

For any queries, please contact:

Reezwana Sumad | ReezwanaS@Nedbank.co.za

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Key daily drivers

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SNIPPETS

| | |
|----------------|---|
| (Fixed Income) | Foreign investors sell-off SAGBs yesterday |
| (Currencies) | USDZAR and EM FX remain on a weak trend; dollar eases marginally, but bias is still for dollar strength |
| (Commodities) | The gold price remains low as a strong dollar limits bargain buying; Oil price comes under pressure due to evidence of rising global supplies |
| (Equities) | Naspers pushes the Top 40 higher, contributing 285 points to the 580 point move |
| (Economics) | Eurozone PPI prices surge in August |

Key overnight factors and upcoming events this week

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| Date | Region | Event | ↓ ↑ → | Actual/expected/prior | Implications |
|----------|--------|--------------------|-------|-----------------------|---|
| 04/10 | US | ADP employment chg | | --/143k/237k | ADP may beat expectations as the US labour market remains resilient |
| 06/10 | US | Labour market data | | -- | NFP may surprise to the upside, while the unemployment rate and wage growth is expected to remain unchanged |
| 03-06/10 | Global | Polymakers speak | | -- | Various key policymakers from the ECB, BOE and Fed scheduled to speak this week, may provide some indication of growth and monetary policy. |

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

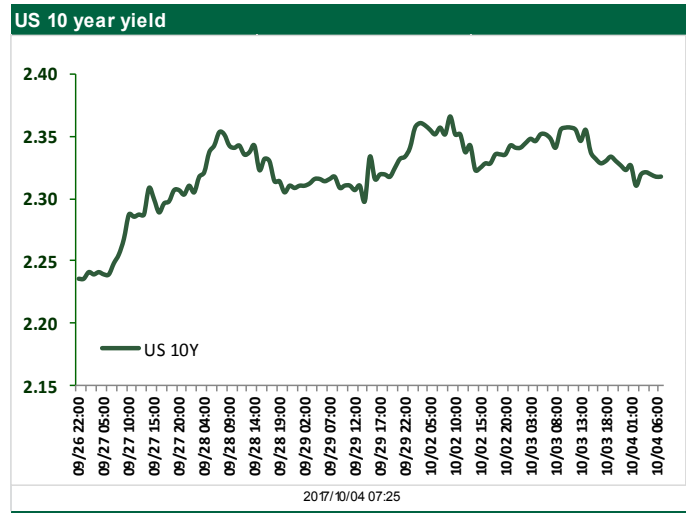
| Bonds | Last price | Δ 1d | Δ MTD | Δ YTD | Month trend |
|-------------------------------|------------|-------|-------|--------|-------------|
| | % | bps | bps | bps | |
| R204-1.2 yrs | 7.07 | -1.05 | 12.05 | -85.65 | ↑ |
| R208-3.5 yrs | 7.59 | -0.70 | 10.40 | -68.80 | ↑ |
| R186-9.2 yrs | 8.64 | -0.95 | 8.85 | -27.15 | ↑ |
| R2048-30.4 yrs | 9.79 | -0.95 | 6.25 | 16.55 | ↑ |
| US 10 yr | 2.32 | -0.53 | -1.60 | -12.68 | ↓ |
| UK 10 yr | 1.35 | 2.50 | -1.20 | 11.40 | ↓ |
| German 10 yr | 0.46 | 1.20 | -0.10 | 25.50 | ↓ |
| Japan 10 yr | 0.06 | -1.70 | -1.10 | 1.10 | ↓ |
| 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) | 4.80 | | 20.00 | | ↑ |
| SA 3m JIBAR | 6.99 | 0.00 | 0.00 | -36.60 | → |
| SA 3m NCD | 7.00 | 0.00 | 2.50 | -37.50 | ↑ |
| SA 6m NCD | 7.38 | 0.00 | -5.00 | -60.00 | ↓ |
| SA 12m NCD | 7.80 | 0.00 | 2.50 | -65.00 | ↑ |
| US 3m LIBOR | 1.34 | 0.69 | 0.86 | 34.46 | ↑ |
| UK 3m LIBOR | 0.34 | 0.00 | 0.06 | -3.10 | ↑ |
| Japan 3m LIBOR | -0.05 | 0.00 | 0.04 | -0.43 | ↑ |

