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(* when available)*

Key daily drivers




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SNIPPETS

(Fixed Income)	Marginal inflows seen in the bond market yesterday
(Currencies)	USDZAR continues to hold steady below the 12.0000 Pivot
(Commodities)	Gold marginally higher; Brent rallies after slump earlier in the week
(Equities)	The JSE and European markets end the day lower, with US markets eking out modest gains, after the Fed left interest unchanged; Asian markets are mixed with Japan's Nikkei outperforming
(Economics)	SA trade surplus improves; US ADP remain strong, FOMC positive on economic growth and wage inflation

Key overnight factors and upcoming events this week

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Date	Region	Event   	Actual/expected/prior	Implications
31/01	US	FOMC	1.5%/1.5%/1.5%	Keeps interest rate unchanged, market expectations remain hawkish over the medium term
01/02	SA	Manufacturing PMI	--/44.9	PMI expected to remain below 50-points, showing still weak manufacturing sector
02/02	US	Nonfarm payrolls	--/185k/146k	NFP likely to remain strong, better economic momentum to keep labour market upbeat

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	
R204-0.9 yrs	7.03	-0.35	-0.35	-2.95	↓
R208-3.2 yrs	7.33	0.25	0.25	-22.85	↑
R186-8.9 yrs	8.45	0.15	0.15	-13.55	↑
R2048-30.1 yrs	9.56	0.30	0.30	-15.70	↑
US 10 yr	2.72	1.51	1.51	31.47	↑
UK 10 yr	1.51	5.00	32.00	32.00	↑
German 10 yr	0.70	1.40	27.00	27.00	↑
Japan 10 yr	0.09	0.40	0.40	4.10	↑

Money Market	Last price	Δ		YTD	Month trend
		1d	MTD		
	%	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	0.00	0.00	0.00	→
SA 12m NCD	7.98	5.00	5.00	7.50	↑
US 3m LIBOR	1.78	0.44	8.35	8.35	↑
UK 3m LIBOR	0.52	-0.22	0.13	0.13	↑
Japan 3m LIBOR	-0.04	-0.02	-1.65	-1.65	↓

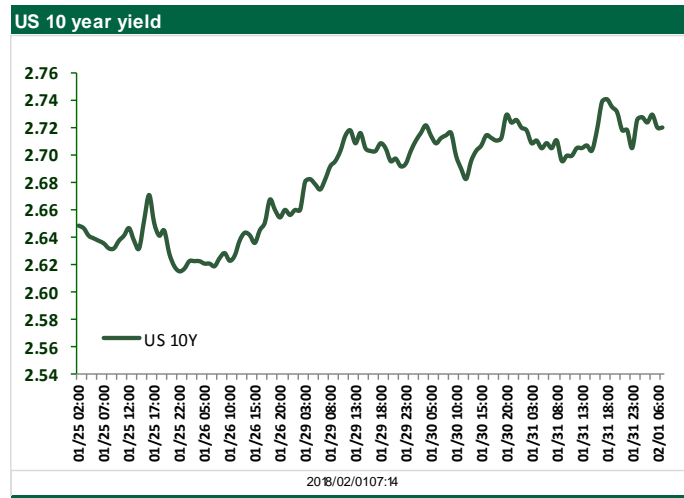
Source: Bloomberg & Nedbank CIB
Time: 2018/02/01 07:14

FRAs and Swaps	Last price	Δ		YTD	Month trend
		1d	MTD		
	%	bps	bps	bps	
3X6 FRA	7.01	0.00	0.00	12.00	→
6X9 FRA	6.86	0.00	4.00	4.00	↑
9X12 FRA	6.86	0.00	0.00	7.00	→
18X21 FRA	7.03	0.00	0.00	5.00	→
SA 2yr Swap	6.98	-0.09	-0.09	5.23	↓
SA 3yr Swap	7.13	0.00	0.00	7.50	→
SA 5yr Swap	7.44	0.00	0.00	10.50	→
SA 10yr Swap	8.01	0.00	0.00	8.00	→
SA 15yr Swap	8.23	0.00	0.00	7.00	→

