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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

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SNIPPETS

(Fixed Income)	Globally, risk trades poorly still as USTs fail to recover from their rout last week; SAGBs open slightly weaker and are taking their cue from USTs
(Currencies)	Local politics now dominating headlines
(Commodities)	Gold weakens on the back of a dollar spike after NFP; Brent extended declines on the back of a strong dollar
(Equities)	Risk off in equity markets as bond yields rise
(Economics)	US NFP beats consensus, labour market continues to tighten, wage growth rises

Key overnight factors and upcoming events this week

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Date	Region	Event	↓ ↑ →	Actual/expected/prior	Implications
02/02	US	Nonfarm payrolls		200k/180k/160k	NFP likely to remain strong, better economic momentum to keep labour market upbeat
05/02	EZ	Retail		--/--/2.8%	Retail sales expected to remain upbeat amid longing recovery
06/02	SA	SACCI business conf		--/--/96.4	SACCI confidence expected to pick up in January, on the back of positive political developments
08/02	SA	Mining and manufacturing production		--	Both mining and manufacturing output growth is expected to remain positive and benefit from the low base effects in 2016
08/02	UK	BOE interest rate decision		--/0.5%/0.5%	BOE expected to remain very hawkish but unlikely to change interest rates

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	Δ	Δ	Δ	Month
	%	1d	MTD	YTD	1YR	trend
		bps	bps	bps	bps	
R204-0.9 yrs	7.06	-0.05	2.15	-0.45	-71.35	↑
R208-3.1 yrs	7.36	-0.05	2.75	-20.35	-76.05	↑
R186-8.9 yrs	8.48	-0.05	2.75	-10.95	-33.45	↑
R2048-30.1 yrs	9.55	-0.00	-0.30	-16.30	-4.90	↓
US 10 yr	2.86	2.29	15.90	45.87	39.93	↑
UK 10 yr	1.58	4.60	6.70	38.70	19.40	↑
German 10 yr	0.77	4.60	7.00	34.00	34.00	↑
Japan 10 yr	0.09	-0.10	0.00	3.70	-1.50	→

Money Market	Last price	Δ	Δ	Δ	Δ	Month
	%	1d	MTD	YTD	1YR	trend
		bps	bps	bps	bps	
SA repo rate	6.75	0.00	0.00	0.00	-25.00	→
SA prime rate	10.25	0.00	0.00	0.00	-25.00	→
SA CPI (MTD = previous month)	4.70		10.00			↑
SA 3m JIBAR	7.13	0.00	0.00	-2.50	-21.70	→
SA 3m NCD	7.15	0.00	0.00	0.00	-22.50	→
SA 6m NCD	7.60	0.00	0.00	0.00	-37.50	→
SA 12m NCD	7.98	0.00	5.00	7.50	-47.50	↑
US 3m LIBOR	1.79	0.20	1.13	9.47	75.53	↑
UK 3m LIBOR	0.53	0.32	0.32	0.44	17.08	↑
Japan 3m LIBOR	-0.05	-0.60	-0.98	-2.63	-6.18	↓

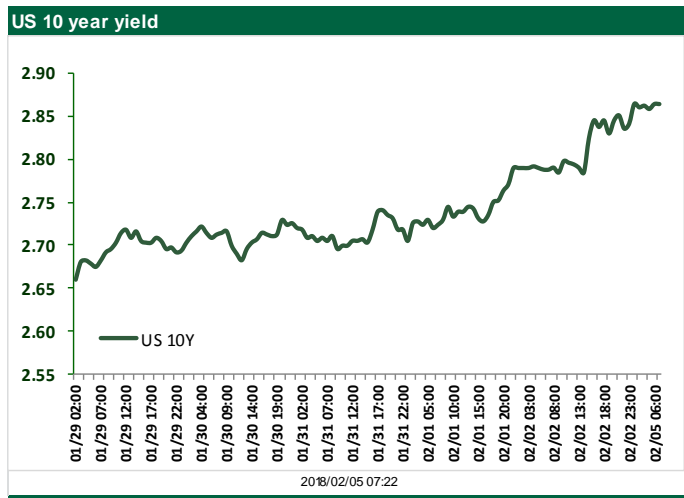
Source: Bloomberg & Nedbank CIB
Time: 2018/02/05 07:22

