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(\* when available)*

## Key daily drivers




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

### SNIPPETS

|                |  |
|----------------|--|
| (Fixed Income) | SAGBs marginally stronger overnight as well as post the auction yesterday, as risk trades better                           |
| (Currencies)   | Rand range bound for now, dollar strengthens on the back of favourable Trump comments                                      |
| (Commodities)  | Oil prices marginally higher; gold continues to remain downbeat  |
| (Equities)     | Global markets experienced choppy trading with bargain hunters supporting shares prices after Monday's aggressive sell-off |
| (Economics)    | SA leading indicator continues to ease; US consumer confidence declines in June  |

## Key overnight factors and upcoming events this week

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| Date  | Region | Event    | Actual/expected/prior | Implications  |
|-------|--------|---|-----------------------|---|
| 26/06 | SA     | Leading index   | 105.9/--/106.2        | Leading indicator decline led by fewer job advertisements and lower business confidence   |
| 26/06 | US     | Consumer confidence   | 126.4/--/128.8        | Confidence metrics deteriorate as consumers become concerned about future prospects   |
| 27/06 | US     | Durable goods orders  | --/--/1.6%            | Durable goods orders are likely to provide a better reflection of business sentiment in the economy, as many seemed concerned about protectionist trade tariffs and how this would affect their input costs |

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     |           |
| R204-0.5 yrs   | 6.78       | -1.55 | 2.75  | -28.15 | -67.35  | ↑         |
| R208-2.8 yrs   | 7.86       | 0.20  | 20.80 | 30.30  | 24.40   | ↑         |
| R186-8.5 yrs   | 8.87       | -0.25 | 30.35 | 28.55  | 28.95   | ↑         |
| R2048-29.7 yrs | 9.71       | 0.10  | 26.20 | -0.40  | 4.70    | ↑         |
| US10 yr        | 2.88       | -0.18 | 1.62  | 46.94  | 66.97   | ↑         |
| UK 10 yr       | 1.30       | 0.90  | 7.30  | 11.30  | 29.20   | ↑         |
| German 10 yr   | 0.34       | 1.30  | -0.10 | -8.70  | 9.50    | ↓         |
| Japan 10 yr    | 0.04       | 0.00  | -0.20 | -1.00  | -0.90   | ↓         |

| 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) | 4.40       |       | -10.00 | -30.00 | -100.00 | ↓         |
| SA 3m JIBAR                 | 6.96       | 1.60  | 5.00   | -20.00 | -36.70  | ↑         |
| SA 3m NCD                   | 6.95       | 1.25  | 3.75   | -20.00 | -37.50  | ↑         |
| SA 6m NCD                   | 7.45       | -1.25 | 2.50   | -15.00 | -35.00  | ↑         |
| SA 12m NCD                  | 8.10       | 0.00  | 16.25  | 20.00  | -5.00   | ↑         |
| US 3m LIBOR                 | 2.34       | -0.14 | 1.44   | 64.14  | 104.08  | ↑         |
| UK 3m LIBOR                 | 0.66       | 0.04  | 5.29   | 14.33  | 36.40   | ↑         |
| Japan 3m LIBOR              | -0.04      | 0.40  | -2.10  | -1.50  | -3.59   | ↓         |

Source: Bloomberg & Nedbank CIB      Time 2018/06/27 07:24

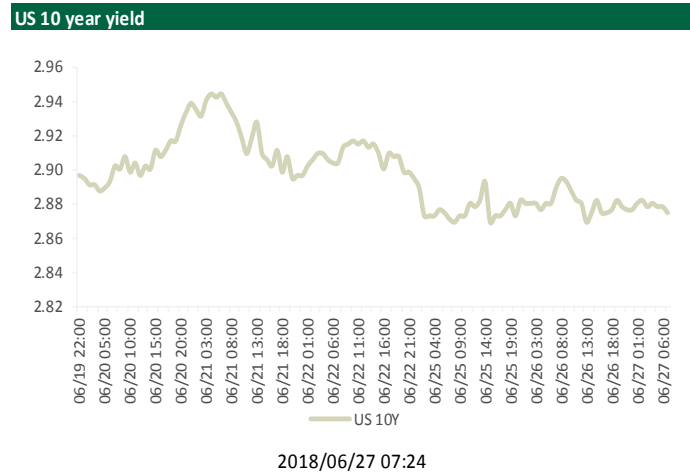
| FRAs and Swaps | Last price | Δ     |       |       |         | MTD trend |
|----------------|------------|-------|-------|-------|---------|-----------|
|                |            | 1d    | MTD   | YTD   | 12Month |           |
|                | %          | bps   | bps   | bps   | bps     |           |
| 3X6 FRA        | 7.04       | -1.00 | 12.00 | 15.00 | -12.00  | ↑         |
| 6X9 FRA        | 6.86       | 0.00  | 4.00  | 3.00  | 4.00    | ↑         |
| 9X12 FRA       | 7.25       | -1.00 | 23.00 | 46.00 | 35.00   | ↑         |
| 18X21 FRA      | 7.55       | 0.00  | 29.00 | 57.00 | 61.00   | ↑         |
| SA 2yr Swap    | 7.30       | 0.00  | 21.30 | 36.32 | 27.60   | ↑         |
| SA 3yr Swap    | 7.49       | 0.00  | 26.30 | 43.50 | 40.10   | ↑         |
| SA 5yr Swap    | 7.77       | -1.00 | 27.00 | 44.00 | 44.50   | ↑         |
| SA 10yr Swap   | 8.29       | -1.00 | 32.00 | 36.50 | 43.50   | ↑         |
| SA 15yr Swap   | 8.57       | -1.00 | 33.00 | 40.50 | 49.75   | ↑         |

