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[Charts of the day](#) | [Currencies](#) | [Commodities](#) | [Fixed income & interest rates](#) | [Equities](#) | [Equity derivatives](#)  
| [Economics](#) | [\\*Foreign flows](#) | [JSE performance](#) | [LDT](#) | [Economic calendar](#) | [Other reports](#)  
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*(\* when available)*

## Key daily drivers

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

### SNIPPETS

(Fixed Income)	Thin liquidity conditions prevail in the fixed income market, pushing yields lower through the course of the day
(Currencies)	USDZAR posts another positive session
(Commodities)	Gold trades within a narrow range, subdued over the day; Brent crude marginally lower
(Economics)	Eurozone PPI and confidence levels dip
(Foreign flows)	Last week saw the 4 <sup>th</sup> largest weekly outflow ever recorded, at R15.32 billion, YTD performance is now negative

## Key overnight factors and upcoming events this week

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Date	Region	Event <span style="color:red">↓</span> <span style="color:green">↑</span> <span style="color:orange">→</span>	Actual/expected/prior	Implications
04/12	SA	Politics	--	As provinces submit their nominations for the ANC leadership conference, expect political noise to persist
05/12	SA	GDP	--/1.7%/2.5%	SA GDP growth expected to show a strong level of growth in Q3, lifted by agriculture, mining and finance
05/12	EZ	GDP	--/0.6%/0.7%	Eurozone GDP growth likely to remain upbeat in Q3
06/12	SA	SACCI business confidence	--/--/92.9	Business confidence is expected to remain weak in the current environment
06/12	US	ADP employment	--/190k/235k	Employment growth likely to persist, strong labour market gains expected

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		YTD	Month trend
		1d	MTD		
	%	bps	bps	bps	
R204-1 yrs	7.50	-9.35	-6.15	-43.05	↓
R208-3.3 yrs	8.26	-8.85	-6.45	-2.25	↓
R186-9 yrs	9.22	-10.20	-10.30	30.80	↓
R2048-30.2 yrs	10.17	-11.55	-14.75	54.85	↓
US 10 yr	2.39	1.61	-2.13	-5.60	↓
UK 10 yr	1.29	5.40	-4.30	4.80	↓
German 10 yr	0.34	3.90	-2.30	13.60	↓
Japan 10 yr	0.05	0.90	1.10	0.40	↑

Money Market	Last price	Δ		YTD	Month trend
		1d	MTD		
	%	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	7.13	0.00	0.00	-23.30	→
SA 3m NCD	7.10	-2.50	0.00	-27.50	→
SA 6m NCD	7.75	0.00	5.00	-22.50	↑
SA 12m NCD	8.33	0.00	0.00	-12.50	→
US 3m LIBOR	1.51	1.39	2.11	51.06	↑
UK 3m LIBOR	0.52	0.23	0.06	15.54	↑
Japan 3m LIBOR	-0.03	0.17	-1.08	1.97	↓

Source: Bloomberg & Nedbank CIB  
Time: 2017/12/05 06:47

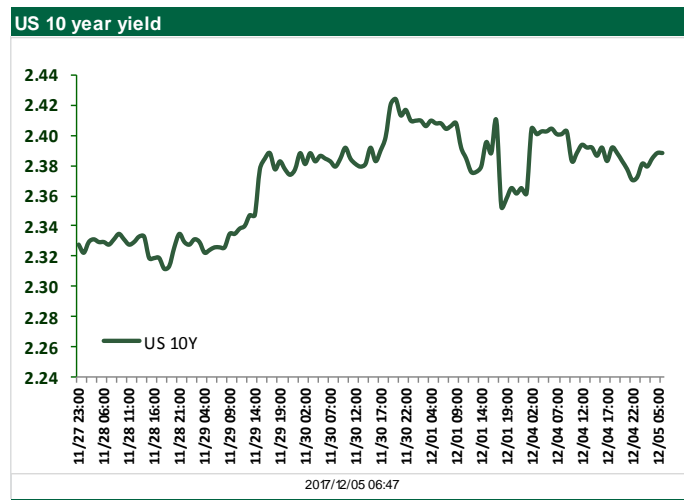
FRAs and Swaps	Last price	Δ		YTD	Month trend
		1d	MTD		
	%	bps	bps	bps	
3X6 FRA	7.25	-0.50	-1.50	-14.50	↓
6X9 FRA	7.39	-1.00	0.00	-3.00	→
9X12 FRA	7.45	-1.00	-2.00	0.00	↓
18X21 FRA	7.72	0.00	-4.00	19.00	↓
SA 2yr Sw ap	7.48	-0.21	-1.64	1.99	↓
SA 3yr Sw ap	7.67	0.20	-2.98	11.40	↓
SA 5yr Sw ap	7.98	0.00	-6.50	16.40	↓
SA 10yr Sw ap	8.47	-0.50	-8.50	14.40	↓
SA 15yr Sw ap	8.69	-3.00	-10.50	20.50	↓

