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 (\* when available)*

## Key daily drivers

Nedbank CIB Market Commentary | [CIBMarketComm@Nedbank.co.za](mailto:CIBMarketComm@Nedbank.co.za) | +27 11 294 1753

### SNIPPETS

(Fixed Income)	SAGBs continue to rally on the back of recent announcement of weekly auction size reduction by NT, despite markets remaining cautious due to US tariff hikes materialising
(Currencies)	Local FX markets continue to trade cautiously ahead of Moody's review today
(Commodities)	Gold and oil remains elevated amid concerns over steep US trade tariffs which could start a trade war
(Equities)	Naspers weighs heavily on the JSE, while trade war fears put pressure on global markers
(Economics)	SA retail sales disappoints in January; BOE remains hawkish, markets price in a rate hike in May; US leading index continues to rise; Japanese inflation higher in February

## Key overnight factors and upcoming events this week

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Date	Region	Event <span style="color:red">↓</span> <span style="color:green">↑</span> <span style="color:blue">→</span>	Actual/expected/prior	Implications
20/03	SA	CPI	4%/4.2%/4.4%	SA CPI eases in February on the back of lower transport and food inflation
21/03	US	FOMC rate decision	1.75%/1.75%/1.5%	Fed hikes interest rates, dollar weakens, market more concerned about the possibility of a global trade war initiated by the US
22/03	UK	BOE interest rate decision	0.5%/0.5%/0.5%	BOE remains hawkish, but leaves rates unchanged
27/03	EZ	Consumer confidence indicators	--	Confidence levels are expected to remain upbeat despite recent disappointment
28/03	US	GDP	--/2.6%/2.5%	GDP expected to be revised marginally higher in the third estimate

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		MTD trend
		1d	MTD	YTD	12Month			
	%	bps	bps	bps	bps			
R204-0.7 yrs	6.50	-0.45	-6.85	-56.75	-85.95			↓
R208-3 yrs	6.98	-0.30	-6.60	-58.40	-55.60			↓
R186-8.7 yrs	8.00	-0.35	-12.05	-58.55	-32.25			↓
R2048-29.9 yrs	8.90	-0.25	-16.45	-81.55	-27.35			↓
US 10 yr	2.81	-1.82	-5.52	40.08	38.68			↓
UK 10 yr	1.44	-8.70	-6.10	25.00	26.40			↓
German 10 yr	0.53	-6.30	-12.70	10.20	12.10			↓
Japan 10 yr	0.03	-1.20	-2.70	-2.20	-3.10			↓

Money Market	Last price	Δ		Δ		MTD trend
		1d	MTD	YTD	12Month	
	%	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)	4.00		-40.00			↓
SA 3m JIBAR	7.13	0.00	0.00	-3.30	-20.80	→
SA 3m NCD	7.13	2.50	-1.25	-2.50	-25.00	↓
SA 6m NCD	7.55	2.50	-2.50	-5.00	-32.50	↓
SA 12m NCD	7.88	0.00	-5.00	-2.50	-35.00	↓
US 3m LIBOR	2.29	1.45	26.84	59.13	112.88	↑
UK 3m LIBOR	0.65	1.60	6.99	13.04	30.86	↑
Japan 3m LIBOR	-0.04	0.58	1.62	-1.98	-4.94	↑

Source: Bloomberg & Nedbank CIB  
Time: 2018/03/23 07:22

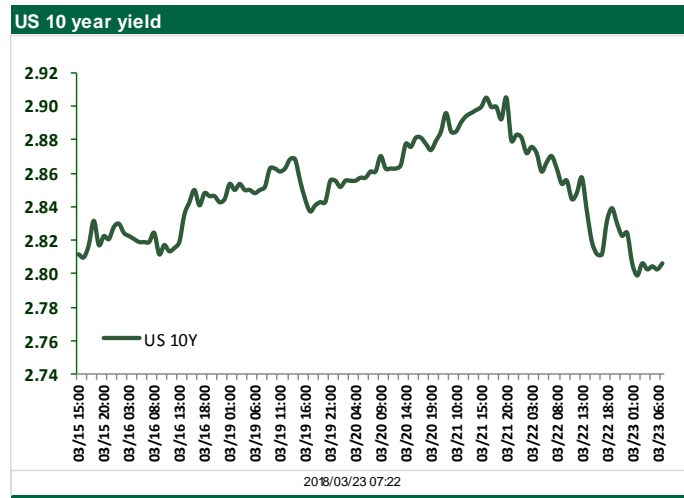
FRAs and Swaps	Last price	Δ		Δ		Δ		MTD trend
		1d	MTD	YTD	12Month			
	%	bps	bps	bps	bps			
3X6 FRA	6.84	0.00	-9.00	-5.00	-41.00			↓
6X9 FRA	6.86	0.00	4.00	3.00	4.00			↑
9X12 FRA	6.67	-2.00	-13.00	-12.00	-35.00			↓
18X21 FRA	6.78	-0.50	-12.50	-20.50	-21.50			↓
SA 2yr Swap	6.90	9.98	-0.61	-3.19	-19.01			↓
SA 3yr Swap	6.89	0.07	-10.12	-15.92	-19.92			↓
SA 5yr Swap	7.11	-0.50	-11.00	-22.00	-17.00			↓
SA 10yr Swap	7.61	-0.50	-10.50	-31.50	-10.75			↓
SA 15yr Swap	7.87	-1.30	-10.00	-29.50	-1.50			↓

