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Key daily drivers




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SNIPPETS

(Fixed Income)	Large foreign capital outflows from the bond market on Friday erases gains for the week
(Currencies)	Dollar eases marginally after disappointing NFP, supportive of majors overnight, USDZAR and EM FX remains weak; Markets likely to mark time ahead of US holiday today
(Commodities)	Gold price takes-off in US trading session, but still below \$1300/oz.; Oil falls sharply as US crude production rises
(Equities)	All Share index ends the week on a positive note despite weaker than expected US Jobs data
(Economics)	US labour market data shows shock payrolls decline, which may be temporary, but the rest of the data is still upbeat

Key overnight factors and upcoming events this week

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Date	Region	Event   	Actual/expected/prior	Implications
06/10	US	Labour market data	--	NFP data posts sharp downside surprise, while unemployment and wage growth improves
03-06/10	Global	Policymakers speak	--	Various key policymakers from the ECB, BOE and Fed scheduled to speak this week, may provide some indication of growth and monetary policy.
10/10	UK	Industrial production	--/--/0.4%	Industrial production growth will likely remain subdued over the medium term

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

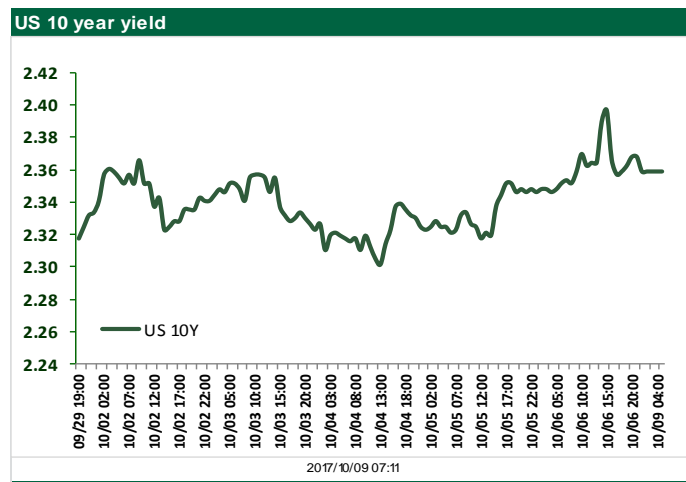
Bonds	Last price	Δ 1d	Δ MTD	Δ YTD	Month trend
	%	bps	bps	bps	
R204-1.2 yrs	7.12	0.95	17.35	-80.35	↑
R208-3.5 yrs	7.65	0.10	16.20	-63.00	↑
R186-9.2 yrs	8.69	0.20	14.40	-21.60	↑
R2048-30.4 yrs	9.81	-0.05	9.05	19.35	↑
US 10 yr	2.36	-0.00	2.53	-8.55	↑
UK 10 yr	1.36	-2.40	-0.20	12.40	↓
German 10 yr	0.46	0.30	-0.50	25.10	↓
Japan 10 yr	0.06	1.00	-1.20	1.00	↓
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	-2.50	-5.00	-60.00	↓
SA 12m NCD	7.83	2.50	5.00	-62.50	↑
US 3m LIBOR	1.35	0.17	1.64	35.24	↑
UK 3m LIBOR	0.34	0.00	0.85	-2.31	↑
Japan 3m LIBOR	-0.05	0.32	0.19	-0.27	↑

