

For any queries, please contact:

Reezwana Sumad | ReezwanaS@Nedbank.co.za

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Key daily drivers




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

SNIPPETS

(Fixed Income)	SA bond yields continue to rise on the back of a global risk-off, trade war concerns reignited means that yields likely to remain on the back foot in the near term
(Currencies)	FX Markets trade erratically as caution prevails, markets watch US labour market data today
(Commodities)	Gold prices decline overnight, Oil holds steady but remains elevated
(Equities)	The JSE bucks the trend, ending well in positive territory, while renewed trade war concerns weigh on Europe, the US and Asia
(Economics)	US personal income and spending growth higher, but core PCE remains unchanged; Eurozone inflation surges, unemployment rate drops; SA trade surplus disappoints while PPI rises

Key overnight factors and upcoming events this week

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Date	Region	Event   	Actual/expected/prior	Implications
31/05	SA	Trade balance	1.1b/--/9.3b	Trade shows a small surplus as exports declined sharply
01/06	SA	Manufacturing PMI	--/50.7/50.9	SA PMI is expected to remain above 50-points, but ease somewhat in May
01/06	US	Labour market data	--	Payrolls is expected to rise in May, with the unemployment rate steady – we watch wage growth for any signs of inflationary pressures in the US
05/06	SA	GDP q/q SAAR	--/0.5%/3.1%	Contraction won't surprise us as most primary and secondary industries contracted or remained very weak over the quarter – Q1 tends to be the weakest quarter in the year, and given the high base in 4Q17, a sharp slowdown can be expected
06/06	SA	SACCI Business confidence	--/--/96	Business confidence is expected to remain stable in May, however rand weakness and some easing in trade activity may weigh on sentiment

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				MTD trend
		1d	MTD	YTD	12Month	
	%	bps	bps	bps	bps	
R204-0.6 yrs	6.75	-0.00	-0.00	-30.90	-0.68	↓
R208-2.8 yrs	7.65	5.55	-0.05	9.45	0.23	↓
R186-8.6 yrs	8.57	5.05	-0.05	-1.85	1.18	↓
R2048-29.7 yrs	9.45	4.65	-0.05	-26.65	0.84	↓
US 10 yr	2.87	1.00	1.00	46.31	65.71	↑
UK 10 yr	1.23	-2.70	-18.80	4.00	18.40	↓
German 10 yr	0.34	-3.10	-21.80	-8.60	3.70	↓
Japan 10 yr	0.05	0.80	0.80	0.00	0.10	↑

Money Market	Last price	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)	4.50		70.00	-20.00	-80.00	↑
SA 3m JIBAR	6.91	0.00	0.80	-25.00	-42.50	↑
SA 3m NCD	6.90	-1.25	-1.25	-25.00	-42.50	↓
SA 6m NCD	7.43	0.00	0.00	-17.50	-47.50	⇒
SA 12m NCD	7.90	-3.75	-3.75	0.00	-32.50	↓
US 3m LIBOR	2.32	2.09	-4.17	62.70	111.13	↓
UK 3m LIBOR	0.61	0.67	-9.89	9.04	31.77	↓
Japan 3m LIBOR	-0.02	-0.42	1.22	0.60	-0.24	↑

Source: Bloomberg & Nedbank CIB

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FRAs and Swaps	Last price	Δ				MTD trend
		1d	MTD	YTD	12Month	
	%	bps	bps	bps	bps	
3X6 FRA	6.93	0.50	0.50	3.50	-31.50	↑
6X9 FRA	6.86	0.00	4.00	3.00	4.00	↑
9X12 FRA	7.04	1.50	1.50	24.50	4.50	↑
18X21 FRA	7.29	2.50	2.50	30.50	26.50	↑
SA 2yr Swap	7.09	1.21	1.21	16.23	0.76	↑
SA 3yr Swap	7.24	1.40	1.40	18.60	8.95	↑
SA 5yr Swap	7.50	0.00	0.00	17.00	15.00	⇒
SA 10yr Swap	7.98	0.50	0.50	5.00	13.00	↑
SA 15yr Swap	8.24	0.50	0.50	8.00	19.50	↑

