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[Charts of the day](#) | [Currencies](#) | [Commodities](#) | [Fixed income & interest rates](#) | [Equities](#) | [Equity derivatives](#)
| [Economics](#) | [*Foreign flows](#) | [JSE performance](#) | [LDT](#) | [Economic calendar](#) | [Other reports](#)
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(when available)*

Key daily drivers




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

SNIPPETS

| | |
|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (Fixed Income) | Global risk trades poorly all day. Rates only choose to react after MPC with a bear flattening bias |
| (Currencies) | The rand remains on the back foot despite dollar weakness; majors broadly upbeat this morning |
| (Commodities) | Gold remains downbeat; Brent volatile as a result of various news – OPEC raises production target while US demand likely to rise |
| (Equities) | The JSE ends little changed, while earnings weigh on European and US markets; a fall in the Chinese yuan drags Asian markets lower |
| (Economics) | US leading index continues to rise; UK retail sales disappoints; SARB becomes increasingly hawkish, revises inflation forecasts sharply higher; Japanese inflation eases in June |

Key overnight factors and upcoming events this week

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| Date | Region | Event    | Actual/expected/prior | Implications |
|-------|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|--------------------------------------------------------------------------------------------------------------|
| 19/07 | US | Leading index | --/0.4%/0.2% | Leading index is expected to continue to show strong economic activity over the next 6 months |
| 19/07 | SA | SARB interest rate decision | --/6.5%/6.5% | SARB unlikely to change interest rate but may sound more cautious given recent rand weakness and EM sell-off |
| 24/07 | SA | Leading index | --/--/105.9 | Leading indicator may decline marginally signalling possibility |

Source: Nedbank

Fixed income and interest rates

[back to top](#)

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 | |
| R204-0.4 yrs | 6.74 | -0.75 | 1.65 | -32.75 | -66.45 | ↕ |
| R208-2.7 yrs | 7.75 | 0.00 | -5.90 | 18.50 | 12.10 | ↕ |
| R186-8.4 yrs | 8.73 | -0.15 | -10.45 | 14.25 | 9.75 | ↕ |
| R2048-29.6 yrs | 9.63 | 0.05 | -3.95 | -8.35 | -15.35 | ↕ |
| US 10 yr | 2.85 | 0.73 | -1.48 | 43.99 | 58.65 | ↕ |
| UK 10 yr | 1.19 | -4.10 | -9.30 | -0.50 | -0.70 | ↕ |
| German 10 yr | 0.33 | -1.20 | 2.80 | -9.70 | -21.20 | ↕ |
| Japan 10 yr | 0.03 | -0.80 | -0.20 | -1.40 | -4.40 | ↕ |

| 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) | 4.60 | | 20.00 | -10.00 | -50.00 | ↕ |
| SA 3m JIBAR | 6.96 | 0.00 | 0.00 | -20.00 | -38.40 | ↕ |
| SA 3m NCD | 6.95 | 0.00 | -1.25 | -20.00 | -15.00 | ↕ |
| SA 6m NCD | 7.53 | 0.00 | 8.75 | -7.50 | 5.00 | ↕ |
| SA 12m NCD | 8.10 | 0.00 | -2.50 | 20.00 | 7.50 | ↕ |
| US 3m LIBOR | 2.35 | -0.04 | 1.13 | 65.28 | 103.98 | ↕ |
| UK 3m LIBOR | 0.76 | 0.49 | 8.39 | 23.69 | 46.96 | ↕ |
| Japan 3m LIBOR | -0.04 | 0.00 | 0.55 | -1.53 | -2.98 | ↕ |

Source: Bloomberg & Nedbank CIB

Time 2018/07/20 07:36

| FRAs and Swaps | Last price | Δ | | | | MTD trend |
|----------------|------------|------|--------|-------|---------|-----------|
| | | 1d | MTD | YTD | 12Month | |
| | % | bps | bps | bps | bps | |
| 3X6 FRA | 7.05 | 0.00 | -1.00 | 16.00 | 11.00 | ↕ |
| 6X9 FRA | 6.86 | 0.00 | 4.00 | 3.00 | 4.00 | ↕ |
| 9X12 FRA | 7.32 | 0.00 | 2.00 | 53.00 | 70.00 | ↕ |
| 18X21 FRA | 7.53 | 0.00 | -3.00 | 55.00 | 87.00 | ↕ |
| SA 2yr Swap | 7.31 | 0.00 | -0.49 | 37.32 | 51.25 | ↕ |
| SA 3yr Swap | 7.46 | 0.00 | -2.50 | 41.00 | 57.75 | ↕ |
| SA 5yr Swap | 7.73 | 0.00 | -6.50 | 40.00 | 55.00 | ↕ |
| SA 10yr Swap | 8.19 | 0.00 | -11.00 | 26.50 | 40.00 | ↕ |
| SA 15yr Swap | 8.46 | 0.00 | -11.50 | 29.50 | 45.25 | ↕ |

