

DAILY MARKET COMMENTARY

25 October 2018



[Fixed Income and Interest Rates](#) | [Currencies](#) | [Commodities](#) | [Equities](#) | [LDT](#) | [JSE performance](#) | [Economics](#) | [*Foreign flows](#) | [Economic calendar](#) | [#Contacts](#)

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(* when available)*

KEY DAILY DRIVERS

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SNIPPETS

| | |
|----------------|---|
| (Fixed Income) | After torrid MTBPS, SAGB yields sharply higher while rand has sold off |
| (Currencies) | The rand firmly on the back foot after the MTBPS |
| (Commodities) | Gold continues higher, with the oil price sharply lower |
| (Equities) | A pessimistic outlook on the global economy and weak earnings out of the US weighed on investor sentiment |
| (Economics) | SA CPI remains unchanged in September, MTBPS dismal |

KEY OVERNIGHT FACTORS AND UPCOMING EVENTS THIS WEEK

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| Date | Region | Event | Actual/expected/prior | Implications |
|-------|--------|-------------------|-----------------------|---|
| 24/10 | SA | CPI | 4.9%/4.9%/4.9% | SA CPI unchanged as transport inflation eased but food inflation rose |
| 24/10 | SA | MTBPS | -- | More details can be found in our report |
| 25/10 | EZ | Interest decision | rate --/0%/0% | Interest rate unlikely to change however hawkish tone expected to persist |
| 25/10 | SA | PPI | --/6.2%/6.3% | PPI expected to ease on the back of petrol inflation |

Source: Nedbank

CONTACT FOR QUERIES

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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 | 6,08 | -1,95 | -24,45 | -98,25 | -142,65 | ↓ |
| R208-2,4 yrs | 7,89 | 0,65 | 0,55 | 33,25 | -13,05 | ↑ |
| R186-8,2 yrs | 9,32 | 1,30 | 32,70 | 72,60 | 16,90 | ↑ |
| R2048-29,3 yrs | 10,20 | -0,05 | 28,75 | 48,75 | -0,55 | ↑ |
| US10 yr | 3,11 | 0,19 | 4,42 | 70,00 | 67,38 | ↑ |
| UK 10 yr | 1,46 | -1,20 | -11,60 | 26,70 | 10,00 | ↓ |
| German 10 yr | 0,40 | -1,30 | -7,40 | -3,10 | -8,00 | ↓ |
| Japan 10 yr | 0,11 | -2,50 | -2,00 | 6,20 | 4,00 | ↓ |

| 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 | 0,00 | 0,00 | 20,00 | -20,00 | → |
| SA 3m JIBAR | 7,03 | 0,00 | 2,50 | -13,30 | 0,00 | ↑ |
| SA 3m NCD | 6,95 | -7,50 | 0,00 | -20,00 | -5,00 | → |
| SA 6m NCD | 7,65 | 0,00 | 7,50 | 5,00 | 22,50 | ↑ |
| SA 12m NCD | 8,33 | 0,00 | 2,50 | 42,50 | 42,50 | ↑ |
| US3m LIBOR | 2,51 | 1,81 | 10,96 | 81,37 | 113,74 | ↑ |
| UK 3m LIBOR | 0,81 | 0,37 | 0,78 | 28,70 | 40,38 | ↑ |
| Japan 3m LIBOR | -0,09 | 0,45 | -3,50 | -6,57 | -5,50 | ↓ |

Source: Bloomberg & Nedbank CIB

Time 2018/10/25 07:27

| FRAs and Swaps | Last price | Δ 1d | Δ MTD | Δ YTD | Δ 12Month | MTD trend |
|----------------|------------|-------|-------|-------|-----------|-----------|
| | % | bps | bps | bps | bps | |
| 3X6 FRA | 7,28 | -2,00 | 12,00 | 39,00 | 23,00 | ↑ |
| 6X9 FRA | 7,43 | 0,00 | 4,00 | 3,00 | 4,00 | ↑ |
| 9X12 FRA | 7,61 | 1,00 | 10,00 | 82,00 | 50,00 | ↑ |
| 18X21 FRA | 7,88 | 2,00 | 6,00 | 90,00 | 54,00 | ↑ |
| SA 2yr Swap | 7,58 | 0,50 | 7,00 | 64,32 | 53,00 | ↑ |
| SA 3yr Swap | 7,78 | 0,00 | 9,00 | 72,50 | 57,50 | ↑ |
| SA 5yr Swap | 8,13 | 0,00 | 14,50 | 79,50 | 40,00 | ↑ |
| SA 10yr Swap | 8,68 | 0,00 | 17,00 | 75,00 | 34,00 | ↑ |
| SA 15yr Swap | 8,94 | 0,00 | 19,50 | 78,00 | 56,50 | ↑ |

