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| [Economics](#) | [\\*Foreign flows](#) | [JSE performance](#) | [LDT](#) | [Economic calendar](#) | [Other reports](#)  
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## Key daily drivers

Nedbank CIB Market Commentary | [CIBMarketComm@Nedbank.co.za](mailto:CIBMarketComm@Nedbank.co.za) | +27 11 294 1753

### SNIPPETS

(Fixed Income)	Foreign inflows total R3.7 billion for the week but liquidity remains tight
(Currencies)	USDZAR finds support as the dollar falters
(Commodities)	Gold and oil firmer on Friday as a result of weaker dollar, geopolitical tensions and US crude inventory rundowns
(Equities)	The JSE closed higher for the fifth consecutive day, while European, US markets and Asian ended sessions slightly lower, after Janet Yellen and Mario Draghi refrained from discussing monetary policy at the economic symposium at Jackson Hole this weekend
(Economics)	US durable goods orders signal better business investment

## Key overnight factors and upcoming events this week

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Date	Region	Event	↓ ↑ →	Actual/expected/prior	Implications
25/08	US	Durable orders	goods	--/6%/6.4%	Decline of orders may indicate subdued business spending
25/08	Global	Jackson Symposium	Hole	--	Markets will watch central bankers for any clues on monetary policy
30/08	SA	Budget bal		--/--/15.4b	As we head closer to MTBPS, monthly fiscal data becomes very important to project revenue undershoot

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

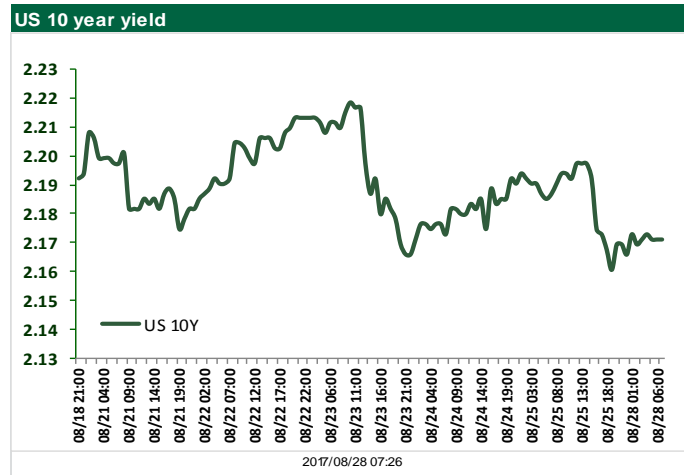
Bonds	Last price	Δ			Month trend
		1d	MTD	YTD	
	%	bps	bps	bps	
R203-0 yrs	5.29	67.95	-164.75	-241.25	↓
R208-3.6 yrs	7.44	-1.10	-9.00	-84.20	↓
R186-9.3 yrs	8.56	-0.65	-5.85	-34.95	↓
R2048-30.5 yrs	9.76	-1.35	-9.75	13.95	↓
US 10 yr	2.17	0.52	-12.31	-27.33	↓
UK 10 yr	1.05	0.00	-17.70	-18.60	↓
German 10 yr	0.38	0.40	-16.30	17.20	↓
Japan 10 yr	0.02	-0.10	-6.50	-2.80	↓
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	0.00	0.00	-32.50	→
SA 6m NCD	7.43	0.00	-5.00	-55.00	↓
SA 12m NCD	7.70	1.25	-5.00	-75.00	↓
US 3m LIBOR	1.32	0.06	0.72	31.99	↑
UK 3m LIBOR	0.28	0.03	-0.59	-8.64	↓
Japan 3m LIBOR	-0.03	0.09	-1.19	1.89	↓