Spreads	Last price	Δ		YTD	Month trend
		1d	MTD		
	%	bps	bps	bps	
2v10y	-0.99	0.29	6.86	-12.41	↑
3v10y	-0.80	0.70	5.52	-3.00	↑
R186-R204	1.72	-0.85	-4.15	73.85	↓
R2048-R186	0.95	-1.35	-4.45	24.05	↓
5y-R186	-1.24	10.20	3.80	-14.40	↑
10y-R186	-0.75	9.70	1.80	-16.40	↑
15y-R186	-0.53	7.20	-0.20	-10.30	↓
SA 5yr CDS spread - basis points	174.50	1.00	-6.00	-40.50	↓

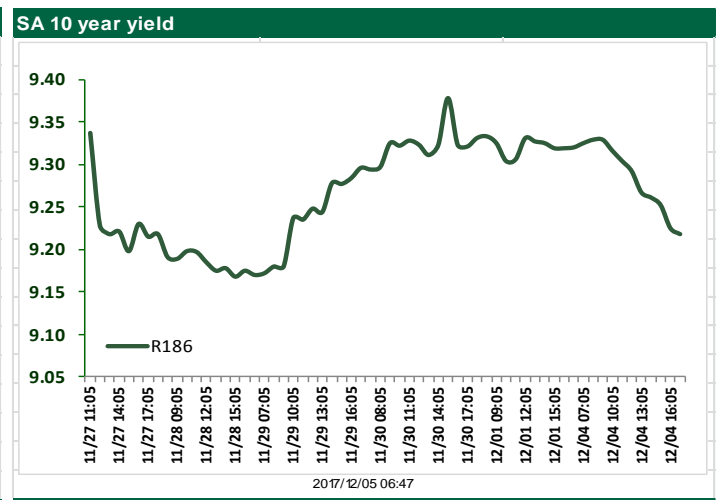
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## US 10 year yield