Spreads	Last price	Δ		YTD	Month trend
		1d	MTD		
	%	bps	bps	bps	
2v10y	-1.02	-0.09	-0.09	-2.77	↓
3v10y	-0.88	0.00	0.00	-0.50	→
R186-R204	1.42	0.50	0.50	-10.60	↑
R2048-R186	1.10	0.15	0.15	-2.15	↑
5y-R186	-1.02	-0.15	-0.15	24.05	↓
10y-R186	-0.45	-0.15	-0.15	21.55	↓
15y-R186	-0.22	-0.15	-0.15	20.55	↓
SA 5yr CDS spread - basis points	144.50	0.00	0.00	-12.50	→

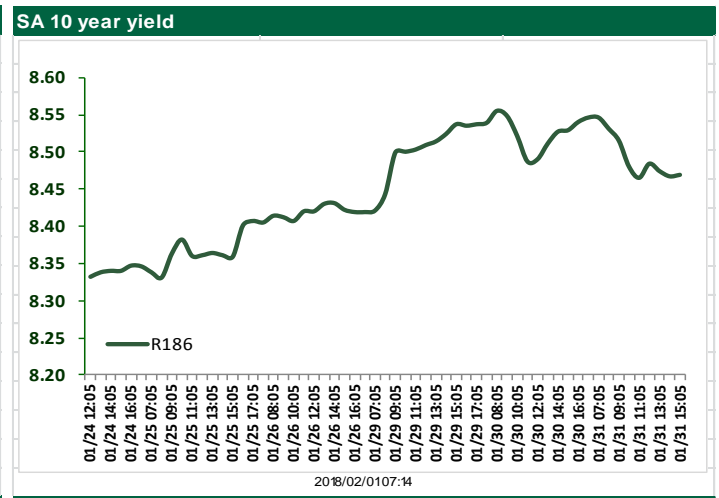
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US 10 year yield



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

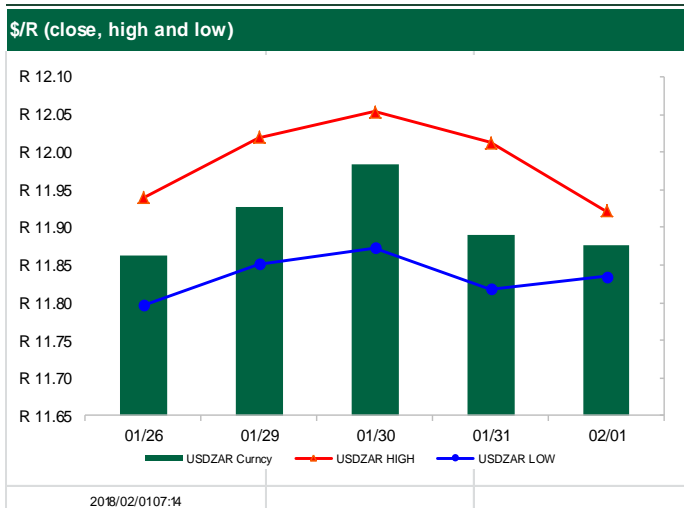
- Yesterday the local session opened with the rand trading in the mid 11.90's , despite ongoing noise from the equity markets , the currency posted steady gains on the day , trading to a best level of 11.8200, marginally off from those levels going into the time of the local close as the markets awaited the outcome of the FOMC. This morning the rand is currently trading at 11.8750, EURZAR is trading at 14.7445 and GBPZAR at 16.8500.
- On the international front the markets traded relatively cautiously, although the euro again found support and traded to a strongest level of 1.2472 by the time of the close, post the FOMC sellers of the European unit drove it back down to around the 1.2400 level currently it trades at 1.2421. Gold trading basically unchanged from the same time yesterday around 1344.00.
- Data releases scheduled for today, locally we have the release of the ABSA manufacturing PMI, vehicle sales as well as electricity production and consumption, from the U.K manufacturing PMI and from the U.S we have Challenger job cuts, jobless claims, non-farm productivity, labour costs, manufacturing and ISM manufacturing.
- Once again the local headlines were focussed on equity markets and the ongoing scenarios around politics, from the FOMC the outlook appears for the U.S economy continues to improve steadily and they hinted at further gradual hikes, markets likely to be cautious ahead of the U.S data tomorrow.
- Possible trading range in the rand today 11.7500 to 12.0500

