

# DAILY MARKET COMMENTARY

25 February 2019



[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) The local bond market were on the front foot again on Friday, The benchmark R186 yield closed at 8.70% on Friday
- (Currencies) USDZAR holds steady around the 14.0000 level
- (Commodities) Oil held gains above \$57 a barrel, Gold remained steady as investors weighed the implications for metals and the dollar of progress in trade talks

## KEY OVERNIGHT FACTORS AND UPCOMING EVENTS THIS WEEK

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Date	Region	Event	Actual/expected/prior	Implications
22/02	EZ	CPI	--/1.4%/1.6%	CPI expected to ease as a result of lower energy costs
26/02	SA	Leading index	--/--/105.5	Leading index is expected to remain on the declining trend, as growth is expected to surprise on the downside
27/02	EZ	Business Climate index	--/--/0.69	Ahead of the Brexit, the region remains uncertain as to the impact of trade and business confidence is likely to remain fragile
28/02	SA	Trade balance	--/--/R17.2b	Trade activity in January may see an increase in imports, which is likely to weigh on the trade balance
28/02	SA	Monthly Budget balance	--/--/R14.5b	Large deficit anticipated (R35bn) in line with seasonal trends

Source: Nedbank

## CONTACT FOR QUERIES

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# 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 1d	Δ MTD	Δ YTD	Δ 12Month	MTD trend
	%	bps	bps	bps	bps	
R208-2,1 yrs	6,96	0,40	1,60	-3,20	3,40	↑
R186-7,8 yrs	8,69	-1,35	12,15	-18,75	67,75	↑
R2048-29 yrs	9,78	-1,45	16,65	-12,45	88,25	↑
US10 yr	2,66	0,27	2,62	-2,88	-21,14	↑
UK 10 yr	1,16	-4,40	-6,10	-11,90	-38,80	↓
German 10 yr	0,10	-3,10	-5,30	-14,60	-61,00	↓
Japan 10 yr	-0,04	0,20	-4,00	-3,80	-8,80	↓

Money Market	Last price	Δ 1d	Δ MTD	Δ YTD	Δ 12Month	MTD trend
	%	bps	bps	bps	bps	
SA repo rate	6,75	0,00	0,00	0,00	0,00	→
SA prime rate	10,25	0,00	0,00	0,00	0,00	→
SA CPI (MTD=previous month)	4,00		-50,00	-50,00	-40,00	↓
SA 3m JIBAR	7,15	0,00	0,00	0,00	2,50	→
SA 3m NCD	7,13	0,00	-1,25	0,00	-2,50	↓
SA 6m NCD	7,73	0,00	0,00	-2,50	17,50	→
SA 12m NCD	8,23	0,00	0,00	-10,00	35,00	→
US 3m LIBOR	2,65	-0,48	-9,13	-16,14	70,26	↓
UK 3m LIBOR	0,86	-0,55	-5,28	-5,32	29,58	↓
Japan 3m LIBOR	-0,08	0,27	1,05	-0,55	-0,92	↑

Source: Bloomberg & Nedbank CIB

Time 2019/02/25 08:13

FRAs and Swaps	Last price	Δ 1d	Δ MTD	Δ YTD	Δ 12Month	MTD trend
	%	bps	bps	bps	bps	
3X6 FRA	7,12	-1,00	-1,50	-9,50	23,50	↓
6X9 FRA	7,10	0,00	4,00	3,00	4,00	↑
9X12 FRA	7,09	0,00	-3,00	-24,00	39,00	↓
18X21 FRA	7,14	0,50	-2,00	-32,00	34,00	↓
SA 2yr Swap	7,11	-2,00	-2,60	-23,00	27,97	↓
SA 3yr Swap	7,17	-5,50	-2,10	-27,50	24,22	↓
SA 5yr Swap	7,45	0,00	3,50	-22,50	33,00	↑
SA 10yr Swap	8,00	-2,00	4,00	-20,00	37,50	↑
SA 15yr Swap	8,26	0,75	3,50	-20,50	39,00	↑

