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Key daily drivers




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SNIPPETS

(Fixed Income)	After the May CPI print surprised on the downside yesterday, local bond yields found decent support after a few days of selling pressure. The rand and bonds awaits the 1Q18 current account data due for release at 10am today
(Currencies)	Local focus today on current account data
(Commodities)	Oil edged lower as OPEC moved closer an agreement that would ease supply curbs after Iran edged away from a threat to veto any deal that boosts output.
(Equities)	Investors take a wait and see a approach to the ongoing trade war of words between the US and China
(Economics)	South Africa's headline CPI in May surprised on the downside, coming in at 4.4% y/y, down from 4.5% in April. In particular food inflation continued to decelerate

Key overnight factors and upcoming events this week

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Date	Region	Event   	Actual/expected/prior	Implications
21/06	SA	Current account	--/--2.9%	Deficit may widen due to a decline in exports over the quarter
21/06	UK	BOE interest rate decision	--/--0.5%	Market expects no change to BOE interest rates, however may sound cautious in the midst of geopolitical tensions and inflation still above target
21/06	US	Leading index	--/--0.4%	US leading indicator may continue to rise in May
26/06	SA	Leading index	--/--107.4	Leading indicator may decline in line with a few subcomponents

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	
R204-0.5 yrs	6.78	0.20	2.90	-28.00	-63.10	↑
R208-2.8 yrs	7.95	0.20	29.70	39.20	35.10	↑
R186-8.5 yrs	9.01	0.65	43.75	41.95	44.15	↑
R2048-29.7 yrs	9.83	0.15	38.55	11.95	8.25	↑
US 10 yr	2.95	0.55	8.58	53.90	78.10	↑
UK 10 yr	1.30	1.40	6.70	10.70	30.20	↑
German 10 yr	0.38	0.40	3.60	-5.00	11.50	↑
Japan 10 yr	0.04	0.40	0.30	-0.50	-1.90	↑

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)	4.40		-10.00	-30.00	-100.00	↓
SA 3m JIBAR	6.93	0.00	1.70	-23.30	-39.20	↑
SA 3m NCD	6.90	0.00	-1.25	-25.00	-42.50	↓
SA 6m NCD	7.45	0.00	2.50	-15.00	-37.50	↑
SA 12m NCD	8.10	0.00	16.25	20.00	-7.50	↑
US 3m LIBOR	2.33	0.56	0.90	63.60	105.00	↑
UK 3m LIBOR	0.63	-0.23	1.70	10.74	33.17	↑
Japan 3m LIBOR	-0.05	-0.58	-2.88	-2.28	-3.89	↓

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	7.01	0.00	9.00	12.00	-22.00	↑
6X9 FRA	6.86	0.00	4.00	3.00	4.00	↑
9X12 FRA	7.27	0.00	25.00	48.00	36.00	↑
18X21 FRA	7.60	0.00	34.00	62.00	67.00	↑
SA 2yr Swap	7.32	0.00	23.30	38.32	29.00	↑
SA 3yr Swap	7.51	-1.00	28.30	45.50	41.50	↑
SA 5yr Swap	7.83	0.00	32.50	49.50	50.50	↑
SA 10yr Swap	8.34	0.00	36.50	41.00	49.50	↑
SA 15yr Swap	8.61	0.00	37.50	45.00	55.75	↑

Spreads	Last price	Δ 1d	Δ MTD	Δ YTD	Δ 12Month	MTD trend
	%	bps	bps	bps	bps	
2v10y	-1.02	0.00	-13.20	-2.68	-20.50	↓
3v10y	-0.83	-1.00	-8.20	4.50	-8.00	↓
R186-R204	2.23	0.45	40.85	69.95	107.25	↑
R2048-R186	0.83	-0.50	-5.20	-30.00	-35.90	↓
5y-R186	-1.18	-0.65	-11.25	7.55	6.35	↓
10y-R186	-0.67	-0.65	-7.25	-0.95	5.35	↓
15y-R186	-0.40	-0.65	-6.25	3.05	11.60	↓
SA 5yr CDS spread - basis points	213.74	0.00	37.48	56.77	18.55	↑

