

For any queries, please contact:

Reezwana Sumad | ReezwanaS@Nedbank.co.za

[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

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SNIPPETS

(Fixed Income)	Foreign activity subdued, liquidity in the bond market still remains very thin
(Currencies)	Gold advances, extending weekly gains; Oil firmer this morning
(Commodities)	USDZAR holds onto gains from last year; NFP disappointment results in dollar weakness
(Equities)	Platinum miner rally as the Palladium price holds on to last year's gains
(Economics)	US nonfarm payrolls disappoint but wage growth improves. Unemployment rate unchanged

Key overnight factors and upcoming events this week

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Date	Region	Event ↓ ↑ →	Actual/expected/prior	Implications
05/01	US	Nonfarm payrolls	148k/190k/252k	Payrolls disappoint as a result of job just in some service-sector industries, unemployment rate unchanged, earnings rises marginally
08/01	EZ	Business climate indicator	--/1.49	Confidence likely to remain upbeat, driven by an ongoing economic recovery
08-12/01	SA	Manufacturing PMI	--/48.6	PMI is expected to improve marginally but remain below 50-points in December
10/01	UK	Industrial production	--/1.8%/3.6%	Industrial activity is expected to slow in November, but positive growth still reflects better global demand as the key driver of factory output
13/01	SA	Political events	--	ANC NEC meeting, local media reports possible discussion of the removal of President Zuma

Source: Nedbank

Fixed income and interest rates

[back to top](#)

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 yrs	7.06	-0.05	-0.25	-0.25	↓
R208-3.2 yrs	7.49	-0.05	-7.25	-7.25	↓
R186-9 yrs	8.54	-0.05	-4.45	-4.45	↓
R2048-30.1 yrs	9.73	-0.05	1.75	1.75	↑
US 10 yr	2.48	0.01	7.09	7.09	↑
UK 10 yr	1.24	1.00	5.40	5.40	↑
German 10 yr	0.44	0.50	1.20	1.20	↑
Japan 10 yr	0.06	0.60	1.50	1.50	↑

Money Market	Last price	Δ 1d	Δ MTD	Δ YTD	Month trend
	%	bps	bps	bps	
SA repo rate	6.75	0.00	0.00	0.00	→
SA prime rate	10.25	0.00	0.00	0.00	→
SA CPI (MTD = previous month)	4.60		-20.00		↓
SA 3m JIBAR	7.16	0.00	0.00	0.00	→
SA 3m NCD	7.15	-2.50	0.00	0.00	→
SA 6m NCD	7.58	2.50	-2.50	-2.50	↓
SA 12m NCD	7.90	-2.50	0.00	0.00	→
US 3m LIBOR	1.70	0.01	0.97	0.97	↑
UK 3m LIBOR	0.52	0.38	0.02	0.02	↑
Japan 3m LIBOR	-0.03	0.50	-0.28	-0.28	↓

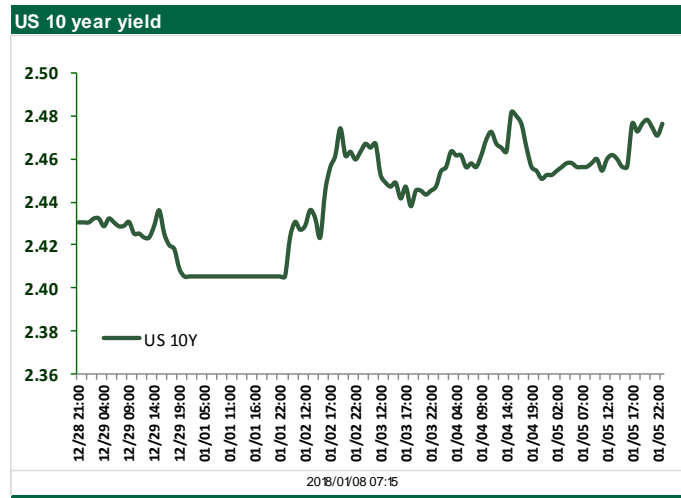
Source: Bloomberg & Nedbank CIB
Time: 2018/01/08 07:15