Source: Bloomberg & Nedbank CIB  
Time: 2017/08/28 07:26

FRAs and Swaps	Last price	Δ			Month trend
		1d	MTD	YTD	
	%	bps	bps	bps	
3X6 FRA	6.77	-0.50	-12.50	-62.50	↓
6X9 FRA	6.66	-0.50	-4.50	-76.50	↓
9X12 FRA	6.52	-1.50	-13.50	-93.50	↓
18X21 FRA	6.60	-1.00	-12.00	-93.00	↓
SA 2yr Swap	6.67	-0.50	-9.70	-79.10	↓
SA 3yr Swap	6.79	-1.50	-8.20	-77.10	↓
SA 5yr Swap	7.12	-2.00	-6.00	-69.60	↓
SA 10yr Swap	7.79	-1.00	-5.50	-54.10	↓
SA 15yr Swap	8.04	-1.00	-2.85	-45.00	↓
Spreads	Last price	Δ			Month trend
	%	1d	MTD	YTD	
	%	bps	bps	bps	
2v10y	-1.12	0.50	-4.20	-25.00	↓
3v10y	-1.00	-0.50	-2.70	-23.00	↓
R186-R203	3.27	-68.61	158.89	206.30	↑
R2048-R186	1.20	-0.70	-3.90	48.90	↓
5y-R186	-1.45	-1.35	-0.15	-34.65	↓
10y-R186	-0.78	-0.35	0.35	-19.15	↑
15y-R186	-0.53	-0.35	3.00	-10.05	↑
SA 5yr CDS spread - basis points	175.50	0.50	-8.00	-39.50	↓

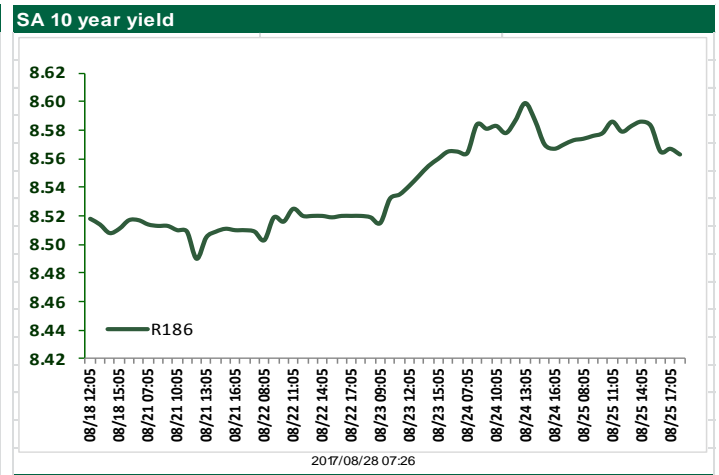
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## US 10 year yield



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

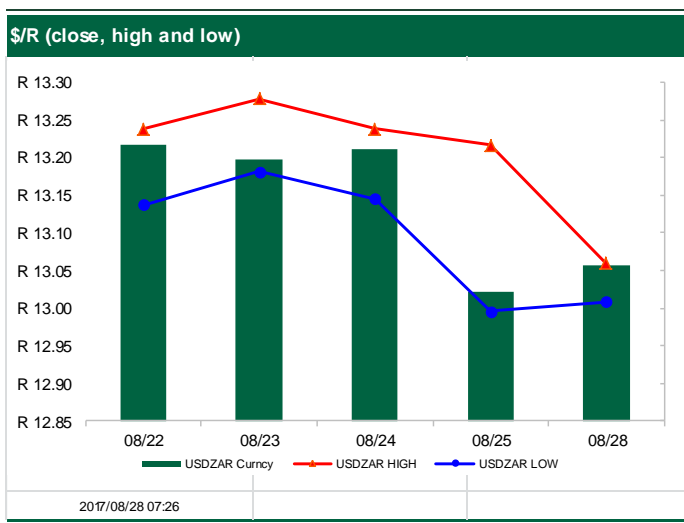
- The final session of the week opened with the rand trading around the 13.20 level, as had been the case over the preceding sessions, the markets apparently awaiting insights from Jackson Hole, ahead of this trading in a limited range, the bias for the local unit though generally firmer on the day, touching a best level on the day of 13.0650, closing the day at 13.0950. The markets were disappointed by Yellen and that saw the local unit prosper in limited liquidity conditions, touching a best level of marginally below 13.0000, this morning currently trading at 13.0550, EURZAR is trading at 15.5610 and GBPZAR 16.8050.
- On the international front EURUSD traded around the 1.1800 pivot again, but by the time of the local close trading close to the highs of the day 1.1880, post the aforementioned comments the European unit traded steadily firmer to trade to a high of 1.1991 early in the Far East session, this morning currently trading at 1.1920. Gold has also continued to find support as the dollar faltered, this morning currently trading at 1294.80, some 7 dollars firmer from the same time on Friday.
- The rand has managed to post steady gains, despite the local back drop, however the extent of these gains have to not been commensurate with the gains posted by the majority of the other currencies against the dollar, and as a result the rand crosses against the majors have thus far been limited.
- Possible trading range in the rand today 12.9000 to 13.2500

