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(* when available)*

Key daily drivers

Nedbank CIB Market Commentary | CIBMarketComm@Nedbank.co.za | +27 11 294 1753

SNIPPETS

(Fixed Income)	Marginal inflows from foreign investors into our bond market yesterday
(Currencies)	All eyes on the ratings agencies announcements tonight, USDZAR marginally weaker over the past day
(Commodities)	Gold remains elevated, Oil extends further overnight
(Equities)	The JSE closed lower, European markets were little changed and Asian markets mostly lower, taking a cautious stance following the sell-off in China on Thursday
(Economics)	SARB sounds hawkish, leaves rates unchanged; UK GDP unchanged in Q3

Key overnight factors and upcoming events this week

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Date	Region	Event ↓ ↑ →	Actual/expected/prior	Implications
23/11	SA	SARB MPC	--/6.75%/6.75%	No change to repo rate expected as a result of a variety of event-risks
23/11	SA	Fitch	--	Fitch affirms SA rating at BB+ with a stable outlook, sees positive influence on credit metrics if we get a favourable outcome from the ANC leadership conference.
24/11	SA	Credit rating reviews	--	We believe S&P may reduce the LC rating, and there is a high probability of a Moody's downgrade as well, given material fiscal and institutional deterioration.
25/11	SA	NEC deadline for BGM votes	--	The weekend presents the final deadline for provinces to submit their nominations for delegates to attend the ANC leadership conference in December

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	
R204-1.1 yrs	7.75	-0.20	35.40	-18.10	↑
R208-3.3 yrs	8.33	0.10	29.20	5.00	↑
R186-9.1 yrs	9.33	0.10	24.50	42.50	↑
R2048-30.3 yrs	10.37	0.05	29.25	74.85	↑
US 10 yr	2.34	2.13	-3.93	-10.43	↓
UK 10 yr	1.25	-2.60	-8.30	1.00	↓
German 10 yr	0.35	-0.20	-1.60	13.90	↓
Japan 10 yr	0.03	0.30	-4.30	-1.80	↓

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)	4.80		-30.00		↓
SA 3m JIBAR	7.10	0.00	5.00	-25.80	↑
SA 3m NCD	7.10	0.00	5.00	-27.50	↑
SA 6m NCD	7.70	0.00	15.00	-27.50	↑
SA 12m NCD	8.30	0.00	15.00	-15.00	↑
US 3m LIBOR	1.46	-0.03	8.08	46.42	↑
UK 3m LIBOR	0.52	0.00	8.30	15.60	↑
Japan 3m LIBOR	-0.03	-0.72	0.97	1.22	↑

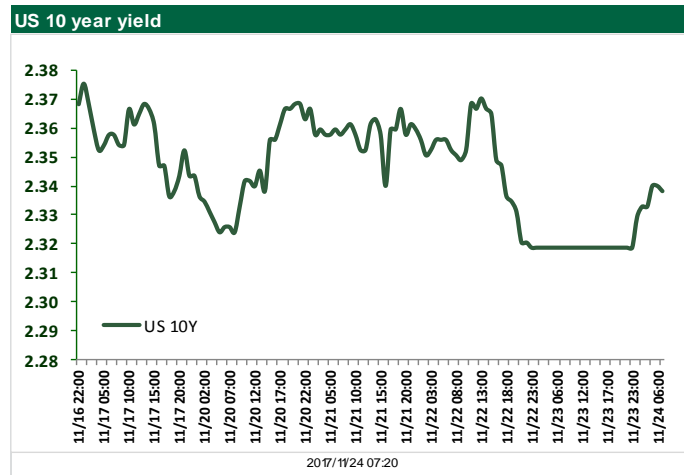
Source: Bloomberg & Nedbank CIB
Time: 2017/11/24 07:20

FRAs and Swaps	Last price	Δ			Month trend
		1d	MTD	YTD	
	%	bps	bps	bps	
3X6 FRA	7.24	-0.50	8.50	-15.50	↑
6X9 FRA	7.51	17.00	30.00	9.00	↑
9X12 FRA	7.45	-2.00	12.00	0.00	↑
18X21 FRA	7.76	0.50	23.50	22.50	↑
SA 2yr Swap	7.51	1.81	17.81	4.71	↑
SA 3yr Swap	7.69	0.37	20.37	13.77	↑
SA 5yr Swap	8.03	-0.50	22.50	21.40	↑
SA 10yr Swap	8.50	-1.00	15.00	17.40	↑
SA 15yr Swap	8.72	-1.50	9.65	23.50	↑