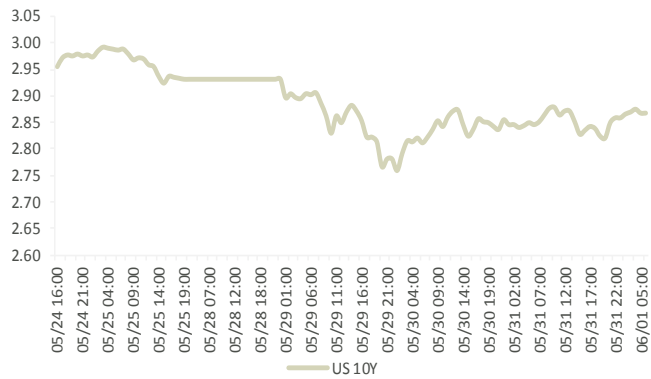
Spreads	Last price	Δ				MTD trend
		1d	MTD	YTD	12Month	
	%	bps	bps	bps	bps	
2v10y	-0.88	0.71	0.71	11.23	-12.24	↑
3v10y	-0.74	0.90	0.90	13.60	-4.05	↑
R186-R204	1.82	5.05	-0.05	29.05	1.86	↓
R2048-R186	0.88	-0.40	-0.00	-24.80	-0.34	↓
5y-R186	-1.07	-5.05	0.05	18.85	13.82	↑
10y-R186	-0.60	-4.55	0.55	6.85	11.82	↑
15y-R186	-0.33	-4.55	0.55	9.85	18.32	↑
SA 5yr CDS spread - basis points	176.26	3.42	3.42	19.32	-12.68	↑

Source: Bloomberg & Nedbank CIB

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US 10 year yield

US 10 year yield

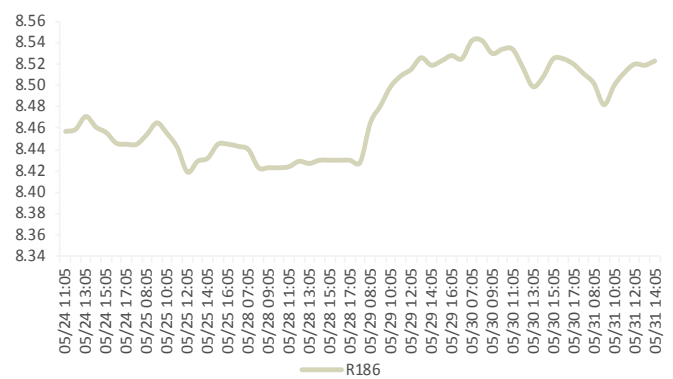


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Source: Bloomberg, Nedbank

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

- Yesterday the local session got under way with the rand around the 12.50 level , initially the market traded positively but thereafter steady demand for dollars had the local unit on the back foot and with liquidity at a premium, this saw it trade to a high of 12.6925 by the time of the local close. In the overnight session the rand traded to a high of 12.7350, a quiet session in the far east , currently it trades at 12.6900, EURZAR trades at 14.8205 and GBPZAR is trading at 16.8345
- On the international front, European politics continue to dominate headlines, although it would appear that a compromise had been struck in Italy and this has seen the euro recover, yesterday trading to a high of 1.1720, this morning currently trading at 1.1668. Gold has traded weaker since yesterday, this morning currently trading at 1298.00 which is some 6 dollars off from the local close last night.
- On the data front, locally we have manufacturing PMI and vehicle sales; from Europe we have manufacturing PMI data for Italy, France, Germany and the zone, from the U.S today non-farm payrolls, manufacturing payrolls, unemployment, average hourly earnings and participation rate releases.
- Mr Trump once gain provides the catalyst for the markets, imposing tariffs on the E.U, Canada and Mexico and this action is likely to be reciprocated by the affected countries, market focus will be firmly on the U.S data this afternoon.
- Possible trading range in the rand today 12.5500 to 12.8500 ahead of the data.

Majors	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	USD trend
GBPUSD	1.33	-0.23	-0.23	-1.85	2.93	↓	USD strength
EURUSD	1.17	0.07	0.07	-2.72	4.18	↑	USD weakness
USDJPY	109.17	0.39	0.39	3.22	-2.02	↑	USD strength
USDAUD	1.33	0.22	0.22	3.43	-2.16	↑	USD strength

Rand crosses	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	ZAR trend
USDZAR	12.69	0.09	0.09	2.45	-2.13	↑	ZAR weakness
GBPZAR	16.83	-0.16	-0.16	0.66	0.76	↓	ZAR strength
EURZAR	14.82	0.16	0.16	-0.20	1.97	↑	ZAR weakness
AUDZAR	9.58	-0.16	-0.16	-0.87	-0.06	↓	ZAR strength
ZARJPY	8.60	0.29	0.29	-5.00	0.08	↑	ZAR strength

