

For any queries, please contact:

Reezwana Sumad | [ReezwanaS@Nedbank.co.za](mailto:ReezwanaS@Nedbank.co.za)

[Charts of the day](#) | [Currencies](#) | [Commodities](#) | [Fixed income & interest rates](#) | [Equities](#) | [Equity derivatives](#)  
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## Key daily drivers

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

### SNIPPETS

(Fixed Income)	Global risk-off continues to set the tone for local markets, SAGB yields marginally higher this morning
(Currencies)	Rand remains vulnerable due to various factors which may cause some volatility during the course of the week
(Commodities)	Gold and oil prices downbeat as a result of a strong dollar
(Equities)	The JSE ends lower, with banks and retailers weighing; European and US markets close lower; Asian markets are mixed with Hong Kong and China outperforming as trade tensions ease
(Economics)	Japanese trade surplus widens as exports surge

## 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:orange">→</span>	Actual/expected/prior	Implications
17/05	US	Leading index	0.4%/0.4%/0.4%	The leading index remain upbeat, signalling continued growth over the next 6 months
22/05	SA	Leading index	--/--/108.3	The leading index is expected to show an on-going recovery over the next 6 to 9 months
23/05	SA	CPI	--/4.6%/3.8%	CPI is expected to increase as a result of the VAT hike in April, but remain steady over the medium term
24/05	SA	SARB interest rate decision	--/6.5%/6.5%	Interest rate to remain unchanged, but recent geopolitical tensions likely to keep the SARB cautious in the near term

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	6.78	-2.90	2.20	-28.30	-0.64	↑
R208-2.9 yrs	7.63	0.30	35.10	7.10	0.04	↑
R186-8.6 yrs	8.61	0.25	43.25	2.45	-0.05	↑
R2048-29.8 yrs	9.51	0.60	47.10	-20.50	-0.18	↑
US 10 yr	3.07	1.67	11.94	66.72	83.81	↑
UK 10 yr	1.50	-6.30	8.20	31.00	44.20	↑
German 10 yr	0.58	-6.10	2.00	15.20	23.60	↑
Japan 10 yr	0.06	-0.10	0.50	1.20	2.00	↑

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	-47.50	⇒
SA 12m NCD	7.85	0.00	10.00	-5.00	-40.00	↑
US 3m LIBOR	2.33	-0.19	-3.36	63.51	115.77	↓
UK 3m LIBOR	0.62	0.00	-8.69	10.24	31.66	↓
Japan 3m LIBOR	-0.03	-0.10	0.52	-0.10	-1.24	↑

Source: Bloomberg & Nedbank CIB  
Time: 2018/05/21 07:30

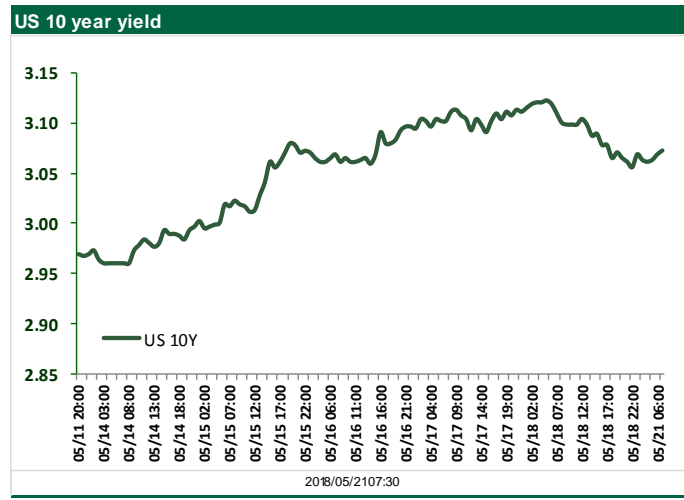
FRAs and Swaps	Last price	Δ		Δ		MTD trend
		1d	MTD	YTD	12Month	
	%	bps	bps	bps	bps	
3X6 FRA	6.92	0.50	10.50	2.50	-32.50	↑
6X9 FRA	6.86	0.00	4.00	3.00	4.00	↑
9X12 FRA	7.03	4.50	24.50	23.50	0.50	↑
18X21 FRA	7.26	0.00	36.00	28.00	20.00	↑
SA 2yr Swap	7.08	1.32	22.52	14.34	-4.58	↑
SA 3yr Swap	7.24	1.00	26.50	18.50	5.40	↑
SA 5yr Swap	7.56	0.75	31.25	22.75	15.75	↑
SA 10yr Swap	8.06	1.50	33.00	13.50	15.50	↑
SA 15yr Swap	8.32	1.50	31.00	16.00	21.50	↑