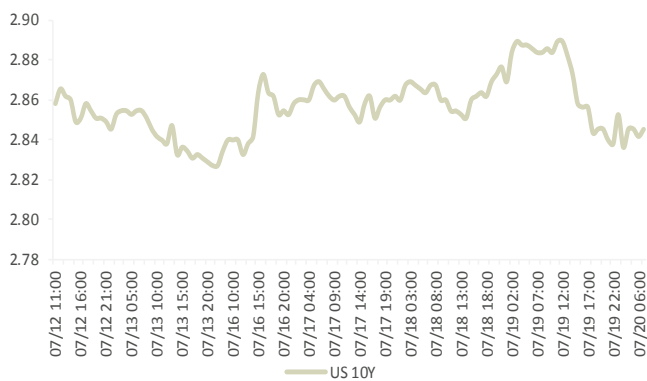
| Spreads | Last price | Δ | | | | MTD trend |
|----------------------------------|------------|-------|--------|--------|---------|-----------|
| | | 1d | MTD | YTD | 12Month | |
| | % | bps | bps | bps | bps | |
| 2v10y | -0.89 | 0.00 | 10.51 | 10.82 | 11.25 | ↕ |
| 3v10y | -0.73 | 0.00 | 8.50 | 14.50 | 17.75 | ↕ |
| R186-R204 | 2.00 | 0.60 | -12.10 | 47.00 | 76.20 | ↕ |
| R2048-R186 | 0.90 | 0.20 | 6.50 | -22.60 | -25.10 | ↕ |
| 5y-R186 | -1.00 | 0.15 | 3.95 | 25.75 | 45.25 | ↕ |
| 10y-R186 | -0.54 | 0.15 | -0.55 | 12.25 | 30.25 | ↕ |
| 15y-R186 | -0.28 | 0.15 | -1.05 | 15.25 | 35.50 | ↕ |
| SA 5yr CDS spread - basis points | 187.61 | -0.12 | -21.85 | 30.66 | -6.44 | ↕ |

Source: Bloomberg & Nedbank CIB

Time 2018/07/20 07:36

US 10 year yield

US 10 year yield

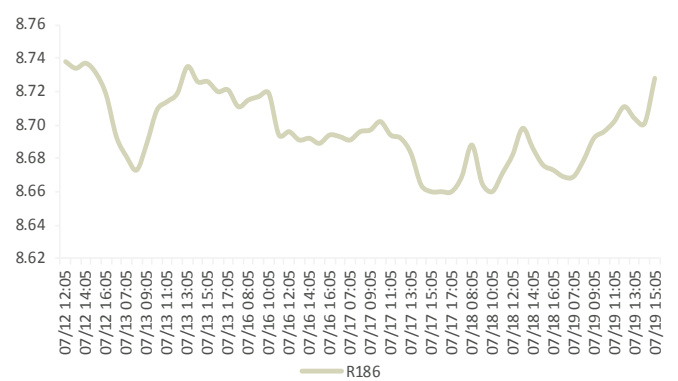


2018/07/20 07:36

Source: Bloomberg, Nedbank

SA 10 year yield

SA 10 year yield



2018/07/20 07:36

Source: Bloomberg, Nedbank

Currencies

[back to top](#)

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

- The local session opened with the rand trading in the high 13.20's, at these levels only dollar buying and this was sustained throughout the session trading to a high of 13.5550. In the overnight session further rand weakness saw it trade to 13.6225 in NY, this morning it currently trades at 13.5475, EURZAR is trading at 15.8050 and GBPZAR is trading at 17.6550.
- International markets were also at the mercy of a resilient dollar, this saw EURUSD dip below the 1.1600 level, trading down to 1.1577, this morning it has staged a recovery to trade at 1.1665 currently.
- Gold has continued to hold steady at the lower end of its recent ranges, currently trading at 1222.45.
- Data releases scheduled for today, no local releases, from Europe we have German PPI and Eurozone current account, from the U.K. public finances and net borrowing, no releases from the U.S but the FEDs Bullard scheduled to speak.
- As was expected the MPC left interest rates on hold, but this provided little relief for the rand which was along with its emerging market peers was under sustained pressure relative to the dollar, comments from Mr Trump seemingly halting the dollars progress against the majors.
- Possible trading range in the rand today 13.4000 to 13.7500

| Majors | Last price | %Δ -1d | %Δ MTD | %Δ YTD | %Δ 12Month | MTD trend | USD trend |
|--------|------------|--------|--------|--------|------------|-----------|--------------|
| GBPUSD | 1.30 | 0.31 | -1.34 | -3.57 | 0.41 | ↓ | USD strength |
| EURUSD | 1.17 | 0.51 | -0.15 | -2.82 | 0.28 | ↓ | USD strength |
| USDJPY | 112.26 | -0.53 | 1.34 | 0.38 | 0.46 | ↑ | USD strength |
| USDAUD | 1.36 | -0.57 | 0.49 | 5.93 | 8.06 | ↑ | USD strength |

| Rand crosses | Last price | %Δ -1d | %Δ MTD | %Δ YTD | %Δ 12Month | MTD trend | ZAR trend |
|--------------|------------|--------|--------|--------|------------|-----------|--------------|
| USDZAR | 13.54 | -0.13 | -1.33 | 8.58 | 4.33 | ↓ | ZAR strength |
| GBPZAR | 17.65 | 0.17 | -2.72 | 5.25 | 4.71 | ↓ | ZAR strength |
| EURZAR | 15.80 | 0.37 | -1.49 | 5.99 | 4.58 | ↓ | ZAR strength |
| AUDZAR | 9.98 | 0.42 | -1.84 | 3.18 | -3.65 | ↓ | ZAR strength |
| ZARJPY | 8.29 | -0.41 | 2.64 | -8.94 | -4.04 | ↑ | ZAR strength |