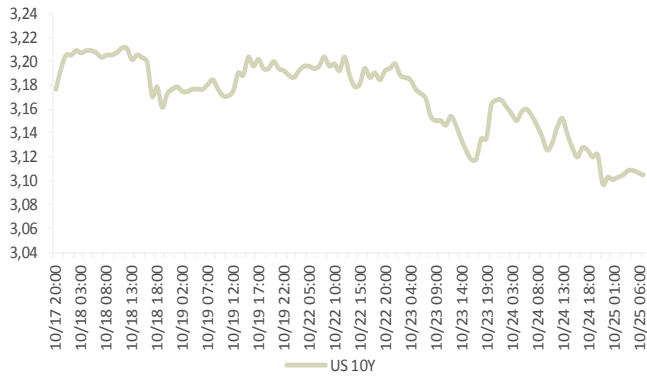
| Spreads | Last price | Δ 1d | Δ MTD | Δ YTD | Δ 12Month | MTD trend |
|----------------------------------|------------|-------|--------|--------|-----------|-----------|
| | % | bps | bps | bps | bps | |
| 2v10y | -1,10 | 0,50 | -10,00 | -10,68 | 19,00 | ↓ |
| 3v10y | -0,90 | 0,00 | -8,00 | -2,50 | 23,50 | ↓ |
| R186-R204 | 3,23 | 3,25 | 57,15 | 170,85 | 159,55 | ↑ |
| R2048-R186 | 0,89 | -1,35 | -3,95 | -23,85 | -17,45 | ↓ |
| 5y-R186 | -1,19 | -1,30 | -18,20 | 6,90 | 23,10 | ↓ |
| 10y-R186 | -0,64 | -1,30 | -15,70 | 2,40 | 17,10 | ↓ |
| 15y-R186 | -0,38 | -1,30 | -13,20 | 5,40 | 39,60 | ↓ |
| SA 5yr CDS spread - basis points | 223,18 | 4,61 | 20,73 | 66,23 | 47,29 | ↑ |

Source: Bloomberg & Nedbank CIB

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US 10 year yield

US 10 year yield

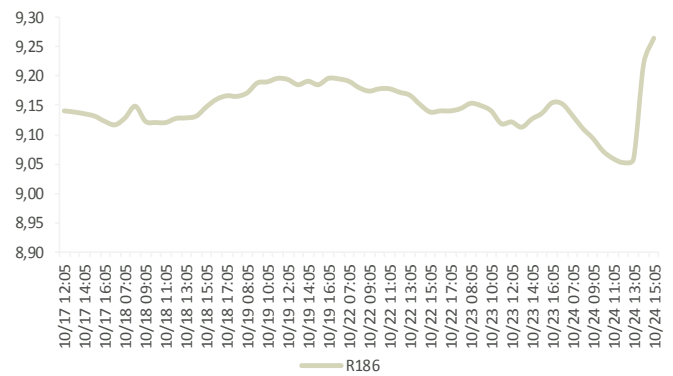


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Source: Bloomberg, Nedbank

SA 10 year yield

SA 10 year yield



2018/10/25 07:27

Source: Bloomberg, Nedbank

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

- Yesterday, the local session got under way with the rand trading around the 14.2400 level. The price suggested that markets were expecting a market-friendly MTBPS, with the local unit managing to trade to a best level of 14.1475 ahead of the event. However, the minister of finance disappointed in spectacular fashion, and the rand traded rapidly weaker as a result, touching a high of 14.5275 by the time of the local close. In the overnight session, the rand traded to a high of 14.6050. This morning, it is trading at 14.5750, the EURZAR is trading at 16.6300 and the GBPZAR at 18.7755.
- International markets saw major currencies largely on the back foot relative to the US dollar, with the EURUSD trading from a high of around 1.1474 to a low print of 1.1378 on the day, trading at around 1.1400 at the time of the local close. This morning, it is trading at 1.1410. Gold held steady at around the 1,232.00 level over the course of the session yesterday. This morning, it has again posted gains to currently trade at 1,237.50.
- Data releases scheduled for today: locally, we have PPI; from Europe, we have German consumer confidence and business climate, and the ECB is meeting. From the US, we have jobless claims, trade, wholesale inventories, durable goods, pending home sales and Kansas FED manufacturing.
- Foreign exchange markets reacted in spectacular fashion as the realities of the South African economy and the current levels of government mismanagement, at every level, manifested in the currency price. With no miracles forthcoming, the rand broke through the technically significant level of 14.50, where it currently trades.
- Possible trading range for the rand today: 14.4500 to 14.7500

| Majors | Last price | %Δ -1d | %Δ MTD | %Δ YTD | %Δ 12Month | MTD trend | USD trend |
|--------|------------|-----------|-----------|-----------|---------------|-----------|--------------|
| GBPUSD | 1,29 | -0,01 | -1,14 | -4,66 | -2,75 | ↓ | USD strength |
| EURUSD | 1,14 | 0,13 | -1,68 | -4,96 | -3,42 | ↓ | USD strength |
| USDJPY | 112,03 | -0,47 | -1,49 | 0,59 | -1,41 | ↓ | USD weakness |
| USDAUD | 1,41 | -0,08 | 2,09 | 10,34 | 8,83 | ↑ | USD strength |

