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Key daily drivers

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

SNIPPETS

| | |
|----------------|--|
| (Fixed Income) | SA bonds yields remain on the back foot as EM risk-off persists amid concern over Iranian nuclear deal, locals absorb offshore selling |
| (Currencies) | Rand stages modest recovery as dollar pressure eases |
| (Commodities) | Dollar eases somewhat, supporting gold prices; Oil remains elevated on the back of recent Iranian developments |
| (Equities) | Equity markets traded higher with energy shares taking the lead as the oil price hit \$77 a barrel post the U.S. announcing its intention withdraw from the Iran nuclear deal and to curb Iran's crude sales |
| (Economics) | SA Business confidence index declines in April after rally at the start of the year; Asian data this morning is mixed |

Key overnight factors and upcoming events this week

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| Date | Region | Event ↓ ↑ → | Actual/expected/prior | Implications |
|-------|--------|---|-----------------------|---|
| 09/05 | SA | SACCI business confidence | 96/--/97.6 | Business confidence eases, but trend remains positive, businesses look for real economy changes to maintain confidence |
| 10/05 | SA | Public sector wage negotiations | -- | Unions have deadline to accept employer offer or go into arbitration with the CCMA. This is important from a fiscal perspective because if the current offer is accepted then it will save the government billions of rands over the long run |
| 10/05 | UK | Industrial production | --/3.1%/2.2% | Industrial activity likely to remain positive, but concerns around global trade remain |
| 10/05 | SA | Mining and manufacturing production | -- | Mining production growth may slow in March due to a seasonal slowdown in economic activity, manufacturing production may rise as reflected in the improvement in the PMI |

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 | | MTD trend |
|----------------|------------|-------|-------|--------|---------|-----------|
| | | 1d | MTD | YTD | 12Month | |
| | % | bps | bps | bps | bps | |
| R204-0.6 yrs | 6.75 | -0.25 | -0.45 | -30.95 | -0.70 | ↓ |
| R208-2.9 yrs | 7.50 | 0.00 | 21.70 | -6.30 | 0.00 | ↑ |
| R186-8.6 yrs | 8.44 | -0.10 | 26.20 | -14.60 | 0.98 | ↑ |
| R2048-29.8 yrs | 9.37 | 0.10 | 32.80 | -34.80 | -0.33 | ↑ |
| US 10 yr | 2.98 | -2.38 | 2.73 | 57.51 | 56.64 | ↑ |
| UK 10 yr | 1.46 | 1.30 | 3.90 | 26.70 | 25.50 | ↑ |
| German 10 yr | 0.56 | -0.20 | 0.00 | 13.20 | 12.90 | ⇒ |
| Japan 10 yr | 0.05 | 0.00 | -0.10 | 0.60 | 1.20 | ↓ |

| Money Market | Last price | Δ | | Δ | | MTD trend |
|-------------------------------|------------|------|--------|--------|---------|-----------|
| | | 1d | MTD | YTD | 12Month | |
| | % | bps | bps | bps | bps | |
| SA repo rate | 6.50 | 0.00 | 0.00 | -25.00 | -50.00 | ⇒ |
| SA prime rate | 10.00 | 0.00 | 0.00 | -25.00 | -50.00 | ⇒ |
| SA CPI (MTD = previous month) | 3.80 | | -20.00 | | | ↓ |
| SA 3m JIBAR | 6.90 | 0.00 | 0.00 | -25.80 | -44.20 | ⇒ |
| SA 3m NCD | 6.90 | 0.00 | 0.00 | -25.00 | -45.00 | ⇒ |
| SA 6m NCD | 7.40 | 0.00 | 0.00 | -20.00 | -50.00 | ⇒ |
| SA 12m NCD | 7.88 | 0.00 | 12.50 | -2.50 | -43.75 | ↑ |
| US 3m LIBOR | 2.36 | 0.33 | -0.72 | 66.15 | 117.38 | ↓ |
| UK 3m LIBOR | 0.68 | 1.04 | -2.66 | 16.27 | 36.54 | ↓ |
| Japan 3m LIBOR | -0.03 | 0.50 | -0.17 | -0.78 | -3.81 | ↓ |

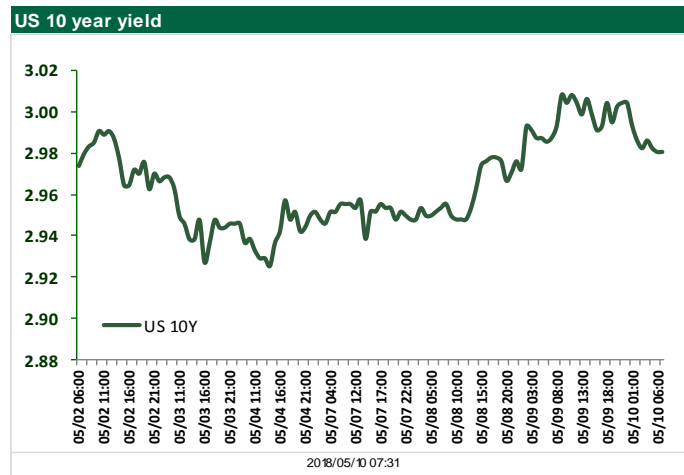
Source: Bloomberg & Nedbank CIB
Time: 2018/05/10 07:31

