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Key daily drivers

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

SNIPPETS

| | |
|-----------------|---|
| (Fixed Income) | Tight range in bond yields, marginally higher bond yields through the day |
| (Currencies) | European politics provide a cautious backdrop for markets |
| (Commodities) | Gold price remains range-bound, while Brent remains downbeat as OPEC prepares to raise output |
| (Equities) | The Top40 closes flat while global markets post modest gains in a holiday affected day |
| (Foreign Flows) | Foreign capital outflows continue to persist last week, as the global risk-off continued |

Key overnight factors and upcoming events this week

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| Date | Region | Event | ↓ ↑ → | Actual/expected/prior | Implications |
|-------|--------|--------------------|---------|-----------------------|---|
| 30/05 | EZ | Business Indicator | Climate | --/--/1.35 | Business climate index may rise as a result of upbeat economic conditions |
| 30/05 | SA | Budget balance | | -- | Likely to show better fiscal condition at the start of the new fiscal year due to VAT revenues, April is typically a deficit month, however deficit may be smaller than in previous years |
| 30/05 | US | GDP | | --/2.3%/2.3% | GDP revision may show no change to Q1 estimate |
| 31/05 | SA | Trade balance | | --/--/9.5b | Trade may show a small surplus as exports and imports rise |

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 1d | Δ MTD | Δ YTD | Δ 12Month | MTD trend |
|----------------|------------|-------|--------|--------|-----------|-----------|
| | % | bps | bps | bps | bps | |
| R204-0.6 yrs | 6.72 | -0.25 | -3.65 | -34.15 | -0.67 | ↓ |
| R208-2.8 yrs | 7.49 | -0.15 | 20.75 | -7.25 | -0.13 | ↑ |
| R186-8.6 yrs | 8.42 | -0.50 | 24.40 | -16.40 | -0.16 | ↑ |
| R2048-29.8 yrs | 9.30 | -0.20 | 26.30 | -41.30 | -0.34 | ↑ |
| US 10 yr | 2.90 | -2.73 | -4.91 | 49.86 | 65.75 | ↓ |
| UK 10 yr | 1.32 | -0.10 | -9.70 | 13.10 | 30.90 | ↓ |
| German 10 yr | 0.34 | -6.20 | -21.50 | -8.30 | 1.30 | ↓ |
| Japan 10 yr | 0.04 | -0.40 | -1.60 | -0.90 | 0.00 | ↓ |

| Money Market | Last price | Δ 1d | Δ MTD | Δ YTD | Δ 12Month | MTD trend |
|-----------------------------|------------|-------|-------|--------|-----------|-----------|
| | % | 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) | 4.50 | | 70.00 | -20.00 | -80.00 | ↑ |
| SA 3m JIBAR | 6.90 | 0.00 | 0.00 | -25.80 | -43.30 | → |
| SA 3m NCD | 6.90 | 0.00 | 0.00 | -25.00 | -42.50 | → |
| SA 6m NCD | 7.43 | 1.25 | 2.50 | -17.50 | -45.00 | ↑ |
| SA 12m NCD | 7.90 | 0.00 | 15.00 | 0.00 | -30.00 | ↑ |
| US 3m LIBOR | 2.32 | -0.13 | -4.48 | 62.39 | 111.77 | ↓ |
| UK 3m LIBOR | 0.61 | -0.34 | -9.97 | 8.96 | 30.82 | ↓ |
| Japan 3m LIBOR | -0.03 | -0.33 | 0.25 | -0.37 | -1.40 | ↑ |

Source: Bloomberg & Nedbank CIB

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| FRAs and Swaps | Last price | Δ 1d | Δ MTD | Δ YTD | Δ 12Month | MTD trend |
|----------------|------------|-------|-------|-------|-----------|-----------|
| | % | bps | bps | bps | bps | |
| 3X6 FRA | 6.90 | -0.50 | 8.50 | 0.50 | -35.50 | ↑ |
| 6X9 FRA | 6.86 | 0.00 | 4.00 | 3.00 | 4.00 | ↑ |
| 9X12 FRA | 6.93 | 1.00 | 15.00 | 14.00 | -6.00 | ↑ |
| 18X21 FRA | 7.13 | 1.00 | 23.00 | 15.00 | 10.00 | ↑ |
| SA 2yr Swap | 7.00 | 0.00 | 14.50 | 6.32 | -9.90 | ↑ |
| SA 3yr Swap | 7.13 | 0.00 | 15.50 | 7.50 | -3.90 | ↑ |
| SA 5yr Swap | 7.40 | 0.00 | 15.50 | 7.00 | -1.00 | ↑ |
| SA 10yr Swap | 7.88 | -0.50 | 15.00 | -4.50 | -3.50 | ↑ |
| SA 15yr Swap | 8.14 | -1.50 | 13.00 | -2.00 | 2.50 | ↑ |