Source: Bloomberg & Nedbank CIB

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US 10 year yield

US 10 year yield

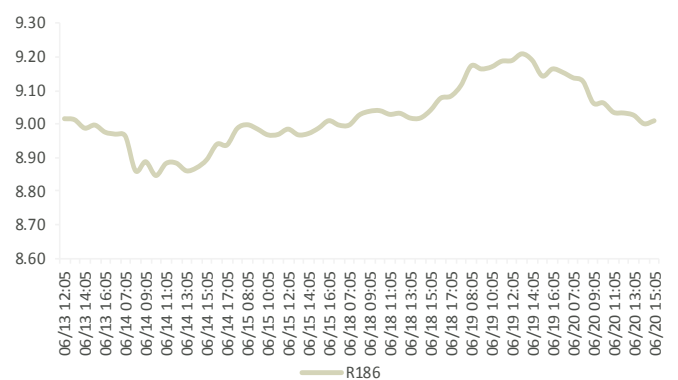


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Source: Bloomberg, Nedbank

SA 10 year yield

SA 10 year yield



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Source: Bloomberg, Nedbank

Currencies

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- Yesterday the rand opened the session trading marginally below the 13.70 level, after having been marginally weaker in the far east session, the rand traded generally firmer on the day, touching a best level of 13.5600 during th4e session, before closing the local session around 13.6000. In the overnight session the local unit has traded marginally weaker, this morning currently trading at 13.6750, EURZAR is trading at 15.8150 and GBPZAR at 17.9850.
- International markets had another constrained session, EURUSD again topping out around the 1.1600 level with a low print of 1.1537, this morning currently trading at 1.1560. The prevailing dollar strength has continued to weigh on the price of gold , yesterday opening the day trading around 1274.20 , this morning currently some 10 dollars off from that level.
- Data releases scheduled for today SA current account and the SARB quarterly bulletin, from Europe we have French business and manufacturing confidence, as well consumer confidence for the zone and the BOE meets. From the U.S jobless claims, Philly FED business outlook , house price index and leading index indicators
- While the rand technical indicators currently remain elevated, the factors which have weighed on the local unit continue to prevail, as a result markets trade exceptionally cautiously and liquidity as a result limited.
- Possible trading range in the rand today 13.5500 to 13.9000

Majors	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	USD trend
GBPUSD	1.31	-0.18	-1.13	-2.70	3.76	↓	USD strength
EURUSD	1.16	-0.12	-1.15	-3.72	3.49	↓	USD strength
USDJPY	110.74	0.34	1.73	1.76	-0.58	↑	USD strength
USDAUD	1.36	0.13	2.85	6.10	2.66	↑	USD strength

Rand crosses	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	ZAR trend
USDZAR	13.70	0.32	7.30	9.61	4.52	↑	ZAR weakness
GBPZAR	18.01	0.15	6.25	7.18	7.98	↑	ZAR weakness
EURZAR	15.83	0.20	6.21	6.19	7.74	↑	ZAR weakness
AUDZAR	10.08	0.19	4.66	4.13	1.98	↑	ZAR weakness
ZARJPY	8.08	0.02	-5.99	-11.69	-5.35	↓	ZAR weakness