FRA and Swaps	Last price	Δ	Δ	Δ	Δ	Month
	%	1d	MTD	YTD	1YR	trend
		bps	bps	bps	bps	
3X6 FRA	7.02	0.00	1.00	13.00	-37.00	↑
6X9 FRA	6.86	0.00	4.00	3.00	4.00	↑
9X12 FRA	6.88	1.00	2.00	9.00	-57.00	↑
18X21 FRA	7.05	1.50	1.50	6.50	-46.50	↑
SA 2yr Swap	7.08	8.69	9.19	14.51	-37.31	↑
SA 3yr Swap	7.14	0.00	1.50	9.00	-39.00	↑
SA 5yr Swap	7.45	1.00	1.50	12.00	-32.25	↑
SA 10yr Swap	8.01	1.00	0.50	8.50	-23.25	↑
SA 15yr Swap	8.23	-0.70	-0.50	6.50	-18.25	↓

Spreads	Last price	Δ	Δ	Δ	Δ	Month
	%	1d	MTD	YTD	1YR	trend
		bps	bps	bps	bps	
2v10y	-0.93	7.69	8.69	6.01	-14.06	↑
3v10y	-0.87	-1.00	1.00	0.50	-15.75	↑
R186-R204	1.42	0.00	0.60	-10.50	37.90	↑
R2048-R186	1.07	0.05	-3.05	-5.35	28.55	↓
5y-R186	-1.03	1.05	-1.25	22.95	1.20	↓
10y-R186	-0.47	1.05	-2.25	19.45	10.20	↓
15y-R186	-0.25	-0.65	-3.25	17.45	15.20	↓
SA 5yr CDS spread - basis points	148.00	0.00	3.50	-9.00	-55.50	↑

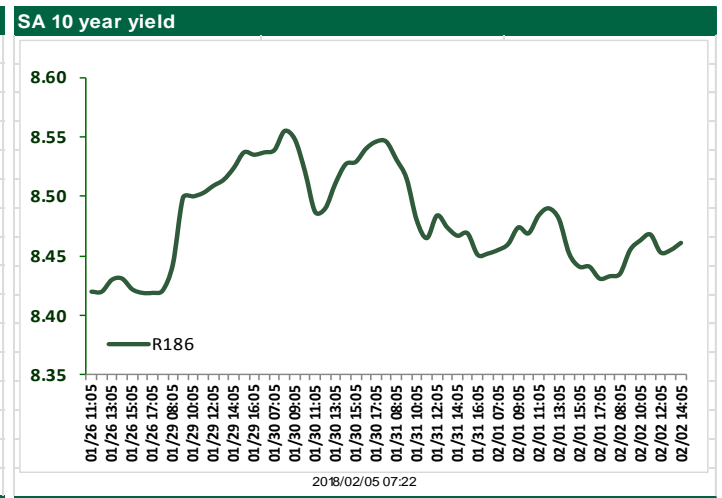
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US 10 year yield