| Spreads                          | Last price | Δ     |        |        |         | MTD trend |
|----------------------------------|------------|-------|--------|--------|---------|-----------|
|                                  |            | 1d    | MTD    | YTD    | 12Month |           |
|                                  | %          | bps   | bps    | bps    | bps     |           |
| 2v10y                            | -0.99      | 1.00  | -10.70 | -0.18  | -15.90  | ↓         |
| 3v10y                            | -0.80      | 1.00  | -5.70  | 7.00   | -3.40   | ↓         |
| R186-R204                        | 2.09       | 1.30  | 27.60  | 56.70  | 96.30   | ↑         |
| R2048-R186                       | 0.84       | 0.35  | -4.15  | -28.95 | -24.25  | ↓         |
| 5y-R186                          | -1.10      | -0.75 | -3.35  | 15.45  | 15.55   | ↓         |
| 10y-R186                         | -0.58      | -0.75 | 1.65   | 7.95   | 14.55   | ↑         |
| 15y-R186                         | -0.31      | -0.75 | 2.65   | 11.95  | 20.80   | ↑         |
| SA 5yr CDS spread - basis points | 205.71     | -7.75 | 32.87  | 48.76  | 15.46   | ↑         |

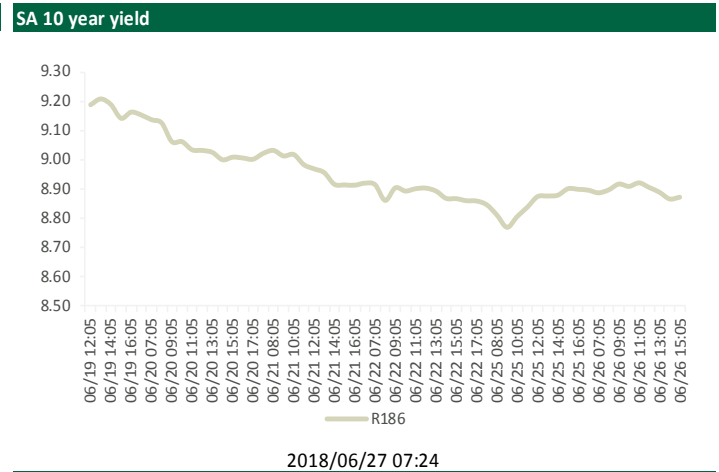
Source: Bloomberg & Nedbank CIB      Time 2018/06/27 07:24

## 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

- Not really much to report this morning as we start the day at the same levels as yesterday morning around 13.5400 level.
- The rand was very much range bound yesterday 13.50-13.60 with a small flutter above and below but otherwise pretty steady. It looks like more of the same today as we continue to be at the mercy of general market movements and really from 24 hours ago not much has changed in the world. The dollar is slightly stronger with the EUR trading around the mid 1.16 level compared to just above the 1.1700 level yesterday morning and the TRY also a bit stronger around 4.6200 down from the 4.69 area.
- We need a break of either 13.6500 or 13.4500 to shake things up again but at this stage hard to see what is going to push it. We did see some good exporter interest at times yesterday which the rand market soaked up quite easily and with it being half year-end and year end for some we may see more flows around that.
- Not much on the data front today, the main focus will be US durable goods and US trade numbers this afternoon.
- Today's expected range on the rand, 13.4000-13.7000

| Majors | Last price | %Δ -1d | %Δ MTD | %Δ YTD | %Δ 12Month | MTD trend | USD trend    |
|--------|------------|--------|--------|--------|------------|-----------|--------------|
| GBPUSD | 1.32       | -0.11  | -0.59  | -2.21  | 3.38       | ↓         | USD strength |
| EURUSD | 1.16       | -0.13  | -0.24  | -3.02  | 2.93       | ↓         | USD strength |
| USDJPY | 109.94     | -0.05  | 1.09   | 2.50   | -2.22      | ↑         | USD strength |
| USDAUD | 1.36       | 0.33   | 2.58   | 5.87   | 2.91       | ↑         | USD strength |