Majors	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend	USD trend
GBPUSD	1.42	0.05	0.05	5.02	↑	USD weakness
EURUSD	1.24	0.05	0.05	3.47	↑	USD weakness
USDJPY	109.29	-0.06	-0.06	-3.11	↓	USD weakness
USDAUD	1.24	0.15	0.15	-2.91	↑	USD strength
Rand crosses	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend	ZAR trend
USDZAR	11.87	-0.12	-0.12	-4.28	↓	ZAR strength
GBPZAR	16.85	-0.07	-0.07	0.78	↓	ZAR strength
EURZAR	14.75	-0.08	-0.08	-0.72	↓	ZAR strength
AUDZAR	9.55	-0.27	-0.27	-1.22	↓	ZAR strength
ZARJPY	9.20	0.07	0.07	1.91	↑	ZAR strength
African FX	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend	ZAR trend
ZARMWK (Malawian kwacha)	61.10	0.09	0.09	4.10	↑	ZAR strength
ZARBWP (Botswana pula)	0.80	0.10	0.10	1.36	↑	ZAR strength
ZARKES (Kenyan shilling)	8.61	0.14	0.14	3.20	↑	ZAR strength
ZARMUR (Mauritian rupee)	2.72	-0.36	-0.36	-0.22	↓	ZAR weakness
ZARNGN (Nigerian naira)	30.40	0.09	0.09	4.43	↑	ZAR strength
ZARGHS (Ghanian cedi)	0.38	0.08	0.08	3.66	↑	ZAR strength
ZARZMW (Zambian kwacha)	0.82	0.04	0.04	2.41	↑	ZAR strength
ZARMZN (Mozambican metical)	5.05	-1.03	-1.03	6.32	↓	ZAR weakness

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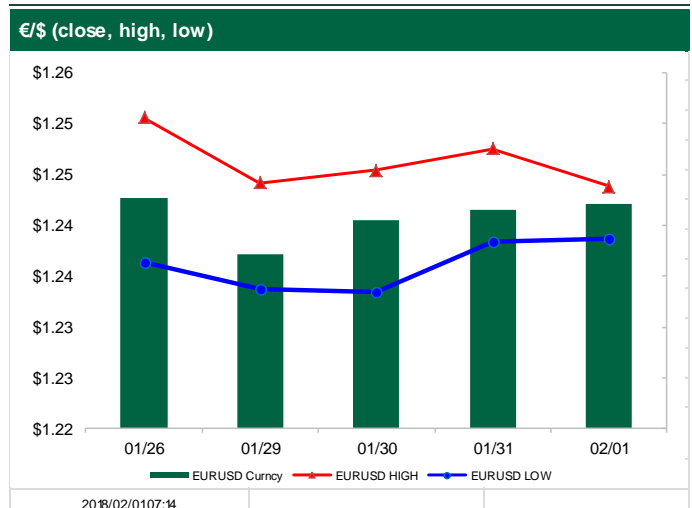
**Please note that the sign on the % change reflects the change on the headline number. The narrative indicates the trend direction over the month. For trade in any of these currencies, contact our FX dealing desks*

USDZAR



Source: Bloomberg, Nedbank

EUR/USD



Source: Bloomberg, Nedbank

Commodities

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- Oil held gains near \$65 after gasoline stockpiles unexpectedly fell. Futures little changed after rising for the first time this week on Wednesday.
- Gold holds advance, taking cue from weaker dollar. Bullion for immediate delivery -0.1% to \$1,344.09/oz; +0.5% on Wednesday to bring monthly gain to 3.3%.

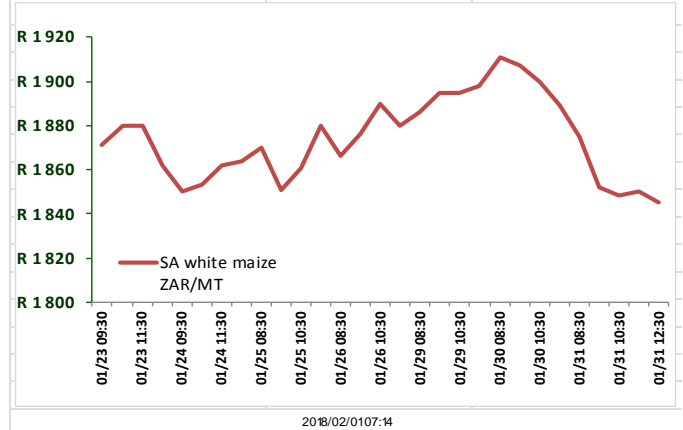
Source: Bloomberg

Commodities	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
Brent near future (\$)	69.02	0.19	-0.04	3.22	↓
WTI crude (\$)	64.84	0.17	0.17	7.32	↑
Gold spot (\$)	1 344.76	0.37	0.37	3.22	↑
Platinum spot (\$)	1 000.15	-0.01	-0.01	7.75	↓
SA white maize spot (R)	1 845.00	-2.33	0.00	-2.89	→

