

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](#)
#Contacts

Click on any of the above links to access your point of interest

(when available)*

Key daily drivers

Nedbank CIB Market Commentary | CIBMarketComm@Nedbank.co.za | +27 11 294 1753

SNIPPETS

(Fixed Income)	Marginal outflows from the bond market over the past day and over the week to date
(Currencies)	FX markets continue to await news on the local political front, Dollar remains strong, weighing on majors
(Commodities)	Brent remains downbeat on concerns of accelerating US production; Gold remains weak as a result of a strong dollar
(Equities)	The JSE ends down 0.59%, while European, US and Asian markets tumble
(Economics)	SA mining data disappoints, manufacturing production upbeat; BOE increasingly hawkish recently; Chinese inflation eases in January

Key overnight factors and upcoming events this week

Nedbank CIB Market Commentary | CIBMarketComm@Nedbank.co.za | +27 11 294 1753

Date	Region	Event ↓ ↑ →	Actual/expected/prior	Implications
08/02	SA	Mining and manufacturing production	--	Both mining and manufacturing output growth is expected to remain positive over the medium term and benefit from the low base effects in 2017
08/02	UK	BOE interest rate decision	0.5%/0.5%/0.5%	BOE becomes increasingly hawkish but unlikely to change interest rates
08/02	SA	SONA	--	SONA has been postponed with no future date set as yet, speculation is rife that President Zuma could resign imminently
09/02	UK	Various data	--	Industrial activity expected to ease in December while the trade surplus is expected to surprise on the upside
13/02	SA	Unemployment rate	--/--/27.7%	Unemployment levels are likely to remain elevated in Q4

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

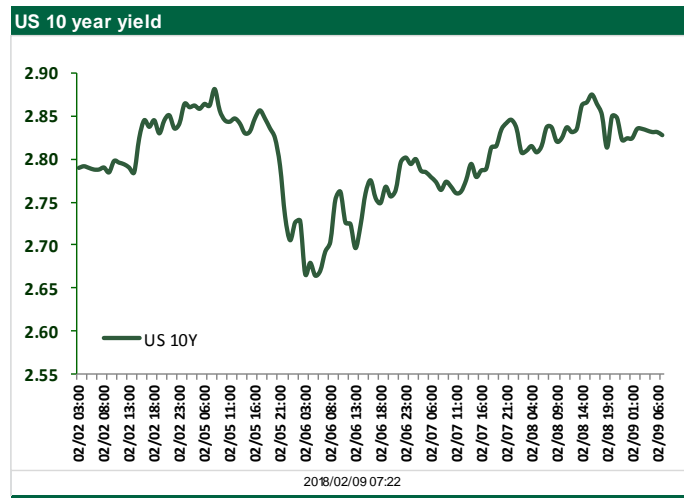
Bonds	Last price	Δ				Month trend	
		1d	MTD	YTD	1YR		
	%	bps	bps	bps	bps		
R204-0.9 yrs	7.02	-0.25	-2.15	-4.75	-69.45	↓	
R208-3.1 yrs	7.30	0.20	-3.10	-26.20	-77.70	↓	
R186-8.9 yrs	8.43	0.00	-2.40	-16.10	-36.00	↓	
R2048-30.1 yrs	9.49	-0.20	-6.00	-22.00	-8.20	↓	
US 10 yr	2.83	0.36	12.26	42.22	43.28	↑	
UK 10 yr	1.62	6.60	10.70	42.70	40.50	↑	
German 10 yr	0.76	1.70	6.50	33.50	46.60	↑	
Japan 10 yr	0.07	-0.90	-1.30	2.40	-2.70	↓	
		Δ	Δ	Δ	Δ	Month trend	
		1d	MTD	YTD	1YR		
		bps	bps	bps	bps		
Money Market		Last price					Month 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	-15.00	⇒	
SA 6m NCD	7.60	0.00	0.00	0.00	-32.50	⇒	
SA 12m NCD	8.00	0.00	7.50	10.00	-45.00	↑	
US 3m LIBOR	1.81	1.06	3.27	11.62	77.68	↑	
UK 3m LIBOR	0.53	0.15	0.79	0.91	17.15	↑	
Japan 3m LIBOR	-0.05	0.50	-1.28	-2.93	-6.38	↓	

Source: Bloomberg & Nedbank CIB
Time: 2018/02/09 07:22

FRAs and Swaps	Last price	Δ				Month trend	
		1d	MTD	YTD	1YR		
	%	bps	bps	bps	bps		
3X6 FRA	7.01	1.00	0.00	12.00	-38.00	⇒	
6X9 FRA	6.86	0.00	4.00	3.00	4.00	↑	
9X12 FRA	6.87	-0.50	0.50	7.50	-57.50	↑	
18X21 FRA	7.04	1.50	0.50	5.50	-44.50	↑	
SA 2yr Swap	6.99	0.62	0.37	5.69	-44.63	↑	
SA 3yr Swap	7.14	0.94	1.37	8.87	-36.83	↑	
SA 5yr Swap	7.43	1.00	-0.50	10.00	-29.50	↓	
SA 10yr Swap	7.97	0.00	-4.00	4.00	-22.20	↓	
SA 15yr Swap	8.21	0.50	-2.00	5.00	-14.00	↓	
Spreads		Last price	Δ	Δ	Δ	Δ	Month trend
		%	1d	MTD	YTD	1YR	
		bps	bps	bps	bps	bps	
2v10y	-0.98	0.62	4.37	1.69	-22.43	↑	
3v10y	-0.83	0.94	5.37	4.87	-14.63	↑	
R186-R204	1.41	0.25	-0.25	-11.35	33.45	↓	
R2048-R186	1.07	-0.20	-3.60	-5.90	27.80	↓	
5y-R186	-1.00	1.00	1.90	26.10	6.50	↑	
10y-R186	-0.46	0.00	-1.60	20.10	13.80	↓	
15y-R186	-0.22	0.50	0.40	21.10	22.00	↑	
SA 5yr CDS spread - basis points	155.00	-0.50	10.50	-2.00	-50.00	↑	