Spreads	Last price	Δ		Δ		MTD trend
		1d	MTD	YTD	12Month	
	%	bps	bps	bps	bps	
2v10y	-0.98	-0.18	-10.48	0.84	-20.08	↓
3v10y	-0.83	-0.50	-6.50	5.00	-10.10	↓
R186-R204	1.83	3.15	41.05	30.75	0.59	↑
R2048-R186	0.90	0.35	3.85	-22.95	-0.13	↑
5y-R186	-1.06	0.50	-12.00	20.30	15.80	↓
10y-R186	-0.55	1.25	-10.25	11.05	15.55	↓
15y-R186	-0.29	1.25	-12.25	13.55	21.55	↓
SA 5yr CDS spread - basis points	180.93	4.36	21.39	23.98	-11.58	↑

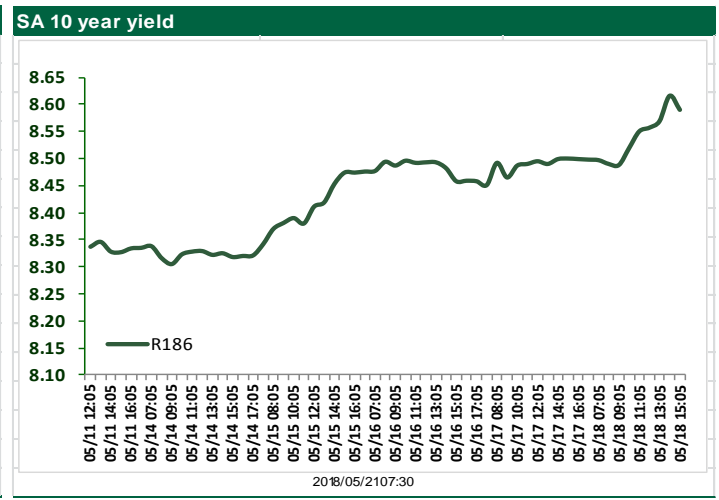
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## US 10 year yield



Source: Bloomberg, Nedbank

## SA 10 year yield



Source: Bloomberg, Nedbank

# Currencies

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

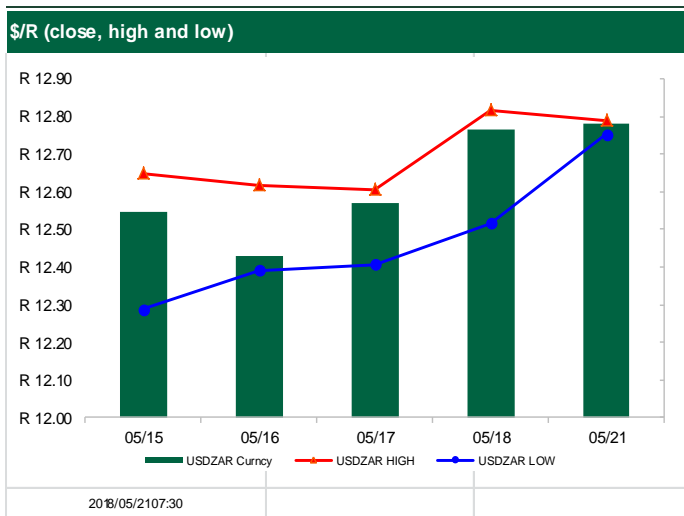
- The final session of the week saw the rand trading around 12.5900 at the time of the open , after initially holding steady for much of the session , the open of the New York session saw the local unit lose ground rapidly , trading to a high of 12.8200 in thin liquidity , before closing the day trading at 12.7500. Overnight the dollar has traded marginally firmer, the rand currently trading at 12.7850, EURZAR is trading at 15.0150 and GBPZAR at 17.1625.
- On the international front, EURUSD trading around the 1.1800 pivot, before the prevailing dollar strength saw it trade down to a low of 1.1750, this morning it currently trades at 1.1750. Gold is currently trading at 1288.20 which is marginally off from the time of the local close on Friday.
- No meaningful data releases from any of the financial centres today, local focus this week will be on the SARB MPC and the S&P bi -annual review of SA.
- Locally the government and the civil servants union have agreed to above inflation increases, the U.S treasury secretary has indicated that they would be putting the trade war with China “on hold”, thus far this has provided support for the majority of the Asian indices.
- Possible trading range in the rand today 12.6000 to 12.9000