Spreads	Last price	Δ		Δ		MTD trend
		1d	MTD	YTD	12Month	
	%	bps	bps	bps	bps	
2v10y	-0.71	10.48	9.89	28.31	-8.26	↑
3v10y	-0.72	0.57	0.38	15.58	-9.17	↑
R186-R204	1.51	0.10	-5.20	-1.80	53.70	↓
R2048-R186	0.90	0.10	-4.40	-23.00	4.90	↓
5y-R186	-0.89	-0.15	1.05	36.55	15.25	↑
10y-R186	-0.39	-0.15	1.55	27.05	21.50	↑
15y-R186	-0.14	-0.95	2.05	29.05	30.75	↑
SA 5yr CDS spread - basis points	163.31	3.94	18.10	6.36	-27.71	↑

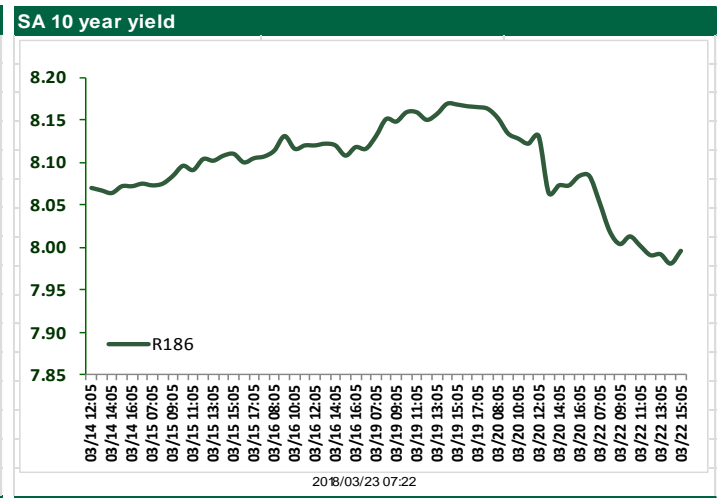
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## US 10 year yield



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

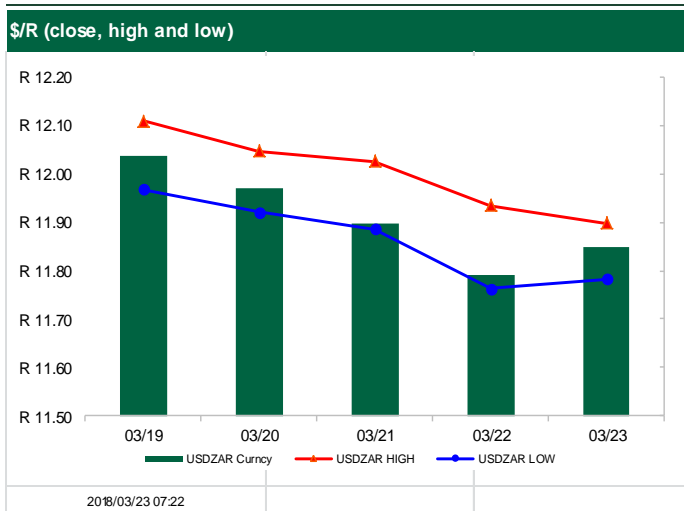
- Yesterday the market opened with the rand trading in the mid 11.80's , as expected trading was cautious and non-committal , trading to a high of 11.8900 and a low of 11.7600 , before closing the local session trading basically unchanged from the opening levels. This morning the rand is currently trading at 11.8500, EURZAR is trading at 14.6185 and GBPZAR is trading at 16.7240.
- International markets were similarly subdued; EURUSD trading between 1.2300 and 1.2388 on the day, this morning it currently trades at 1.2335 in what has been a quiet session in the Far East. Gold has continued to benefit from the prevailing uncertainty, it has posted gains to the tune of 10 dollars since yesterday, and in excess of 20 dollars since Tuesday, this morning it currently trades at 1338.50.
- There are no data releases locally or from Europe today, from the U.S we have durable goods and new home sales but the focus will be on the Moody's announcement this evening, which is scheduled for post the local close.
- Possible trading range in the rand today 11.7000 to 12.0000.