| Rand crosses | Last price | %Δ -1d | %Δ MTD | %Δ YTD | %Δ 12Month | MTD trend | ZAR trend |
|--------------|------------|-----------|-----------|-----------|---------------|-----------|--------------|
| USDZAR | 14,58 | 0,51 | 2,97 | 15,04 | 3,37 | ↑ | ZAR weakness |
| GBPZAR | 18,78 | 0,49 | 1,84 | 10,94 | 0,65 | ↑ | ZAR weakness |
| EURZAR | 16,63 | 0,65 | 1,30 | 10,67 | -0,04 | ↑ | ZAR weakness |
| AUDZAR | 10,31 | 0,59 | 0,91 | 6,29 | -5,16 | ↑ | ZAR weakness |
| ZARJPY | 7,69 | -0,96 | -4,60 | -17,44 | -4,93 | ↓ | ZAR weakness |

| African FX | Last price | %Δ -1d | %Δ MTD | %Δ YTD | %Δ 12Month | MTD trend | ZAR trend |
|-----------------------------|------------|-----------|-----------|-----------|---------------|-----------|--------------|
| ZARMWK (Malawian kwacha) | 50,01 | -0,47 | -2,59 | -17,18 | -3,01 | ↓ | ZAR weakness |
| ZARBWP (Botswana pula) | 0,74 | -0,83 | -1,48 | -7,74 | -1,05 | ↓ | ZAR weakness |
| ZARKES (Kenyan shilling) | 6,95 | -0,51 | -2,63 | -20,03 | -5,96 | ↓ | ZAR weakness |
| ZARMUR (Mauritian rupee) | 2,37 | -0,73 | -2,39 | -15,18 | -1,92 | ↓ | ZAR weakness |
| ZARNGN (Nigerian naira) | 24,95 | -0,51 | -3,12 | -16,45 | -2,58 | ↓ | ZAR weakness |
| ZARGHS (Ghanian cedi) | 0,33 | -1,00 | -5,83 | -10,36 | 6,16 | ↓ | ZAR weakness |
| ZARZMW (Zambian kwacha) | 0,80 | -0,91 | -5,80 | -0,46 | 12,07 | ↓ | ZAR weakness |
| ZARMZN (Mozambican metical) | 4,16 | -0,50 | -3,01 | -13,67 | -3,66 | ↓ | ZAR weakness |

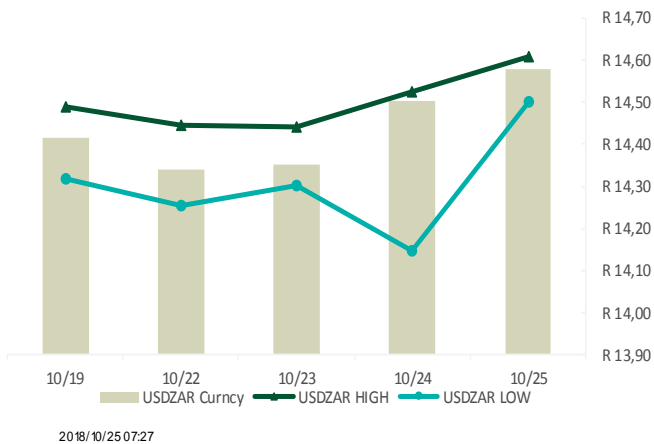
| Emerging Market FX | Last price | %Δ -1d | %Δ MTD | %Δ YTD | %Δ 12Month | MTD trend | USD trend |
|-------------------------|------------|-----------|-----------|-----------|---------------|-----------|--------------|
| USDBRL (Brazilian Real) | 3,73 | 1,03 | -8,50 | 11,27 | 13,01 | ↓ | USD weakness |
| USDTRY (Turkish Lira) | 5,72 | 0,74 | -5,87 | 33,60 | 34,54 | ↓ | USD weakness |
| USDMXN (Mexican Peso) | 19,58 | 0,42 | 4,40 | -0,40 | 2,65 | ↑ | USD strength |
| USDINR (Indian Rupee) | 73,29 | 0,19 | 1,10 | 12,85 | 11,46 | ↑ | USD strength |
| USD RUB (Russian Ruble) | 65,59 | 0,33 | 0,06 | 12,05 | 11,98 | ↑ | USD strength |