Majors	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	USD trend
GBPUSD	1.34	-0.28	-2.43	-0.61	3.21	↓	USD strength
EURUSD	1.17	-0.21	-2.93	-2.15	4.57	↓	USD strength
USDJPY	111.26	0.43	1.92	1.29	0.11	↑	USD strength
USDAUD	1.33	-0.09	0.41	3.86	-0.53	↑	USD strength
Rand crosses	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	ZAR trend
USDZAR	12.78	0.14	2.58	3.12	-3.45	↑	ZAR weakness
GBPZAR	17.17	-0.18	0.16	2.61	-0.23	↑	ZAR weakness
EURZAR	15.02	-0.08	-0.35	1.07	1.07	↓	ZAR strength
AUDZAR	9.61	0.15	2.18	-0.59	-2.91	↑	ZAR weakness
ZARJPY	8.70	0.38	-0.60	-3.73	3.45	↓	ZAR weakness
African FX	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	ZAR trend
ZARMWK (Malawian kwacha)	56.77	-0.65	-2.63	-3.22	3.31	↓	ZAR weakness
ZARBWP (Botswana pula)	0.78	-0.61	-0.74	-1.13	0.40	↓	ZAR weakness
ZARKES (Kenyan shilling)	7.86	-0.03	-2.50	-6.02	0.66	↓	ZAR weakness
ZARMUR (Mauritian rupee)	2.71	-0.14	-0.85	-0.72	2.67	↓	ZAR weakness
ZARNGN (Nigerian naira)	28.28	-0.60	-2.08	-2.74	15.85	↓	ZAR weakness
ZARGHS (Ghanian cedi)	0.36	-0.61	-0.06	-1.19	7.48	↓	ZAR weakness
ZARZMW (Zambian kwacha)	0.80	-0.92	1.32	-0.97	11.21	↑	ZAR strength
ZARZMZN (Mozambican metical)	4.77	-0.60	-0.26	0.65	4.64	↓	ZAR weakness

Source: Bloomberg & Nedbank CIB  
Time: 2018/05/21 07:30

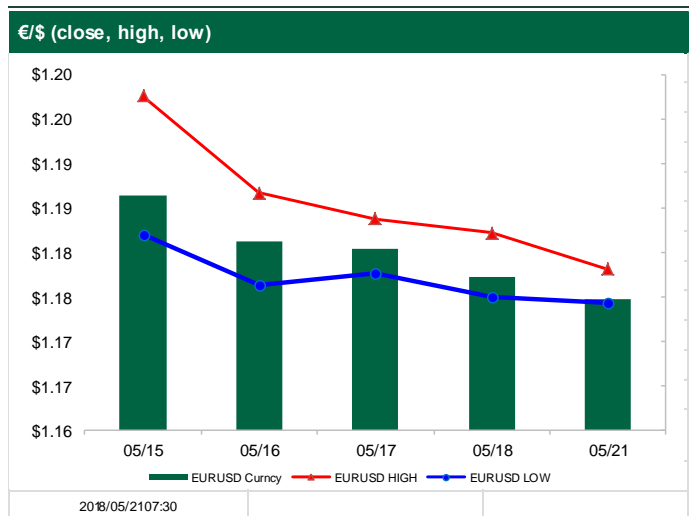
*\*Please note that the sign on the % change reflects the change on the headline number. The narrative indicates the trend direction over the month. For trade in any of these currencies, contact our FX dealing desks*