African FX	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	ZAR trend
ZARMWK (Malawian kwacha)	52.98	-0.32	-7.84	-10.80	-4.68	↓	ZAR weakness
ZARBWP (Botswana pula)	0.76	-0.34	-4.00	-4.78	-3.89	↓	ZAR weakness
ZARKES (Kenyan shilling)	7.37	-0.32	-8.40	-13.21	-7.59	↓	ZAR weakness
ZARMUR (Mauritian rupee)	2.57	-0.17	-6.78	-6.29	-3.70	↓	ZAR weakness
ZARNGN (Nigerian naira)	26.24	-0.35	-8.28	-10.86	6.64	↓	ZAR weakness
ZARGHS (Ghanian cedi)	0.34	-0.35	-7.35	-6.04	1.68	↓	ZAR weakness
ZARZMW (Zambian kwacha)	0.74	1.07	-9.78	-9.36	3.81	↓	ZAR weakness
ZARMZN (Mozambican metical)	4.32	-0.32	-8.81	-9.58	-6.61	↓	ZAR weakness

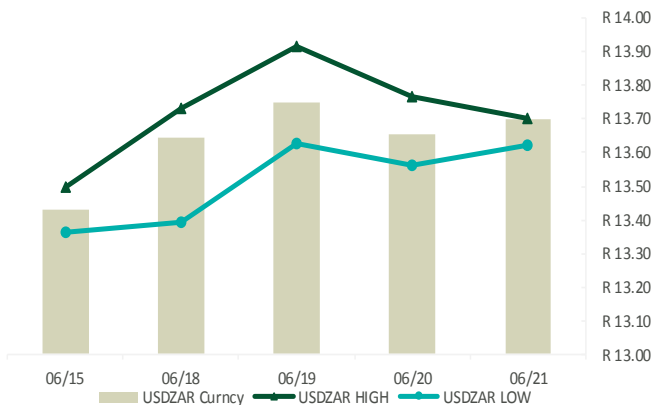
Source: Bloomberg & Nedbank CIB

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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)

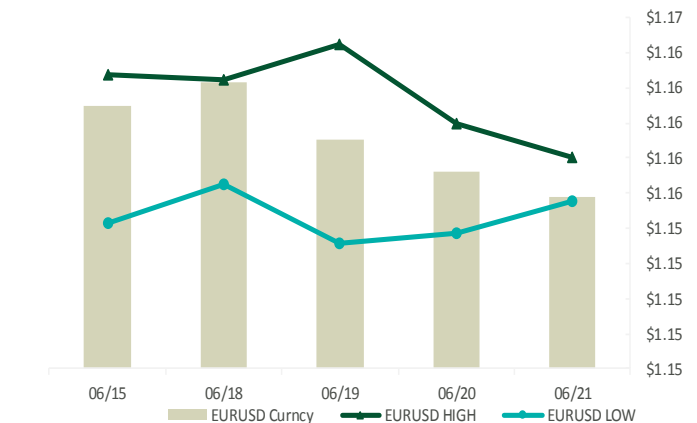


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Source: Bloomberg, Nedbank

EUR/USD

€/€ (close, high and low)



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Source: Bloomberg, Nedbank

Commodities

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- Oil edged lower as OPEC moved closer an agreement that would ease supply curbs after Iran edged away from a threat to veto any deal that boosts output.
- Gold drops to lowest level in six months as the stronger-dollar environment continues to weigh on the precious metal, even as simmering trade tensions stoke concern for global growth. Bullion for immediate delivery -0.17% to \$1,267.37/oz, lowest since Dec. 22. Silver flat at \$16.2762/oz, Platinum -0.2% to \$868.96/oz, after dropping to \$860.10 on Weds, lowest level since Feb. 2016, Palladium flat at \$965.82/oz after closing Weds at lowest level since May 3.