Spreads	Last price	Δ			Month trend
		1d	MTD	YTD	
	%	bps	bps	bps	
2v10y	-0.99	2.81	2.81	-12.69	↑
3v10y	-0.81	1.37	5.37	-3.63	↑
R186-R204	1.59	0.30	-10.90	60.60	↓
R2048-R186	1.03	-0.05	4.75	32.35	↑
5y-R186	-1.31	-0.60	-2.00	-21.10	↓
10y-R186	-0.83	-1.10	-9.50	-25.10	↓
15y-R186	-0.61	-1.60	-14.85	-19.00	↓
SA 5yr CDS spread - basis points	186.50	0.00	2.00	-28.50	↑

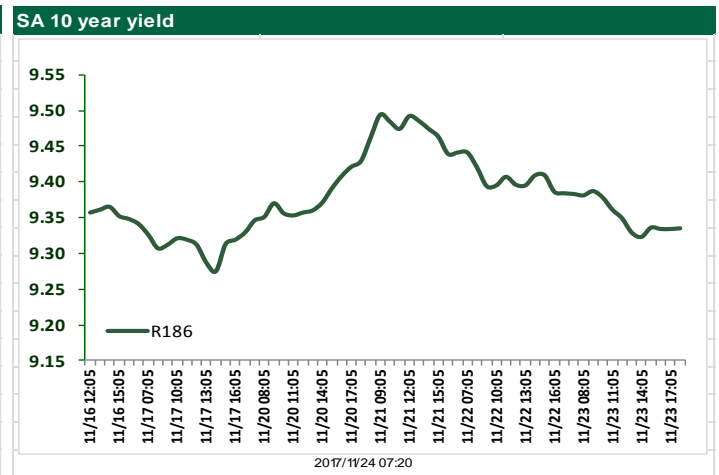
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US 10 year yield



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

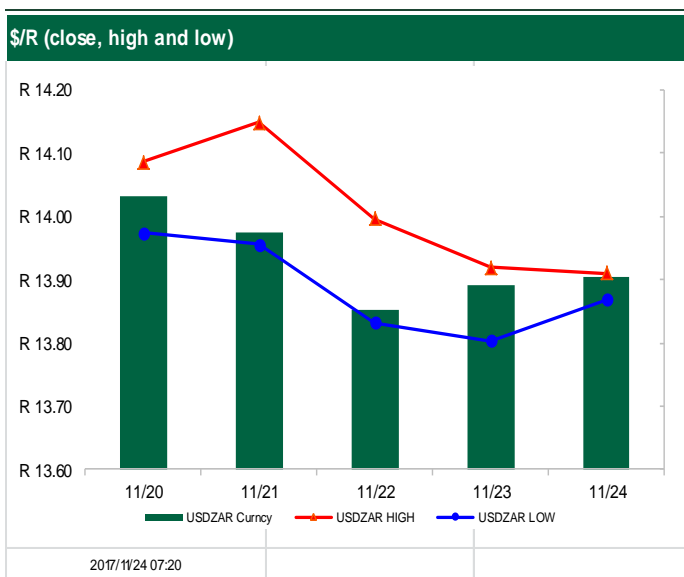
- The local trading session opened with the rand trading in the mid 13.80's , as expected, markets again trading cautiously ahead of the MPC decision later on the day , with rates left unchanged we saw the rand trade marginally weaker into the close , finishing the day at 13.9000. No overnight session in NY, this morning no trades to speak of in the far east , currently the rand trading at 13.9100, EURZAR is trading at 16.4795 and GBPZAR at 18.4750.
- On the international front markets generally quiet, EURUSD subdued on the day, trading between 1.1816 and 1.1855, this morning currently trading at 1.1854. Gold holding steady around the 1291.00 level where it currently trades.
- Data releases scheduled for today, no local releases, from Europe we have German IFO and the ECB's Constancio is scheduled to speak .From the U.S we have manufacturing PMI and services PMI releases in what will be a shortened session in the U.S today. This evening we have the S&P and Moody's review of SA.
- As was expected the SARB held steady on rates , as well as sketching a somewhat more hawkish outlook citing the impending ratings agency review , currency vulnerability , oil prices and the prevailing political landscape , Fitch last night reaffirmed a BB+ rating , with a stable outlook.
- Possible trading range in the rand today 13.8000 to 14.10000