Source: Bloomberg & Nedbank CIB
Time: 2017/10/09 07:11

FRAs and Swaps	Last price	Δ 1d	Δ MTD	Δ YTD	Month trend
	%	bps	bps	bps	
3X6 FRA	6.97	1.00	6.00	-42.00	↑
6X9 FRA	6.85	-0.50	8.50	-57.50	↑
9X12 FRA	6.82	-0.50	9.50	-63.50	↑
18X21 FRA	6.96	0.00	13.00	-57.00	↑
SA 2yr Swap	6.92	-0.50	8.50	-54.60	↑
SA 3yr Swap	7.04	-0.25	10.25	-51.35	↑
SA 5yr Swap	7.36	0.50	11.50	-45.60	↑
SA 10yr Swap	7.97	-0.50	12.00	-35.60	↑
SA 15yr Swap	8.27	-0.25	9.50	-21.50	↑
Spreads	Last price	Δ 1d	Δ MTD	Δ YTD	Month trend
	%	bps	bps	bps	
2v10y	-1.06	0.00	-3.50	-19.00	↓
3v10y	-0.93	0.25	-1.75	-15.75	↓
R186-R204	1.57	-0.75	-2.95	58.75	↓
R2048-R186	1.12	-0.25	-5.35	40.95	↓
5y-R186	-1.34	0.30	-2.90	-24.00	↓
10y-R186	-0.72	-0.70	-2.40	-14.00	↓
15y-R186	-0.42	-0.45	-4.90	0.10	↓
SA 5yr CDS spread - basis points	176.00	-1.50	-11.00	-39.00	↓

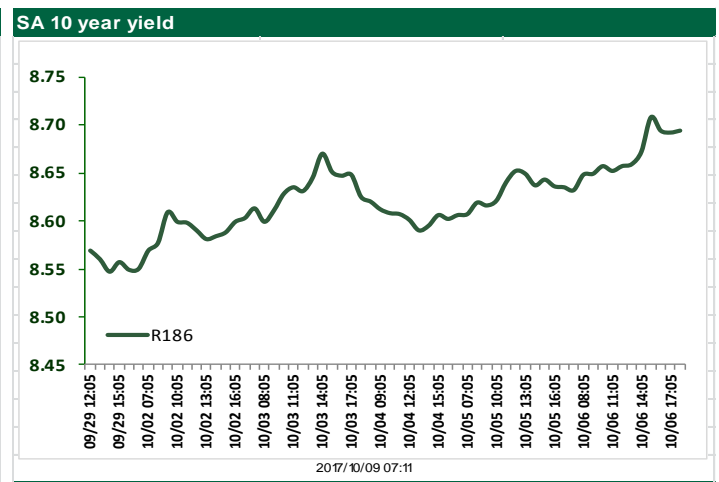
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US 10 year yield



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

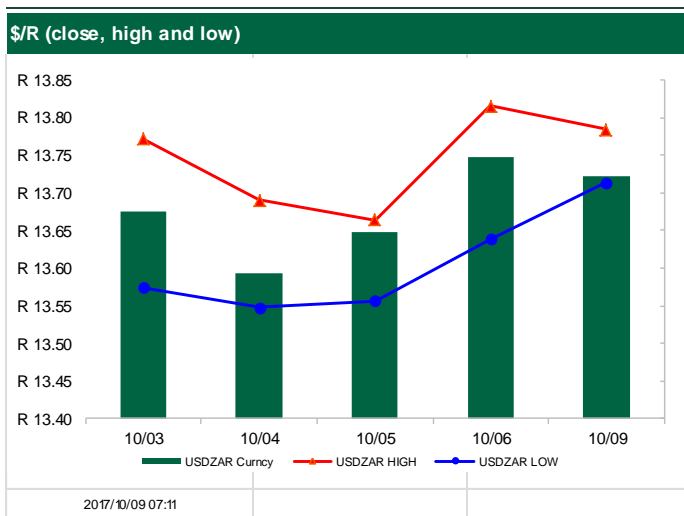
- The local trading session opened with the markets anticipating the release of the U.S data , the local unit trading cautiously ahead of this, with very little by way of real flows , as had been suggested the NFP data had the potential for a real surprise as a result of the recent hurricanes , this was indeed the case but initially the market ignored this and the dollar traded rapidly firmer to a high of 13.8125 , thereafter retreating back to around 13.7200 where it currently trades, EURZAR trading at 16.1050 and GBPZAR at 17.9740.
- International markets were similarly subdued ahead of the data , EURUSD trading around the 1.1700 pivot , post the release , some initial dollar strength , and then trading to a high of 1.1739 , a particularly subdued session post the close and thus far in the far east this morning , currently it trades at 1.1735.
- After having come under pressure over the most recent sessions gold opened the day trading at 1268.00, closing on Friday at 1272.00 , this morning it has recovered to currently trade at 1282.50.
- Today we have a U.S holiday and as a result markets across the board are unlikely to approach the trading session with much by way of enthusiasm, locally the focus remains firmly on the ANC and the various permutations regarding the succession battle.
- Possible trading range in the rand today 13.6000 to 13.8500.