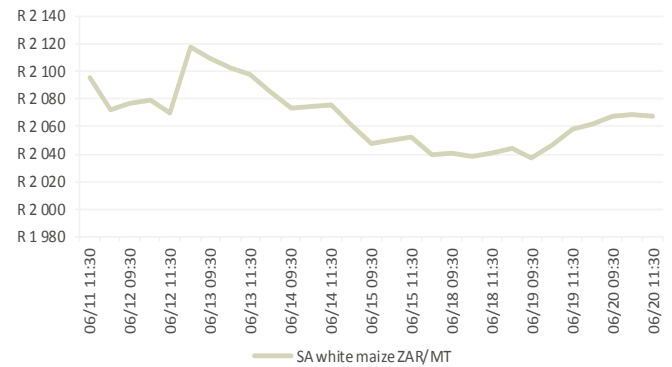
Source: Bloomberg

Commodities	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend
Brent near future (\$)	74.30	-0.59	-4.24	11.11	65.77	↓
WTI crude (\$)	65.46	-0.38	-2.36	8.34	53.91	↓
Gold spot (\$)	1 264.78	-0.24	-2.60	-2.92	1.47	↓
Platinum spot (\$)	863.59	-0.77	-4.78	-6.97	-6.97	↓
SA white maize spot (R)	2 068.00	0.49	-2.68	8.84	17.90	↓

Source: Bloomberg & Nedbank CIB Time 2018/06/21 07:32

SA white maize

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

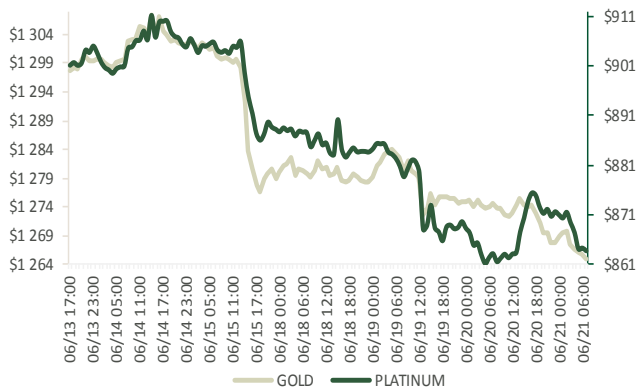


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Source: Bloomberg, Nedbank

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



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Source: Bloomberg, Nedbank

Equities

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Cash equities | +2711 535 4030/31

South Africa

- The All Share index started its trading day in positive territory following three days of declines as emerging markets took a knock in sentiment as Trump spoke of increasing tariffs to China and the carry-trade unwound with the US FED increasing interest rates. Our local bourse eventually ended the day 0.71% higher.
- Banking stocks bounced along with General Retailers as “SA inc” took a breather with the stronger Rand.
- On the company front, Accelerate Property Fund released its year end results showing 6.9% growth in NAV
- Value traded at 5pm was around R27bn with the currency at R13.64c vs. the USD at the close.

UK/Europe

- European markets were mostly stronger on the day as the FTSE100 advancing 0.31%
- German PPI data came in above estimates at 2.7% for the month of May.
- The Stoxx 50 was up 0.13% with the likes of Intesa Sanpaolo and Volkswagen AG gaining 1.85% and 1.42% respectively.

USA

- US markets were mixed as investors took a wait and see a approach to the ongoing trade war of words between the US and China
- The Dow Jones was down 0.17% while the S&P 500 advanced 0.17% with consumer discretionary stocks gaining 0.48%
- On the economic data front, Existing Home Sales came in below estimates at 5.43m versus 5.52m.

Asia

- Asian markets are swinging between gains and losses this morning with market focus remaining on the trade war but also the OPEC meeting in Vienna on Friday.
- The Nikkei is up 0.73% while the Hang Seng has lost 0.62%.
- The Australian ASX is up 1.19% with the likes of BHP climbing 0.86%.