FRAs and Swaps	Last price	Δ 1d	Δ MTD	Δ YTD	Month trend
	%	bps	bps	bps	
3X6 FRA	6.92	0.50	2.50	2.50	↑
6X9 FRA	7.51	68.00	69.00	69.00	↑
9X12 FRA	6.77	-0.50	-2.50	-2.50	↓
18X21 FRA	6.97	-1.00	-1.00	-1.00	↓
SA 2yr Swap	7.01	8.34	8.21	8.21	↑
SA 3yr Swap	7.06	1.00	1.00	1.00	↑
SA 5yr Swap	7.33	0.00	0.00	0.00	→
SA 10yr Swap	7.90	0.00	-3.00	-3.00	↓
SA 15yr Swap	8.13	-0.50	-3.50	-3.50	↓

Spreads	Last price	Δ 1d	Δ MTD	Δ YTD	Month trend
	%	bps	bps	bps	
2v10y	-0.88	8.34	11.21	11.21	↑
3v10y	-0.84	1.00	4.00	4.00	↑
R186-R204	1.48	0.00	-4.20	-4.20	↓
R2048-R186	1.19	-0.00	6.20	6.20	↑
5y-R186	-1.21	0.05	4.45	4.45	↑
10y-R186	-0.65	0.05	1.45	1.45	↑
15y-R186	-0.42	-0.45	0.95	0.95	↑
SA 5yr CDS spread - basis points	148.00	0.00	-9.00	-9.00	↓

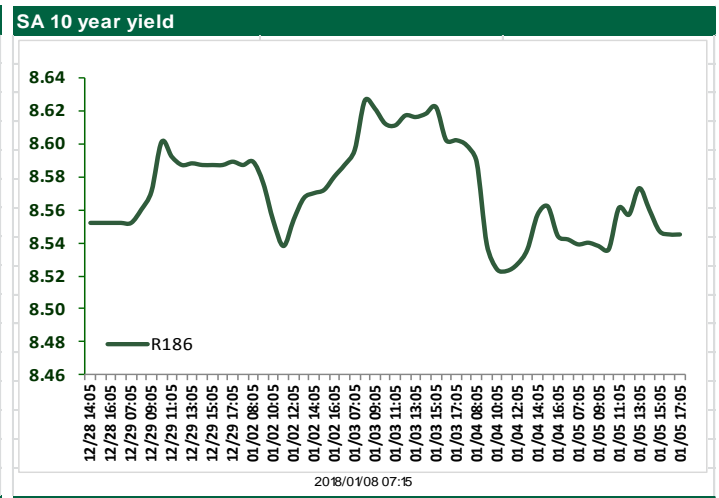
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US 10 year yield



Source: Bloomberg, Nedbank

SA 10 year yield



Source: Bloomberg, Nedbank

Currencies

[back to top](#)

Business Banking FX | +27 11 535 4003 | Corporate FX | +2711 535 4002 | Institutional FX | +2711 535 4005