Majors	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	USD trend
GBPUSD	1.41	0.06	2.37	4.43	12.76	↑	USD weakness
EURUSD	1.23	0.25	1.02	2.74	14.41	↑	USD weakness
USDJPY	104.86	-0.86	-1.78	7.47	-5.89	↓	USD weakness
USDAUD	1.30	0.08	1.06	1.25	-0.98	↑	USD strength
Rand crosses	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	ZAR trend
USDZAR	11.85	0.49	0.52	-4.51	-5.08	↑	ZAR weakness
GBPZAR	16.72	0.54	2.81	0.00	6.83	↑	ZAR weakness
EURZAR	14.61	0.74	1.52	-1.64	8.15	↑	ZAR weakness
AUDZAR	9.14	0.39	-0.54	-5.78	-4.06	↓	ZAR strength
ZARJPY	8.85	-1.36	-2.31	-2.02	-0.77	↓	ZAR weakness
African FX	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	ZAR trend
ZARMWK (Malawian kwacha)	61.21	-0.53	-0.47	4.27	4.88	↓	ZAR weakness
ZARBWP (Botswana pula)	0.81	-0.53	-0.53	1.60	-1.07	↓	ZAR weakness
ZARKES (Kenyan shilling)	8.54	-0.49	-0.97	2.33	3.13	↓	ZAR weakness
ZARMUR (Mauritian rupee)	2.79	-0.99	-0.65	2.07	-1.93	↓	ZAR weakness
ZARNGN (Nigerian naira)	30.38	-0.50	-0.53	4.36	17.32	↓	ZAR weakness
ZARGHS (Ghanian cedi)	0.37	-0.24	-1.26	2.09	5.97	↓	ZAR weakness
ZARZMW (Zambian kwacha)	0.81	-0.48	-2.84	0.35	5.06	↓	ZAR weakness
ZARMZN (Mozambican metical)	5.24	-1.28	-0.09	9.70	-4.76	↓	ZAR weakness

Source: Bloomberg & Nedbank CIB  
Time: 2018/03/23 07:22

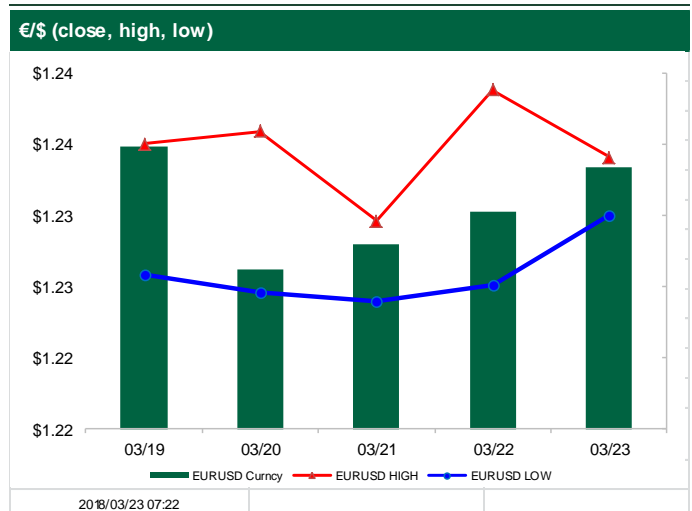
**\*Please note that the sign on the % change reflects the change on the headline number. The narrative indicates the trend direction over the month. For trade in any of these currencies, contact our FX dealing desks**

## USDZAR



Source: Bloomberg, Nedbank

## EUR/USD



Source: Bloomberg, Nedbank

# Commodities

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- Oil rallied as investors weighed a potential increase in geopolitical tensions. Futures climbed 1.4% after falling 1.3% yesterday.
- Gold heads for biggest weekly gain in five as investors seek havens on concerns that a trade war will hurt global growth. Bullion for immediate delivery +0.7% to \$1,338.36/oz; +1.9% this week.

