

DAILY MARKET COMMENTARY

18 October 2018



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(* when available)*

KEY DAILY DRIVERS

Nedbank CIB Market Commentary | CIBMarketComm@Nedbank.co.za | +27 11 537 4091

SNIPPETS

(Fixed Income)	Yields continue to decline across the SAGB curve
(Currencies)	Hawkish Fed minutes temper rand gains, global majors remain weak
(Commodities)	Brent crude price remains volatile, falling to \$80/bbl.; gold remains elevated
(Equities)	Global markets experienced choppy trading as investors reacted to mixed US earnings and the release of the Federal Reserve's minutes of the September FOMC meeting
(Economics)	SA retail sales posts upside surprise in August; Eurozone CPI rises while UK CPI eases in September; US FOMC minutes

KEY OVERNIGHT FACTORS AND UPCOMING EVENTS THIS WEEK

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Date	Region	Event	Actual/expected/prior	Implications
17/10	SA	Retail sales	2.5%/--/1.4%	Retail sales growth expected to deteriorate amid weak consumer demand
17/10	US	FOMC minutes	--	Fed likely to maintain hawkishness amid upbeat economy
17/10	UK	CPI	2.4%/2.6%/2.7%	CPI eases as commodity prices decline.
18/10	SA	Mining production	--/-4%/-5.2%	Mining output may be hampered by weak commodity prices and demand
23/10	SA	Leading index	--/--/105.4	Leading indicator expected to remain lacklustre, mirroring confidence in the economy

Source: Nedbank

CONTACT FOR QUERIES

REEZWANA SUMAD
Strategy: Research Analyst
Tel: +27 11 537 4091
ReezwanaS@Nedbank.co.za

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	
R204-0,2 yrs	6,13	-1,60	-19,60	-93,40	-102,60	↓
R208-2,5 yrs	7,65	0,70	-23,40	9,30	-5,50	↓
R186-8,2 yrs	9,13	0,90	13,70	53,60	31,50	↑
R2048-29,4 yrs	10,05	0,80	13,70	33,70	17,50	↑
US10 yr	3,21	0,20	14,58	80,16	86,05	↑
UK 10 yr	1,58	-3,40	0,20	38,50	29,90	↑
German 10 yr	0,46	-3,00	-0,90	3,40	9,60	↓
Japan 10 yr	0,15	0,20	2,00	10,20	7,70	↑

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	-25,00	→
SA prime rate	10,00	0,00	0,00	-25,00	-25,00	→
SA CPI (MTD=previous month)	4,90		-20,00	20,00	10,00	↓
SA 3m JIBAR	7,03	0,00	2,50	-13,30	0,00	↑
SA 3m NCD	6,95	-8,75	0,00	-20,00	-5,00	→
SA 6m NCD	7,63	0,00	5,00	2,50	16,25	↑
SA 12m NCD	8,33	-2,50	2,50	42,50	45,00	↑
US3m LIBOR	2,45	0,51	5,13	75,54	109,23	↑
UK 3m LIBOR	0,80	-0,68	0,32	28,24	41,97	↑
Japan 3m LIBOR	-0,08	0,00	-2,87	-5,93	-4,92	↓

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	7,18	0,00	2,00	29,00	20,00	↑
6X9 FRA	7,41	0,00	4,00	3,00	4,00	↑
9X12 FRA	7,54	0,00	3,00	75,00	68,00	↑
18X21 FRA	7,87	0,00	5,00	89,00	84,00	↑
SA 2yr Swap	7,54	0,30	3,30	60,62	57,05	↑
SA 3yr Swap	7,73	-0,50	4,50	68,00	63,25	↑
SA 5yr Swap	8,05	0,00	6,50	71,50	65,00	↑
SA 10yr Swap	8,59	0,00	8,50	66,50	60,00	↑
SA 15yr Swap	8,86	0,00	11,00	69,50	56,75	↑