African FX	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	ZAR trend
ZARMWK (Malawian kwacha)	57.17	-0.09	-0.09	-2.50	2.04	↓	ZAR weakness
ZARBWP (Botswana pula)	0.79	-0.11	-0.11	-0.67	-0.46	↓	ZAR weakness
ZARKES (Kenyan shilling)	7.99	-0.08	-0.08	-4.40	0.15	↓	ZAR weakness
ZARMUR (Mauritian rupee)	2.71	-1.42	-1.42	-0.68	1.05	↓	ZAR weakness
ZARNGN (Nigerian naira)	28.42	-0.10	-0.10	-2.25	14.57	↓	ZAR weakness
ZARGHS (Ghanian cedi)	0.37	0.16	0.16	1.16	9.98	↑	ZAR strength
ZARZMW (Zambian kwacha)	0.82	0.90	0.90	1.50	11.55	↑	ZAR strength
ZARMZN (Mozambican metical)	4.70	-0.09	-0.09	-0.64	1.45	↓	ZAR weakness

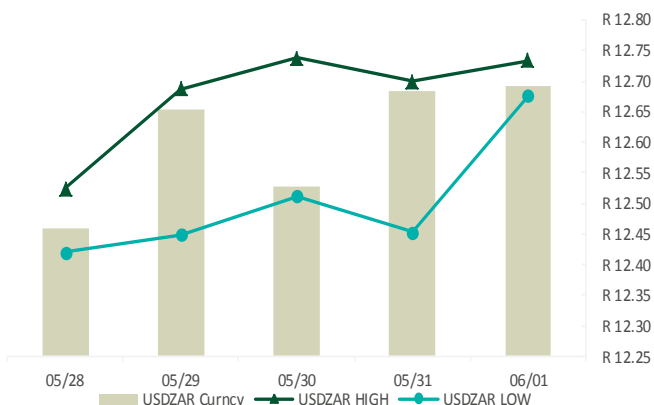
Source: Bloomberg & Nedbank CIB

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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)

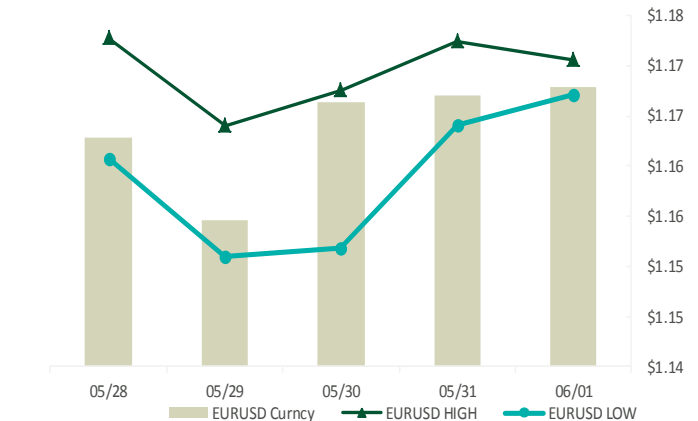


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Source: Bloomberg, Nedbank

EUR/USD

€/€ (close, high and low)



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Source: Bloomberg, Nedbank

Commodities

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- Oil headed for a second weekly loss as U.S. crude production surged to a record and investors remained focused on OPEC talks. A drop in inventories in the U.S. was overshadowed by U.S. Output.
- Gold trades little changed near \$1,300/oz level as escalating trade tensions send stocks tumbling. Bullion for immediate delivery +0.01% to \$1,298.59/oz, Silver flat, Platinum +0.2%, palladium steady. Most base metals higher, nickel as much as +3.1% to \$15,690/ton, poised for highest close since Dec. 2014.