## USDZAR



Source: Bloomberg, Nedbank

## EUR/USD



Source: Bloomberg, Nedbank

# Commodities

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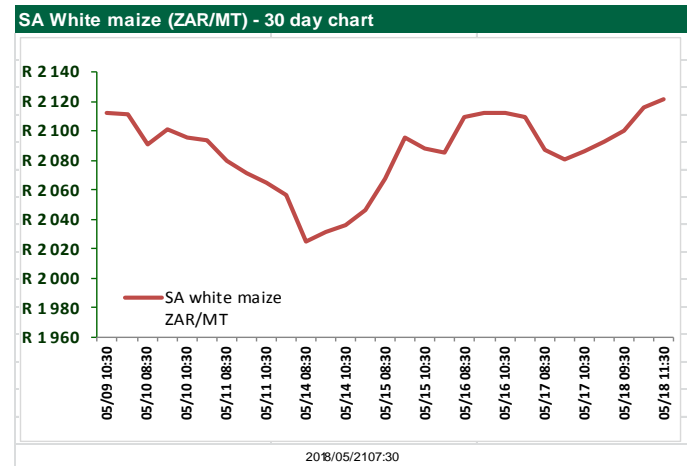
- Oil traded near \$72 a barrel as the U.S and China's economic truce eased fears of a trade war and ahead of a meeting on crude prices between the ministers of top producers Russia and Saudi Arabia. Futures rose as 0.9%.
- Gold declines after Mnuchin said the U.S. was putting the trade war with China on hold, boosting risk-on sentiment. Bullion for immediate delivery -0.3% to \$1,289.77/oz; -2% last week, biggest weekly drop since Dec.
- Silver little changed at \$16.4350/oz. Platinum -0.2% to \$885.82/oz. Palladium +0.3% to \$970.10/oz.
- Nickel falls after hitting three-year high in Shanghai last week amid forecasts of a boom in demand from electric vehicles; other metals mixed.
- Iron ore for Sept. -2.6% to 465.5 yuan/ton on DCE.

Source: Bloomberg

Commodities	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend
Brent near future (\$)	79.09	0.74	5.21	18.27	47.53	↑
WTI crude (\$)	71.81	0.74	4.73	18.85	42.68	↑
Gold spot (\$)	1 287.09	-0.46	-2.28	-1.21	2.10	↓
Platinum spot (\$)	882.66	-0.52	-2.47	-4.91	-6.57	↓
SA white maize spot (R)	2 122.00	1.39	4.17	11.68	15.96	↑

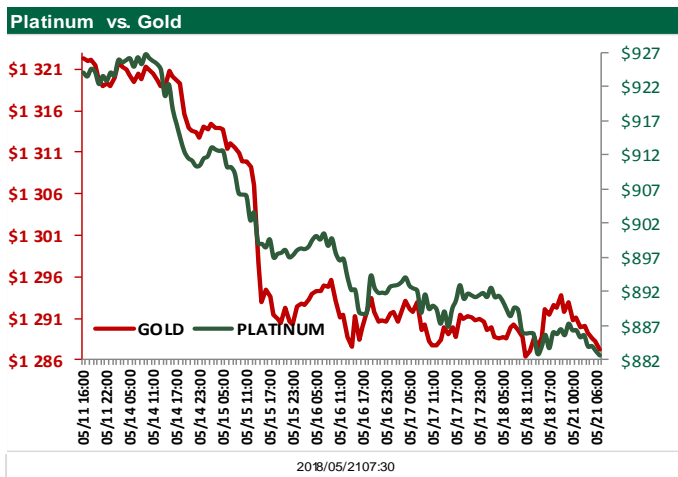
Source: Bloomberg & Nedbank CIB  
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## SA white maize



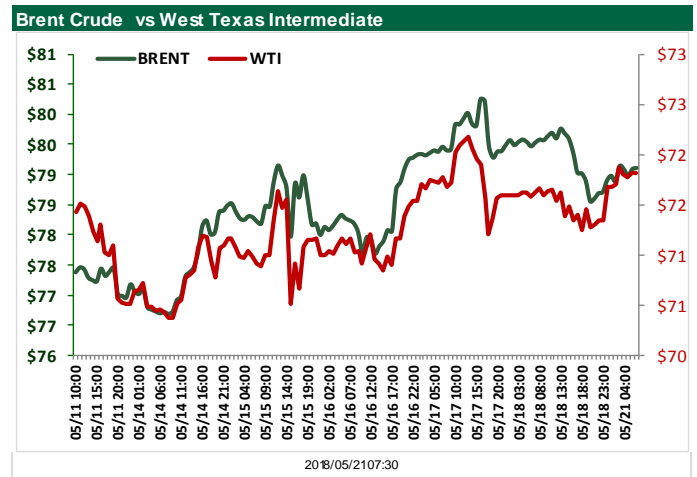
Source: Bloomberg, Nedbank

## 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 Top40 continued lower on Friday, ending the day down 0.74% at 51292.20.
- Industrials, banks and retailers were amongst the worst performers, while technology and paper stocks gained ground.
- Richemont closed off its worst levels, down 3.7% after their results disappointed.
- On the upside, Datatec surged 12.93% a day after reporting full year results.
- Murray & Roberts added 4.03% after agreeing in principle to merge with Aveng (-1.10%) to create a multinational engineering group.
- The value traded at the close was R22.7billion and the ZAR was trading at 12.75 vs the dollar.