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

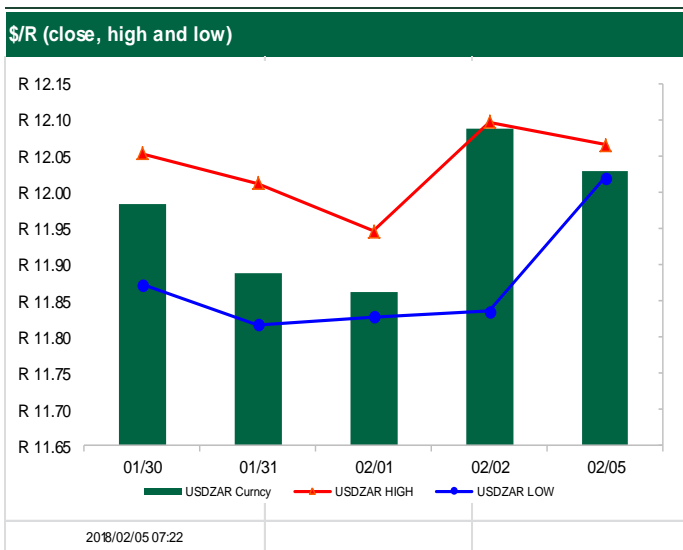
- The final session of the week saw caution in the markets ahead of the U.S data, a strong payroll release saw the dollar recover significantly. After having traded as strongly as 11.8400 on the day, the rand move topped out at 12.0900 during the local session, trading marginally weaker than that during the NY session. This morning the rand is trading at 12.0275, EURZAR at 14.9850 and GBPZAR at 16.9805.
- On the international front, EURUSD opened the session on Friday trading around 1.2500. In the wake of the aforementioned data, the European unit sold off to trade back down to a low of 1.2413, closing the day trading at 1.2434, this morning trading at 1.2458. Gold sold off on the day, since Thursday the yellow metal some 10 dollars off, currently trading at 1330.25, where it closed on Friday.
- Data releases scheduled for today, locally we have the SBSJ PMI release, from Europe retails sales, from the U.K PMI, and from the U.S we have PMI and non-manufacturing ISM.
- The improvement in the U.S payrolls saw the markets buy dollars with some enthusiasm, this as the possibility of an acceleration in the pace of FED interest rate hikes manifested itself, in addition to these factors, locally the apparent inability of the ruling party to implement change is likely to see the local unit trade on the back foot until such time as tangible measures have been implemented, currently much debate on the impending SONA and who will be delivering this. Possible trading range in the rand today 11.9500 to 12.2500.

Majors	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 1YR	Month trend	USD trend
GBPUSD	1.41	-0.02	-0.49	4.46	13.18	↓	USD strength
EURUSD	1.25	-0.06	0.32	3.75	16.02	↑	USD weakness
USDJPY	110.07	-0.09	0.65	2.38	-1.82	↑	USD strength
USDAUD	1.26	-0.07	1.55	-1.56	-3.56	↑	USD strength
Rand crosses	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 1YR	Month trend	ZAR trend
USDZAR	12.03	-0.48	1.17	-2.94	-11.20	↑	ZAR weakness
GBPZAR	16.98	-0.53	0.68	1.53	1.76	↑	ZAR weakness
EURZAR	14.98	-0.58	1.48	0.85	4.15	↑	ZAR weakness
AUDZAR	9.54	-0.42	-0.35	-1.30	-7.26	↓	ZAR strength
ZARJPY	9.15	0.39	-0.52	1.33	8.45	↓	ZAR weakness
African FX	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 1YR	Month trend	ZAR trend
ZARMWK (Malawian kwacha)	60.31	-0.09	-1.23	2.83	10.22	↓	ZAR weakness
ZARBWP (Botswana pula)	0.80	-0.31	-0.55	0.71	1.76	↓	ZAR weakness
ZARKES (Kenyan shilling)	8.46	0.49	-1.71	1.40	8.30	↓	ZAR weakness
ZARMUR (Mauritian rupee)	2.67	-0.07	-2.19	-2.05	0.65	↓	ZAR weakness
ZARNGN (Nigerian naira)	29.97	-0.07	-1.36	3.04	21.36	↓	ZAR weakness
ZARGHS (Ghanian cedi)	0.37	-0.08	-1.58	2.06	11.66	↓	ZAR weakness
ZARZMW (Zambian kwacha)	0.82	0.00	-0.53	1.86	9.57	↓	ZAR weakness
ZARMZN (Mozambican metical)	5.07	0.09	-0.68	6.64	-4.46	↓	ZAR weakness