Majors	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend	USD trend
GBPUSD	1.31	0.31	-2.25	6.13	↓	USD strength
EURUSD	1.17	0.09	-0.67	11.58	↓	USD strength
USDJPY	112.58	-0.12	0.06	-3.89	↑	USD strength
USDAUD	1.29	0.08	0.92	-7.23	↑	USD strength
Rand crosses	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend	ZAR trend
USDZAR	13.72	-0.03	1.20	-0.12	↑	ZAR weakness
GBPZAR	17.97	0.28	-1.10	5.71	↓	ZAR strength
EURZAR	16.10	0.06	0.53	10.26	↑	ZAR weakness
AUDZAR	10.65	-0.10	0.28	7.06	↑	ZAR weakness
ZARJPY	8.20	-0.06	-0.92	-3.97	↓	ZAR weakness
African FX	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend	ZAR trend
ZARMWK (Malawian kwacha)	52.77	-0.11	-1.65	-0.40	↓	ZAR weakness
ZARBWP (Botswana pula)	0.76	0.01	-0.33	-2.61	↓	ZAR weakness
ZARKES (Kenyan shilling)	7.52	0.02	-1.11	0.84	↓	ZAR weakness
ZARMUR (Mauritian rupee)	2.48	1.51	-0.81	-5.72	↓	ZAR weakness
ZARNGN (Nigerian naira)	26.23	-0.12	-1.10	12.55	↓	ZAR weakness
ZARGHS (Ghanaian cedi)	0.32	-0.22	-1.85	2.66	↓	ZAR weakness
ZARZMW (Zambian kwacha)	0.71	0.64	-1.53	-2.68	↓	ZAR weakness
ZARMZN (Mozambican metical)	4.44	-0.18	-1.78	-17.34	↓	ZAR weakness

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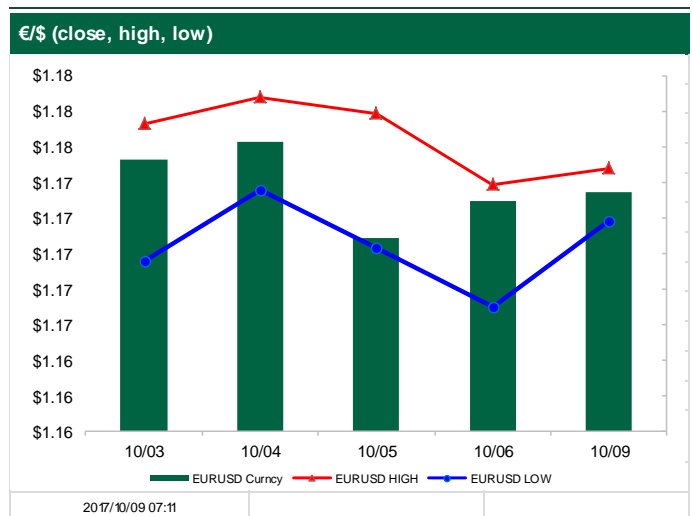
***Please note that the sign on the % change reflects the change on the headline number. The narrative indicates the trend direction over the month. For trade in any of these currencies, contact our FX dealing desks**