| Rand crosses | Last price | %Δ -1d | %Δ MTD | %Δ YTD | %Δ 12Month | MTD trend | ZAR trend    |
|--------------|------------|--------|--------|--------|------------|-----------|--------------|
| USDZAR       | 13.55      | 0.22   | 6.37   | 8.59   | 3.98       | ↑         | ZAR weakness |
| GBPZAR       | 17.90      | 0.11   | 5.82   | 6.59   | 7.14       | ↑         | ZAR weakness |
| EURZAR       | 15.77      | 0.08   | 6.15   | 5.81   | 6.72       | ↑         | ZAR weakness |
| AUDZAR       | 9.99       | -0.12  | 3.93   | 3.25   | 1.58       | ↑         | ZAR weakness |
| ZARJPY       | 8.12       | -0.28  | -5.64  | -11.26 | -6.46      | ↓         | ZAR weakness |

| African FX                  | Last price | %Δ -1d | %Δ MTD | %Δ YTD | %Δ 12Month | MTD trend | ZAR trend    |
|-----------------------------|------------|--------|--------|--------|------------|-----------|--------------|
| ZARMWK (Malawian kwacha)    | 53.56      | -0.25  | -6.84  | -9.41  | -4.16      | ↓         | ZAR weakness |
| ZARBWP (Botswana pula)      | 0.76       | -0.20  | -3.53  | -4.11  | -3.26      | ↓         | ZAR weakness |
| ZARKES (Kenyan shilling)    | 7.46       | -0.22  | -7.21  | -11.83 | -6.92      | ↓         | ZAR weakness |
| ZARMUR (Mauritian rupee)    | 2.57       | 0.21   | -6.99  | -6.20  | -4.08      | ↓         | ZAR weakness |
| ZARNGN (Nigerian naira)     | 26.68      | -0.09  | -6.61  | -8.90  | 9.17       | ↓         | ZAR weakness |
| ZARGHS (Ghanian cedi)       | 0.35       | -0.26  | -5.10  | -4.04  | 4.44       | ↓         | ZAR weakness |
| ZARZMW (Zambian kwacha)     | 0.74       | 1.29   | -9.47  | -8.81  | 3.13       | ↓         | ZAR weakness |
| ZARMZN (Mozambican metical) | 4.37       | -0.22  | -7.70  | -8.30  | -4.83      | ↓         | ZAR weakness |

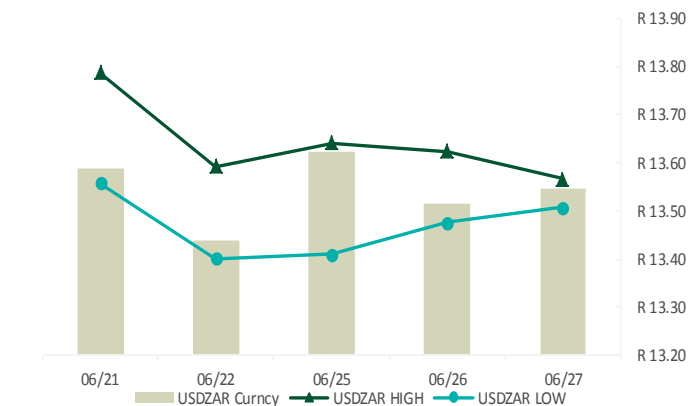
Source: Bloomberg & Nedbank CIB

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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)

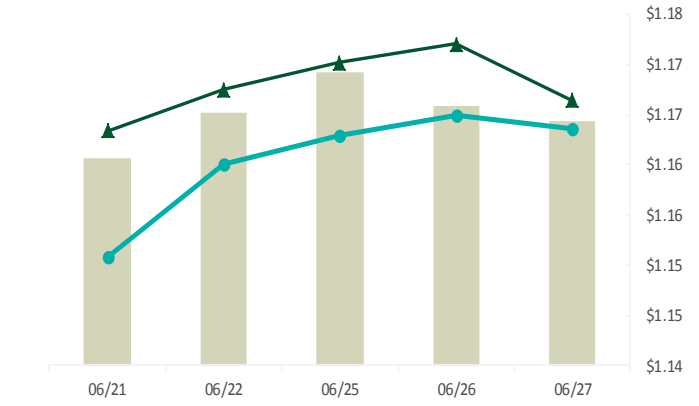


2018/06/27 07:24

Source: Bloomberg, Nedbank

## EUR/USD

€/€ (close, high and low)



2018/06/27 07:24

Source: Bloomberg, Nedbank

# Commodities

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- Oil prices higher, pushed up by supply disruptions in Libya and Canada and after U.S. officials said all countries should stop Iranian crude imports from November. API reported a 9.2 million barrel reduction in U.S. crude inventories in the week to June 22 to 421.4 million barrels.
- Gold drops to six-month low as investors continue to favour the dollar, bullion for immediate delivery -0.28% to \$1,255.58/oz, Silver -0.5% to \$16.2080/oz, Platinum -0.5% to \$863.67/oz, Palladium +0.1% to \$961.96/oz, after dropping to \$931.62 Tues, lowest level since April 10. Copper extends drop to lowest in almost three months, while other metals mixed as investors await more clarity on U.S. trade policies.