Source: Bloomberg & Nedbank CIB
Time: 2018/10/25 07:27

*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

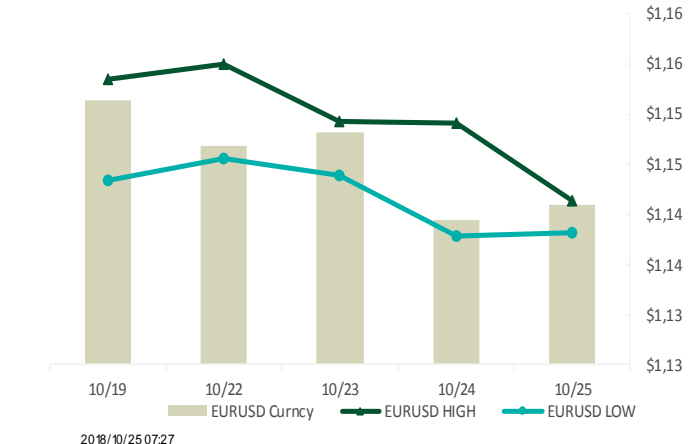
\$/R (close, high and low)



Source: Bloomberg, Nedbank

EUR/USD

€/€ (close, high and low)



Source: Bloomberg, Nedbank

- Oil fell close to the lowest level in two months as the sell-off in U.S. stocks deepened and as American crude inventories rose more than expected. Gold traded near a three-month high as investors sought havens amid a sell-off in equities that wiped out this year's gains for U.S. stocks and is spreading to Asia. Bullion for immediate delivery +0.3% to \$1,237.07/oz, Silver +0.3%, Platinum +0.2%, Palladium -0.7%. Copper tumbles for third day as an equity rout spreads from U.S. to Asia, reducing risk appetite and boosting concern over global demand. The LME Metals Index closed at lowest since Sept. 27 Wednesday.

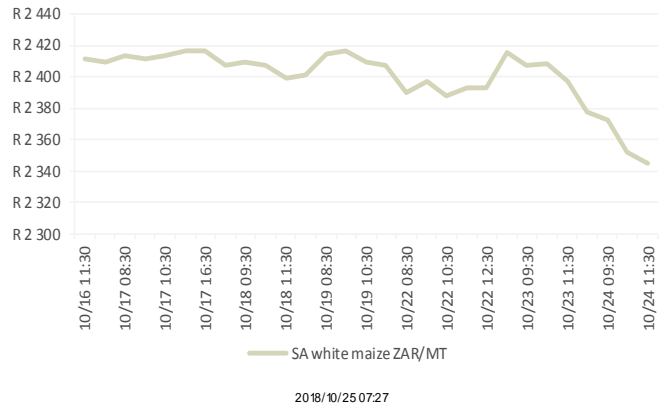
Source: Bloomberg

| Commodities | Last price | %Δ | | | | MTD trend |
|-------------------------|------------|-------|-------|--------|---------|-----------|
| | | -1d | MTD | YTD | 12Month | |
| Brent near future (\$) | 75,60 | -0,75 | -8,61 | 13,06 | 29,36 | ↓ |
| WTI crude (\$) | 66,20 | -0,93 | -9,62 | 9,57 | 26,87 | ↓ |
| Gold spot (\$) | 1236,90 | 0,74 | 3,72 | -5,06 | -3,24 | ↑ |
| Platinum spot (\$) | 831,72 | 0,28 | 1,93 | -10,40 | -9,95 | ↑ |
| SA white maize spot (R) | 2345,00 | -2,17 | -1,01 | 23,42 | 18,73 | ↓ |

Source: Bloomberg & Nedbank CIB
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SA white maize