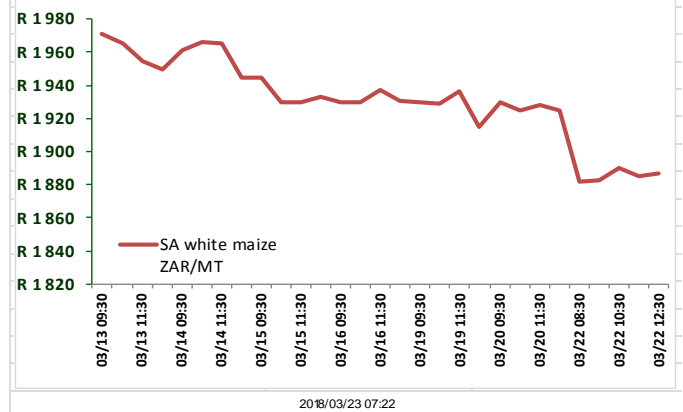
Source: Bloomberg

Commodities	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend
Brent near future (\$)	69.55	0.93	5.73	4.01	37.56	↑
WTI crude (\$)	64.99	1.07	5.43	7.56	36.25	↑
Gold spot (\$)	1 338.06	0.84	1.42	2.71	7.35	↑
Platinum spot (\$)	955.14	0.46	-3.09	2.90	-0.67	↓
SA white maize spot (R)	1 936.00	-1.93	7.38	1.89	-3.54	↑

Source: Bloomberg & Nedbank CIB  
Time: 2018/03/23 07:22

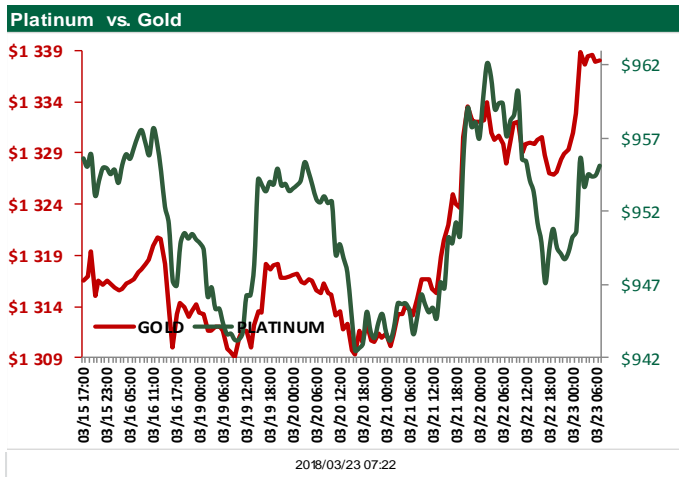
## SA white maize

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



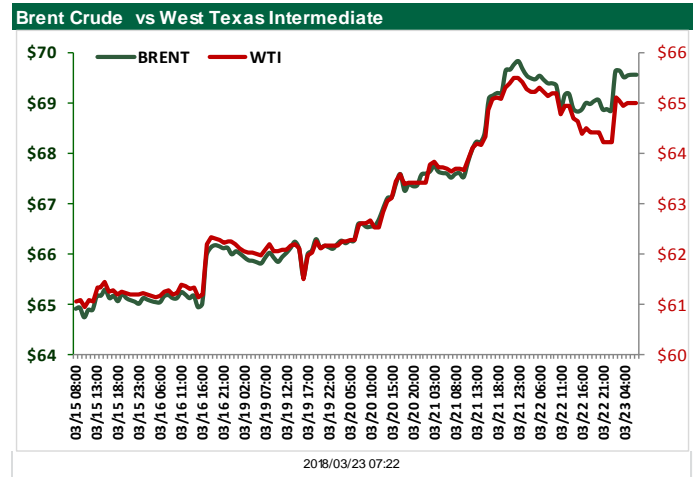
Source: Bloomberg, Nedbank

## 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 Top40 ended the day down 2.13%, weighed heavily by Naspers, which lost 4.59%, trading in heavy volume, accounting for 41.3% of the day's turnover. Disappointing results from Hong Kong's Tencent and the news that they were selling a \$10.6billion stake in Tencent dragged the stock lower. SA retail sales growth disappointed, taking retailers lower, with the likes of Woolworths and The Foschini group losing 3.58% and 3.09% respectively. The gold sector was the outperformer on the day, adding 2.17%. After the close, Growthpoint announced details of an accelerated book-build, placing 159 442 921 shares on behalf of Southern Palace Properties. The funds will be used to repay debt to fund the acquisition of SPP's stake in Growthpoint and to satisfy PIC's interest in exiting its exposure to the structure.
- The value traded at the close was R42.4 billion and the ZAR was trading at 11.87 vs the dollar.

## UK/Europe

- A weaker than expected business activity survey, together with trade war concerns weighed on European markets. Euro zone business ended the first quarter of 2018 with the slowest growth in more than a year, with new business being affected by a strong euro. Banking stocks were amongst the worst performers, with Deutsche Bank falling 2.9%, extending the previous sessions losses after their CFO said a strong euro and higher funding costs would have a 450 million euro impact on revenues. Commerzbank tumbled 6.2% following a broker downgrade. In London, the BoE unexpectedly kept rates unchanged, paving the way for an increase in May. The DAX fell 1.7%, the CAC40 lost 1.38% and the FTSE declined 1.23%.