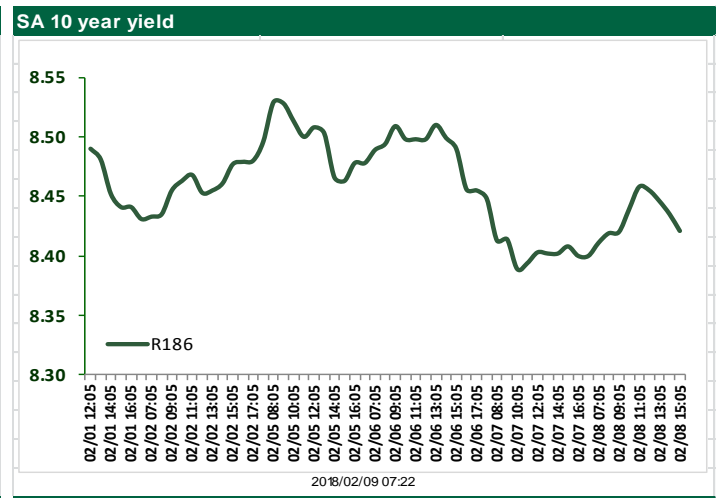
Source: Bloomberg & Nedbank CIB
Time: 2018/02/09 07:22

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

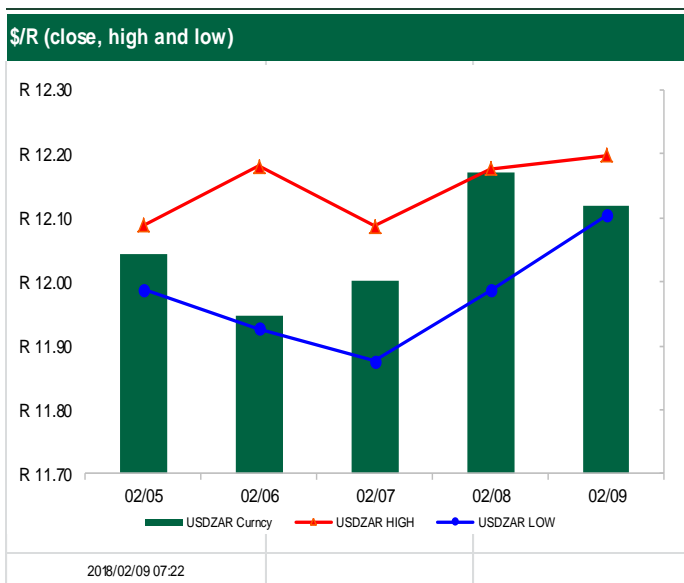
- Yesterday the rand opened the day trading above the 12.0000 level, flows on the day once again relatively limited, and the local unit was confined to a trading range between 12.02 and 12.1450 on the day. In the overnight session the dollar continued to find support, although the activity in the rand was relatively limited it did trade to a high of 12.2000 late last night, this morning in the far east confined to a 4 cent range, currently trading at 12.1250, EURZAR is trading at 14.8550 and GBPZAR at 16.8840.
- On the international front, price action was impressive on, EURUSD trading to a low of 1.2218 and a high of 1.2294, sterling had some interesting moves on the back of the BOE, and the perceived trajectory in interest rates in the U.K, this saw sterling trade to a high of 1.4067, before retracing to the current levels around 1.3930. After a significant sell off, gold held steady on the day to close around 1313.00, this morning marginally firmer at 1317.50.
- Data releases scheduled for today, no local releases are scheduled, from Europe we have French industrial and manufacturing production, and from the U.K we have industrial and manufacturing production, trade and non EUR trade as well as GDP, from the U.S wholesale inventories.
- As has been the case for the entire week, the market still awaits news regarding the sitting Presidents future, the rumour and headline mills continue to grind in that regard, this morning it has been reported that an announcement would be made on Monday, unsurprisingly the markets continue to trade wearily, some position squaring likely to occur going into the weekend.
- Possible trading range in the rand today 11.9500 to 12.3000