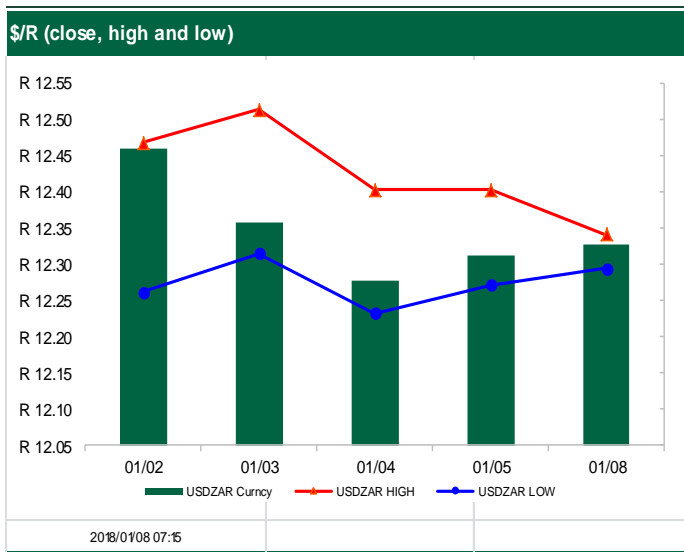
- The local currency entered 2018 being able to hold onto gains made from last year, trading range bound between 12.2000 and 12.5000 over the last few sessions. The previous week continued to see minimal market participants, corporate flows and extremely thin liquidity. Friday saw the rand start the day trading at 12.3350. With it being the first NFP for the year, trading was limited ahead of the number. The US data missed the mark printing at +148k against an expected +190k. The initial knee jerk reaction saw the rand strengthen from 12.3500 to 12.2900 on the day, before closing the week around 12.3500. New York saw another quiet session trading between 12.2950 and 12.3700. This morning we open at 12.3225.
- International markets traded in similar fashion, with no clear direction. On the back of the weaker US Jobs data, the Euro strengthen from 1.2040 to a high of 1.2081, before closing back at 1.2040 for the week. Gold the main mover to mention, after closing 2017 at \$1297, it has gained significant ground closing the week at \$1320. EURZAR opens at 14.8250 and GBPZAR opens at 16.7150.
- Looking ahead at the coming weeks, focus will shift to the upcoming first ANC meeting with the Mr Ramaphosa at the helm, and rumours continue of current president Jacob Zuma possibly to be removed out of office before the end of his term. Possible trading range: 12.2000-12.4500.

Majors	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend	USD trend
GBPUSD	1.36	-0.07	0.36	0.36	↑	USD weakness
EURUSD	1.20	-0.03	0.17	0.17	↑	USD weakness
USDJPY	113.21	0.14	0.46	0.46	↑	USD strength
USDAUD	1.28	0.27	-0.45	-0.45	↓	USD weakness
Rand crosses	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend	ZAR trend
USDZAR	12.33	0.13	-0.44	-0.44	↓	ZAR strength
GBPZAR	16.71	0.02	-0.05	-0.05	↓	ZAR strength
EURZAR	14.82	0.06	-0.22	-0.22	↓	ZAR strength
AUDZAR	9.67	-0.12	0.03	0.03	↑	ZAR weakness
ZARJPY	9.18	0.24	1.69	1.69	↑	ZAR strength
African FX	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend	ZAR trend
ZARMWK (Malawian kwacha)	58.90	0.14	0.51	0.51	↑	ZAR strength
ZARBWP (Botswana pula)	0.80	0.04	0.64	0.64	↑	ZAR strength
ZARKES (Kenyan shilling)	8.38	-0.14	0.44	0.44	↑	ZAR strength
ZARMUR (Mauritian rupee)	2.71	-0.16	-0.85	-0.85	↓	ZAR weakness
ZARNGN (Nigerian naira)	29.20	-0.07	0.50	0.50	↑	ZAR strength
ZARGHS (Ghanian cedi)	0.37	-0.03	0.65	0.65	↑	ZAR strength
ZARZMW (Zambian kwacha)	0.82	0.06	2.16	2.16	↑	ZAR strength
ZARMZN (Mozambican metical)	4.79	0.78	1.09	1.09	↑	ZAR strength

Source: Bloomberg & Nedbank CIB Time: 2018/01/08 07:15

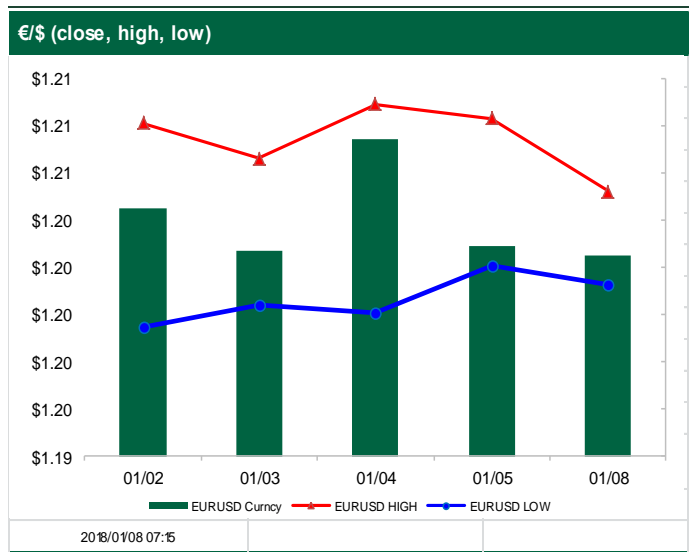
**Please note that the sign on the % change reflects the change on the headline number. The narrative indicates the trend direction over the month. For trade in any of these currencies, contact our FX dealing desks*