## USA

- US markets fell sharply last night, after President Donald Trump signed a presidential memorandum, which will target up to \$60billion in Chinese goods with tariffs, only after a consultation period, giving China time to respond, which will reduce the risk of immediate retaliation from Beijing. Boeing Co, Caterpillar Inc and 3M Co were the biggest draggers on the Dow, losing between 5.7% and 4.7%. Out of the 11 major S&P sectors, defensive utilities, was the only positive sector, adding 0.44%. The Dow lost 2.93%, the S&P500 fell 2.52% and the Nasdaq ended the day 2.43% lower.

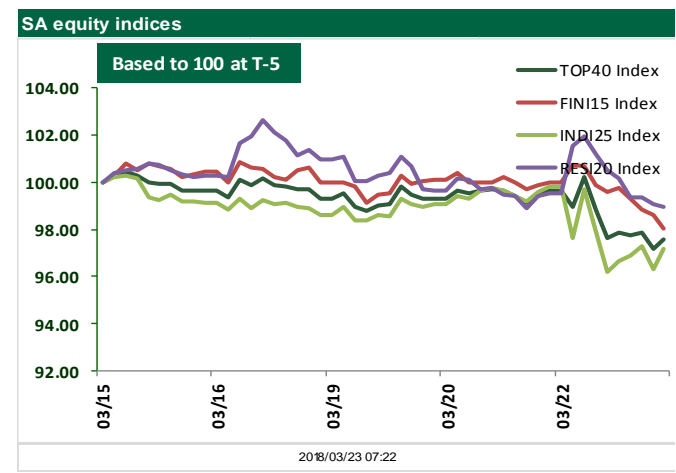
## Asia

- Asian markets are tracking global markets lower, with the Nikkei falling to its worst level since October as trade war tensions caused the yen to spike. As in Japan, trade war fears weighed on Chinese and Hong Kong markets. Tencent weighed on the Hang Seng, losing a further 4.51%, after Naspers planned to sell a stake in the internet giant. Material and financial stocks led the ASX lower. BH Billion (-3.3%) and Rio Tinto (-4.69%) were dragged lower by a weaker commodity prices.

Developed Markets	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	2017 Performance %	MTD trend
Dow Jones	23 957.89	-2.93	-4.28	-3.08	15.98	24.33	↓
Nasdaq	7 166.68	-2.43	-1.46	3.81	23.19	27.16	↓
S&P500	2 643.69	-2.52	-2.58	-1.12	12.69	18.42	↓
DJ Eurostoxx 50	3 348.19	-1.55	-2.64	-4.45	-3.01	5.70	↓
DAX	12 100.08	-1.70	-2.70	-6.33	0.50	11.51	↓
CAC	5 167.21	-1.38	-2.88	-2.74	2.67	8.43	↓
FTSE	6 952.59	-1.23	-3.86	-9.56	-5.29	7.10	↓
ASX200	5 820.70	-1.96	-3.25	-4.03	1.98	6.42	↓
Nikkei 225	20 666.28	-4.29	-6.35	-9.22	8.28	16.18	↓
MSCI World	2 072.94	-1.72	-2.13	-1.45	12.36	19.65	↓
Emerging Markets	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	2017 Performance %	MTD trend
Hang Seng	30 149.95	-2.96	-2.25	0.77	23.93	35.19	↓
Shanghai	3 145.81	-3.61	-3.49	-4.88	-3.16	5.46	↓
Brazil Bovespa	84 767.88	-0.25	-0.69	10.95	33.43	28.22	↓
India - NSE	32 614.08	-1.19	-4.59	-4.24	11.19	27.91	↓
Russia Mccx	2 285.76	-1.02	-0.48	8.34	11.44	-7.69	↓
MSCI Emerging	1 196.73	-1.07	0.13	3.30	23.64	34.35	↑
SA Indices	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	2017 Performance %	MTD trend
JSE All Share	57 224.60	-1.83	-1.89	-3.83	9.99	17.47	↓
Top 40	50 517.26	-2.13	-1.69	-3.84	12.65	19.66	↓
Resi 10	34 616.18	-0.59	-3.18	-4.62	12.56	13.03	↓
Indi 25	75 440.77	-2.61	-1.24	-4.61	11.55	23.03	↓
Fini 15	17 997.07	-1.95	-1.94	0.69	16.10	18.54	↓