| Spreads | Last price | Δ 1d | Δ MTD | Δ YTD | Δ 12Month | MTD trend |
|----------------------------------|------------|-------|--------|--------|-----------|-----------|
| | % | bps | bps | bps | bps | |
| 2v10y | -0.89 | 0.50 | -0.50 | 10.82 | -6.40 | ↓ |
| 3v10y | -0.76 | 0.50 | 0.50 | 12.00 | -0.40 | ↓ |
| R186-R204 | 1.70 | -0.25 | 28.05 | 17.75 | 0.52 | ↑ |
| R2048-R186 | 0.88 | 0.30 | 1.90 | -24.90 | -0.18 | ↑ |
| 5y-R186 | -1.02 | 0.50 | -8.90 | 23.40 | -0.84 | ↓ |
| 10y-R186 | -0.54 | 0.00 | -9.40 | 11.90 | -3.34 | ↓ |
| 15y-R186 | -0.28 | -1.00 | -11.40 | 14.40 | 2.66 | ↓ |
| SA 5yr CDS spread - basis points | 166.10 | 0.00 | 6.56 | 9.15 | -18.94 | ↑ |

Source: Bloomberg & Nedbank CIB

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US 10 year yield

US 10 year yield

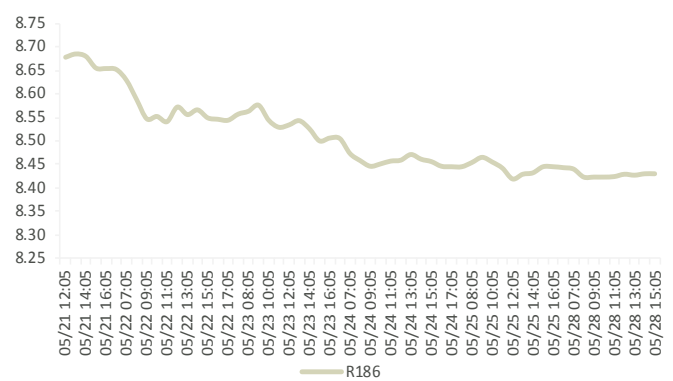


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Source: Bloomberg, Nedbank

SA 10 year yield

SA 10 year yield



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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 new week opened with the rand trading in the mid 12.40's, as was to be expected the levels of market activity and participation were limited, while there was significant price activity in some majors, the local unit held generally steady on the day, confined to a range between 12.4250 and 12.5100 on the day, closing the session basically unchanged from the open. This morning the rand currently trades at 12.4500, EURZAR is trading at 14.4850 and GBPZAR is at 16.5920.
- The international markets saw EURUSD trade steadily weaker, this as the on-going political saga in Italy heads toward possible new elections and the political landscape in Spain is also tenuous, this saw it trade from 1.1727 down to a low of 1.1608, this morning currently trading at 1.1628. Gold has held steady, trading just below the 1300.00 level at the current time.
- Data releases scheduled for today, no local releases, from Europe we have French consumer confidence and Eurozone M3 money supply, from the U.S consumer confidence and Dallas FED manufacturing.
- The rand has continued to hold steady over the most recent sessions, despite the turmoil in Europe, most significantly from a technical perspective it continues to trade sub 12.5000, the short term target on the downside toward the 12.2000 level.
- Possible trading range in the rand today 12.3000 to 12.6000

| Majors | Last price | %Δ -1d | %Δ MTD | %Δ YTD | %Δ 12Month | MTD trend | USD trend |
|--------|------------|--------|--------|--------|------------|-----------|--------------|
| GBPUSD | 1.33 | 0.04 | -3.25 | -1.44 | 3.76 | ↓ | USD strength |
| EURUSD | 1.16 | 0.00 | -3.90 | -3.13 | 4.07 | ↓ | USD strength |
| USDJPY | 109.07 | -0.32 | -0.05 | 3.32 | -2.04 | ↓ | USD weakness |
| USDAUD | 1.33 | 0.11 | 0.14 | 3.58 | -1.26 | ↑ | USD strength |

| Rand crosses | Last price | %Δ -1d | %Δ MTD | %Δ YTD | %Δ 12Month | MTD trend | ZAR trend |
|--------------|------------|--------|--------|--------|------------|-----------|--------------|
| USDZAR | 12.46 | 0.02 | 0.07 | 0.63 | -4.09 | ↑ | ZAR weakness |
| GBPZAR | 16.60 | 0.07 | -3.28 | -0.75 | -0.31 | ↓ | ZAR strength |
| EURZAR | 14.49 | 0.02 | -3.98 | -2.51 | -0.01 | ↓ | ZAR strength |
| AUDZAR | 9.39 | -0.09 | -0.07 | -2.91 | -2.78 | ↓ | ZAR strength |
| ZARJPY | 8.75 | -0.34 | -0.04 | -3.16 | 1.96 | ↓ | ZAR weakness |

