

DAILY MARKET COMMENTARY

02 November 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)	SAGB yield curve better bid with some activity from local investors
(Currencies)	Rand firms up, all eyes on US Data
(Commodities)	Gold rallies as dollar weakens, Brent continues to decline as supply fears abate
(Equities)	Asian markets are strong this morning as concerns about the trade war abated and Chinese stimulus. The Nikkei was up 2.49% while the Hang Seng gained 3.40% with the likes of Tencent climbing 7.70% The Australian ASX is up 0.14% with the likes of BHP up 1.18%.
(Economics)	Global PMIs soften further in October; SA PMI declines for third consecutive month in October; BOE leaves interest rates unchanged

KEY OVERNIGHT FACTORS AND UPCOMING EVENTS THIS WEEK

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Date	Region	Event	Actual/expected/prior	Implications
01/11	Global	PMIs	--	PMIs expected to decline amidst trade tensions and lower global growth
01/11	UK	BOE interest rate decision	0.75%/0.75%/0.75%	BOE hawkish but concerned over Brexit uncertainty
02/11	US	Labour market data	--	Solid payroll gains expected
07/11	SA	SACCI Business Confidence Index	--/--/93.3	Business confidence likely to remain downbeat because of policy uncertainty and weak demand
07/11	EZ	Retail sales	--/--/1.8%	Retail sales growth may remain positive, as an extension of strong labour market momentum

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	
R204-0.1 yrs	6.13	-0.85	-0.85	-93.35	-143.65	↓
R208-2.4 yrs	7.69	-8.65	-8.65	13.05	-53.15	↓
R186-8.1 yrs	9.26	-9.05	-9.05	67.45	0.05	↓
R2048-29.3 yrs	10.13	-12.20	-12.20	41.80	-10.40	↓
US10 yr	3.16	2.67	1.35	75.16	81.20	↑
UK 10 yr	1.46	1.80	1.80	26.50	11.20	↑
German 10 yr	0.40	1.40	1.40	-2.80	2.60	↑
Japan 10 yr	0.13	0.20	-0.20	7.70	7.00	↓

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	20.00	-20.00	⇒
SA 3m JIBAR	7.03	0.00	0.00	-13.30	-2.50	⇒
SA 3m NCD	6.95	-7.50	0.00	-20.00	-10.00	⇒
SA 6m NCD	7.68	0.00	0.00	7.50	12.50	⇒
SA 12m NCD	8.40	0.00	0.00	50.00	30.00	⇒
US3m LIBOR	2.56	1.75	16.01	86.42	117.73	↑
UK 3m LIBOR	0.82	0.60	1.65	29.57	37.72	↑
Japan 3m LIBOR	-0.09	0.55	-3.15	-6.22	-4.23	↓

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	7.33	0.50	-0.50	43.50	19.50	↓
6X9 FRA	7.46	0.00	4.00	3.00	4.00	↑
9X12 FRA	7.62	-2.50	-1.50	82.50	32.50	↓
18X21 FRA	7.91	-1.50	-2.50	92.50	41.50	↓
SA 2yr Swap	7.60	-1.00	-3.00	66.32	29.00	↓
SA 3yr Swap	7.81	-0.90	-1.40	75.50	34.00	↓
SA 5yr Swap	8.09	0.25	-3.75	76.25	31.25	↓
SA 10yr Swap	8.62	0.00	-5.00	69.00	29.50	↓
SA 15yr Swap	8.88	-0.20	-5.50	72.00	28.65	↓