Majors	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend	USD trend
GBPUSD	1.33	-0.08	0.16	7.73	↑	USD weakness
EURUSD	1.19	0.03	1.77	12.70	↓	USD weakness
USDJPY	111.45	0.22	-2.00	-4.94	↓	USD weakness
USDAUD	1.31	0.02	0.48	-5.55	↑	USD strength
Rand crosses	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend	ZAR trend
USDZAR	13.90	0.09	-1.68	1.18	↓	ZAR strength
GBPZAR	18.48	0.03	-1.51	8.33	↓	ZAR strength
EURZAR	16.48	0.11	0.08	12.30	↑	ZAR weakness
AUDZAR	10.60	0.08	-2.21	6.60	↓	ZAR strength
ZARJPY	8.02	0.14	-0.32	-6.41	↓	ZAR weakness
African FX	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend	ZAR trend
ZARMWK (Malawian kwacha)	52.23	0.03	1.70	-1.44	↑	ZAR strength
ZARBWP (Botswana pula)	0.75	0.05	0.55	-3.84	↑	ZAR strength
ZARKES (Kenyan shilling)	7.43	-0.09	1.17	-0.46	↑	ZAR strength
ZARMUR (Mauritian rupee)	2.48	1.28	0.42	-5.93	↑	ZAR strength
ZARNGN (Nigerian naira)	25.89	-0.10	1.69	11.40	↑	ZAR strength
ZARGHS (Ghanian cedi)	0.33	-0.09	6.65	6.80	↑	ZAR strength
ZARZMW (Zambian kwacha)	0.73	0.03	2.42	0.49	↑	ZAR strength
ZARNZN (Mozambican metical)	4.41	-0.10	2.62	-18.36	↑	ZAR strength

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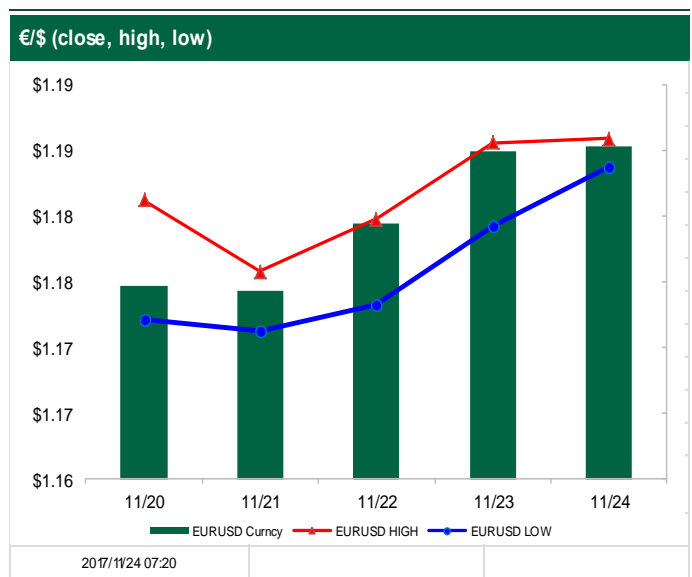
**Please note that the sign on the % change reflects the change on the headline number. The narrative indicates the trend direction over the month. For trade in any of these currencies, contact our FX dealing desks*

USDZAR



Source: Bloomberg, Nedbank

EUR/USD



Source: Bloomberg, Nedbank

Commodities

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- Oil headed for its best weekly advance in a month after an outage on the Keystone pipeline added to speculation crude supply could tighten and as investors await OPEC's decision on extending an output curb. Futures gain 1%, up more than 7% in November.
- Gold steady as dollar set for third weekly retreat. Bullion for immediate delivery flat at \$1,291.84/oz; little changed this week.