| African FX | Last price | %Δ -1d | %Δ MTD | %Δ YTD | %Δ 12Month | MTD trend | ZAR trend |
|-----------------------------|------------|--------|--------|--------|------------|-----------|--------------|
| ZARMWK (Malawian kwacha) | 58.27 | -0.01 | 0.00 | -0.57 | 3.75 | ↑ | ZAR strength |
| ZARBWP (Botswana pula) | 0.80 | -0.11 | 0.72 | 0.33 | 0.74 | ↑ | ZAR strength |
| ZARKES (Kenyan shilling) | 8.13 | -0.02 | 0.84 | -2.57 | 1.98 | ↑ | ZAR strength |
| ZARMUR (Mauritian rupee) | 2.79 | 0.49 | 1.95 | 2.07 | 3.61 | ↑ | ZAR strength |
| ZARNGN (Nigerian naira) | 29.05 | -0.02 | 0.62 | -0.02 | 16.47 | ↑ | ZAR strength |
| ZARGHS (Ghanian cedi) | 0.35 | -0.03 | -1.95 | -3.10 | 4.94 | ↓ | ZAR weakness |
| ZARZMW (Zambian kwacha) | 0.83 | 0.12 | 5.66 | 3.47 | 14.70 | ↑ | ZAR strength |
| ZARMZN (Mozambican metical) | 4.81 | 0.03 | 0.77 | 1.68 | 5.08 | ↑ | ZAR strength |

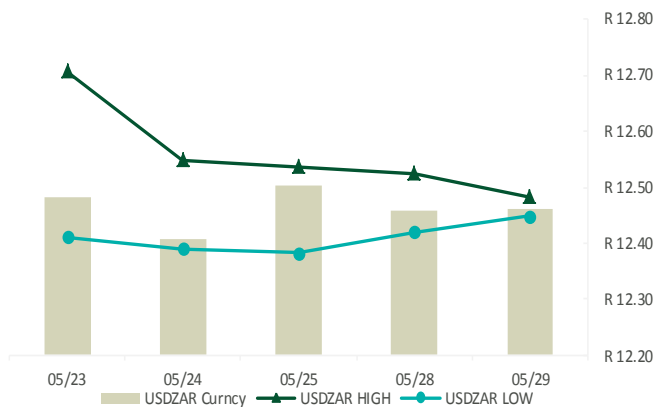
Source: Bloomberg & Nedbank CIB

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***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

\$/R (close, high and low)

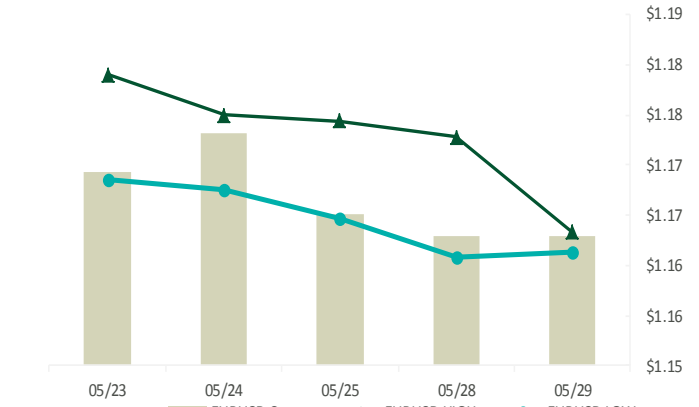


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Source: Bloomberg, Nedbank

EUR/USD

€/€ (close, high and low)



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Source: Bloomberg, Nedbank

Commodities

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- Oil prices mixed, but remained under pressure from expectations that Saudi Arabia and Russia would pump more crude to ease a potential shortfall in supply, while Brent snapped a three-day drop. Gold little changed as dollar holds gains and haven demand ebbs.
- Bullion for immediate delivery steady at \$1,299.61/oz, after -0.3% Monday. Silver little changed, Palladium +0.4%, Platinum +0.1%. Nickel rises third day to head for highest close since May 2015, as falling stockpiles and long-term demand prospects fuel investor appetite.