Source: Bloomberg & Nedbank CIB
Time: 2017/10/04 07:25

| FRAs and Swaps | Last price | Δ 1d | Δ MTD | Δ YTD | Month trend |
|----------------------------------|------------|-------|-------|--------|-------------|
| | % | bps | bps | bps | |
| 3X6 FRA | 6.94 | 1.00 | 3.00 | -45.00 | ↑ |
| 6X9 FRA | 6.82 | 2.00 | 6.00 | -60.00 | ↑ |
| 9X12 FRA | 6.79 | 1.00 | 7.00 | -66.00 | ↑ |
| 18X21 FRA | 6.93 | -0.50 | 9.50 | -60.50 | ↑ |
| SA 2yr Sw ap | 6.89 | 0.00 | 5.80 | -57.30 | ↑ |
| SA 3yr Sw ap | 7.01 | 0.00 | 6.80 | -54.80 | ↑ |
| SA 5yr Sw ap | 7.31 | 1.00 | 6.50 | -50.60 | ↑ |
| SA 10yr Sw ap | 7.93 | -1.50 | 8.00 | -39.60 | ↑ |
| SA 15yr Sw ap | 8.23 | 1.25 | 5.50 | -25.50 | ↑ |
| Spreads | Last price | Δ 1d | Δ MTD | Δ YTD | Month trend |
| | % | bps | bps | bps | |
| 2v10y | -1.04 | 1.50 | -2.20 | -17.70 | ↓ |
| 3v10y | -0.92 | 1.50 | -1.20 | -15.20 | ↓ |
| R186-R204 | 1.57 | 0.10 | -3.20 | 58.50 | ↓ |
| R2048-R186 | 1.15 | 0.00 | -2.60 | 43.70 | ↓ |
| 5y-R186 | -1.33 | 1.95 | -2.35 | -23.45 | ↓ |
| 10y-R186 | -0.71 | -0.55 | -0.85 | -12.45 | ↓ |
| 15y-R186 | -0.41 | 2.20 | -3.35 | 1.65 | ↓ |
| SA 5yr CDS spread - basis points | 180.00 | -1.50 | -7.00 | -35.00 | ↓ |

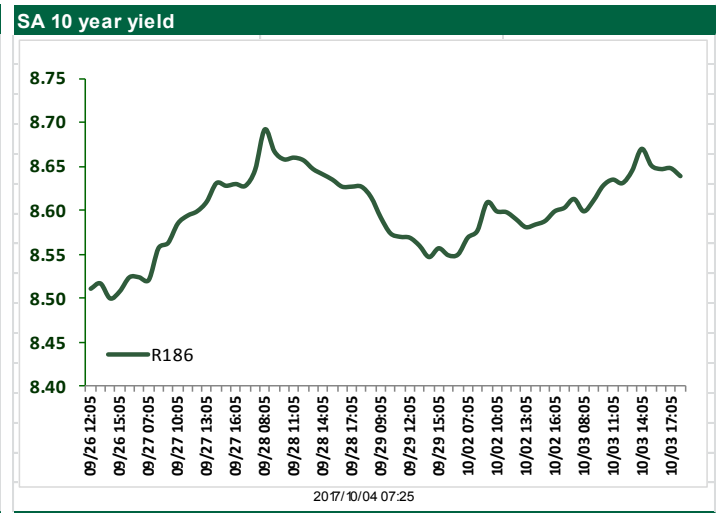
Source: Bloomberg & Nedbank CIB
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US 10 year yield