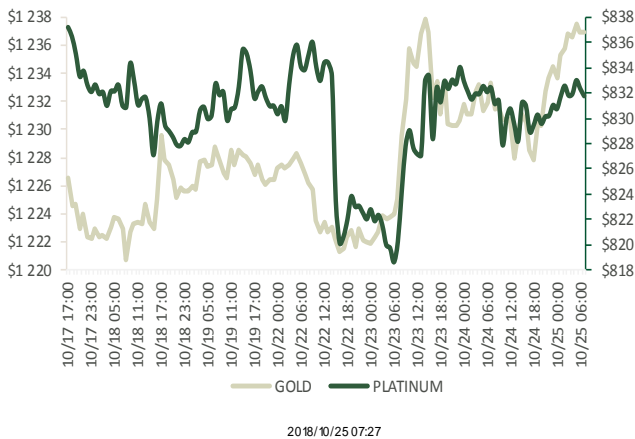
SA White maize (ZAR/MT) - 30 day chart



Source: Bloomberg, Nedbank

Platinum vs Gold

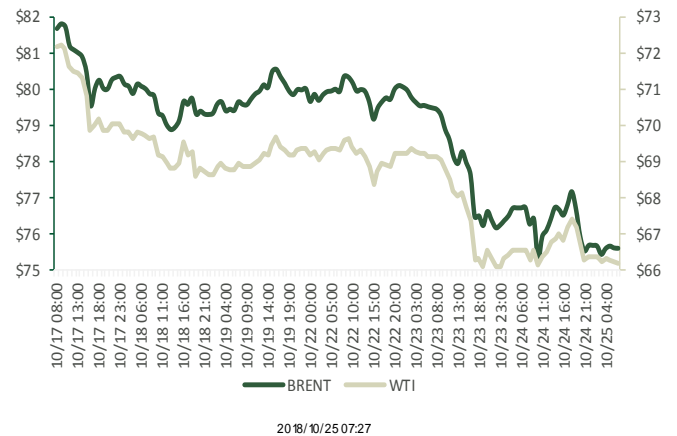
Platinum vs. Gold



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 JSE closed lower, with the All Share losing six-tenths of a percent and the Top40 falling close to 8 tenths of a percent.
- The rally in financials was offset by weaker industrials, with the Naspers and the Aspen losing 3.9% and 2.5%, respectively.
- Focus was on the medium-term budget statement and the revised growth figure of 0.7% for 2018.
- Data released showed that CPI remained at 4.9% in September.
- Value traded was R2.4bn, and the rand was at R14.46 to the US dollar.

UK/Europe

- A choppy trading session saw European markets giving up gains and ending mixed.
- Data released showed that in October, the Eurozone service sector grew at the slowest pace in two years.
- The FTSE gained a tenth of a percent, while the DAX and CAC fell 7 tenths of a percent and 3 tenths of a percent, respectively.
- Barclays jumped 3% after reporting earnings that showed a strong uptick in trading revenue.

USA

- US markets closed significantly lower as investors reacted to weaker-than-expected company earnings and concerns around future economic growth.
- The DOW dropped 2.4% and 3.0%, respectively, wiping out gains for the year, while the Nasdaq plunged 4.4%.
- Notable movers include Netflix and Goldman Sachs, which fell 9.4% and 4.3%, respectively.
- Today, investors will be waiting for the release of third quarter earnings from Twitter, Alphabet and Amazon, as well as jobless claims and durable-goods data.

Asia

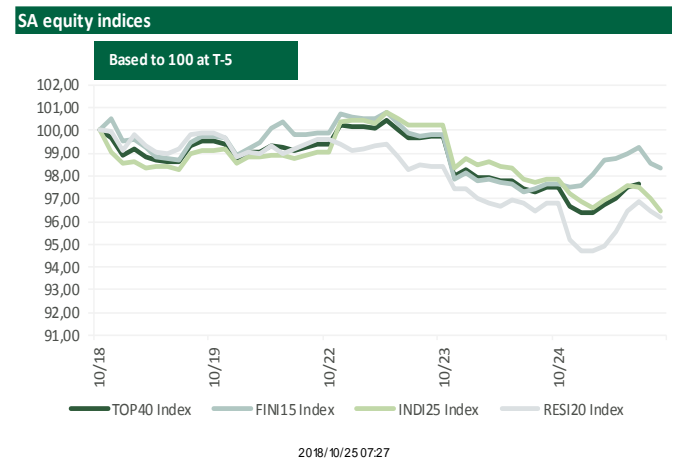
- The overnight sell-off in the US is weighing on Asian markets this morning, with the sentiment growing that corporate profits and growth have peaked.
- At the time of writing, the Nikkei was trading 2.8%. While all sectors were trading lower, technology shares were hit the hardest.
- The Hang Seng was down 1.8%, with Tencent losing 3.0%.
- The Shanghai Composite fell 1.4%, and the ASX dropped 2.0%.