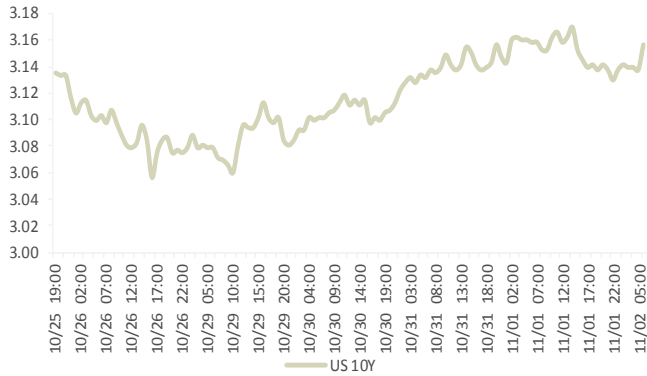
Spreads	Last price	Δ 1d	Δ MTD	Δ YTD	Δ 12Month	MTD trend
	%	bps	bps	bps	bps	
2v10y	-1.02	-1.00	2.00	-2.68	-0.50	↑
3v10y	-0.81	-0.90	3.60	6.50	4.50	↑
R186-R204	3.13	-8.20	-8.20	160.80	143.70	↓
R2048-R186	0.87	-3.15	-3.15	-25.65	-10.45	↓
5y-R186	-1.17	9.30	5.30	8.80	31.20	↑
10y-R186	-0.65	9.05	4.05	1.55	29.45	↑
15y-R186	-0.38	8.85	3.55	4.55	28.60	↑
SA 5yr CDS spread - basis points	233.00	1.00	-5.00	76.00	49.50	↓

Source: Bloomberg & Nedbank CIB

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US 10 year yield

US 10 year yield

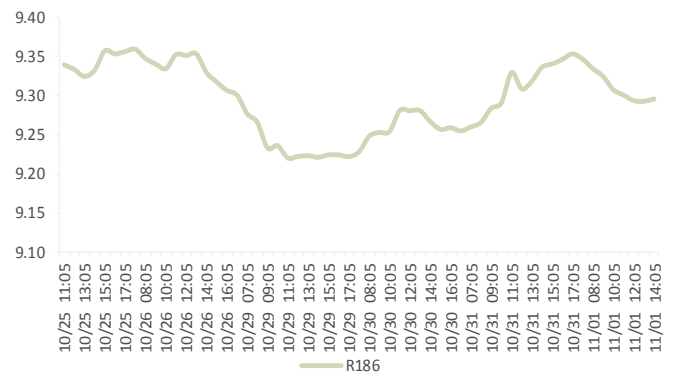


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Source: Bloomberg, Nedbank

SA 10 year yield

SA 10 year yield



2018/11/02 06:52

Source: Bloomberg, Nedbank

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

- The local trading session saw the rand open in the 14.70s. As a general dollar sell-off unfolded, the local unit benefited, and this saw it trade to a best level on the day of 14.4500, closing the day around the 14.4925 level.
- In the overnight sessions, the prevailing trend was sustained, and this morning, the rand is currently trading at 14.3750, the EURZAR is trading at 16.4075 and the GBPZAR is trading at 18.6875.
- International markets also traded firmer as the dollar retreated, despite continuing concerns in Europe regarding the outlook for Italy. The EURUSD traded from 1.1317 to a high print of 1.1413 on the day; this morning, it is currently holding firm above the 1.1400 level. The sterling has also continued to push higher, posting a high of 1.2954 on the day; this morning, it is currently trading at 1.2998. After an early decline yesterday, gold resumed its upward trajectory, and by the time of the close, it was trading at 1,232.10, where it currently trades.
- No local data releases today. From Europe, we have manufacturing PMI releases for Italy, France, Germany and the Eurozone. From the US, we have trade, NFP, manufacturing payrolls, unemployment, average hourly earnings, participation rate, factory orders and durable goods.
- The dollar has endured a significant correction over the course of the most recent sessions. The rand, after having traded to a high of 14.8525 on Wednesday, is trading sub-14.40 this morning. This is significant, as the 14.50 technical level has held firm so far. Key now would be price action after the US data release this afternoon.
- Possible trading range for the rand today: 14.2000 to 14.7000

Majors	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	USD trend
GBPUSD	1.30	-0.09	1.83	-3.80	-0.45	↑	USD weakness
EURUSD	1.14	0.05	0.90	-4.92	-2.09	↑	USD weakness
USDJPY	112.93	0.19	-0.01	-0.21	-1.02	↓	USD weakness
USDAUD	1.38	-0.48	-2.32	7.81	6.53	↓	USD weakness