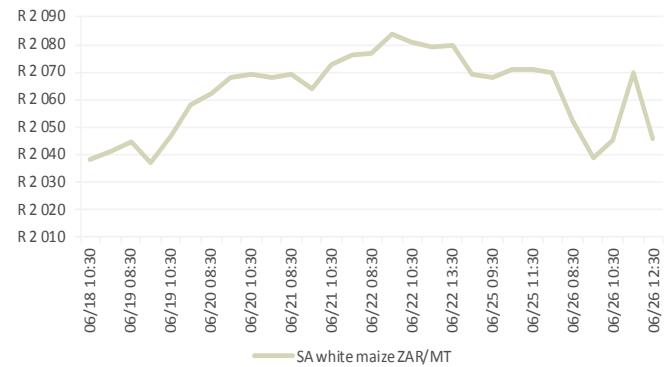
Source: Bloomberg

| Commodities             | Last price | %Δ -1d | %Δ MTD | %Δ YTD | %Δ 12Month | MTD trend |
|-------------------------|------------|--------|--------|--------|------------|-----------|
| Brent near future (\$)  | 76.59      | 0.37   | -1.29  | 14.54  | 64.18      | ↓         |
| WTI crude (\$)          | 70.74      | 0.30   | 5.52   | 17.08  | 59.90      | ↑         |
| Gold spot (\$)          | 1 254.78   | -0.41  | -3.62  | -3.69  | 0.64       | ↓         |
| Platinum spot (\$)      | 863.42     | -0.71  | -5.10  | -6.98  | -6.00      | ↓         |
| SA white maize spot (R) | 2 046.00   | -1.16  | -3.72  | 7.68   | 20.99      | ↓         |

Source: Bloomberg & Nedbank CIB Time 2018/06/27 07:23

## SA white maize

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

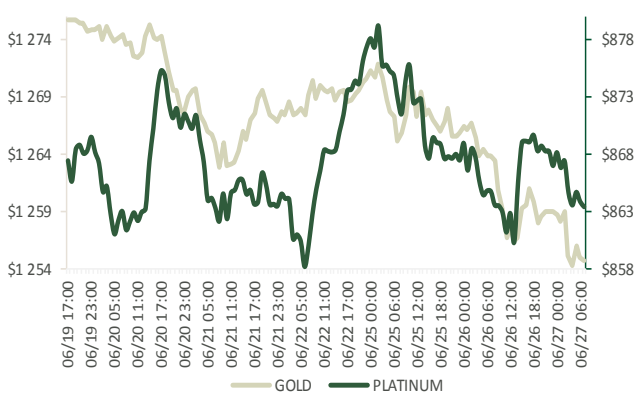


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Source: Bloomberg, Nedbank

## Platinum vs Gold

Platinum vs. Gold

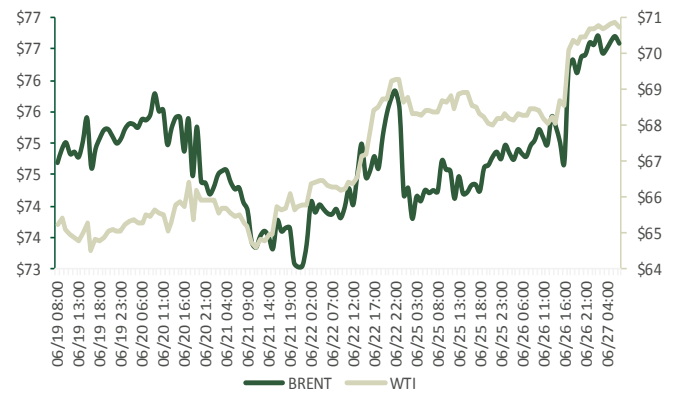


2018/06/27 07:24

Source: Bloomberg, Nedbank

## Brent Crude vs West Texas Intermediate

Brent Crude vs West Texas Intermediate



2018/06/27 07:24

Source: Bloomberg, Nedbank

# Equities

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Cash equities | +2711 535 4030/31

## South Africa

- The JSE tracked global markets lower with both the Top40 & All Share falling over a percent at 49,138.58 and 55,254.67 respectively.
- Naspers dropped over 3% while Sibanye Gold Ltd. dropped 11% after another mine worker died at one of its operations
- Old Mutual Ltd. began trading today with over 100m shares changing hands and Woolworths bucked the trend rallying over 3%.
- Value traded was R23.2bn and the rand was at R13.52 to the dollar.

## UK/Europe

- European markets ended mixed.
- The FTSE rose 4 tenths of a percent on the back of higher energy shares and diversified miners.
- The DAX lost 3 tenths of a percent as gains in utilities were offset by weaker industrials and the CAC ended flat.
- Ian McCafferty, the Bank of England's external policymaker made comments that uncertainty around Brexit is stifling productivity growth due to companies placing investment plans on hold.

## USA

- U.S. stocks ended higher as a higher oil price overshadowed the global trade concerns.
- The DOW gained 3 tenths of a percent while the S&P and Nasdaq rose 2 tenths of a percent and 4 tenths of a Percent respectively.
- Technology stocks were picked up by bargain hunters.
- General Electric announced that it was looking at divesting its stake in Baker Hughes and spinning off its healthcare business as part of its long term strategic view of focussing on power, renewable energy and aviation.