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

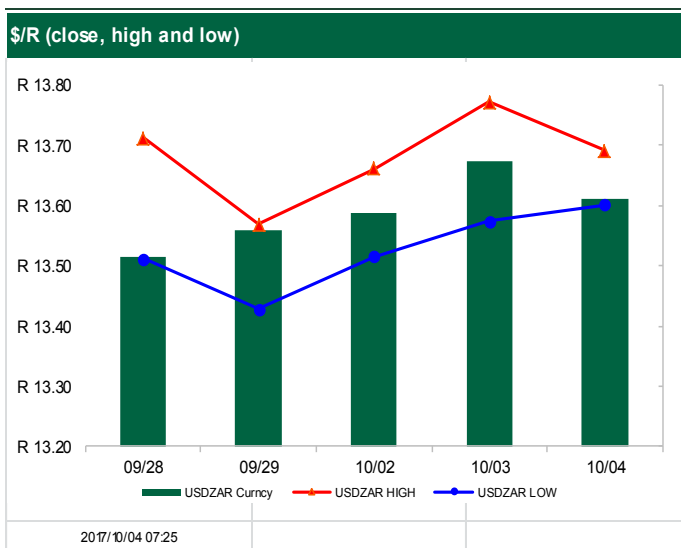
- The local trading session opened with the rand trading in the low 13.60's, there was a steady demand for dollars and this accelerated as the local unit breached above the previous high prints just above the 13.70 level, this saw the move extend to a high of 13.7700 before recovering going into the local close, ending the day trading at 13.6625. This morning the rand is trading at 13.6150, this in the wake of a fairly broad recovery in emerging markets, EURZAR is trading at 16.0120, and GBPZAR is currently trading at 18.0550.
- On the international front EURUSD opened the day trading around 1.1700, almost inevitably we did have a foray below the 1.1700 level, but this was short lived and the dollar lost some ground by the time of the close of the local session we were again trading around 1.1760, where we currently trade.
- After having lost ground gold has had some quiet sessions, continuing to trade around the 1275.00 mark, where it currently trades.
- Data releases scheduled for today, locally we have Standard Bank PMI, from Europe we have services PMI releases for France Germany and the zone as well as retail sales, from the U.S we have mortgage applications, ADP employment, services PMI, non-manufacturing ISM and Yellen is scheduled to speak.
- As per the above the rand posted a new short term high yesterday before recovering to trade basically unchanged from the same time yesterday, although various local factors continue to weigh on the local unit, this remains a dollar driven story, the interest outlook in the U.S and the succession scenarios to head the FED.
- Possible trading range in the rand today 13.5000 to 13.8000.

| Majors | Last price | %Δ -1d | %Δ MTD | %Δ YTD | Month trend | USD trend |
|-----------------------------|------------|--------|--------|--------|-------------|--------------|
| GBPUSD | 1.33 | 0.14 | -0.98 | 7.51 | ↓ | USD strength |
| EURUSD | 1.18 | 0.16 | -0.36 | 11.93 | ↓ | USD strength |
| USDJPY | 112.53 | -0.28 | 0.02 | -3.94 | ↑ | USD strength |
| USDAUD | 1.27 | -0.41 | -0.35 | -8.40 | ↓ | USD weakness |
| Rand crosses | Last price | %Δ -1d | %Δ MTD | %Δ YTD | Month trend | ZAR trend |
| USDZAR | 13.61 | -0.46 | 0.39 | -0.94 | ↑ | ZAR weakness |
| GBPZAR | 18.06 | -0.32 | -0.61 | 6.16 | ↓ | ZAR strength |
| EURZAR | 16.02 | -0.30 | 0.03 | 9.81 | ↑ | ZAR weakness |
| AUDZAR | 10.70 | -0.04 | 0.72 | 7.47 | ↑ | ZAR weakness |
| ZARJPY | 8.27 | 0.21 | -0.13 | -3.15 | ↓ | ZAR weakness |
| African FX | Last price | %Δ -1d | %Δ MTD | %Δ YTD | Month trend | ZAR trend |
| ZARMWK (Malawian kwacha) | 53.36 | 0.49 | -0.53 | 0.70 | ↓ | ZAR weakness |
| ZARBWP (Botswana pula) | 0.76 | 0.29 | -0.03 | -2.30 | ↓ | ZAR weakness |
| ZARKES (Kenyan shilling) | 7.59 | 0.43 | -0.26 | 1.68 | ↓ | ZAR weakness |
| ZARMUR (Mauritian rupee) | 2.46 | -1.58 | -1.58 | -6.51 | ↓ | ZAR weakness |
| ZARNGN (Nigerian naira) | 26.45 | 0.31 | -0.26 | 13.27 | ↓ | ZAR weakness |
| ZARGHS (Ghanaian cedi) | 0.32 | 0.46 | -0.49 | 3.95 | ↓ | ZAR weakness |
| ZARZMW (Zambian kwacha) | 0.71 | 0.44 | -0.55 | -1.68 | ↓ | ZAR weakness |
| ZARMZN (Mozambican metical) | 4.49 | 0.59 | -0.63 | -16.01 | ↓ | ZAR weakness |