| African FX | Last price | %Δ -1d | %Δ MTD | %Δ YTD | %Δ 12Month | MTD trend | ZAR trend |
|-----------------------------|------------|--------|--------|--------|------------|-----------|--------------|
| ZARMWK (Malawian kwacha) | 53.53 | 0.03 | 1.43 | -9.47 | -4.56 | ↑ | ZAR strength |
| ZARBWP (Botswana pula) | 0.77 | 0.01 | 1.33 | -3.67 | -2.61 | ↑ | ZAR strength |
| ZARKES (Kenyan shilling) | 7.43 | 0.14 | 1.13 | -12.18 | -7.86 | ↑ | ZAR strength |
| ZARMUR (Mauritian rupee) | 2.55 | 0.57 | 0.74 | -6.95 | -3.01 | ↑ | ZAR strength |
| ZARNGN (Nigerian naira) | 26.76 | 0.36 | 1.80 | -8.57 | 9.24 | ↑ | ZAR strength |
| ZARGHS (Ghanian cedi) | 0.35 | -0.20 | 1.28 | -3.60 | 3.20 | ↑ | ZAR strength |
| ZARZMW (Zambian kwacha) | 0.74 | 0.04 | 1.55 | -8.92 | 7.72 | ↑ | ZAR strength |
| ZARMZN (Mozambican metical) | 4.29 | -1.70 | -0.42 | -10.41 | -9.80 | ↓ | ZAR weakness |

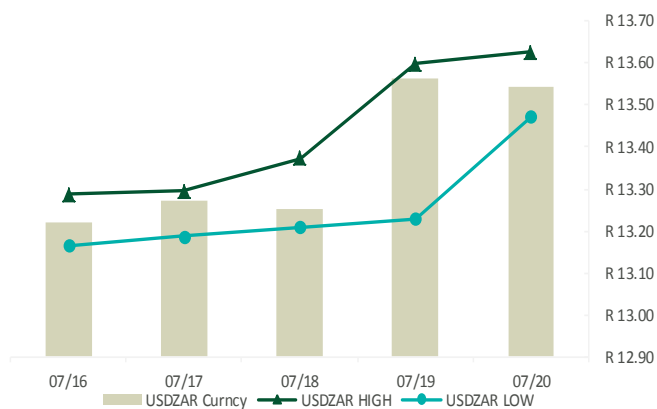
Source: Bloomberg & Nedbank CIB

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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)

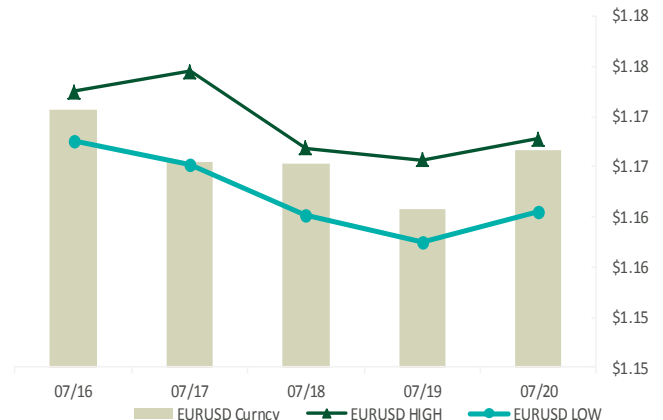


2018/07/20 07:36

Source: Bloomberg, Nedbank

EUR/USD

€/€ (close, high and low)



2018/07/20 07:36

Source: Bloomberg, Nedbank

Commodities

[back to top](#)

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- Oil rose for a fourth day toward \$70 a barrel after Saudi Arabia signaled it won't push oil into the market beyond its customers' needs, dispelling fears that it may flood the market. Futures added 0.8% after gaining 2.1% in the previous three sessions.
- Gold drops to trade near lowest in a year as investors weigh Powell's comments on interest rate outlook, as well as Trump's intervention that he's "not thrilled" at Fed's tightening trajectory. Bullion for immediate delivery -0.5% at \$1,216.78/oz; -2.2% this week.
- Silver -3.1% this week, to head for biggest weekly loss since 5 days ended April 27. Platinum down for 6th straight week; trades near lowest since December 2008. Palladium near July 2017 low; falling for 6th week in longest stretch since June 2015.
- Copper heads for sixth straight week of declines, longest stretch since November 2015, on concerns escalating trade war will hurt global growth and curb demand for metals. LME copper -0.3% at \$6,044.50/ton. LME zinc also heading for sixth week of losses. Iron ore for Sept. +0.4% at 469.5 yuan/ton on DCE.