Source: Bloomberg & Nedbank CIB
Time: 2018/02/01 07:14

SA white maize

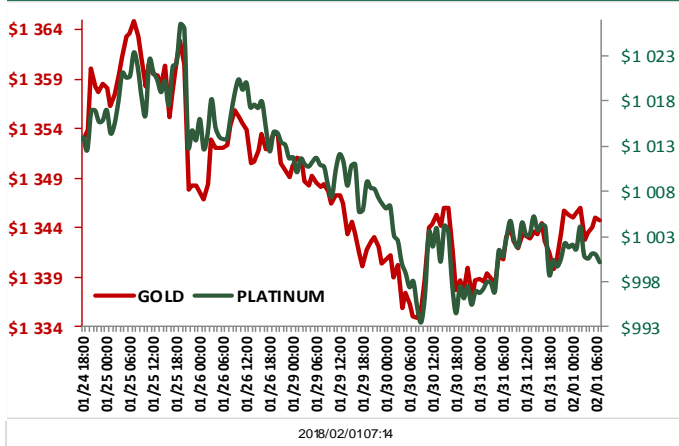
SA White maize (ZAR/MT) - 30 day chart



Source: Bloomberg, Nedbank

Platinum vs Gold

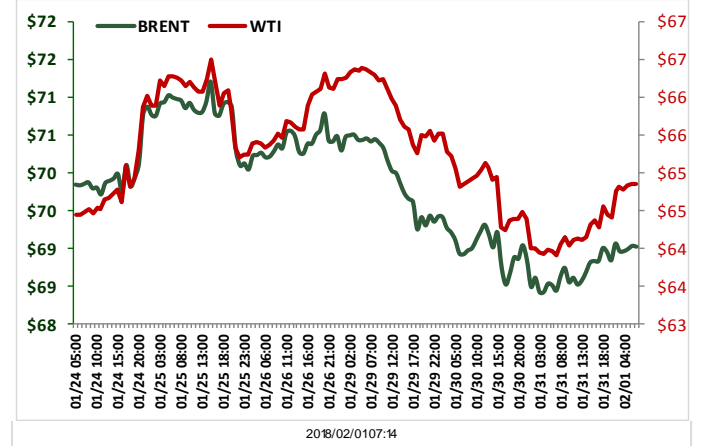
Platinum vs. Gold



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 ended the day marginally lower, down 0.16 % at 52614.70 with Naspers, yet again the biggest drag on the index, losing 1.54%. The Capitec saga continued, with the stock losing a further 12.59 %, while PSG lost another 5.93%. Vodacom lifted the telecoms sector surging 5.45 % following an upbeat trading update, banks and retailers had a better day adding 0.97% and 1.1% respectively, with the platinum sector the best performer on the day, adding 2.28%.
- The value traded at the close was R34.9 billion and the ZAR was trading at 11.84 vs the dollar.

UK/Europe

- European markets ended Wednesday's session mostly lower, with profit taking seen after a strong January and with a number of corporate results weighing on markets. In London, outsourcing Capita tumbled 47% following a profit warning, a rights issue announcement and also suspending its dividend. Fashion retailer H&M lost 10.5% after fourth quarter profits fell, while Ericsson declined 9.2% after reporting a worse than expected loss and said the Chinese market would continue to decline. In economic news, Eurozone inflation slowed as expected and the euro area unemployment rate held steady at the lowest level in 8 years, while German retail sales fell unexpectedly in December. The DAX fell 0.06%, the FTSE100 declined 0.72%, and the SMI of Switzerland lost 1.04%. France's CAC40 bucked the trend, gaining 0.15%.

