

For any queries, please contact:

Reezwana Sumad | [ReezwanaS@Nedbank.co.za](mailto:ReezwanaS@Nedbank.co.za)

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## Key daily drivers

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### SNIPPETS

(Fixed Income)	USTs sell off, SA R186 yield marginally higher
(Currencies)	The Rand hold firms below 12.0000 level into the week close
(Commodities)	Oil held gains while gold remains steady after recent rally
(Equities)	Earnings season progresses with a few US technology stocks reporting this week
(Economics)	US GDP growth disappoints while UK growth surprises to the upside

## Key overnight factors and upcoming events this week

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Date	Region	Event ↓ ↑ →	Actual/expected/prior	Implications
26/01	UK	GDP	--/0.4%/0.4%	GDP growth expected to remain positive and unchanged in Q4, slow recovery expected to persist
26/01	US	GDP	--/3%/3.2%	Economy is expected to continue on a solid recovery into 2018
29/01	US	PCE deflator	--/1.7%/1.8%	PCE expected to remain downbeat in the near term
30/01	SA	Monthly budget	--/--/15.3b	December is usually a surplus month, with higher revenues. We could see a budget balance of R20-R30 billion if seasonal trends hold

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

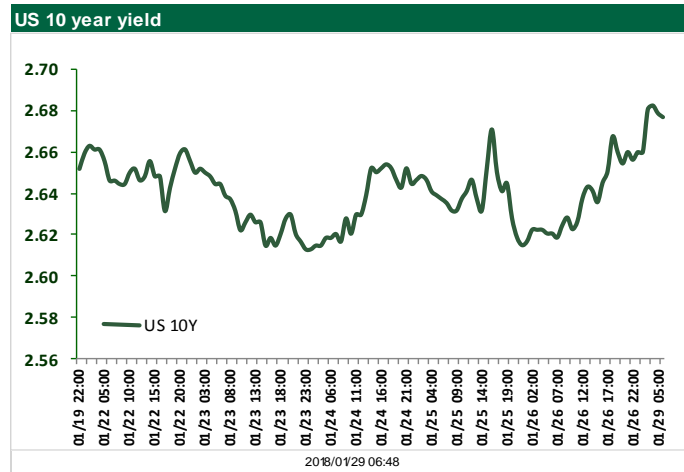
Bonds	Last price	Δ 1d	Δ MTD	Δ YTD	Month trend
	%	bps	bps	bps	
R204-0.9 yrs	6.98	2.20	-7.80	-7.80	↓
R208-3.2 yrs	7.32	0.90	-23.50	-23.50	↓
R186-8.9 yrs	8.42	1.20	-17.00	-17.00	↓
R2048-30.1 yrs	9.50	0.30	-21.70	-21.70	↓
US 10 yr	2.68	1.69	27.14	27.14	↑
UK 10 yr	1.44	3.20	25.40	25.40	↑
German 10 yr	0.63	1.70	20.20	20.20	↑
Japan 10 yr	0.09	0.80	3.80	3.80	↑
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)	4.70		10.00		↑
SA 3m JIBAR	7.13	0.00	-2.50	-2.50	↓
SA 3m NCD	7.15	0.00	0.00	0.00	→
SA 6m NCD	7.60	5.00	0.00	0.00	→
SA 12m NCD	7.93	5.00	2.50	2.50	↑
US 3m LIBOR	1.77	0.66	7.26	7.26	↑
UK 3m LIBOR	0.53	-0.03	0.69	0.69	↑
Japan 3m LIBOR	-0.04	-0.17	-1.45	-1.45	↓