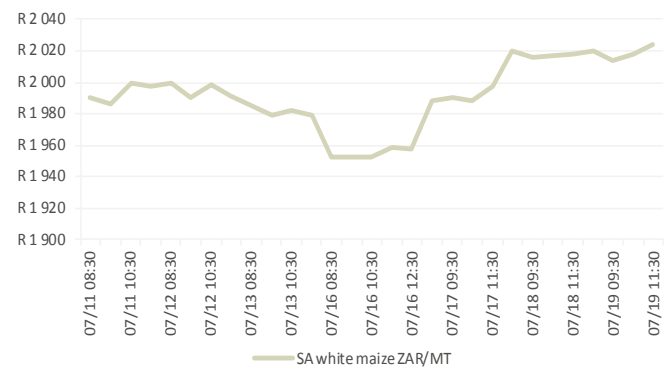
Source: Bloomberg

| Commodities | Last price | %Δ -1d | %Δ MTD | %Δ YTD | %Δ 12Month | MTD trend |
|-------------------------|------------|--------|--------|--------|------------|-----------|
| Brent near future (\$) | 72.73 | 0.21 | -8.45 | 8.76 | 47.53 | ↓ |
| WTI crude (\$) | 69.70 | 0.35 | -6.00 | 15.36 | 48.96 | ↓ |
| Gold spot (\$) | 1222.19 | 0.46 | -2.43 | -6.19 | -1.94 | ↓ |
| Platinum spot (\$) | 809.08 | 0.87 | -5.19 | -12.84 | -12.85 | ↓ |
| SA white maize spot (R) | 2024.00 | 0.30 | -1.56 | 6.53 | 9.76 | ↓ |

Source: Bloomberg & Nedbank CIB Time 2018/07/20 07:36

SA white maize

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

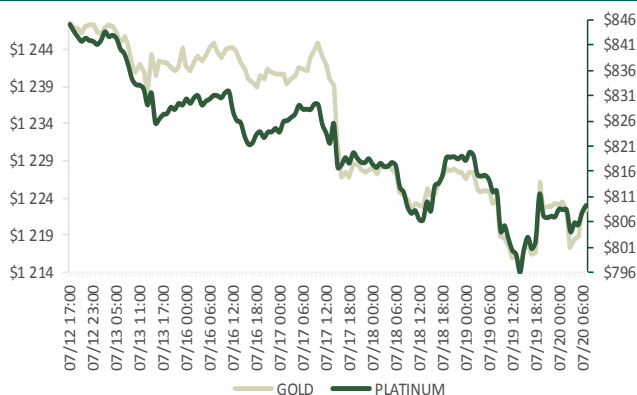


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Source: Bloomberg, Nedbank

Platinum vs Gold

Platinum vs. Gold

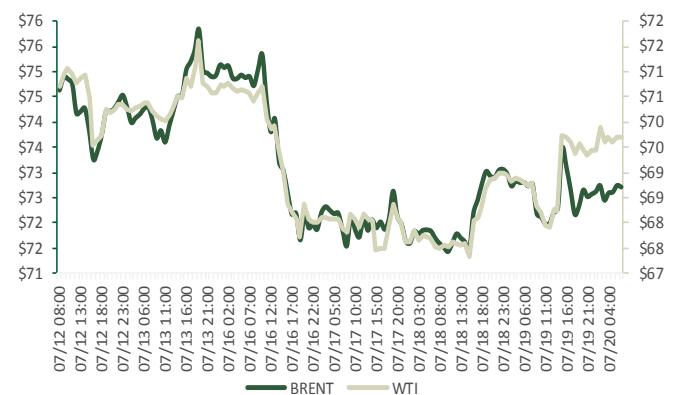


2018/07/20 07:36

Source: Bloomberg, Nedbank

Brent Crude vs West Texas Intermediate

Brent Crude vs West Texas Intermediate



2018/07/20 07:36

Source: Bloomberg, Nedbank

Equities

[back to top](#)

Cash equities | +2711 535 4030/31

South Africa

- The JSE experience another choppy trading session, with the Top40 ending the day little changed, up 0.06% at 50199.70.
- EOH holdings was the star performer on the day, surging 21.56 %, after announcing the appointment of Stephen van Collier (ex Vice President of Digital services, Data Analytics and Business Development of MTN) as its new CEO, and affirming the company's group strategy.
- Steinhoff was another big mover, climbing 18.67% after winning credit support from a majority of creditors to restructure its 9.4billion euro debt.
- In other corporate news, Massmart added 7.9% following a pleasing trading update, while Woolworths added 0.53% despite posting a weaker second half. The value traded at the close was R17.2billion and the ZAR was trading at 13.50 vs the dollar.

UK/Europe

- European markets ended Thursday's session lower, dragged down by lower metal prices and disappointing results from French advertising agency, Publicis. Publicis declined 8.8% following after second quarter sales missed due to underperformance at its US healthcare communications business.
- These results weighed in the media space with the likes of Britain's WPP losing 3%. The sector was down 1.4%. In London, Anglo America fell 4.08% after lowering its full year guidance for iron ore after reporting an increase in production in the second quarter, driven by copper and metallurgical coal supplies.
- Some better than expected results from Swiss engineering firm ABB (+2.8%) and machinery supplier SKF (+1.3%) supported the industrial sector, while French telecoms firm, Iliad, rallied 7.4% after reaching 1 million subscribers, extending its low-cost offer.
- The DAX fell 0.62%, the CAC40 lost 0.56% and the FTSE 100 gained 0.10%.

USA

- Earnings disappointments and concerns that the EU could impose retaliatory tariffs on the US weighed on markets.
- eBay was one of the biggest laggards on the Nasdaq and S&P 500, tumbling 10.1% after their earning missed estimates. American Express lost 2.7% after reporting rising expenses due to increased spending on its rewards program.
- Financials were the worst performing index on the S&P, losing 1.4%. The Dow lost 0.53%, the S&P500 fell 0.40% and the Nasdaq declined 0.37%.