Developed Markets	Last price	%Δ				2017 Performance	MTD trend
		-1d	MTD	YTD	12Month		
Dow Jones	24 657.80	-0.17	0.99	-0.25	15.17	24.33	↑
Nasdaq	7 781.52	0.72	4.56	12.72	24.82	27.16	↑
S&P 500	2 767.32	0.17	2.29	3.50	13.62	18.42	↑
DJ Eurostoxx 50	3 439.60	0.13	0.97	-1.84	-3.23	5.70	↑
DAX	12 695.16	0.14	0.72	-1.72	-0.62	11.51	↑
CAC	5 372.31	-0.34	-0.48	1.12	1.86	8.43	↓
FTSE	7 627.40	0.31	-0.66	-0.79	2.41	7.10	↓
ASX200	6 242.80	1.14	3.84	2.93	10.19	6.42	↑
Nikkei 225	22 719.72	0.73	2.33	-0.20	12.82	16.18	↑
MSCI World	2 117.76	0.30	1.19	0.68	10.30	19.65	↑

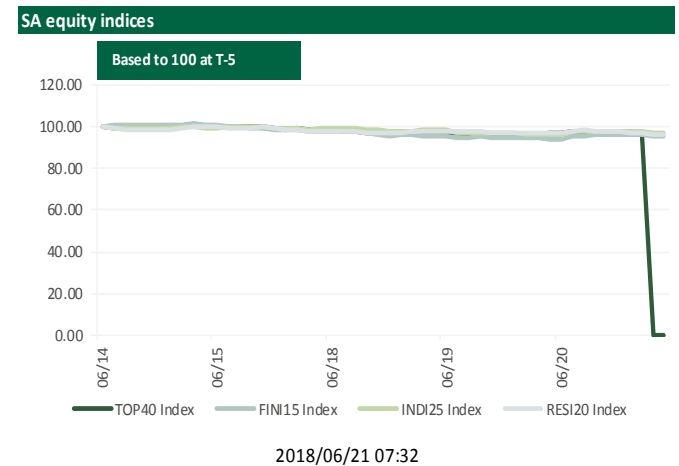
Emerging Markets	Last price	%Δ				2017 Performance	MTD trend
		-1d	MTD	YTD	12Month		
Hang Seng	29 441.29	-0.86	-3.37	-1.60	14.58	35.19	↓
Shanghai	2 900.80	-0.51	-6.29	-12.29	-8.09	5.46	↓
Brazil Bovespa	72 123.41	1.02	-6.03	-5.60	18.70	28.22	↓
India - NSE	35 545.41	-0.01	0.63	4.37	13.62	27.91	↑
Russia Micex	2 256.27	1.57	-2.02	6.95	21.91	-7.69	↓
MSCI Emerging	1 093.26	0.76	-2.45	-5.63	8.62	34.35	↓

SA Indices	Last price	%Δ				2017 Performance	MTD trend
		-1d	MTD	YTD	12Month		
JSE All Share	56 651.66	0.71	0.88	-4.79	10.21	17.47	↑
Top 40	50 396.44	0.75	1.23	-4.07	11.46	19.66	↑
Resi 10	40 615.39	-0.68	2.58	11.91	37.91	13.03	↑
Indi 25	74 120.73	1.20	2.91	-6.28	4.64	23.03	↑
Fini 15	15 919.67	1.41	-4.16	-10.93	10.78	18.54	↓

Source: Bloomberg & Nedbank CIB

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Short-term performance of SA equity indices