USDZAR



Source: Bloomberg, Nedbank

EUR/USD



Source: Bloomberg, Nedbank

Commodities

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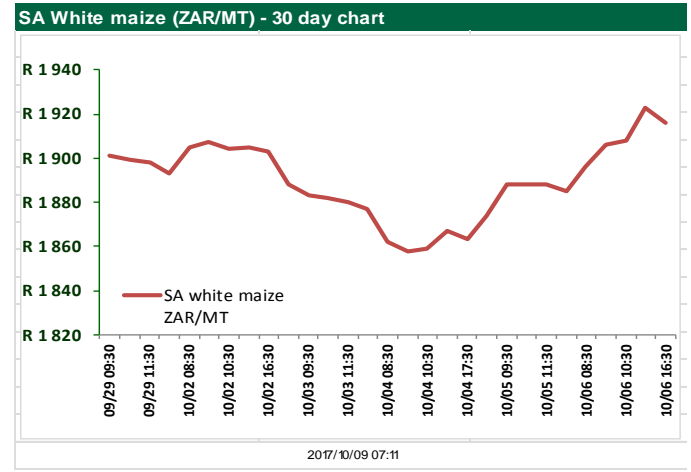
- Oil traded below \$50 a barrel as workers started returning to platforms in the Gulf after Hurricane Nate crossed the coast. Futures rose 0.3% after losing 3% Friday.
- Gold advances for second day as investors weigh a fresh flare-up in tensions with North Korea against rising bets for a hike in December. Bullion for immediate delivery +0.4% to \$1,282.32/oz; +0.7% Friday.

Source: Bloomberg

Commodities	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
Brent near future (\$)	55.74	0.22	-3.13	-1.90	↓
WTI crude (\$)	49.46	0.34	-4.28	-7.93	↓
Gold spot (\$)	1 283.02	0.74	0.26	11.81	↑
Platinum spot (\$)	920.86	0.68	0.97	1.97	↑
SA w white maize spot (R)	1 916.00	1.64	1.22	-45.91	↑

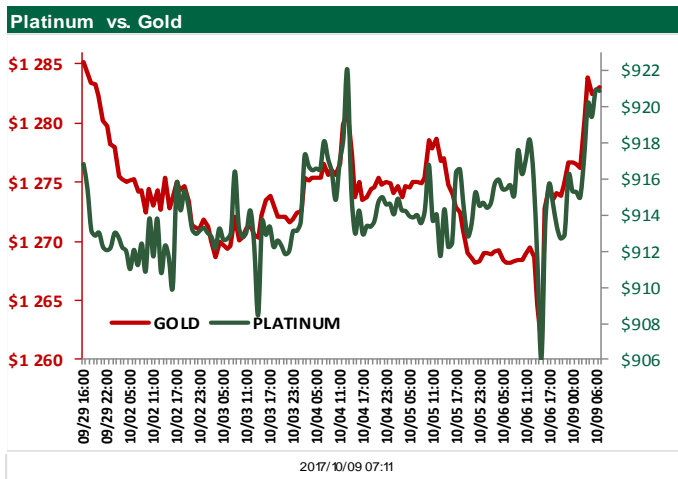
Source: Bloomberg & Nedbank CIB
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SA white maize



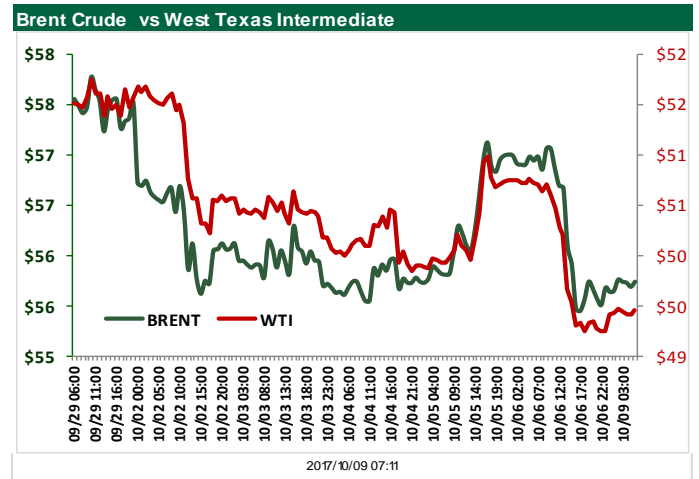
Source: Bloomberg, Nedbank

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 All Share index started its trading day in positive territory and continued to climb throughout the day to eventually close 0.41% higher.
- General Retailer's sector led the upside with the likes of Woolworths and Massmart advancing 0.85% and 1.30% respectively.
- On corporate news, Exxaro announced the results of its accelerated book build which placed 19.1m shares at a price of 13300cps
- Value traded at 5pm was around R32bn with the currency at R13.73c vs. the USD at the close.