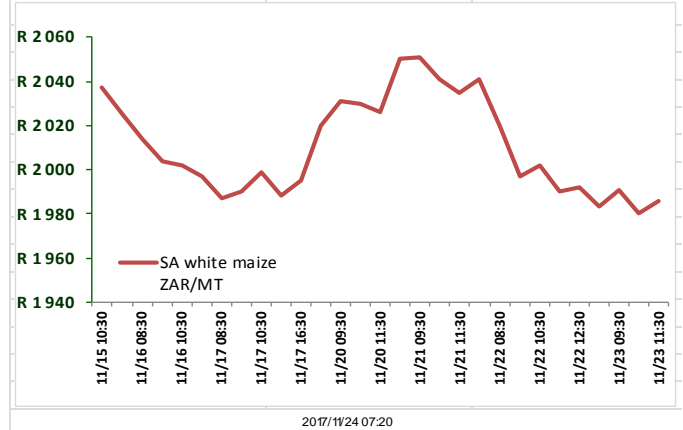
Source: Bloomberg

Commodities	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
Brent near future (\$)	63.39	-0.25	3.29	11.56	↑
WTI crude (\$)	58.45	0.74	7.48	8.80	↑
Gold spot (\$)	1 292.05	0.07	1.71	12.60	↑
Platinum spot (\$)	939.23	0.42	2.26	4.00	↑
SA white maize spot (R)	1 986.00	-0.30	-0.70	-43.93	↓

Source: Bloomberg & Nedbank CIB
Time: 2017/11/24 07:20

SA white maize

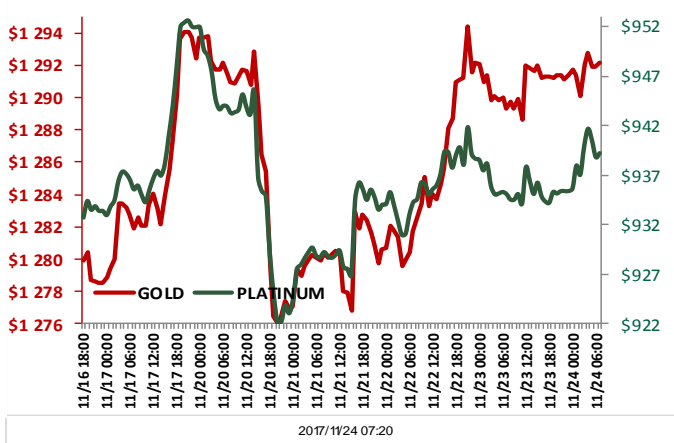
SA White maize (ZAR/MT) - 30 day chart



Source: Bloomberg, Nedbank

Platinum vs Gold

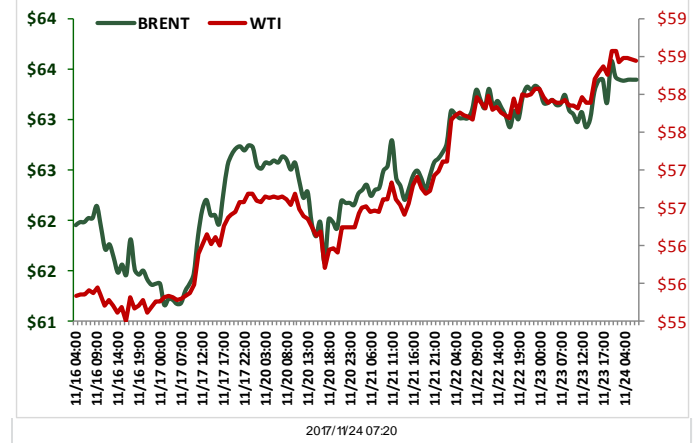
Platinum vs. Gold



Source: Bloomberg, Nedbank

Brent Crude vs West Texas Intermediate

Brent Crude vs West Texas Intermediate



Source: Bloomberg, Nedbank

Equities

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Cash equities | +2711 535 4030/31

South Africa

- The Top40 continued to trade lower, ending the day down 0.91% at 53995.80. Naspers was the biggest drag on the index losing 4.06%, with mining and banking stocks amongst the better performers on the day. In corporate news, MAS Real Estate fell 4.2%, closing at R31.60, after announcing a book-build, raising R2.6bn, placing shares at R31.00. PPC Limited rose 3% after results. They are also in talks with Chinese engineering company, Sinora, about becoming an equity partner in the DRC. Quantum Foods rallied 9.55% after reporting a solid set of results and announcing a special dividend. The value traded at the close was R21.2billion and the ZAR was trading at 13.89 vs the dollar.

