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*(\* when available)*

## Key daily drivers




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### SNIPPETS

(Fixed Income)	EM risk-off eases, supporting SA bonds, yields decline sharply across the curve
(Currencies)	USDZAR firms as the dollar weakens, majors stronger this morning as well
(Commodities)	A pull-back in the dollar provides a catalyst for the gold price, oil remains elevated on geopolitical tensions
(Equities)	The JSE and global markets end the day firmer; Asian markets are tacking their lead from the strong US close
(Economics)	SA mining and manufacturing data disappoint in Q1; BOE keeps rates unchanged; US inflation rises, but underlying price pressure remain stagnant, wage growth disappoints

## Key overnight factors and upcoming events this week

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Date	Region	Event   	Actual/expected/prior	Implications
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	BOE interest rate decision	0.5%/0.5%/0.5%	BOE leaves rates unchanged, sounds more cautious as economic activity surprises to the downside
10/05	SA	Mining and manufacturing production	--	Mining and manufacturing output declines sharply in March, likely to contribute negatively towards 1Q18 growth
15/05	EZ	GDP q/q	--/--0.4%	Eurozone GDP growth expected to maintain current pace of growth
16/05	SA	Quarterly Labour Force Survey – unemployment rate	--/--/26.7%	Unemployment likely to remain structurally high

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	6.73	-0.15	-3.25	-33.75	-0.77	↓
R208-2.9 yrs	7.44	-0.15	15.75	-12.25	-0.03	↑
R186-8.6 yrs	8.36	-0.30	18.30	-22.50	0.90	↑
R2048-29.8 yrs	9.30	-0.20	26.40	-41.20	-0.39	↑
US 10 yr	2.97	0.55	1.46	56.23	58.04	↑
UK 10 yr	1.43	-2.70	1.20	24.00	26.40	↑
German 10 yr	0.56	-0.20	-0.20	13.00	13.50	↓
Japan 10 yr	0.05	-0.50	-0.70	0.00	-0.60	↓

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	-42.50	⇒
SA 6m NCD	7.40	0.00	0.00	-20.00	-50.00	⇒
SA 12m NCD	7.85	0.00	10.00	-5.00	-45.00	↑
US 3m LIBOR	2.36	-0.08	-0.79	66.07	117.41	↓
UK 3m LIBOR	0.67	-1.21	-3.86	15.07	35.71	↓
Japan 3m LIBOR	-0.04	-0.67	-0.83	-1.45	-4.02	↓

Source: Bloomberg & Nedbank CIB  
Time: 2018/05/11 07:28

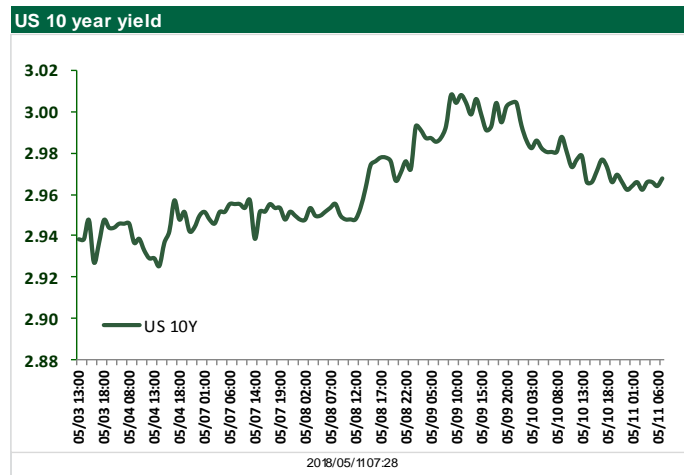
FRAs and Swaps	Last price	Δ		Δ		MTD trend
		1d	MTD	YTD	12Month	
	%	bps	bps	bps	bps	
3X6 FRA	6.85	1.00	4.00	-4.00	-41.00	↑
6X9 FRA	6.86	0.00	4.00	3.00	4.00	↑
9X12 FRA	6.85	1.50	7.00	6.00	-21.00	↑
18X21 FRA	7.03	1.50	12.50	4.50	-9.50	↑
SA 2yr Swap	6.93	2.00	7.50	-0.68	-23.25	↑
SA 3yr Swap	7.07	0.00	9.50	1.50	-17.75	↑
SA 5yr Swap	7.35	0.00	10.50	2.00	-14.50	↑
SA 10yr Swap	7.84	-1.00	10.50	-9.00	-16.50	↑
SA 15yr Swap	8.10	-2.50	9.00	-6.00	-9.75	↑