| FRAs and Swaps | Last price | Δ | | Δ | | MTD trend |
|----------------|------------|-------|-------|-------|---------|-----------|
| | | 1d | MTD | YTD | 12Month | |
| | % | bps | bps | bps | bps | |
| 3X6 FRA | 6.87 | 1.00 | 6.00 | -2.00 | -40.00 | ↑ |
| 6X9 FRA | 6.86 | 0.00 | 4.00 | 3.00 | 4.00 | ↑ |
| 9X12 FRA | 6.89 | 1.50 | 10.50 | 9.50 | -18.50 | ↑ |
| 18X21 FRA | 7.10 | 1.50 | 19.50 | 11.50 | -4.50 | ↑ |
| SA 2yr Swap | 6.97 | 0.00 | 11.50 | 3.32 | -20.50 | ↑ |
| SA 3yr Swap | 7.12 | 0.00 | 14.50 | 6.50 | -14.00 | ↑ |
| SA 5yr Swap | 7.42 | -0.50 | 17.00 | 8.50 | -10.50 | ↑ |
| SA 10yr Swap | 7.91 | -1.00 | 17.50 | -2.00 | -12.00 | ↑ |
| SA 15yr Swap | 8.17 | -2.50 | 16.00 | 1.00 | -5.25 | ↑ |

| Spreads | Last price | Δ | | Δ | | MTD trend |
|----------------------------------|------------|-------|--------|--------|---------|-----------|
| | | 1d | MTD | YTD | 12Month | |
| | % | bps | bps | bps | bps | |
| 2v10y | -0.94 | 1.00 | -6.00 | 5.32 | -8.50 | ↓ |
| 3v10y | -0.79 | 1.00 | -3.00 | 8.50 | -2.00 | ↓ |
| R186-R204 | 1.69 | 0.15 | 26.65 | 16.35 | 1.68 | ↑ |
| R2048-R186 | 0.92 | 0.20 | 6.60 | -20.20 | -1.31 | ↑ |
| 5y-R186 | -1.03 | -0.40 | -9.20 | 23.10 | -11.48 | ↓ |
| 10y-R186 | -0.54 | -0.90 | -8.70 | 12.60 | -12.98 | ↓ |
| 15y-R186 | -0.27 | -2.40 | -10.20 | 15.60 | -6.23 | ↓ |
| SA 5yr CDS spread - basis points | 173.44 | -2.78 | 13.91 | 16.49 | -22.60 | ↑ |

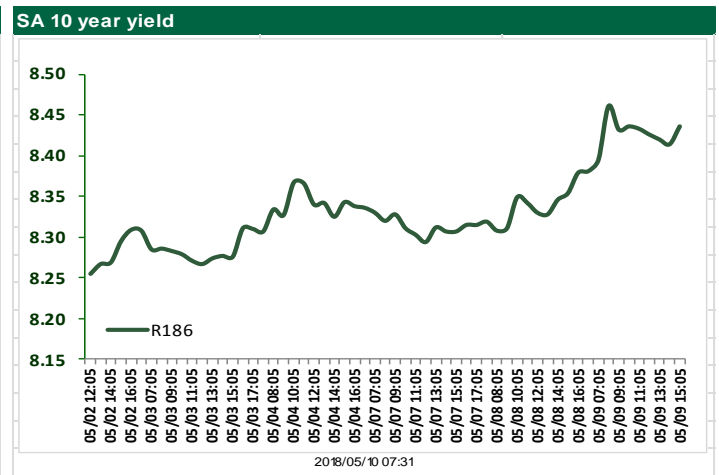
Source: Bloomberg & Nedbank CIB
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US 10 year yield



Source: Bloomberg, Nedbank

SA 10 year yield



Source: Bloomberg, Nedbank

Currencies

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Business Banking FX | +27 11 535 4003 | Corporate FX | +2711 535 4002 | Institutional FX | +2711 535 4005