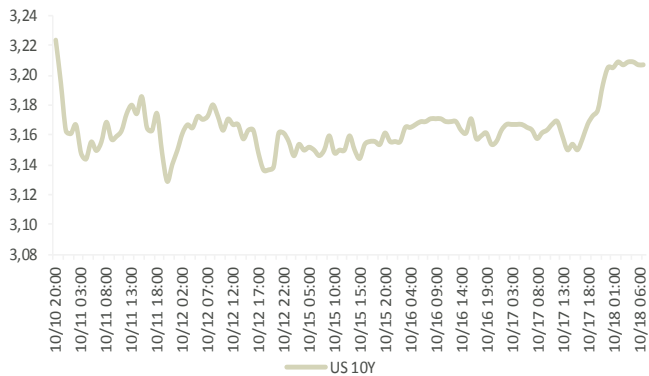
Spreads	Last price	Δ 1d	Δ MTD	Δ YTD	Δ 12Month	MTD trend
	%	bps	bps	bps	bps	
2v10y	-1,05	0,30	-5,20	-5,88	-2,95	↓
3v10y	-0,86	-0,50	-4,00	1,50	3,25	↓
R186-R204	3,00	2,50	33,30	147,00	134,10	↑
R2048-R186	0,93	-0,10	-0,00	-19,90	-14,00	↓
5y-R186	-1,08	-0,90	-7,20	17,90	33,50	↓
10y-R186	-0,54	-0,90	-5,20	12,90	28,50	↓
15y-R186	-0,27	-0,90	-2,70	15,90	25,25	↓
SA 5yr CDS spread - basis points	214,17	-1,27	11,73	57,22	41,75	↑

Source: Bloomberg & Nedbank CIB

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US 10 year yield

US 10 year yield

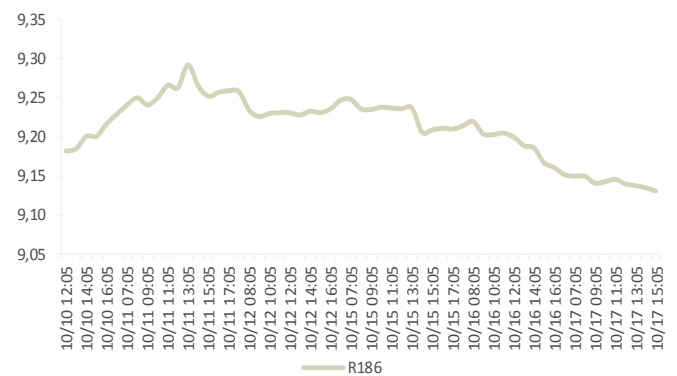


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Source: Bloomberg, Nedbank

SA 10 year yield

SA 10 year yield



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Source: Bloomberg, Nedbank

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- Yesterday, the local session opened with the rand trading in the 14.20s, overall another robust performance from the local unit, although activity levels on the day were relatively limited. By the time of the local close, the rand was trading at 14.1675. The release of the FOMC minutes, in New York time, again showed a hawkish bias. The rand traded weaker and has currently touched a high print of 14.2725. The EURZAR is currently trading at 16.4105, and the GBPZAR is currently trading at 18.6970.
- On the international front, the EURUSD was confined to a trading range between 1.1522 and 1.1580 on the day, closing the day trading towards the lower end of this range. On the back of the aforementioned US data, the euro has traded to its current level of 1.1497. Gold continued to hold above the 1,220.00 level, closing the day trading at 1,226.60. This morning, it is marginally off at 1,222.50.
- Data releases scheduled for today: locally, we have mining production; nothing from Europe; from the UK, we have retail sales; and from the US, we have jobless claims, Philly Fed business outlook and leading index data.
- As suggested, the markets were somewhat cautious ahead of the FOMC. The minutes confirmed previous comments that US rates could go beyond normalisation. This saw the dollar recover across the board, although the extent of the move in the rand has thus far been limited. However, it has breached back above the technically significant level of 14.2000.
- Possible trading range for the rand today: 14.1500 to 14.4500

Majors	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	USD trend
GBPUSD	1,31	-0,41	0,44	-3,15	-0,78	↑	USD weakness
EURUSD	1,15	-0,30	-0,96	-4,26	-2,49	↓	USD strength
USDJPY	112,50	0,18	-1,07	0,17	-0,33	↓	USD weakness
USDAUD	1,40	-0,01	1,37	9,55	10,05	↑	USD strength

Rand crosses	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	ZAR trend
USDZAR	14,27	1,02	0,88	13,21	4,92	↑	ZAR weakness
GBPZAR	18,67	0,62	1,30	10,45	4,18	↑	ZAR weakness
EURZAR	16,40	0,72	-0,11	9,40	2,49	↓	ZAR strength
AUDZAR	10,17	1,04	-0,51	4,95	-4,64	↓	ZAR strength
ZARJPY	7,89	-0,82	-1,95	-14,47	-5,50	↓	ZAR weakness