UK/Europe

- European markets ended Thursday's session little changed, with French stocks outperforming on upbeat manufacturing data. The CAC40 rose 0.5%. In London, Centric PLC tumbled 15.5% after warning that its energy supply businesses had a disappointing second half and their full year earnings outlook was below estimates. House builders recovered from previous session losses, which was hit after the government said it would reclaim land that was not developed quickly enough. The FTSE100 ended the day down 0.02%. In Germany, Thyssenkrupp AG rallied 4.18%, reversing early losses, after results beat estimates. The DAX ended the day down 0.05%.

USA

- US markets were closed for Thanksgiving.

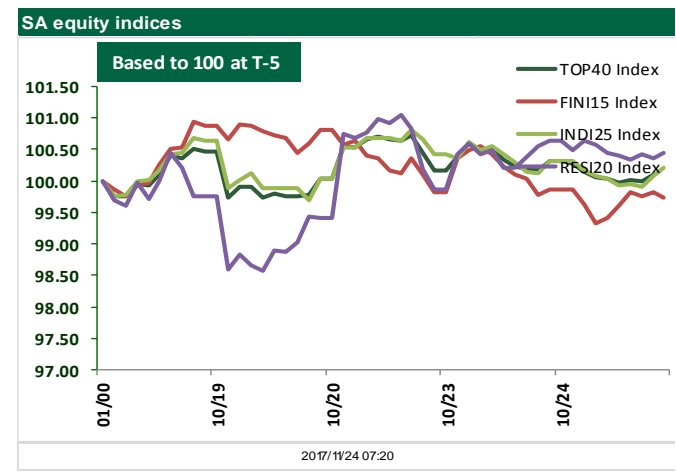
Asia

- Asian markets are trading mostly lower this morning, with traders seen to be taking a cautious stance following the selloff in Chinese equities on Thursday. Chinese stocks extended their decline following their worst session more than a year. Hong Kong stocks are modestly firmer, but Tencent is down a further 1%. Exporters weighed on the Nikkei, with automakers amongst the worst performers. Mitsubishi Materials slumped more than 8% after reporting its subsidiaries had falsified data. The weak sentiment out of China weighed on the ASX, with financial underperforming. Nine out of the ten major indices were trading in the red.

Developed Markets	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
Dow Jones	23 526.18	-0.27	0.64	19.04	↑
Nasdaq	6 867.36	0.07	2.08	27.57	↑
S&P 500	2 597.08	-0.08	0.85	16.00	↑
DJ Eurostoxx 50	3 572.07	0.26	-2.77	8.56	↓
DAX	13 008.55	-0.05	-1.67	13.30	↓
CAC	5 379.54	0.50	-2.25	10.64	↓
FTSE	7 417.24	-0.02	-1.01	3.84	↓
ASX200	5 982.60	-0.06	1.25	5.59	↑
Nikkei 225	22 552.00	0.13	2.46	17.98	↑
MSCI World	2 053.28	0.16	0.81	17.25	↑
Emerging Markets	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
Hang Seng	29 784.19	0.26	5.45	35.38	↑
Shanghai	3 330.10	-0.65	-1.86	7.30	↓
Brazil Bovespa	74 486.58	-0.04	0.24	23.68	↑
India - NSE	33 687.61	0.30	1.43	26.52	↑
Russia Mccx	2 148.56	-0.54	4.08	-3.77	↑
MSCI Emerging	1 152.40	-0.37	2.98	33.65	↑
SA Indices	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
JSE All Share	60 298.16	-0.75	2.23	19.04	↑
Top 40	53 995.77	-0.92	2.71	22.99	↑
Resi 10	38 118.40	0.63	2.34	18.71	↑
Indi 25	84 019.75	-1.67	2.65	30.70	↑
Fini 15	16 074.65	0.13	4.22	6.61	↑