Majors	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend	USD trend
GBPUSD	1.29	-0.06	-2.38	4.34	↓	USD strength
EURUSD	1.19	0.32	0.97	13.40	↑	USD weakness
USDJPY	109.14	-0.06	-1.16	-7.17	↓	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	13.06	0.37	-1.36	-5.23	↓	ZAR strength
GBPZAR	16.81	0.31	-3.84	-0.79	↓	ZAR strength
EURZAR	15.57	0.68	-0.38	7.19	↓	ZAR strength
AUDZAR	10.36	0.31	-1.94	4.43	↓	ZAR strength
ZARJPY	8.36	-0.44	0.17	-2.05	↑	ZAR strength
African FX	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend	ZAR trend
ZARMWK (Malawian kwacha)	55.41	-0.63	0.97	4.38	↑	ZAR strength
ZARBWP (Botswana pula)	0.78	-0.22	0.68	-0.12	↑	ZAR strength
ZARKES (Kenyan shilling)	7.90	-0.39	0.63	5.61	↑	ZAR strength
ZARMUR (Mauritian rupee)	2.54	-0.05	0.90	-3.15	↑	ZAR strength
ZARNGN (Nigerian naira)	27.54	-0.51	13.47	16.69	↑	ZAR strength
ZARGHS (Ghanian cedi)	0.34	-0.62	1.83	8.12	↑	ZAR strength
ZARZMW (Zambian kwacha)	0.69	-0.36	2.88	-4.88	↑	ZAR strength
ZARMZN (Mozambican metical)	4.69	-0.33	1.52	-11.20	↑	ZAR strength

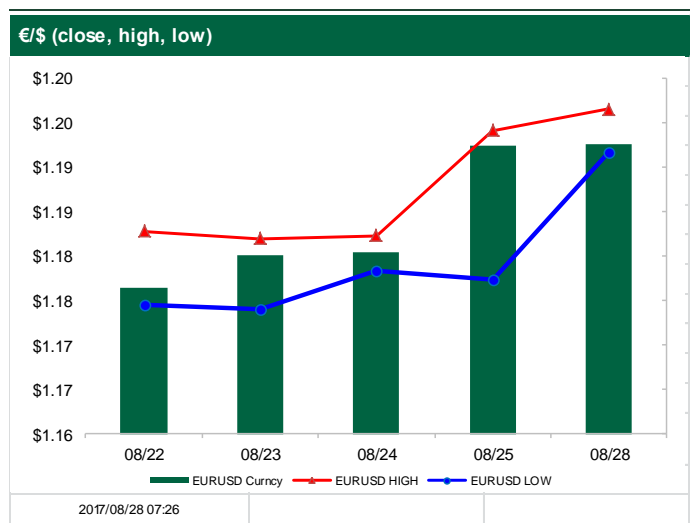
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*\*Please note that the sign on the % change reflects the change on the headline number. The narrative indicates the trend direction over the month. For trade in any of these currencies, contact our FX dealing desks*

## USDZAR



## EUR/USD



# Commodities

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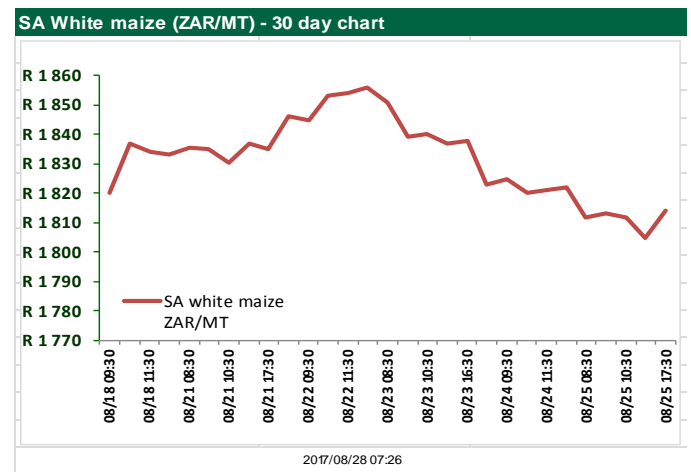
- Gasoline surged to the highest in two years and oil was steady as flooding from Tropical Storm Harvey inundated refining centers along the Texas coast, shutting more than 10% of U.S. fuel-making capacity. Motor fuel prices rose 6.8% while oil held gains near \$48 a barrel.
- Gold advances a second day with dollar under pressure and Jackson Hole offered little in the way of monetary policy clues. Bullion for immediate delivery +0.2% to \$1,294.30/oz; +0.6% last week.
- Silver +0.4% at \$17.1288/oz.
- Platinum +0.2% to \$976.97/oz.
- Palladium unch at \$928.20/oz.
- Copper futures in Shanghai fall from highest close since 2013 amid concerns that rally has gone too far, with all industrial metals lower following broad gains last week.