Spreads	Last price	Δ		Δ		MTD trend
		1d	MTD	YTD	12Month	
	%	bps	bps	bps	bps	
2v10y	-0.91	3.00	-3.00	8.32	-6.75	↓
3v10y	-0.77	1.00	-1.00	10.50	-1.25	↓
R186-R204	1.64	-0.15	21.55	11.25	1.67	↑
R2048-R186	0.94	0.10	8.10	-18.70	-1.30	↑
5y-R186	-1.01	0.30	-7.80	24.50	-15.40	↓
10y-R186	-0.53	-0.70	-7.80	13.50	-17.40	↓
15y-R186	-0.26	-2.20	-9.30	16.50	-10.65	↓
SA 5yr CDS spread - basis points	163.78	-1.91	4.25	6.83	-27.39	↑

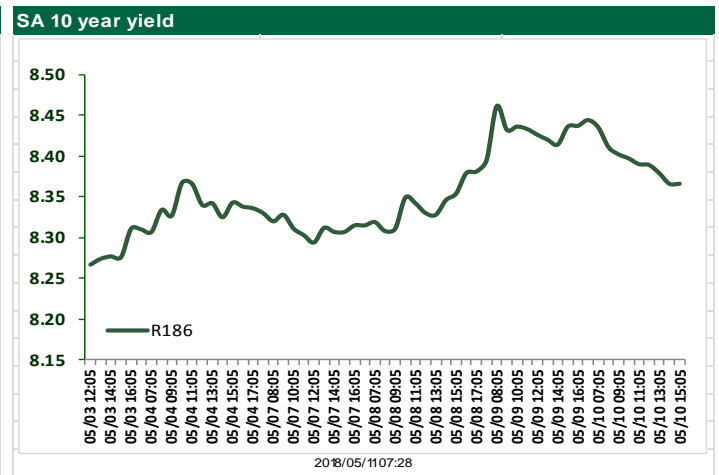
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## US 10 year yield



Source: Bloomberg, Nedbank

## SA 10 year yield



Source: Bloomberg, Nedbank

# Currencies

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- The local session opened the day trading in the high 12.50's, after the retreat from the highs of the day before, the local unit traded steadily firmer throughout the session, despite some dollar buying on the way down, the move bottoming out at 12.3100. In the overnight session the rand managed to trade to 12.2700 during the NY session, this morning it currently trades at 12.3150 currently, EURZAR is trading at 14.6825 and GBPZAR at 16.6705.
- International markets also staged minor recoveries against the dollar, EURUSD recovering from 1.1845 to a high of 1.1945 on the day, this morning it currently trades at 1.1918. After coming under pressure over the most recent sessions gold has also found support, this morning currently trading at 1319.40, some 6 dollars firmer than the same time yesterday.
- No local or European data releases today but Draghi is peaking in Florence, from the U.S. we have import prices, export prices and the Michigan sentiment release, the FEDs Bullard also scheduled to speak.
- After having traded above 12.70 midweek, the rand has managed a significant recovery, this subsequent to the Trump decision on Iran and various other global factors, risk assets along with the major currency pairs recovering yesterday, as the weekend approaches some additional position squaring likely to occur, but activity levels likely to be limited on the day.
- Possible trading range in the rand today 12.2000 to 12.5000

Majors	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	USD trend
GBPUSD	1.35	0.22	-1.71	0.12	5.07	↓	USD strength
EURUSD	1.19	0.05	-1.52	-0.73	9.66	↓	USD strength
USDJPY	109.45	0.00	0.30	2.96	-3.98	↑	USD strength
USDAUD	1.33	-0.20	0.13	3.58	-2.19	↑	USD strength

Rand crosses	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	ZAR trend
USDZAR	12.32	-0.09	-1.11	-0.55	-8.48	↓	ZAR strength
GBPZAR	16.66	0.15	-2.86	-0.34	-3.22	↓	ZAR strength
EURZAR	14.68	-0.03	-2.66	-1.21	1.08	↓	ZAR strength
AUDZAR	9.28	0.11	-1.24	-4.11	-6.08	↓	ZAR strength
ZARJPY	8.89	0.10	1.47	-1.60	4.14	↑	ZAR strength