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
<b>26 March 2018</b>		
CSB	Cashbuild Ltd	dividend @ 496cps
FSR	Firststrand Ltd	dividend @ 130cps
HYP	Hyprop Inv Ltd	dividend @ 376.30cps
IMRP4	IM Redeemable Pref 4Aug21	dividend @ 4701.329cps
MPT	Mpact Limited	dividend @ 40cps or 1.45773 new per 100 held
MSP	MAS Real Estate Inc	dividend @ 52.360010cps or 2.31869 new per 100 held
MTN	MTN Group Ltd	dividend @ 450cps
RMH	RMH Holdings Ltd	dividend @ 168cps
SAC	SA Corp Real Estate Ltd	dividend @ 22.54cps
SUR	Spur Corporation Ltd	dividend @ 63cps
TEX	Texton Property Ltd	dividend @ 47.950cps

Source: JSE

# JSE performance

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Top40 constituents	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	2017 Performance %	MTD trend
AGL : Anglo American Plc	282.61	-1.04	-3.38	10.56	42.35	29.43	↓
ANG : AngloGold Ashanti Ltd	108.84	2.52	0.61	-15.38	-20.35	-14.78	↑
APN : Aspen Pharmacare Holdings Lt	256.45	0.21	-5.05	-7.59	-5.64	-1.62	↓
BGA : Barclays Africa Group Ltd	194.36	-2.61	-2.09	6.80	23.35	7.05	↓
BID : Bid Corp Ltd	253.71	-2.46	-5.99	-15.71	-5.05	20.93	↓
BL : Bhp Billiton Plc	233.36	-0.51	-4.70	-6.86	18.01	11.95	↓
BTI : British American Tobacco Plc	637.20	-4.88	-9.84	-23.18	-21.08	6.38	↓
BVT : Bidvest Group Ltd	219.50	-0.43	-2.49	0.65	31.83	21.18	↓
CFR : Financiere Richemont-Dep Rec	107.47	-1.10	2.58	-3.83	9.45	24.15	↑
CPI : Capitec Bank Holdings Ltd	896.00	-2.01	7.63	-18.39	10.93	58.44	↑
DSY : Discovery Ltd	177.79	-0.54	-0.55	-4.41	30.24	61.26	↓
FSR : Firstrand Ltd	68.97	-2.56	-6.67	2.56	30.13	25.00	↓
GFI : Gold Fields Ltd	46.54	2.42	1.59	-13.97	4.12	23.12	↑
GRT : Grow thpoint Properties Ltd	28.81	-1.97	-2.34	4.16	8.84	6.59	↓
INL : Investec Ltd	93.41	-2.14	-8.87	4.11	-1.15	-1.57	↓
INP : Investec Plc	93.82	-2.12	-9.08	4.52	-0.09	-1.52	↓
IPL : Imperial Holdings Ltd	239.94	-3.82	-4.28	-8.47	35.80	41.52	↓
LHC : Life Healthcare Group Holdin	29.07	0.52	7.03	4.76	-6.48	-9.23	↑
MEI : Mediclinic International Plc	94.37	-1.94	-2.84	-11.29	-21.02	-18.17	↓
MND : Mondi Ltd	314.86	-2.48	2.22	-1.38	3.62	14.66	↑
MNP : Mondi Plc	316.47	-1.88	1.98	-0.89	4.39	14.14	↑
MRP : Mr Price Group Ltd	286.00	-1.42	1.14	16.80	61.76	53.52	↑
MTN : Mtn Group Ltd	122.26	0.01	-4.86	-10.50	-1.98	5.08	↓
NED : Nedbank Group Ltd	285.76	-2.32	-0.63	11.58	8.04	6.16	↓
NPN : Naspers Ltd-N Shs	3 300.00	-4.59	0.89	-4.38	47.69	69.72	↑
NRP : Nepi Rockcastle Plc	130.57	-1.66	9.51	-38.86			↑
OML : Old Mutual Plc	41.45	0.02	-1.03	9.08	18.60	9.35	↓
RDF : Redefine Properties Ltd	11.55	-2.20	1.85	7.94	3.13	-6.96	↑
REM : Remgro Ltd	227.55	-1.44	-5.78	-3.58	5.55	4.19	↓
RMH : Rmb Holdings Ltd	81.33	-2.80	-6.65	2.73	23.77	18.13	↓
RNI : Reinnet Investments Sca	210.53	-3.87	-8.47	-23.16			↓
SAP : Sappi Limited	77.46	-0.82	1.12	-13.45	-12.16	0.56	↑
SBK : Standard Bank Group Ltd	218.00	-2.59	0.09	11.42	37.11	28.22	↑
SHP : Shoprite Holdings Ltd	255.75	-1.63	-1.62	15.62	23.49	27.89	↓
SLM : Sanlam Ltd	92.08	-1.34	0.91	5.84	29.58	36.30	↑
SOL : Sasol Ltd	403.40	-0.03	-3.20	-5.79	12.68	5.32	↓
SPP : Spar Group Limited/The	210.00	0.24	-3.93	3.28	16.11	2.82	↓
TBS : Tiger Brands Ltd	366.97	0.44	-13.97	-20.22	-14.08	16.65	↓
TFG : The Foschini Group Ltd	227.95	-3.09	6.27	15.52	31.03	24.11	↑
TRU : Truworths International Ltd	108.97	-0.44	7.59	15.35	17.05	17.70	↑
VOD : Vodacom Group Ltd	154.67	-2.11	-4.96	6.17	-1.02	-3.27	↓
WHL : Woolworths Holdings Ltd	61.45	-3.58	-5.97	-5.91	-16.68	-9.09	↓