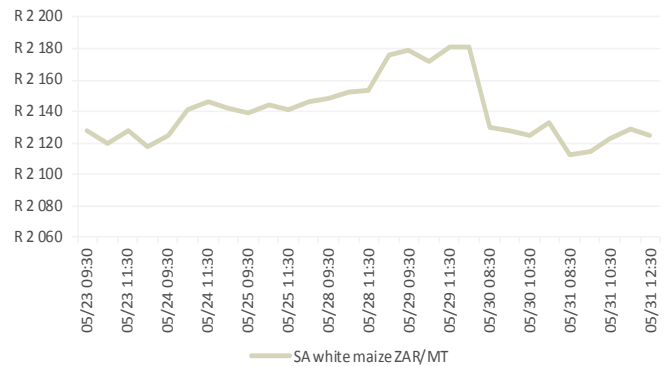
Source: Bloomberg

Commodities	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend
Brent near future (\$)	77.47	-0.12	-0.15	15.85	53.01	↓
WTI crude (\$)	66.86	-0.27	-0.27	10.66	38.25	↓
Gold spot (\$)	1 298.29	-0.28	-0.28	-0.35	2.72	↓
Platinum spot (\$)	907.84	-0.22	-0.22	-2.20	-2.33	↓
SA white maize spot (R)	2 125.00	-0.38	0.00	11.84	18.91	↔

Source: Bloomberg & Nedbank CIB Time 2018/06/01 07:06

SA white maize

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

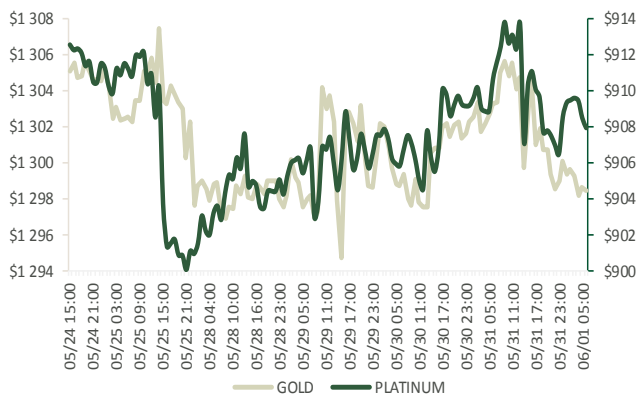


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Source: Bloomberg, Nedbank

Platinum vs Gold

Platinum vs. Gold



2018/06/01 07:06

Source: Bloomberg, Nedbank

Brent Crude vs West Texas Intermediate

Brent Crude vs West Texas Intermediate



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Source: Bloomberg, Nedbank

Equities

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Cash equities | +2711 535 4030/31

South Africa

- The JSE ended in positive territory, recovering from the weakness seen over the last two sessions. Most sectors closed in the black, with the TOP40 adding 1.01% to close at 49783.90. The mining sector outperformed, with the platinum and precious metals sector leading the gains adding 3.30%.
- Greenbay Properties surged 8.7% after the board resolved to repurchase up to a maximum of 4.99% of the issued share capital, which will commence on 4 June 2018. The value traded at the close was R45billion, well above average due the MSCI index rebalancing and the ZAR was trading at 12.66 vs the dollar.

UK/Europe

- European markets lost ground with trade war concerns and losses from Deutsche Bank, weighing on the region. The Trump administration plans to re-impose steel and aluminium tariffs on Canada, Mexico and the EU.
- There was also a report from German magazine, Wirtschaftswoche, that President Trump was considering blocking German luxury cars from the US Market. Deutsche Bank slumped 7.1%, trading at records lows, after the Wall Street Journal reported that the US Fed deemed its US operations to be in "troubled condition".
- The FTSE100 was the best performing major European index for the month of May. The index ended the day down 0.2%, with gains from material stocks, lending some support to the market. The DAX lost 1.4%, and theCAC40 lost 0.53%

USA

- US markets fell with renewed trade war concerns putting pressure on markets. The S&P500, Dow Industrials and the Nasdaq, however, experienced their best performing month since January.
- Mexico hit back at the US, by imposing measure on US farm and industrial products, which would target pork, apples, grapes and cheese.
- On the upside, General Motors rallied 12.9% after Japan's SoftBank Group Corp said it would invest \$2.25billion in GM's autonomous vehicle unit. The Dow lost 1.02%, the Nasdaq fell 0.27% and the S&P500 declined 0.69%