Source: Bloomberg & Nedbank CIB Time: 2018/02/05 07:22

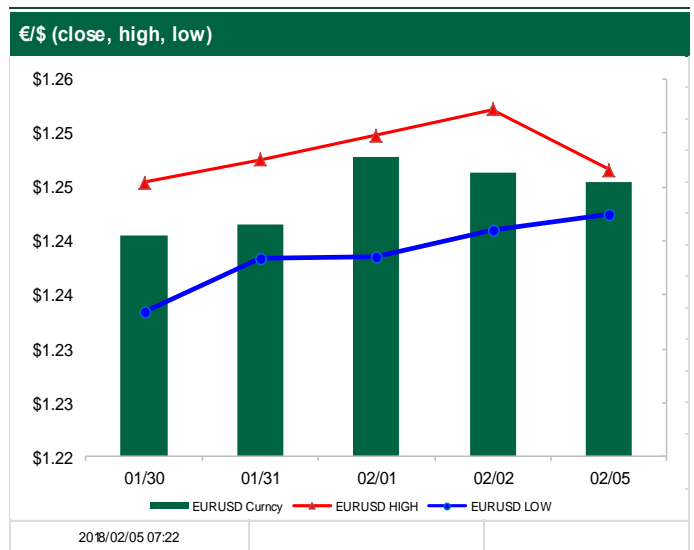
***Please note that the sign on the % change reflects the change on the headline number. The narrative indicates the trend direction over the month. For trade in any of these currencies, contact our FX dealing desks**

USDZAR



Source: Bloomberg, Nedbank

EUR/USD



Source: Bloomberg, Nedbank

Commodities

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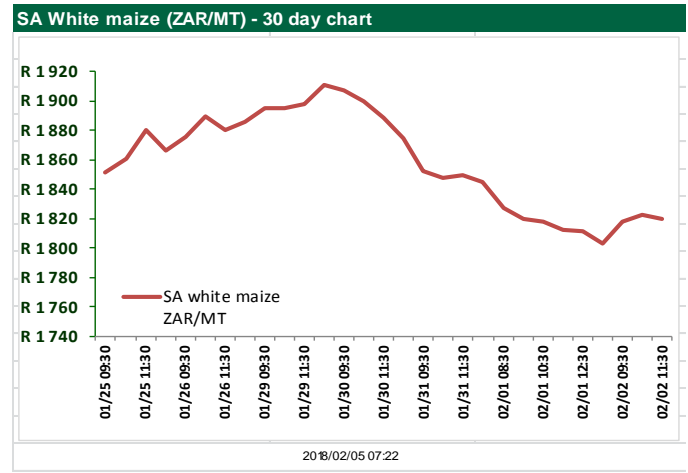
- Oil extended losses in early trade after U.S. explorers raised the number of rigs drilling for crude to the most since August. WTI futures for March delivery fall 0.9%, to \$64.87/bbl.
- Gold steady after posting the biggest one-day loss in almost two months on Friday. Bullion for immediate delivery flat at \$1,332.98/oz after -1.1% Friday.

Source: Bloomberg

Commodities	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 1YR	Month trend
Brent near future (\$)	67.89	-1.01	-1.68	1.53	19.50	↓
WTI crude (\$)	64.81	-0.98	0.12	7.27	20.40	↑
Gold spot (\$)	1 330.82	-0.19	-0.67	2.15	8.13	↓
Platinum spot (\$)	988.88	-0.24	-1.13	6.53	-2.18	↓
SA white maize spot (R)	1 820.00	0.50	-1.36	-4.21	-38.70	↓

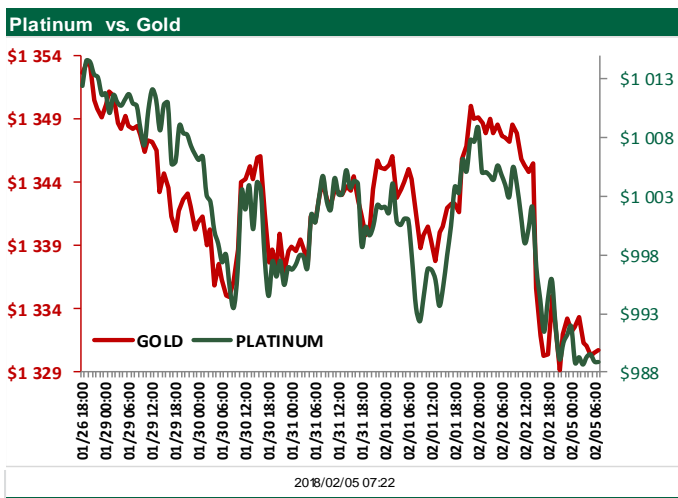
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SA white maize