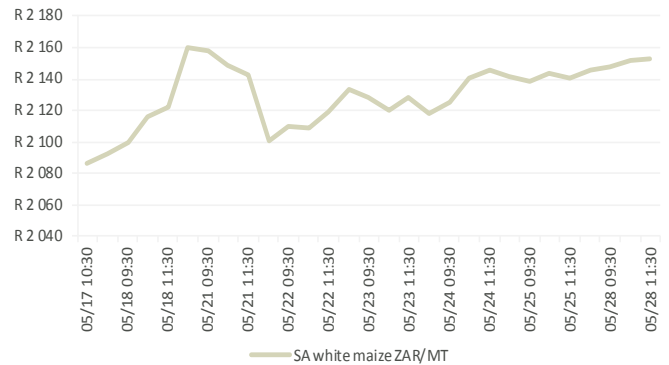
Source: Bloomberg

| Commodities | Last price | %Δ -1d | %Δ MTD | %Δ YTD | %Δ 12Month | MTD trend |
|-------------------------|------------|--------|--------|--------|------------|-----------|
| Brent near future (\$) | 75.64 | 0.45 | 0.63 | 13.11 | 44.65 | ↑ |
| WTI crude (\$) | 66.83 | -1.55 | -2.54 | 10.61 | 34.20 | ↓ |
| Gold spot (\$) | 1 298.36 | 0.01 | -1.43 | -0.34 | 2.48 | ↓ |
| Platinum spot (\$) | 906.54 | 0.28 | 0.17 | -2.34 | -5.10 | ↑ |
| SA white maize spot (R) | 2 153.00 | 0.56 | 5.69 | 13.32 | 24.31 | ↑ |

Source: Bloomberg & Nedbank CIB Time 2018/05/29 07:22

SA white maize

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

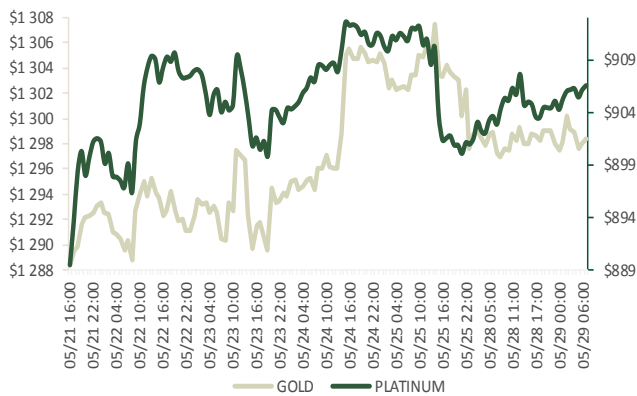


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Source: Bloomberg, Nedbank

Platinum vs Gold

Platinum vs. Gold

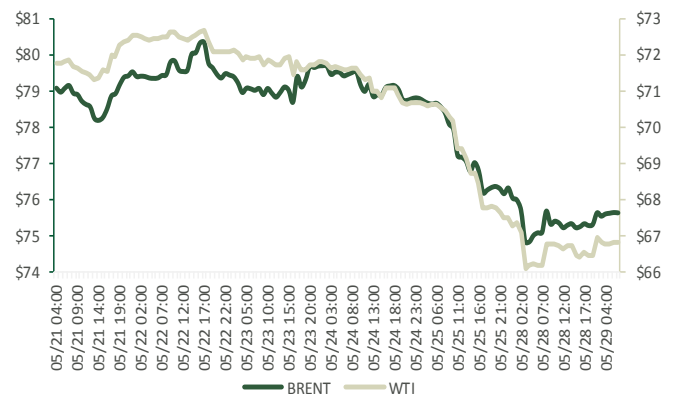


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Source: Bloomberg, Nedbank

Brent Crude vs West Texas Intermediate

Brent Crude vs West Texas Intermediate



2018/05/29 07:22

Source: Bloomberg, Nedbank

Equities

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Cash equities | +2711 535 4030/31

South Africa

- The Top40 swung between gains and losses before closing flat (0.02%) in a lacklustre trading day.
- The lack of direction and liquidity was due to the holidays in the US and the UK.
- (Resources -0.4%, Financials -0.2% & Industrials +0.3%).
- Telkom tumbled -4% after disappointing full year results and Steinhoff Africa Retail (STAR) was drilled -6% after a trading statement on Friday after the close showed EPS is expected down 44% to 52%.
- The value traded was R11.3 billion and the rand was trading around 12.45 to the US dollar at the close.

UK/Europe

- European markets inched higher, the Cac rose +0.23% and the Dax added +0.2%, the U.K. was closed for their spring bank holiday.
- Revived prospects of a US-North Korea summit combined with hopes of fresh elections in Italy supported markets on Monday.
- In Paris, L'Oreal advanced +1% after announcing a worldwide license agreement with Valentino.
- Japan's SoftBank attempt to buy a stake in Swiss Re has failed lifting the latter up +0.9%.

USA

- The US was closed for the Memorial Day holiday.