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

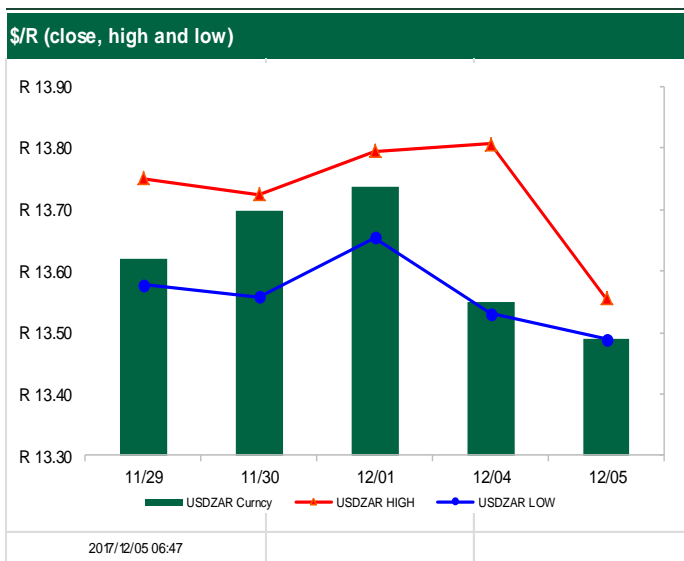
- The new week opened the day with the rand trading in the 13.70's , once again the price action was relatively subdued, after an initial move up to 13.8100 the local unit traded generally firmer , trading below the 13.6000 where it closed the day. In the overnight session the rand has traded steadily firmer, managing to trade to a best level marginally below 13.5000 thus far, this morning it is trading at 13.5050, EURZAR is trading at 16.0325 and GBPZAR is trading at 18.1940.
- International markets were again range bound although the tone was for a marginally firmer dollar, EURUSD trading between 1.1837 and 1.1874 this as the markets were buoyed by talk of progress on the tax reform front in the US, this has failed to materialise and the euro currently trades firmer at 1.1870, there was additionally hope for a breakthrough in the Brexit negotiations which also failed thus far.
- Gold trading unchanged over the most recent sessions holding firm in the mid 1270's, currently at 1274.70.
- Data releases scheduled for today , locally we have PMI and Q3 GDP, from Europe we have services PMI for France , Germany , U.K and the zone , as well as retail sales and GDP final for Q3 for the Eurozone, from the U.S we have trade, services , PMI and ISM non-manufacturing.
- The rand has traded resiliently post the announcement of the downgrade, we have now breached below the short term technical levels around 13.6000 and the price action over the next few sessions likely to be interesting.
- Possible trading range in the rand today 13.4000 to 13.7000

Majors	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend	USD trend
GBPUSD	1.35	0.11	-0.27	9.18	↓	USD strength
EURUSD	1.19	0.24	-0.17	12.88	↓	USD strength
USDJPY	112.55	-0.26	0.04	-3.92	↑	USD strength
USDAUD	1.31	-0.74	-1.13	-5.86	↓	USD weakness
Rand crosses	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend	ZAR trend
USDZAR	13.49	-0.45	-1.54	-1.85	↓	ZAR strength
GBPZAR	18.17	-0.34	-1.81	6.77	↓	ZAR strength
EURZAR	16.02	-0.21	-1.71	9.76	↓	ZAR strength
AUDZAR	10.32	0.29	-0.38	4.05	↓	ZAR strength
ZARJPY	8.34	0.20	1.56	-2.22	↑	ZAR strength
African FX	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend	ZAR trend
ZARMWK (Malawian kwacha)	53.83	0.54	1.54	1.58	↑	ZAR strength
ZARBWP (Botswana pula)	0.77	0.50	1.62	-1.54	↑	ZAR strength
ZARKES (Kenyan shilling)	7.64	0.44	1.49	2.35	↑	ZAR strength
ZARMUR (Mauritian rupee)	2.50	1.01	1.39	-5.09	↑	ZAR strength
ZARNGN (Nigerian naira)	26.76	0.44	1.91	14.28	↑	ZAR strength
ZARGHS (Ghanaian cedi)	0.33	0.52	-0.85	5.79	↓	ZAR weakness
ZARZMW (Zambian kwacha)	0.76	1.68	2.72	4.63	↑	ZAR strength
ZARMZN (Mozambican metical)	4.53	0.44	1.50	-15.02	↑	ZAR strength

Source: Bloomberg & Nedbank CIB  
Time: 2017/12/05 06:47

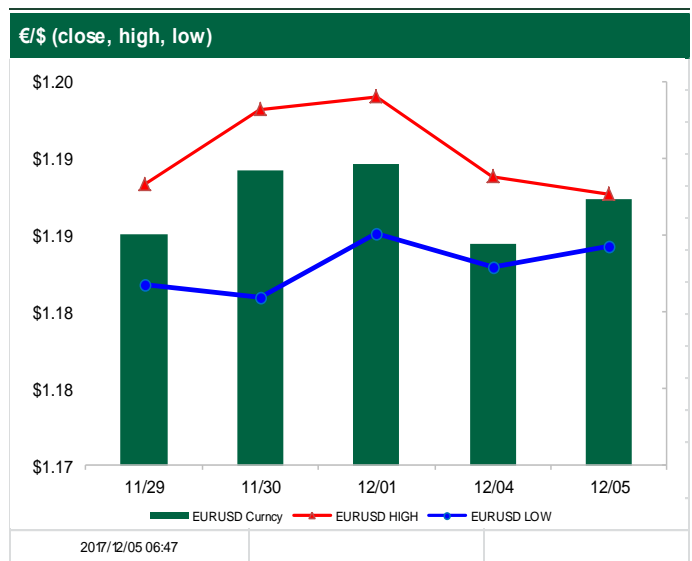
**\*Please note that the sign on the % change reflects the change on the headline number. The narrative indicates the trend direction over the month. For trade in any of these currencies, contact our FX dealing desks**