Source: Bloomberg

Commodities	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
Brent near future (\$)	52.56	0.29	-0.17	-7.50	↓
WTI crude (\$)	47.70	-0.36	-4.92	-11.21	↓
Gold spot (\$)	1 294.43	0.12	2.09	12.80	↑
Platinum spot (\$)	978.95	0.17	4.33	8.40	↑
SA white maize spot (R)	1 814.00	-0.44	-1.36	-48.79	↓

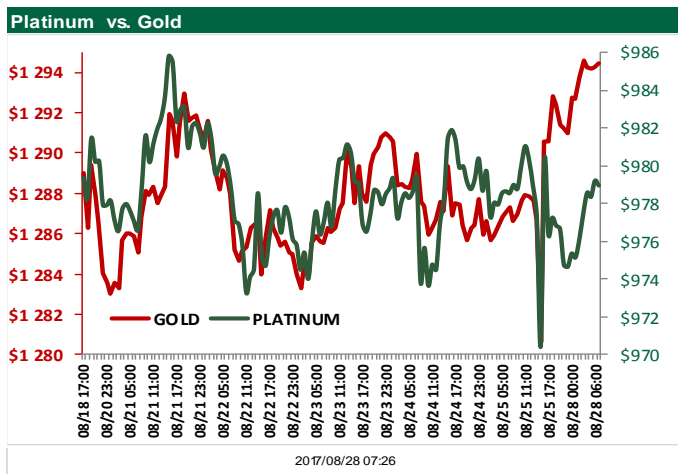
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## SA white maize



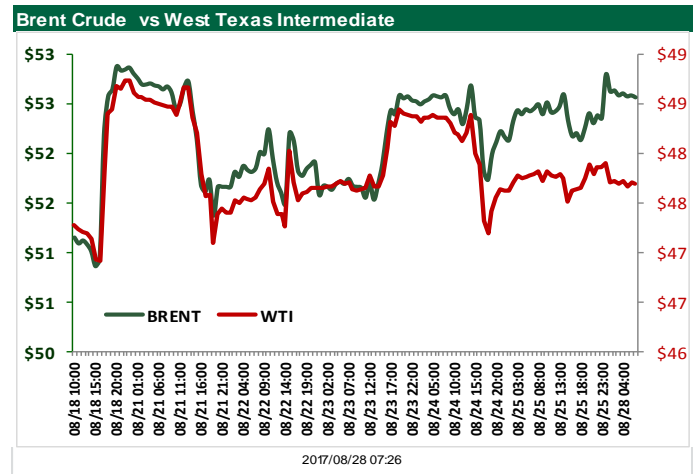
Source: Bloomberg, Nedbank

## 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 0.15% at 50175.30, closing higher for the fifth consecutive day. Steinhoff lead the market higher, adding 2.87%, with bargain hunting evident after Thursday's sharp fall. Kumba Iron Ore outperformed in the resource space, climbing 3.45% after concluding a 3 year wage deal, with increases ranging between 7% and 10%, while on the downside, Telkom dragged the telecoms sector lower, losing 2.82%, on news the South African government was considering selling most of their stake in Telkom to fund the loss-making South African Airways. PPC Ltd tumbled 7.59% after Afrisam terminated the Heads of Terms on the proposed merger and indicating to PPC that they intend submitting a new proposal regarding a possible combination of the parties. On the results front, Northam added 4.33% after reporting a sold set of FY2017 results.
- The value traded at the close was R18.2billion with the ZAR trading at 13.08 vs the dollar.

## UK/Europe

- European markets closed slightly lower on Friday, with traders hesitant to take on any major positions ahead of speeches from leaders of major central banks at their annual meeting. In London, Provident Financial surged more than 22%, recovering somewhat from Tuesday's 66% fall, after announcing the appointment of Chris Gillespie as managing director of its troubled consumer credit unit. Supermarket shares lost ground after Amazon.com Inc said it would cut prices at Whole Foods Market Inc once the acquisition is complete. Tesco lost 1.7% and Royal Ahold Delhaize lost 6.1% in Amsterdam. The GTSE 100 lost 0.08%, the DAX declined 0.11% and France's Cac40 fell 0.17%.
- The UK market is closed today for the summer bank holiday.