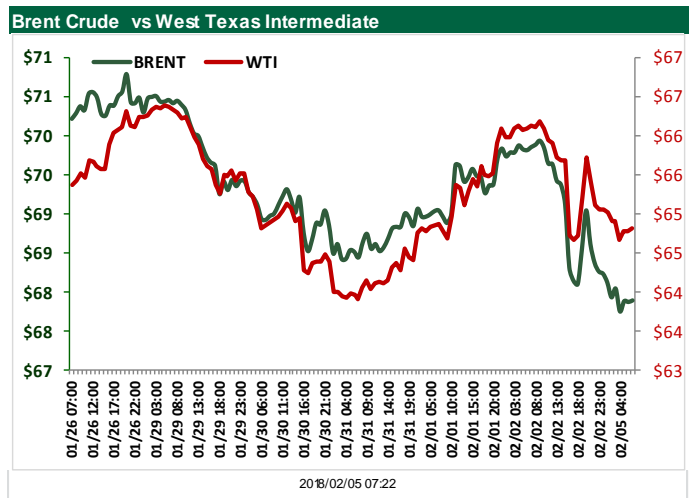
Source: Bloomberg, Nedbank

Platinum vs Gold



Source: Bloomberg, Nedbank

Brent Crude vs West Texas Intermediate



Source: Bloomberg, Nedbank

Equities

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Cash equities | +2711 535 4030/31

South Africa

- The All Share index started its trading day in negative territory and continued losing traction throughout the day with the property sector initially leading the downside on rumours that a viceroy type report will be released on the Resilient stable.
- The Construction sector led the downside with the likes of PPC and Murray & Roberts declining 7.62% and 2.54% respectively.
- On corporate news, Fortress Income Fund reported a 14.61% increase in its distribution for the six month period to December 2017.
- Value traded at 5pm was around R27bn with the currency at R12.05 vs. the USD at the close.

UK/Europe

- European markets ended the week softer with the FTSE 100 down 0.63% while the Cac40 declined 1.64%.
- On the economic data front, Eurozone PPI data was in line with expectations at 2.2% (y/y).
- The Stoxx 50 was down 1.51% with the likes of Deutsche Bank and Airbus declining 6.21% and 3.51% respectively.

USA

- US markets closed in negative territory on Friday following better than expected jobs data which pushed US bond yields higher.
- The Dow Jones and S&P 500 were down 2.54% and 2.12% respectively with energy counters leading the downside.
- On the economic data front, Non-farm Payrolls came in at 200k which was better than consensus estimates.

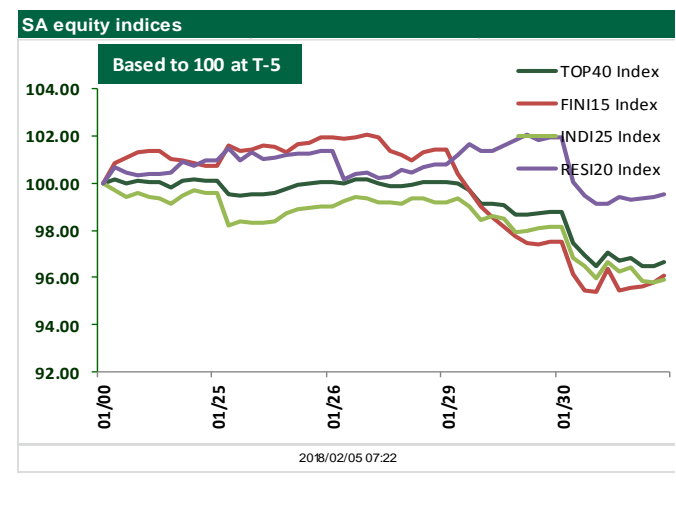
Asia

- Asian markets have pulled back following their US counterparts as rate increase expectations rise following a positive jobs report.
- The Hang Seng is down 2.15% while the Nikkei has lost 1.25%.
- The Australian ASX is down 1.56% with the likes of BHP declining 2.14%.