## USDZAR



Source: Bloomberg, Nedbank

## EUR/USD



Source: Bloomberg, Nedbank

# Commodities

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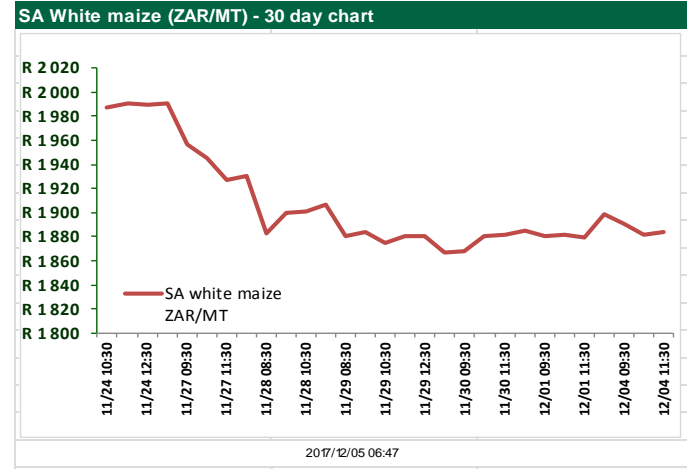
- Oil halted declines below \$58 a barrel stockpile data. Futures added 0.2% after dropping 1.5% Monday.
- Gold holds decline as investors weigh U.S. tax reform progress, failed Brexit talks between the U.K. and EU. Bullion for immediate delivery flat at \$1,276.64/oz, after -0.4% Monday.

Source: Bloomberg

Commodities	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
Brent near future (\$)	62.51	0.10	-1.67	10.01	↓
WTI crude (\$)	57.56	0.16	0.28	7.15	↑
Gold spot (\$)	1 275.05	0.11	0.26	11.12	↑
Platinum spot (\$)	927.58	0.49	-1.29	2.71	↓
SA white maize spot (R)	1 884.00	0.27	0.11	-46.81	↑

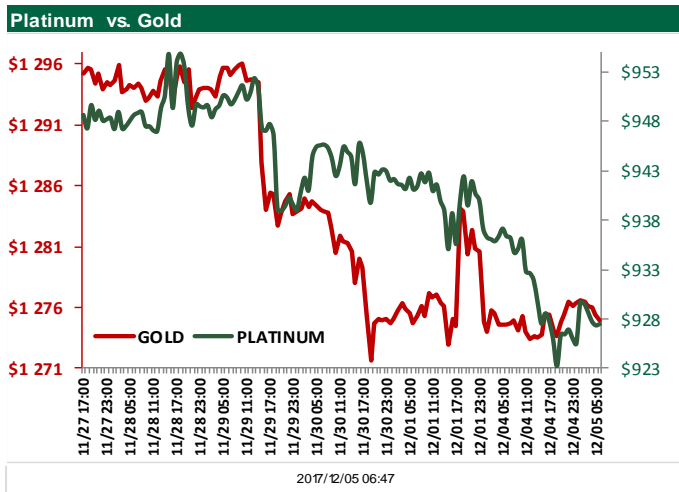
Source: Bloomberg & Nedbank CIB  
Time: 2017/12/05 06:47