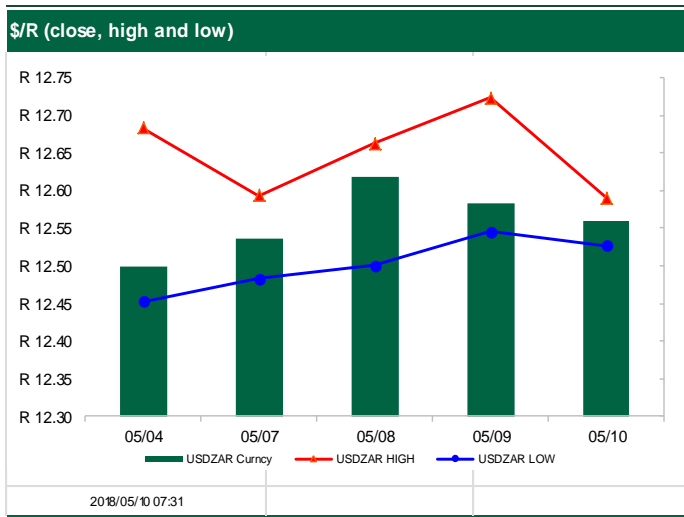
- On Wednesday the local session got under way with the rand trading around the 12.6000 level, in what proved to be cautious markets the local unit again traded weaker to reach a weakest level of 12.7200 on the day, thereafter retreating from the highs, apparently on the back of headlines from Turkey, the rand recovering to trade to a best level of 12.5475, before closing the day trading at 12.5900. This morning the rand is currently trading at 12.5700, EURZAR is trading at 14.9200 and GBPZAR is trading at 17.0550.
- On the international front , after successive days of dollar gains the euro managed a minor recovery on the day , trading from a low of 1.1824 up to 1.1895 , but closing the day trading at 1.1852 which was basically unchanged from where it had opened the day, this morning it is currently trading at 1.1860.
- After opening the day at 1310.00 gold traded firmer into the close to end the day up nearly 5 dollars, this morning it currently trades at 1315.51.
- Data releases scheduled for today , locally we have mining and manufacturing production , from Europe we have the ECB economic bulletin and from the U.K we have industrial production , manufacturing production , trade data and the BOE is meeting. From the U.S jobless claims, CPI and monthly budget data.
- The rand has continued to trade within the 12.4500 to 12.7500 range, the short term technical indicators remain elevated and the potential for a short term correction appears significant.
- Possible trading range in the rand today 12.4800 to 12.6800

| Majors | Last price | %Δ -1d | %Δ MTD | %Δ YTD | %Δ 12Month | MTD trend | USD trend |
|-----------------------------|------------|--------|--------|--------|------------|-----------|--------------|
| GBPUSD | 1.36 | 0.07 | -1.45 | 0.39 | 4.83 | ↓ | USD strength |
| EURUSD | 1.19 | 0.08 | -1.96 | -1.17 | 9.16 | ↓ | USD strength |
| USDJPY | 109.74 | 0.07 | 0.57 | 2.69 | -3.94 | ↑ | USD strength |
| USDAUD | 1.34 | -0.13 | 1.06 | 4.54 | -1.28 | ↑ | USD strength |
| Rand crosses | Last price | %Δ -1d | %Δ MTD | %Δ YTD | %Δ 12Month | MTD trend | ZAR trend |
| USDZAR | 12.56 | -0.18 | 0.85 | 1.41 | -7.13 | ↑ | ZAR weakness |
| GBPZAR | 17.04 | -0.10 | -0.60 | 1.87 | -2.19 | ↓ | ZAR strength |
| EURZAR | 14.90 | -0.12 | -1.13 | 0.30 | 1.85 | ↓ | ZAR strength |
| AUDZAR | 9.38 | -0.04 | -0.19 | -3.03 | -5.76 | ↓ | ZAR strength |
| ZARJPY | 8.74 | 0.25 | -0.22 | -3.34 | 2.99 | ↓ | ZAR weakness |
| African FX | Last price | %Δ -1d | %Δ MTD | %Δ YTD | %Δ 12Month | MTD trend | ZAR trend |
| ZARMWK (Malawian kwacha) | 57.67 | 0.01 | -1.03 | -1.62 | 6.57 | ↓ | ZAR weakness |
| ZARBWP (Botswana pula) | 0.79 | 0.27 | 0.15 | -0.24 | 1.50 | ↑ | ZAR strength |
| ZARKES (Kenyan shilling) | 8.01 | 0.18 | -0.64 | -4.10 | 4.17 | ↓ | ZAR weakness |
| ZARMUR (Mauritian rupee) | 2.75 | -0.24 | 0.49 | 0.61 | 5.38 | ↑ | ZAR strength |
| ZARNGN (Nigerian naira) | 28.78 | 0.18 | -0.31 | -0.96 | 18.73 | ↓ | ZAR weakness |
| ZARGHS (Ghanian cedi) | 0.36 | -0.56 | -0.95 | -2.10 | 12.10 | ↓ | ZAR weakness |
| ZARZMW (Zambian kwacha) | 0.79 | -1.45 | 0.41 | -1.90 | 13.30 | ↑ | ZAR strength |
| ZARMZN (Mozambican metical) | 4.76 | 0.18 | -0.36 | 0.55 | 2.24 | ↓ | ZAR weakness |

Source: Bloomberg & Nedbank CIB
Time: 2018/05/10 07:31

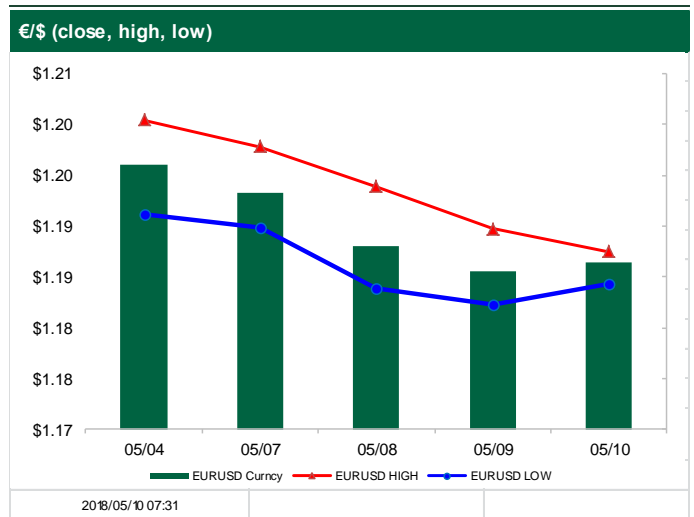
***Please note that the sign on the % change reflects the change on the headline number. The narrative indicates the trend direction over the month. For trade in any of these currencies, contact our FX dealing desks**