USDZAR



Source: Bloomberg, Nedbank

EUR/USD



Source: Bloomberg, Nedbank

Commodities

[back to top](#)

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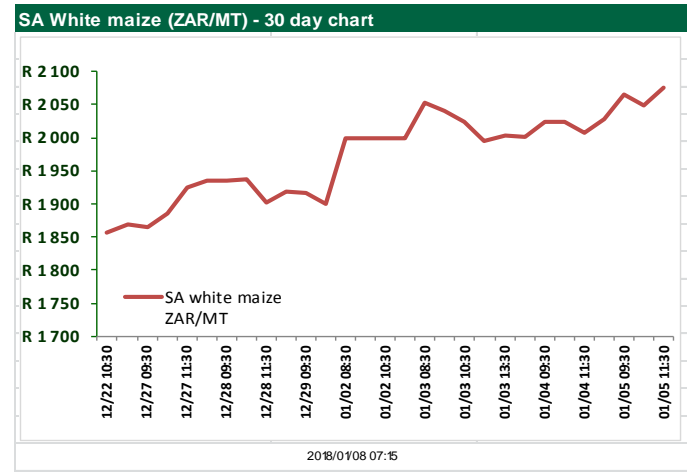
- Gold advances, extending four weeks of increases, as dollar holds losses after Friday's U.S. payrolls report missed expectations. Bullion for immediate delivery +0.45% to \$1,230.04/oz, Silver +0.1% to \$17.2450/oz, Platinum +0.1% to \$970.10/oz, Palladium +0.5% to \$1,097.93.
- Industrial metals trade mixed after broad retreat last week pared some of the surge in December. Copper and aluminum climb, while zinc and nickel drop.
- Oil prices are firmer this morning with a decline in the number of U.S. Rigs drilling for new production, with crude holding just below the 3-year highs reached last week.

Source: Bloomberg

Commodities	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
Brent near future (\$)	67.75	0.19	1.32	1.32	↑
WTI crude (\$)	61.59	0.24	1.94	1.94	↑
Gold spot (\$)	1 320.15	0.04	1.33	1.33	↑
Platinum spot (\$)	971.01	0.18	4.61	4.61	↑
SA w white maize spot (R)	2 076.00	3.44	9.26	9.26	↑

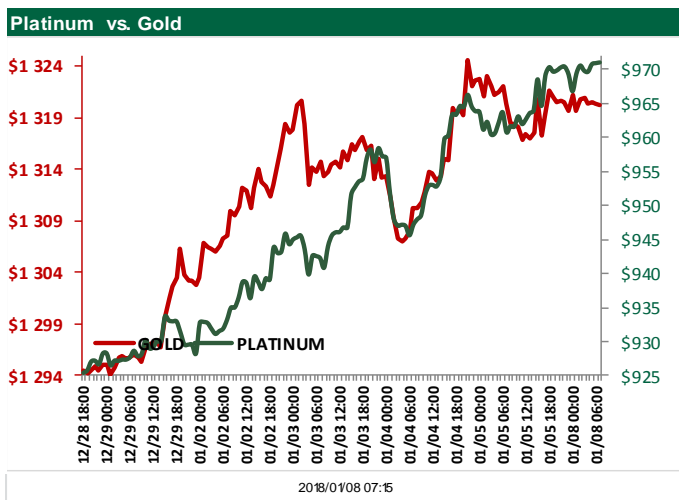
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SA white maize