Developed Markets	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 1YR	Month trend
Dow Jones	25 520.96	-2.54	-2.40	3.24	27.15	↓
Nasdaq	7 240.95	-1.96	-2.30	4.89	27.78	↓
S&P 500	2 762.13	-2.12	-2.18	3.31	20.23	↓
DJ Eurostoxx 50	3 523.28	-1.51	-2.38	0.55	7.64	↓
DAX	12 785.16	-1.68	-3.07	-1.03	9.73	↓
CAC	5 364.98	-1.64	-2.13	0.99	11.18	↓
FTSE	7 443.43	-0.63	-1.20	-3.18	3.55	↓
ASX200	6 026.20	-1.56	-0.19	-0.64	7.20	↓
Nikkei 225	22 731.99	-2.33	-1.59	-0.14	20.16	↓
MSCI World	2 171.54	-1.85	-1.88	3.24	20.27	↓
Emerging Markets	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 1YR	Month trend
Hang Seng	32 091.45	-1.57	-2.42	7.26	38.75	↓
Shanghai	3 455.09	-0.20	-0.74	4.47	10.03	↓
Brazil Bovespa	84 041.34	-1.70	-1.03	10.00	29.39	↓
India - NSE	34 718.94	-0.99	-3.46	1.94	22.94	↓
Russia Mircex	2 281.84	-0.90	-0.36	8.16	2.48	↓
MSCI Emerging	1 230.84	-1.43	-1.89	6.25	33.95	↓
SA Indices	Last price	%Δ -1d	%Δ MTD	%Δ 1YR	%Δ 1YR	Month trend
JSE All Share	58 656.82	-1.02	-1.43	-1.42	12.23	↓
Top 40	51 908.17	-1.04	-1.34	-1.19	14.29	↓
Resi 10	37 429.16	-0.58	-0.42	3.13	8.72	↓
Indi 25	77 451.60	-1.39	-2.17	-2.07	15.85	↓
Fini 15	17 397.90	-0.78	-0.36	-2.66	18.08	↓