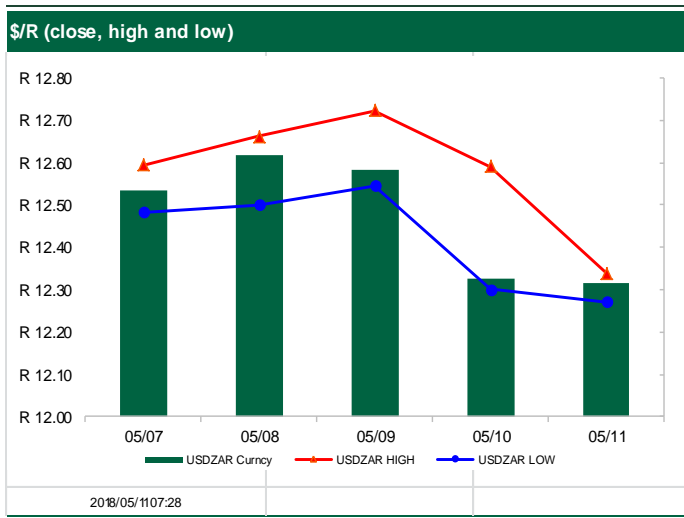
  

African FX	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	ZAR trend
ZARMWK (Malawian kwacha)	59.05	0.09	1.33	0.76	8.02	↑	ZAR strength
ZARBWP (Botswana pula)	0.81	0.09	2.11	1.72	3.15	↑	ZAR strength
ZARKES (Kenyan shilling)	8.17	0.09	1.31	-2.08	5.29	↑	ZAR strength
ZARMUR (Mauritian rupee)	2.80	-0.29	2.49	2.61	5.81	↑	ZAR strength
ZARNGN (Nigerian naira)	29.35	0.09	1.64	1.00	19.64	↑	ZAR strength
ZARGHS (Ghanaian cedi)	0.37	0.08	1.74	0.63	13.30	↑	ZAR strength
ZARZMW (Zambian kwacha)	0.80	-0.26	1.64	-0.64	13.72	↑	ZAR strength
ZARZMN (Mozambican metical)	4.86	0.09	1.76	2.66	4.70	↑	ZAR strength

Source: Bloomberg & Nedbank CIB  
Time: 2018/05/11 07:28

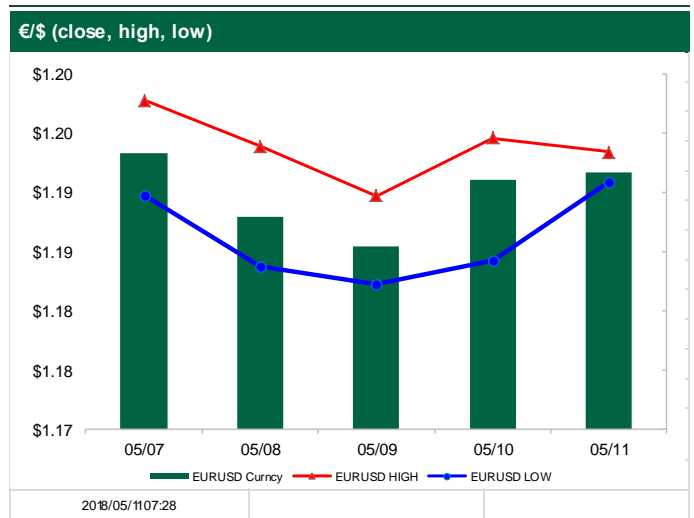
\*Please note that the sign on the % change reflects the change on the headline number. The narrative indicates the trend direction over the month. For trade in any of these currencies, contact our FX dealing desks

## USDZAR



Source: Bloomberg, Nedbank

## EUR/USD



Source: Bloomberg, Nedbank

# Commodities

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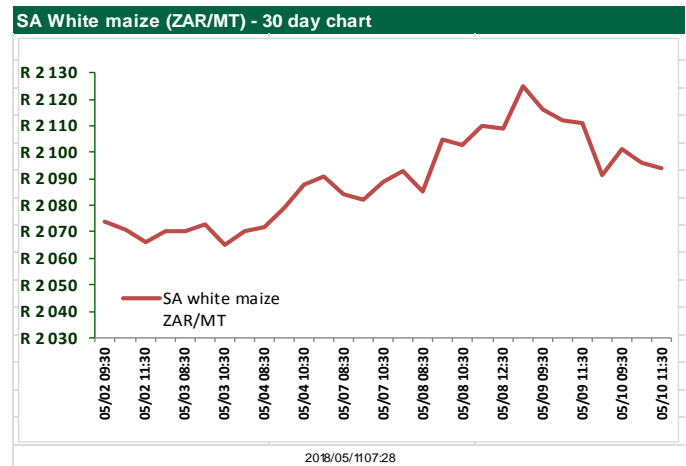
- Oil headed for a second weekly gain as tensions in the Middle East intensified after Trump's decision. Futures are up 2.3% this week.
- Gold heads for first weekly gain in four after U.S. CPI rose less than forecast in April.
- Bullion for immediate delivery little changed at \$1,320.86/oz; +0.5% this week.
- Silver set for second weekly gain. Platinum +1.3% this week to snap three straight weeks of declines.
- Palladium +2.9% this week. Aluminum heads for weekly drop while copper pares gains after jumping Thurs on shrinking stockpiles.
- LME aluminum -1.1% to \$2308.50/ton, -1.8% this week. Copper -0.2% to \$6.906/ton for +0.9% this week. Iron ore for Sept. +0.5% to 472.5 yuan/ton on DCE; +0.3% this week.