Source: Bloomberg & Nedbank CIB  
Time: 2018/01/29 06:48

FRAs and Swaps	Last price	Δ 1d	Δ MTD	Δ YTD	Month trend
	%	bps	bps	bps	
3X6 FRA	6.97	1.00	8.00	8.00	↑
6X9 FRA	6.86	0.00	4.00	4.00	↑
9X12 FRA	6.77	-2.00	-2.00	-2.00	↓
18X21 FRA	6.98	1.00	0.00	0.00	→
SA 2yr Swap	6.93	0.14	0.01	0.01	↑
SA 3yr Swap	7.07	0.45	2.00	2.00	↑
SA 5yr Swap	7.38	0.50	4.50	4.50	↑
SA 10yr Swap	7.95	0.00	2.00	2.00	↑
SA 15yr Swap	8.16	-0.50	0.00	0.00	→
Spreads	Last price	Δ 1d	Δ MTD	Δ YTD	Month trend
	%	bps	bps	bps	
2v10y	-1.01	0.14	-1.99	-1.99	↓
3v10y	-0.88	0.45	0.00	0.00	→
R186-R204	1.43	-1.00	-9.20	-9.20	↓
R2048-R186	1.08	-0.90	-4.70	-4.70	↓
5y-R186	-1.04	-0.70	21.50	21.50	↑
10y-R186	-0.47	-1.20	19.00	19.00	↑
15y-R186	-0.26	-1.70	17.00	17.00	↑
SA 5yr CDS spread - basis points	144.50	0.00	-12.50	-12.50	↓

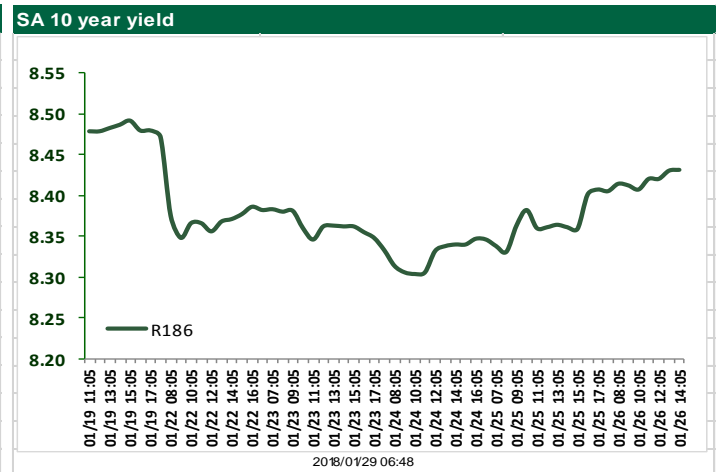
Source: Bloomberg & Nedbank CIB  
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## US 10 year yield



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

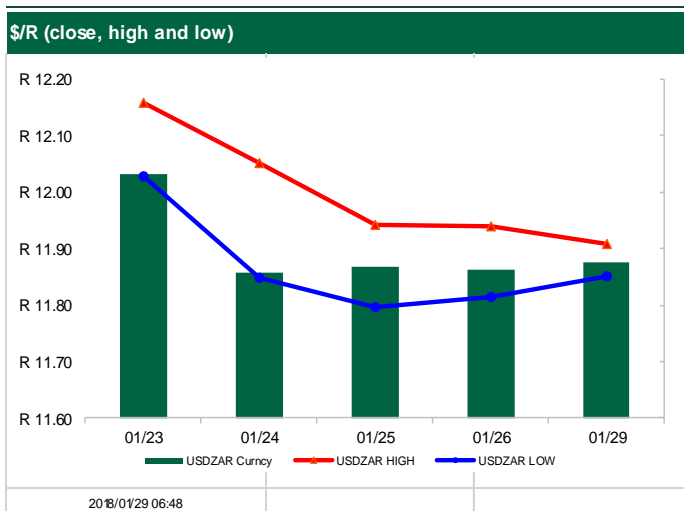
- The rand started the local session trading at 11.9075. Despite the comments from President Trump earlier in the week, the rand continues to consolidate below the 12.0000 handle. The day was fairly quiet with little action to mention. On the day the rand touched a best level off 11.8150 and a worst level of 11.9400. We brought the week to a close, with the rand trading near the opening levels. The Overnight session saw the local unit trade between 11.8550 and 11.9150, and we open this morning trading at 11.8850. EURZAR currently trading at 14.7500, and GBPZAR currently trading at 16.8000.
- International markets still showing mixed emotions this past week. Initially all seemed to rally against a globally weaker dollar. The Euro opened at 1.2438 and during the course of the day touched a high of 1.2489, before retracing to the opening levels into the close. This morning we open marginally weaker at 1.2414. UK GDP printed better than expected at 1.5%, but had little positive reaction to the currency. The Sterling opened at 1.4190 and prior to the data release touched a high of 1.4289 on the day. Despite the better GDP data concerns about the growth of the economy seemed to filter through. The Sterling traded to a day low of 1.4113 and closed at 1.4164. This morning we opening mildly weaker at 1.4137. Yen continues to hold onto gains made last week, currently trading at 108.77. This morning Gold is trading \$5 weaker since the open on Friday, currently trading at \$1348.
- On the data front we have US PCE data, personal income and spending. No local data expected today.
- Possible trading range: 11.7500-12.0000