## Asia

- The downtrend in Asian markets is continuing this morning. The rally in crude is continuing.
- At the time of writing the Nikkei was down 6 tenths of a percent. Industrials together with basic materials and consumer stocks were all trading lower.
- The Hang Seng was down a quarter of a percent with utilities and energy counters the only gainers on the day.
- The Shanghai Composite and ASX were both down a tenth of a percent.

| Developed Markets | Last price | %Δ    |       |       |         | 2017 Performance | MTD trend |
|-------------------|------------|-------|-------|-------|---------|------------------|-----------|
|                   |            | -1d   | MTD   | YTD   | 12Month |                  |           |
| Dow Jones         | 24 283.11  | 0.12  | -0.54 | -1.76 | 13.95   | 24.33            | ↓         |
| Nasdaq            | 7 561.63   | 0.39  | 1.61  | 9.53  | 23.02   | 27.16            | ↑         |
| S&P 500           | 2 723.06   | 0.22  | 0.66  | 1.85  | 12.55   | 18.42            | ↑         |
| DJ Eurostoxx 50   | 3 368.72   | -0.01 | -1.11 | -3.86 | -4.79   | 5.70             | ↓         |
| DAX               | 12 234.34  | -0.29 | -2.94 | -5.29 | -3.45   | 11.51            | ↓         |
| CAC               | 5 281.29   | -0.05 | -2.17 | -0.59 | 0.43    | 8.43             | ↓         |
| FTSE              | 7 537.92   | 0.37  | -1.83 | -1.95 | 1.39    | 7.10             | ↓         |
| ASX200            | 6 201.20   | 0.06  | 3.15  | 2.24  | 8.52    | 6.42             | ↑         |
| Nikkei 225        | 22 329.82  | -0.05 | 0.58  | -1.91 | 10.41   | 16.18            | ↑         |
| MSCI World        | 2 088.41   | 0.14  | -0.22 | -0.72 | 8.91    | 19.65            | ↓         |

| Emerging Markets | Last price | %Δ    |       |        |         | 2017 Performance | MTD trend |
|------------------|------------|-------|-------|--------|---------|------------------|-----------|
|                  |            | -1d   | MTD   | YTD    | 12Month |                  |           |
| Hang Seng        | 28 718.34  | -0.56 | -5.74 | -4.01  | 11.14   | 35.19            | ↓         |
| Shanghai         | 2 828.24   | -0.57 | -8.63 | -14.48 | -11.37  | 5.46             | ↓         |
| Brazil Bovespa   | 71 404.59  | 0.64  | -6.97 | -6.54  | 15.77   | 28.22            | ↓         |
| India - NSE      | 35 540.66  | 0.14  | 0.62  | 4.36   | 14.80   | 27.91            | ↑         |
| Russia Micex     | 2 231.03   | -0.25 | -3.12 | 5.75   | 18.74   | -7.69            | ↓         |
| MSCI Emerging    | 1 067.75   | -0.31 | -4.73 | -7.83  | 5.02    | 34.35            | ↓         |

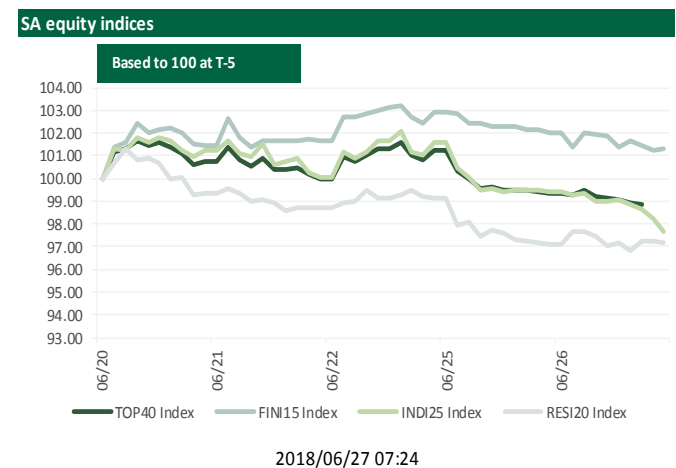
  

| SA Indices    | Last price | %Δ    |       |        |         | 2017 Performance | MTD trend |
|---------------|------------|-------|-------|--------|---------|------------------|-----------|
|               |            | -1d   | MTD   | YTD    | 12Month |                  |           |
| JSE All Share | 55 254.67  | -1.14 | -1.61 | -7.14  | 7.43    | 17.47            | ↓         |
| Top 40        | 49 138.59  | -1.14 | -1.30 | -6.46  | 8.50    | 19.66            | ↓         |
| Resi 10       | 39 732.77  | 0.04  | 0.35  | 9.48   | 33.25   | 13.03            | ↑         |
| Indi 25       | 71 507.83  | -1.82 | -0.71 | -9.58  | 1.15    | 23.03            | ↓         |
| Fini 15       | 15 902.19  | -0.69 | -4.27 | -11.03 | 10.46   | 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>3 July 2018</b> |                                 |                          |
| AFH                | Alexander Forbes Group Holdings | dividend @ 24cps         |
| AOVP               | African                         | dividend @ 6cps          |
| CSG                | CSG Holdings Ltd                | dividend @ 5cps          |
| CTK                | Cartrack Holdings Ltd           | dividend @ 28cps         |
| GAI                | Gaia Infrastruct Cap Ltd        | dividend @ 42cps         |
| NTC                | Netcare Limited                 | dividend @ 44cps         |
| RTOP               | Rex Trueform Grp 6% Pref        | dividend @ 6cps          |
| SCD                | Schroder Eur REIT Plc           | dividend @ 28.939550cps  |