Rand crosses	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	ZAR trend
USDZAR	14.41	0.00	-2.63	14.05	3.02	↓	ZAR strength
GBPZAR	18.73	-0.05	-0.71	10.73	2.56	↓	ZAR strength
EURZAR	16.44	0.03	-1.71	9.66	0.92	↓	ZAR strength
AUDZAR	10.43	0.49	-0.16	7.37	-3.31	↓	ZAR strength
ZARJPY	7.84	0.21	2.55	-15.17	-4.15	↑	ZAR strength

African FX	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	ZAR trend
ZARMWK (Malawian kwacha)	50.64	-0.05	2.60	-15.91	-2.45	↑	ZAR strength
ZARBWP (Botswana pula)	0.75	0.05	1.38	-6.11	-0.43	↑	ZAR strength
ZARKES (Kenyan shilling)	7.06	-0.00	2.19	-18.07	-5.12	↑	ZAR strength
ZARMUR (Mauritian rupee)	2.42	-0.03	3.36	-13.06	-1.45	↑	ZAR strength
ZARNGN (Nigerian naira)	25.13	-0.03	2.22	-15.76	-2.39	↑	ZAR strength
ZARGHS (Ghanian cedi)	0.34	-0.03	3.00	-8.40	6.20	↑	ZAR strength
ZARZMW (Zambian kwacha)	0.82	-0.19	3.53	2.27	12.85	↑	ZAR strength
ZARMZN (Mozambican metical)	4.21	0.10	2.54	-12.48	-3.16	↑	ZAR strength

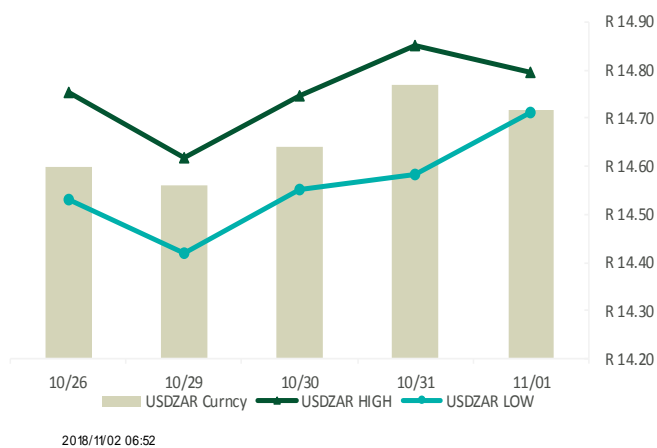
Emerging Market FX	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	USD trend
USDBRL (Brazilian Real)	3.70	-0.61	-0.61	10.58	11.71	↓	USD weakness
USDTRY (Turkish Lira)	5.51	0.06	-1.25	31.12	31.14	↓	USD weakness
USDMXN (Mexican Peso)	20.14	-0.10	-1.01	2.37	5.73	↓	USD weakness
USDINR (Indian Rupee)	72.91	-0.75	-1.43	12.40	11.38	↓	USD weakness
USDRUB (Russian Ruble)	65.73	-0.22	-0.22	12.34	11.33	↓	USD weakness

Source: Bloomberg & Nedbank CIB
Time: 2018/11/02 06:52

*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

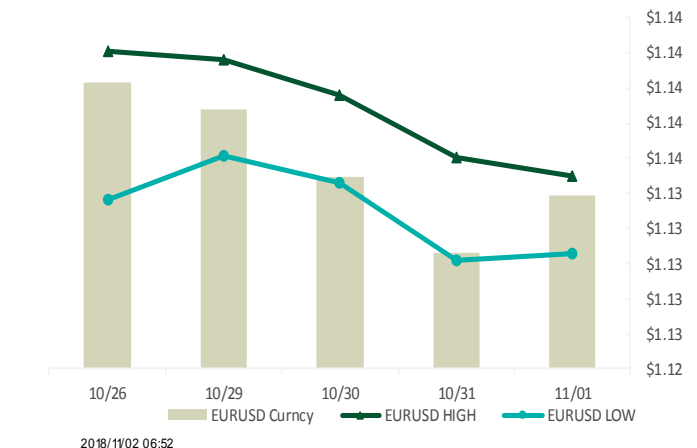
\$/R (close, high and low)



Source: Bloomberg, Nedbank

EUR/USD

€/€ (close, high and low)