Asia

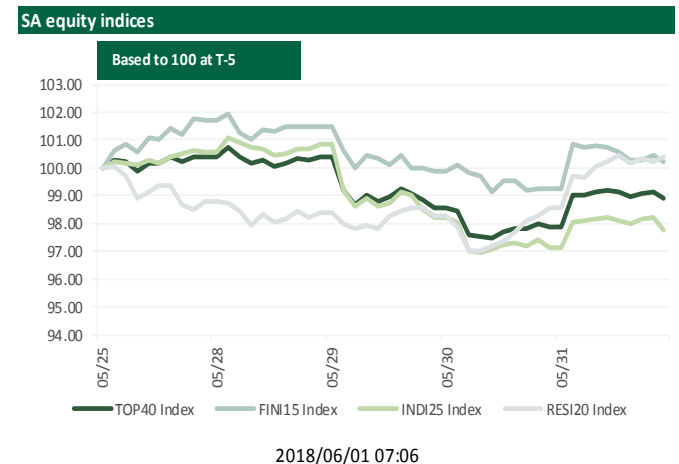
- Asian markets are trading mixed this morning, with the Nikkei outperforming buoyed by a weaker yen, which capped the impact of the US's move to impose tariffs. Chinese and Hong Kong stocks came under pressure on the news, overshadowing the long awaited inclusion of China A shares into the MSCI benchmark market indices, with expectations of a surge of foreign inflows in the coming months.
- Banking stocks weighed on the ASX, on news ANZ was facing criminal charges over a \$2.3billion shares issue, along with Deutsche Bank and Citigroup. The mining index was supported by higher metal and iron ore prices. South32 added 1.88% and BHP Billiton was up 0.7%

Developed Markets	Last price	%Δ				2017 Performance	MTD trend
		-1d	MTD	YTD	12Month		
Dow Jones	24 415.84	-1.02	0.00	-1.23	15.47	24.33	↔
Nasdaq	7 442.12	-0.27	0.00	7.80	19.13	27.16	↔
S&P 500	2 705.27	-0.69	0.00	1.18	11.33	18.42	↔
DJ Eurostoxx 50	3 406.65	-1.00	0.00	-2.78	-4.50	5.70	↔
DAX	12 604.89	-1.40	0.00	-2.42	-0.47	11.51	↔
CAC	5 398.40	-0.53	0.00	1.62	1.50	8.43	↔
FTSE	7 678.20	-0.15	0.00	-0.12	1.78	7.10	↔
ASX200	5 987.70	-0.40	-0.40	-1.28	4.35	6.42	↓
Nikkei 225	22 220.33	0.08	0.08	-2.39	11.88	16.18	↑
MSCI World	2 092.92	-0.36	0.00	-0.50	8.83	19.65	↔
Emerging Markets	Last price	%Δ				2017 Performance	MTD trend
		-1d	MTD	YTD	12Month		
Hang Seng	30 417.36	-0.17	-0.17	1.67	17.85	35.19	↓
Shanghai	3 079.16	-0.53	-0.53	-6.89	-0.76	5.46	↓
Brazil Bovespa	76 753.62	0.90	0.00	0.46	22.39	28.22	↔
India - NSE	35 405.80	0.24	0.24	3.96	13.71	27.91	↑
Russia Micex	2 302.88	0.23	0.00	9.15	23.17	-7.69	↔
MSCI Emerging	1 120.71	0.72	0.00	-3.26	11.13	34.35	↔
SA Indices	Last price	%Δ				2017 Performance	MTD trend
		-1d	MTD	YTD	12Month		
JSE All Share	56 157.89	1.00	0.00	-5.62	6.28	17.47	↔
Top 40	49 783.92	1.01	0.00	-5.23	7.09	19.66	↔
Resi 10	39 595.41	1.88	0.00	9.10	29.45	13.03	↔
Indi 25	72 021.35	0.62	0.00	-8.93	-1.12	23.03	↔
Fini 15	16 610.66	1.01	0.00	-7.06	13.93	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
5 June 2018		
AFEP	AECI Limited 5,5% Pref	dividend @ 45.809090cps
ARL	Astral Foods Ltd	dividend @ 10cps
BAW	Barloworld Ltd	dividend @ 145cps
CML	Coronation Fund Managers Ltd	dividend @ 223cps
CTA	Capital Appreciation Ltd	dividend @ 2cps
CVW	Castlevew Prop Fund Ltd	dividend @ 16.719960cps
DIA	Dipula Income Fund A	dividend @ 52.674880cps
DIB	Dipula Income Fund b	dividend @ 44.075940cps
GPA	Gemgrow Properties Ltd A	dividend @ 26.087910cps
GPB	Gemgrow Properties Ltd B	dividend @ 19.338450cps
INLP	Investec Bank Ltd Pref	dividend @ 425.724980cps
INPP	Investec PLC Pref	dividend @ 123.537120cps
INPPR	Investec PLC Pref (Rand)	dividend @ 485.345890cps
INPR	Investec Ltd Pref	dividend @ 397.319470cps
KAL	Kaap Agri Limited	dividend @ 32cps
OAS	Oasis Crescent Property Fund	dividend @ 50.008773cps
PIK	Pick n Pay Stores Ltd	dividend @ 155.40cps
SEA	Spear REIT Limited	dividend @ 41.549920cps
TCP	Transaction Capital Ltd	dividend @ 21cps
TDHBP	Tradehold Limited B Pref	dividend @ 2049.205480cps
THA	Tharisa Plc	dividend @ 24.81480cps
VMK	Verimark Holdings Ltd	dividend @ 15.010060cps