Source: JSE

# JSE performance

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| Top40 constituents                 | Last price | %Δ    |        | %Δ     |         | 2017 Performance | MTD trend |
|------------------------------------|------------|-------|--------|--------|---------|------------------|-----------|
|                                    |            | -1d   | MTD    | YTD    | 12Month |                  |           |
| AGL : Anglo American Plc           | 292.08     | -0.17 | -3.45  | 14.26  | 73.96   | 29.43            | ↓         |
| ANG : Anglogold Ashanti Ltd        | 107.88     | -3.08 | -0.09  | -16.13 | -21.91  | -14.78           | ↓         |
| APN : Aspen Pharmacare Holdings Lt | 253.00     | -0.98 | 1.20   | -8.83  | -10.00  | -1.62            | ↑         |
| BGA : Barclays Africa Group Ltd    | 159.00     | -0.31 | -1.66  | -12.63 | 8.84    | 7.05             | ↓         |
| BID : Bid Corp Ltd                 | 267.34     | -1.06 | 5.29   | -11.18 | -7.49   | 20.93            | ↑         |
| BIL : Bhp Billiton Plc             | 292.47     | 0.61  | 1.08   | 16.73  | 50.92   | 11.95            | ↑         |
| BTI : British American Tobacco Plc | 676.05     | -1.10 | 4.25   | -18.50 | -24.59  | 6.38             | ↑         |
| BVT : Bidvest Group Ltd            | 196.06     | -2.08 | -2.94  | -10.10 | 24.09   | 21.18            | ↓         |
| CFR : Financiere Richemont-Dep Rec | 115.38     | -0.95 | -1.05  | 3.25   | 7.43    | 24.15            | ↓         |
| CLS : Clicks Group Ltd             | 203.24     | -0.24 | 0.62   | 12.21  | 45.17   | 54.21            | ↑         |
| CPI : Capitec Bank Holdings Ltd    | 858.54     | -1.53 | -1.82  | -21.81 | 8.33    | 58.44            | ↓         |
| DSY : Discovery Ltd                | 149.59     | 0.85  | -2.96  | -19.58 | 17.10   | 61.26            | ↓         |
| FSR : Firstrand Ltd                | 60.89      | 0.56  | 1.48   | -9.46  | 27.92   | 25.00            | ↑         |
| GFI : Gold Fields Ltd              | 47.13      | -0.78 | 4.32   | -12.88 | 0.88    | 23.12            | ↑         |
| GRT : Growthpoint Properties Ltd   | 25.67      | -1.23 | -5.63  | -7.19  | 3.38    | 6.59             | ↓         |
| INL : Investec Ltd                 | 94.52      | -0.14 | 2.59   | 5.35   | 0.82    | -1.57            | ↑         |
| INP : Investec Plc                 | 96.35      | -0.11 | 3.27   | 7.34   | 2.75    | -1.52            | ↑         |
| LHC : Life Healthcare Group Holdin | 24.97      | 0.40  | -12.39 | -10.02 | -3.92   | -9.23            | ↓         |
| MEI : Mediclinic International Plc | 96.04      | -0.85 | -6.31  | -9.72  | -21.49  | -18.17           | ↓         |
| MND : Mondi Ltd                    | 354.45     | -0.01 | 1.06   | 15.74  | 11.98   | 14.66            | ↑         |
| MNP : Mondi Plc                    | 355.51     | -0.14 | 1.01   | 16.41  | 11.97   | 14.14            | ↑         |
| MRP : Mr Price Group Ltd           | 223.00     | -2.47 | -11.16 | -8.93  | 44.02   | 53.52            | ↓         |
| MTN : Mtn Group Ltd                | 106.02     | -0.18 | -7.41  | -22.39 | -5.79   | 5.08             | ↓         |
| NED : Nedbank Group Ltd            | 250.93     | -2.28 | -8.29  | -2.02  | 20.59   | 6.16             | ↓         |
| NPN : Naspers Ltd-N Shs            | 3 098.50   | -3.38 | 2.40   | -10.21 | 18.89   | 69.72            | ↑         |
| NRP : Nepi Rockcastle Plc          | 116.28     | -2.78 | -6.23  | -45.55 |         |                  | ↓         |
| NTC : Netcare Ltd                  | 27.34      | -0.22 | -7.67  | 8.71   | 8.88    | -20.66           | ↓         |
| OMU : Old Mutual Ltd               |            |       |        |        |         |                  | ↔         |
| RDF : Redefine Properties Ltd      | 10.34      | -1.90 | -5.74  | -3.36  | -2.27   | -6.96            | ↓         |
| REM : Remgro Ltd                   | 198.34     | -0.87 | -2.77  | -15.96 | -5.24   | 4.19             | ↓         |
| RMH : Rmb Holdings Ltd             | 73.66      | -0.28 | 1.42   | -6.96  | 24.95   | 18.13            | ↑         |
| SAP : Sappi Limited                | 87.17      | -0.63 | 4.73   | -2.60  | -1.50   | 0.56             | ↑         |
| SBK : Standard Bank Group Ltd      | 184.85     | -1.64 | -10.87 | -5.52  | 30.07   | 28.22            | ↓         |
| SHP : Shoprite Holdings Ltd        | 224.89     | -0.88 | -3.92  | 1.67   | 13.63   | 27.89            | ↓         |
| SLM : Sanlam Ltd                   | 70.59      | -2.27 | -7.18  | -18.86 | 8.88    | 36.30            | ↓         |
| SOL : Sasol Ltd                    | 465.48     | 0.26  | 1.74   | 8.71   | 27.14   | 5.32             | ↑         |
| SPP : Spar Group Limited/The       | 185.41     | 0.52  | -3.81  | -8.81  | 20.40   | 2.82             | ↓         |
| TBS : Tiger Brands Ltd             | 328.04     | 0.22  | -2.34  | -28.69 | -11.71  | 16.65            | ↓         |
| TFG : The Foschini Group Ltd       | 180.78     | -2.72 | -1.88  | -8.39  | 32.05   | 24.11            | ↓         |
| TRU : Truworths International Ltd  | 78.33      | -1.50 | -6.84  | -17.08 | 9.84    | 17.70            | ↓         |
| VOD : Vodacom Group Ltd            | 122.44     | -0.98 | -14.68 | -15.95 | -25.14  | -3.27            | ↓         |
| WHL : Woolworths Holdings Ltd      | 55.19      | 3.16  | -5.40  | -15.50 | -12.38  | -9.09            | ↓         |