| Developed Markets | Last price | %Δ | %Δ | %Δ | %Δ | 2017 Performance | MTD trend |
|-------------------|------------|-------|---------|--------|---------|------------------|-----------|
| | | -1d | MTD | YTD | 12Month | | |
| Dow Jones | 24 583,42 | -2,41 | -7,09 | -0,55 | 5,38 | 24,33 | ↓ |
| Nasdaq | 7 108,40 | -4,43 | -11,66 | 2,97 | 8,30 | 27,16 | ↓ |
| S&P 500 | 2 656,10 | -3,09 | -8,85 | -0,65 | 3,87 | 18,42 | ↓ |
| DJ Eurostoxx 50 | 3 130,33 | -0,34 | -7,91 | -10,66 | -12,84 | 5,70 | ↓ |
| DAX | 11 191,63 | -0,73 | -8,62 | -13,36 | -13,60 | 11,51 | ↓ |
| CAC | 4 953,09 | -0,29 | -9,84 | -6,77 | -7,85 | 8,43 | ↓ |
| FTSE | 6 962,98 | 0,11 | -7,29 | -9,43 | -6,50 | 7,10 | ↓ |
| ASX200 | 5 664,10 | -2,83 | -8,75 | -6,61 | -4,09 | 6,42 | ↓ |
| Nikkei 225 | 21 296,41 | -3,60 | -11,71 | -6,45 | -1,89 | 16,18 | ↓ |
| MSCI World | 1 988,62 | -2,23 | -8,95 | -5,46 | -1,72 | 19,65 | ↓ |
| Emerging Markets | Last price | %Δ | %Δ | %Δ | %Δ | 2017 Performance | MTD trend |
| -1d | MTD | YTD | 12Month | | | | |
| Hang Seng | 24 753,34 | -1,97 | -10,92 | -17,27 | -12,54 | 35,19 | ↓ |
| Shanghai | 2 564,50 | -1,49 | -9,10 | -22,46 | -24,50 | 5,46 | ↓ |
| Brazil Bovespa | 83 063,56 | -2,62 | 4,69 | 8,72 | 8,34 | 28,22 | ↑ |
| India - NSE | 33 637,05 | -1,17 | -7,15 | -1,23 | 1,80 | 27,91 | ↓ |
| Russia Micex | 2 336,49 | 1,34 | -5,61 | 10,75 | 14,00 | -7,69 | ↓ |
| MSCI Emerging | 953,05 | -0,78 | -9,05 | -17,73 | -14,46 | 34,35 | ↓ |
| SA Indices | Last price | %Δ | %Δ | %Δ | %Δ | 2017 Performance | MTD trend |
| -1d | MTD | YTD | 12Month | | | | |
| JSE All Share | 50 877,34 | -0,57 | -8,67 | -14,50 | -12,47 | 17,47 | ↓ |
| Top 40 | 44 669,76 | -0,75 | -9,80 | -14,97 | -13,86 | 19,66 | ↓ |
| Resi 10 | 39 731,20 | -0,61 | -8,04 | 9,47 | 8,77 | 13,03 | ↓ |
| Indi 25 | 61 146,48 | -1,39 | -10,95 | -22,68 | -23,90 | 23,03 | ↓ |
| Fini 15 | 15 286,23 | 0,77 | -7,78 | -14,47 | -1,07 | 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 |
|------------------------|-------------------------|--|
| 30 October 2018 | | |
| BAWP | Barwold Ltd 6% Pref | dividend @ 6cps |
| DCP | Dis-Chem Pharmacies Ltd | dividend @ 20.696780cps |
| EQU | Equites Prop Fund Ltd | dividend @ 68.116180cps or 3.40581 new per 100 held. |
| KST | PSG Konsult Ltd | dividend @ 7cps |
| NRL | Newpark REIT Ltd | dividend @24.948590cps |
| PHM | Phumelela Game Leisure | dividend @ 632cps |