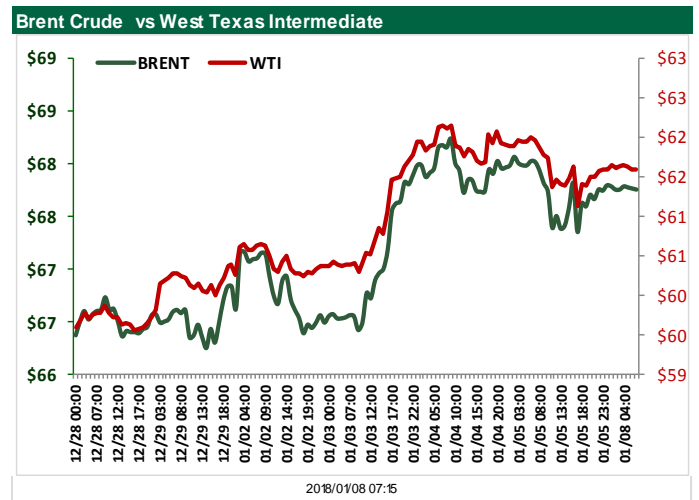
Source: Bloomberg, Nedbank

Platinum vs Gold



Source: Bloomberg, Nedbank

Brent Crude vs West Texas Intermediate



Source: Bloomberg, Nedbank

Equities

[back to top](#)

Cash equities | +2711 535 4030/31

South Africa

- The All Share index started its trading day in positive territory on Friday and remained range bound for most of the session with a positive bias to eventually end the day 0.40% higher.
- The Platinum and Precious Metals sector led the upside with the likes of Impala Platinum and Anglo Platinum advancing 2.69% and 2.90% respectively.
- On corporate news, Steinhoff announced that Ben la Grange has stepped down as CFO in order to focus on the preservation and procurement of liquidity in the group in addition to finalizing the companies audited 2017 results.
- Value traded at 5pm was around R13bn with the currency at R12.33 vs. the USD at the close.

UK/Europe

- European markets ended the first week of the year on a high as automakers and healthcare stocks outperformed.
- On the economic data front, German Retail Sales came in ahead of estimates at 4.4% (y/y).
- The Stoxx 50 was up 1.09% with the likes of Bayer AG and Volkswagen AG advancing 3.80% and 2.73% respectively.

USA

- US markets closed in positive territory on Friday, shrugging off weaker than expected jobs data and choosing to rather focus on the impact of tax cuts to corporate profits.
- The Dow Jones and S&P 500 were up 0.88% and 0.70% respectively with technology stocks leading the upside.
- On the economic data front, Non-Farm Payrolls came in below expectations at 148k versus a 190k consensus estimate.

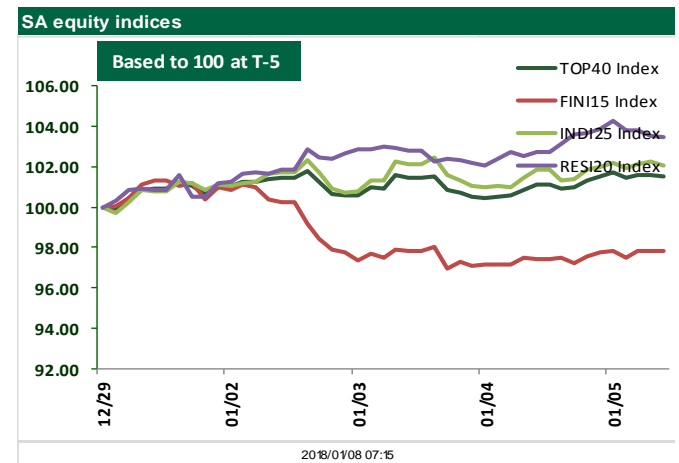
Asia

- Asian markets are mixed this morning with the Hang Seng flat while Japanese markets are closed for a public holiday.
- The Hang Seng is down 0.04% while the Kospi has gained 0.31%.
- The Australian ASX is up 0.13% with the likes of BHP declining 0.39%.