Source: Bloomberg & Nedbank CIB

Time 2018/06/27 07:24

# Economics

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## US

- Consumer confidence eased slightly in June, to 126.4 index points, from 128.8 previously, and this was worse than consensus as well. Both sentiment over the current situation and expectations of the future deteriorated. Sentiment over employment prospects also worsened, which reflects the tight labour market. Fewer people indicated their willingness to buy big-ticket items like cars and major appliances. Recent geopolitical tensions, higher interest rates may have been key drivers of the lower sentiment levels.
- The Richmond Fed manufacturing index rose to 20 points in June, from 16 in May, better than consensus of 15. This provides an indication that manufacturing activity in the US is still fairly upbeat, supporting economic activity and trade. New orders and backlogged orders rose, along with capex spending, and employment. Inventories of finished goods declined. Recent trade war fears may hamper industrial activity and confidence if it does persist over coming months.

**Synopsis: The Fed remains fairly hawkish, with markets expecting one last hike in September, after the recent hike in June. Should the on-going positive economic momentum persist, we are likely to see the Fed maintain its hawkish rhetoric into 2019. The recent uptick in inflation would help the Fed achieve its normalisation goals, but the strength of the current recovery hangs in the balance.**

## SA

- The SARB's leading indicator continued to decline in April. The index fell to 105.9 from 106.2 previously. On an annualised basis though, the index continues to record positive growth, most recently rising 4.1% y/y.
- The biggest negative drivers of the leading index were fewer jobs being advertised, a decline in business confidence and a decline in vehicle sales and manufacturing order volumes. Lower commodity prices and money supply growth also weighed on the index.
- On a positive note, a recovery in construction activity and an improvement in the leading indicators of SA's major trading partners will likely bode well for the recovery in 2H18. However, this is dependent on global trade war fears easing, and global demand improving.

**Synopsis: The leading indicator represents key forward guidance for the health of the SA economy, and has generally been quite accurate in predicting business cycle downturns and recoveries. The trend in the leading index currently tells us that a mild recovery is expected in coming quarters, but that there are significant risks on the horizon which could impede this recovery.**