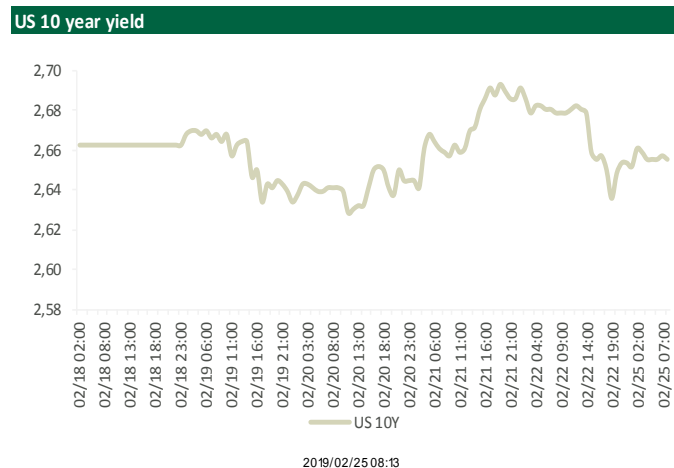
Spreads	Last price	Δ 1d	Δ MTD	Δ YTD	Δ 12Month	MTD trend
	%	bps	bps	bps	bps	
2v10y	-0,89	0,00	-6,60	-3,00	-9,53	↓
3v10y	-0,83	-3,50	-6,10	-7,50	-13,28	↓
R186-R208	1,72	-1,75	10,55	-15,55	64,35	↑
R2048-R186	1,09	-0,10	4,50	6,30	20,50	↑
5y-R186	-1,24	1,35	-8,65	-3,75	-34,75	↓
10y-R186	-0,69	-0,65	-8,15	-1,25	-30,25	↓
15y-R186	-0,43	2,10	-8,65	-1,75	-28,75	↓
SA 5yr CDS spread -basis points	183,50	0,00	7,00	-39,50	40,00	↑

Source: Bloomberg & Nedbank CIB

Time 2019/02/25 08:13

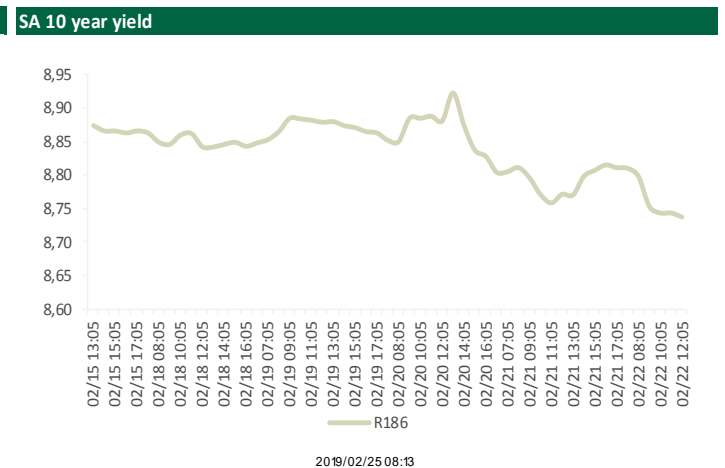
- The local bond market were on the front foot again on Friday. The benchmark R186 yield closed at 8.70% on Friday. A marginally stronger rand which traded below 14.00 assisted the bonds stronger.