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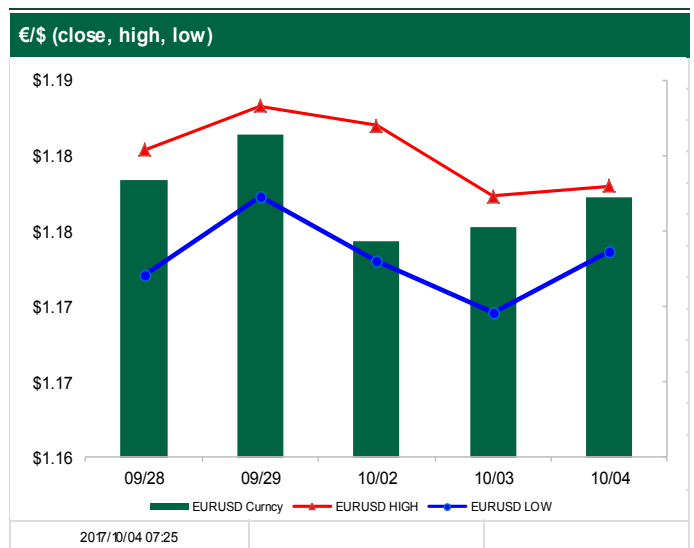
***Please note that the sign on the % change reflects the change on the headline number. The narrative indicates the trend direction over the month. For trade in any of these currencies, contact our FX dealing desks**

USDZAR



Source: Bloomberg, Nedbank

EUR/USD



Source: Bloomberg, Nedbank

Commodities

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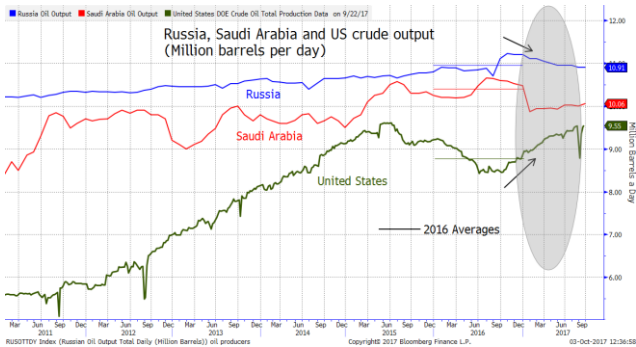
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- Oil extended losses near \$50 a barrel as data showed an increase in stockpiles and a boost in inventories. Futures lost 1% after falling 2.4% in the previous two sessions.
- Gold advances from near lowest close in almost eight weeks. Bullion for immediate delivery +0.3% to \$1,275.89/oz.

Source: Bloomberg

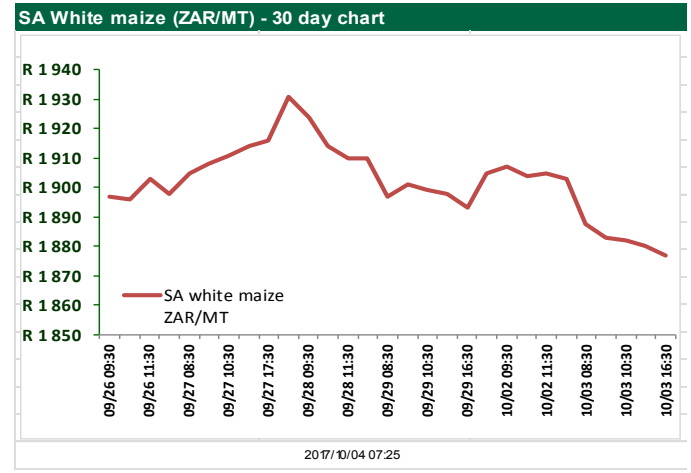
| Commodities | Last price | %Δ -1d | %Δ MTD | %Δ YTD | Month trend |
|-------------------------|------------|-----------|-----------|-----------|----------------|
| Brent near future (\$) | 55.71 | -0.52 | -3.18 | -1.95 | ↓ |
| WTI crude (\$) | 50.08 | -0.67 | -3.08 | -6.78 | ↓ |
| Gold spot (\$) | 1276.15 | 0.23 | -0.28 | 11.21 | ↓ |
| Platinum spot (\$) | 917.16 | 0.53 | 0.56 | 1.56 | ↑ |
| SA white maize spot (R) | 1877.00 | -1.37 | -0.85 | -47.01 | ↓ |