USDZAR



Source: Bloomberg, Nedbank

EUR/USD



Source: Bloomberg, Nedbank

Commodities

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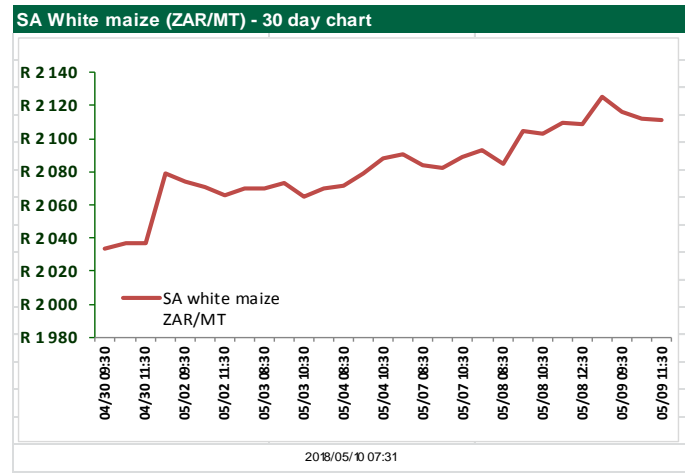
- Oil extended gains above \$71 a barrel on the risk of supply disruptions as a conflict between Israel and Iran ratcheted up, and after the U.S. renewed sanctions on OPEC's third-largest producer. Futures added 0.9% after adding 3% Wednesday.
- Gold edges higher as dollar declines and Mideast tensions rise after Israel says it's attacking Iranian targets inside Syria in retaliation for missile strikes on the Golan Heights. Bullion for immediate delivery +0.1% at \$1,314/oz after -0.2% Weds.
- Silver +0.2%. Palladium +0.1%, Platinum +0.1%.
- Copper +0.5% on LME to \$6,845/ton as most metals gain after China's factory inflation gathers pace. Aluminium declines from highest in more than two weeks. Zinc, lead, tin edge higher; nickel -0.1%. Aluminium -1.1% to \$2,340/ton from highest close since April 20. Iron ore for Sept. +0.2% to 471 yuan/ton on DCE.

Source: Bloomberg

| Commodities | Last price | %Δ -1d | %Δ MTD | %Δ YTD | %Δ 12Month | MTD trend |
|-------------------------|------------|--------|--------|--------|------------|-----------|
| Brent near future (\$) | 77.77 | 0.73 | 3.46 | 16.30 | 54.86 | ↑ |
| WTI crude (\$) | 71.70 | 0.79 | 4.56 | 18.67 | 51.49 | ↑ |
| Gold spot (\$) | 1 314.43 | 0.15 | -0.21 | 0.89 | 7.69 | ↓ |
| Platinum spot (\$) | 916.16 | -0.02 | 1.23 | -1.30 | 0.64 | ↑ |
| SA white maize spot (R) | 2 111.00 | 0.09 | 3.63 | 11.11 | 8.81 | ↑ |

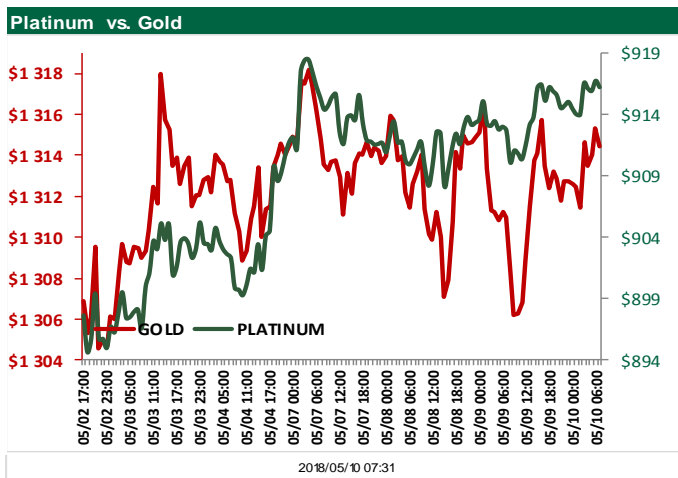
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SA white maize