African FX	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	ZAR trend
ZARMWK (Malawian kwacha)	51,06	-0,97	-0,48	-14,77	-4,72	↓	ZAR weakness
ZARBWP (Botswana pula)	0,74	-0,81	-0,30	-6,48	-2,23	↓	ZAR weakness
ZARKES (Kenyan shilling)	7,08	-1,04	-0,72	-17,80	-7,72	↓	ZAR weakness
ZARMUR (Mauritian rupee)	2,41	-1,08	-0,44	-12,98	-3,80	↓	ZAR weakness
ZARNGN (Nigerian naira)	25,44	-1,02	-1,13	-14,20	-4,30	↓	ZAR weakness
ZARGHS (Ghanian cedi)	0,34	-1,18	-3,48	-7,91	4,66	↓	ZAR weakness
ZARZMW (Zambian kwacha)	0,83	-2,73	-1,83	3,31	13,92	↓	ZAR weakness
ZARMZN (Mozambican metical)	4,24	-1,00	-1,28	-11,76	-6,35	↓	ZAR weakness

Emerging Market FX	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	USD trend
USDBRL (Brazilian Real)	3,69	-1,01	-9,85	10,16	14,28	↓	USD weakness
USDTRY (Turkish Lira)	5,60	0,65	-8,09	32,21	34,44	↓	USD weakness
USDMXN (Mexican Peso)	18,90	0,37	0,95	-4,03	0,08	↑	USD strength
USDINR (Indian Rupee)	73,61	0,18	1,52	13,22	11,66	↑	USD strength
USD RUB (Russian Ruble)	65,58	0,33	0,04	12,03	12,40	↑	USD strength

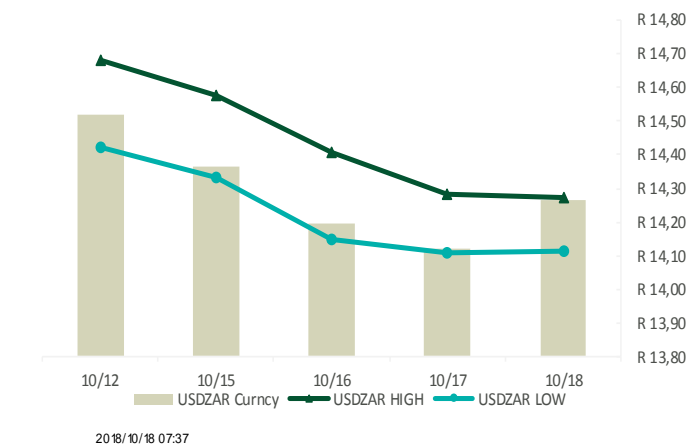
Source: Bloomberg & Nedbank CIB

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*Please note that the sign on the % change reflects the change on the headline number. The narrative indicates the trend direction over the month. For trade in any of these currencies, contact our FX dealing desks

USDZAR

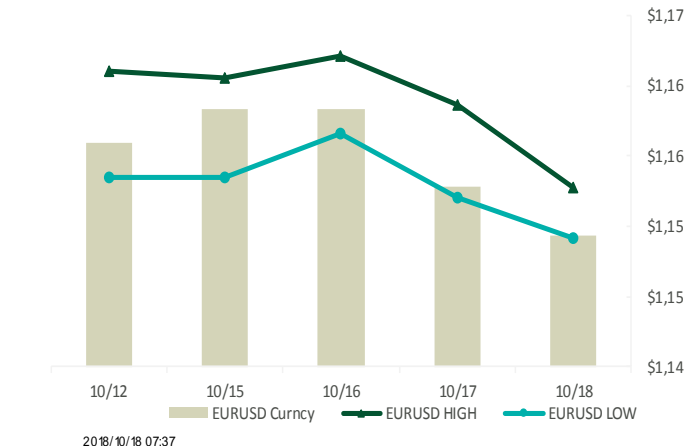
\$/R (close, high and low)



Source: Bloomberg, Nedbank

EUR/USD

€/€ (close, high and low)



Source: Bloomberg, Nedbank

- Oil prices edged up, steadying after a big drop overnight due to a jump in U.S. crude stockpiles and supported by ongoing tensions over the death of a prominent Saudi journalist. U.S. crude stocks rose 6.5 million barrels last week, the fourth straight weekly build, almost triple what analysts had forecast.
- Gold prices held steady early Thursday, after dipping in the previous session on a firmer dollar after minutes of the Federal Reserve's September meeting reinforced expectations of a tighter U.S. monetary policy. Bullion for immediately delivery +0.1% to \$1,222.88, Silver +0.1%, Platinum -0.1%, Palladium flat. Zinc halts two-days of gains, with metals trading lower, hurt by rising dollar and China growth concerns.