Majors	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 1YR	Month trend	USD trend
GBPUSD	1.39	0.17	-1.83	3.05	11.28	↓	USD strength
EURUSD	1.23	0.02	-1.30	2.07	14.98	↓	USD strength
USDJPY	108.89	0.19	-0.43	3.49	-3.91	↓	USD weakness
USDAUD	1.29	0.19	3.57	0.40	-1.86	↑	USD strength
Rand crosses	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 1YR	Month trend	ZAR trend
USDZAR	12.12	-0.42	1.90	-2.18	-10.93	↑	ZAR weakness
GBPZAR	16.88	-0.26	0.07	0.92	0.32	↑	ZAR weakness
EURZAR	14.85	-0.40	0.60	-0.03	3.52	↑	ZAR weakness
AUDZAR	9.42	-0.63	-1.59	-2.55	-8.86	↓	ZAR strength
ZARJPY	8.99	0.64	-2.38	-0.49	6.34	↓	ZAR weakness
African FX	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 1YR	Month trend	ZAR trend
ZARMWK (Malawian kwacha)	59.83	0.41	-2.03	2.06	9.95	↓	ZAR weakness
ZARBWP (Botswana pula)	0.80	0.41	-0.66	0.60	1.92	↓	ZAR weakness
ZARKES (Kenyan shilling)	8.32	0.44	-3.41	-0.25	7.29	↓	ZAR weakness
ZARMUR (Mauritian rupee)	2.71	0.69	-0.69	-0.55	2.72	↓	ZAR weakness
ZARNGN (Nigerian naira)	29.74	0.43	-2.12	2.31	21.41	↓	ZAR weakness
ZARGHS (Ghanian cedi)	0.37	1.30	-2.63	1.06	11.40	↓	ZAR weakness
ZARZMW (Zambian kwacha)	0.81	0.56	-1.95	0.47	9.38	↓	ZAR weakness
ZARMZN (Mozambican metical)	5.09	0.43	-0.37	6.94	-2.91	↓	ZAR weakness

Source: Bloomberg & Nedbank CIB
Time: 2018/02/09 07:22

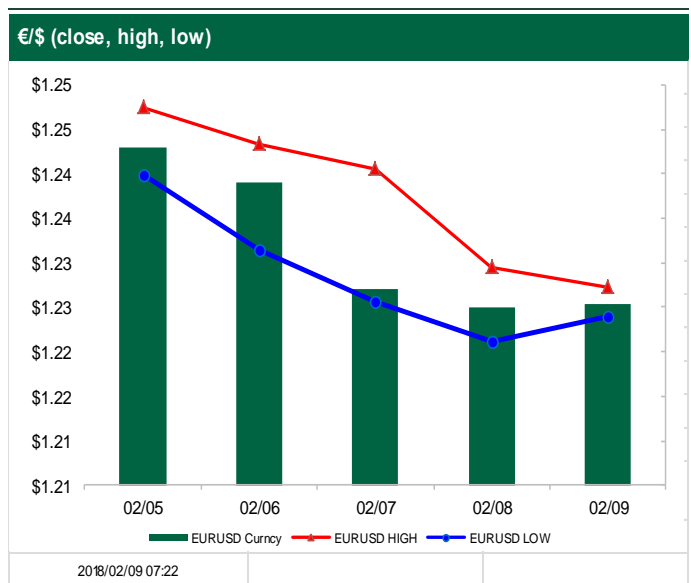
***Please note that the sign on the % change reflects the change on the headline number. The narrative indicates the trend direction over the month. For trade in any of these currencies, contact our FX dealing desks**

USDZAR



Source: Bloomberg, Nedbank

EUR/USD



Source: Bloomberg, Nedbank

Commodities

[back to top](#)

Nedbank CIB Market Commentary | CIBMarketComm@Nedbank.co.za | +27 11 294 1753 | +27 11 535 4038

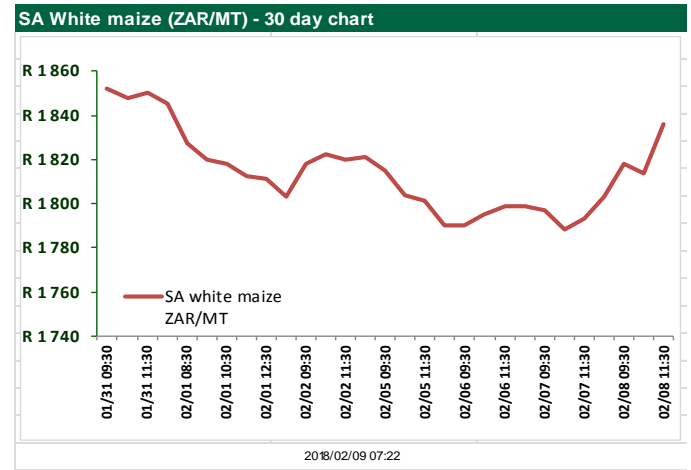
- Oil headed for the biggest weekly decline since March amid concern surging US production will swamp demand and as a rout in equity markets deepened. Oil futures fell 1.3%, extending its slide this week to 7.5%.
- Gold is poised for second weekly decline on speculation that the pace of interest rate increases in the US and UK may quicken. Bullion for immediate delivery +0.1% to \$1,320.11/oz. -1% this week after -1.2% last week.