Developed Markets	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
Dow Jones	25 295.87	0.88	2.33	2.33	↑
Nasdaq	7 136.56	0.83	3.38	3.38	↑
S&P 500	2 743.15	0.70	2.60	2.60	↑
DJ Eurostoxx 50	3 607.63	1.09	2.96	2.96	↑
DAX	13 319.64	1.15	3.11	3.11	↑
CAC	5 470.75	1.05	2.98	2.98	↑
FTSE	7 724.22	0.37	0.47	0.47	↑
ASX200	6 130.40	0.13	1.08	1.08	↑
Nikkei 225	23 714.53	0.89	4.17	4.17	↑
MSCI World	2 156.60	0.65	2.53	2.53	↑
Emerging Markets	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
Hang Seng	30 801.06	-0.04	2.95	2.95	↑
Shanghai	3 403.46	0.35	2.91	2.91	↑
Brazil Bovespa	79 071.47	0.54	3.49	3.49	↑
India - NSE	34 350.08	0.57	0.86	0.86	↑
Russia Mircex	2 207.41	0.45	4.63	4.63	↑
MSCI Emerging	1 201.01	0.71	3.67	3.67	↑
SA Indices	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
JSE All Share	59 717.20	0.40	0.36	0.36	↑
Top 40	52 842.68	0.34	0.59	0.59	↑
Resi 10	37 223.50	0.68	2.56	2.56	↑
Indi 25	80 069.14	0.22	1.24	1.24	↑
Fini 15	17 254.53	0.38	-3.46	-3.46	↓

Source: Bloomberg & Nedbank CIB
Time: 2018/01/08 07:15

Short-term performance of SA equity indices



Source: Bloomberg, Nedbank

Last day to trade

[back to top](#)

Susan Correia | Scorreia@Nedbankcapital.co.za | +27 11 295 8227

Share code	Share name	Dividend / interest rate
9 Jan 2018		
AFH	Alexander Forbes Grp Hldgs	dividend @ 18cps
BAW	Barloworld Ltd	dividend @ 265cps
OMN	Omnia Holdings Ltd	dividend @ 200cps
PMV	Primeserv Group Ltd	dividend @ 1.50cps
REBN	Rebosis Property Fund NPL's	take up @ 1130cps
RFG	Rhodes Food Grp Hldgs Ltd	dividend @ 31.10cps
RTOP	Rex Trueform Ltd 6% Pref	dividend @ 6cps
SAP	Sappi Ltd	dividend @ 215.555550cps
TBS	Tiger Brands Ltd	dividend @ 702cps
TLM	Telemaster Holdings Ltd	dividend @ 1cps

Source: JSE

JSE performance

[back to top](#)