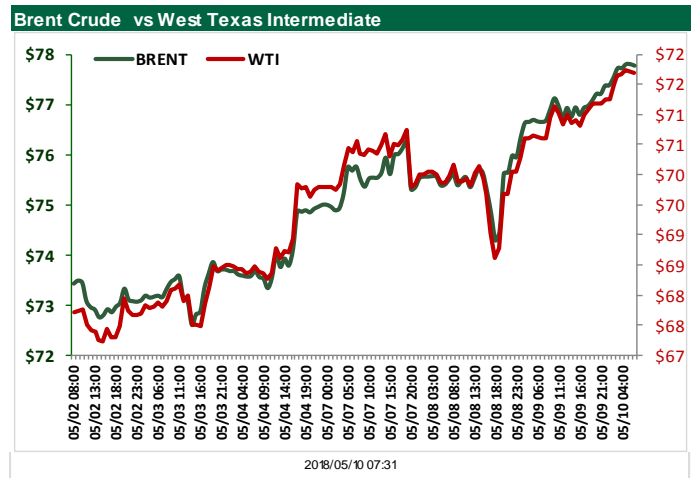
Source: Bloomberg, Nedbank

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 JSE returned to positive territory with the Top40 up half a percent and the broader based All Share gaining 4 tenths of a percent.
- Dis-chem rose over 5% followed by BID Corp which jumped 4%.
- Gold miners were mixed with AngloGold Ashanti and Goldfields rising while Sibanye Gold and Harmony Gold lagged.
- Naspers advised that it was selling its 11% stake in Fipkart an Indian e-commerce company for \$2.2bn.
- Value traded was R21.5Bn and the rand was at R12.58 to the dollar.

UK/Europe

- European markets traded higher led as a combination of higher energy shares and better than expected earnings buoyed investor sentiment.
- The FTSE gained over a percent while the DAX and CAC were both up a quarter of a percent.
- Vodafone announced that it is in talks to buy Liberty Global's cable TV and broadband business ending months of speculation of a potential deal.
- Siemens raised its full year profit outlook, the share rallied 3.9%.
- Today focus will shift the BOE interest rate decision.

USA

- U.S. markets ended firmly in the black on the back of stronger financial and energy counters.
- The DOW ended just over 7 tenths of a percent higher while the S&P and Nasdaq both advanced a percent.
- JP Morgan and Goldman Sachs both gained over 2 percent while Walmart dropped over 3%.
- TripAdvisor rocketed over 20% after reporting earnings which topped estimates.

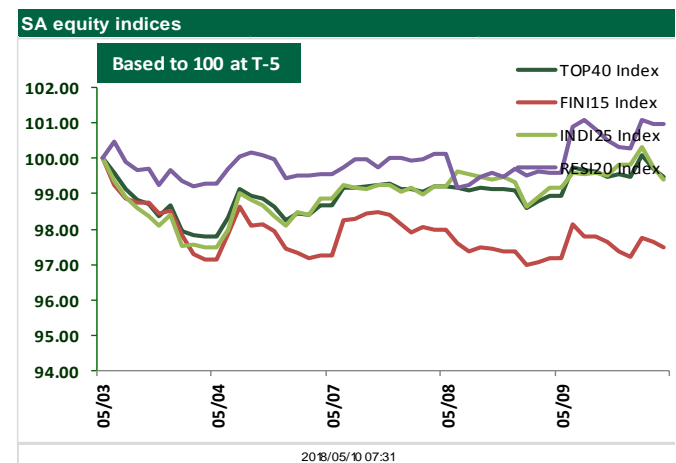
Asia

- Asian markets are trading higher this morning.
- At the time of writing the Nikkei was up 2 tenths of a percent. Industrials were weaker while basic materials and technology shares gained.
- The Hang Seng is heading for its fourth day of gains up 9 tenths of a percent. Tencent, Petrochina, and Cnooc all advanced over 2 percent.
- The Shanghai Composite is flat while the ASX gained 9 tenths of a percent