Source: Bloomberg, Nedbank

- Oil is poised for the biggest weekly loss since February on concerns that supply is growing at a time when speculation is increasing that U.S. sanctions on Iran won't cut the OPEC producer's exports to zero. Futures little changed, on course for a 6.2% weekly loss.
- Gold steady after posting the biggest advance in three weeks on Thursday as a gauge of the dollar retreated from a 17-month high. Bullion for immediate delivery steady at \$1,233.14/oz; +1.5% on Thursday.
- Silver -0.5%.
- Platinum +0.6%.
- Palladium heads for first weekly decline in 3 weeks.
- Base metals climbed for a second day, shaking off an October slump, amid signals that new stimulus measures may come from China.
- Most LME metals, barring zinc, gain; copper +0.3% to \$6,108/ton, aluminium +0.5%, nickel +0.4%.

Source: Bloomberg

Commodities	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend
Brent near future (\$)	72.65	-0.33	-3.74	8.64	19.84	↓
WTI crude (\$)	63.45	-0.38	-2.85	5.01	16.34	↓
Gold spot (\$)	1 233.25	-0.01	1.52	-5.34	-3.36	↑
Platinum spot (\$)	866.16	0.80	3.49	-6.69	-6.42	↑
SA white maize spot (R)	2 401.00	-1.15	-1.15	26.37	17.87	↓

Source: Bloomberg & Nedbank CIB
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SA white maize

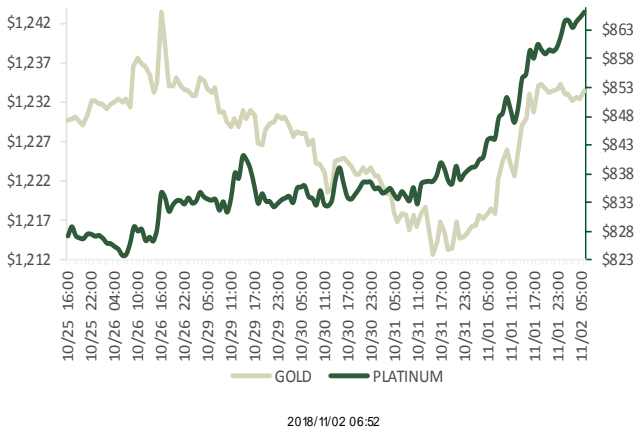
SA White maize (ZAR/MT) - 30 day chart



Source: Bloomberg, Nedbank

Platinum vs Gold

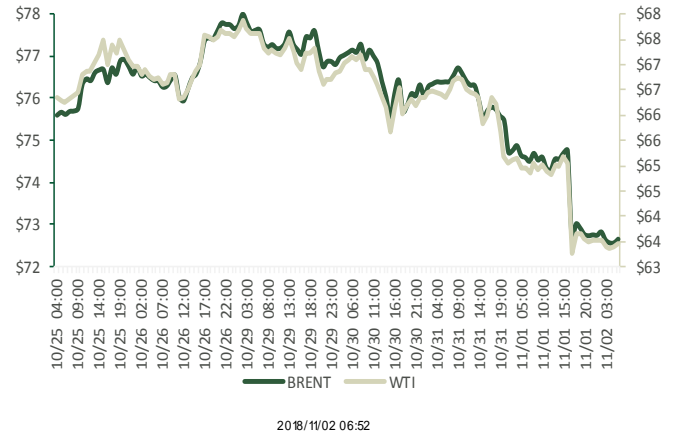
Platinum vs. Gold



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 All Share index started its trading day in positive territory on Thursday and continued gaining traction throughout the day in its second day of gains to eventually close 2.27% higher.
- The Banking index gained 2% with the likes of Capitec and Standard Bank advancing 2.83% and 2.49%
- On the company front, Mix Telematics rose following the release of its 2Q results which showed an 18.5% (y/y) increase.
- Value traded at 5pm was around R23.5bn with the currency at R14.40c vs. the USD at the close.

UK/Europe

- European markets were mixed with the FTSE100 retreating 0.19% while the DAX gained 0.18%
- The BoE decided to keep interest rates unchanged at 0.75% and maintained its asset purchase program at £435bn
- The Stoxx 50 was up 0.21% with the likes of ING Groep and Bayer AG up 5.65% and 2.69% respectively.