Source: Bloomberg

Commodities	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend
Brent near future (\$)	77.40	-0.09	2.97	15.75	52.45	↑
WTI crude (\$)	71.37	0.01	4.08	18.12	49.22	↑
Gold spot (\$)	1 319.78	0.02	0.20	1.30	7.73	↑
Platinum spot (\$)	924.80	0.18	2.19	-0.37	0.94	↑
SA white maize spot (R)	2 094.00	-0.81	2.80	10.21	10.50	↑

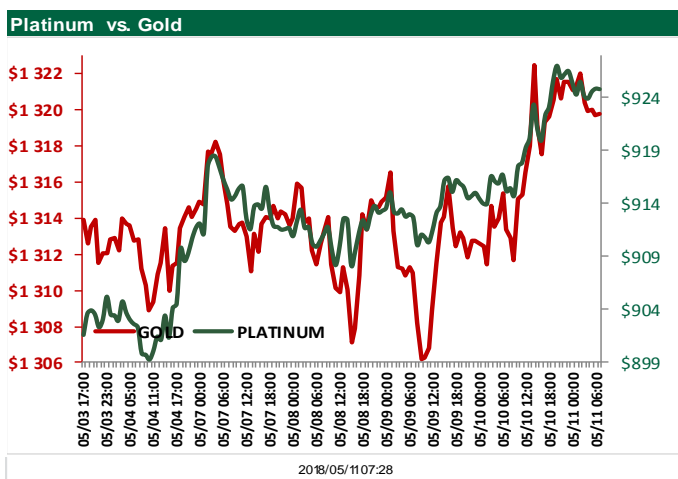
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## SA white maize



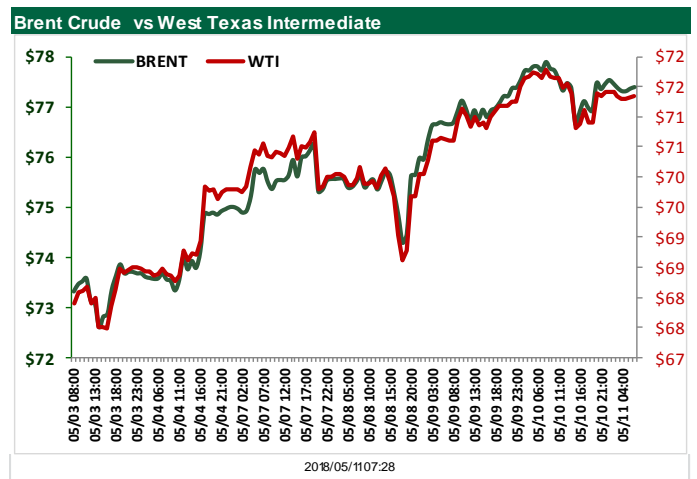
Source: Bloomberg, Nedbank

## Platinum vs Gold



Source: Bloomberg, Nedbank

## Brent Crude vs West Texas Intermediate



Source: Bloomberg, Nedbank

# Equities

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## South Africa

- The Top40 closed up 0.42% at 51493.10.
- Naspers was a big contributor to the gains adding 3.54%, as it tracked Tencent (+2.94%) higher.
- Nedbank lead the banking sector higher, adding 2.27% following a pleasing first quarter trading update,
- Mining, retail and healthcare stocks were amongst the laggards with the sectors losing between 3.6% and 2.55%
- Datatec tumbled 9.33%, after reporting an expected headline loss of 19.1 USc.
- The value traded at the close was R20billion and the ZAR was trading at 12.35 vs the dollar.