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 | 142,97 | 1,76 | -5,87 | -21,44 | 1,90 | 7,05 | ↓ |
| AGL : Anglo American Plc | 302,68 | -0,01 | -5,35 | 18,41 | 15,53 | 29,43 | ↓ |
| ANG : Anglogold Ashanti Ltd | 143,90 | -1,27 | 17,57 | 11,88 | 9,30 | -14,78 | ↑ |
| APN : Aspen Pharmacare Holdings Lt | 144,24 | -2,57 | -14,84 | -48,02 | -53,98 | -1,62 | ↓ |
| BID : Bid Corp Ltd | 268,84 | 0,18 | -8,84 | -10,68 | -11,70 | 20,93 | ↓ |
| BIL : Bhp Billiton Plc | 281,36 | -1,25 | -9,07 | 12,30 | 12,41 | 11,95 | ↓ |
| BTI : British American Tobacco Plc | 660,32 | 1,59 | -1,11 | -20,40 | -26,96 | 6,38 | ↓ |
| BVT : Bidvest Group Ltd | 182,94 | 0,79 | -1,11 | -16,12 | 6,67 | 21,18 | ↓ |
| CFR : Financiere Richemont-Dep Rec | 100,69 | -0,06 | -13,25 | -9,90 | -21,03 | 24,15 | ↓ |
| CLS : Clicks Group Ltd | 163,00 | 3,16 | -6,86 | -10,01 | 5,02 | 54,21 | ↓ |
| CPI : Capitec Bank Holdings Ltd | 977,63 | -1,05 | -4,55 | -10,96 | 5,69 | 58,44 | ↓ |
| DSY : Discovery Ltd | 148,13 | 0,01 | -12,86 | -20,36 | 1,91 | 61,26 | ↓ |
| FSR : Firstrand Ltd | 60,85 | 1,70 | -10,34 | -9,52 | 16,57 | 25,00 | ↓ |
| GRT : Growthpoint Properties Ltd | 23,31 | -0,81 | 0,34 | -15,73 | -4,86 | 6,59 | ↑ |
| INL : Investec Ltd | 87,48 | 0,16 | -12,11 | -2,50 | -9,50 | -1,57 | ↓ |
| INP : Investec Plc | 88,40 | 0,87 | -11,38 | -1,52 | -8,82 | -1,52 | ↓ |
| LHC : Life Healthcare Group Holdin | 23,67 | -0,67 | -3,62 | -14,70 | -7,47 | -9,23 | ↓ |
| MEI : Mediclinic International Plc | 65,47 | -1,64 | -17,65 | -38,46 | -40,90 | -18,17 | ↓ |
| MND : Mondi Ltd | 329,00 | 0,12 | -15,32 | 7,43 | 1,63 | 14,66 | ↓ |
| MNP : Mondi Plc | 327,50 | 0,20 | -15,73 | 7,24 | 1,10 | 14,14 | ↓ |
| MRP : Mr Price Group Ltd | 225,47 | 0,96 | -1,22 | -7,92 | 28,49 | 53,52 | ↓ |
| MTN : Mtn Group Ltd | 83,07 | -1,11 | -5,15 | -39,19 | -33,28 | 5,08 | ↓ |
| NED : Nedbank Group Ltd | 233,25 | 2,70 | -11,86 | -8,92 | 10,35 | 6,16 | ↓ |
| NPN : Naspers Ltd-N Shs | 2575,00 | -3,96 | -15,62 | -25,38 | -22,65 | 69,72 | ↓ |
| NRP : Nepi Rockcastle Plc | 123,34 | -0,45 | -4,05 | -42,25 | -36,42 | | ↓ |
| NTC : Netcare Ltd | 23,95 | -0,17 | -1,07 | -4,77 | -1,44 | -20,66 | ↓ |
| OMU : Old Mutual Ltd | 22,67 | 0,09 | 3,35 | | | | ↑ |
| RDF : Redefine Properties Ltd | 9,48 | -0,42 | -5,39 | -11,40 | -10,14 | -6,96 | ↓ |
| REM : Remgro Ltd | 180,81 | 1,01 | -8,33 | -23,39 | -15,77 | 4,19 | ↓ |
| RMH : Rmb Holdings Ltd | 71,17 | 2,26 | -10,08 | -10,10 | 11,73 | 18,13 | ↓ |
| RNI : Reinet Investments Sca | 240,80 | 0,42 | -8,48 | -12,12 | | | ↓ |
| SAP : Sappi Limited | 78,41 | 0,59 | -11,65 | -12,39 | -17,72 | 0,56 | ↓ |
| SBK : Standard Bank Group Ltd | 158,50 | 0,96 | -9,43 | -18,99 | -4,05 | 28,22 | ↓ |
| SHP : Shoprite Holdings Ltd | 187,50 | 0,57 | -2,17 | -15,23 | -10,08 | 27,89 | ↓ |
| SLM : Sanlam Ltd | 71,02 | 0,30 | -10,23 | -18,37 | -0,03 | 36,30 | ↓ |
| SOL : Sasol Ltd | 481,05 | -0,61 | -12,14 | 12,35 | 20,26 | 5,32 | ↓ |
| SPP : Spar Group Limited/The | 172,00 | 1,12 | -6,59 | -15,41 | 2,94 | 2,82 | ↓ |
| TBS : Tiger Brands Ltd | 253,67 | 2,55 | -4,28 | -44,85 | -34,23 | 16,65 | ↓ |
| TFG : The Foschini Group Ltd | 160,75 | 1,95 | -7,28 | -18,54 | 21,12 | 24,11 | ↓ |
| TRU : Truworths International Ltd | 80,16 | 0,56 | -4,00 | -15,15 | 8,31 | 17,70 | ↓ |
| VOD : Vodacom Group Ltd | 119,62 | -1,59 | -5,01 | -17,89 | -22,56 | -3,27 | ↓ |
| WHL : Woolworths Holdings Ltd | 48,10 | 0,44 | -3,02 | -26,35 | -14,73 | -9,09 | ↓ |

Source: Bloomberg & Nedbank CIB

Time 2018/10/25 07:27

SA

- SA September headline CPI unchanged from Aug at 4.9%. Same goes for core at 4.2%. No real surprises. Food is up 3.4% y/y (against our expectation of 3.2%). The risk for a lower surprise was in rent and owners' equivalent rent which was surveyed in Sep. This contributed positively to CPI (0.2ppt to CPI from zero ppts in Aug).
- On a quarterly basis: Core inflation remains muted and came in at 4.2% for Q3 vs SARBS expectations of 4.4%. Headline CPI in Q3 was 5.0% vs SARB forecast of 5.2%.
- Going forward we expect headline CPI to start creeping higher to average 5.1% in Q4 (vs SARB at 5.4%). We expect CPI to peak at 5.8% in Q2:19 and Q3:19 respectively (vs SARB at 5.9% and 5.7%). Thereafter CPI should move toward lower 5's by end-2019. At this stage our forecast includes the 4.4% Eskom tariff hike which was granted by NERSA a few weeks ago and will be implemented in April. The SARB does not include the tariff increase yet. We expect this tariff to lift the SARB ave next year by about 10bps. Overall a decent print but unlikely to change the SARBS hawkish rhetoric.
- MTBPS signalled no fiscal consolidation, with debt and deficit levels sharply higher than market expectations – please view [our comprehensive report](#) for more details.