Source: Bloomberg & Nedbank CIB

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# Economics

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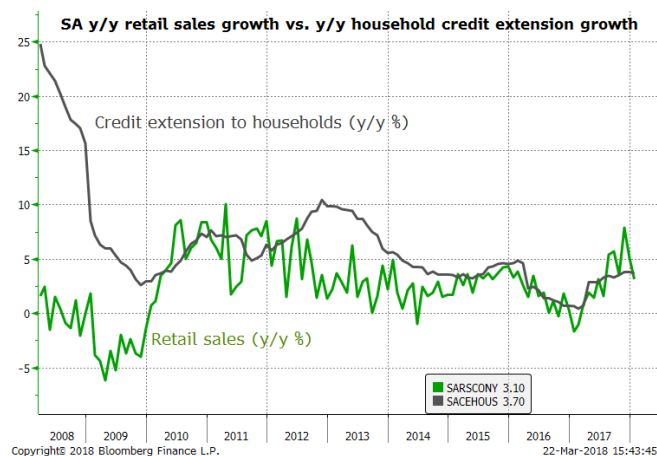
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## SA

- SA retail sales growth decelerated to 3.1% y/y in January, from 5.1% in December, worse than consensus of 5.9%. The deceleration makes sense given the surge in retail activity in November 2017 (mainly due to Black Friday promotions). Over the month, and here is where it gets mildly concerning, retail sales contracted by 1.6%, following from the 3.3% slump in December. Nonetheless, the November outlier returns a positive 3-month trend in January, despite easing somewhat (+0.9% 3m chg vs. +1.9% prev.).
- Key positive drivers of the annualised print were clothing and footwear, and the 'all other retailers' category, along with general dealers. All categories of goods saw a decline in the pace of sales growth other than clothing and footwear.

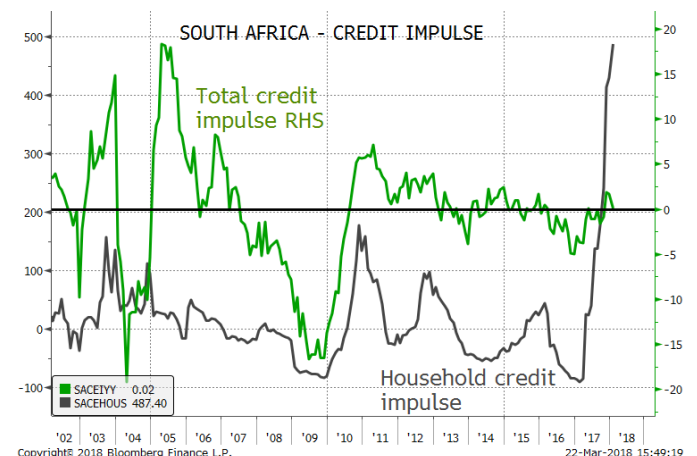
**Synopsis:** Household consumption expenditure remains a key driver of GDE, household credit impulse is quite elevated, while economic conditions (barring unemployment) is still conducive of consumer spending activities in coming months. We remain cautiously optimistic on economic growth as a whole and expect some monetary easing this year – as a result this will be supportive of retail activity over the medium term.

### Credit extension remains upbeat, along with retail sales



Source: Bloomberg, Nedbank

### Household credit impulse remains at record high



Source: Bloomberg, Nedbank

## UK

- The BOE left interest rates and its asset purchase programme unchanged, but remained hawkish reiterating that gradual rate hikes are needed to reach the inflation target of 2%. Inflation is currently at 2.7% and forecast to remain above 2% over the next three years.
- The BOE has indicated that Brexit remains a key influence on its economic outlook, and outlook for rates, while protectionism policies (like steep import tariff hikes by the US) will hurt growth.
- The market is expecting one rate hike in May 2018, with rates likely remaining flat before another hike sometime in 2019.

**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.



## US

- The US leading index rose 0.6% m/m in February, from 0.8% growth previously, better than consensus of 0.5%. The leading index signals growth and economic momentum in an economy over the next 6 to 9 months.
- The main positive drivers of the index were: a longer workweek, lower jobless claims, growth in new orders, and better durable goods orders. This implies that the current rapid pace of economic activity is expected to persist at least until year end, unless unforeseen aspects like a slowdown in global trade, job losses or a sharp increase in prices hampers this pace of growth.

