Plc	124.02	0.54	-3.29	-4.60	↓
MND : Mondi Ltd	354.00	0.46	3.45	26.43	↑
MNP : Mondi Plc	352.99	0.20	2.16	26.65	↑
MRP : Mr Price Group Ltd	184.00	0.55	6.28	15.32	↑
MTN : Mtn Group Ltd	122.33	0.48	3.24	-3.04	↑
NED : Nedbank Group Ltd	216.66	-2.41	-1.10	-9.02	↓
NPN : Naspers Ltd-N Shs	2 993.00	2.27	2.91	48.60	↑
NTC : Netcare Ltd	24.90	-0.88	1.43	-21.80	↑
OML : Old Mutual Plc	34.85	-0.57	2.11	1.19	↑
RDF : Redefine Properties Ltd	10.48	-1.04	-2.69	-6.34	↓
REI : Reinet Investments Sa-Dr	27.93	-0.25	0.25	4.22	↑
REM : Remgro Ltd	220.00	0.22	2.92	-1.37	↑
RMH : Rmb Holdings Ltd	67.00	-0.37	5.36	0.90	↑
SAP : Sappi Limited	89.58	1.80	2.60	-0.41	↑
SBK : Standard Bank Group Ltd	163.10	-1.03	-0.38	7.48	↓
SHP : Shoprite Holdings Ltd	215.91	-0.55	7.06	25.92	↑
SLM : Sanlam Ltd	70.31	0.36	5.97	11.78	↑
SNH : Steinhoff International H Nv	66.07	1.06	0.11	-7.31	↑
SOL : Sasol Ltd	390.97	-0.77	-1.52	-1.99	↓
TBS : Tiger Brands Ltd	406.09	1.01	1.65	2.08	↑
TRU : Truworths International Ltd	81.66	-1.32	8.02	2.50	↑
VOD : Vodacom Group Ltd	182.70	-0.22	2.60	19.88	↑
WHL : Woolworths Holdings Ltd	66.03	-1.86	4.81	-7.03	↑

Source: Bloomberg & Nedbank CIB

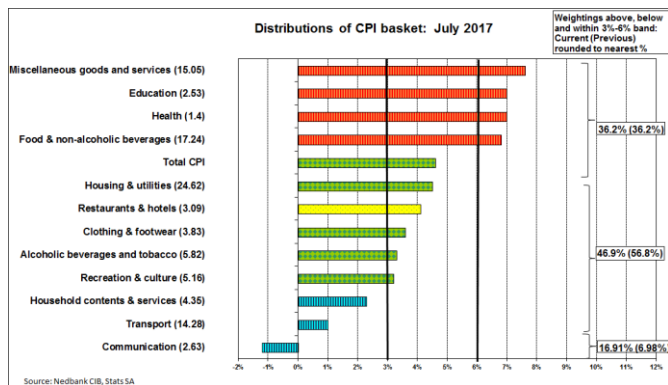
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SA

- SA CPI eased sharply in July, to 4.6% y/y, from 5.1% previously, below consensus of 4.7%. Core inflation fell to 4.7% y/y, from 4.8% in June, in line with consensus. Administered price inflation slumped to 1.8% y/y, from 4.9% previously, goods inflation eased, while services inflation ticked up marginally.
- The biggest disinflationary drivers in July were food and NAB, housing and utilities, and transport. These subcomponents resulted in a cumulative 80bps decline in headline inflation, which was tempered by higher services costs and a higher residual. Fruit, veg and oil prices are in deflation, breads and cereals prices eased sharply, however meat inflation accelerated further in July, at 14.4% y/y. The only reason for sharply lower housing and utilities inflation was due to sharply lower electricity inflation. This is due to a 2.2% electricity tariff hike kicking in in July 2017, compared to the previous cycle in which NERSA granted 9.4%. In the transport category, fuel prices are effectively in deflation following the 68-cent petrol price cut in July. This was the main driver of sharply lower transport inflation in July.
- Key risks to the inflation profile over the medium term are the rand exchange rate should we have any flare up in political risks or a turn in foreign investor sentiment, a higher than projected electricity tariff hike from NERSA given recent developments regarding backdating RCA adjustments, and the upcoming public sector wage negotiations among others.