## USA

- US markets ended Friday's session mixed, retracing earlier gains, with the Dow and SA&P500 adding 0.1% and 0.2% respectively, while the Nasdaq lost 0.1%. Traders reacted to Janet Yellen's speech at Jackson Hole, where she refrained from discussing monetary policy, but focused on the topic of financial stability. Airline stocks outperformed, with the likes of American Airlines Group and Delta Airlines adding 5.4% and 3.2% respectively, recovering from recent sharp declines. Oil service stocks were also strong, buoyed by a stronger oil price.

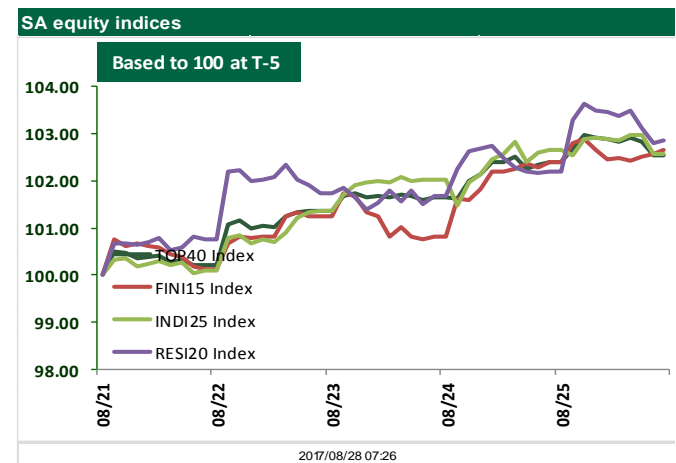
## Asia

- Asian markets are trading mostly lower this morning, after Janet Yellen and Mario Draghi refrained from discussing monetary policy at the economic symposium in Jackson Hole. In Japan, exporters were mixed, while automakers edged lower. Oil stocks traded lower, despite a rise in crude oil prices. Hong Kong stocks rose to two year highs, lifted by a number of earnings reports. with banking stocks leading the gains. In Australia, banking stocks declined after the banking regulator announced the launch of an independent inquiry into Commonwealth Bank, after allegations that it violated laws. Gold miners and oil stocks were strong, tracking bullion and crude oil prices higher, while the likes of Fortescue Metals and Rio Tinto traded lower.

Developed Markets	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
Dow Jones	21 813.67	0.14	-0.35	10.38	↓
Nasdaq	6 265.64	-0.09	-1.30	16.39	↓
S&P 500	2 443.05	0.17	-1.10	9.12	↓
DJ Eurostoxx 50	3 438.55	-0.18	-0.31	4.50	↓
DAX	12 167.94	-0.11	0.41	5.98	↑
CAC	5 104.33	-0.17	0.21	4.98	↑
FTSE	7 401.46	-0.08	0.40	3.62	↑
ASX200	5 706.10	-0.66	-0.25	0.71	↓
Nikkei 225	19 447.59	-0.03	-2.40	1.74	↓
MSCI World	1 944.56	0.25	-0.84	11.04	↓
Emerging Markets	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
Hang Seng	27 994.59	0.53	2.45	27.24	↑
Shanghai	3 362.62	0.93	2.74	8.34	↑
Brazil Bovespa	71 073.65	-0.08	7.82	18.01	↑
India - NSE	31 772.94	0.56	-2.28	19.33	↓
Russia Micex	1 979.14	0.29	3.11	-11.36	↑
MSCI Emerging	1 085.37	0.27	1.80	25.87	↑
SA Indices	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
JSE All Share	56 655.88	0.12	2.62	11.85	↑
Top 40	50 175.33	0.15	2.66	14.29	↑
Resi 10	35 105.01	0.63	1.93	9.33	↑
Indi 25	76 855.95	-0.08	2.70	19.56	↑
Fini 15	15 890.66	0.26	4.19	5.39	↑