USA

- US markets ended the day firmer, after spending most of the day swinging between gains and losses. As was expected the US Federal Reserve kept rates unchanged lifting the market. Software, real estate, gold and utility stocks were amongst the better performers, while healthcare stocks declined, dragged lower by Eli Lilly, which fell 5.39% despite reporting a fourth quarter profit and an upbeat outlook. In other corporate news, Boeing added 4.93% on better than expected results and Xerox added 4.44% after their quarterly net loss shrank. The S&P500 added 0.05%, the Dow rose 0.3% and the Nasdaq gained 0.12%.

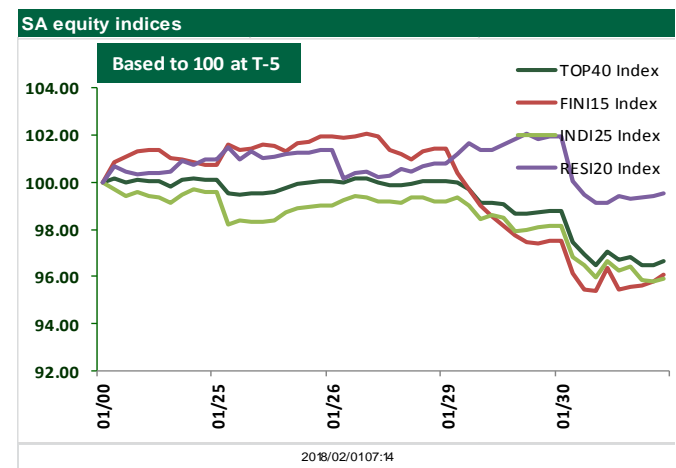
Asia

- Asian markets are trading mostly higher this morning, with the Nikkei posting its first gain in seven day, lifted by a weaker yen and on strong earnings reports. Nintendo Co was up as much as 3.8% after reporting its biggest third quarter profit in eight years, driven by strong demand for its new Switch games console. Fujifilm Holdings was up more than 13% after announcing a take-over of Xerox Corp in a \$6.1billion deal. On the downside, Fujitsu Ltd tanked more than 12% after its operating profit fell 29.3%. Hong Kong stocks are weaker, weighed by consumer and healthcare stocks. Tencent was down 0.26%. Australia's ASX ended the day up 0.5% buoyed by strong gains in the mining and financial sectors. BHP Billiton gained 1.59%, Rio Tinto was up 0.64% and South 32 added .17%.

Developed Markets	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
Dow Jones	26 149.39	0.28	0.00	5.79	⇒
Nasdaq	7 411.48	0.12	0.00	7.36	⇒
S&P 500	2 823.81	0.05	0.00	5.62	⇒
DJ Eurostoxx 50	3 609.29	0.07	0.00	3.01	⇒
DAX	13 189.48	-0.06	0.00	2.10	⇒
CAC	5 481.93	0.15	0.00	3.19	⇒
FTSE	7 533.55	-0.72	0.00	-2.01	⇒
ASX200	6 090.10	0.87	0.87	0.41	↑
Nikkei 225	23 428.15	1.43	1.43	2.91	↑
MSCI World	2 213.24	-0.04	0.00	5.22	⇒
Emerging Markets	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
Hang Seng	32 743.79	-0.44	-0.44	9.44	↓
Shanghai	3 442.21	-1.11	-1.11	4.08	↓
Brazil Bovespa	84 912.70	0.51	0.00	11.14	⇒
India - NSE	36 158.35	0.54	0.54	6.17	↑
Russia Mcex	2 289.99	0.42	0.00	8.54	⇒
MSCI Emerging	1 254.59	0.56	0.00	8.30	⇒
SA Indices	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
JSE All Share	59 506.12	-0.07	0.00	0.00	⇒
Top 40	52 614.65	-0.16	0.00	0.16	⇒
Resi 10	37 586.08	-0.73	0.00	3.56	⇒
Indi 25	79 169.70	-0.11	0.00	0.11	⇒
Fini 15	17 460.23	0.65	0.00	-2.31	⇒

Source: Bloomberg & Nedbank CIB
Time 2018/02/01 07:14

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
6 February 2018		
NWL	Nu-World Holdings Ltd	dividend @ 292.70cps
QFH	Quantum Foods Holdings Ltd	dividend @ 44cps
SBV	Sabvest Ltd	dividend @ 35cps
SVN	Sabvest Ltd -N-	dividend @ 35cps