Source: Bloomberg, Nedbank

JSE performance

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Top40 constituents	Last price	%Δ		%Δ		2017 Performance	MTD trend
		-1d	MTD	YTD	12Month		
AGL : Anglo American Plc	303.20	-1.08	0.23	18.61	86.92	29.43	↑
ANG : Anglogold Ashanti Ltd	111.12	1.02	2.91	-13.61	-16.20	-14.78	↑
APN : Aspen Pharmacare Holdings Lt	261.92	2.82	4.77	-5.61	-6.26	-1.62	↑
BGA : Barclays Africa Group Ltd	158.37	2.17	-2.05	-12.98	11.45	7.05	↓
BID : Bid Corp Ltd	268.74	0.55	5.84	-10.71	-10.34	20.93	↑
BIL : Bhp Billiton Plc	295.10	-0.84	1.99	17.78	55.25	11.95	↑
BTI : British American Tobacco Plc	682.85	2.00	5.30	-17.68	-25.62	6.38	↑
BVT : Bidvest Group Ltd	202.37	1.69	0.18	-7.21	27.46	21.18	↑
CFR : Financiere Richemont-Dep Rec	120.23	-0.87	3.10	7.59	12.31	24.15	↑
CLS : Clicks Group Ltd	200.20	0.54	-0.89	10.53	40.96	54.21	↓
CPI : Capitec Bank Holdings Ltd	862.11	1.49	-1.41	-21.48	8.54	58.44	↓
DSY : Discovery Ltd	143.62	1.14	-6.83	-22.78	8.80	61.26	↓
FSR : Firstrand Ltd	59.00	3.73	-1.67	-12.27	24.89	25.00	↓
GFI : Gold Fields Ltd	48.97	-0.67	8.39	-9.48	8.10	23.12	↑
GRT : Growthpoint Properties Ltd	25.50	0.59	-6.25	-7.81	2.70	6.59	↓
INL : Investec Ltd	96.20	-0.37	4.42	7.22	-0.59	-1.57	↑
INP : Investec Plc	98.18	-0.19	5.23	9.38	2.20	-1.52	↑
LHC : Life Healthcare Group Holdin	25.32	-0.43	-11.16	-8.76	-5.27	-9.23	↓
MEI : Mediclinic International Plc	97.50	-0.55	-4.89	-8.35	-24.32	-18.17	↓
MND : Mondi Ltd	360.01	-0.41	2.65	17.55	8.02	14.66	↑
MNP : Mondi Plc	363.63	-0.16	3.32	19.07	9.19	14.14	↑
MRP : Mr Price Group Ltd	225.78	0.63	-10.05	-7.80	45.66	53.52	↓
MTN : Mtn Group Ltd	107.96	-0.18	-5.71	-20.97	-4.97	5.08	↓
NED : Nedbank Group Ltd	256.68	1.25	-6.18	0.23	22.91	6.16	↓
NPN : Naspers Ltd-N Shs	3 280.64	2.20	8.42	-4.94	26.52	69.72	↑
NRP : Nepi Rockcastle Plc	122.00	0.83	-1.61	-42.88			↓
NTC : Netcare Ltd	28.20	-1.47	-4.76	12.13	11.02	-20.66	↓
OML : Old Mutual Plc	38.44	-0.16	-4.83	1.16	18.02	9.35	↓
RDF : Redefine Properties Ltd	10.29	0.59	-6.20	-3.83	-3.65	-6.96	↓
REM : Remgro Ltd	201.20	2.03	-1.37	-14.75	-1.85	4.19	↓
RMH : Rmb Holdings Ltd	71.89	3.38	-1.02	-9.20			↓
SAP : Sappi Limited	91.60	-0.77	10.06	2.35	2.77	0.56	↑
SBK : Standard Bank Group Ltd	188.00	1.08	-9.35	-3.91	36.11	28.22	↓
SHP : Shoprite Holdings Ltd	227.18	2.97	-2.94	2.71	13.59	27.89	↓
SLM : Sanlam Ltd	71.85	2.31	-5.52	-17.41	10.30	36.30	↓
SOL : Sasol Ltd	473.92	-0.70	3.59	10.68	31.65	5.32	↑
SPP : Spar Group Limited/The	186.49	2.67	-3.25	-8.28	22.47	2.82	↓
TBS : Tiger Brands Ltd	323.00	1.17	-3.84	-29.78	-13.38	16.65	↓
TFG : The Foschini Group Ltd	184.50	4.09	0.14	-6.50	33.79	24.11	↑
TRU : Truworths International Ltd	80.23	3.52	-4.58	-15.07	9.75	17.70	↓
VOD : Vodacom Group Ltd	127.75	1.59	-10.98	-12.31	-20.90	-3.27	↓
WHL : Woolworths Holdings Ltd	55.00	1.23	-5.73	-15.79	-11.65	-9.09	↓