ECONOMIC CALENDAR

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| | Country | Event | Period | Survey | Actual | Prior | Revised |
|-------------------|---------|--------------------------------------|--------|------------|--------|-----------|---------|
| 24-October | | | | | | | |
| 02:30 AM | JN | Nikkei Japan PMI Mfg | OCT P | - | 53,1 | 52,5 | - |
| 07:00 AM | JN | Leading Index CI | AUG F | - | 104,5 | 104,5 | - |
| 09:30 AM | GE | Markit/BME Germany Manufacturing PMI | OCT P | 53,4 | 52,3 | 53,7 | - |
| 09:30 AM | GE | Markit Germany Services PMI | OCT P | 55,5 | 53,6 | - | - |
| 10:00 AM | EC | Markit Eurozone Manufacturing PMI | OCT P | 53,0 | 52,1 | 53,2 | - |
| 10:00 AM | EC | M3 Money Supply YoY | SEP | 3,50% | 3,50% | 3,50% | 3,40% |
| 10:00 AM | EC | Markit Eurozone Services PMI | OCT P | 54,5 | 53,3 | 54,7 | - |
| 10:00 AM | SA | CPI YoY | SEP | 4,83% | 4,90% | 4,90% | - |
| 03:45 PM | US | Markit US Services PMI | OCT P | 54,0 | 54,7 | 53,5 | - |
| 03:45 PM | US | Markit US Manufacturing PMI | OCT P | 55,3 | 55,9 | 55,6 | - |
| 04:00 PM | US | New Home Sales | SEP | 625k | 553k | - | 585k |
| 04:00 PM | US | New Home Sales MoM | SEP | -0,64% | -5,50% | 3,50% | -3,00% |
| 25-October | | | | | | | |
| 10:00 AM | GE | IFO Business Climate | OCT | 103,2 | - | 103,7 | - |
| 10:00 AM | GE | IFO Current Assessment | OCT | 106,0 | - | 106,4 | - |
| 10:00 AM | GE | IFO Expectations | OCT | 100,4 | - | 101,0 | - |
| 11:30 AM | SA | PPI YoY | SEP | 6,20% | - | 6,30% | - |
| 01:45 PM | EC | ECB Deposit Facility Rate | OCT 25 | -0,40% | - | -0,40% | - |
| 01:45 PM | EC | ECB Main Refinancing Rate | OCT 25 | 0,00% | - | 0,00% | - |
| 01:45 PM | EC | ECB Marginal Lending Facility | OCT 25 | 0,25% | - | 0,25% | - |
| 02:30 PM | US | Wholesale Inventories MoM | SEP P | 0,50% | - | 1,00% | - |
| 02:30 PM | US | Cap Goods Orders Nondef Ex Air | SEP P | 0,5% | - | -0,9% | - |
| 02:30 PM | US | Durables Ex Transportation | SEP P | 0,40% | - | 0,00% | - |
| 02:30 PM | US | Advance Goods Trade Balance | SEP | USD -75,1b | - | 00:00 | - |
| 02:30 PM | US | Durable Goods Orders | SEP P | -1,5% | - | 4,4% | - |
| 04:00 PM | US | Pending Home Sales NSA YoY | SEP | -2,60% | - | -2,50% | - |
| 05:00 PM | US | Kansas City Fed Manf. Activity | OCT | 13,5 | - | 13,0 | - |
| 26-October | | | | | | | |
| 02:30 PM | US | Core PCE QoQ | 3QA | 1,80% | - | 2,10% | - |
| 02:30 PM | US | GDP Annualized QoQ | 3QA | 3,30% | - | 4,20% | - |
| 02:30 PM | US | Personal Consumption | 3QA | 3,30% | - | 3,80% | - |
| 04:00 PM | US | U. of Mich. Sentiment | OCT F | 99,0 | - | - | - |
| 29-October | | | | | | | |
| 01:50 AM | JN | Retail Trade YoY | SEP | 2,30% | - | 2,70% | - |
| 08:00 AM | SA | Money Supply M3 YoY | SEP | 0,00% | - | 6,95% | - |
| 08:00 AM | SA | Private Sector Credit YoY | SEP | 0,00% | - | - | - |
| 11:30 AM | UK | M4 Money Supply YoY | SEP | - | - | 1,20% | - |
| 11:30 AM | UK | Net Consumer Credit | SEP | GBP 0,00b | - | GBP 1,12b | - |
| 02:30 PM | US | PCE Core YoY | SEP | 2,00% | - | 1,96% | - |
| 02:30 PM | US | PCE Deflator YoY | SEP | - | - | 2,20% | - |
| 02:30 PM | US | Personal Income | SEP | 0,40% | - | - | - |
| 02:30 PM | US | Personal Spending | SEP | 0,40% | - | 0,30% | - |
| 02:30 PM | US | Real Personal Spending | SEP | - | - | - | - |
| 04:30 PM | US | Dallas Fed Manf. Activity | OCT | 29,0 | - | 28,1 | - |

Source: Bloomberg 2018/10/25 07:20

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