## Economic calendar

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|                | Country | Event                            | Period | Survey     | Actual | Prior      | Revised |
|----------------|---------|----------------------------------|--------|------------|--------|------------|---------|
| <b>26-June</b> |         |                                  |        |            |        |            |         |
| 09:00 AM       | SA      | Leading Indicator                | APR    | -          | 105.9  | 107.4      | 106.2   |
| 03:00 PM       | US      | S&P CoreLogic CS 20-City YoY NSA | APR    | 6.80%      | 6.56%  | 6.79%      | 6.73%   |
| 04:00 PM       | US      | Conf. Board Consumer Confidence  | JUN    | 128.0      | 128.0  | 128.0      | 128.8   |
| 04:00 PM       | US      | Richmond Fed Manufact. Index     | JUN    | 15         | 20     | 16         | -       |
| <b>27-June</b> |         |                                  |        |            |        |            |         |
| 03:30 AM       | CH      | Industrial Profits YoY           | MAY    | -          | 21.10% | 21.90%     | -       |
| 10:00 AM       | EC      | M3 Money Supply YoY              | MAY    | 3.80%      | -      | 3.90%      | -       |
| 02:30 PM       | US      | Wholesale Inventories MoM        | MAY P  | 0.20%      | -      | 0.10%      | -       |
| 02:30 PM       | US      | Cap Goods Orders Nondef Ex Air   | MAY P  | 0.5%       | -      | 1.0%       | -       |
| 02:30 PM       | US      | Durables Ex Transportation       | MAY P  | 0.50%      | -      | 0.90%      | -       |
| 02:30 PM       | US      | Durable Goods Orders             | MAY P  | -1.0%      | -      | -1.6%      | -       |
| 02:30 PM       | US      | Advance Goods Trade Balance      | MAY    | USD -69.0b | -      | 00:00      | -       |
| 04:00 PM       | US      | Pending Home Sales NSA YoY       | MAY    | 0.00%      | -      | 0.40%      | -       |
| <b>28-June</b> |         |                                  |        |            |        |            |         |
| 01:50 AM       | JN      | Retail Trade YoY                 | MAY    | 1.40%      | -      | 1.50%      | -       |
| 11:00 AM       | EC      | Business Climate Indicator       | JUN    | 1.40       | -      | 1.45       | -       |
| 11:00 AM       | EC      | Economic Confidence              | JUN    | 112.0      | -      | 112.5      | -       |
| 11:30 AM       | SA      | PPI YoY                          | MAY    | 4.40%      | -      | 4.40%      | -       |
| 02:00 PM       | GE      | CPI YoY                          | MAY F  | 2.10%      | -      | 2.20%      | -       |
| 02:30 PM       | US      | Core PCE QoQ                     | 1QT    | -          | -      | 2.30%      | -       |
| 02:30 PM       | US      | GDP Annualized QoQ               | 1QT    | 2.20%      | -      | 2.20%      | -       |
| 02:30 PM       | US      | Personal Consumption             | 1QT    | 1.00%      | -      | 1.00b      | -       |
| 05:00 PM       | US      | Kansas City Fed Manf. Activity   | JUN    | 26.0       | -      | 29.0       | -       |
| <b>29-June</b> |         |                                  |        |            |        |            |         |
| 12:00 AM       | CH      | BoP Current Account Balance      | 1Q F   | -          | -      | USD -28.2b | -       |
| 01:30 AM       | JN      | Jobless Rate                     | MAY    | 2.50%      | -      | 2.50%      | -       |
| 01:30 AM       | JN      | Job-To-Applciant Ratio           | MAY    | 1.59       | -      | 1.59       | -       |
| 01:50 AM       | JN      | Industrial Production YoY        | MAY P  | 3.40%      | -      | 2.60%      | -       |
| 08:00 AM       | SA      | Money Supply M3 YoY              | MAY    | 6.20%      | -      | 6.39%      | -       |
| 08:00 AM       | SA      | Private Sector Credit YoY        | MAY    | 4.96%      | -      | 5.07%      | -       |
| 08:00 AM       | GE      | Retail Sales YoY                 | MAY    | 1.90%      | -      | 1.20%      | -       |
| 10:30 AM       | UK      | M4 Money Supply YoY              | MAY    | -          | -      | 1.10%      | -       |
| 10:30 AM       | UK      | Net Consumer Credit              | MAY    | GBP 1.45b  | -      | GBP 1.83b  | -       |
| 10:30 AM       | UK      | GDP QoQ                          | 1Q F   | 0.10%      | -      | 0.10%      | -       |
| 10:30 AM       | UK      | GDP YoY                          | 1Q F   | 1.20%      | -      | 1.20%      | -       |
| 11:00 AM       | EC      | CPI Core YoY                     | JUN A  | 1.00%      | -      | 1.10%      | -       |
| 11:00 AM       | EC      | CPI Estimate YoY                 | JUN    | 2.00%      | -      | 1.90%      | -       |
| 02:00 PM       | SA      | Trade Balance Rand               | MAY    | 5.7b       | -      | 1.1b       | -       |
| 02:00 PM       | SA      | South Africa Budget              | MAY    | ZAR 0.0b   | -      | ZAR -43.7b | -       |
| 02:30 PM       | US      | PCE Core YoY                     | MAY    | 1.90%      | -      | 1.80%      | -       |
| 02:30 PM       | US      | PCE Deflator YoY                 | MAY    | 2.20%      | -      | 2.00%      | -       |
| 02:30 PM       | US      | Personal Income                  | MAY    | 0.40%      | -      | 0.30%      | -       |
| 02:30 PM       | US      | Personal Spending                | MAY    | 0.40%      | -      | 0.60%      | -       |
| 02:30 PM       | US      | Real Personal Spending           | MAY    | 0.20%      | -      | 0.40%      | -       |
| 03:45 PM       | US      | Chicago Purchasing Manager       | JUN    | 60.0       | -      | 62.7       | -       |
| 04:00 PM       | US      | U. of Mich. Sentiment            | JUN F  | 99.0       | -      | 99.3       | -       |

Source: Bloomberg 2018/06/27 07:21

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