## SA white maize



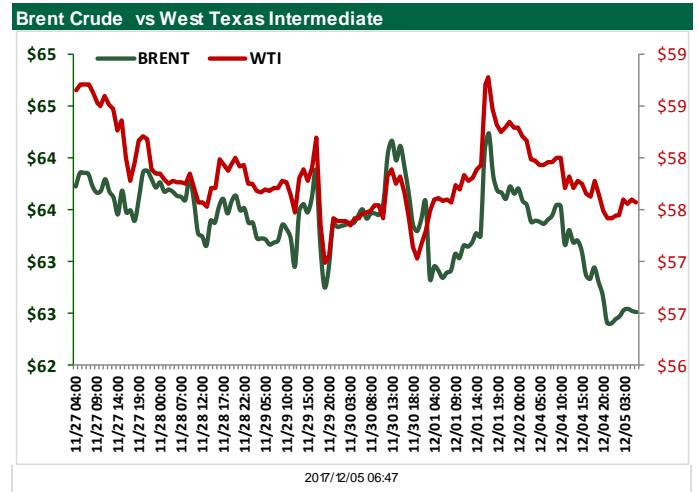
Source: Bloomberg, Nedbank

## Platinum vs Gold



Source: Bloomberg, Nedbank

## Brent Crude vs West Texas Intermediate



Source: Bloomberg, Nedbank

# Equities

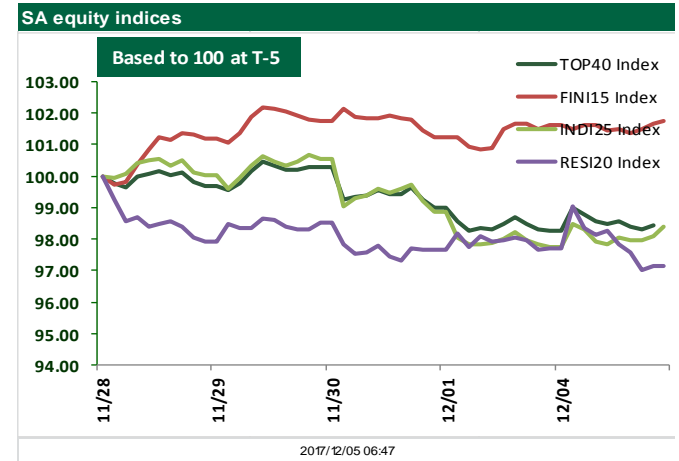
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Cash equities | +2711 535 4030/31

Developed Markets	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
Dow Jones	24 290.05	0.24	0.07	22.91	↑
Nasdaq	6 775.37	-1.05	-1.43	25.86	↓
S&P 500	2 639.44	-0.11	-0.31	17.89	↓
DJ Eurostoxx 50	3 576.22	1.38	0.18	8.68	↑
DAX	13 058.55	1.53	0.27	13.74	↑
CAC	5 389.29	1.36	0.31	10.84	↑
FTSE	7 338.97	0.53	0.17	2.75	↑
ASX200	5 972.30	-0.22	0.04	5.41	↑
Nikkei 225	22 648.24	-0.26	-0.34	18.49	↓
MSCI World	2 069.99	0.03	-0.35	18.20	↓
Emerging Markets	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
Hang Seng	29 051.63	-0.30	-0.43	32.05	↓
Shanghai	3 311.60	0.06	-0.17	6.70	↓
Brazil Bovespa	73 090.17	1.14	1.56	21.36	↑
India - NSE	32 725.41	-0.44	-1.28	22.91	↓
Russia Micex	2 119.42	0.64	0.89	-5.07	↑
MSCI Emerging	1 121.95	0.54	0.10	30.12	↑
SA Indices	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
JSE All Share	59 607.34	0.27	-0.28	17.68	↓
Top 40	53 076.58	0.36	-0.36	20.90	↓
Resi 10	36 481.65	-0.57	-0.55	13.62	↓
Indi 25	82 651.15	0.67	-0.50	28.57	↓
Fini 15	16 386.40	0.13	0.51	8.68	↑