Source: JSE

JSE performance

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Top40 constituents	Last price	%Δ -1d	%Δ MTD	%Δ YTD	Month trend
AGL : Anglo American Plc	289.66	-0.40	0.00	13.32	➔
ANG : AngloGold Ashanti Ltd	131.70	-0.60	0.00	2.39	➔
APN : Aspen Pharmacare Holdings Lt	270.70	0.11	0.00	-2.45	➔
BGA : Barclays Africa Group Ltd	180.10	4.13	0.00	-1.04	➔
BID : Bid Corp Ltd	265.20	-0.11	0.00	-11.89	➔
BIL : Bhp Billiton Plc	264.36	-0.39	0.00	5.51	➔
BTI : British American Tobacco Plc	814.00	-0.49	0.00	-1.87	➔
BVT : Bidvest Group Ltd	249.99	3.86	0.00	14.63	➔
CFR : Financiere Richemont-Dep Rec	114.73	0.15	0.00	2.67	➔
CPI : Capitec Bank Holdings Ltd	800.60	-12.59	0.00	-27.08	➔
DSY : Discovery Ltd	168.85	-0.97	0.00	-9.22	➔
FFA : Fortress Reit Ltd-A	17.64	0.00	0.00	-4.96	➔
FFB : Fortress Reit Ltd-B	30.08	-2.94	0.00	-28.72	➔
FSR : Firstrand Ltd	66.50	1.60	0.00	-1.12	➔
GFI : Gold Fields Ltd	50.89	1.11	0.00	-5.93	➔
GRT : Growthpoint Properties Ltd	27.76	-0.07	0.00	0.36	➔
INL : Investec Ltd	92.91	-1.42	0.00	3.56	➔
INP : Investec Plc	93.26	-0.82	0.00	3.90	➔
ITU : Intu Properties Plc	37.76	-1.15	0.00	-9.99	➔
LHC : Life Healthcare Group Holdin	27.28	2.44	0.00	-1.69	➔
MEI : Mediclinic International Plc	99.82	-1.29	0.00	-6.17	➔
MND : Mondi Ltd	316.35	-1.60	0.00	-0.91	➔
MNP : Mondi Plc	316.51	-1.54	0.00	-0.88	➔
MRP : Mr Price Group Ltd	286.00	2.14	0.00	16.80	➔
MTN : Mtn Group Ltd	131.40	0.35	0.00	-3.81	➔
NED : Nedbank Group Ltd	264.01	1.88	0.00	3.09	➔
NPN : Naspers Ltd-N Shs	3 382.48	-1.54	0.00	-1.99	➔
NRP : Nepi Rockcastle Plc	160.90	-1.43	0.00	-24.66	➔
OML : Old Mutual Plc	39.48	0.48	0.00	3.89	➔
RDF : Redefine Properties Ltd	10.82	1.12	0.00	1.12	➔
REM : Remgro Ltd	236.25	0.22	0.00	0.11	➔
RES : Resilient Reit Ltd	116.40	-1.81	0.00	-23.00	➔
RMH : Rmb Holdings Ltd	78.80	2.32	0.00	-0.47	➔
RNI : Reinet Investments Sca	255.00	-3.41	0.00	-6.93	➔
SAP : Sappi Limited	85.35	0.22	0.00	-4.64	➔
SBK : Standard Bank Group Ltd	200.66	1.18	0.00	2.56	➔
SHP : Shoprite Holdings Ltd	246.75	2.91	0.00	11.56	➔
SLM : Sanlam Ltd	88.20	3.64	0.00	1.38	➔
SNH : Steinhoff International H Nv	6.84	0.59	0.00	47.10	➔
SOL : Sasol Ltd	427.10	-2.04	0.00	-0.25	➔
TBS : Tiger Brands Ltd	461.00	1.10	0.00	0.22	➔
VOD : Vodacom Group Ltd	163.50	5.45	0.00	12.23	➔
WHL : Woolworths Holdings Ltd	64.17	-1.12	0.00	-1.75	➔

Source: Bloomberg & Nedbank CIB

Time 2018/02/0107:14

Economics

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US

- The US Fed was marginally more upbeat and hawkish yesterday, leaving interest rates unchanged but indicating that the economy is growing at a solid pace on the back of household spending, fixed investment and gains in the labour market. Wages increased marginally, however the longer term outlook for inflation has remained unchanged and anchored at 2%.
- ADP employment added 234k jobs in January, from 242k in December, well ahead of forecasts of 185k. Employment gains above 200k are extremely positive for the labour market, with wage growth likely to pick up and unemployment rate likely to fall further below full employment.