Source: Bloomberg & Nedbank CIB

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Economics

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SA

- South Africa's headline CPI for May come in at 4.4% y/y down from 4.5% in April (Bloomberg expectations was at 4.6% y/y). Core inflation was also lower at 4.4% y/y. In particular, food inflation continued to decelerate, coming in at 3% y/y from 3.7% y/y in April. It is clear that the VAT hike of April is still not fully being passed onto consumers and the CPI data suggests weak demand-pull pressures within the domestic economy. This would be consistent with the weak retail sales and credit extension data that we have recently seen. That said, on the back of a weaker rand, higher oil prices and base effects, CPI should move closer to the 5% mark in coming months.

Economic calendar

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	Country	Event	Period	Survey	Actual	Prior	Revised
20-June							
08:00 AM	GE	PPI YoY	MAY	2.50%	2.70%	2.00%	-
10:00 AM	SA	CPI YoY	MAY	4.60%	4.40%	4.50%	-
01:00 PM	US	MBA Mortgage Applications	FEB 23	-	5.10%	-1.50%	-
04:00 PM	US	Existing Home Sales	MAY	5.52m	5.43m	5.46m	5.45m
04:00 PM	US	Existing Home Sales MoM	MAY	1.10%	-0.37%	-2.50%	-2.70%
21-June							
10:00 AM	SA	Current Account as a % GDP	1Q	-3.90%	-	-2.90%	-
10:00 AM	SA	Current Account Balance	1Q	ZAR -0.2b	-	ZAR -0.1b	-
10:30 AM	UK	PSNB ex Banking Groups	MAY	GBP 6.3b	-	GBP 7.8b	-
01:00 PM	UK	Bank of England Bank Rate	JUN 21	0.50%	-	0.50%	-
01:00 PM	UK	BOE Asset Purchase Target	JUN	GBP 435b	-	GBP 435b	-
01:00 PM	UK	BOE Corporate Bond Target	JUN	GBP 10b	-	GBP 10b	-
02:30 PM	US	Philadelphia Fed Business Outlook	JUN	29.0	-	34.4	-
04:00 PM	EC	Consumer Confidence	JUN A	0.00	-	0.20	-
04:00 PM	US	Leading Index	MAY	0.40%	-	0.40%	-
22-June							
01:30 AM	JN	Natl CPI YoY	MAY	0.60%	-	0.60%	-
02:30 AM	JN	Nikkei Japan PMI Mfg	JUN P	-	-	52.8	-
09:30 AM	GE	Markit Germany Services PMI	JUN P	52.2	-	52.1	-
09:30 AM	GE	Markit/BME Germany Manufacturing PMI	JUN P	56.3	-	56.9	-
10:00 AM	EC	Markit Eurozone Services PMI	JUN P	53.8	-	53.8	-
10:00 AM	EC	Markit Eurozone Manufacturing PMI	JUN P	55.0	-	55.5	-
03:45 PM	US	Markit US Services PMI	JUN P	56.5	-	56.8	-
03:45 PM	US	Markit US Manufacturing PMI	JUN P	56.1	-	56.4	-
25-June							
07:00 AM	JN	Leading Index CI	APR F	-	-	105.6	-
10:00 AM	GE	IFO Business Climate	JUN	-	-	102.2	-
10:00 AM	GE	IFO Current Assessment	JUN	-	-	106.0	-
10:00 AM	GE	IFO Expectations	JUN	-	-	98.5	-
02:30 PM	US	Chicago Fed Nat Activity Index	MAY	-	-	0.34	-
04:00 PM	US	New Home Sales	MAY	670k	-	662k	-
04:00 PM	US	New Home Sales MoM	MAY	1.20%	-	-1.50%	-
04:30 PM	US	Dallas Fed Manf. Activity	JUN	24.0	-	26.8	-

Source: Bloomberg 2018/06/21 07:31

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