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Top40 constituents	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
AGL : Anglo American Plc	268.47	0.87	5.03	5.03	↑
ANG : Anglogold Ashanti Ltd	130.41	1.80	1.39	1.39	↑
APN : Aspen Pharmacare Holdings Lt	268.99	-0.00	-3.07	-3.07	↓
BGA : Barclays Africa Group Ltd	170.00	0.24	-6.59	-6.59	↓
BID : Bid Corp Ltd	291.75	0.52	-3.07	-3.07	↓
BIL : Bhp Billiton Plc	259.50	0.42	3.57	3.57	↑
BTI : British American Tobacco Plc	827.11	0.42	-0.29	-0.29	↓
BVT : Bidvest Group Ltd	209.08	1.77	-4.13	-4.13	↓
CFR : Financiere Richemont-Dep Rec	112.10	-0.44	0.31	0.31	↑
CPI : Capitec Bank Holdings Ltd	1 065.11	0.17	-2.99	-2.99	↓
DSY : Discovery Ltd	181.70	-0.16	-2.31	-2.31	↓
FFA : Fortress Reit Ltd-A	18.28	-0.11	-1.51	-1.51	↓
FFB : Fortress Reit Ltd-B	40.92	-0.05	-3.03	-3.03	↓
FSR : Firstrand Ltd	63.71	0.87	-5.26	-5.26	↓
GFI : Gold Fields Ltd	54.29	1.97	0.35	0.35	↑
GRT : Grow thpoint Properties Ltd	26.72	-0.48	-3.40	-3.40	↓
INL : Investec Ltd	89.88	-0.24	0.18	0.18	↑
INP : Investec Plc	90.50	0.28	0.82	0.82	↑
ITU : Intu Properties Plc	41.27	0.15	-1.62	-1.62	↓
LHC : Life Healthcare Group Holdin	26.19	1.63	-5.62	-5.62	↓
MEI : Mediclinic International Plc	104.16	-1.11	-2.09	-2.09	↓
MND : Mondi Ltd	321.55	-0.14	0.71	0.71	↑
MNP : Mondi Plc	322.69	-0.47	1.06	1.06	↑
MRP : Mr Price Group Ltd	240.81	3.17	-1.66	-1.66	↓
MTN : Mtn Group Ltd	134.72	3.10	-1.38	-1.38	↓
NED : Nedbank Group Ltd	258.30	2.37	0.86	0.86	↑
NPN : Naspers Ltd-N Shs	3 616.44	-0.56	4.79	4.79	↑
NRP : Nepi Rockcastle Plc	203.90	0.38	-4.53		↓
OML : Old Mutual Plc	37.70	0.40	-0.79	-0.79	↓
RDF : Redefine Properties Ltd	10.53	0.38	-1.59	-1.59	↓
REM : Remgro Ltd	230.38	-0.70	-2.38	-2.38	↓
RES : Resilient Reit Ltd	146.22	1.02	-3.27	-3.27	↓
RMH : Rmb Holdings Ltd	75.20	-0.28	-5.01	-5.01	↓
RNI : Reinet Investments Sca	267.72	0.53	-2.29		↓
SAP : Sappi Limited	87.49	0.10	-2.25	-2.25	↓
SBK : Standard Bank Group Ltd	187.80	0.11	-4.02	-4.02	↓
SHP : Shoprite Holdings Ltd	220.20	2.90	-0.45	-0.45	↓
SLM : Sanlam Ltd	82.12	0.76	-5.61	-5.61	↓
SNH : Steinhoff International H Nv	8.80	2.33	89.25	89.25	↑
SOL : Sasol Ltd	429.83	1.46	0.39	0.39	↑
TBS : Tiger Brands Ltd	449.32	1.51	-2.32	-2.32	↓
VOD : Vodacom Group Ltd	144.00	1.77	-1.15	-1.15	↓
WHL : Woolworths Holdings Ltd	63.18	1.14	-3.26	-3.26	↓

Source: Bloomberg & Nedbank CIB

Time 2018/01/08 07:15

Economics

[back to top](#)

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US

- US nonfarm payrolls disappointed in December, with only 148k jobs created, compared to 190k expected and 252k previously. The services sector was the main driver of lower employment gains, as the trade, transport and retail industries shed jobs in December. Employment growth in the business service, education and health industries were also very weak. As a result of a marginal increase in employment and the pool of available labour, the unemployment rate remained unchanged at 4.1%, in line with consensus.
- Growth in average hourly earnings rose marginally, driven by wage gains in the goods-producing industry, and the financial services industry. The US labour market is below full employment, and therefore pressure is mounting on labour supply, and to some extent, wage pressures as well.

Synopsis: The main concern for monetary policy is the medium term outlook, which is clouded by concerns over a financial market shock, uncertainty over the implication of the new tax bill, and stubbornly low inflation while the labour market is at full employment. The Fed still sees 3 rate hikes next year, but have stressed that this may be revised if needed.

Europe

- Eurozone CPI eased to 1.4% y/y in December, from 1.5% previously, in line with consensus. Lower food, alcohol, and energy inflation were the key drivers of headline CPI lower, while services inflation and core CPI remained unchanged.
- Core inflation remains at an unpalatable 0.9% y/y, confirming the ECB's argument that underlying inflationary pressures remain benign. Headline CPI is therefore not expected to reach the ECB's target of 2% over the medium to long term.