## UK/Europe

- European markets ended Thursday's mixed, with Italian markets weighing on the region after leaders of Italy's far right League party and 5 Star Movement moved closer to form a coalition government. The FTSE MIB index lost 0.96%.
- Banking stocks outperformed, buoyed by strong gains from RBS (+3.94%) on news they will pay a smaller than expected \$4.9billion settlement with the US Department of Justice after an investigation of the bank's bond sales.
- Britain's largest telecoms group, BT, slumped more than 7% after announcing they were cutting 13000 jobs to rebuild after an accounting scandal and downturn in trading.
- Randgold Resources lost 7% after reporting in decline in quarterly profits.
- The FTSE100 added 0.50%, the DAX rose 0.62% and the CAC40 closed 0.20% higher.

## USA

- US markets closed firmer, with Apple Inc adding 1.43%, closing at a record high, the biggest contributor to the S&P500.
- All 11 of the major S&P sectors closed in positive territory.
- The Labour department reported a slightly smaller than expected increase in consumer prices in April, adding to the strong sentiment,
- The Dow added 0.8% and the S&P500 and the Nasdaq were up 0.9%.

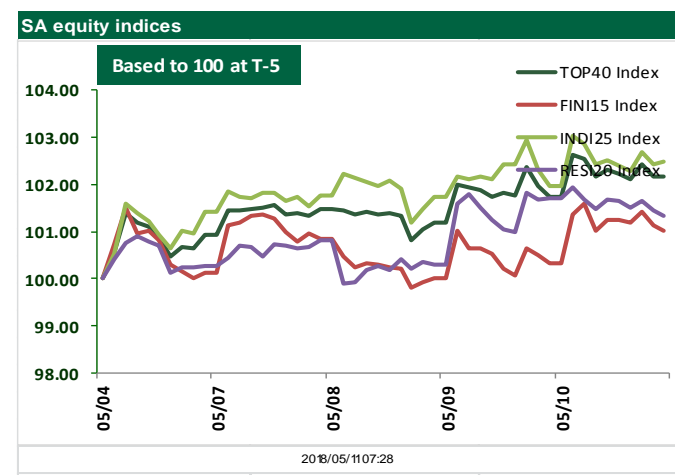
## Asia

- Asian markets are firmer this morning, taking their lead from the strong close in the US last night.
- Japanese markets are trading at a three month high, with Suzuki Motor Corp surging 7% after reporting a strong set of results, while Panasonic climbed 4% as their profits increased.
- Chinese stocks are heading for their best weekly close in three months, with interest in Chinese blue chips increasing ahead of MSCI's A-share inclusion next month.
- Hong Kong's Tencent is up 1.5%.
- Mining stocks lead the ASX higher, buoyed by firmer copper and zinc prices.