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	226.73	0.76	4.60	16.21	↑
ANG : Anglogold Ashanti Ltd	118.00	-1.57	-11.34	-22.66	↓
APN : Aspen Pharmacare Holdings Lt	284.02	1.81	2.81	0.16	↑
BGA : Barclays Africa Group Ltd	153.00	0.33	5.81	-9.30	↑
BID : Bid Corp Ltd	295.40	-1.55	-6.62	20.50	↓
BIL : Bhp Billiton Plc	243.47	1.73	1.61	11.34	↑
BTI : British American Tobacco Plc	812.76	-0.94	-1.51	4.39	↓
BVT : Bidvest Group Ltd	175.60	0.42	4.72	-3.12	↑
CFR : Financiere Richemont-Dep Rec	116.53	0.03	3.91	28.42	↑
CPI : Capitec Bank Holdings Ltd	887.00	0.11	3.16	27.63	↑
DSY : Discovery Ltd	148.53	-0.01	5.86	29.72	↑
FFA : Fortress Income Fund Ltd-A	17.35	-0.57	-1.59	4.71	↓
FFB : Fortress Income Fund Ltd	38.92	-0.71	1.88	20.38	↑
FSR : Firstrand Ltd	57.26	0.44	10.41	7.69	↑
GFI : Gold Fields Ltd	54.22	-1.00	2.34	24.39	↑
GRT : Grow thpoint Properties Ltd	24.43	-1.81	-1.41	-5.64	↓
INL : Investec Ltd	101.16	-0.28	2.65	11.47	↑
INP : Investec Plc	101.00	-0.09	1.43	11.29	↑
ITU : Intu Properties Plc	41.35	-1.29	-7.06	-11.98	↓
LHC : Life Healthcare Group Holdin	26.61	2.35	5.18	-12.27	↑
MEI : Mediclinic International Plc	126.99	-0.29	-0.97	-2.32	↓
MND : Mondi Ltd	354.50	-0.72	3.59	26.61	↑
MNP : Mondi Plc	354.50	-0.56	2.60	27.19	↑
MRP : Mr Price Group Ltd	187.00	-0.53	8.01	17.20	↑
MTN : Mtn Group Ltd	125.00	-0.08	5.49	-0.93	↑
NED : Nedbank Group Ltd	221.00	0.94	0.88	-7.19	↑
NPN : Naspers Ltd-N Shs	3 010.00	-0.24	3.49	49.45	↑
NTC : Netcare Ltd	24.91	-0.12	1.47	-21.77	↑
OML : Old Mutual Plc	35.62	0.51	4.37	3.43	↑
RDF : Redefine Properties Ltd	10.51	-1.59	-2.41	-6.08	↓
REI : Reinet Investments Sa-Dr	28.28	-0.49	1.51	5.52	↑
REM : Remgro Ltd	223.50	0.68	4.56	0.20	↑
RMH : Rmb Holdings Ltd	67.93	0.34	6.82	2.30	↑
SAP : Sappi Limited	90.62	-1.50	3.79	0.74	↑
SBK : Standard Bank Group Ltd	169.94	1.88	3.79	11.99	↑
SHP : Shoprite Holdings Ltd	217.29	-0.94	7.74	26.73	↑
SLM : Sanlam Ltd	72.42	0.00	9.15	15.14	↑
SNH : Steinhoff International H Nv	61.30	2.87	-7.12	-14.00	↓
SOL : Sasol Ltd	390.00	0.00	-1.77	-2.23	↓
TBS : Tiger Brands Ltd	409.35	-0.12	2.47	2.90	↑
TRU : Truworths International Ltd	83.25	-0.89	10.12	4.49	↑
VOD : Vodacom Group Ltd	184.21	0.12	3.45	20.87	↑
WHL : Woolworths Holdings Ltd	62.22	-3.31	-1.24	-12.39	↓

Source: Bloomberg & Nedbank CIB

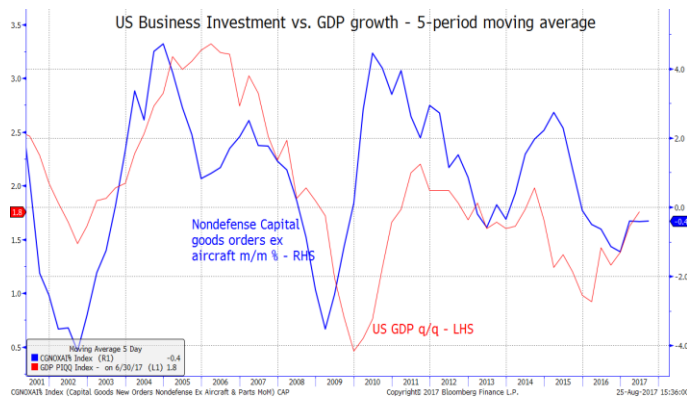
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## US