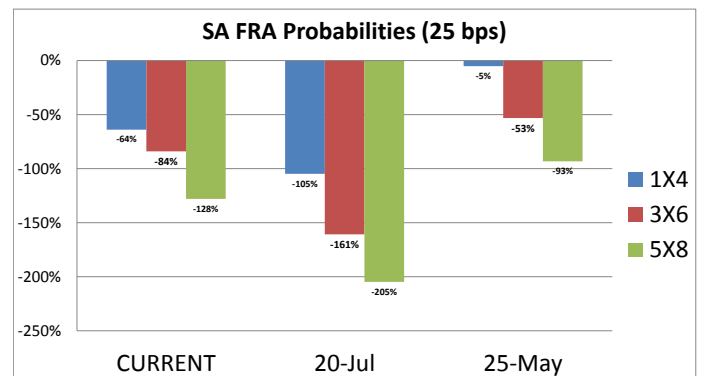
Synopsis: Since inflation has beaten consensus for 5 out of the last 7 months and is expected to remain below 6% for the next 12-18 months, and GDP growth remains dismal, we anticipate further monetary policy loosening over the medium term. Given the latest print, the probability of a rate cut at the SARB's September meeting has risen (64% probability), and we are not ruling out more than 2-3 rate cuts of 25bps each materialising in this cycle, given the dovish tilt in the SARB's assumptions recently. We will be watching for any further adjustments to these forecasts which may signal a deeper cutting cycle than we currently project.

More CPI subcomponents move below 3% lower band



Source: Bloomberg, Nedbank

Market prices in 64% probability of rate cut next month



Source: Bloomberg, Nedbank

Economic calendar

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	Country	Event	Period	Survey	Actual	Prior	Revised
23-August							
02:30 AM	JN	Nikkei Japan PMI Mfg	AUG P	-	52.8	52.1	-
09:30 AM	GE	Markit/BME Germany Manufacturing PMI	AUG P	57.6	59.4	58.1	-
09:30 AM	GE	Markit Germany Services PMI	AUG P	53.3	53.4	53.1	-
10:00 AM	EC	Markit Eurozone Manufacturing PMI	AUG P	56.3	57.4	56.6	-
10:00 AM	EC	Markit Eurozone Services PMI	AUG P	55.4	54.9	55.4	-
10:00 AM	SA	CPI YoY	JUL	4.70%	4.60%	5.10%	-
01:00 PM	US	MBA Mortgage Applications	JUN 30	-	-0.50%	0.10%	-
03:45 PM	US	Markit US Manufacturing PMI	AUG P	-	52.5	53.3	-
03:45 PM	US	Markit US Services PMI	AUG P	55.0	56.9	54.7	-
04:00 PM	EC	Consumer Confidence	AUG A	-1.80	-1.50	-1.70	-
04:00 PM	US	New Home Sales	JUL	610k	571k	610k	630k
04:00 PM	US	New Home Sales MoM	JUL	0.00%	-9.40%	0.80%	1.90%
24-August							
07:00 AM	JN	Leading Index Cl	JUN F	-	105.9	106.3	-
10:30 AM	UK	GDP QoQ	2Q P	0.30%	-	0.30%	-
10:30 AM	UK	GDP YoY	2Q P	1.70%	-	1.70%	-
04:00 PM	US	Existing Home Sales	JUL	5.55m	-	5.52m	-
04:00 PM	US	Existing Home Sales MoM	JUL	0.54%	-	-1.80%	-
05:00 PM	US	Kansas City Fed Manf. Activity	AUG	11.0	-	10.0	-
25-August							
01:30 AM	JN	Natl CPI YoY	JUL	0.40%	-	0.40%	-
08:00 AM	GE	GDP NSA YoY	2Q F	0.80%	-	0.80%	-
08:00 AM	GE	GDP SA QoQ	2Q F	0.60%	-	0.60%	-
10:00 AM	GE	IFO Business Climate	AUG	115.5	-	116.0	-
10:00 AM	GE	IFO Current Assessment	AUG	125.0	-	125.4	-
10:00 AM	GE	IFO Expectations	AUG	106.8	-	107.3	-
02:30 PM	US	Cap Goods Orders Nondef Ex Air	JUL P	0.4%	-	0.0%	-
02:30 PM	US	Durables Ex Transportation	JUL P	0.40%	-	0.10%	-
02:30 PM	US	Durable Goods Orders	JUL P	-6.0%	-	6.4%	-

Source: Bloomberg 2017/08/24 07:21

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