Source: Bloomberg

Commodities	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 1YR	Month trend
Brent near future (\$)	64.34	-0.73	-6.82	-3.78	15.66	↓
WTI crude (\$)	60.49	-1.08	-6.55	0.12	14.13	↓
Gold spot (\$)	1 317.68	-0.17	-1.65	1.14	6.83	↓
Platinum spot (\$)	973.93	-0.12	-2.63	4.92	-4.42	↓
SA white maize spot (R)	1 836.00	2.40	-0.49	-3.37	-37.42	↓

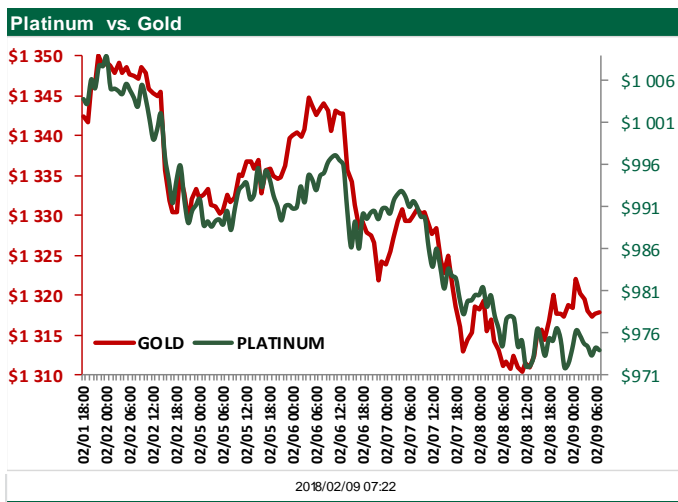
Source: Bloomberg & Nedbank CIB
Time: 2018/02/09 07:22

SA white maize



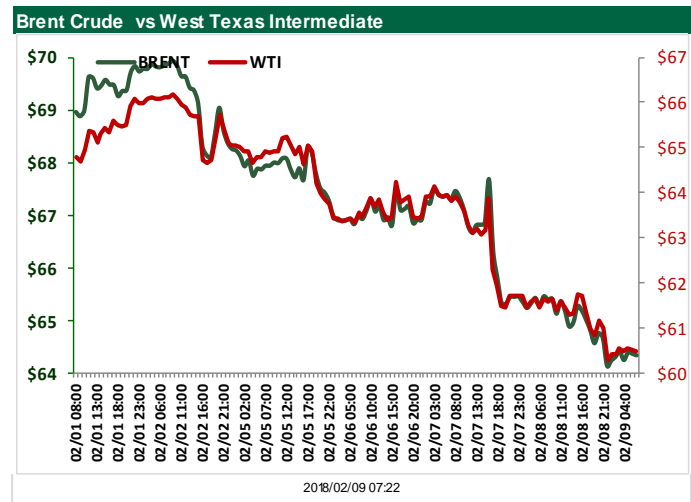
Source: Bloomberg, Nedbank

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 JSE ended the day in negative territory, with the top40 losing 0.49% to end the day at 49934.80. Mining and industrial stocks lead the market lower. Goldfields lost 4.06%, after their trading update disappointed, reporting a 21-33% decline in HEPS, due to higher depreciation. The property sector was the best performer on the day, with Resilient and Fortress B adding 3.6% and 2.2% respectively. The value traded at the close was R30 billion and the ZAR was trading at 12.07 vs the dollar.

UK/Europe

- European markets ended Thursday's session lower, with Europe's volatility index rising to 32, its highest level since the Brexit referendum. Growth sensitive stocks with the likes of Volkswagen and BASF lost more than 3%, while financial stocks performed better, lifted by sold results from UniCredit (+2.1%) and Societe Generale (+1.9%). Swiss-Re gained more than 2% after announcing they were in talks with Japan's Softbank to sell a minority stake. UK stocks lost ground after the BoE raised the prospect of higher interest rates. The pound moved higher on this news, dragging foreign earners lower. Mining and energy stocks dragged the FTSE lower after oil, copper and other metal prices fell. The FTSE100 lost 1.49%, the Cac40 declined 2% and Germany's DAX fell 2.6%.

USA

- US markets saw another sharp sell-off on Thursday, with both the Dow and S&P 500 confirming they were in correction territory, falling from recent record highs. The CBOE Volatility index spiked 28%. Concerns surrounding inflation and higher interest rates weighed on markets. Tesla Inc. slumped 8.6% after posting a narrower than expected adjusted loss for the fourth quarter, while on the upside Twitter Inc. surged 12.15% after their results beat estimates. Amazon and Facebook were amongst the worst performers on the S&P500, losing 4.6% and 4.7% respectively. The Dow tumbled 4.15%, the S&P500 fell 3.75% and Nasdaq declined 3.9%.