- Durable goods orders slumped 6.8% y/y in July, from 6.4% growth previously, worse than consensus of -6%. However, majority of the slump came from sharply lower orders for transportation goods. Excluding orders for transportation goods, orders grew by 0.5% m/m, from 0.1% previously.
- A proxy for business investment in the US, Non-defence capital goods orders excluding aircraft rose 0.4%, from no growth in the previous month. Orders were led by demand for fabricated metal and computers/electronics. This may indicate better factory activity in August. The fact that new orders have been growing, an shipments have seen modest growth does bode well as it is indicative of better investment in the country

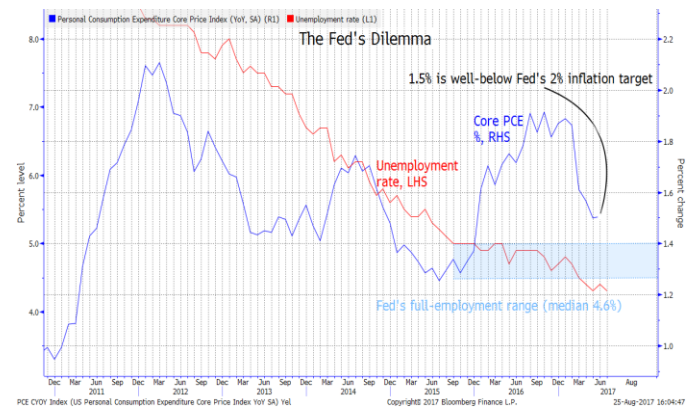
**Synopsis: The Fed is convinced that the low inflation is transitory and is now poised to start the balance sheet normalisation process in September and probably provide a last rate hike for the year in December. Economic data will be watched closely, but monetary policy will be gradually tightened over the next 3 years, especially if inflation and job growth remains firm.**

### Business investment is extremely important for US GDP growth



Source: Bloomberg, Nedbank

### Fed remains in a tight spot as labour market gains have not translated into higher inflation



Source: Bloomberg, Nedbank



## Economic calendar

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	Country	Event	Period	Survey	Actual	Prior	Revised
<b>25-August</b>							
01:30 AM	JN	Natl CPI YoY	JUL	0.40%	0.40%	0.40%	-
08:00 AM	GE	GDP NSA YoY	2Q F	0.80%	0.80%	0.80%	-
08:00 AM	GE	GDP SA QoQ	2Q F	0.60%	0.60%	0.60%	-
10:00 AM	GE	IFO Business Climate	AUG	115.5	115.9	115.9	-
10:00 AM	GE	IFO Current Assessment	AUG	125.0	124.6	124.6	-
10:00 AM	GE	IFO Expectations	AUG	106.8	107.9	107.9	-
02:30 PM	US	Cap Goods Orders Nondef Ex Air	JUL P	0.4%	0.4%	0.0%	-
02:30 PM	US	Durables Ex Transportation	JUL P	0.40%	0.50%	0.10%	-
02:30 PM	US	Durable Goods Orders	JUL P	-6.0%	-6.8%	6.4%	-
<b>28-August</b>							
10:00 AM	EC	M3 Money Supply YoY	JUL	4.90%	-	5.00%	-
02:30 PM	US	Wholesale Inventories MoM	JUL P	0.30%	-	0.70%	-
02:30 PM	US	Advance Goods Trade Balance	JUL	USD -64.5b	-	- D -999998.0b	-
04:30 PM	US	Dallas Fed Manf. Activity	AUG	16.8	-	16.8	-
<b>29-August</b>							
01:30 AM	JN	Jobless Rate	JUL	2.80%	-	2.80%	-
01:30 AM	JN	Job-To-Applicant Ratio	JUL	1.52	-	1.51	-
01:30 AM	JN	Overall Household Spending YoY	JUL	0.70%	-	2.30%	-
03:00 PM	US	S&P CoreLogic CS 20-City YoY NSA	JUN	5.60%	-	5.69%	-
04:00 PM	US	Conf. Board Consumer Confidence	AUG	120.4	-	121.1	-

Source: Bloomberg 2017/08/28 07:26

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