USA

- US markets saw their third day of gains as Trump spoke about a Trade deal being imminent and on good corporate earnings.
- The Dow Jones was up 1.06% while the S&P 500 advanced 1.06% as the materials index jumped 3.02%
- On the economic data front, US ISM Manufacturing data came in 57.7 index points versus consensus estimates of 59 index points

Asia

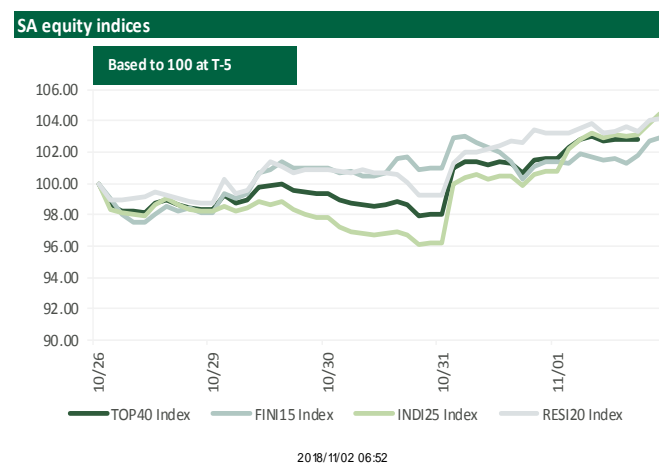
- Asian markets are strong this morning as concerns about the trade war abated and Chinese stimulus.
- The Nikkei was up 2.49% while the Hang Seng gained 3.40% with the likes of Tencent climbing 7.70%
- The Australian ASX is up 0.14% with the likes of BHP up 1.18%.

Developed Markets	Last price	%Δ				2017 Performance	MTD trend
		-1d	MTD	YTD	12Month		
Dow Jones	25 380.74	1.06	1.06	2.68	7.93	24.33	↑
Nasdaq	7 434.06	1.75	1.75	7.69	10.71	27.16	↑
S&P 500	2 740.37	1.06	1.06	2.50	6.22	18.42	↑
DJ Eurostoxx 50	3 204.21	0.21	0.21	-8.55	-13.14	5.70	↑
DAX	11 468.54	0.18	0.18	-11.22	-14.67	11.51	↑
CAC	5 085.78	-0.15	-0.15	-4.27	-7.71	8.43	↓
FTSE	7 114.66	-0.19	-0.19	-7.45	-5.83	7.10	↓
ASX200	5 841.10	0.01	0.19	-3.69	-1.53	6.42	↑
Nikkei 225	21 838.77	0.70	-0.37	-4.07	-3.11	16.18	↓
MSCI World	2 040.93	0.94	0.94	-2.97	-0.11	19.65	↑
Emerging Markets	Last price	%Δ				2017 Performance	MTD trend
		-1d	MTD	YTD	12Month		
Hang Seng	26 026.18	2.40	4.19	-13.01	-8.74	35.19	↑
Shanghai	2 637.65	1.21	1.34	-20.24	-22.04	5.46	↑
Brazil Bovespa	88 419.05	1.14	1.14	15.73	19.77	28.22	↑
India - NSE	34 887.27	1.32	1.29	2.44	3.91	27.91	↑
Russia Micex	2 359.33	0.28	0.28	11.83	13.81	-7.69	↑
MSCI Emerging	971.44	1.62	1.62	-16.14	-13.83	34.35	↑
SA Indices	Last price	%Δ				2017 Performance	MTD trend
		-1d	MTD	YTD	12Month		
JSE All Share	53 578.76	2.27	2.27	-9.96	-9.70	17.47	↑
Top 40	47 256.71	2.42	2.42	-10.04	-10.58	19.66	↑
Resi 10	41 709.55	0.81	0.81	14.92	9.64	13.03	↑
Indi 25	65 099.13	3.69	3.69	-17.69	-20.23	23.03	↑
Fini 15	16 069.09	1.54	1.54	-10.09	2.70	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
6 November 2018		
ACT	AfroCentric Inv Corp Ltd	dividend @ 16cps
ALP	Atlantic Leaf Prop Ltd	dividend @ 87.1875cps
CRG	Cargo Carriers Ltd	dividend @ 7.30cps
OCT	Octodec Invest Ltd	dividend @ 101.70cps
PSG	PSG Group Ltd	dividend @ 152cps
SEA	Spear REIT Ltd	dividend @ 41.727380cps