Source: Bloomberg & Nedbank CIB  
Time: 2017/12/05 06:47

## 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
5 Dec 2017		
AFEP	AECI Limited 5.5% Pref	dividend @ 52.127570cps
ALP	Atlantic Leaf Properties Ltd	Tender @ 1760cps
APF	Accelerate Prop Fund Ltd	dividend @ 28.777130cps
CML	Coronation Fund Managers Ltd	dividend @ 217cps
CNDN	Conduit Capital Limited Npl's	Take up @ 200cps
CTK	Cartrack Holdings Limited	dividend @ 18cps
DIA	Dipula Income Fund A	dividend @ 50.648920cps
DIB	Dipula Income Fund B	dividend @ 53.658410cps
GPA	Gemgrow Properties Ltd A	dividend @ 26.087910cps
GPB	Gemgrow Properties Ltd B	dividend @ 19.000010cps
IAP	Investec Australia Property Fund	dividend @ 43.510980cps
IDQ	Indequity Group Ltd	dividend @ 13.50cps
INL	Investec Ltd	dividend @ 200cps
INLP	Investec Bank Ltd Pref	dividend @ 434.571660cps
INP	Investec Plc	dividend @ 200cps
INPR	Investec Ltd Pref	dividend @ 405.575880cps
MEI	Mediclinic Int Plc	dividend @ 59.8720cps
MRP	Mr Price Group Ltd	dividend @ 279cps
PAN	PAN Africa Resources PLC	dividend @ 8.279cps
PIK	Pick N Pay Stores Ltd	dividend @ 33.4cps
SAR	Safari Investments RSA Ltd	dividend @ 35cps
SPP	The Spar Group Ltd	dividend @ 435cps
SSS	Stor Age Prop Ltd	dividend @ 47.02cps
TCP	Transaction Capital Ltd	dividend @ 25cps

Source: JSE

# JSE performance

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Top40 constituents	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
AGL : Anglo American Plc	255.50	0.57	1.07	30.96	↑
ANG : Anglogold Ashanti Ltd	134.56	-3.59	-5.77	-11.81	↓
APN : Aspen Pharmacare Holdings Lt	300.38	-0.50	-1.68	5.92	↓
BGA : Barclays Africa Group Ltd	160.00	0.00	1.41	-5.15	↑
BID : Bid Corp Ltd	297.69	0.77	0.90	21.43	↑
BIL : Bhp Billiton Plc	249.76	0.86	0.93	14.21	↑
BTI : British American Tobacco Plc	875.94	-0.27	-0.01	12.50	↓
BVT : Bidvest Group Ltd	194.95	-0.32	1.88	7.56	↑
CFR : Financiere Richemont-Dep Rec	119.00	0.02	1.69	31.14	↑
CPI : Capitec Bank Holdings Ltd	975.77	-0.15	-0.92	40.40	↓
DSY : Discovery Ltd	162.87	-0.75	-1.12	42.24	↓
FFA : Fortress Reit Ltd-A	17.60	1.44	2.03	6.22	↑
FFB : Fortress Reit Ltd-B	42.50	0.88	0.83	31.46	↑
FSR : Firstrand Ltd	57.00	0.71	1.15	7.20	↑
GFI : Gold Fields Ltd	56.19	-2.50	-3.44	28.91	↓
GRT : Growthpoint Properties Ltd	25.60	1.59	2.40	-1.12	↑
INL : Investec Ltd	93.22	-1.84	-1.91	2.72	↓
INP : Investec Plc	93.71	-1.30	-1.15	3.26	↓
ITU : Intu Properties Plc	36.21	-0.69	1.12	-22.92	↑
LHC : Life Healthcare Group Holdin	26.42	0.69	1.19	-12.89	↑
MEI : Mediclinic International Plc	104.20	0.29	3.11	-19.85	↑
MND : Mondi Ltd	316.67	-2.17	-2.59	13.10	↓
MNP : Mondi Plc	315.30	-2.40	-3.09	13.12	↓
MRP : Mr Price Group Ltd	213.70	-0.14	2.74	33.94	↑
MTN : Mtn Group Ltd	128.25	-0.18	-0.79	1.65	↓
NED : Nedbank Group Ltd	230.40	-1.67	-0.39	-3.25	↓
NPN : Naspers Ltd-N Shs	3 629.97	2.78	-1.57	80.35	↓
NRP : Nepi Rockcastle Plc	211.39	-0.76	-0.92		↓
NTC : Netcare Ltd	22.68	-0.74	0.80	-28.77	↑
OML : Old Mutual Plc	36.00	-0.69	-1.02	4.53	↓
RDF : Redefine Properties Ltd	10.17	0.59	0.49	-9.12	↑
REM : Remgro Ltd	213.10	-0.41	-0.42	-4.46	↓
RMH : Rmb Holdings Ltd	67.57	0.19	0.97	1.76	↑
RNI : Reinet Investments Sca	287.40	-0.90	-0.90		↓
SAP : Sappi Limited	95.85	-1.65	-1.48	6.56	↓
SBK : Standard Bank Group Ltd	177.03	0.90	2.33	16.66	↑
SHP : Shoprite Holdings Ltd	233.64	0.31	2.54	36.27	↑
SLM : Sanlam Ltd	78.67	0.86	0.52	25.07	↑
SNH : Steinhoff International H Nv	50.25	-9.96	-10.68	-29.50	↓
SOL : Sasol Ltd	426.21	-1.34	-0.88	6.85	↓
TBS : Tiger Brands Ltd	416.03	-0.52	-0.34	4.57	↓
VOD : Vodacom Group Ltd	143.86	-0.17	-0.83	-5.60	↓
WHL : Woolworths Holdings Ltd	59.38	0.30	2.38	-16.39	↑