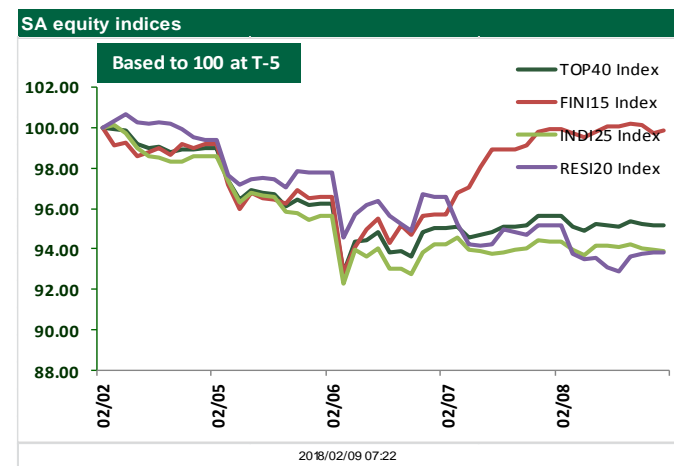
Asia

- Asian markets followed US markets lower. In Japan, energy and mining stocks were amongst the worst performers following crude prices lower, with the oil and coal sector falling 5.4%, while the mining sector was down 5.6%. Nikon outperformed adding more the 2% following upbeat earnings and forecasts. Chinese stocks were heading for their worst day in almost two years, falling more the 5% at one point, while the Hang Seng was down more than 3% Tencent was down more than 3% by midday. Australian stocks fell to their lowest level in four months, with financials the biggest drag on the index, with mining stocks following closely. BHP Billiton and Rio Tinto were both down more than 1%.

Developed Markets	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 1YR	Month trend
Dow Jones	23 860.46	-4.15	-8.75	-3.47	18.28	↓
Nasdaq	6 777.16	-3.90	-8.56	-1.83	18.58	↓
S&P500	2 581.00	-3.75	-8.60	-3.46	11.83	↓
DJ Eurostoxx 50	3 377.30	-2.24	-6.43	-3.61	3.04	↓
DAX	12 260.29	-2.62	-7.04	-5.09	5.30	↓
CAC	5 151.68	-1.98	-6.02	-3.03	6.74	↓
FTSE	7 170.69	-1.49	-4.82	-6.73	-0.81	↓
ASX200	5 838.00	-0.89	-3.31	-3.74	3.06	↓
Nikkei 225	21 276.55	-2.81	-7.89	-6.54	12.53	↓
MSCI World	2 045.01	-2.67	-7.60	-2.78	13.14	↓
Emerging Markets	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 1YR	Month trend
Hang Seng	29 422.75	-3.38	-10.53	-1.66	25.07	↓
Shanghai	3 124.55	-4.22	-10.24	-5.52	-1.84	↓
Brazil Bovespa	81 532.53	-1.49	-3.98	6.72	25.50	↓
India - NSE	33 952.10	-1.34	-5.60	-0.31	19.85	↓
Russia Micex	2 227.24	-1.22	-2.74	5.57	2.45	↓
MSCI Emerging	1 163.09	-0.88	-7.29	0.40	25.66	↓
SA Indices	Last price	%Δ -1d	%Δ MTD	%Δ 1YR	%Δ 1YR	Month trend
JSE All Share	56 635.69	-0.44	-4.82	-4.82	9.12	↓
Top 40	49 934.79	-0.49	-5.09	-4.95	10.93	↓
Resi 10	35 334.69	-1.39	-5.99	-2.64	4.45	↓
Indi 25	73 765.09	-0.48	-6.83	-6.73	11.20	↓
Fini 15	17 514.48	-0.05	0.31	-2.01	18.74	↑

Source: Bloomberg & Nedbank CIB Time 20/02/09 07:22

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
13 February 2018		
KAL	Kaap Agri Limited	dividend @ 82.60cps
SBV	Sabvest Ltd	Special dividend @ 100cps
SVN	Sabvest Ltd -N-	Special dividend @ 100cps

Source: JSE

JSE performance

[back to top](#)