Asia

- Asian markets are under pressure this morning after the Chinese yuan extended its decline, rekindling concerns about the stability of the Chinese economy, facing further risks due to the trade conflict with the US.
- In Japan, steel makers, non-ferrous metal companies and shippers lead the declines. Stocks in China were heading for their sixth straight day of declines. Australian stocks were trading marginally firmer, lifted by financial and healthcare stocks, while lower metal prices weighed on the mining sector. BHP Billiton was down 2.14%, South 32 lost 3.01% and RioTinto was down 0.92%

| Developed Markets | Last price | %Δ | | | | 2017 Performance | MTD trend |
|-------------------|------------|-------|------|-------|---------|------------------|-----------|
| | | -1d | MTD | YTD | 12Month | | |
| Dow Jones | 25 064.50 | -0.53 | 3.27 | 1.40 | 15.98 | 24.33 | ↑ |
| Nasdaq | 7 825.30 | -0.37 | 4.19 | 13.35 | 22.46 | 27.16 | ↑ |
| S&P 500 | 2 804.49 | -0.40 | 3.17 | 4.90 | 13.38 | 18.42 | ↑ |
| DJ Eurostoxx 50 | 3 471.64 | -0.39 | 2.24 | -0.92 | -0.80 | 5.70 | ↑ |
| DAX | 12 686.29 | -0.62 | 3.09 | -1.79 | 1.92 | 11.51 | ↑ |
| CAC | 5 417.07 | -0.56 | 1.76 | 1.97 | 4.19 | 8.43 | ↑ |
| FTSE | 7 683.97 | 0.10 | 0.62 | -0.05 | 2.62 | 7.10 | ↑ |
| ASX200 | 6 280.10 | 0.28 | 1.38 | 3.54 | 9.00 | 6.42 | ↑ |
| Nikkei 225 | 22 545.13 | -0.96 | 1.08 | -0.97 | 11.92 | 16.18 | ↑ |
| MSCI World | 2 134.84 | -0.35 | 2.18 | 1.49 | 8.74 | 19.65 | ↑ |

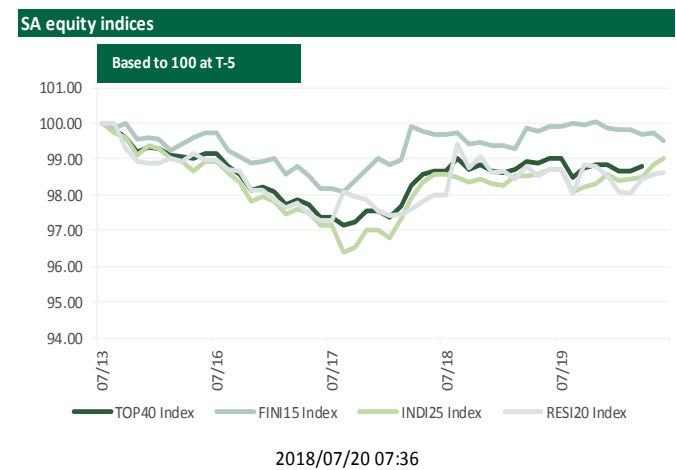
| Emerging Markets | Last price | %Δ | | | | 2017 Performance | MTD trend |
|------------------|------------|-------|-------|--------|---------|------------------|-----------|
| | | -1d | MTD | YTD | 12Month | | |
| Hang Seng | 27 874.46 | -0.49 | -3.73 | -6.83 | 4.24 | 35.19 | ↓ |
| Shanghai | 2 770.87 | -0.06 | -2.69 | -16.22 | -14.61 | 5.46 | ↓ |
| Brazil Bovespa | 77 486.84 | 0.16 | 6.49 | 1.42 | 19.32 | 28.22 | ↑ |
| India - NSE | 36 487.69 | 0.38 | 3.00 | 7.14 | 14.37 | 27.91 | ↑ |
| Russia Micex | 2 269.45 | -1.10 | -1.15 | 7.57 | 16.59 | -7.69 | ↓ |
| MSCI Emerging | 1 060.65 | -0.76 | -0.83 | -8.44 | 0.12 | 34.35 | ↓ |

| SA Indices | Last price | %Δ | | | | 2017 Performance | MTD trend |
|---------------|------------|-------|-------|-------|---------|------------------|-----------|
| | | -1d | MTD | YTD | 12Month | | |
| JSE All Share | 56 276.72 | 0.07 | -2.32 | -5.42 | 3.66 | 17.47 | ↓ |
| Top 40 | 50 199.70 | 0.06 | -2.56 | -4.44 | 4.78 | 19.66 | ↓ |
| Resi 10 | 39 966.90 | -0.10 | -5.13 | 10.12 | 24.03 | 13.03 | ↓ |
| Indi 25 | 73 607.01 | 0.34 | -2.30 | -6.93 | -0.74 | 23.03 | ↓ |
| Fini 15 | 16 156.61 | -0.38 | 0.11 | -9.60 | 5.74 | 18.54 | ↑ |

Source: Bloomberg & Nedbank CIB

Time 2018/07/20 07:36

Short-term performance of SA equity indices



Source: Bloomberg, Nedbank

Last day to trade

[back to top](#)