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	302.51	2.78	0.00	18.34	76.40	29.43	→
ANG : Anglogold Ashanti Ltd	107.98	1.90	0.00	-16.05	-26.69	-14.78	→
APN : Aspen Pharmacare Holdings Lt	250.00	-0.74	0.00	-9.91	-14.40	-1.62	→
BGA : Barclays Africa Group Ltd	161.68	0.02	0.00	-11.16	12.62	7.05	→
BID : Bid Corp Ltd	253.92	-0.10	0.00	-15.64	-15.15	20.93	→
BIL : Bhp Billiton Plc	289.34	1.72	0.00	15.48	46.74	11.95	→
BTI : British American Tobacco Plc	648.46	2.69	0.00	-21.83	-29.64	6.38	→
BVT : Bidvest Group Ltd	202.00	-0.57	0.00	-7.38	18.22	21.18	→
CFR : Financiere Richemont-Dep Rec	116.61	0.96	0.00	4.35	7.83	24.15	→
CPI : Capitec Bank Holdings Ltd	874.44	0.70	0.00	-20.36	13.27	58.44	→
DSY : Discovery Ltd	154.15	1.08	0.00	-17.12	21.62	61.26	→
FSR : Firstrand Ltd	60.00	0.13	0.00	-10.78	24.35	25.00	→
GFI : Gold Fields Ltd	45.18	2.17	0.00	-16.49	-5.00	23.12	→
GRT : Growthpoint Properties Ltd	27.20	0.37	0.00	-1.66	8.80	6.59	→
INL : Investec Ltd	92.13	-0.45	0.00	2.69	-8.28	-1.57	→
INP : Investec Plc	93.30	-0.05	0.00	3.94	-6.71	-1.52	→
IPL : Imperial Holdings Ltd	204.12	1.33	0.00	-22.13	22.43	41.52	→
LHC : Life Healthcare Group Holdin	28.50	2.96	0.00	2.70	2.48	-9.23	→
MEI : Mediclinic International Plc	102.51	-1.46	0.00	-3.64	-21.38	-18.17	→
MND : Mondi Ltd	350.72	1.93	0.00	14.52	7.20	14.66	→
MNP : Mondi Plc	351.95	2.09	0.00	15.25	7.98	14.14	→
MRP : Mr Price Group Ltd	251.00	0.60	0.00	2.50	67.88	53.52	→
MTN : Mtn Group Ltd	114.50	2.23	0.00	-16.18	-1.51	5.08	→
NED : Nedbank Group Ltd	273.60	0.59	0.00	6.83	26.56	6.16	→
NPN : Naspers Ltd-N Shs	3026.00	0.18	0.00	-12.32	12.36	69.72	→
NRP : Nepi Rockcastle Plc	124.00	1.32	0.00	-41.94			→
OML : Old Mutual Plc	40.39	0.37	0.00	6.29	27.45	9.35	→
RDF : Redefine Properties Ltd	10.97	-0.81	0.00	2.52	4.28	-6.96	→
REM : Remgro Ltd	204.00	-0.34	0.00	-13.56	-4.23	4.19	→
RMH : Rmb Holdings Ltd	72.63	1.03	0.00	-8.26	20.39	18.13	→
RNI : Reinet Investments Sca	238.40	0.35	0.00	-12.99			→
SAP : Sappi Limited	83.23	0.35	0.00	-7.01	-10.40	0.56	→
SBK : Standard Bank Group Ltd	207.40	2.41	0.00	6.00	44.33	28.22	→
SHP : Shoprite Holdings Ltd	234.07	0.78	0.00	5.82	13.42	27.89	→
SLM : Sanlam Ltd	76.05	3.43	0.00	-12.59	13.17	36.30	→
SOL : Sasol Ltd	457.50	1.58	0.00	6.85	19.41	5.32	→
SPP : Spar Group Limited/The	192.75	0.07	0.00	-5.20	20.28	2.82	→
TBS : Tiger Brands Ltd	335.90	0.85	0.00	-26.98	-12.07	16.65	→
TFG : The Foschini Group Ltd	184.24	3.39	0.00	-6.63	33.02	24.11	→
TRU : Truworths International Ltd	84.08	1.92	0.00	-11.00	13.44	17.70	→
VOD : Vodacom Group Ltd	143.50	-0.74	0.00	-1.50	-12.35	-3.27	→
WHL : Woolworths Holdings Ltd	58.34	-0.10	0.00	-10.67	-11.61	-9.09	→