Source: Bloomberg

Commodities	Last price	%Δ				MTD trend
		-1d	MTD	YTD	12Month	
Brent near future (\$)	80,08	0,04	-3,19	19,75	37,71	↓
WTI crude (\$)	69,80	0,07	-4,71	15,52	34,13	↓
Gold spot (\$)	1 222,67	-0,16	2,53	-6,15	-4,57	↑
Platinum spot (\$)	831,30	-0,63	1,88	-10,44	-9,70	↑
SA white maize spot (R)	2 416,00	0,29	1,98	27,16	26,10	↑

Source: Bloomberg & Nedbank CIB
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SA white maize

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



Source: Bloomberg, Nedbank

Platinum vs Gold

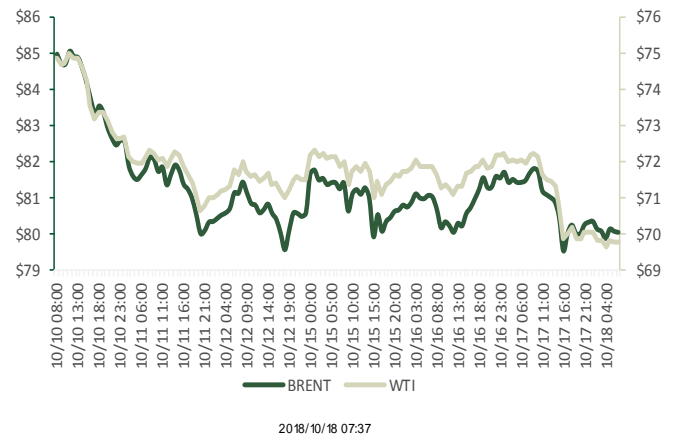
Platinum vs. Gold



Source: Bloomberg, Nedbank

Brent Crude vs West Texas Intermediate

Brent Crude vs West Texas Intermediate



Source: Bloomberg, Nedbank

Cash equities | +2711 535 4030/31

South Africa

- The relief rally was short-lived, with the Top40 losing 1.8% and the All Share falling 1.6%.
- Losses were broad-based, with only a handful of stocks closing in the black.
- Mediclinic International plunged over 16% on the back of a trading update, indicating that the company expects earnings for the six months to September 2018 to be around 11% lower.
- The value traded was R21.4bn, and the rand was at 14.10 to the dollar.

UK/Europe

- European markets traded cautiously as the European Union Summit kicked off and investors waited for developments on Brexit.
- The FTSE closed less than a tenth of a percent lower. British American Tobacco earned back some of its recent losses, gaining 3.3%.
- The DAX and CAC both lost half a percent. Fresenius Medical Care tanked 16% after guiding lower revenue for 2018.

USA

- US markets experienced choppy trading, eventually closing marginally lower.
- The Dow led the declines, falling four-tenths of a percent, while the S&P and Nasdaq both lost less than a tenth of a percent.
- Investors reacted to a combination of mixed earnings and the minutes of the Federal Reserve's September meeting, which showed that the Fed favours a gradual approach to increasing interest rates.
- Financials were among the top performers, with Goldman Sachs up close to 3%.

Asia

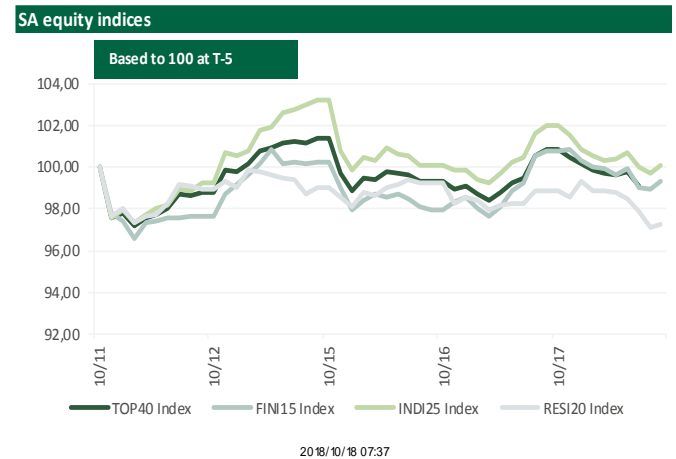
- Asian markets are trading mostly lower this morning.
- At the time of writing, the Nikkei was down half a percent, despite a weaker yen as the Fed minutes released overnight once again shifted the emphasis to interest rates.
- The Hang Seng was flat, with investors playing catch-up after Wednesday's holiday.
- The Shanghai Composite plunged 1.7% as share-pledging risks gained momentum.