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| Share code | Share name | Dividend / interest rate |
|---------------------|---------------------------|-------------------------------------------------------------------|
| 24 July 2018 | | |
| APF | Accelerate Prop Fund Ltd | dividend @ 28.767990cps |
| ART | Argent Industrial Ltd | dividend @ 10c[s |
| IMRP5 | Im Redeemable Pref 5JUL23 | dividend @ 9095.774090cps |
| INL | Investec Ltd | dividend @ 232cps |
| INP | Investec Plc | dividend @ 232cps |
| ISA | ISA Holdings Ltd | dividend @ 13.60cps |
| IVT | Invicta Holdings Ltd | dividend @ 50cps |
| STP | Stenprop Ltd | dividend @ 70.01840cps or approximately 3.53 new per 100 held TBC |
| VUN | Vunani Ltd | dividend @ 6.20cps |

Source: JSE

JSE performance

[back to top](#)

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| Top40 constituents | Last price | %Δ -1d | %Δ MTD | %Δ YTD | %Δ 12Month | 2017 Performance | MTD trend |
|------------------------------------|------------|-----------|-----------|-----------|---------------|---------------------|-----------|
| ABG : Absa Group Ltd | 156.84 | -1.80 | -1.97 | -13.82 | 5.55 | 7.05 | ↓ |
| AGL : Anglo American Plc | 284.93 | -1.95 | -7.32 | 11.47 | 52.34 | 29.43 | ↓ |
| ANG : Anglogold Ashanti Ltd | 107.54 | -0.88 | -4.08 | -16.39 | -13.32 | -14.78 | ↓ |
| APN : Aspen Pharmacare Holdings Lt | 246.42 | -2.18 | -4.57 | -11.20 | -9.96 | -1.62 | ↓ |
| BID : Bid Corp Ltd | 269.20 | 1.04 | -2.22 | -10.56 | -14.78 | 20.93 | ↓ |
| BIL : Bhp Billiton Plc | 288.45 | 0.18 | -7.18 | 15.13 | 29.90 | 11.95 | ↓ |
| BTI : British American Tobacco Plc | 672.46 | 1.05 | -2.81 | -18.93 | -26.44 | 6.38 | ↓ |
| BVT : Bidvest Group Ltd | 183.77 | -1.12 | -6.72 | -15.74 | 8.74 | 21.18 | ↓ |
| CFR : Financiere Richemont-Dep Rec | 115.45 | 1.59 | -0.73 | 3.31 | 6.32 | 24.15 | ↓ |
| CLS : Clicks Group Ltd | 186.53 | -2.11 | -5.09 | 2.98 | 26.68 | 54.21 | ↓ |
| CPI : Capitec Bank Holdings Ltd | 924.00 | 0.49 | 6.45 | -15.84 | 10.26 | 58.44 | ↑ |
| DSY : Discovery Ltd | 151.47 | 0.32 | 2.69 | -18.56 | 9.56 | 61.26 | ↑ |
| FSR : Firstrand Ltd | 64.72 | -1.01 | 1.30 | -3.76 | 24.89 | 25.00 | ↑ |
| GFI : Gold Fields Ltd | 46.68 | -0.19 | -5.12 | -13.72 | -4.40 | 23.12 | ↓ |
| GRT : Growthpoint Properties Ltd | 26.00 | -1.48 | -2.59 | -6.00 | 3.71 | 6.59 | ↓ |
| INL : Investec Ltd | 94.80 | -1.04 | -1.31 | 5.66 | -4.58 | -1.57 | ↓ |
| INP : Investec Plc | 95.51 | -0.57 | -2.16 | 6.41 | -4.50 | -1.52 | ↓ |
| LHC : Life Healthcare Group Holdin | 24.06 | 0.33 | -3.30 | -13.30 | -6.34 | -9.23 | ↓ |
| MEI : Mediclinic International Plc | 91.00 | -1.48 | -4.60 | -14.46 | -27.05 | -18.17 | ↓ |
| MND : Mondi Ltd | 362.17 | 0.08 | -2.54 | 18.26 | 10.21 | 14.66 | ↓ |
| MNP : Mondi Plc | 362.75 | 0.26 | -2.70 | 18.78 | 9.92 | 14.14 | ↓ |
| MRP : Mr Price Group Ltd | 220.20 | -0.59 | -2.68 | -10.07 | 25.40 | 53.52 | ↓ |
| MTN : Mtn Group Ltd | 105.75 | -1.70 | -1.99 | -22.58 | -14.34 | 5.08 | ↓ |
| NED : Nedbank Group Ltd | 261.07 | -0.03 | 4.60 | 1.94 | 21.43 | 6.16 | ↑ |
| NPN : Naspers Ltd-N Shs | 3388.00 | 0.68 | -2.78 | -1.83 | 21.56 | 69.72 | ↓ |
| NRP : Nepi Rockcastle Plc | 118.44 | -0.05 | -3.28 | -44.54 | | | ↓ |
| NTC : Netcare Ltd | 26.92 | -1.75 | -2.53 | 7.04 | 6.91 | -20.66 | ↓ |
| OMU : Old Mutual Ltd | 27.32 | 0.81 | -1.69 | | | | ↓ |
| RDF : Redefine Properties Ltd | 10.56 | -0.38 | 0.67 | -1.31 | -1.77 | -6.96 | ↑ |
| REM : Remgro Ltd | 208.44 | 0.55 | 2.03 | -11.68 | -2.60 | 4.19 | ↑ |
| RMH : Rmb Holdings Ltd | 76.19 | -0.20 | 0.53 | -3.76 | 20.80 | 18.13 | ↑ |
| SAP : Sappi Limited | 91.00 | 0.75 | -0.55 | 1.68 | -1.05 | 0.56 | ↓ |
| SBK : Standard Bank Group Ltd | 194.00 | -0.42 | 1.11 | -0.85 | 22.17 | 28.22 | ↑ |
| SHP : Shoprite Holdings Ltd | 207.00 | -2.50 | -6.17 | -6.42 | 1.97 | 27.89 | ↓ |
| SLM : Sanlam Ltd | 69.16 | 0.23 | -1.30 | -20.51 | 0.63 | 36.30 | ↓ |
| SOL : Sasol Ltd | 499.00 | 0.97 | -0.77 | 16.54 | 31.33 | 5.32 | ↓ |
| SPP : Spar Group Limited/The | 182.50 | 0.00 | -1.57 | -10.24 | 9.25 | 2.82 | ↓ |
| TBS : Tiger Brands Ltd | 326.08 | -0.51 | -1.61 | -29.11 | -16.60 | 16.65 | ↓ |
| TFG : The Foschini Group Ltd | 161.26 | 0.79 | -7.32 | -18.28 | 6.65 | 24.11 | ↓ |
| TRU : Truworths International Ltd | 76.77 | 2.36 | -0.62 | -18.74 | -2.20 | 17.70 | ↓ |
| VOD : Vodacom Group Ltd | 126.98 | -2.20 | 3.41 | -12.84 | -26.70 | -3.27 | ↑ |
| WHL : Woolworths Holdings Ltd | 53.18 | 0.53 | -4.09 | -18.57 | -15.96 | -9.09 | ↓ |