Source: Bloomberg & Nedbank CIB
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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	%Δ 1YR	Month trend
AGL : Anglo American Plc	284.59	-0.67	-1.75	11.33	27.99	↓
ANG : Anglogold Ashanti Ltd	129.71	-2.30	-1.51	0.85	-25.61	↓
APN : Aspen Pharmacare Holdings Lt	262.54	-2.59	-3.01	-5.39	-14.62	↓
BGA : Barclays Africa Group Ltd	181.99	-0.82	1.05	0.00	17.74	↑
BID : Bid Corp Ltd	275.00	-1.78	3.70	-8.63	16.53	↑
BIL : Bhp Billiton Plc	264.94	0.17	0.22	5.74	14.05	↑
BTI : British American Tobacco Plc	812.30	-0.45	-0.21	-2.07	-0.82	↓
BVT : Bidvest Group Ltd	237.75	0.27	-4.90	9.01	50.70	↓
CFR : Financiere Richemont-Dep Rec	114.72	0.01	-0.01	2.66	13.49	↓
CPI : Capitec Bank Holdings Ltd	924.27	9.38	15.45	-15.82	33.95	↑
DSY : Discovery Ltd	166.60	-2.95	-1.33	-10.43	42.76	↓
FFA : Fortress Reit Ltd-A	17.02	-1.33	-3.51	-8.30	-1.85	↓
FFB : Fortress Reit Ltd-B	25.00	-6.19	-16.89	-40.76	-27.33	↓
FSR : Firststrand Ltd	66.40	-0.90	-0.15	-1.26	33.98	↓
GFI : Gold Fields Ltd	51.60	0.68	1.40	-4.62	10.30	↑
GRT : Grow thpoint Properties Ltd	27.09	-1.06	-2.41	-2.06	3.87	↓
INL : Investec Ltd	93.38	-0.95	0.51	4.08	-0.24	↑
INP : Investec Plc	94.09	-0.57	0.89	4.82	-0.14	↑
ITU : Intu Properties Plc	37.78	0.21	0.05	-9.94	-15.29	↑
LHC : Life Healthcare Group Holdin	27.09	0.71	-0.70	-2.38	-13.32	↓
MEI : Mediclinic International Plc	99.50	-0.28	-0.32	-6.47	-22.77	↓
MND : Mondi Ltd	323.96	0.19	2.41	1.47	9.46	↑
MNP : Mondi Plc	323.50	0.02	2.21	1.31	9.75	↑
MRP : Mr Price Group Ltd	270.94	-3.92	-5.27	10.65	72.06	↓
MTN : Mtn Group Ltd	131.10	-1.06	-0.23	-4.03	6.98	↓
NED : Nedbank Group Ltd	264.00	-0.39	-0.00	3.08	15.36	↓
NPN : Naspers Ltd-N Shs	3 246.00	-2.02	-4.03	-5.94	48.48	↓
NRP : Nepi Rockcastle Plc	133.41	-4.02	-17.09	-37.53	#N/A N/A	↓
OML : Old Mutual Plc	39.47	-1.08	-0.03	3.87	13.75	↓
RDF : Redefine Properties Ltd	10.35	-3.36	-4.34	-3.27	-7.17	↓
REM : Remgro Ltd	232.59	-2.28	-1.55	-1.44	3.77	↓
RES : Resilient Reit Ltd	107.00	-0.75	-8.08	-29.21	-8.74	↓
RMH : Rmb Holdings Ltd	78.74	-0.99	-0.08	-0.54	23.07	↓
RNI : Reinet Investments Sca	263.00	1.94	3.14	-4.01	#N/A N/A	↑
SAP : Sappi Limited	86.74	-0.14	1.63	-3.08	2.80	↑
SBK : Standard Bank Group Ltd	203.13	-0.47	1.23	3.82	42.05	↑
SHP : Shoprite Holdings Ltd	240.36	-3.31	-2.59	8.67	35.16	↓
SLM : Sanlam Ltd	88.95	-0.83	0.85	2.24	41.80	↑
SNH : Steinhoff International H Nv	6.58	-2.52	-3.80	41.51	-90.21	↓
SOL : Sasol Ltd	418.27	-2.39	-2.07	-2.31	6.16	↓
TBS : Tiger Brands Ltd	467.01	1.00	1.30	1.52	14.72	↑
VOD : Vodacom Group Ltd	165.06	-1.26	0.95	13.30	10.78	↑
WHL : Woolworths Holdings Ltd	63.19	-0.02	-1.53	-3.25	-11.94	↓

Source: Bloomberg & Nedbank CIB

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Economics

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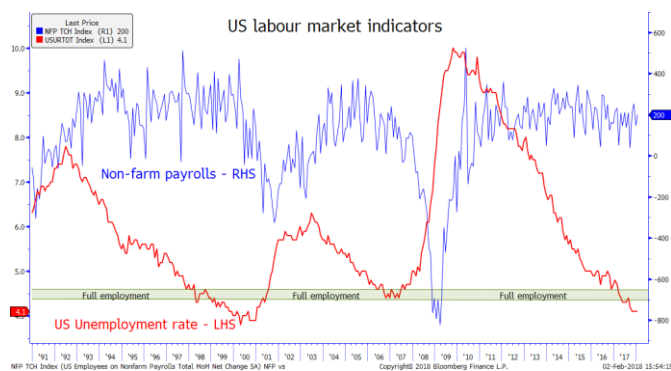
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US

- US nonfarm payrolls surged by 200k in January, from 160k in December, well ahead of consensus of 180k. Key drivers of the better employment figures were the services sector, of which the retail/hospitality, trade, transport and education industries made the bulk of the hires in January. The goods-producing sector also saw healthy levels of employment in January, supported by the construction industry.
- The labour market continued to tighten, with the pool of available labour continuing to shrink, which is now making wages slightly inflationary – average hourly earnings rose to 2.9% y/y in January, from 2.7% previously, well ahead of consensus of 2.6%. wage growth is being driven by the professional business services (and financial services), and the education and health industry. Nominal wage growth, on average, in the financial services industry is currently 5% y/y – the highest among the different industries. This is followed by education and health, at 3.4% y/y.
- As the level of both unemployment and employment rose, along with the labour force, the unemployment rate remained unchanged at 4.1%. This is still well below the full employment level of 4.4%, and still indicative of a healthy, and extremely tight, labour market. This means that the spare capacity in the US economy is being eroded fast, and we could see a very upbeat pace of economic activity in 2018.