## UK/Europe

- European markets eased lower on Friday, but still managed to post their eighth straight week of gains.
- Traders were taking a more cautious stance, keeping an eye on the political situation in Italy and uncertainty around the outcome of trade talks between the US and China weighed on sentiment.
- Italy's FTSE MIB index lost 1.5%, with the banking sector taking the worst hit, down 3.1%
- In London, Astra Zeneca lost 2.06% after reporting a 37% decline in first quarter profits/
- Richemont fell 5.2% after results missed estimates.
- The DAX fell 0.28%, the CAC40 lost 0.13% and the FTSE100 ended the day down 0.12%.

## USA

- US markets ended the session lower, with banking stocks and chip makers weighing on the S&P500.
- Rising US bond yields and higher oil prices, together with uncertainty surrounding US trade talks weighed on sentiment.
- The Dow closed flat, the S&P 500 declined 0.26% and the Nasdaq fell 0.33%.

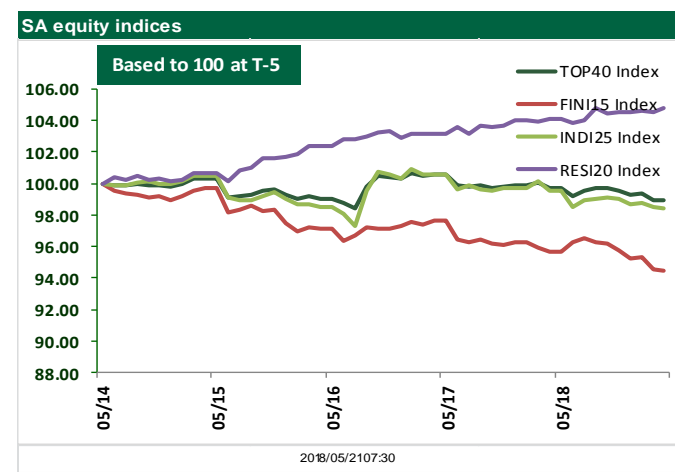
## Asia

- Asian markets are trading mixed this morning, with the Nikkei little changed. Exporters outperformed lifted by a rise in the dollar against the yen.
- Chinese and Hong Kong stocks continued higher as trade tensions between China and the US eased.
- China has agreed to significantly increase its purchases of US goods and services, which should provide relief to investors.
- The ASX was little changed, with a stronger energy sector offsetting the weaker banking and materials sectors.

Developed Markets	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	2017 Performance %	MTD trend
Dow Jones	24 715.09	0.00	2.28	-0.02	18.79	24.33	↑
Nasdaq	7 354.34	-0.38	4.08	6.53	20.89	27.16	↑
S&P500	2 712.97	-0.26	2.45	1.47	13.91	18.42	↑
DJ Eurostoxx 50	3 573.76	-0.51	1.05	1.99	-0.37	5.70	↑
DAX	13 077.72	-0.28	3.69	1.24	3.47	11.51	↑
CAC	5 614.51	-0.13	1.70	5.68	5.45	8.43	↑
FTSE	7 778.79	-0.12	3.59	1.18	4.12	7.10	↑
ASX200	6 086.20	-0.02	1.73	0.35	6.26	6.42	↑
Nikkei 225	23 026.83	0.42	2.49	1.15	17.54	16.18	↑
MSCI World	2 120.80	-0.22	1.64	0.82	11.93	19.65	↑
Emerging Markets	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	2017 Performance %	MTD trend
Hang Seng	31 442.49	1.27	2.06	5.09	24.90	35.19	↑
Shanghai	3 217.97	0.77	4.40	-2.70	4.12	5.46	↑
Brazil Bovespa	83 081.88	-0.65	-3.52	8.74	32.64	28.22	↓
India - NSE	34 771.58	-0.22	-1.11	2.10	14.14	27.91	↓
Russia Micex	2 326.94	0.15	0.86	10.30	18.58	-7.69	↑
MSCI Emerging	1 137.75	-0.55	-2.29	-1.79	14.27	34.35	↓
SA Indices	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	2017 Performance %	MTD trend
JSE All Share	57 804.33	-0.65	-0.77	-2.86	6.20	17.47	↓
Top 40	51 292.18	-0.74	-0.25	-2.36	6.94	19.66	↓
Resi 10	41 034.58	0.68	8.18	13.06	25.33	13.03	↑
Indi 25	74 782.91	-1.18	-1.47	-5.44	0.48	23.03	↓
Fini 15	16 692.80	-1.23	-6.40	-6.60	12.09	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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Susan Correia | Scorreia@Nedbankcapital.co.za | +27 11 295 8227