UK/Europe

- European markets ended the week on a weak note bar the FTSE100 which gained 0.20%
- On the economic data front, German Factory Orders came in much better than expected at 3.6% (m/m)
- The Stoxx 50 was down 0.28% with the likes of LVMH and Unilever NV retreating 1.62% and 1.34% respectively

USA

- US markets eased off to end the week in the red after disappointing jobs data.
- The Dow Jones and S&P 500 were down 0.01% and 0.11% respectively with the telecom services index losing 2.02%
- On the economic data front, Change in Non-farm Payrolls came in much weaker than expected at -33k versus an 80k consensus estimate.

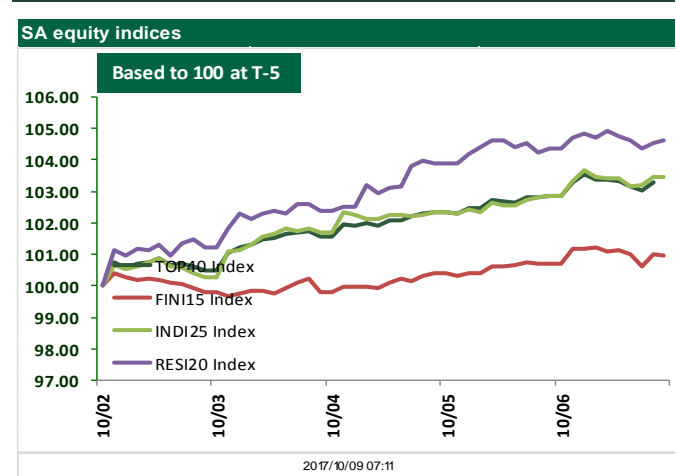
Asia

- Asians markets are strong this morning with the Shanghai indices playing catch-up while the Nikkei is closed for a public holiday.
- The Hang Seng is down 0.30% while the Shanghai Composite has advanced 1.24%
- The Australian ASX is up 0.50% with the likes of BHP declining 0.21%

Developed Markets	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
Dow Jones	22 773.67	-0.01	1.65	15.24	↑
Nasdaq	6 590.18	0.07	1.45	22.42	↑
S&P 500	2 549.33	-0.11	1.19	13.87	↑
DJ Eurostoxx 50	3 603.32	-0.28	0.24	9.51	↑
DAX	12 955.94	-0.09	0.99	12.85	↑
CAC	5 359.90	-0.36	0.56	10.23	↑
FTSE	7 522.87	0.20	2.04	5.32	↑
ASX200	5 745.60	0.61	1.13	1.41	↑
Nikkei 225	20 690.71	0.30	1.64	8.25	↑
MSCI World	2 014.02	-0.11	0.67	15.01	↑
Emerging Markets	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
Hang Seng	28 372.55	-0.30	2.97	28.96	↑
Shanghai	3 390.51	1.24	1.24	9.24	↑
Brazil Bovespa	76 054.72	-0.73	2.37	26.28	↑
India - NSE	31 893.42	0.25	1.95	19.78	↑
Russia Micex	2 093.86	0.27	0.80	-6.22	↑
MSCI Emerging	1 103.12	0.03	1.98	27.93	↑
SA Indices	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
JSE All Share	57 231.87	0.41	2.97	12.99	↑
Top 40	51 010.38	0.44	3.31	16.19	↑
Resi 10	36 629.63	0.25	4.61	14.08	↑
Indi 25	78 348.05	0.57	3.46	21.88	↑
Fini 15	15 253.58	0.24	0.96	1.16	↑