Nedbank CIB Market Commentary | CIBMarketComm@Nedbank.co.za | +27 11 294 1753

Top40 constituents	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 1YR	Month trend
AGL : Anglo American Plc	271.85	-0.72	-6.15	6.35	25.86	↓
ANG : Anglogold Ashanti Ltd	121.15	-2.73	-8.01	-5.81	-32.77	↓
APN : Aspen Pharmacare Holdings Lt	257.00	-0.19	-5.06	-7.39	-16.42	↓
BGA : Barclays Africa Group Ltd	183.50	-0.11	1.89	0.83	15.41	↑
BID : Bid Corp Ltd	261.12	0.21	-1.54	-13.25	10.72	↓
BIL : Bhp Billiton Plc	249.28	-0.99	-5.70	-0.51	11.53	↓
BTI : British American Tobacco Plc	765.00	0.11	-6.02	-7.78	-9.14	↓
BVT : Bidvest Group Ltd	226.28	-2.65	-9.48	3.76	38.90	↓
CFR : Financiere Richemont-Dep Rec	109.44	1.40	-4.61	-2.07	10.02	↓
CPI : Capitec Bank Holdings Ltd	810.61	-3.15	1.25	-26.17	16.15	↑
DSY : Discovery Ltd	163.00	-0.61	-3.46	-12.37	38.43	↓
FFA : Fortress Reit Ltd-A	17.35	1.82	-1.64	-6.52	0.81	↓
FFB : Fortress Reit Ltd-B	27.60	2.22	-8.24	-34.60	-20.02	↓
FSR : Firststrand Ltd	66.66	-0.42	0.24	-0.88	33.86	↑
GFI : Gold Fields Ltd	47.76	-4.06	-6.15	-11.72	1.62	↓
GRT : Grow thpoint Properties Ltd	28.75	1.23	3.57	3.94	11.26	↑
INL : Investec Ltd	103.00	1.92	10.86	14.80	8.50	↑
INP : Investec Plc	104.02	2.99	11.54	15.89	9.00	↑
ITU : Intu Properties Plc	35.42	0.63	-6.20	-15.57	-22.80	↓
LHC : Life Healthcare Group Holdin	26.97	0.15	-1.14	-2.81	-15.12	↓
MEI : Mediclinic International Plc	96.17	2.11	-3.66	-9.60	-30.23	↓
MND : Mondi Ltd	307.03	-0.37	-2.95	-3.83	1.60	↓
MNP : Mondi Plc	309.65	0.37	-2.17	-3.03	2.32	↓
MRP : Mr Price Group Ltd	269.00	-0.17	-5.94	9.85	65.51	↓
MTN : Mtn Group Ltd	126.55	-1.77	-3.69	-7.36	8.51	↓
NED : Nedbank Group Ltd	269.68	-0.10	2.15	5.30	16.49	↑
NPN : Naspers Ltd-N Shs	3 025.45	-0.64	-10.56	-12.33	41.34	↓
NRP : Nepi Rockcastle Plc	142.65	0.11	-11.34	-33.21	#N/A N/A	↓
OML : Old Mutual Plc	39.40	1.31	-0.20	3.68	13.74	↓
RDF : Redefine Properties Ltd	10.93	1.20	1.02	2.15	-0.09	↑
REM : Remgro Ltd	221.60	-2.00	-6.20	-6.10	-0.59	↓
RES : Resilient Reit Ltd	110.44	3.60	-5.12	-26.94	-6.41	↓
RMH : Rmb Holdings Ltd	78.00	-1.28	-1.02	-1.48	21.59	↓
RNI : Reinnet Investments Sca	250.00	-1.03	-1.96	-8.76	#N/A N/A	↓
SAP : Sappi Limited	83.00	1.54	-2.75	-7.26	0.25	↓
SBK : Standard Bank Group Ltd	196.99	-1.01	-1.83	0.68	39.64	↓
SHP : Shoprite Holdings Ltd	239.00	-0.25	-3.14	8.05	40.59	↓
SLM : Sanlam Ltd	90.50	-1.09	2.61	4.02	44.11	↑
SNH : Steinhoff International H NV	6.02	-9.47	-11.99	29.46	-91.23	↓
SOL : Sasol Ltd	391.00	-3.69	-8.45	-8.68	1.30	↓
TBS : Tiger Brands Ltd	434.55	-3.78	-5.74	-5.53	7.32	↓
VOD : Vodacom Group Ltd	161.26	0.63	-1.37	10.69	7.51	↓
WHL : Woolworths Holdings Ltd	63.01	-0.80	-1.81	-3.52	-11.74	↓

Source: Bloomberg & Nedbank CIB

T ime 2018/02/09 07:22

Economics

[back to top](#)

Nedbank CIB Market Commentary | CIBMarketComm@Nedbank.co.za | +27 11 294 1753

UK

- The BOE kept interest rates unchanged at 0.5% and the asset purchase programme at £435 billion. However the BOE raised their growth forecasts (averaging 1.75% over the next 3 years) and kept inflation projections above 2% over the next 3 years. Carney had also indicated that it is necessary to raise interest rates to a limited and gradual degree, but somewhat sooner than previously thought in November 2017.
- As a result of the hawkish rhetoric, the market is now pricing in a 75% probability of a BOE hike in May, and a hike with certainty in August. Markets are now bracing for 3 rate hikes of 25bps each within the next 3 years.
- The BOE seems confident that the current recovery will continue, and therefore are sounding more concerned about an overheating economy in such a case. However the BOE conceded that imported inflationary pressures are likely to diminish more rapidly than its central projection, and sees inflation at 2.11% in 3 years' time. Hence the balance of upside inflation risks is likely to come from higher wage growth and higher local and global demand, rather than from the currency, which was previously the case.

Synopsis: Given the slightly more hawkish outlook by the BOE, we believe that a gradual pace of monetary tightening will probably materialise, with one hike expected in each of the next 3 years. This pace may be fast-tracked if real GDP growth surprises to the upside and there is increasingly more evidence of an economy overheating.

China

- Chinese CPI eased to 1.5% y/y in January, from 1.85 previously, in line with consensus. Food prices remain in deflation while non-food costs eased as well. The high base effect from last year may be a reason for the softer CPI print in January, and could rebound in the next print.
- PPI fell to 4.3% y/y in January, from 4.9% previously, in line with consensus. This is in line with the PMI data which is signalling some slowdown in factory prices on the back of lower energy prices and lower coal, copper and iron ore costs.

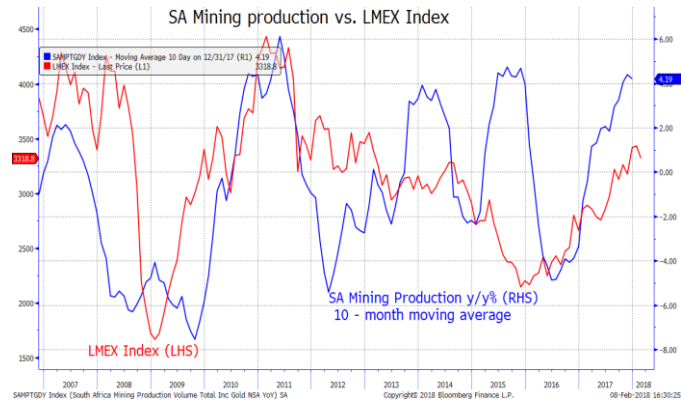
Synopsis: While global central banks have started to ease monetary policy, the PBOC has started with tightening conditions in the shadow banking industry. Monetary policy is likely to tighten at the fringes as inflation is still below the PBOC target of 3%.