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	153.00	2.61	2.61	-15.93	7.97	7.05	↑
AGL : Anglo American Plc	318.70	0.97	0.97	24.68	15.98	29.43	↑
ANG : AngloGold Ashanti Ltd	140.33	-1.74	-1.74	9.10	7.76	-14.78	↓
APN : Aspen Pharmacare Holdings Lt	164.82	5.65	5.65	-40.61	-48.57	-1.62	↑
BID : Bid Corp Ltd	286.00	3.36	3.36	-4.98	-7.26	20.93	↑
BIL : Bhp Billiton Plc	302.95	2.05	2.05	20.91	15.00	11.95	↑
BTI : British American Tobacco Plc	644.52	0.13	0.13	-22.30	-28.86	6.38	↑
BVT : Bidvest Group Ltd	181.50	-1.24	-1.24	-16.78	5.49	21.18	↓
CFR : Financiere Richemont-Dep Rec	106.99	-0.88	-0.88	-4.26	-16.26	24.15	↓
CLS : Clicks Group Ltd	191.45	1.84	1.84	5.70	17.63	54.21	↑
CPI : Capitec Bank Holdings Ltd	1018.68	2.83	2.83	-7.22	7.52	58.44	↑
DSY : Discovery Ltd	161.20	2.07	2.07	-13.33	7.93	61.26	↑
FSR : Firstrand Ltd	65.38	1.66	1.66	-2.78	24.53	25.00	↑
GRT : Growthpoint Properties Ltd	23.02	1.63	1.63	-16.78	-7.70	6.59	↑
INL : Investec Ltd	91.30	-0.51	-0.51	1.76	-6.31	-1.57	↓
INP : Investec Plc	91.40	-0.29	-0.29	1.83	-6.54	-1.52	↓
LHC : Life Healthcare Group Holdin	25.42	3.76	3.76	-8.40	-2.61	-9.23	↑
MEI : Mediclinic International Plc	72.98	2.69	2.69	-31.40	-33.65	-18.17	↑
MND : Mondi Ltd	345.00	-2.23	-2.23	12.65	6.68	14.66	↓
MNP : Mondi Plc	343.18	-2.44	-2.44	12.38	6.17	14.14	↓
MRP : Mr Price Group Ltd	233.91	1.27	1.27	-4.48	32.15	53.52	↑
MTN : Mtn Group Ltd	86.03	0.62	0.62	-37.02	-31.23	5.08	↑
NED : Nedbank Group Ltd	253.50	1.84	1.84	-1.02	20.19	6.16	↑
NPN : Naspers Ltd-N Shs	2814.72	8.56	8.56	-18.44	-17.97	69.72	↑
NRP : Nepi Rockcastle Plc	126.93	-0.36	-0.36	-40.57	-36.54		↓
NTC : Netcare Ltd	25.04	0.85	0.85	-0.44	-0.12	-20.66	↑
OMU : Old Mutual Ltd	22.79	0.44	0.44				↑
RDF : Redefine Properties Ltd	9.60	0.10	0.10	-10.28	-12.73	-6.96	↑
REM : Remgro Ltd	193.86	1.94	1.94	-17.86	-9.64	4.19	↑
RMH : Rmb Holdings Ltd	74.90	0.59	0.59	-5.39	17.97	18.13	↑
RNI : Reinet Investments Sca	248.25	0.42	0.42	-9.40			↑
SAP : Sappi Limited	81.66	-1.54	-1.54	-8.76	-12.66	0.56	↓
SBK : Standard Bank Group Ltd	167.40	2.49	2.49	-14.44	0.70	28.22	↑
SHP : Shoprite Holdings Ltd	180.75	0.25	0.25	-18.28	-12.04	27.89	↑
SLM : Sanlam Ltd	75.30	1.40	1.40	-13.45	5.43	36.30	↑
SOL : Sasol Ltd	483.52	-0.10	-0.10	12.92	15.67	5.32	↓
SPP : Spar Group Limited/The	178.31	1.41	1.41	-12.31	6.45	2.82	↑
TBS : Tiger Brands Ltd	269.40	2.21	2.21	-41.43	-30.92	16.65	↑
TFG : The Foschini Group Ltd	165.18	2.46	2.46	-16.29	15.75	24.11	↑
TRU : Truworths International Ltd	81.74	1.01	1.01	-13.48	9.42	17.70	↑
VOD : Vodacom Group Ltd	124.25	-0.12	-0.12	-14.71	-19.84	-3.27	↓
WHL : Woolworths Holdings Ltd	52.10	2.30	2.30	-20.23	-8.27	-9.09	↑