Source: Bloomberg & Nedbank CIB

Time 2017/12/05 06:47

### Europe

- Eurozone PPI eased to 2.5% y/y in October, from 2.8% previously, below consensus of 2.6%. Lower input costs were driven by energy, capital goods, and consumer goods prices. A relatively strong euro possibly contributed towards lower import costs, and will likely persist in the near term as the euro remains upbeat. The fall in the PPI was led by Germany, Greece, Spain, France and the Netherlands.
- Sentix investor confidence eased to 31.1 points in December, from 34 previously, worse than consensus of 33.4. While investors view the current situation as improving and upbeat, their outlook for the future has deteriorated.

**Synopsis: The ECB remains very dovish despite announcing tapering of its QE programme. This is due to inflation remaining below the 2% target and unlikely to reach this target over the medium term. However, the economic recovery remains upbeat and buoyed by local demand and global trade.**



# Foreign flows

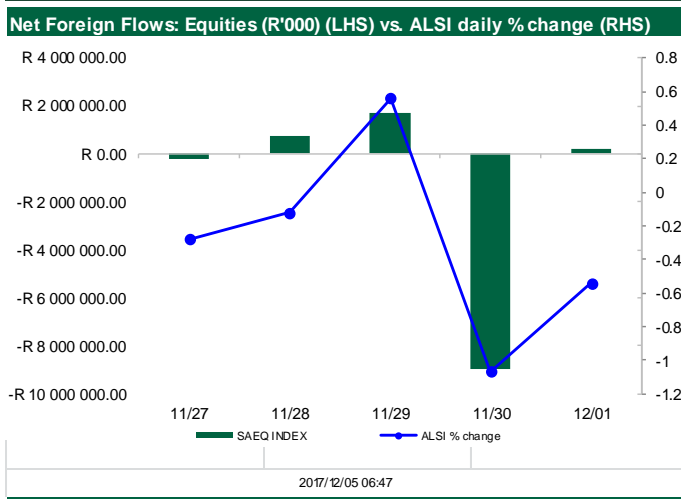
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- Last week the local market saw sharp outflows of a cumulative R15.317 billion – this was the biggest weekly outflow since May 2016 and the 4<sup>th</sup> largest ever recorded. The sell-off was due to the bond market, as foreign investors sold R8.7 billion worth of SA bonds last week, and R6.6 billion worth of equities.
- For the month of November as a whole, net inflows recorded were just R249 million, as equity inflows of R4 billion was countered by bond market outflows of R3.77 billion. One can argue that foreign investors already started positioning for the recent downgrade well before it could materialise, as outflows accumulated to R14.4 billion between October and November. In contrast, the equity market reeled in R15.3 billion worth of inflows from foreign investors in the same period.
- As a result of the recent outflows, the net YTD trend is now negative, as equity outflows rose, while bond inflows narrowed. Hence, net outflows are R4.16 billion. Over the next three weeks we are likely to see foreign flows remain volatile, due to the uncertain local political landscape, as well as geopolitical risks.