Source: Bloomberg & Nedbank CIB

Time 2018/06/01 07:06

Economics

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

US

- US personal income and spending growth rose marginally in April, with incomes rising by 0.3% over the month, from 0.2% growth recorded in March, while spending was up by 0.6%, from 0.5% previously. Better consumer confidence and labour market gains have kept spending upbeat.
- Key drivers of income growth were wages and salaries in the manufacturing industry (here we see the effects of the tax cuts), higher supplemental income, government social security payments had increased, and interest incomes were higher. Disposable income growth was broadly higher in April.
- This drove spending in various categories of goods and services – nondurable goods, services, food and energy goods saw the biggest increases.
- The Fed's core PCE remained unchanged at 1.8% y/y in April, as the March print was revised to 1.8% (prev. 1.9%).

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.

Europe

- The Eurozone inflation estimate surged in May, to 1.9% y/y, from 1.2% previously, ahead of consensus of 1.6%. The predominant driver was energy inflation (oil prices) surging over the month. However services inflation and food prices also saw modest increases in May, resulting in headline rising to the highest level in almost a year. Core inflation also rose by 40bps to 1.1% y/y in May, a signal that underlying inflationary pressures may have risen.
- The Eurozone unemployment rate fell to 8.5% in April, from 8.6% previously, worse than consensus of 8.4%. Lower unemployment was recorded in Germany, Ireland and Spain. Unemployment had risen in Italy and remained unchanged in France and the Netherlands.

Synopsis: The ECB recently sounded more upbeat about Eurozone growth, however this hasn't translated into a sustainable rise in inflation, thereby keeping the ECB cautious. The recent rise was due to higher oil prices, which remain transient – we need to see inflation remain sustainably close to the ECB's target over the medium term. The ECB continues to reiterate that even though the asset purchase programme will be halved this year, and possibly come to an end soon, its holdings and reinvestments will be supportive of financial conditions and the economy over the medium term.

SA

- The SA trade surplus narrowed to R1.1 billion in April, from R9.3 billion in March, worse than consensus of R4.7 billion. While exports and imports declined over the month, it was the sharp 9.8% slump in exports that drove the disappointment in the trade surplus.
- Exports of all products declined – the most pain came from a decline in vehicle, base metals and mineral exports. While imports of oil rose, most other categories declined. This is a concerning development which implies some easing in global demand, as well as SA demand for imported goods having lost some momentum. Exports to all trading partner regions declined, while only imports from Africa rose.
- The SA PPI rose to 4.4% y/y in April, from 3.7% previously, worse than consensus of 4.2%. The key upward driver of PPI was coke, petroleum and chemical product, which rose as a result of the higher oil price and weaker rand. Food and beverage inflation, and metals and machinery input costs were also higher over the month as a result of the higher VAT rate in April.

Synopsis: The recent easing in trade activity has meant that the trade deficit for the YTD is R17.7 billion, compared to R8.5 billion in the same period last year. Should this develop into a trend in the next few months, it would mean a larger current account deficit compared to current estimates of 2.5% of GDP for 2018. We remain mildly positive on SA demand, and this would also be negative for the trade balance should we have global growth, trade and demand easing, while SA growth and demand starts to improve.