SA

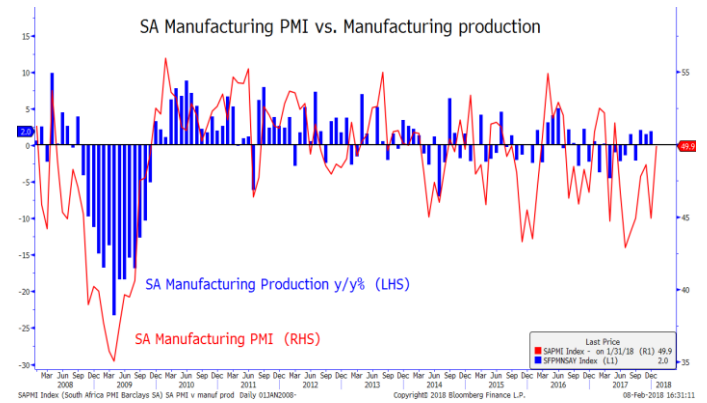
- SA mining production growth disappointed in December, with growth of just 0.1% y/y recorded, from 6.5% growth in November, worse than consensus of 6.3%. Sharp contractions were seen in gold, coal and PGM production. These subtracted 3.6% from the headline output. In contrast, production of the ores (iron, chromium and manganese), building materials, and other non-metallic minerals more than offset the negative impact of the aforementioned commodities. Mineral sales have grown by 8.5% in 2017, signalling the healthy pace of global demand which will likely be supportive of the SA mining industry somewhat in 2018. However, because of the sharp decline in production in November and December, mining production has contracted by 1.7% over 4Q17 and will likely contribute negatively towards real GDP growth in that quarter.
- Manufacturing production surprised to the upside in December, rising 2% y/y, from 1.5% in November, better than consensus of 1.8%. Over the month, manufacturing output rose 1.1, and ended the quarter 1.5% higher. Hence the manufacturing industry may likely make a positive contribution towards 4Q17 real GDP growth. The medium term momentum is dependent on local and global demand conditions. Manufacturing production growth was driven by petroleum, basic iron and steel, motor vehicles, glass and furniture production which surged over the month. On the other hand production of wood products, textiles and clothing, and electrical machinery disappointed, although the effect on overall output was muted.

Synopsis: SA growth is expected at 1.4% in 2018, premised on a recovery in local confidence levels, investment spending, a more stable political environment and off the low base from 2017. Nonetheless, downside risks remain as a result of the still uncertain political landscape and the threat of a Moody's downgrade. The mining and manufacturing industries are highly reliant on global demand holding up, as well as local demand recovering somewhat. We do believe that both are likely to be achieved in 2018, hence the relatively upbeat outlook on growth.

Mining output disappoints, however trend is still quite positive



PMI suggests some improvement in manufacturing conditions in the near term



Economic calendar

[back to top](#)

Nedbank CIB Market Commentary | CIBMarketComm@Nedbank.co.za | +27 11 294 1753

	Country	Event	Period	Survey	Actual	Prior	Revised
08-February							
01:50 AM	JN	BoP Current Account Adjusted	DEC	JPY 1653b	JPY 1480b	JPY 1701b	-
01:50 AM	JN	Trade Balance BoP Basis	DEC	JPY 520b	JPY 539b	JPY 181b	-
05:06 AM	CH	Exports YoY CNY	JAN	2.60%	6.00%	7.40%	-
05:06 AM	CH	Imports YoY CNY	JAN	5.25%	30.20%	0.90%	-
05:06 AM	CH	Trade Balance CNY	JAN	CNY 330.0b	CNY 135.8b	CNY 362.0b	-
05:41 AM	CH	Exports YoY	JAN	10.7%	11.1%	10.9%	-
05:41 AM	CH	Imports YoY	JAN	10.60%	36.90%	4.50%	-
05:41 AM	CH	Trade Balance	JAN	USD 54.7b	USD 20.3b	USD 54.7b	-
09:00 AM	GE	Current Account Balance	DEC	EUR 28.0b	EUR 27.8b	EUR 25.4b	-
09:00 AM	GE	Exports SA MoM	DEC	-1.00%	0.30%	4.10%	-
09:00 AM	GE	Imports SA MoM	DEC	-0.70%	1.40%	2.30%	2.20%
09:00 AM	GE	Trade Balance	DEC	EUR 21.0b	EUR 18.2b	EUR 23.7b	-
09:17 AM	CH	BoP Current Account Balance	4Q P	-	USD 62.2b	USD 40.5b	-
11:30 AM	SA	Mining Production YoY	DEC	6.30%	0.10%	6.50%	-
11:30 AM	SA	Gold Production YoY	DEC	-	-12.42%	-8.30%	-10.40%
11:30 AM	SA	Platinum Production YoY	DEC	-	-1.36%	12.30%	12.40%
01:00 PM	SA	Manufacturing Prod NSA YoY	DEC	1.80%	2.00%	1.70%	1.50%
02:00 PM	UK	Bank of England Bank Rate	FEB 8	0.50%	0.50%	0.50%	-
02:00 PM	UK	BOE Asset Purchase Target	FEB	GBP 435b	GBP 435b	GBP 435b	-
02:00 PM	UK	BOE Corporate Bond Target	FEB	GBP 10b	GBP 10b	GBP 10b	-
03:30 PM	US	Initial Jobless Claims	NOV 25	232k	221k	230k	-
03:30 PM	US	Continuing Claims	NOV 18	1940k	1923k	1953k	-
09-February							
01:50 AM	JN	Money Stock M3 YoY	JAN	3.10%	2.90%	3.10%	-
03:30 AM	CH	CPI YoY	JAN	1.50%	1.50%	1.80%	-
03:30 AM	CH	PPI YoY	JAN	4.30%	4.30%	4.90%	-
11:30 AM	UK	Industrial Production YoY	DEC	0.30%	-	2.50%	-
11:30 AM	UK	Manufacturing Production YoY	DEC	1.20%	-	3.50%	-
11:30 AM	UK	Trade Balance	DEC	GBP -2400m	-	GBP -2804m	-
02:00 PM	UK	NIESR GDP Estimate	JAN	0.50%	-	0.60%	-
05:00 PM	US	Wholesale Inventories MoM	DEC F	0.20%	-	0.20%	-
05:00 PM	US	Wholesale Trade Sales MoM	DEC	0.40%	-	1.50%	-
12-February							
09:00 PM	US	Monthly Budget Statement		USD 50.0b	-	USD -23.2b	-