Source: Bloomberg & Nedbank CIB

Time 2018/07/20 07:36

Economics

[back to top](#)

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US

- The US leading indicator rose steadily in recent months, and accelerated again in June, rising by 0.5% m/m, from 0.2% in May, beating consensus of 0.4%.
- The biggest positive drivers of the index in June were ISM new orders, better credit conditions and higher stock prices.
- The leading index provides an indication of economic activity over the next 6 to 9 months and is currently reflecting positive economic momentum and continued growth over the medium term.

Synopsis: For as long as the US economic data surprises to the upside, the Fed may remain hawkish. Inflation remains elevated above the Fed's 2% target, 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. If we do see macroeconomic data disappoint in the next few weeks, the Fed may temper its hawkishness in tandem to reflect macroeconomic uncertainties.

UK

- Retail sales growth in the UK eased to 2.9% y/y in June, from 4.1% in May, worse than consensus of 3.5%. Sales of textiles, clothing and footwear collapsed in June, sales at household goods stores and non-food stores eased, while food and fuel sales picked up modestly. However the increase in food sales was not enough to offset the declines in the other categories.
- Internet sales slowed down sharply, and actually declined over the month. Local demand has been relatively resilient in the UK in the last few months, so the recent decline in sales activity is a concern if it not mere seasonality and more of a sustained trend. Demand has been the key driver of UK growth, however Brexit negotiations have taken a toll on confidence levels in the country. Further developments over trade have not helped appease consumers and businesses. These remain key risks to a growth disappointment.

Synopsis: The BOE remains concerned about demand-pull inflationary pressures, but less so now compared to a few months earlier. The uncertain trajectory of inflation, higher energy costs and on-going Brexit negotiations will likely keep the BOE cautious. We maintain our view of gradual monetary policy tightening over the long run, but this will be dependent on a more moderate pace of economic expansion occurring over the next few quarters. The market is projecting a rate hike by the BOE in August, however as we saw in May, this could quickly change in the run-up to the meeting based on how economic data transpires.

Japan

- Japanese CPI remained unchanged at 0.7% y/y in June, compared to consensus of 0.8%. Core inflation however rose to 0.8% y/y, indicating that there may be slight build-up of underlying inflationary pressures.
- However the core-core measure (stripping out fresh food) fell to 0.2% y/y, from 0.3% in May, worse than consensus of 0.4% - this tells us that while core and headline have remained relatively steady, this is mainly as a result of fuel prices. Overall inflationary pressures remain weak in the economy.
- Prices of utilities, entertainment, transport, and medical care rose, but fresh food and household goods prices remain in deflation.

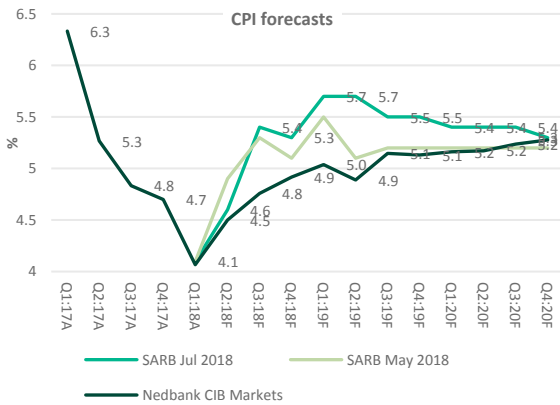
Synopsis: Japan continues to battle with low inflation and disappointing economic growth, and would likely keep monetary policy unchanged and fairly loose for some time. The tighter labour market have not aided wage growth enough to impact inflation – inflation is likely to remain well below the BOJ target over the medium term, warranting loose monetary policy.