Developed Markets	Last price	%Δ				2017 Performance	MTD trend
		-1d	MTD	YTD	12Month		
Dow Jones	25 706,68	-0,36	-2,84	3,99	11,01	24,33	↓
Nasdaq	7 642,70	-0,04	-5,02	10,71	15,38	27,16	↓
S&P 500	2 809,21	-0,03	-3,60	5,07	9,68	18,42	↓
DJ Eurostoxx 50	3 243,08	-0,44	-4,59	-7,45	-10,40	5,70	↓
DAX	11 715,03	-0,52	-4,34	-9,31	-10,18	11,51	↓
CAC	5 144,95	-0,54	-6,34	-3,15	-4,44	8,43	↓
FTSE	7 054,60	-0,07	-6,07	-8,24	-6,47	7,10	↓
ASX200	5 942,40	0,06	-4,27	-2,02	0,88	6,42	↓
Nikkei 225	22 667,60	-0,76	-6,02	-0,43	6,11	16,18	↓
MSCI World	2 089,50	-0,08	-4,33	-0,66	2,91	19,65	↓
Emerging Markets	Last price	%Δ				2017 Performance	MTD trend
	-1d	MTD	YTD	12Month			
Hang Seng	25 394,63	-0,27	-8,61	-15,12	-11,51	35,19	↓
Shanghai	2 510,95	-1,98	-11,00	-24,08	-25,75	5,46	↓
Brazil Bovespa	85 763,95	0,05	8,09	12,25	11,98	28,22	↑
India - NSE	34 779,58	-1,09	-4,00	2,12	6,74	27,91	↓
Russia Micex	2 411,42	-0,24	-2,58	14,30	15,14	-7,69	↓
MSCI Emerging	983,71	-0,10	-6,13	-15,08	-12,71	34,35	↓
SA Indices	Last price	%Δ				2017 Performance	MTD trend
	-1d	MTD	YTD	12Month			
JSE All Share	52 391,02	-1,60	-5,96	-11,95	-9,91	17,47	↓
Top 40	46 163,87	-1,79	-6,78	-12,12	-10,79	19,66	↓
Resi 10	41 301,48	-1,65	-4,40	13,80	14,41	13,03	↓
Indi 25	63 380,95	-1,87	-7,69	-19,86	-20,70	23,03	↓
Fini 15	15 539,30	-1,45	-6,25	-13,06	-1,56	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
23 October 2018		
BCF	Bowler Metcalf Ltd	dividend @ 21.54cps
COM	Comair Limited	dividend @ 17cps
CSP500	CoreShares SP500	dividend @ 21.9338cps
GLPROP	CoreShares Global Prop	dividend @ 70.264890cps
IBLUSD	IBL USDZAR Oct46	dividend @ 2600.6040cps
IMRP5	IM Redeemable Pref Jul23	dividend @ 52.516590cps
NTCP	Netcare Limited Pref	dividend @ 413.630140cps