Economic calendar

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	Country	Event	Period	Survey	Actual	Prior	Revised
31-May							
01:50 AM	JN	Industrial Production YoY	APR P	3.60%	2.50%	2.40%	-
10:30 AM	UK	M4 Money Supply YoY	APR	-	1.10%	2.20%	-
10:30 AM	UK	Net Consumer Credit	APR	GBP 1.30b	GBP 1.83b	GBP 0.30b	GBP 0.40b
11:00 AM	EC	CPI Core YoY	MAY A	1.00%	1.10%	0.70%	-
11:00 AM	EC	Unemployment Rate	APR	8.40%	8.50%	8.50%	8.60%
11:00 AM	EC	CPI Estimate YoY	MAY	1.60%	1.90%	1.20%	-
11:30 AM	SA	PPI YoY	APR	4.20%	4.40%	3.70%	-
02:00 PM	SA	Trade Balance Rand	APR	4.7b	1.1b	9.5b	9.3b
02:30 PM	US	Initial Jobless Claims	NOV 25	228k	221k	234k	-
02:30 PM	US	Continuing Claims	NOV 18	1733k	1726k	1741k	-
02:30 PM	US	PCE Core YoY	APR	1.80%	1.80%	1.90%	-
02:30 PM	US	PCE Deflator YoY	APR	2.00%	2.00%	2.00%	-
02:30 PM	US	Personal Income	APR	0.30%	0.30%	0.30%	0.20%
02:30 PM	US	Personal Spending	APR	0.40%	0.60%	0.40%	0.50%
02:30 PM	US	Real Personal Spending	APR	0.20%	0.40%	0.40%	0.50%
03:45 PM	US	Chicago Purchasing Manager	MAY	58.3	62.7	57.6	-
04:00 PM	US	Pending Home Sales NSA YoY	APR	0.00%	0.40%	-4.40%	-4.30%
01-June							
12:00 AM	SA	Naamsa Vehicle Sales YoY	MAY	3.4%	4.0%	3.6%	-
02:30 AM	JN	Nikkei Japan PMI Mfg	MAY F	-	52.8	52.5	-
03:45 AM	CH	Caixin China PMI Mfg	MAY	51.2	51.1	51.1	-
09:55 AM	GE	Markit/BME Germany Manufacturing PMI	MAY F	56.8	-	56.8	-
10:00 AM	EC	Markit Eurozone Manufacturing PMI	MAY F	55.5	-	55.5	-
10:30 AM	UK	Markit UK PMI Manufacturing SA	MAY	53.5	-	53.9	-
11:00 AM	SA	Barclays Manufacturing PMI	MAY	50.7	-	50.9	-
02:30 PM	US	Average Hourly Earnings YoY	MAY	2.6%	-	2.6%	-
02:30 PM	US	Change in Nonfarm Payrolls	MAY	190k	-	164k	-
02:30 PM	US	Labor Force Participation Rate	MAY	-	-	62.8%	-
02:30 PM	US	Unemployment Rate	MAY	3.9%	-	3.9%	-
03:45 PM	US	Markit US Manufacturing PMI	MAY F	56.6	-	56.6	-
04:00 PM	US	ISM Manufacturing	MAY	58.2	-	57.3	-
04-June							
10:30 AM	EC	Sentix Investor Confidence	JUN	19.0	-	19.2	-
11:00 AM	EC	PPI YoY	APR	2.4%	-	2.1%	-
04:00 PM	US	Factory Orders	APR	-0.5%	-	1.6%	-
04:00 PM	US	Factory Orders Ex Trans	APR	-	-	0.3%	-
05-June							
01:30 AM	JN	Overall Household Spending YoY	APR	0.80%	-	-0.70%	-
03:45 AM	CH	Caixin China PMI Services	MAY	52.9	-	52.9	-
09:55 AM	GE	Markit Germany Services PMI	MAY F	52.1	-	52.1	-
10:00 AM	EC	Markit Eurozone Services PMI	MAY F	53.9	-	53.9	-
10:30 AM	UK	Markit/CIPS UK Services PMI	MAY	52.5	-	52.8	-
11:00 AM	EC	Retail Sales YoY	APR	1.9%	-	0.8%	-
11:30 AM	SA	GDP YoY	1Q	1.9%	-	1.5%	-
11:30 AM	SA	GDP Annualized QoQ	1Q	-0.5%	-	3.1%	-
03:45 PM	US	Markit US Services PMI	MAY F	0.0	-	55.7	-
04:00 PM	US	JOLTS Job Openings	APR	0	-	6550	-

Source: Bloomberg 2018/06/01 07:06

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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