Source: Bloomberg & Nedbank CIB

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Global

- Global PMIs softened further in October, as uncertainty over trade conditions between the US and China weighed on confidence. A slowdown in global growth in Q3 also hampered trade and industrial activity, along with adverse weather conditions in some parts of the world.
- In China, the manufacturing PMI fell to 50.2 points in October, from 50.8 points previously, worse than consensus of 50.6. Output, new orders, inventories and employment are among key subcomponents which slowed. New export orders were also lower, an indication that trade war with the US may be costing China substantially.
- The Japanese PMI was surprisingly higher, rising to 52.9 points, from 52.5 previously. Adverse weather conditions in September may have paved the way for a bit of a recovery in manufacturing activity in October, hence the rebound in the index. The PMI was supported by higher output and new orders.
- The UK PMI fell to 51.1 points in October, from 53.6 in September, worse than consensus of 53. The new orders subcomponent saw a sharp decline and is now in contractionary territory. Businesses seem quite concerned over the uncertainty that has shrouded the Brexit negotiations, along with a weaker demand for cars.
- The US ISM manufacturing index fell to 57.7 points in October, from 59.8 previously, worse than consensus of 59.0. The index is currently the lowest in six months, driven in-part by weather related weakness, as production, new orders and new export orders were sharply lower. Imports however remained unchanged.

Synopsis: Global trade tensions, geopolitical risks, and weakness in global demand are some of the reasons for the slowdown in global manufacturing activity, with weather-related issues further hampering industrial production. Q4 may present a temporary uptick in manufacturing activity, however the medium-term outlook remains dismal.

UK

- The BOE unanimously kept interest rates unchanged at 0.75% and maintained its asset purchase programme but continued to sound increasingly hawkish as policymakers outlined concern over Brexit scenarios and rising wage and price pressures.
- The core focus of the BOE's statement was due to Brexit, with the BOE expecting a negotiated transition and any deviation from that expectations may cause the BOE to react to any disorderly outcome.
- Global growth has become increasingly disorderly and downside risks to growth have increased. As a result, growth is expected to average 1.75% over the next three years, and that the output gap has closed, which would imply higher wage pressures, keeping inflation elevated.
- CPI is expected to remain above 2% over the next three years. The market still expects 3 rate hikes of 25bps each until 2021, but the pace may be picked up if inflation continues to accelerate, or Brexit development hamper growth substantially.
- Importantly, the conditioning path for the BOE's bank rate has risen marginally in 2019 and 2020, to 1% and 1.2% (up by 10bps in both years). Growth estimates were marginally lower for 4Q19, while inflation was assessed to end this year higher than previously forecast (2.5% vs. 2.3% in August).

Synopsis: While the BOE remains committed to tightening monetary policy gradually over the medium term, it is faced with the dilemma of an uncertain Brexit outcome, rising inflationary pressures, and easing growth. It has committed to react to any disorderly Brexit outcome, meaning that it could raise rates faster than projected if runaway inflation is seen, or reduce rates in the case of a sharply weaker economy. For now, our base case is for one rate hike per year until 2021.