Source: JSE

JSE PERFORMANCE

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Top40 constituents	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	2017 Performance	MTD trend
ABG : Absa Group Ltd	146,76	-1,87	-3,37	-19,36	-0,16	7,05	↓
AGL : Anglo American Plc	310,82	-1,60	-2,80	21,59	21,57	29,43	↓
ANG : Anglogold Ashanti Ltd	139,19	-2,70	13,72	8,22	11,80	-14,78	↑
APN : Aspen Pharmacare Holdings Lt	158,66	-6,23	-6,33	-42,83	-50,46	-1,62	↓
BID : Bid Corp Ltd	276,26	-0,21	-6,33	-8,22	-11,03	20,93	↓
BIL : Bhp Billiton Plc	291,65	-2,20	-5,74	16,40	16,66	11,95	↓
BTI : British American Tobacco Plc	615,50	2,19	-7,82	-25,80	-29,25	6,38	↓
BVT : Bidvest Group Ltd	189,13	-2,07	2,23	-13,28	7,75	21,18	↑
CFR : Financiere Richemont-Dep Rec	103,33	-1,72	-10,98	-7,53	-16,13	24,15	↓
CLS : Clicks Group Ltd	158,06	1,00	-9,68	-12,74	-0,60	54,21	↓
CPI : Capitec Bank Holdings Ltd	975,16	-1,24	-4,79	-11,18	4,76	58,44	↓
DSY : Discovery Ltd	150,64	-2,81	-11,39	-19,01	2,58	61,26	↓
FSR : Firstrand Ltd	61,58	-3,33	-9,27	-8,43	16,19	25,00	↓
GRT : Growthpoint Properties Ltd	23,84	0,34	2,63	-13,81	-6,36	6,59	↑
INL : Investec Ltd	90,05	-0,96	-9,52	0,37	-10,00	-1,57	↓
INP : Investec Plc	90,42	-0,70	-9,35	0,74	-9,81	-1,52	↓
LHC : Life Healthcare Group Holdin	23,86	-2,33	-2,85	-14,02	-9,28	-9,23	↓
MEI : Mediclinic International Plc	73,96	-16,90	-6,97	-30,48	-35,13	-18,17	↓
MND : Mondi Ltd	347,88	-0,19	-10,46	13,59	6,16	14,66	↓
MNP : Mondi Plc	345,22	-0,30	-11,17	13,04	5,55	14,14	↓
MRP : Mr Price Group Ltd	230,15	-2,43	0,83	-6,01	24,00	53,52	↑
MTN : Mtn Group Ltd	84,21	-1,74	-3,85	-38,35	-33,69	5,08	↓
NED : Nedbank Group Ltd	236,00	-2,04	-10,82	-7,85	7,51	6,16	↓
NPN : Naspers Ltd-N Shs	2 757,15	-2,26	-9,65	-20,11	-15,68	69,72	↓
NRP : Nepi Rockcastle Plc	126,51	-1,20	-1,58	-40,76	-34,48		↓
NTC : Netcare Ltd	23,86	-2,33	-1,45	-5,13	-5,65	-20,66	↓
OMU : Old Mutual Ltd	22,84	-0,04	4,12				↑
RDF : Redefine Properties Ltd	9,68	-0,41	-3,39	-9,53	-11,27	-6,96	↓
REM : Remgro Ltd	188,02	-2,78	-4,68	-20,33	-15,87	4,19	↓
RMH : Rmb Holdings Ltd	69,33	-3,18	-12,41	-12,43	7,61	18,13	↓
RNI : Reinet Investments Sca	237,00	-0,13	-9,92	-13,50			↓
SAP : Sappi Limited	80,45	-0,19	-9,35	-10,11	-14,23	0,56	↓
SBK : Standard Bank Group Ltd	163,80	-1,77	-6,40	-16,28	-4,21	28,22	↓
SHP : Shoprite Holdings Ltd	184,34	-2,57	-3,81	-16,66	-14,24	27,89	↓
SLM : Sanlam Ltd	72,24	-0,08	-8,68	-16,97	-0,21	36,30	↓
SOL : Sasol Ltd	519,80	-1,60	-5,06	21,40	32,65	5,32	↓
SPP : Spar Group Limited/The	172,57	-1,33	-6,28	-15,13	-1,69	2,82	↓
TBS : Tiger Brands Ltd	260,46	0,18	-1,72	-43,38	-34,27	16,65	↓
TFG : The Foschini Group Ltd	163,90	-2,91	-5,46	-16,94	16,37	24,11	↓
TRU : Truworths International Ltd	80,55	-1,77	-3,53	-14,73	3,08	17,70	↓
VOD : Vodacom Group Ltd	124,26	0,96	-1,33	-14,70	-20,30	-3,27	↓
WHL : Woolworths Holdings Ltd	48,34	-2,54	-2,54	-25,98	-19,37	-9,09	↓

Source: Bloomberg & Nedbank CIB

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US

- Housing starts contracted by 5.3% month-on-month in September, from 7.1% growth in August, better than consensus of -5.6%. Building permits contracted by 0.6% over the month, after the 4.1% decline in August. Both single and multi-family home starts declined, while multi-family home permits declined. The number of homes under construction continued to rise, despite completions declining. Overall, the housing market remains supported by the ongoing labour market recovery and healthy consumer demand.
- FOMC meeting minutes reflected the continued hawkish rhetoric of policymakers, with rising debate within the Fed about the pace of interest rate hikes, eventually policymakers agreed that rates should rise above its neutral rate temporarily over the long run. The Fed expects a gradual pace of hikes over the medium term. The Fed sees on-going economic growth over the medium term, and inflation likely to remain close to the 2% target level as well. Hence the confidence among Fed policymakers that it can keep raising rates gradually.

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. Markets are also pricing in a further rate hike in December, but this will be dependent on growth and inflation in the interim. If economic data starts to surprise to the downside, then we could see the Fed temper its hawkishness.

UK

- UK CPI eased to 2.4% year-on-year in September, from 2.7% in August, better than consensus of 2.4%. A sharp drop in food and beverage costs, a decline in clothing and footwear and miscellaneous prices, and price inflation of household contents and recreation goods easing. Lower food, fuel and services inflation were the major drivers of the fall in headline CPI.
- PPI rose 10.3% year-on-year in September, from 9.4% growth in August, worse than consensus of 9.2%. Higher costs of raw materials, fuel, food and beverage costs pushed up input prices, which may filter into consumer prices, keeping headline CPI elevated for some time.