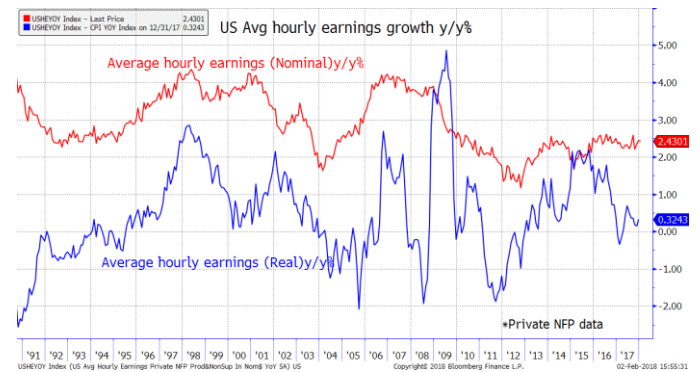
Synopsis: In this type of environment, and assuming the very robust pace of growth persists, the Fed is expected to hike interest rates 3 times this year, with some policymakers indicating that the pace of hikes may be revised if greater inflationary pressures are seen. For now, because the core PCE rate is below the Fed's 2% target, we anticipate a moderate pace of tightening over the medium term.

NFP beats expectations, labour market continues to tighten



Source: Bloomberg, Nedbank

Real wage growth remains positive, particularly in the services sector in the US



Source: Bloomberg, Nedbank

Economic calendar

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	Country	Event	Period	Survey	Actual	Prior	Revised
02-February							
12:00 PM	EC	PPI YoY	DEC	2.3%	2.2%	2.8%	-
03:30 PM	US	Average Hourly Earnings YoY	JAN	2.6%	2.9%	2.5%	2.7%
03:30 PM	US	Change in Nonfarm Payrolls	JAN	180k	200k	148k	160k
03:30 PM	US	Labor Force Participation Rate	JAN	-	62.7%	62.7%	-
03:30 PM	US	Unemployment Rate	JAN	4.1%	4.1%	4.1%	-
05:00 PM	US	Cap Goods Orders Nondef Ex Air	DEC P	0.6%	-0.6%	-0.6%	-
05:00 PM	US	Durables Ex Transportation	DEC P	0.50%	0.70%	0.70%	-
05:00 PM	US	Durable Goods Orders	DEC P	-	2.8%	2.8%	-
05:00 PM	US	U. of Mich. Sentiment	JAN F	95.0	95.7	95.7	-
05:00 PM	US	Factory Orders	DEC	1.5%	1.7%	1.3%	1.7%
05:00 PM	US	Factory Orders Ex Trans	DEC	-	0.7%	0.8%	1.1%
05-February							
03:45 AM	CH	Caixin China PMI Services	JAN	53.5	54.7	53.9	-
10:55 AM	GE	Markit Germany Services PMI	JAN F	57.0	-	57.0	-
11:00 AM	EC	Markit Eurozone Services PMI	JAN F	57.6	-	57.6	-
11:30 AM	UK	Markit/CIPS UK Services PMI	JAN	54.1	-	54.2	-
11:30 AM	EC	Sentix Investor Confidence	FEB	33.2	-	32.9	-
12:00 PM	EC	Retail Sales YoY	DEC	1.9%	-	2.8%	-
04:45 PM	US	Markit US Services PMI	JAN F	53.3	-	53.3	-
06-February							
09:00 AM	GE	Factory Orders WDA YoY		3.1%	-	8.7%	-
11:30 AM	SA	SACCI Business Confidence	JAN	-	-	96.4	-
03:30 PM	US	Trade Balance	DEC	USD -52.0b	-	USD -50.5b	-
05:00 PM	US	JOLTS Job Openings	DEC	-	-	5879	-

Source: Bloomberg

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