Synopsis: The ECB continues to reiterate that even though the asset purchase programme will be halved this year, its continued bond-buying, holdings and reinvestments will be supportive of financial conditions and the economy over the medium term. Hence, despite a continued decline in the amount of slack in the economy, this hasn't translated into a sustainable rise in inflation, thereby keeping the ECB dovish.

The US labour market continues to tighten despite NFP disappointing



Source: Bloomberg, Nedbank

Economic calendar

[back to top](#)

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	Country	Event	Period	Survey	Actual	Prior	Revised
05-January							
09:00 AM	GE	Retail Sales YoY	NOV	2.30%	4.40%	-1.40%	-0.90%
12:00 PM	EC	CPI Core YoY	DEC A	-	0.90%	0.90%	-
12:00 PM	EC	PPI YoY	NOV	2.5%	2.8%	2.5%	-
12:00 PM	EC	CPI Estimate YoY	DEC	1.40%	1.40%	1.50%	-
03:30 PM	US	Average Hourly Earnings YoY	DEC	2.5%	2.5%	2.5%	2.4%
03:30 PM	US	Change in Nonfarm Payrolls	DEC	190k	148k	228k	252k
03:30 PM	US	Labor Force Participation Rate	DEC	-	62.7%	62.7%	-
03:30 PM	US	Unemployment Rate	DEC	4.1%	4.1%	4.1%	-
03:30 PM	US	Trade Balance	NOV	USD -49.9b	USD -50.5b	USD -48.7b	USD -48.9b
05:00 PM	US	Cap Goods Orders Nondef Ex Air	NOV F	0.5%	-0.2%	-0.2%	-
05:00 PM	US	Durables Ex Transportation	NOV F	0.50%	-0.10%	-0.10%	-
05:00 PM	US	Durable Goods Orders	NOV F	-1.1%	1.3%	1.3%	-
05:00 PM	US	Factory Orders	NOV	1.1%	1.3%	-0.1%	0.4%
05:00 PM	US	Factory Orders Ex Trans	NOV	-	0.8%	0.8%	1.2%
08-January							
08:00 AM	SA	Gross Reserves	DEC	-	-	USD 50.3b	-
08:00 AM	SA	Net Reserves	DEC	-	-	USD 42.7b	-
09:00 AM	GE	Factory Orders WDA YoY	NOV	7.8%	-	6.9%	-
11:30 AM	EC	Sentix Investor Confidence	JAN	31.3	-	-	-
12:00 PM	EC	Consumer Confidence	DEC F	0.50	-	0.50	-
12:00 PM	EC	Retail Sales YoY	NOV	2.4%	-	0.4%	-
12:00 PM	EC	Business Climate Indicator	DEC	1.50	-	1.49	-
12:00 PM	EC	Economic Confidence	DEC	114.8	-	114.6	-
10:00 PM	US	Consumer Credit	NOV	USD 18.0b	-	USD 20.5b	-
09-January							
09:00 AM	GE	Current Account Balance	NOV	EUR 25.5b	-	EUR 18.1b	-
09:00 AM	GE	Exports SA MoM	NOV	1.20%	-	-0.30%	-
09:00 AM	GE	Imports SA MoM	NOV	0.60%	-	1.80%	-
09:00 AM	GE	Trade Balance	NOV	EUR 21.2b	-	EUR 18.9b	-
09:00 AM	GE	Industrial Production WDA YoY	NOV	4.00%	-	2.70%	-
12:00 PM	EC	Unemployment Rate	NOV	8.70%	-	8.80%	-
05:00 PM	US	JOLTS Job Openings	NOV	6025	-	5996	-

Source: Bloomberg

2018/01/08 07:12

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
 (011) 535 4004

Money Market Institutional Sales Desk
 (011) 535 4008

Bond Trading
 (011) 535 4021

Forex Business Banking Sales Desk
 (011) 535 4003

Forex Retail Sales Desk
 (011) 535 4020

Money Market Business Banking Sales Desk
 (011) 535 4006

Non Soft & Soft Commodities Trading
 (011) 535 4038

Credit Derivatives
 (011) 535 4047

Forex Corporate Sales Desk
 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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