Asia

- Asian markets are trading mostly in negative territory, the MSCI Asia Pacific ex-Japan is down -0.6%.
- Markets in Malaysia, Indonesia, Singapore and Thailand are closed for a public holiday.
- The Japanese market is down dragged lower by a stronger yen and weaker crude oil prices.
- Tencent is currently trading down-0.5% in Hong Kong this morning.

| Developed Markets | Last price | %Δ | | | | 2017 Performance | MTD trend |
|-------------------|------------|-------|-------|-------|---------|------------------|-----------|
| | | -1d | MTD | YTD | 12Month | | |
| Dow Jones | 24 753.09 | -0.24 | 2.44 | 0.14 | 17.42 | 24.33 | ↑ |
| Nasdaq | 7 433.85 | 0.13 | 5.20 | 7.68 | 19.70 | 27.16 | ↑ |
| S&P 500 | 2 721.33 | -0.24 | 2.77 | 1.78 | 12.65 | 18.42 | ↑ |
| DJ Eurostoxx 50 | 3 482.64 | -0.93 | -1.52 | -0.61 | -2.69 | 5.70 | ↓ |
| DAX | 12 863.46 | -0.58 | 1.99 | -0.42 | 1.86 | 11.51 | ↑ |
| CAC | 5 508.93 | -0.61 | -0.21 | 3.70 | 3.31 | 8.43 | ↓ |
| FTSE | 7 730.28 | 0.18 | 2.94 | 0.55 | 2.42 | 7.10 | ↑ |
| ASX200 | 6 011.30 | 0.12 | 0.48 | -0.89 | 5.33 | 6.42 | ↑ |
| Nikkei 225 | 22 301.56 | -0.80 | -0.74 | -2.04 | 13.31 | 16.18 | ↓ |
| MSCI World | 2 107.14 | -0.17 | 0.99 | 0.18 | 10.22 | 19.65 | ↑ |

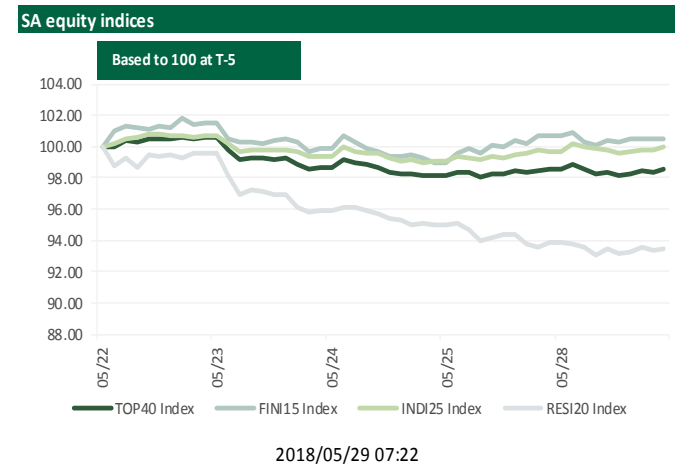
| Emerging Markets | Last price | %Δ | | | | 2017 Performance | MTD trend |
|------------------|------------|-------|--------|-------|---------|------------------|-----------|
| | | -1d | MTD | YTD | 12Month | | |
| Hang Seng | 30 585.08 | -0.67 | -0.73 | 2.23 | 19.00 | 35.19 | ↓ |
| Shanghai | 3 114.07 | -0.67 | 1.03 | -5.84 | 0.13 | 5.46 | ↑ |
| Brazil Bovespa | 75 355.84 | -4.49 | -12.49 | -1.37 | 18.18 | 28.22 | ↓ |
| India - NSE | 35 173.65 | 0.02 | 0.04 | 3.28 | 13.06 | 27.91 | ↑ |
| Russia Micex | 2 311.28 | 0.20 | 0.18 | 9.55 | 19.09 | -7.69 | ↑ |
| MSCI Emerging | 1 137.00 | 0.03 | -2.36 | -1.85 | 12.00 | 34.35 | ↓ |

| SA Indices | Last price | %Δ | | | | 2017 Performance | MTD trend |
|---------------|------------|-------|-------|-------|---------|------------------|-----------|
| | | -1d | MTD | YTD | 12Month | | |
| JSE All Share | 56 857.24 | -0.10 | -2.37 | -4.45 | 5.40 | 17.47 | ↓ |
| Top 40 | 50 550.69 | 0.02 | -1.66 | -3.77 | 6.35 | 19.66 | ↓ |
| Resi 10 | 38 789.13 | -0.45 | 2.40 | 6.88 | 24.11 | 13.03 | ↑ |
| Indi 25 | 74 301.87 | 0.27 | -2.10 | -6.05 | 0.03 | 23.03 | ↓ |
| Fini 15 | 16 819.57 | -0.22 | -5.69 | -5.90 | 11.85 | 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 |
|-------------|---------------------------|---|
| 29 May 2018 | | |
| CVH | Capevin Holdings Limited | Scheme of Arrangement: 0.66667 DGH per 1 CVH held |
| DST | Distell Group Limited | Scheme of Arrangement: 1 DGH per 1 CVH held |
| EQU | Equites Property Fund Ltd | dividend @ 0.6288143cps or TBA new per 100 held |
| GRP | Greenbay Properties Ltd | dividend @ 4.326510cps |
| ILU | Indluplace Properties Ltd | dividend @ 48.561250cps |
| L4L | Long 4 Life Limited | dividend @ 5.40cps |
| MIX | Mix Telematics Ltd | dividend @ 3cps |
| RBX | Raubex Group Ltd | dividend @ 33cps |
| SUIN | Sun International Ltd NPL | take up @ 5782c |