Majors	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend	USD trend
GBPUSD	1.41	-0.12	4.66	4.66	↑	USD weakness
EURUSD	1.24	-0.09	3.42	3.42	↑	USD weakness
USDJPY	108.70	0.11	-3.67	-3.67	↓	USD weakness
USDAUD	1.24	0.18	-3.58	-3.58	↓	USD weakness
Rand crosses	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend	ZAR trend
USDZAR	11.88	0.11	-4.28	-4.28	↓	ZAR strength
GBPZAR	16.80	-0.02	0.44	0.44	↑	ZAR weakness
EURZAR	14.74	0.02	-0.75	-0.75	↓	ZAR strength
AUDZAR	9.61	-0.08	-0.51	-0.51	↓	ZAR strength
ZARJPY	9.15	-0.20	1.37	1.37	↑	ZAR strength
African FX	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend	ZAR trend
ZARMWK (Malawian kwacha)	61.10	-0.10	3.92	3.92	↑	ZAR strength
ZARBWP (Botswana pula)	0.80	-0.10	1.27	1.27	↑	ZAR strength
ZARKES (Kenyan shilling)	8.62	-0.13	3.25	3.25	↑	ZAR strength
ZARMUR (Mauritian rupee)	2.72	-1.01	-0.39	-0.39	↓	ZAR weakness
ZARNGN (Nigerian naira)	30.27	-0.13	3.92	3.92	↑	ZAR strength
ZARGHS (Ghanian cedi)	0.38	0.37	4.75	4.75	↑	ZAR strength
ZARZMW (Zambian kwacha)	0.82	0.00	1.94	1.94	↑	ZAR strength
ZARMZN (Mozambican metical)	4.97	-1.21	4.65	4.65	↑	ZAR strength

Source: Bloomberg & Nedbank CIB Time: 2018/01/29 06:48

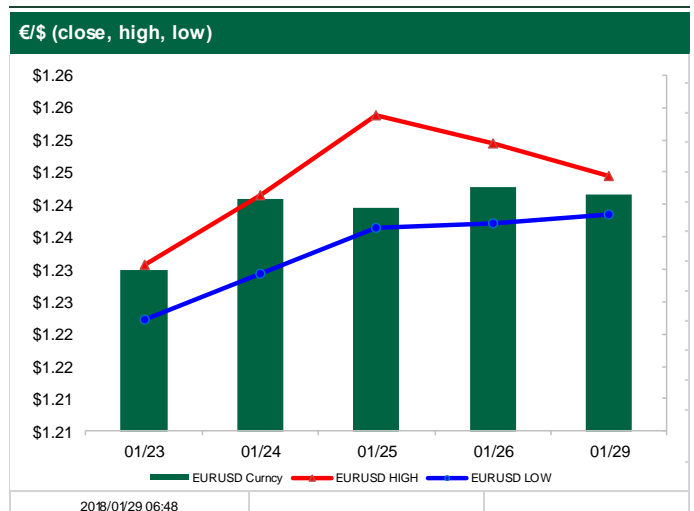
*\*Please note that the sign on the % change reflects the change on the headline number. The narrative indicates the trend direction over the month. For trade in any of these currencies, contact our FX dealing desks*