Source: Bloomberg & Nedbank CIB
Time: 2017/11/24 07:20

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
28 November 2017		
AFT	Afrimat Limited	dividend @ 20cps
CTA	Capital Appreciation Limited	dividend @ 2cps
EFG	Efficient Group Limited	dividend @ 6.41cps
ILU	Indluplace Properties Ltd	dividend @ 24.48003cps
INPP	Investec Plc Pref	dividend @ 119.216290cps
INPPR	Investec Plc Pref (rand)	dividend @ 495.431510cps
IVTP	Invicta Holdings Limited Preference	dividend @ 450.2cps
OAS	Oasis Crescent Property Fund	DRIP 2.50481 : 100 or dividend @ 52.726305cps
RBX	Raubex Group Ltd	dividend @ 45cps
RDF	Redefine Properties Ltd	DRIP 4.56286:100 or dividend @ 47.18cps
REA	Rebosis Property Fund Limited A	dividend @ 120.40855cps
REB	Rebosis Property Fund Limited	dividend @ 67.54686cps
REI	Reinet Inv SCA	Consolidation 1 : 10 (dep receipts replaced with Reinet shares - change in ISIN)
RPL	Redefine International PLC	dividend @ 17.06250 cps (Gross PID element) dividend @ 7.3125 cps (Gross Non - PID element)
TKG	Telkom SA Limited	dividend @ 118.114cps
VOD	Vodacom Group Limited	dividend @ 390cps

Source: JSE

JSE performance

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Top40 constituents	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
AGL : Anglo American Plc	268.80	0.64	1.40	37.78	↑
ANG : Anglogold Ashanti Ltd	142.51	0.83	9.35	-6.60	↑
APN : Aspen Pharmacare Holdings Lt	315.00	-0.94	-1.39	11.08	↓
BGA : Barclays Africa Group Ltd	153.30	0.65	9.39	-9.12	↑
BID : Bid Corp Ltd	285.62	-0.34	-8.16	16.51	↓
BIL : Bhp Billiton Plc	261.48	1.45	2.43	19.57	↑
BTI : British American Tobacco Plc	932.90	0.57	2.52	19.82	↑
BVT : Bidvest Group Ltd	187.60	-0.45	9.39	3.50	↑
CFR : Financiere Richemont-Dep Rec	122.87	0.39	-5.73	35.41	↓
CPI : Capitec Bank Holdings Ltd	975.00	-1.52	3.74	40.29	↑
DSY : Discovery Ltd	162.25	-1.21	10.71	41.70	↑
FFA : Fortress Reit Ltd-A	17.00	-0.29	0.41	2.60	↑
FFB : Fortress Reit Ltd-B	41.90	-0.24	4.36	29.60	↑
FSR : Firstrand Ltd	55.19	0.55	7.69	3.80	↑
GFI : Gold Fields Ltd	57.70	0.87	2.23	32.37	↑
GRT : Grow thpoint Properties Ltd	24.30	0.87	-0.86	-6.14	↓
INL : Investec Ltd	93.89	0.63	-2.64	3.46	↓
INP : Investec Plc	93.86	0.55	-2.74	3.43	↓
ITU : Intu Properties Plc	37.00	0.95	-8.60	-21.24	↓
LHC : Life Healthcare Group Holdin	25.96	0.78	-0.92	-14.41	↓
MEI : Mediclinic International Plc	94.50	0.61	-13.26	-27.31	↓
MND : Mondi Ltd	326.35	0.68	-3.77	16.56	↓
MNP : Mondi Plc	326.42	0.63	-4.14	17.11	↓
MRP : Mr Price Group Ltd	208.87	0.42	19.18	30.91	↑
MTN : Mtn Group Ltd	131.22	-0.80	6.88	4.00	↑
NED : Nedbank Group Ltd	215.00	1.20	3.68	-9.71	↑
NPN : Naspers Ltd-N Shs	3 741.75	-4.06	8.61	85.91	↑
NRP : Nepi Rockcastle Plc	208.00	-0.56	5.23		↑
NTC : Netcare Ltd	22.20	0.18	-10.81	-30.28	↓
OML : Old Mutual Plc	36.07	-1.34	1.15	4.73	↑
RDF : Redefine Properties Ltd	10.46	0.29	-1.41	-6.52	↓
REI : Reinnet Investments Sa-Dr	29.89	0.47	-1.03	11.53	↓
REM : Rengro Ltd	201.53	-0.95	-5.83	-9.65	↓
RMH : Rmb Holdings Ltd	66.21	-0.18	5.94	-0.29	↑
SAP : Sappi Limited	102.00	1.14	7.71	13.40	↑
SBK : Standard Bank Group Ltd	170.69	1.31	4.08	12.48	↑
SHP : Shoprite Holdings Ltd	220.95	0.26	9.19	28.86	↑
SLM : Sanlam Ltd	77.62	-0.17	9.79	23.40	↑
SNH : Steinhoff International H Nv	56.00	-0.80	-8.81	-21.44	↓
SOL : Sasol Ltd	432.10	-1.55	4.46	8.32	↑
TBS : Tiger Brands Ltd	397.73	-1.43	3.04	-0.03	↑
VOD : Vodacom Group Ltd	147.05	-1.31	-4.26	-3.51	↓
WHL : Woolworths Holdings Ltd	55.26	-0.54	-1.93	-22.19	↓