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 | 297.44 | -0.01 | 0.42 | 16.36 | 67.77 | 29.43 | ↑ |
| ANG : Anglogold Ashanti Ltd | 102.00 | -1.18 | -9.21 | -20.70 | -31.51 | -14.78 | ↓ |
| APN : Aspen Pharmacare Holdings Lt | 252.97 | 2.92 | -6.02 | -8.84 | -13.58 | -1.62 | ↓ |
| BGA : Barclays Africa Group Ltd | 163.54 | 0.01 | -10.63 | -10.14 | 11.41 | 7.05 | ↓ |
| BID : Bid Corp Ltd | 261.82 | 0.89 | -8.65 | -13.01 | -12.12 | 20.93 | ↓ |
| BIL : Bhp Billiton Plc | 280.00 | -0.62 | 5.12 | 11.75 | 39.30 | 11.95 | ↑ |
| BTI : British American Tobacco Plc | 649.50 | 0.91 | -5.49 | -21.70 | -29.56 | 6.38 | ↓ |
| BVT : Bidvest Group Ltd | 215.47 | -2.06 | -12.10 | -1.20 | 27.69 | 21.18 | ↓ |
| CFR : Financiere Richemont-Dep Rec | 116.70 | 0.02 | -1.83 | 4.43 | 8.39 | 24.15 | ↓ |
| CPI : Capitec Bank Holdings Ltd | 875.00 | 0.17 | -1.59 | -20.31 | 11.25 | 58.44 | ↓ |
| DSY : Discovery Ltd | 160.00 | -0.26 | -7.65 | -13.98 | 24.08 | 61.26 | ↓ |
| FSR : Firstrand Ltd | 61.30 | -0.33 | -8.45 | -8.85 | 20.98 | 25.00 | ↓ |
| GFI : Gold Fields Ltd | 43.76 | -1.77 | -6.64 | -19.11 | -9.61 | 23.12 | ↓ |
| GRT : Growthpoint Properties Ltd | 27.45 | -0.72 | -5.67 | -0.76 | 9.06 | 6.59 | ↓ |
| INL : Investec Ltd | 96.20 | -1.84 | -2.31 | 7.22 | -7.50 | -1.57 | ↓ |
| INP : Investec Plc | 97.35 | -1.39 | -2.28 | 8.46 | -6.01 | -1.52 | ↓ |
| IPL : Imperial Holdings Ltd | 208.13 | 0.57 | -13.41 | -20.60 | 25.38 | 41.52 | ↓ |
| LHC : Life Healthcare Group Holdin | 28.54 | 3.22 | -3.25 | 2.85 | 0.99 | -9.23 | ↓ |
| MEI : Mediclinic International Plc | 106.59 | 1.17 | -7.89 | 0.20 | -18.46 | -18.17 | ↓ |
| MND : Mondi Ltd | 352.57 | 2.19 | 6.04 | 15.12 | 10.14 | 14.66 | ↑ |
| MNP : Mondi Plc | 352.83 | 2.05 | 6.06 | 15.54 | 10.22 | 14.14 | ↑ |
| MRP : Mr Price Group Ltd | 258.78 | -0.66 | -5.55 | 5.68 | 77.02 | 53.52 | ↓ |
| MTN : Mtn Group Ltd | 115.15 | 0.78 | -8.06 | -15.70 | -4.26 | 5.08 | ↓ |
| NED : Nedbank Group Ltd | 281.13 | -0.82 | -5.49 | 9.77 | 25.28 | 6.16 | ↓ |
| NPN : Naspers Ltd-N Shs | 3 205.20 | 0.19 | 4.76 | -7.12 | 14.59 | 69.72 | ↑ |
| NRP : Nepi Rockcastle Plc | 124.00 | -1.25 | -9.88 | -41.94 | | | ↓ |
| OML : Old Mutual Plc | 41.26 | 0.39 | -4.93 | 8.58 | 27.46 | 9.35 | ↓ |
| RDF : Redefine Properties Ltd | 11.25 | 0.90 | -6.09 | 5.14 | 2.37 | -6.96 | ↓ |
| REM : Remgro Ltd | 209.80 | -0.01 | -6.64 | -11.10 | -5.35 | 4.19 | ↓ |
| RMH : Rmb Holdings Ltd | 73.15 | 0.19 | -6.67 | -7.60 | 16.43 | 18.13 | ↓ |
| RNI : Reinet Investments Sca | 241.48 | 1.73 | 2.88 | -11.87 | | | ↑ |
| SAP : Sappi Limited | 82.20 | 0.07 | 2.88 | -8.16 | -15.61 | 0.56 | ↑ |
| SBK : Standard Bank Group Ltd | 206.50 | -0.16 | -3.65 | 5.54 | 35.86 | 28.22 | ↓ |
| SHP : Shoprite Holdings Ltd | 233.54 | 1.11 | -6.21 | 5.58 | 10.29 | 27.89 | ↓ |
| SLM : Sanlam Ltd | 76.24 | -0.65 | -3.75 | -12.37 | 9.86 | 36.30 | ↓ |
| SOL : Sasol Ltd | 454.50 | -2.05 | 1.46 | 6.15 | 15.34 | 5.32 | ↑ |
| SPP : Spar Group Limited/The | 191.00 | 0.61 | -9.67 | -6.06 | 9.76 | 2.82 | ↓ |
| TBS : Tiger Brands Ltd | 337.72 | -0.01 | -13.18 | -26.58 | -13.19 | 16.65 | ↓ |
| TFG : The Foschini Group Ltd | 190.00 | -0.24 | -11.63 | -3.71 | 38.71 | 24.11 | ↓ |
| TRU : Truworths International Ltd | 83.28 | -1.15 | -18.75 | -11.85 | 11.04 | 17.70 | ↓ |
| VOD : Vodacom Group Ltd | 154.94 | 0.77 | -0.66 | 6.36 | -6.27 | -3.27 | ↓ |
| WHL : Woolworths Holdings Ltd | 60.77 | -0.21 | -5.42 | -6.95 | -8.62 | -9.09 | ↓ |