**Synopsis: In this type of environment, and assuming the very robust pace of growth persists over the medium term, the Fed is expected to hike interest rates two more 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.**

## Japan

- Japanese CPI rose to 1.5% y/y in February, from 1.4% previously, in line with consensus. While food prices eased, medical care costs and transport and communication prices rose sharply, along with entertainment costs.
- The Japanese economy is growing above potential, hence the inflationary impact of some pent-up demand in the region. A stronger yen however does place some disinflationary pressure on import costs. On the other hand, Bloomberg reports that wage negotiations have gone well in Japan, with modest increases likely to support inflation in the region.
- There is quite a marked shift in rhetoric on the inflation outlook in Japan than a few months ago when the country was battling deflation. However all is not well yet, with the core measure of inflation still at 0.3% y/y in February. But even this measure is at multi-months high and is showing signs of underlying inflationary pressures starting to emerge.

**Synopsis: The BOJ recently reduced its buying of long-dated bonds, in an effort towards gradual monetary policy normalization. However, inflation is still well below the BOJ target of 2%, but growth has surprised on the upside recently which could be slightly inflationary in the medium term. For now, despite the reduced bond buying, monetary policy is still very much accommodative, and will likely remain so for some time.**

## Economic calendar

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	Country	Event	Period	Survey	Actual	Prior	Revised
<b>22-March</b>							
02:30 AM	JN	Nikkei Japan PMI Mfg	MAR P	-	53.2	54.1	-
10:30 AM	GE	Markit Germany Services PMI	MAR P	55.0	54.2	55.3	-
10:30 AM	GE	Markit/BME Germany Manufacturing PMI	MAR P	59.8	58.4	60.6	-
11:00 AM	EC	Markit Eurozone Services PMI	MAR P	56.0	55.0	56.2	-
11:00 AM	EC	Markit Eurozone Manufacturing PMI	MAR P	58.1	56.6	58.6	-
11:00 AM	GE	IFO Business Climate	MAR	114.6	114.7	115.4	-
11:00 AM	GE	IFO Current Assessment	MAR	125.6	125.9	126.3	-
11:00 AM	GE	IFO Expectations	MAR	104.4	104.4	105.4	-
11:00 AM	EC	Current Account NSA	JAN	-	EUR 12.8b	EUR 45.8b	EUR 46.8b
11:00 AM	EC	ECB Current Account SA	JAN	-	EUR 37.6b	EUR 29.9b	EUR 31.0b
11:30 AM	UK	Retail Sales Inc Auto Fuel YoY	FEB	1.40%	1.50%	1.60%	1.50%
01:00 PM	SA	Retail Sales Constant YoY	JAN	5.90%	3.10%	5.30%	5.10%
02:00 PM	UK	Bank of England Bank Rate	MAR 22	0.50%	0.50%	0.50%	-
02:00 PM	UK	BOE Asset Purchase Target	MAR	GBP 435b	GBP 435b	GBP 435b	-
02:00 PM	UK	BOE Corporate Bond Target	MAR	GBP 10b	GBP 10b	GBP 10b	-
02:30 PM	US	Initial Jobless Claims	NOV 25	225k	229k	226k	-
02:30 PM	US	Continuing Claims	NOV 18	1870k	1828k	1879k	-
03:45 PM	US	Markit US Manufacturing PMI	MAR P	55.5	55.7	55.3	-
03:45 PM	US	Markit US Services PMI	MAR P	56.0	54.1	55.9	-
04:00 PM	US	Leading Index	FEB	0.50%	0.60%	1.00%	0.80%
05:00 PM	US	Kansas City Fed Manf. Activity	MAR	17.0	17.0	17.0	-
<b>23-March</b>							
01:30 AM	JN	Natl CPI YoY	FEB	1.50%	1.50%	1.40%	-
02:30 PM	US	Cap Goods Orders Nondef Ex Air	FEB P	0.9%	-	-0.3%	-
02:30 PM	US	Durables Ex Transportation	FEB P	0.50%	-	-0.30%	-
02:30 PM	US	Durable Goods Orders	FEB P	1.6%	-	-3.6%	-
04:00 PM	US	New Home Sales	FEB	620k	-	593k	-
04:00 PM	US	New Home Sales MoM	FEB	4.55%	-	-7.80%	-
<b>26-March</b>							
02:30 PM	US	Chicago Fed Nat Activity Index		0.00	-	0.12	-
04:30 PM	US	Dallas Fed Manf. Activity	MAR	31.0	-	37.2	-

Source: Bloomberg

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