Developed Markets	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	2017 Performance %	MTD trend
Dow Jones	24 739.53	0.80	2.39	0.08	18.26	24.33	↑
Nasdaq	7 404.98	0.89	4.79	7.27	21.08	27.16	↑
S&P 500	2 723.07	0.94	2.83	1.85	13.72	18.42	↑
DJ Eurostoxx 50	3 569.71	-0.00	0.94	1.88	-1.49	5.70	↑
DAX	13 022.87	0.62	3.26	0.81	2.45	11.51	↑
CAC	5 545.95	0.20	0.46	4.39	3.02	8.43	↑
FTSE	7 700.97	0.50	2.55	0.17	4.26	7.10	↑
ASX200	6 119.90	0.02	2.29	0.90	4.11	6.42	↑
Nikkei 225	22 724.65	1.01	1.14	-0.18	13.84	16.18	↑
MSCI World	2 123.53	0.65	1.77	0.95	12.28	19.65	↑
Emerging Markets	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	2017 Performance %	MTD trend
Hang Seng	31 211.16	1.30	1.31	4.32	24.22	35.19	↑
Shanghai	3 171.47	-0.09	2.90	-4.10	3.59	5.46	↑
Brazil Bovespa	85 861.20	1.89	-0.30	12.38	27.13	28.22	↓
India - NSE	35 337.77	0.26	0.50	3.76	16.82	27.91	↑
Russia Micex	2 312.92	0.47	0.26	9.63	15.50	-7.69	↑
MSCI Emerging	1 156.55	1.12	-0.68	-0.16	15.61	34.35	↓
SA Indices	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	2017 Performance %	MTD trend
JSE All Share	58 005.62	0.16	-0.42	-2.52	7.19	17.47	↓
Top 40	51 493.07	0.42	0.14	-1.98	8.43	19.66	↑
Resi 10	38 564.25	-0.35	1.67	6.26	20.65	13.03	↑
Indi 25	75 675.69	0.49	-0.29	-4.31	2.61	23.03	↓
Finl 15	17 591.13	0.68	-1.36	-1.58	17.22	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>15 May 2018</b>		
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	298.38	0.27	0.74	16.73	65.42	29.43	↑
ANG : AngloGold Ashanti Ltd	110.35	-2.47	-1.78	-14.20	-26.90	-14.78	↓
APN : Aspen Pharmacare Holdings Lt	256.56	-2.47	-4.68	-7.55	-9.03	-1.62	↓
BGA : Barclays Africa Group Ltd	178.72	0.73	-2.33	-1.80	22.75	7.05	↓
BID : Bid Corp Ltd	273.41	-3.57	-4.60	-9.16	-8.28	20.93	↓
BL : Bhp Billiton Plc	277.00	-0.61	4.00	10.56	36.99	11.95	↑
BTI : British American Tobacco Plc	648.05	-2.07	-5.70	-21.87	-29.54	6.38	↓
BVT : Bidvest Group Ltd	235.32	-0.70	-4.00	7.90	41.10	21.18	↓
CFR : Financiere Richemont-Dep Rec	120.07	-0.36	1.00	7.45	5.19	24.15	↑
CPI : Capitec Bank Holdings Ltd	855.85	-0.51	-3.74	-22.05	14.27	58.44	↓
DSY : Discovery Ltd	168.40	-0.04	-2.80	-9.46	26.25	61.26	↓
FSR : Firstrand Ltd	65.65	1.06	-1.96	-2.38	33.03	25.00	↓
GFI : Gold Fields Ltd	47.56	-1.94	1.47	-12.09	2.13	23.12	↑
GRT : Grow thpoint Properties Ltd	27.98	0.14	-3.85	1.16	9.90	6.59	↓
INL : Investec Ltd	97.09	0.66	-1.40	8.21	-3.34	-1.57	↓
INP : Investec Plc	98.04	0.37	-1.59	9.22	-2.60	-1.52	↓
IPL : Imperial Holdings Ltd	216.75	-3.24	-9.83	-17.32	36.32	41.52	↓
LHC : Life Healthcare Group Holdin	28.50	-0.31	-3.39	2.70	-2.70	-9.23	↓
MEI : Mediclinic International Plc	115.45	-3.79	-0.23	8.53	-20.15	-18.17	↓
MND : Mondi Ltd	332.50	-2.21	0.00	8.57	0.54	14.66	↑
MNP : Mondi Plc	333.72	-1.85	0.32	9.28	1.07	14.14	↑
MRP : Mr Price Group Ltd	256.01	-2.69	-6.56	4.55	72.85	53.52	↓
MTN : Mtn Group Ltd	123.58	-0.52	-1.33	-9.53	2.30	5.08	↓
NED : Nedbank Group Ltd	307.00	2.27	3.20	19.88	39.61	6.16	↑
NPN : Naspers Ltd-N Shs	3 185.08	3.54	4.11	-7.71	18.93	69.72	↑
NRP : Nepi Rockcastle Plc	134.03	0.33	-2.59	-37.24			↓
OML : Old Mutual Plc	43.41	-0.07	0.02	14.24	29.70	9.35	↑
RDF : Redefine Properties Ltd	11.68	0.52	-2.50	9.16	5.13	-6.96	↓
REM : Remgro Ltd	218.54	-0.51	-2.75	-7.40	-2.87	4.19	↓
RMH : Rmb Holdings Ltd	76.23	0.30	-2.74	-3.71	23.25	18.13	↓
RNI : Reinet Investments Sca	229.00	-1.08	-2.44	-16.42			↓
SAP : Sappi Limited	81.87	-1.83	2.47	-8.53	-18.78	0.56	↑
SBK : Standard Bank Group Ltd	214.96	1.30	0.30	9.86	45.06	28.22	↑
SHP : Shoprite Holdings Ltd	238.40	-1.96	-4.26	7.78	19.56	27.89	↓
SLM : Sanlam Ltd	78.38	1.20	-1.05	-9.91	11.35	36.30	↓
SOL : Sasol Ltd	452.73	1.45	1.06	5.73	10.92	5.32	↑
SPP : Spar Group Limited/The	199.25	-0.76	-5.77	-2.01	11.62	2.82	↓
TBS : Tiger Brands Ltd	361.00	-2.24	-7.20	-21.52	-8.03	16.65	↓
TFG : The Foschini Group Ltd	203.87	-0.87	-5.18	3.31	36.55	24.11	↓
TRU : Truworths International Ltd	94.67	-4.84	-7.64	0.21	20.68	17.70	↓
VOD : Vodacom Group Ltd	156.05	0.16	0.05	7.12	2.54	-3.27	↑
WHL : Woolworths Holdings Ltd	60.49	-2.12	-5.85	-7.38	-14.32	-9.09	↓