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
10 October 2017		
ASHINF	Ashburton Inflation ETF	Distribution (if any) will be made on or before Tuesday, 10 October 2017
ASHMID	Ashburton Mid Cap ETF	Distribution (if any) will be made on or before Tuesday, 10 October 2017
ASHT40	Ashburton Top40 ETF	Distribution (if any) will be made on or before Tuesday, 10 October 2017
AVI	AVI Ltd	dividend @ 243cps
ENX	enX Group Ltd	Unbundling 21.39799 eXtract :1 ENX
HAR	Harmony G M Co Ltd Ord	dividend @ 35cps
PPR	Putprop Ltd	dividend @ 7cps
SFNP	Sasfin holdings Ltd Preference	dividend @ 429.57cps
SVB	Silverbridge Holdings Ltd	dividend @ 7cps

Source: JSE

JSE performance

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Top40 constituents	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
AGL : Anglo American Plc	264.11	0.51	8.95	35.37	↑
ANG : Anglogold Ashanti Ltd	130.52	0.94	2.53	-14.46	↑
APN : Aspen Pharmacare Holdings Lt	306.00	0.57	0.79	7.91	↑
BGA : Barclays Africa Group Ltd	142.98	0.65	2.86	-15.24	↑
BID : Bid Corp Ltd	312.46	2.06	2.82	27.46	↑
BIL : Bhp Billiton Plc	246.60	0.35	3.34	12.77	↑
BTI : British American Tobacco Plc	853.67	1.51	0.86	9.64	↑
BVT : Bidvest Group Ltd	179.91	-0.68	4.20	-0.74	↑
CFR : Financiere Richemont-Dep Rec	124.54	-0.93	1.33	37.25	↑
CPI : Capitec Bank Holdings Ltd	893.04	0.79	3.95	28.49	↑
DSY : Discovery Ltd	138.50	-1.77	-1.54	20.96	↓
FFA : Fortress Income Fund Ltd-A	17.24	0.17	-0.06	4.04	↓
FFB : Fortress Income Fund Ltd	39.19	0.36	1.14	21.22	↑
FSR : Firstrand Ltd	52.55	0.29	1.00	-1.17	↑
GFI : Gold Fields Ltd	58.00	-1.36	-1.66	33.06	↓
GRT : Growthpoint Properties Ltd	24.40	0.33	0.41	-5.76	↑
INL : Investec Ltd	99.30	-0.24	1.33	9.42	↑
INP : Investec Plc	100.20	0.24	2.24	10.41	↑
ITU : Intu Properties Plc	41.60	1.02	0.00	-11.45	→
LHC : Life Healthcare Group Holdin	25.45	2.62	7.38	-16.09	↑
MEI : Mediclinic International Plc	122.80	3.52	4.50	-5.54	↑
MND : Mondi Ltd	379.20	-0.68	4.90	35.43	↑
MNP : Mondi Plc	378.20	-1.02	4.24	35.69	↑
MRP : Mr Price Group Ltd	176.20	0.00	-2.13	10.44	↓
MTN : Mtn Group Ltd	121.18	-0.35	-2.57	-3.95	↓
NED : Nedbank Group Ltd	203.98	-0.74	0.66	-14.34	↑
NPN : Naspers Ltd-N Shs	3 164.69	0.90	8.38	57.24	↑
NRP : Nepi Rockcastle Plc	179.69	-0.12	-2.29		↓
NTC : Netcare Ltd	24.03	2.69	0.97	-24.53	↑
OML : Old Mutual Plc	35.05	0.83	-0.06	1.77	↓
RDF : Redefine Properties Ltd	10.90	1.40	1.96	-2.59	↑
REI : Reinet Investments Sa-Dr	29.58	2.07	3.07	10.37	↑
REM : Rengro Ltd	219.00	0.71	6.65	-1.82	↑
RMH : Rmb Holdings Ltd	62.89	-0.11	-0.96	-5.29	↓
SAP : Sappi Limited	95.95	0.68	4.23	6.67	↑
SBK : Standard Bank Group Ltd	160.12	-0.39	1.46	5.52	↑
SHP : Shoprite Holdings Ltd	212.16	1.16	2.55	23.74	↑
SLM : Sanlam Ltd	68.20	0.24	0.80	8.43	↑
SNH : Steinhoff International H Nv	60.50	2.01	0.78	-15.12	↑
SOL : Sasol Ltd	385.00	0.83	3.77	-3.48	↑
TBS : Tiger Brands Ltd	382.50	-0.09	1.36	-3.85	↑
VOD : Vodacom Group Ltd	154.47	-0.12	-4.14	1.36	↓
WHL : Woolworths Holdings Ltd	59.00	0.85	-1.49	-16.92	↓