| Developed Markets | Last price | %Δ -1d | %Δ MTD | %Δ YTD | %Δ 12Month | 2017 Performance % | MTD trend |
|-------------------|------------|--------|--------|--------|------------|--------------------|-----------|
| Dow Jones | 24 542.54 | 0.75 | 1.57 | -0.71 | 17.19 | 24.33 | ↑ |
| Nasdaq | 7 339.91 | 1.00 | 3.87 | 6.32 | 19.75 | 27.16 | ↑ |
| S&P 500 | 2 697.79 | 0.97 | 1.88 | 0.90 | 12.43 | 18.42 | ↑ |
| DJ Eurostoxx 50 | 3 569.74 | 0.33 | 0.94 | 1.88 | -2.08 | 5.70 | ↑ |
| DAX | 12 943.06 | 0.24 | 2.62 | 0.20 | 1.45 | 11.51 | ↑ |
| CAC | 5 534.63 | 0.23 | 0.26 | 4.18 | 2.48 | 8.43 | ↑ |
| FTSE | 7 662.52 | 1.28 | 2.04 | -0.33 | 3.75 | 7.10 | ↑ |
| ASX200 | 6 121.00 | 0.21 | 2.31 | 0.92 | 4.18 | 6.42 | ↑ |
| Nikkei 225 | 22 488.41 | 0.35 | 0.09 | -1.21 | 13.01 | 16.18 | ↑ |
| MSCI World | 2 109.84 | 0.70 | 1.12 | 0.30 | 11.28 | 19.65 | ↑ |
| Emerging Markets | Last price | %Δ -1d | %Δ MTD | %Δ YTD | %Δ 12Month | 2017 Performance % | MTD trend |
| Hang Seng | 30 794.46 | 0.85 | -0.05 | 2.93 | 23.10 | 35.19 | ↓ |
| Shanghai | 3 162.84 | 0.12 | 2.62 | -4.36 | 3.61 | 5.46 | ↑ |
| Brazil Bovespa | 84 265.49 | 1.58 | -2.15 | 10.29 | 25.12 | 28.22 | ↓ |
| India - NSE | 35 387.28 | 0.19 | 0.65 | 3.91 | 16.99 | 27.91 | ↑ |
| Russia Micex | 2 301.99 | 0.21 | -0.22 | 9.11 | 14.96 | -7.69 | ↓ |
| MSCI Emerging | 1 143.76 | 0.10 | -1.78 | -1.27 | 14.94 | 34.35 | ↓ |
| SA Indices | Last price | %Δ -1d | %Δ MTD | %Δ YTD | %Δ 12Month | 2017 Performance % | MTD trend |
| JSE All Share | 57 915.13 | 0.43 | -0.58 | -2.67 | 6.75 | 17.47 | ↓ |
| Top 40 | 51 279.36 | 0.54 | -0.27 | -2.39 | 7.65 | 19.66 | ↓ |
| Resi 10 | 38 698.45 | 1.39 | 2.02 | 6.63 | 20.28 | 13.03 | ↑ |
| Indi 25 | 75 304.03 | 0.24 | -0.78 | -4.78 | 2.03 | 23.03 | ↓ |
| Fini 15 | 17 472.98 | 0.31 | -2.03 | -2.24 | 15.77 | 18.54 | ↓ |

Source: Bloomberg & Nedbank CIB
Time: 2018/05/10 07:31

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 |
|--------------------|-----------------------------|--------------------------|
| 15 May 2018 | | |
| EFG | Efficient Group Ltd | dividend @ 2cps |
| IMRP7 | IM Redeemalbe Pref 7 Aug 21 | dividend @ 3779.69940cps |
| MDI | Master Drilling Group Ltd | dividend @ 26cps |
| OCT | Octodec Invest Ltd | dividend @ 101.70cps |
| PSG | PSG Group Ltd | dividend @ 277cps |