Source: Bloomberg & Nedbank CIB

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# Economics

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## US

- US CPI rose marginally in April, to 2.5% y/y from 2.4% previously, in line with consensus. However core remained unchanged at 2.1%, disappointing expectations for an uptick to 2.2%. The pickup in headline was due to energy costs, food and beverages, transportation, and commodity prices.
- The key disappointment though came from real average hourly and weekly earnings growth, which fell sharply to 0.2% and 0.4% respectively, from 0.3% and 0.9% respectively previously, implying that demand pull inflationary pressures are likely to be limited. This has resulted in dollar weakness immediately post the release.
- The Fed had been banking on wage and demand pressures to fuel inflation and keep inflation close to, if not above, their 2% target. However last week's wage growth data confirms the trend in both nominal and real wage growth, which is subdued and lower. Despite a very tight labour market, wage growth remains stagnant.
- The Fed's targeted core-PCE measure remains below target, at 1.9%, and if it were to rise in coming months would be more likely as a result of higher energy costs which are transient, rather than structurally higher demand-pull inflation.

**Synopsis: We continue to believe that economic activity will probably continue to expand this year, but the face of benign wage and price pressures, the Fed is unlikely to hike by more than two more times this year. Monetary policy tightening will likely remain gradual in 2018 as a result of the cautious nature of the Fed.**

## UK

- Industrial production in the UK rose to 2.9% y/y in March, from 2.1% previously, worse than consensus of 3.1%. the predominant driver of production in March had been a surge in utilities output as a result of the colder weather. Manufacturing output was also higher in March.
- The BOE left interest rates unchanged at 0.5% and the asset purchase programme at £435 billion. The interest rate decision was not unanimous, as there was a 7-2 split between policymakers who wanted to leave rates unchanged relative to policymakers preferring to hike interest rates. However, this was in line with consensus – markets had seen an about-turn in terms of expectations. Until about two weeks ago, markets had been forecasting a 25bps rate hike. That changed in the last two weeks as inflation had fallen by more than consensus and economic activity slowed to a 2012-low. The market is now expecting the next interest rate hike to materialise in November 2018, but between now and then, things could change from an inflation perspective.
- In its Inflation Report, the BOE revised its inflation forecasts lower, to 2.4%, 2.1%, 2% and 2% until 2021. This was revised by 30bps lower for 2018, and 10bps lower for the next two years, while the estimate for 2021 remained unchanged. The report also showed that 3 hikes of 25bps each will be needed in each of the next 3 years in order to stabilise inflation close to the BOE target. However, this came at the expense of growth, with GDP projections 40bps lower, at 1.4% this year and unchanged at 1.7% over the next two years
- The communication by the BOE recently suggests a more gradual pace of tightening than what was suggested at its February meeting in which it suggested that rate increases were more imminent, and were likely to occur at a more frequent pace.

**Synopsis: The BOE remains concerned about demand-pull inflationary pressures, but less so now compared to a few months earlier. The uncertain trajectory of inflation, higher energy costs and on-going Brexit negotiations will likely keep the BOE cautious. We maintain our view of gradual monetary policy tightening over the long run, but this will be dependent on a more moderate pace of economic expansion occurring over the next few quarters.**

## SA

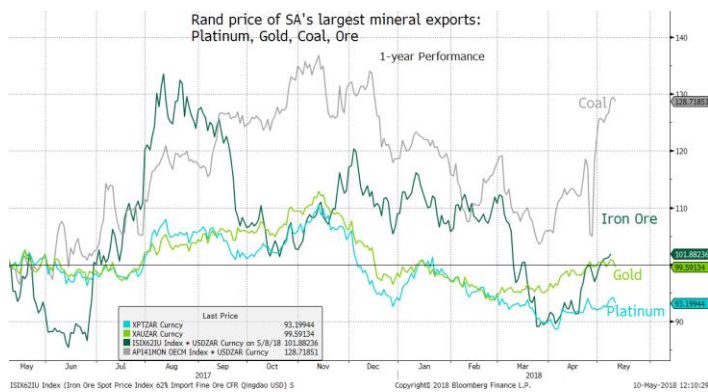
- SA mining output surprised sharply to the downside in March, falling 8.4% y/y, and 3.4% m/m, after growth rates of 2% and 0.5% respectively achieved a month earlier. This implies that mining output is likely to contribute negatively towards headline real GDP growth in 1Q18, as it had contracted by 2.5% over the quarter.
- The March print was the worst performance since March 2016 as gold, PGM, iron ore and diamond production collapsed – these subcomponents cumulatively subtracted 6.4% y/y from headline output. Apart from these minerals, output of all other categories of mining products contracted in March, apart from non-metallic minerals and iron ore which grew marginally but were inconsequential in staving off the sharp headline contraction.
- The weaker rand recently will help with propping up the rand-based commodity export prices which have been on a downtrend since the start of the year. This could encourage mining companies to replenish inventories. However, sales of minerals have remained lacklustre over the last 3 months, contracting by 1.7% for the YTD. This implies that global demand hasn't really held up well relative to 2017, which could threaten to derail the industry altogether if this trend does persist.
- SA manufacturing production also disappointed in March, contracting by 1.3% y/y, from 0.5% growth in February, worse than consensus of +1%. Over the month, output grew 1.3%, after sharp contractions in the prior two months. The manufacturing industry is also likely to contribute negatively towards 1Q18 GDP growth because it contracted by 1.7% over the quarter.