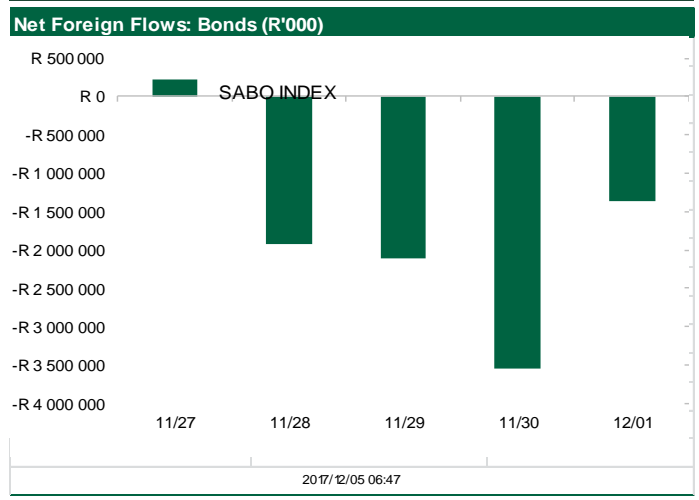
SA equities and bonds (bn)	Week to 01 Dec 2017	Month to 01 Dec 2017	Year to 01 Dec 2017
Foreign flow s into SA equity market	-R 6.584	R 0.175	-R 57.933
Foreign flow s into SA bond market	-R 8.734	-R 1.370	R 53.770
Total foreign flow s	-R 15.318	-R 1.195	-R 4.163
Source : Bloomberg	2017/12/05 06:47		

## Foreign equity flows: 5-day history



Source: Bloomberg, Nedbank

## Foreign bond flows: 5-day history



Source: Bloomberg, Nedbank

## Economic calendar

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	Country	Event	Period	Survey	Actual	Prior	Revised
<b>04-December</b>							
11:30 AM	EC	Sentix Investor Confidence	DEC	33.4	31.1	34.0	-
12:00 PM	EC	PPI YoY	OCT	2.6%	2.5%	2.9%	2.8%
05:00 PM	US	Cap Goods Orders Nondef Ex Air	OCT F	0.5%	0.3%	0.3%	-
05:00 PM	US	Durables Ex Transportation	OCT F	-	0.90%	0.90%	-
05:00 PM	US	Durable Goods Orders	OCT F	-1.1%	-0.8%	-0.8%	-
05:00 PM	US	Factory Orders	OCT	-0.4%	-0.1%	1.4%	1.7%
05:00 PM	US	Factory Orders Ex Trans	OCT	-	0.8%	0.7%	1.1%
<b>05-December</b>							
03:45 AM	CH	Caixin China PMI Services	NOV	-	51.9	51.2	-
10:55 AM	GE	Markit Germany Services PMI	NOV F	54.9	-	54.9	-
11:00 AM	EC	Markit Eurozone Services PMI	NOV F	56.2	-	56.2	-
11:30 AM	UK	Markit/CIPS UK Services PMI	NOV	55.0	-	55.6	-
11:30 AM	SA	GDP YoY	3Q	0.8%	-	1.1%	-
11:30 AM	SA	GDP Annualized QoQ	3Q	1.7%	-	2.5%	-
12:00 PM	EC	Retail Sales YoY	OCT	1.6%	-	3.7%	-
03:30 PM	US	Trade Balance	OCT	USD -47.5b	-	USD -43.5b	-
04:45 PM	US	Markit US Services PMI	NOV F	55.2	-	54.7	-
<b>06-December</b>							
09:00 AM	GE	Factory Orders WDA YoY	OCT	7.0%	-	9.5%	-
11:30 AM	SA	SACCI Business Confidence	NOV	-	-	92.9	-
03:15 PM	US	ADP Employment Change	NOV	190k	-	235k	-

Source: Bloomberg

2017/12/05 06:46

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