Source: Bloomberg & Nedbank CIB

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Foreign flows

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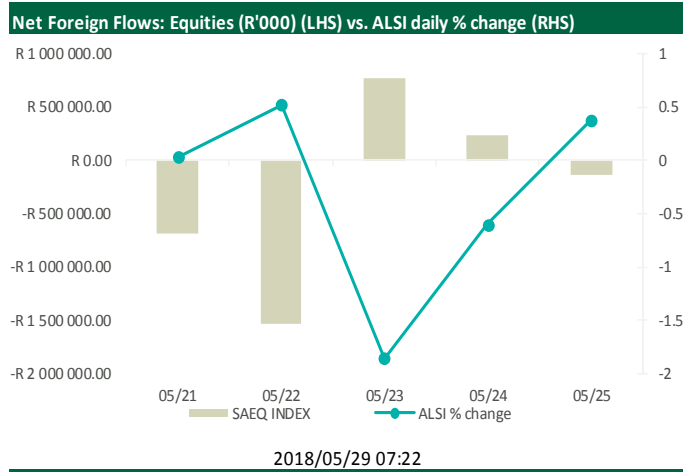
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- Foreign investors sold off R2.8 billion worth of equities and bonds last week, with an almost even split between the two asset classes. The risk-off has persisted, but slowed down materially in the last week. Nonetheless, the EM rout has left SA portfolio flows with a gaping hole of R42.3 billion of outflows this month.
- This completely reverses the solid gain in bond market portfolio inflows that had been the case in Q1, with a net outflow of R3.2 billion recorded for the YTD. The equity market by contrast, has seen large but muted outflows in relation to the bond market. Equity outflows for the month were R14.2 billion, with inflows of R18 billion recorded for the YTD.
- While SA had been relatively protected against the full effect of the EM sell off (especially in comparison with peers like Argentina and Turkey that have seen significantly greater currency depreciation), most gains for the year have been undone and it will take a sharp improvement in global risk sentiment to claw back lost portfolio flows. For now, the sentiment still remains fairly cautious, with global developments taking precedence over local factors. This may likely be the case for most of this year.

| Foreign flows (bn) | Week to 25 May 2018 | Month to 25 May 2018 | Year to 25 May 2018 |
|-------------------------------------|---------------------|----------------------|---------------------|
| Foreign flows into SA equity market | -R 1.359 | -R 14.381 | R 18.149 |
| Foreign flows into SA bond market | -R 1.447 | -R 27.995 | -R 3.262 |
| Total foreign flows | -R 2.805 | -R 42.376 | R 14.886 |