Source: Bloomberg & Nedbank CIB
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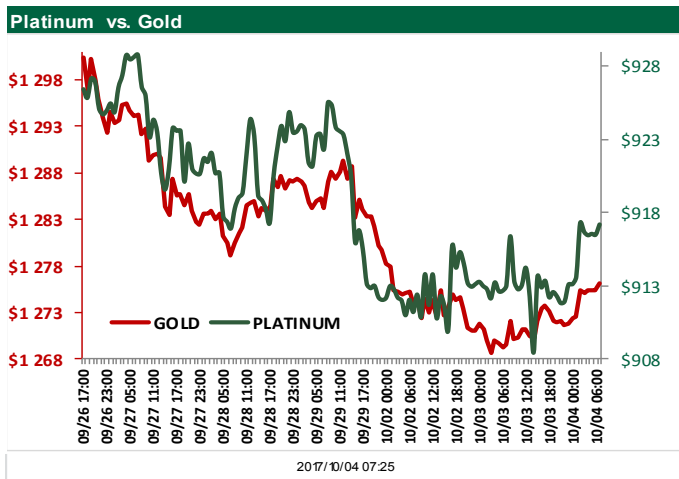
Source: Bloomberg, Nedbank

SA white maize



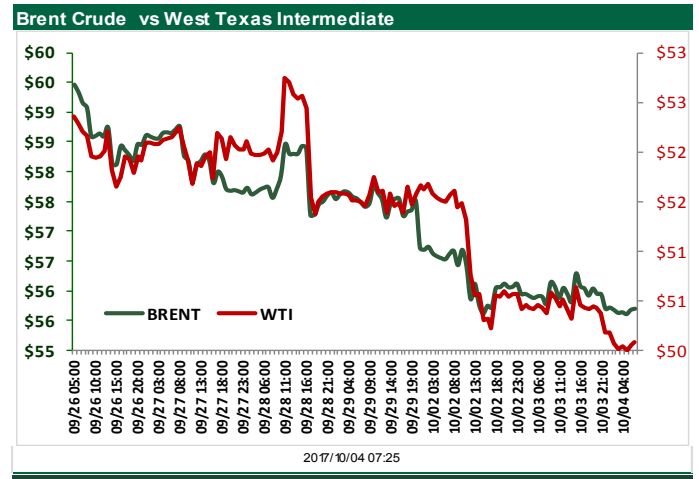
Source: Bloomberg, Nedbank

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 All Share index started its trading day in positive territory and continued to climb throughout the day to eventually close 1.04% higher.
- The Industrial sector led the upside with the likes of Naspers and Remgro advancing 2.88% and 1.18% respectively.
- On corporate news, NepiRocastle raised R5.2bn in an accelerated book build at a price of 17700cps. Exxaro Resources announced the commencement of a public offering in the United States of 16m class A ordinary shares of Tronox Ltd.
- Value traded at 5pm was around R23bn with the currency at R13.67c vs. the USD at the close.

UK/Europe

- European markets were higher with the FTSE100 leading the upside gaining 0.39%.
- On the economic data front, euro-zone PPI came in above estimates at 2.5% (y/y).
- The Stoxx 50 was up 0.08% with the likes of Airbus SE and Air Liquide SA advancing 1.29% and 1.26% respectively.

USA

- US markets continued to rally for the sixth day and the 14th time in 17 sessions to close at record highs once again.
- The Dow Jones and S&P 500 were up 0.37% and 0.22% respectively with telecoms and industrials leading the upside.
- Market focus at the moment seemingly on Jobs data on Friday and who will succeed Janet Yellen as FED chair.