SA

- The manufacturing PMI declined to 42.4 points in October, from 44.5 in September, worse than consensus of 44. The PMI remains below the 50-index point level which separated expansion from contraction.
- The weak PMI is an extension of subdued confidence levels in the local economy, that may not recover in the absence of policy certainty. Expected business conditions in 6 months' time fell to the lowest level since January 2016, while local demand is also assessed as weak as the new sales orders index declined to 39 index points, from 42.1 in September. Furthermore, weaker export sales were also recorded, which is an extension of the weaker global economy.
- As we saw from the trade data yesterday, lower exports to Africa and Asia is a key concern, as these two regions consume the bulk of SA export products.

Synopsis: Unfortunately, the domestic manufacturing industry is likely to remain weak in the absence of investment and growth. However, bigger headwinds in the form of stagnating global trade activity and a slowdown in global demand will still weigh on the manufacturing industry even if we see some uptick in domestic demand. The outlook over the medium term remains constrained, with short-term green shoots likely to be a reflection of the seasonal inventory build.

ECONOMIC CALENDAR

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	Country	Event	Period	Survey	Actual	Prior	Revised
01-November							
12:00 AM	SA	Naamsa Vehicle Sales YoY	OCT	-1.7%	1.7%	-1.9%	-
02:30 AM	JN	Nikkei Japan PMI Mfg	OCT F	-	52.9	52.9	-
03:45 AM	CH	Caixin China PMI Mfg	OCT	50.0	50.1	50.0	-
11:00 AM	SA	Barclays Manufacturing PMI	OCT	44.0	42.4	43.2	44.5
11:30 AM	UK	Markit UK PMI Manufacturing SA	OCT	53.0	51.1	53.8	53.6
02:00 PM	UK	Bank of England Bank Rate	NOV 1	0.75%	0.75%	0.75%	-
02:00 PM	UK	BOE Asset Purchase Target	NOV	GBP 435b	GBP 435b	GBP 435b	-
02:00 PM	UK	BOE Corporate Bond Target	NOV	GBP 10b	GBP 10b	GBP 10b	-
03:45 PM	US	Markit US Manufacturing PMI	OCT F	55.8	55.7	55.7	-
04:00 PM	US	ISM Manufacturing	OCT	59.0	57.7	59.8	-
02-November							
10:55 AM	GE	Markit/BME Germany Manufacturing PMI	OCT F	52.3	-	52.3	-
11:00 AM	EC	Markit Eurozone Manufacturing PMI	OCT F	52.1	-	52.1	-
02:30 PM	US	Trade Balance	SEP	USD -53.6b	-	USD -53.2b	-
02:30 PM	US	Average Hourly Earnings YoY	OCT	3.1%	-	2.8%	-
02:30 PM	US	Change in Nonfarm Payrolls	OCT	200k	-	134k	-
02:30 PM	US	Labor Force Participation Rate	OCT	62.7%	-	62.7%	-
02:30 PM	US	Unemployment Rate	OCT	3.7%	-	3.7%	-
04:00 PM	US	Factory Orders	SEP	0.5%	-	2.3%	-
04:00 PM	US	Factory Orders Ex Trans	SEP	0.0%	-	0.1%	-
05-November							
12:00 AM	CH	BoP Current Account Balance	3Q P	-	-	USD 5.3b	-
03:45 AM	CH	Caixin China PMI Services	OCT	52.8	-	53.1	-
11:30 AM	EC	Sentix Investor Confidence	NOV	8.8	-	11.4	-
11:30 AM	UK	Markit/CIPS UK Services PMI	OCT	53.4	-	53.9	-
04:45 PM	US	Markit US Services PMI	OCT F	54.7	-	54.7	-
06-November							
01:30 AM	JN	Overall Household Spending YoY	SEP	1.50%	-	2.80%	-
09:00 AM	GE	Factory Orders WDA YoY	SEP	-2.8%	-	-2.1%	-
10:55 AM	GE	Markit Germany Services PMI	OCT F	53.6	-	53.6	-
11:00 AM	EC	Markit Eurozone Services PMI	OCT F	53.3	-	53.3	-
12:00 PM	EC	PPI YoY	SEP	4.3%	-	4.2%	-
05:00 PM	US	JOLTS Job Openings	SEP	0	-	7136	-

Source: Bloomberg 2018/11/02 06:52

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