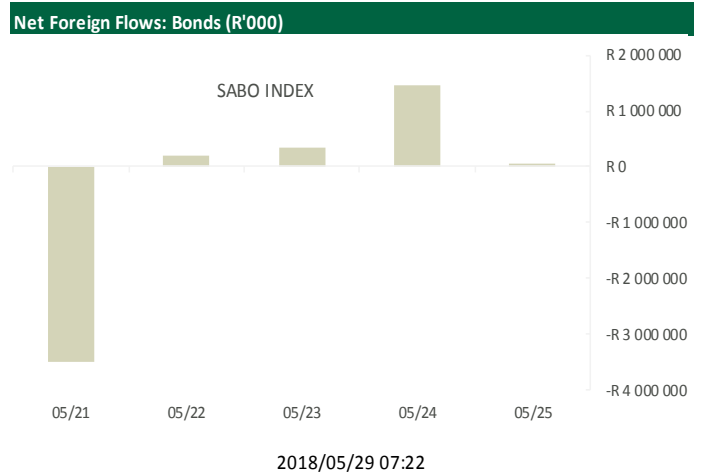
Source : Bloomberg 2018/05/29 07:22

Foreign equity flows: 5-day history



Source: Bloomberg, Nedbank

Foreign bond flows: 5-day history



Source: Bloomberg, Nedbank

Economic calendar

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| | Country | Event | Period | Survey | Actual | Prior | Revised |
|---------------|---------|----------------------------------|--------|------------|--------|-----------|---------|
| 28-May | | | | | | | |
| 29-May | | | | | | | |
| 01:30 AM | JN | Jobless Rate | APR | 2.50% | 2.50% | 2.50% | - |
| 01:30 AM | JN | Job-To-Applclicant Ratio | APR | 1.60 | 1.59 | 1.59 | - |
| 10:00 AM | EC | M3 Money Supply YoY | APR | 3.90% | - | 3.70% | - |
| 03:00 PM | US | S&P CoreLogic CS 20-City YoY NSA | MAR | 6.40% | - | 6.80% | - |
| 04:00 PM | US | Conf. Board Consumer Confidence | MAY | 128.0 | - | 128.7 | - |
| 04:30 PM | US | Dallas Fed Manf. Activity | MAY | 23.0 | - | 21.8 | - |
| 30-May | | | | | | | |
| 01:50 AM | JN | Retail Trade YoY | APR | 0.95% | - | 1.00% | - |
| 08:00 AM | SA | Money Supply M3 YoY | APR | 6.60% | - | 6.42% | - |
| 08:00 AM | SA | Private Sector Credit YoY | APR | 6.10% | - | 5.96% | - |
| 08:00 AM | GE | Retail Sales YoY | APR | 1.60% | - | 1.30% | - |
| 11:00 AM | EC | Business Climate Indicator | MAY | 1.29 | - | 1.35 | - |
| 11:00 AM | EC | Economic Confidence | MAY | 112.0 | - | 112.7 | - |
| 02:00 PM | GE | CPI YoY | MAY F | 1.90% | - | 1.60% | - |
| 02:00 PM | SA | South Africa Budget | APR | - | - | ZAR -6.5b | - |
| 02:15 PM | US | ADP Employment Change | MAY | 190k | - | 204k | - |
| 02:30 PM | US | Wholesale Inventories MoM | APR P | 0.50% | - | 0.40% | - |
| 02:30 PM | US | Core PCE QoQ | 1QS | 2.50% | - | 2.50% | - |
| 02:30 PM | US | GDP Annualized QoQ | 1QS | 2.30% | - | 2.30% | - |
| 02:30 PM | US | Personal Consumption | 1QS | 1.20% | - | 1.10% | - |
| 02:30 PM | US | Advance Goods Trade Balance | APR | USD -71.0b | - | 00:00 | - |
| 31-May | | | | | | | |
| 01:50 AM | JN | Industrial Production YoY | APR P | 3.60% | - | 2.40% | - |
| 10:30 AM | UK | M4 Money Supply YoY | APR | - | - | 2.20% | - |
| 10:30 AM | UK | Net Consumer Credit | APR | GBP 1.30b | - | GBP 0.25b | - |
| 11:00 AM | EC | CPI Core YoY | MAY A | 1.00% | - | 0.70% | - |
| 11:00 AM | EC | Unemployment Rate | APR | 8.40% | - | 8.50% | - |
| 11:00 AM | EC | CPI Estimate YoY | MAY | 1.60% | - | 1.20% | - |
| 11:30 AM | SA | PPI YoY | APR | 4.30% | - | 3.70% | - |
| 02:00 PM | SA | Trade Balance Rand | APR | 5.0b | - | 9.5b | - |
| 02:30 PM | US | PCE Core YoY | APR | 1.80% | - | 1.88% | - |
| 02:30 PM | US | PCE Deflator YoY | APR | 2.00% | - | 2.00% | - |
| 02:30 PM | US | Personal Income | APR | 0.30% | - | 0.30% | - |
| 02:30 PM | US | Personal Spending | APR | 0.40% | - | 0.40% | - |
| 02:30 PM | US | Real Personal Spending | APR | 0.20% | - | 0.40% | - |
| 03:45 PM | US | Chicago Purchasing Manager | MAY | 58.0 | - | 57.6 | - |
| 04:00 PM | US | Pending Home Sales NSA YoY | APR | - | - | -4.40% | - |

Source: Bloomberg 2018/05/29 07:22

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