Synopsis: The BOE remains cognisant of inflation above its target, and trade tensions and Brexit negotiations weighing on sentiment and growth. The BOE remains hawkish. 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.

Europe

- Eurozone CPI rose to 2.1% year-on-year in September, from 2% in August, in line with consensus. Higher prices of food, alcohol, tobacco and energy were key drivers of higher inflation in September. Core inflation however, remained unchanged at 0.9% year-on-year.
- The pick-up in German inflation in September was a key regional driver of headline CPI. Inflation rates in Spain and Greece also rose.
- Underlying inflationary pressures remain weak with core well below ECB target, which indicates that headline inflation is being driven by energy and services inflation predominantly.

Synopsis: The ECB seems committed to ending its asset purchase programme at the end of the year and have sounded more upbeat on inflation and growth recently. However regional tensions combined with global trade war fears does threaten to hamper economic activity. As a result, the ECB has committed to continue reinvesting proceeds from maturing bonds, while still promising unchanged interest rates until at least 3Q19.

Japan

- The Japanese trade deficit widened to ¥239 billion in September, from ¥191 billion previously, better than consensus of ¥333 billion.
- The 1.2% year-on-year decline in exports drove the wider trade deficit, while imports continue to rise, by 7% year-on-year in September. Reports indicate that natural disasters and inclement weather were key reasons for the slump in exports, which could recover in subsequent months.
- Exports to China contracted, along with exports to the US and Europe – the key trading partners of Japan.
- Any escalation in global trade tensions may hamper trade in Japan, particularly as Japan is a major exporter.

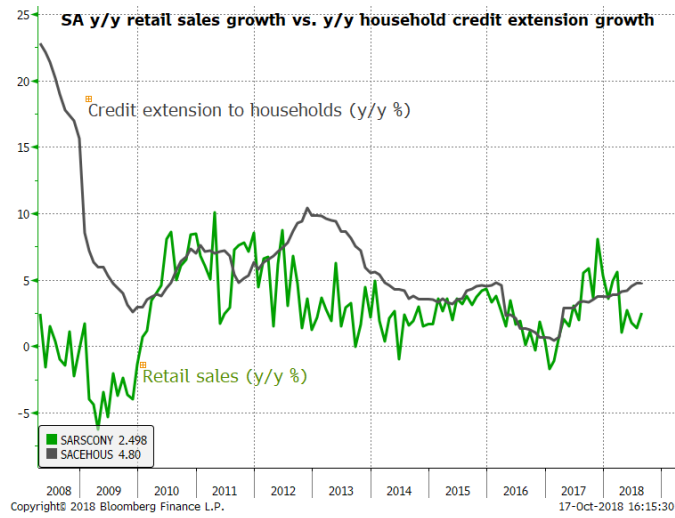
Synopsis: Japan continues to battle with low inflation and disappointing economic growth and would likely keep monetary policy unchanged and loose for some time. The tighter labour market has not aided wage growth enough to impact inflation – inflation is likely to remain well below the BOJ target over the medium term, warranting loose monetary policy. Despite recent adjustments to the range in which it commits to buy bonds, policy remains loose.

SA

- SA Retail sales growth surprised on the upside in August, with sales growth of 2.5% year-on-year, from 1.4% in July, better than consensus of -0.1%. For the three months to August, we have seen retail activity expand by 0.5%, implying that household consumption could contribute positively towards third-quarter growth. Consumer spending makes up more than 60% of SA GDP growth.

Synopsis: Retail sales was driven by general dealers, household furniture and appliances, and textiles, clothing and footwear. Sales of food and beverages recovered somewhat in August. Retail activity is likely to pick up some pace in Q4, with Black Friday sales and the peak consumption season in December. We believe that while households still remain fairly constrained by falling disposable income growth and rising prices, that the very low base effects from H1 may be a catalyst for some improvement in 2H18.