- The largest negative drivers of manufacturing production in March were petroleum and chemicals, wood products, and basic iron and steel products. These subtracted 2.5% from manufacturing output growth in March. However there was a broad-based deterioration in manufacturing output across all subcomponents other than food and beverages, and motor vehicles. These remained resilient given the lower prices of food and the rise in vehicle sales both locally and for export purposes. Sales of manufactured items have remained relatively upbeat for the YTD, recording sales growth of 4.6% - this may have been supported by local demand.
- Global factors will influence the manufacturing industry significantly in coming months. Global demand, which is underpinned by growth and trade activity, will need to recover in order to keep manufacturing output positive. Local demand is already aiding the sector significantly recently.

**Synopsis: Global trade wars, geopolitical tensions and tighter global monetary policies will not help in expanding demand for minerals this year. The overall outlook for the mining industry will be highly dependent on the global recovery this year. Nedbank continues to expect a mild recovery in real GDP growth in 2018, with growth of 1.8% and 1.9% forecast over the next two years. Higher commodity prices, a recovery in local demand and investment, and improving financial conditions are some of the reasons for the positive outlook this year and next.**

### Export prices weighed by stronger rand, recent rand weakness will likely benefit exporters



Source: Bloomberg, Nedbank

## Economic calendar

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	Country	Event	Period	Survey	Actual	Prior	Revised
<b>10-May</b>							
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%	2.90%	2.20%	2.10%
10:30 AM	UK	Manufacturing Production YoY	MAR	2.90%	2.90%	2.50%	-
10:30 AM	UK	Trade Balance	MAR	GBP -2000m	GBP -3091m	GBP -965m	GBP -1176m
11:30 AM	SA	Mining Production YoY	MAR	0.20%	-8.40%	3.10%	2.00%
11:30 AM	SA	Gold Production YoY	MAR	-	-17.98%	-7.10%	-7.00%
11:30 AM	SA	Platinum Production YoY	MAR	-	-6.07%	-8.80%	-13.30%
01:00 PM	UK	NIESR GDP Estimate	APR	-	0.10%	0.20%	0.10%
01:00 PM	SA	Manufacturing Prod NSA YoY	MAR	1.00%	-1.30%	0.60%	0.50%
01:00 PM	UK	Bank of England Bank Rate	MAY 10	0.50%	0.50%	0.50%	-
01:00 PM	UK	BOE Asset Purchase Target	MAY	GBP 435b	GBP 435b	GBP 435b	-
01:00 PM	UK	BOE Corporate Bond Target	MAY	GBP 10b	GBP 10b	GBP 10b	-
02:30 PM	US	Initial Jobless Claims	NOV 25	219k	211k	211k	-
02:30 PM	US	Continuing Claims	NOV 18	1800k	1790k	1756k	-
02:30 PM	US	CPI YoY	APR	2.50%	2.50%	2.40%	-
02:30 PM	US	Real Avg Weekly Earnings YoY	APR	0.00%	0.40%	0.90%	-
02:30 PM	US	Real Avg Hourly Earning YoY	APR	-	0.20%	0.40%	0.30%
08:00 PM	US	Monthly Budget Statement	APR	USD 212.0b	USD 214.3b	USD -208.7b	-
<b>11-May</b>							
01:50 AM	JN	Money Stock M3 YoY	APR	2.80%	2.80%	2.80%	2.60%
04:00 PM	US	U. of Mich. Sentiment	MAY P	98.3	-	98.8	-
<b>14-May</b>							
01:50 AM	JN	PPI YoY		2.00%	-	2.10%	-

Source: Bloomberg 2018/05/11 07:25

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