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.

SA

- The SA trade balance turned a surplus of R15.7 billion in December, from R13.1 billion previously. Imports contracted by 14.1% m/m, while exports were down 10%. Because of the sharp drop in imports, the trade balance improved marginally despite the drop in exports. Exports and imports across most product categories contracted. December is usually a slow month because of the holidays, hence the deterioration within the trade subcomponents.
- BER consumer confidence improved to -8 in Q4, from -9 previously. The marginal improvement in confidence is a reflection of the better political backdrop and pace of growth expected over the medium term.

Synopsis: Given the improvement in global growth, trade conditions, and local growth, we could see trade activity remain supported in 2018. The trade balance ended at a surplus of R80.5 billion in 2017, compared to R1 billion in 2016. Consumer confidence will likely take its cue from local economic activity and political and policy changes over the medium term.

Economic calendar

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	Country	Event	Period	Survey	Actual	Prior	Revised
31-January							
01:50 AM	JN	Industrial Production YoY	DEC P	3.30%	4.20%	3.60%	-
09:00 AM	SA	BER Consumer Confidence	4Q	-	-8.0	-9.0	-
09:00 AM	GE	Retail Sales YoY	DEC	2.80%	-1.90%	4.40%	4.30%
12:00 PM	EC	CPI Core YoY	JAN A	1.00%	1.00%	0.90%	-
12:00 PM	EC	CPI Estimate YoY	JAN	1.20%	1.30%	1.40%	-
12:00 PM	EC	Unemployment Rate	DEC	8.70%	8.70%	8.70%	-
02:00 PM	US	MBA Mortgage Applications	JUN 30	-	-2.60%	4.50%	-
02:00 PM	SA	Trade Balance Rand	DEC	10.1b	15.7b	13.0b	13.1b
03:15 PM	US	ADP Employment Change	JAN	185k	234k	250k	242k
04:45 PM	US	Chicago Purchasing Manager	JAN	64.0	65.7	67.6	67.8
05:00 PM	US	Pending Home Sales NSA YoY	DEC	1.65%	-1.80%	0.60%	-
09:00 PM	US	FOMC Rate Decision (Lower Bound)	JAN 31	1.25%	1.25%	1.25%	-
09:00 PM	US	FOMC Rate Decision (Upper Bound)	JAN 31	1.50%	1.50%	1.50%	-
01-February							
12:00 AM	SA	Naamsa Vehicle Sales YoY	JAN	-	-2.4%	-2.4%	-
02:30 AM	JN	Nikkei Japan PMI Mfg	JAN F	-	54.8	54.4	-
03:45 AM	CH	Caixin China PMI Mfg	JAN	51.5	51.5	51.5	-
10:55 AM	GE	Markit/BME Germany Manufacturing PMI	JAN F	61.2	-	61.2	-
11:00 AM	EC	Markit Eurozone Manufacturing PMI	JAN F	59.6	-	59.6	-
11:00 AM	SA	Barclays Manufacturing PMI	JAN	47.3	-	44.9	-
11:30 AM	UK	Markit UK PMI Manufacturing SA	JAN	56.5	-	56.3	-
04:45 PM	US	Markit US Manufacturing PMI	JAN F	55.5	-	55.5	-
05:00 PM	US	ISM Manufacturing	JAN	58.6	-	59.7	-
02-February							
12:00 PM	EC	PPI YoY		2.3%	-	2.8%	-
03:30 PM	US	Average Hourly Earnings YoY	JAN	2.6%	-	2.5%	-
03:30 PM	US	Change in Nonfarm Payrolls	JAN	180k	-	148k	-
03:30 PM	US	Labor Force Participation Rate	JAN	-	-	62.7%	-
03:30 PM	US	Unemployment Rate	JAN	4.1%	-	4.1%	-
05:00 PM	US	U. of Mich. Sentiment	JAN F	95.0	-	94.4	-
05:00 PM	US	Factory Orders	DEC	1.5%	-	1.3%	-
05:00 PM	US	Factory Orders Ex Trans	DEC	-	-	0.8%	-

Source: Bloomberg

2018/02/01 07:14

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