## USDZAR



Source: Bloomberg, Nedbank

## EUR/USD



Source: Bloomberg, Nedbank

# Commodities

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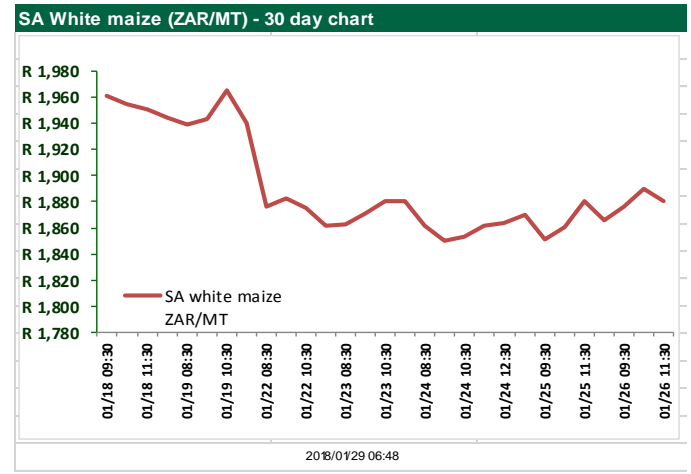
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- Oil held gains in early trade on Monday after closing at the highest in more than three years on Friday.
  - Gold steady after posting sixth weekly gain in seven. Bullion for immediate delivery little changed at \$1,347.53/oz; +1.3% last week.
- Source: Bloomberg

Commodities	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
Brent near future (\$)	70.49	-0.04	5.41	5.41	↑
WTI crude (\$)	66.38	0.36	9.86	9.86	↑
Gold spot (\$)	1 348.95	-0.01	3.54	3.54	↑
Platinum spot (\$)	1 012.14	0.05	9.04	9.04	↑
SA w white maize spot (R)	1 880.00	0.00	-1.05	-1.05	↓

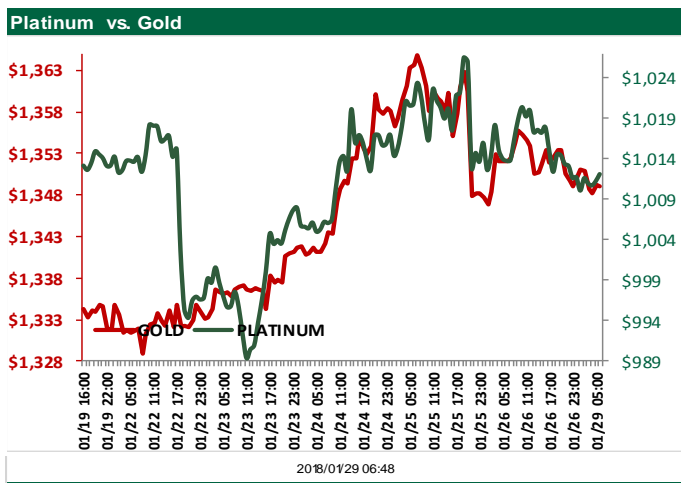
Source: Bloomberg & Nedbank CIB  
Time: 2018/01/29 06:48

## SA white maize



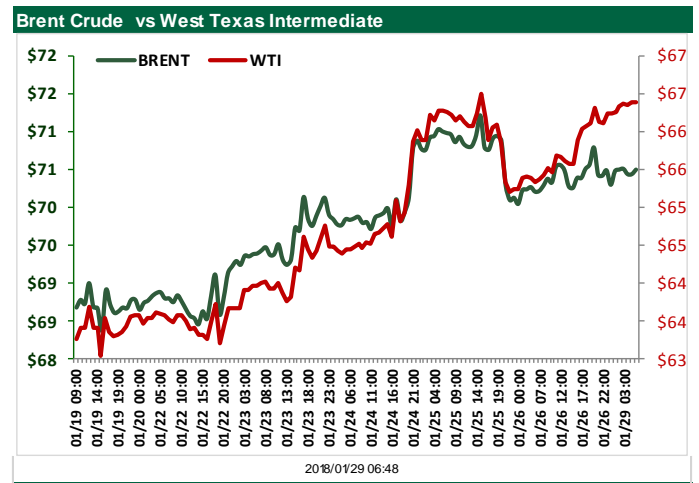
Source: Bloomberg, Nedbank

## 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 flat and remained range bound for most of the day as the bulls and bears wrestled going into the weekend. The All Share index eventually ended the day 0.14% lower.
- The Construction sector led the upside with the likes of PPC and WBHO advancing 2.56% and 1.85% respectively.
- On corporate news, Resilient released its results which were in line with guidance showing 13,4% distribution growth.
- Value traded at 5pm was around R25bn with the currency at R11.88 vs. the USD at the close.