Share code	Share name	Dividend / interest rate
<b>22 May 2018</b>		
DCP	Dis-Chem Pharmacies Ltd	dividend @ 12.736cps
IDQ	Indequity Group Ltd	dividend @ 10.50cps
IMRP3	IM Redeemable Pref 3 Nov 21	dividend @ 2405.595290cps
IMRP6	IM Redeemable Pref 6 Aug 21	dividend @ 8575.240280cps
MNK	Montauk Holdings Ltd	dividend @ 63cps
NBELN1	NB ELN NA 1 22May 2018	delisting
RDF	Redefine Properties Ltd	dividend @ 47.30cps or 4.3 new per 100 held
REA	Rebosis Property Fund Ltd A	dividend @ 126.43cps
REB	Rebosis Property Fund Ltd	dividend @ 63.23cps
TDH	Tradehold Ltd	unbundling of Mettle shares 1:1

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	320.00	-0.19	8.04	25.19	69.55	29.43	↑
ANG : AngloGold Ashanti Ltd	104.39	-0.48	-7.09	-18.84	-33.50	-14.78	↓
APN : Aspen Pharmacare Holdings Lt	258.24	-0.71	-4.06	-6.94	-5.75	-1.62	↓
BGA : Barclays Africa Group Ltd	164.50	-3.01	-10.10	-9.61	15.47	7.05	↓
BID : Bid Corp Ltd	270.50	0.10	-5.62	-10.13	-9.83	20.93	↓
BL : Bhp Billiton Plc	297.47	0.91	11.68	18.73	41.32	11.95	↑
BTI : British American Tobacco Plc	653.65	0.64	-4.88	-21.20	-29.68	6.38	↓
BVT : Bidvest Group Ltd	218.95	-4.48	-10.68	0.39	34.33	21.18	↓
CFR : Financiere Richemont-Dep Rec	118.98	-3.70	0.08	6.47	6.96	24.15	↑
CPI : Capitec Bank Holdings Ltd	836.59	1.19	-5.91	-23.81	8.30	58.44	↓
DSY : Discovery Ltd	161.00	-0.31	-7.07	-13.44	26.87	61.26	↓
FSR : Firstrand Ltd	61.00	-1.61	-8.90	-9.29	22.71	25.00	↓
GFI : Gold Fields Ltd	45.71	1.04	-2.47	-15.51	-10.97	23.12	↓
GRT : Grow thpoint Properties Ltd	27.10	-0.55	-6.87	-2.02	7.63	6.59	↓
INL : Investec Ltd	95.40	-1.05	-3.12	6.33	-8.32	-1.57	↓
INP : Investec Plc	96.50	-0.76	-3.13	7.51	-7.23	-1.52	↓
IPL : Imperial Holdings Ltd	204.79	-2.89	-14.80	-21.88	23.72	41.52	↓
LHC : Life Healthcare Group Holdin	27.50	-1.36	-6.78	-0.90	-4.35	-9.23	↓
MEI : Mediclinic International Plc	113.74	-0.13	-1.71	6.92	-24.64	-18.17	↓
MND : Mondi Ltd	354.00	1.72	6.47	15.59	8.40	14.66	↑
MNP : Mondi Plc	354.98	1.93	6.71	16.24	8.79	14.14	↑
MRP : Mr Price Group Ltd	248.46	-2.37	-9.32	1.47	69.10	53.52	↓
MTN : Mtn Group Ltd	115.79	-1.93	-7.55	-15.23	-3.27	5.08	↓
NED : Nedbank Group Ltd	289.48	-1.22	-2.69	13.03	35.87	6.16	↓
NPN : Naspers Ltd-N Shs	3 201.65	-0.07	4.65	-7.23	15.62	69.72	↑
NRP : Nepi Rockcastle Plc	125.39	1.12	-8.87	-41.29			↓
OML : Old Mutual Plc	42.00	-0.21	-3.23	10.53	27.27	9.35	↓
RDF : Redefine Properties Ltd	11.45	-0.87	-4.42	7.01	4.57	-6.96	↓
REM : Remgro Ltd	208.75	-1.07	-7.10	-11.55	-5.44	4.19	↓
RMH : Rmb Holdings Ltd	71.40	-1.87	-8.91	-9.81	14.53	18.13	↓
RNI : Reinnet Investments Sca	237.59	1.33	1.22	-13.29			↑
SAP : Sappi Limited	89.52	0.58	12.04	0.02	-9.97	0.56	↑
SBK : Standard Bank Group Ltd	197.99	-2.48	-7.62	1.19	35.96	28.22	↓
SHP : Shoprite Holdings Ltd	236.51	0.42	-5.02	6.93	18.61	27.89	↓
SLM : Sanlam Ltd	75.00	-1.76	-5.31	-13.79	7.87	36.30	↓
SOL : Sasol Ltd	484.00	1.09	8.04	13.04	18.34	5.32	↑
SPP : Spar Group Limited/The	189.98	-0.66	-10.15	-6.57	8.51	2.82	↓
TBS : Tiger Brands Ltd	347.94	-1.00	-10.56	-24.36	-10.78	16.65	↓
TFG : The Foschini Group Ltd	193.44	-2.30	-10.03	-1.97	38.40	24.11	↓
TRU : Truworths International Ltd	89.00	-3.16	-13.17	-5.79	19.46	17.70	↓
VOD : Vodacom Group Ltd	150.57	-1.55	-3.46	3.36	-7.28	-3.27	↓
WHL : Woolworths Holdings Ltd	60.00	-0.71	-6.61	-8.13	-13.90	-9.09	↓