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 | 297.58 | 0.31 | 0.47 | 16.41 | 63.06 | 29.43 | ↑ |
| ANG : AngloGold Ashanti Ltd | 113.14 | 3.65 | 0.70 | -12.04 | -23.40 | -14.78 | ↑ |
| APN : Aspen Pharmacare Holdings Lt | 263.06 | -1.18 | -2.27 | -5.20 | -6.42 | -1.62 | ↓ |
| BGA : Barclays Africa Group Ltd | 177.42 | 0.29 | -3.04 | -2.51 | 20.55 | 7.05 | ↓ |
| BID : Bid Corp Ltd | 283.54 | 4.15 | -1.07 | -5.80 | -4.87 | 20.93 | ↓ |
| BL : Bhp Billiton Plc | 278.69 | 2.72 | 4.63 | 11.23 | 37.27 | 11.95 | ↑ |
| BTI : British American Tobacco Plc | 661.76 | 1.30 | -3.70 | -20.22 | -28.34 | 6.38 | ↓ |
| BVT : Bidvest Group Ltd | 236.99 | -0.22 | -3.32 | 8.67 | 40.45 | 21.18 | ↓ |
| CFR : Financiere Richemont-Dep Rec | 120.50 | 0.02 | 1.36 | 7.83 | 5.64 | 24.15 | ↑ |
| CPI : Capitec Bank Holdings Ltd | 860.21 | 0.26 | -3.25 | -21.65 | 11.72 | 58.44 | ↓ |
| DSY : Discovery Ltd | 168.47 | -0.02 | -2.76 | -9.42 | 25.65 | 61.26 | ↓ |
| FSR : Firstrand Ltd | 64.96 | -0.06 | -2.99 | -3.41 | 31.13 | 25.00 | ↓ |
| GFI : Gold Fields Ltd | 48.50 | 1.29 | 3.48 | -10.35 | 6.59 | 23.12 | ↑ |
| GRT : Grow thpoint Properties Ltd | 27.94 | 1.27 | -3.99 | 1.01 | 9.14 | 6.59 | ↓ |
| INL : Investec Ltd | 96.45 | -0.42 | -2.05 | 7.50 | -5.30 | -1.57 | ↓ |
| INP : Investec Plc | 97.68 | -0.45 | -1.95 | 8.82 | -4.19 | -1.52 | ↓ |
| IPL : Imperial Holdings Ltd | 224.00 | 1.37 | -6.81 | -14.55 | 40.43 | 41.52 | ↓ |
| LHC : Life Healthcare Group Holdin | 28.59 | -0.38 | -3.08 | 3.03 | -5.39 | -9.23 | ↓ |
| MEI : Mediclinic International Plc | 120.00 | 1.42 | 3.70 | 12.80 | -17.01 | -18.17 | ↑ |
| MND : Mondi Ltd | 340.00 | 0.70 | 2.26 | 11.02 | 0.35 | 14.66 | ↑ |
| MNP : Mondi Plc | 340.00 | 0.79 | 2.20 | 11.33 | 0.71 | 14.14 | ↑ |
| MRP : Mr Price Group Ltd | 263.10 | 1.98 | -3.97 | 7.44 | 76.13 | 53.52 | ↓ |
| MTN : Mtn Group Ltd | 124.22 | -0.58 | -0.81 | -9.06 | 2.67 | 5.08 | ↓ |
| NED : Nedbank Group Ltd | 300.19 | 1.76 | 0.91 | 17.22 | 34.77 | 6.16 | ↑ |
| NPN : Naspers Ltd-N Shs | 3 076.05 | 0.05 | 0.54 | -10.86 | 14.83 | 69.72 | ↑ |
| NRP : Nepi Rockcastle Plc | 133.59 | 0.67 | -2.91 | -37.45 | | | ↓ |
| OML : Old Mutual Plc | 43.44 | -0.30 | 0.09 | 14.32 | 28.67 | 9.35 | ↑ |
| RDF : Redefine Properties Ltd | 11.62 | -0.60 | -3.01 | 8.60 | 4.22 | -6.96 | ↓ |
| REM : Remgro Ltd | 219.67 | -0.15 | -2.24 | -6.92 | -2.78 | 4.19 | ↓ |
| RMH : Rmb Holdings Ltd | 76.00 | 0.20 | -3.04 | -4.00 | 22.54 | 18.13 | ↓ |
| RNI : Reinnet Investments Sca | 231.51 | 0.60 | -1.37 | -15.51 | | | ↓ |
| SAP : Sappi Limited | 83.40 | 0.55 | 4.38 | -6.82 | -19.42 | 0.56 | ↑ |
| SBK : Standard Bank Group Ltd | 212.20 | 0.95 | -0.99 | 8.45 | 43.05 | 28.22 | ↓ |
| SHP : Shoprite Holdings Ltd | 243.17 | -0.09 | -2.34 | 9.94 | 24.07 | 27.89 | ↓ |
| SLM : Sanlam Ltd | 77.45 | 0.35 | -2.22 | -10.98 | 10.11 | 36.30 | ↓ |
| SOL : Sasol Ltd | 446.27 | -0.01 | -0.38 | 4.22 | 8.81 | 5.32 | ↓ |
| SPP : Spar Group Limited/The | 200.78 | 0.81 | -5.05 | -1.25 | 12.78 | 2.82 | ↓ |
| TBS : Tiger Brands Ltd | 369.28 | 1.04 | -5.07 | -19.72 | -6.28 | 16.65 | ↓ |
| TFG : The Foschini Group Ltd | 205.65 | 1.78 | -4.35 | 4.22 | 37.10 | 24.11 | ↓ |
| TRU : Truworths International Ltd | 99.49 | -0.51 | -2.94 | 5.31 | 28.08 | 17.70 | ↓ |
| VOD : Vodacom Group Ltd | 155.80 | 1.50 | -0.11 | 6.95 | 2.50 | -3.27 | ↓ |
| WHL : Woolworths Holdings Ltd | 61.80 | 0.34 | -3.81 | -5.37 | -14.75 | -9.09 | ↓ |

Source: Bloomberg & Nedbank CIB

Time 2018/05/10 07:31

Economics

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Asia

- Chinese CPI eased to 1.8% y/y in April, from 2.1% previously, worse than consensus of 1.9%. Food inflation eased sharply in April, along with services prices. Over the near term energy prices are expected to add some upside to Chinese inflation, but this may likely be marginal and offset by big swings in food prices.
- Chinese PPI rose to 3.4% y/y in April, from 3.1% prior, in line with consensus. Prices of raw materials rose as commodities prices remain upbeat, while input costs of manufactured components also rose.
- Japanese current account surplus (seasonally adjusted) widened to ¥1.7 trillion in March, from ¥0.9 trillion in February, better than expectations. Imports surged, the trade balance deteriorated, but this was offset by higher primary incomes as companies repatriated overseas profits.

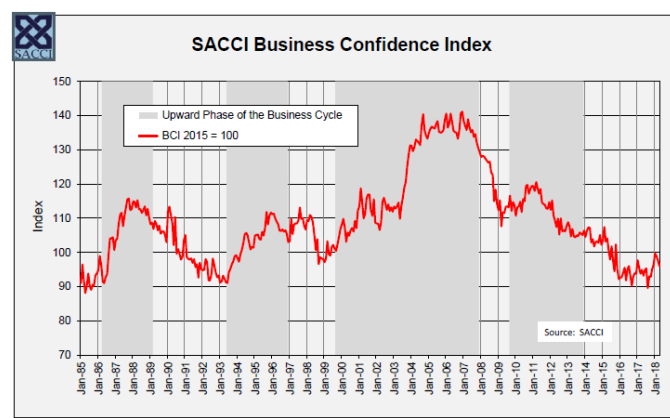
Synopsis: The PBOC have started with monetary tightening at the fringes, with the shadow banking sector, however inflation in the country is still below target, so any form of monetary tightening is likely to be gradual. Japan continues to battle with very low inflation rates and an ageing workforce. While the BOJ has contemplated monetary tightening, this has taken the form of reduced purchases of long-dated bonds, and any further tightening will likely also be marginal over the medium term.