Source: Bloomberg

2018/02/09 07:22

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

Disclaimer

This report is personal to the recipient and any unauthorised use, redistribution, retransmission or reprinting of this report (whether by digital, mechanical or other means) is strictly prohibited.

The information furnished in this report, brochure, document, material, or communication ("the Commentary"), has been prepared by Nedbank Limited (acting through its Nedbank Corporate and Investment Banking division), a registered bank in the Republic of South Africa, with registration number: 1951/000009/06 and having its registered office at 135 Rivonia Road, Sandton, Johannesburg ("Nedbank"). The information contained herein may include facts relating to current events or prevailing market conditions as at the date of this Commentary, which conditions may change and Nedbank shall be under no obligation to notify the recipient thereof or modify or amend this Commentary. The information included herein has been obtained from various sources believed by Nedbank to be reliable and expressed in good faith, however, Nedbank does not guarantee the accuracy and/or completeness thereof and accepts no liability in relation thereto.

Nedbank does not expressly, or by implication represent, recommend or propose that any securities and/or financial or investment products or services referred to in this Commentary are appropriate and or/ suitable for the recipient's particular investment objectives or financial situation. This Commentary should not be construed as "advice" as contemplated in the Financial Advisory and Intermediary Services Act, 37 of 2002 in relation to the specified products. The recipient must obtain its own advice prior to making any decision or taking any action whatsoever.

This Commentary is neither an offer to sell nor a solicitation of an offer to buy any of the products mentioned herein. Any offer to purchase or sell would be subject to Nedbank's internal approvals and agreement between the recipient and Nedbank. Any prices or levels contained herein are preliminary and indicative only and do not represent bids or offers and may not be considered to be binding on Nedbank. All risks associated with any products mentioned herein may not be disclosed to any third party and the recipient is obliged to ascertain all such risks prior to investing or transacting in the product or services. Products may involve a high degree of risk including but not limited to a low or no investment return, capital loss, counterparty risk, or issuer default, adverse or unanticipated financial markets fluctuations, inflation and currency exchange. As a result of these risks, the value of the product may fluctuate. Nedbank cannot predict actual results, performance or actual returns and no guarantee, assurance or warranties are given in this regard. Any information relating to past financial performance is not an indication of future performance.

Nedbank does not warrant or guarantee merchantability, non-infringement or third party rights or fitness for a particular purpose. Nedbank, its affiliates and individuals associated with them may have positions or may deal in securities or financial products or investments identical or similar to the products.

This Commentary is available to persons in the Republic of South Africa, financial services providers as defined in the FAIS Act, as well as to other investment and financial professionals who have experience in financial and investment matters.

All rights reserved. Any unauthorized use or disclosure of this material is prohibited. This material may not be reproduced without the prior written consent of Nedbank, and should the information be so distributed and/or used by any recipients and/or unauthorized third party, Nedbank disclaims any liability for any loss of whatsoever nature that may be suffered by any party by relying on the information contained in this Commentary.

Certain information and views contained in this Commentary are proprietary to Nedbank and are protected under the Berne Convention and in terms of the Copyright Act 98 of 1978 as amended. Any unlawful or attempted illegal copyright or use of this information or views may result in criminal or civil legal liability.

All trademarks, service marks and logos used in this Commentary are trademarks or service marks or registered trademarks or service marks of Nedbank or its affiliates.

Nedbank Limited is a licensed Financial Services Provider and a Registered Credit Provider (FSP License Number 9363 and National Credit Provider License Number NCRCP 16).