## UK/Europe

- European markets ended the week strong with the FTSE 100 up 0.65% while the Cac40 advanced 0.87%
- On the economic data front, France's consumer confidence data came in below expectations at 104.
- The Stoxx 50 was up 0.48% with the likes of LVMH and Airbus SE advancing 4.89% and 1.77% respectively

## USA

- US markets closed in positive territory on Friday, as earnings season progresses with big tech companies reporting this week.
- The Dow Jones and S&P 500 were up 0.85% and 1.18% respectively with healthcare stocks leading the upside.
- On the economic data front, Durable Goods Orders came in better than expected showing a 2.9% increase for December.

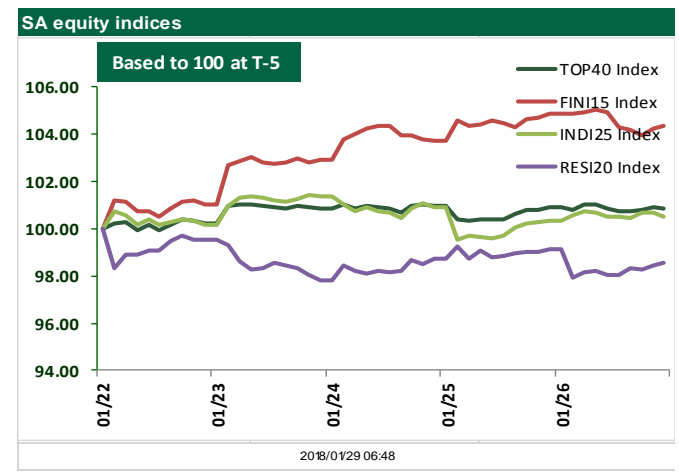
## Asia

- Asian markets are mixed this morning with the Hang Seng flat while Japanese markets are trading higher.
- The Hang Seng is down 0.04% while the Nikkei has gained 0.07%
- The Australian ASX is up 0.42% with the likes of BHP declining 0.32%

Developed Markets	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
Dow Jones	26 616.71	0.85	7.68	7.68	↑
Nasdaq	7 505.77	1.28	8.73	8.73	↑
S&P 500	2 872.87	1.18	7.45	7.45	↑
DJ Eurostoxx 50	3 647.41	0.48	4.09	4.09	↑
DAX	13 340.17	0.31	3.27	3.27	↑
CAC	5 529.15	0.87	4.08	4.08	↑
FTSE	7 665.54	0.65	-0.29	-0.29	↓
ASX200	6 083.40	0.55	0.30	0.30	↑
Nikkei 225	23 662.00	0.13	3.94	3.94	↑
MSCI World	2 248.93	0.65	6.92	6.92	↑
Emerging Markets	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
Hang Seng	33 142.51	-0.04	10.77	10.77	↑
Shanghai	3 538.98	-0.54	7.01	7.01	↑
Brazil Bovespa	85 530.84	2.21	11.95	11.95	↑
India - NSE	36 352.25	0.84	6.74	6.74	↑
Russia Micex	2 295.26	-1.07	8.79	8.79	↑
MSCI Emerging	1 273.07	0.76	9.89	9.89	↑
SA Indices	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
JSE All Share	61 595.86	-0.14	3.51	3.51	↑
Top 40	54 530.63	-0.05	3.80	3.80	↑
Resi 10	38 335.69	-0.58	5.63	5.63	↑
Indi 25	81 980.49	0.21	3.66	3.66	↑
Fini 15	18 311.43	-0.51	2.45	2.45	↑

Source: Bloomberg & Nedbank CIB  
Time: 2018/01/29 06:48

## Short-term performance of SA equity indices



Source: Bloomberg, Nedbank

## Last day to trade

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

Share code	Share name	Dividend / interest rate
30 Jan 2018		
BDM	Buildmax Ltd	Scheme of arrangement @ 15cps
NPKP	Nampak Ltd 6% Pref	dividend @ 6cps
NPP1	Nampak Ltd 6.5% Pref	dividend @ 6.50cps
PFB	Premier Fishing Brands Ltd	dividend @ 15cps
PFG	Pioneer Foods Group Ltd	dividend @ 260cps
TON	Tongaat Hulett Ltd	dividend @ 100cps