Source: Bloomberg & Nedbank CIB

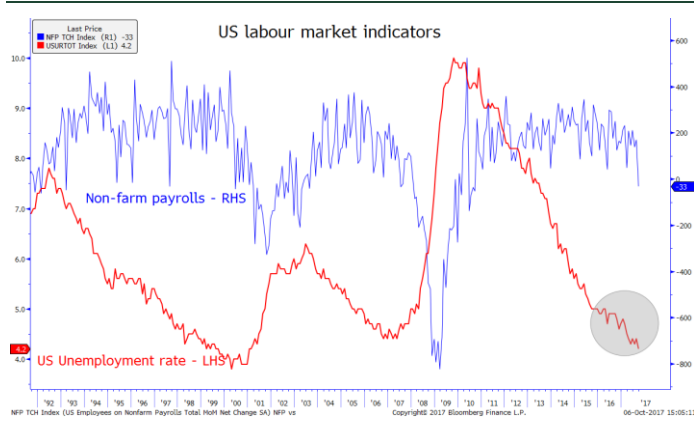
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US

- US nonfarm payrolls recorded its worst monthly performance in 7 years, and the first contraction in payrolls since 2010, with 33k jobs lost in September, from an increase of 169k in August, significantly worse than consensus of +80k. In a rare occurrence, the goods market created jobs, albeit lower than August, while the service sector shed 49k jobs – this is the first time since the depths of the financial crisis that the services sector shed jobs. Almost all of the jobs lost were in the hospitality industry.
- Much of the job losses may be due to the recent adverse weather conditions in some parts of the country and may be temporary. The unemployment rate fell to 4.2% in September, from 4.4% previously, as the pool of available labour fell sharply (possibly as people stopped looking for work) and the number of people unemployed saw a sharp decline as well. However, the labour bureau has said that the storms had no discernable impact on the unemployment rate. As job-search activity recovers in October and in the last quarter of the year, expect a further increase in the participation rate and in the pool of available labour. Nonetheless, the last quarter of the year generally sees temporary employment picking up, and as such may result in a further improvement in the headline data.
- Average hourly earnings rose 2.9% y/y, from 2.7% in August. Wage growth picked up in most industries apart from retail. Both the goods and services sectors saw sharply higher wage growth in September.
- Consumer credit eased to \$13.07 billion in August, from \$17.7 billion previously, worse than expectations of \$15.54 billion. Revolving credit usage picked up in August; however the increase in non-revolving credit was muted. Nonetheless, the positive trajectory of credit extension will likely be supportive of spending in the US until at least year-end.