SA retail sales starts to recover in August, pace likely to quicken in Q4



Source: Bloomberg, Nedbank

ECONOMIC CALENDAR

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Nedbank CIB Market Commentary | CIBMarketComm@Nedbank.co.za | +27 11 537 4091

	Country	Event	Period	Survey	Actual	Prior	Revised
17-October							
10:02 AM	CH	Money Supply M2 YoY	FEB	8,30%	8,30%	8,20%	-
10:02 AM	CH	New Yuan Loans CNY	FEB	CNY 1359b	CNY 1380b	CNY 1280b	-
10:30 AM	UK	CPI YoY	SEP	2,60%	2,40%	2,70%	-
10:30 AM	UK	PPI Input NSA YoY	SEP	9,20%	10,30%	8,70%	9,40%
11:00 AM	EC	CPI Core YoY	SEP F	0,90%	0,90%	0,90%	-
11:00 AM	EC	CPI YoY	SEP F	2,10%	2,10%	2,00%	-
01:00 PM	US	MBA Mortgage Applications	FEB 23	-	-7,10%	-1,70%	-
01:00 PM	SA	Retail Sales Constant YoY	AUG	-0,10%	2,50%	1,30%	1,40%
02:30 PM	US	Building Permits	SEP	1275k	1241k	1229k	1249k
02:30 PM	US	Building Permits MoM	SEP	2,04%	-0,60%	-5,70%	-4,10%
02:30 PM	US	Housing Starts	SEP	1210k	1201k	1282k	1268k
02:30 PM	US	Housing Starts MoM	SEP	-5,62%	-5,30%	9,20%	7,10%
08:00 PM	US	FOMC Meeting Minutes	SEP 26	-	0	-	-
18-October							
01:50 AM	JN	Exports YoY	SEP	2,10%	-1,20%	6,60%	-
01:50 AM	JN	Imports YoY	SEP	13,70%	7,00%	15,40%	-
01:50 AM	JN	Trade Balance Adjusted	SEP	JPY -333,4b	JPY -238,9b	JPY -190,4b	JPY -191,0b
08:00 AM	GE	Wholesale Price Index YoY	SEP	-	-	3,80%	-
10:30 AM	UK	Retail Sales Inc Auto Fuel YoY	SEP	3,60%	-	3,30%	-
11:30 AM	SA	Mining Production YoY	AUG	-4,00%	-	-5,20%	-
11:30 AM	SA	Gold Production YoY	AUG	-	-	-15,00%	-
11:30 AM	SA	Platinum Production YoY	AUG	-	-	-6,20%	-
02:30 PM	US	Philadelphia Fed Business Outlook	OCT	20,0	-	22,9	-
04:00 PM	US	Leading Index	SEP	0,50%	-	0,40%	-
19-October							
01:30 AM	JN	Natl CPI YoY	SEP	1,30%	-	1,30%	-
04:00 AM	CH	Industrial Production YoY	SEP	6,00%	-	6,10%	-
04:00 AM	CH	Retail Sales YoY	SEP	9,00%	-	9,00%	-
04:00 AM	CH	GDP SA QoQ	3Q	1,60%	-	1,80%	-
04:00 AM	CH	GDP YoY	3Q	6,60%	-	6,70%	-
10:00 AM	EC	ECB Current Account SA	AUG	-	-	EUR 21,3b	-
10:30 AM	UK	PSNB ex Banking Groups	SEP	GBP 4,5b	-	GBP 6,8b	-
04:00 PM	US	Existing Home Sales	SEP	5,29m	-	5,34m	-
04:00 PM	US	Existing Home Sales MoM	SEP	-0,94%	-	0,00%	-
22-October							
11:00 AM	EC	Govt Debt/GDP Ratio	2017	-	-	86,70%	-
02:30 PM	US	Chicago Fed Nat Activity Index	SEP	-	-	0,18	-

Source: Bloomberg 2018/10/18 07:35

CONTACTS

Research Analyst Reezwana Sumad (011) 537 4091	Fixed Income and Currency Strategist Walter de Wet (011) 537 4140	Research Publishers (011) 294 0206
ALM Portfolio Management (011) 535 4042	Bond Trading (011) 535 4021	Credit Derivatives (011) 535 4047
Equities Sales and Distribution (011) 535 4030/31	Forex Business Banking Sales Desk (011) 535 4003	Forex Corporate Sales Desk JHB (011) 535 4002; DBN (031) 327 3000; CTN (021) 413 9300
Forex Institutional Sales Desk (011) 535 4005	Forex Retail Sales Desk (011) 535 4020	Inflation Trading (011) 535 4026
Interest Rate Swaps & FRA's Trading (011) 535 4004	Money Market Business Banking Sales Desk (011) 535 4006	Money Market Corporate Sales Desk JHB (011) 535 4007; DBN (031) 327 3000; CTN (021) 413 9300
Money Market Institutional Sales Desk (011) 535 4008	Non Soft & Soft Commodities Trading (011) 535 4038	Preference shares desk (011) 535 4072

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