Source: Bloomberg & Nedbank CIB

Time 2018/05/21 07:30

# Economics

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## Japan

- The Japanese trade surplus widened to ¥550 billion in April, from ¥170 billion in March, better than consensus of ¥114 billion.
- Exports surged 4.6% over the month, while imports declined by 1.2%, resulting in the surge in the surplus. Weak domestic demand, combined with supportive global trade are likely to keep Japanese trade supported over the medium term.

**Synopsis: 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.**



## Economic calendar

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

	Country	Event	Period	Survey	Actual	Prior	Revised
<b>18-May</b>							
01:30 AM	JN	Natl CPI YoY	APR	-	0.60%	1.10%	-
08:00 AM	GE	PPI YoY	APR	-	2.00%	1.90%	-
08:00 AM	GE	Wholesale Price Index YoY	APR	-	1.40%	1.20%	-
10:00 AM	EC	Current Account NSA	MAR	-	EUR 40.6b	EUR 22.7b	EUR 24.2b
10:00 AM	EC	ECB Current Account SA	MAR	-	EUR 32.0b	EUR 35.1b	EUR 36.8b
11:00 AM	EC	Trade Balance SA	MAR	-	EUR 21.2b	EUR 21.0b	EUR 20.9b
<b>21-May</b>							
01:50 AM	JN	Exports YoY	APR	8.70%	7.80%	2.10%	-
01:50 AM	JN	Imports YoY	APR	9.80%	5.90%	-0.60%	-
01:50 AM	JN	Trade Balance Adjusted	APR	JPY 114.9b	JPY 550.0b	JPY 119.2b	JPY 170.0b
02:30 PM	US	Chicago Fed Nat Activity Index	APR	0.48	-	0.10	-
<b>22-May</b>							
09:00 AM	SA	Leading Indicator		-	-	108.3	-
10:30 AM	UK	PSNB ex Banking Groups	APR	GBP 8.5b	-	GBP 1.3b	-
04:00 PM	US	Richmond Fed Manufact. Index	MAY	8	-	-3	-

Source: Bloomberg

2018/05/21 07:30

## 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

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