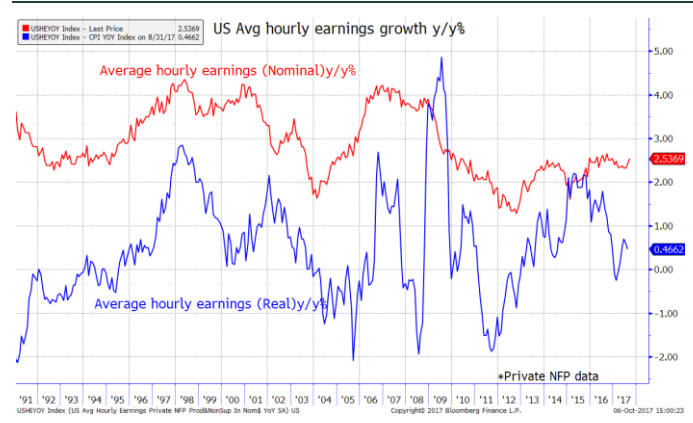
Synopsis: The labour market is below full-employment and reflects continued tightening conditions, placing upside pressure on nominal wage growth. Despite the temporary decline in payrolls, the labour market is still showing signs of momentum as household employment surged. Overall, upbeat economic data has allowed the Fed to maintain its hawkishness, despite inflation surprising to the downside. The Fed's dot plot still reflects policymaker's forecast for a final rate hike for the year in December, thereafter for 3 rate hikes in 2018. Our base case is for inflation to be maintained at current levels and for economic activity to expand at a moderate pace, which may warrant a rate hike in December.

Noisy labour market data shows better unemployment rate but a decline in payrolls in September



Source: Bloomberg, Nedbank

A decline in the pool of available labour raises average hourly earnings



Source: Bloomberg, Nedbank

Economic calendar

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	Country	Event	Period	Survey	Actual	Prior	Revised
06-October							
07:00 AM	JN	Leading Index CI	AUG P	107.1	106.8	105.2	-
08:00 AM	SA	Gross Reserves	SEP	USD 47.0b	USD 49.4b	USD 46.9b	-
08:00 AM	SA	Net Reserves	SEP	USD 42.7b	USD 42.7b	USD 42.7b	-
08:00 AM	GE	Factory Orders WDA YoY	AUG	4.7%	7.8%	5.0%	5.4%
02:30 PM	US	Average Hourly Earnings YoY	SEP	2.6%	2.9%	2.5%	2.7%
02:30 PM	US	Change in Nonfarm Payrolls	SEP	80k	-33k	156k	169k
02:30 PM	US	Labor Force Participation Rate	SEP	62.9%	63.1%	62.9%	-
02:30 PM	US	Unemployment Rate	SEP	4.4%	4.2%	4.4%	-
04:00 PM	US	Wholesale Inventories MoM	AUG F	1.00%	0.90%	0.90%	-
04:00 PM	US	Wholesale Trade Sales MoM	AUG	0.00%	1.70%	-0.10%	0.00%
09:00 PM	US	Consumer Credit	AUG	USD 15.5b	USD 13.1b	USD 18.5b	USD 17.7b
09-October							
12:00 AM	CH	Foreign Reserves	SEP	USD 3100b	USD 3092b	USD 3092b	-
03:45 AM	CH	Caixin China PMI Services	SEP	-	50.6	52.7	-
08:00 AM	GE	Industrial Production WDA YoY	AUG	2.90%	-	4.00%	-
10:30 AM	EC	Sentix Investor Confidence	OCT	28.5	-	28.2	-
10-October							
01:50 AM	JN	BoP Current Account Adjusted	AUG	JPY 1979b	-	JPY 2033b	-
01:50 AM	JN	Trade Balance BoP Basis	AUG	JPY 265b	-	JPY 567b	-
08:00 AM	GE	Current Account Balance	AUG	EUR 17.0b	-	EUR 19.4b	-
08:00 AM	GE	Exports SA MoM	AUG	1.10%	-	0.20%	-
08:00 AM	GE	Imports SA MoM	AUG	0.50%	-	2.30%	-
08:00 AM	GE	Trade Balance	AUG	EUR 19.5b	-	EUR 19.4b	-
10:30 AM	UK	Industrial Production YoY	AUG	0.90%	-	0.40%	-
10:30 AM	UK	Manufacturing Production YoY	AUG	1.90%	-	1.90%	-
10:30 AM	UK	Trade Balance	AUG	GBP -2800m	-	GBP -2872m	-
02:00 PM	UK	NIESR GDP Estimate	SEP	-	-	0.40%	-

Source: Bloomberg

2017/10/09 07:10

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