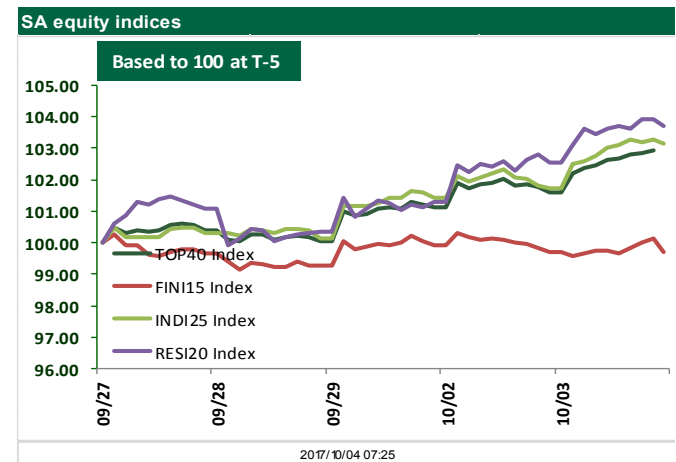
Asia

- Asian markets have followed their counterparts higher as the US Dollar takes a breather to access the tax plan.
- The Nikkei is marginally up 0.17% as Japanese PMI service data came in at 51 which is a decrease from the previous month.
- The Australian ASX is down 0.83% with the likes of BHP declining 0.55%.

| Developed Markets | | Last price | %Δ -1d | %Δ MTD | %Δ YTD | Month trend |
|-------------------|--|------------|-----------|-----------|-----------|----------------|
| Dow Jones | | 22 641.67 | 0.37 | 1.06 | 14.57 | ↑ |
| Nasdaq | | 6 531.71 | 0.23 | 0.55 | 21.34 | ↑ |
| S&P 500 | | 2 534.58 | 0.22 | 0.60 | 13.21 | ↑ |
| DJ Eurostoxx 50 | | 3 605.73 | 0.08 | 0.30 | 9.58 | ↑ |
| DAX | | 12 902.65 | 0.58 | 0.58 | 12.38 | ↑ |
| CAC | | 5 367.41 | 0.32 | 0.71 | 10.39 | ↑ |
| FTSE | | 7 468.11 | 0.39 | 1.29 | 4.55 | ↑ |
| ASX200 | | 5 652.10 | -0.87 | -0.52 | -0.24 | ↓ |
| Nikkei 225 | | 20 645.87 | 0.15 | 1.42 | 8.01 | ↑ |
| MSCI World | | 2 009.63 | 0.25 | 0.45 | 14.76 | ↑ |
| Emerging Markets | | Last price | %Δ -1d | %Δ MTD | %Δ YTD | Month trend |
| Hang Seng | | 28 378.12 | 0.73 | 2.99 | 28.99 | ↑ |
| Shanghai | | 3 348.94 | 0.28 | 0.00 | 7.90 | ↔ |
| Brazil Bovespa | | 76 762.91 | 3.23 | 3.32 | 27.46 | ↑ |
| India - NSE | | 31 667.42 | 0.54 | 1.23 | 18.93 | ↑ |
| Russia Micex | | 2 076.81 | 0.05 | -0.02 | -6.98 | ↓ |
| MSCI Emerging | | 1 097.03 | 1.30 | 1.41 | 27.23 | ↑ |
| SA Indices | | Last price | %Δ -1d | %Δ MTD | %Δ YTD | Month trend |
| JSE All Share | | 56 358.26 | 1.04 | 1.40 | 11.26 | ↑ |
| Top 40 | | 50 139.93 | 1.07 | 1.55 | 14.21 | ↑ |
| Resi 10 | | 35 854.68 | 1.16 | 2.40 | 11.66 | ↑ |
| Indi 25 | | 77 021.35 | 1.42 | 1.71 | 19.82 | ↑ |
| Fini 15 | | 15 076.25 | -0.03 | -0.21 | -0.01 | ↓ |