SA

- The SACCI Business Confidence Index (BCI) fell to 96 points in April, from 97.6 points in March, normalising after the sharp increase in January. Nonetheless, the BCI remains positive on an annualised basis, and the current YTD average of 98 points is above the average of 95.5 points recorded in the first four months of 2017 and well above the historical low of 89.6 points in August 2017. This is a clear sign that business confidence levels have improved markedly since last year and this could lead to better investment spending in coming quarters.
- The recovery in the BCI was due to political factors predominantly, as well as policy certainty, a stronger rand, lower inflation and interest rates, and a recovery in local demand. However businesses are currently on the look-out for real-economy changes like improved service delivery, better local demand, clamping down on corruption and crime, investment opportunities, and improved financial conditions.
- In April, the BCI showed that 3 subcomponents improved – imports, retail sales and construction activity, 4 deteriorated – exports, inflation, share prices and financing costs, while the balance of the 13 subcomponents remained unchanged.

Synopsis: We believe confidence levels are likely to remain mildly positive in 2018 and that consumer spending will continue to underpin growth and maintain its slow recovery. The key concern is whether this improved confidence leads to higher investment, improved business activity and higher employment levels. This is still dependent on real economy changes that are yet to materialise.

Business confidences eases marginally after sharp uptick in January



Source: SACCI

Economic calendar

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| | Country | Event | Period | Survey | Actual | Prior | Revised |
|---------------|---------|------------------------------|--------|------------|-----------|-------------|----------|
| 09-May | | | | | | | |
| 07:00 AM | JN | Leading Index CI | MAR P | 105.1 | 105.0 | 106.0 | - |
| 11:30 AM | SA | SACCI Business Confidence | APR | - | 96.0 | 97.6 | - |
| 01:00 PM | US | MBA Mortgage Applications | FEB 23 | - | -0.40% | -2.50% | - |
| 02:30 PM | US | PPI Final Demand YoY | APR | 2.80% | 2.60% | 3.00% | - |
| 04:00 PM | US | Wholesale Inventories MoM | MAR F | 0.50% | 0.30% | 0.30% | - |
| 04:00 PM | US | Wholesale Trade Sales MoM | MAR | 0.00% | 0.30% | 1.00% | 1.10% |
| 10-May | | | | | | | |
| 01:50 AM | JN | BoP Current Account Adjusted | MAR | JPY 1632b | JPY 1772b | JPY 1024b | JPY 963b |
| 01:50 AM | JN | Trade Balance BoP Basis | MAR | JPY 1023b | JPY 1191b | JPY 189b | - |
| 03:30 AM | CH | CPI YoY | APR | 1.90% | 1.80% | 2.10% | - |
| 03:30 AM | CH | PPI YoY | APR | 3.40% | 3.40% | 3.10% | - |
| 10:30 AM | UK | Industrial Production YoY | MAR | 3.10% | - | 2.20% | - |
| 10:30 AM | UK | Manufacturing Production YoY | MAR | 2.90% | - | 2.50% | - |
| 10:30 AM | UK | Trade Balance | MAR | GBP -2000m | - | GBP -965m | - |
| 11:30 AM | SA | Mining Production YoY | MAR | 0.20% | - | 3.10% | - |
| 11:30 AM | SA | Gold Production YoY | MAR | - | - | -7.10% | - |
| 11:30 AM | SA | Platinum Production YoY | MAR | - | - | -8.80% | - |
| 01:00 PM | UK | NIESR GDP Estimate | APR | - | - | 0.20% | - |
| 01:00 PM | SA | Manufacturing Prod NSA YoY | MAR | 1.00% | - | 0.60% | - |
| 01:00 PM | UK | Bank of England Bank Rate | MAY 10 | 0.50% | - | 0.50% | - |
| 01:00 PM | UK | BOE Asset Purchase Target | MAY | GBP 435b | - | GBP 435b | - |
| 01:00 PM | UK | BOE Corporate Bond Target | MAY | GBP 10b | - | GBP 10b | - |
| 02:30 PM | US | CPI YoY | APR | 2.50% | - | 2.40% | - |
| 02:30 PM | US | Real Avg Weekly Earnings YoY | APR | 0.00% | - | 0.90% | - |
| 02:30 PM | US | Real Avg Hourly Earning YoY | APR | - | - | 0.40% | - |
| 08:00 PM | US | Monthly Budget Statement | APR | USD 212.0b | - | USD -208.7b | - |
| 11-May | | | | | | | |
| 01:50 AM | JN | Money Stock M3 YoY | | 2.80% | - | 2.80% | - |
| 04:00 PM | US | U. of Mich. Sentiment | MAY P | 98.3 | - | 98.8 | - |

Source: Bloomberg 2018/05/10 07:31

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