Source: JSE

## JSE performance

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Top40 constituents	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
AGL : Anglo American Plc	294.00	-0.17	15.01	15.01	↑
ANG : Anglogold Ashanti Ltd	138.58	-1.05	7.74	7.74	↑
APN : Aspen Pharmacare Holdings Lt	254.75	-0.88	-8.20	-8.20	↓
BGA : Barclays Africa Group Ltd	183.47	-1.05	0.81	0.81	↑
BID : Bid Corp Ltd	276.24	1.15	-8.22	-8.22	↓
BIL : Bhp Billiton Plc	265.93	-0.12	6.14	6.14	↑
BTI : British American Tobacco Plc	820.00	-1.17	-1.15	-1.15	↓
BVT : Bidvest Group Ltd	246.22	2.14	12.90	12.90	↑
CFR : Financiere Richemont-Dep Rec	112.44	0.61	0.62	0.62	↑
CPI : Capitec Bank Holdings Ltd	1 025.63	-4.08	-6.59	-6.59	↓
DSY : Discovery Ltd	185.65	1.17	-0.19	-0.19	↓
FFA : Fortress Reit Ltd-A	17.80	-0.78	-4.09	-4.09	↓
FFB : Fortress Reit Ltd-B	34.49	2.65	-18.27	-18.27	↓
FSR : Firstrand Ltd	70.25	-1.65	4.46	4.46	↑
GFI : Gold Fields Ltd	53.71	-0.26	-0.72	-0.72	↓
GRT : Growthpoint Properties Ltd	28.68	0.60	3.69	3.69	↑
INL : Investec Ltd	94.85	0.30	5.72	5.72	↑
INP : Investec Plc	94.50	0.02	5.28	5.28	↑
ITU : Intu Properties Plc	38.75	0.03	-7.63	-7.63	↓
LHC : Life Healthcare Group Holdin	27.25	-2.68	-1.80	-1.80	↓
MEI : Mediclinic International Plc	103.50	-3.75	-2.71	-2.71	↓
MND : Mondi Ltd	319.00	0.92	-0.08	-0.08	↓
MNP : Mondi Plc	321.46	0.80	0.67	0.67	↑
MRP : Mr Price Group Ltd	284.75	1.33	16.29	16.29	↑
MTN : Mtn Group Ltd	134.75	-0.60	-1.35	-1.35	↓
NED : Nedbank Group Ltd	279.68	-0.11	9.21	9.21	↑
NPN : Naspers Ltd-N Shs	3 665.00	0.47	6.20	6.20	↑
NRP : Nepi Rockcastle Plc	171.48	1.47	-19.71	-19.71	↓
OML : Old Mutual Plc	40.53	-0.47	6.66	6.66	↑
RDF : Redefine Properties Ltd	11.29	0.36	5.51	5.51	↑
REM : Remgro Ltd	244.00	-0.25	3.39	3.39	↑
RES : Resilient Reit Ltd	127.15	-0.20	-15.88	-15.88	↓
RMH : Rmb Holdings Ltd	82.87	-0.84	4.67	4.67	↑
RNI : Reinet Investments Sca	268.00	-2.19	-2.19	-2.19	↓
SAP : Sappi Limited	83.70	-3.08	-6.48	-6.48	↓
SBK : Standard Bank Group Ltd	208.75	0.41	6.69	6.69	↑
SHP : Shoprite Holdings Ltd	246.51	-1.10	11.45	11.45	↑
SLM : Sanlam Ltd	90.50	-1.41	4.02	4.02	↑
SNH : Steinhoff International H Nv	7.55	1.48	62.37	62.37	↑
SOL : Sasol Ltd	452.50	-1.78	5.68	5.68	↑
TBS : Tiger Brands Ltd	470.01	-0.95	2.18	2.18	↑
VOD : Vodacom Group Ltd	163.00	3.48	11.89	11.89	↑
WHL : Woolworths Holdings Ltd	67.10	4.40	2.74	2.74	↑

Source: Bloomberg & Nedbank CIB

Time 2018/01/29 06:48

# Economics

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## US

- US GDP growth eased to 2.6% y/y in Q4, from 3.2% previously, worse than consensus of 3%. Personal consumption spending was the main contributor towards the headline growth rate. Spending on both goods and services rose sharply. Gross private investment slowed, net exports contracted sharply, offsetting marginal gains in government spending. Despite the headline disappointment, economic activity remains upbeat and driven by the consumer.