Source: Bloomberg & Nedbank CIB Time 2017/10/04 07:25

Short-term performance of SA equity indices



Source: Bloomberg, Nedbank

JSE performance

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| Top40 constituents | Last price | %Δ -1d | %Δ MTD | %Δ YTD | Month trend |
|------------------------------------|------------|-----------|-----------|-----------|----------------|
| AGL : Anglo American Plc | 253.52 | 2.47 | 4.58 | 29.94 | ↑ |
| ANG : Anglogold Ashanti Ltd | 128.50 | 1.23 | 0.94 | -15.78 | ↑ |
| APN : Aspen Pharmacare Holdings Lt | 304.79 | 0.33 | 0.40 | 7.48 | ↑ |
| BGA : Barclays Africa Group Ltd | 137.08 | -0.81 | -1.38 | -18.74 | ↓ |
| BID : Bid Corp Ltd | 304.00 | 0.85 | 0.03 | 24.01 | ↑ |
| BIL : Bhp Billiton Plc | 244.00 | 0.77 | 2.25 | 11.58 | ↑ |
| BTI : British American Tobacco Plc | 852.00 | 0.40 | 0.66 | 9.43 | ↑ |
| BVT : Bidvest Group Ltd | 177.55 | 1.01 | 2.83 | -2.04 | ↑ |
| CFR : Financiere Richemont-Dep Rec | 125.75 | 1.89 | 2.32 | 38.58 | ↑ |
| CPI : Capitec Bank Holdings Ltd | 879.00 | 2.53 | 2.32 | 26.47 | ↑ |
| DSY : Discovery Ltd | 142.53 | 0.33 | 1.33 | 24.48 | ↑ |
| FFA : Fortress Income Fund Ltd-A | 17.05 | -0.18 | -1.16 | 2.90 | ↓ |
| FFB : Fortress Income Fund Ltd | 38.80 | 0.21 | 0.13 | 20.01 | ↑ |
| FSR : Firstrand Ltd | 52.26 | 0.52 | 0.44 | -1.71 | ↑ |
| GFI : Gold Fields Ltd | 58.90 | 1.94 | -0.14 | 35.12 | ↓ |
| GRT : Growthpoint Properties Ltd | 24.40 | 0.29 | 0.41 | -5.76 | ↑ |
| INL : Investec Ltd | 97.53 | -0.09 | -0.48 | 7.47 | ↓ |
| INP : Investec Plc | 98.04 | -0.55 | 0.04 | 8.03 | ↑ |
| ITU : Intu Properties Plc | 41.98 | 0.91 | 0.91 | -10.64 | ↑ |
| LHC : Life Healthcare Group Holdin | 24.20 | 1.68 | 2.11 | -20.21 | ↑ |
| MEI : Mediclinic International Plc | 116.66 | 0.53 | -0.72 | -10.26 | ↓ |
| MND : Mondi Ltd | 372.00 | 0.67 | 2.91 | 32.86 | ↑ |
| MNP : Mondi Plc | 374.00 | 0.46 | 3.08 | 34.18 | ↑ |
| MRP : Mr Price Group Ltd | 176.37 | 0.40 | -2.04 | 10.54 | ↓ |
| MTN : Mtn Group Ltd | 121.95 | -0.04 | -1.95 | -3.34 | ↓ |
| NED : Nedbank Group Ltd | 202.63 | 0.81 | -0.01 | -14.91 | ↓ |
| NPN : Naspers Ltd-N Shs | 3 058.73 | 2.88 | 4.75 | 51.97 | ↑ |
| NRP : Nepi Rockcastle Plc | 177.50 | -3.59 | -3.48 | | ↓ |
| NTC : Netcare Ltd | 23.10 | 0.13 | -2.94 | -27.45 | ↓ |
| OML : Old Mutual Plc | 34.90 | -0.03 | -0.48 | 1.34 | ↓ |
| RDF : Redefine Properties Ltd | 10.76 | 0.65 | 0.65 | -3.84 | ↑ |
| REI : Reinnet Investments Sa-Dr | 29.05 | 2.69 | 1.22 | 8.40 | ↑ |
| REM : Rengro Ltd | 210.25 | 1.18 | 2.39 | -5.74 | ↑ |
| RMH : Rmb Holdings Ltd | 62.51 | -0.06 | -1.56 | -5.86 | ↓ |
| SAP : Sappi Limited | 96.00 | 3.56 | 4.28 | 6.73 | ↑ |
| SBK : Standard Bank Group Ltd | 157.95 | 0.03 | 0.09 | 4.09 | ↑ |
| SHP : Shoprite Holdings Ltd | 202.92 | -0.02 | -1.92 | 18.35 | ↓ |
| SLM : Sanlam Ltd | 66.83 | -1.21 | -1.23 | 6.25 | ↓ |
| SNH : Steinhoff International H Nv | 59.00 | -0.89 | -1.72 | -17.23 | ↓ |
| SOL : Sasol Ltd | 368.02 | -0.65 | -0.80 | -7.74 | ↓ |
| TBS : Tiger Brands Ltd | 375.01 | -0.31 | -0.62 | -5.74 | ↓ |
| VOD : Vodacom Group Ltd | 156.40 | -0.82 | -2.94 | 2.62 | ↓ |
| WHL : Woolworths Holdings Ltd | 57.80 | -1.40 | -3.49 | -18.61 | ↓ |