Source: Bloomberg & Nedbank CIB

Time 2017/11/24 07:20

UK

- UK GDP growth remained unchanged in Q3 on a quarterly and annualises basis, at 0.4% and 1.5% respectively. Although private consumption picked up over the quarter, this was offset by weak investment demand and a significantly worse trade position, as net exports declined sharply.
- Industries supportive of growth in Q3 were manufacturing, utilities, and mining and quarrying. However overall business spending remained constrained, while households were the main driver of positive growth in Q3.

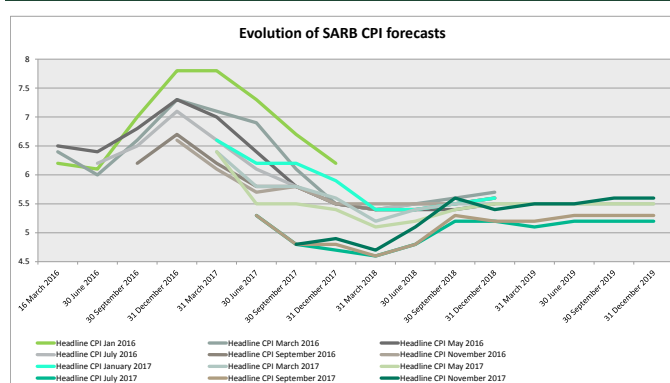
Synopsis: Given Brexit uncertainty, a slow economic recovery and elevated inflation, the BOE is unlikely to raise rates over the medium term, but remaining hawkish as inflation remains a breach of the target.

SA

- The SARB left the repo and prime rates unchanged at 6.75% and 10.25% respectively.
- The inflation profile was raised yet again, with the average for the next three years now at 5.3%, 5.2% and 5.5% (prev. 5.3%, 5% and 5.3%). The trough is now expected at 4.7% in 1Q18 (prev. 4.6%). This is due to the higher oil price assumption, a weaker rand exchange rate, a higher average wage growth, and higher food inflation forecast in 2019. Annual average food inflation forecasts are 7.3%, 4.5% and 5.9% in 2017, 2018 and 2019 respectively (prev. 7.3%, 5.2%, 5.6%). Nonetheless, headline inflation is expected to remain below 6% until the end of 2019. The SARB now indicates that the upside risks to the inflation outlook have intensified and some of these risks are a vulnerable rand exchange rate, a less-favourable fiscal policy stance which may make easing less-likely, and a higher oil price. Higher inflation expectations were noted since the last MPC meeting, and this obviously does not bode well for the current easing stance. The above inflation profile assumes 3 rate hikes by the end of 2019. However this is not prescriptive, but provides a broad guide to policy.
- The growth outlook was raised slightly, to 0.7% in 2017 (prev. 0.6%), and reduced to 1.2% and 1.5% (prev. 1.3% and 1.7% - new model) over the following two years. However risks to the growth outlook lies firmly on the downside, as a result of anaemic investment and demand, low confidence and elevated uncertainty. Potential growth remains very low at 1.3% by 2019.