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

## UK

- UK GDP growth rose marginally in Q4, to 0.5% q/q from 0.4% q/q previously. Growth was driven by the service sector, along with government spending and manufacturing production.
- Despite uncertainties regarding the Brexit, consumer confidence remains positive and has been the key contributor towards the current economic recovery. This is likely to persist over the medium term.

**Synopsis: The BOE maintains its hawkishness, which is needed as inflation remains well above the BOE target of 2%. Furthermore, the BOE sees gradual upside pressures to inflation as the economic recovery is expected to improve. This may necessitate gradual monetary policy tightening over the long run, but the BOE stressed that these increases will be limited and gradual. The market is currently forecasting a rate hike towards the end of 2018.**



# Economic calendar

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	Country	Event	Period	Survey	Actual	Prior	Revised
<b>26-January</b>							
01:30 AM	JN	Natl CPI YoY	DEC	1.10%	1.00%	0.60%	-
03:30 AM	CH	Industrial Profits YoY	DEC	-	10.80%	14.90%	-
11:00 AM	EC	M3 Money Supply YoY	DEC	4.90%	4.60%	4.90%	-
11:30 AM	UK	GDP QoQ	4Q A	0.40%	0.50%	0.40%	-
11:30 AM	UK	GDP YoY	4Q A	1.40%	1.50%	1.70%	-
03:30 PM	US	Wholesale Inventories MoM	DEC P	0.40%	0.20%	0.80%	0.70%
03:30 PM	US	Advance Goods Trade Balance	DEC	USD -68.9b	USD -71.6b	00:00	USD -70.0b
03:30 PM	US	Cap Goods Orders Nondef Ex Air	DEC P	0.6%	-0.3%	-0.2%	0.2%
03:30 PM	US	Durables Ex Transportation	DEC P	0.60%	0.60%	-0.10%	0.30%
03:30 PM	US	Durable Goods Orders	DEC P	0.8%	2.9%	1.3%	1.7%
03:30 PM	US	Core PCE QoQ	4Q A	1.90%	1.90%	1.30%	-
03:30 PM	US	GDP Annualized QoQ	4Q A	3.00%	2.60%	3.20%	-
03:30 PM	US	Personal Consumption	4Q A	-	3.80%	2.20%	-
<b>29-January</b>							
03:30 PM	US	PCE Core YoY	DEC	-	-	1.50%	-
03:30 PM	US	PCE Deflator YoY	DEC	-	-	1.80%	-
03:30 PM	US	Personal Income	DEC	-	-	0.30%	-
03:30 PM	US	Personal Spending	DEC	-	-	0.60%	-
03:30 PM	US	Real Personal Spending	DEC	-	-	0.40%	-
05:30 PM	US	Dallas Fed Manf. Activity	JAN	-	-	29.7	-
<b>30-January</b>							
01:30 AM	JN	Jobless Rate		-	-	-	-
01:30 AM	JN	Job-To-Applicant Ratio	DEC	-	-	-	-
01:30 AM	JN	Overall Household Spending YoY	DEC	-	-	-	-
01:50 AM	JN	Retail Trade YoY	DEC	-	-	-	-
08:00 AM	SA	Money Supply M3 YoY	DEC	-	-	-	-
08:00 AM	SA	Private Sector Credit YoY	DEC	-	-	-	-
11:30 AM	UK	M4 Money Supply YoY	DEC	-	-	-	-
11:30 AM	UK	Net Consumer Credit	DEC	-	-	-	-
12:00 PM	EC	Business Climate Indicator	JAN	-	-	-	-
12:00 PM	EC	Economic Confidence	JAN	-	-	-	-
12:00 PM	EC	GDP SA QoQ	4Q A	-	-	-	-
12:00 PM	EC	GDP SA YoY	4Q A	-	-	-	-
02:00 PM	SA	South Africa Budget	DEC	-	-	-	-
03:00 PM	GE	CPI YoY	MAY F	-	-	-	-
04:00 PM	US	S&P CoreLogic CS 20-City YoY NSA	NOV	-	-	-	-
05:00 PM	US	Conf. Board Consumer Confidence	JAN	-	-	-	-

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**  
 (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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