Source: Bloomberg & Nedbank CIB

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Economics

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Europe

- Eurozone PPI surged to 2.5% y/y in August, from 2% previously, better than consensus of 2.3%. The key driver of input prices in August was energy costs, which surged 3.4% y/y and 0.7% m/m.
- There was also a broad-based increase in prices of durable consumer goods and intermediate goods used in the manufacturing process.
- The higher PPI print may allay some of the ECB's fears of stalling underlying inflation over the medium term. However, inflationary pressures are still benign, with the headline rate likely to remain below 2% until 2019.

Synopsis: There have been growing calls for tighter monetary policy from the ECB as the economic recovery strengthens. Despite this the ECB has continued to defend its loose monetary policy stance by citing subdued underlying inflation. The ECB may have buckled under pressure in that it has said it will review its monetary policy stance in October. We may see further debate within the GC for tapering of QE to begin next year.

Economic calendar

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| | Country | Event | Period | Survey | Actual | Prior | Revised |
|-------------------|---------|------------------------------|--------|------------|--------|------------|---------|
| 03-October | | | | | | | |
| 11:00 AM | EC | PPI YoY | AUG | 2.3% | 2.5% | 2.0% | - |
| 04-October | | | | | | | |
| 09:55 AM | GE | Markit Germany Services PMI | SEP F | 55.6 | - | 55.6 | - |
| 10:00 AM | EC | Markit Eurozone Services PMI | SEP F | 55.6 | - | 55.6 | - |
| 10:30 AM | UK | Markit/CIPS UK Services PMI | SEP | 53.2 | - | 53.2 | - |
| 11:00 AM | EC | Retail Sales YoY | AUG | 2.6% | - | 2.6% | - |
| 02:15 PM | US | ADP Employment Change | SEP | 135k | - | 237k | - |
| 03:45 PM | US | Markit US Services PMI | SEP F | 55.1 | - | 55.1 | - |
| 05-October | | | | | | | |
| 11:30 AM | SA | SACCI Business Confidence | SEP | - | - | 89.6 | - |
| 02:30 PM | US | Trade Balance | AUG | USD -42.7b | - | USD -43.7b | - |
| 04:00 PM | US | Factory Orders | AUG | 1.0% | - | -3.3% | - |
| 04:00 PM | US | Factory Orders Ex Trans | AUG | - | - | 0.5% | - |

Source: Bloomberg

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Contacts

Treasury: Economic Analyst
Reezwana Sumad
 (011) 294 1753

ALM Portfolio Management
 (011) 535 4042

Equities Sales and Distribution
 (011) 535 4030/31

Forex Institutional Sales Desk
 (011) 535 4005

Interest Rate Swaps & FRA's Trading
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Money Market Institutional Sales Desk
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Bond Trading
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Forex Retail Sales Desk
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Money Market Business Banking Sales Desk
 (011) 535 4006

Non Soft & Soft Commodities Trading
 (011) 535 4038

Credit Derivatives
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 JHB (011) 535 4002; DBN (031) 327 3000;
 CTN (021) 413 9300

Inflation Trading
 (011) 535 4026

Money Market Corporate Sales Desk
 JHB (011) 535 4007; DBN (031) 327 3000;
 CTN (021) 413 9300

Preference shares desk
 (011) 535 4072

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