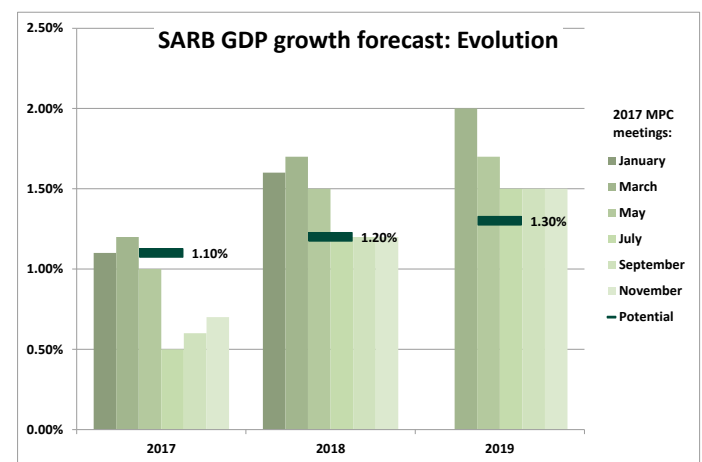
Synopsis: The MPC's tonality was hawkish, but also cautious ahead of a tumultuous period of political change and possible downgrades. It sounded a warning to fiscal policy, conceding that increased spending and upcoming wage negotiations may pose upside risks to the CPI forecast and downside risks to the credit rating. It also reduces the MPC's scope to ease monetary policy further. Given the upside risks to inflation over the forecast horizon, we believe the SARB has very little scope to cut rates further over the medium term. Nonetheless, this outlook is highly dependent on the abovementioned factors, with the rand exchange rate a key upside risk.

SARB raises inflation profile due to higher oil price, inflation expectations and weaker rand



Source: SARB, Nedbank

Growth forecasts remain unchanged



Source: SARB, Nedbank

Economic calendar

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	Country	Event	Period	Survey	Actual	Prior	Revised
23-November							
09:00 AM	GE	GDP NSA YoY	3Q F	2.30%	2.30%	2.30%	-
09:00 AM	GE	GDP SA QoQ	3Q F	0.80%	0.80%	0.80%	-
10:30 AM	GE	Markit Germany Services PMI	NOV P	55.0	54.9	54.7	-
10:30 AM	GE	Markit/BME Germany Manufacturing PMI	NOV P	60.4	62.5	60.6	-
11:00 AM	EC	Markit Eurozone Services PMI	NOV P	55.2	56.2	55.0	-
11:00 AM	EC	Markit Eurozone Manufacturing PMI	NOV P	58.2	60.0	58.5	-
11:30 AM	UK	GDP QoQ	3Q P	0.40%	0.40%	0.40%	-
11:30 AM	UK	GDP YoY	3Q P	1.50%	1.50%	1.50%	-
03:20 PM	SA	SARB Announce Interest Rate	MAY F	6.75%	6.75%	6.75%	-
24-November							
02:30 AM	JN	Nikkei Japan PMI Mfg	NOV P	-	53.8	52.8	-
07:00 AM	JN	Leading Index CI	SEP F	-	106.4	106.6	-
11:00 AM	GE	IFO Business Climate	NOV	116.7	-	116.7	-
11:00 AM	GE	IFO Current Assessment	NOV	125.0	-	124.8	-
11:00 AM	GE	IFO Expectations	NOV	108.8	-	109.1	-
04:45 PM	US	Markit US Services PMI	NOV P	55.3	-	55.3	-
04:45 PM	US	Markit US Manufacturing PMI	NOV P	55.0	-	54.6	-
27-November							
03:30 AM	CH	Industrial Profits YoY	OCT	-	-	27.70%	-
05:00 PM	US	New Home Sales	OCT	624k	-	667k	-
05:00 PM	US	New Home Sales MoM	OCT	-6.53%	-	18.90%	-
05:30 PM	US	Dallas Fed Manf. Activity	NOV	24.0	-	27.6	-

Source: Bloomberg

2017/11/24 07:20

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