SA

- The SARB kept the repo rate unchanged at 6.5% and prime at 10% in a unanimous decision yesterday. We expected a hawkish statement and the MPC delivered exactly that. In fact, the MPC statement was more hawkish than we expected, not only in its language, but also via its forecasts.
- The SARB now sees inflation at 5.6% in 2019 (up from 5.2% in May) and 5.4% in 2020 (up from 5.2%). The SARB's Quarterly Projection Model (QPM) now forecasts 5 hikes between now and 2020 (up from 4 previously). At the same time the MPC assess the risks to inflation to remain on the upside. The hawkish tone, and higher inflation estimate, comes despite a weaker GDP growth forecast for 2018 (now seen at 1.2%, down from 1.7%). But the focus in our view has clearly shifted to 2019 where GDP growth is expected at 1.9% (up from 1.7% previously). The output gap is still expected to close in 2020.

Synopsis: We remain dovish on inflation relative to consensus and still believe that there are downside risks to the SARB's inflation forecasts. We expect the repo rate will remain unchanged over the next 12 months as a result of our benign inflation outlook. Nonetheless, EM risk aversion and a vulnerable rand exchange rate are likely to keep the SARB cautious for some time. For more detail, please see our SARB MPC review [here](#).

SARB revises inflation forecast sharply higher and becomes increasingly hawkish



Source: Bloomberg, Nedbank

Economic calendar

[back to top](#)

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| | Country | Event | Period | Survey | Actual | Prior | Revised |
|----------------|---------|--------------------------------------|--------|------------|-----------|-------------|-------------|
| 19-July | | | | | | | |
| 01:50 AM | JN | Exports YoY | JUN | 7.00% | 6.70% | 8.10% | - |
| 01:50 AM | JN | Imports YoY | JUN | 5.30% | 2.50% | 14.00% | - |
| 01:50 AM | JN | Trade Balance Adjusted | JUN | JPY 155.0b | JPY 66.2b | JPY -296.8b | JPY -300.2b |
| 10:30 AM | UK | Retail Sales Inc Auto Fuel YoY | JUN | 3.50% | 2.90% | 3.90% | 4.10% |
| 02:30 PM | US | Initial Jobless Claims | NOV 25 | 220k | 207k | 214k | - |
| 02:30 PM | US | Continuing Claims | NOV 18 | 1729k | 1751k | 1739k | - |
| 02:30 PM | US | Philadelphia Fed Business Outlook | JUL | 21.5 | 25.7 | 19.9 | - |
| 03:11 PM | SA | SARB Announce Interest Rate | MAY F | 6.50% | - | 6.50% | - |
| 04:00 PM | US | Leading Index | JUN | 0.40% | 0.50% | 0.20% | 0.00% |
| 20-July | | | | | | | |
| 01:30 AM | JN | Natl CPI YoY | JUN | 0.80% | 0.70% | 0.70% | - |
| 08:00 AM | GE | PPI YoY | JUN | 3.00% | - | 2.70% | - |
| 10:00 AM | EC | Current Account NSA | MAY | - | - | EUR 26.2b | - |
| 10:00 AM | EC | ECB Current Account SA | MAY | - | - | EUR 28.4b | - |
| 10:30 AM | UK | PSNB ex Banking Groups | JUN | GBP 5.0b | - | GBP 5.0b | - |
| 23-July | | | | | | | |
| 02:30 PM | US | Chicago Fed Nat Activity Index | JUN | - | - | -0.15 | - |
| 04:00 PM | EC | Consumer Confidence | JUL A | -0.70 | - | -0.50 | - |
| 04:00 PM | US | Existing Home Sales | JUN | 5.48m | - | 5.43m | - |
| 04:00 PM | US | Existing Home Sales MoM | JUN | 0.92% | - | -0.37% | - |
| 24-July | | | | | | | |
| 02:30 AM | JN | Nikkei Japan PMI Mfg | JUL P | - | - | 53.0 | - |
| 07:00 AM | JN | Leading Index CI | MAY F | - | - | 106.9 | - |
| 09:00 AM | SA | Leading Indicator | MAY | - | - | 105.9 | - |
| 09:30 AM | GE | Markit Germany Services PMI | JUL P | 54.5 | - | 54.5 | - |
| 09:30 AM | GE | Markit/BME Germany Manufacturing PMI | JUL P | 55.7 | - | 55.9 | - |
| 10:00 AM | EC | Markit Eurozone Services PMI | JUL P | 55.0 | - | 55.2 | - |
| 10:00 AM | EC | Markit Eurozone Manufacturing PMI | JUL P | 54.7 | - | 54.9 | - |
| 03:45 PM | US | Markit US Services PMI | JUL P | 0.0 | - | 56.5 | - |
| 03:45 PM | US | Markit US Manufacturing PMI | JUL P | 55.3 | - | 55.4 | - |
| 04:00 PM | US | Richmond Fed Manufact. Index | JUL | 18 | - | 20 | - |

Source: Bloomberg 2018/07/20 07:36

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