## US 10 year yield



Source: Bloomberg, Nedbank

## SA 10 year yield



Source: Bloomberg, Nedbank

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- The final session of the week saw the rand open around the 14.0000 level. In what proved to be another subdued trading session, the local unit was confined to a trading range between 13.9550 and 14.0550, before closing the week trading marginally below the 14.0000 pivot. This morning, the new week opens with the rand currently trading at 13.9850. The EURZAR is currently trading at 15.8620 and the GBPZAR is trading at 18.2780.
- International markets were also confined to limited ranges, with the EURUSD trading between 1.1319 and 1.1348 on the day. This morning, it is currently trading at 1.1342, basically unchanged from the local close last week. The GBPUSD is currently trading at 1.3070, marginally firmer, as the final Brexit vote has been postponed to 12 March. Gold is currently trading at 1,330.15, unchanged from the close last week.
- Data releases scheduled for today: no local or European releases; from the US, we have the Chicago index, wholesale inventories and the Dallas Fed index.
- This morning, the rand is holding steady, marginally sub the 14.0000 pivot. Markets are finding some comfort, with President Trump suggesting that he would extend the deadline for raising tariffs on Chinese goods beyond this week, citing "substantial progress" on this front.
- Possible trading range for the rand today: 13.8500 to 14.1500

Majors	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	USD trend
GBPUSD	1,31	0,17	-0,26	2,52	-6,39	↓	USD strength
EURUSD	1,13	0,10	-0,89	-1,06	-7,88	↓	USD strength
USDJPY	110,61	-0,07	1,56	-0,83	3,33	↑	USD strength
USDAUD	1,40	-0,31	1,73	-1,44	9,83	↑	USD strength

Rand crosses	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	ZAR trend
USDZAR	13,95	-0,38	4,96	-2,87	17,15	↑	ZAR weakness
GBPZAR	18,23	-0,21	4,71	-0,48	11,49	↑	ZAR weakness
EURZAR	15,82	-0,30	4,14	-4,00	10,06	↑	ZAR weakness
AUDZAR	9,97	-0,04	3,36	-1,49	9,00	↑	ZAR weakness
ZARJPY	7,93	0,34	-3,61	3,76	-16,69	↓	ZAR weakness

African FX	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	ZAR trend
ZARMWK (Malawian kwacha)	52,26	0,46	-5,31	2,89	-19,93	↓	ZAR weakness
ZARBWP (Botswana pula)	0,76	0,36	-2,44	1,65	-8,21	↓	ZAR weakness
ZARKES (Kenyan shilling)	7,18	0,37	-5,73	1,16	-22,58	↓	ZAR weakness
ZARMUR (Mauritian rupee)	2,45	0,40	-5,43	2,62	-14,37	↓	ZAR weakness
ZARNGN (Nigerian naira)	26,03	0,37	-4,97	2,81	-20,07	↓	ZAR weakness
ZARGHS (Ghanian cedi)	0,40	1,14	5,40	14,06	2,42	↑	ZAR strength
ZARZMW (Zambian kwacha)	0,86	0,34	-5,43	3,14	1,39	↓	ZAR weakness
ZARMZN (Mozambican metical)	4,50	0,36	-4,30	4,73	-17,36	↓	ZAR weakness

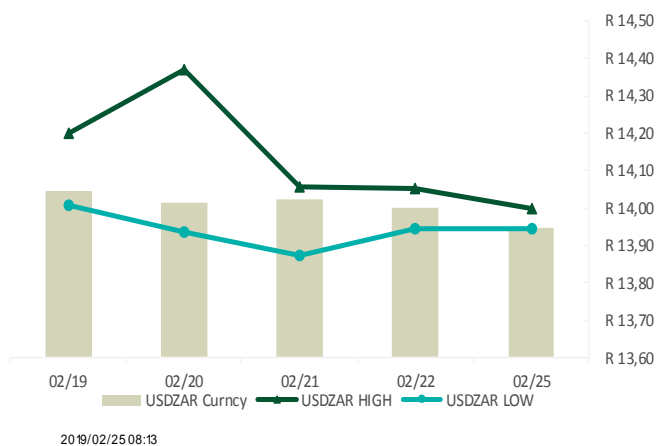
Emerging Market FX	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	USD trend
USDBRL (Brazilian Real)	3,75	-0,42	2,67	-3,40	13,21	↑	USD strength
USDTRY (Turkish Lira)	5,32	0,02	2,90	0,55	28,82	↑	USD strength
USDMXN (Mexican Peso)	19,13	-0,10	0,10	-2,74	2,34	↑	USD strength
USDINR (Indian Rupee)	71,00	-0,19	-0,12	1,73	8,74	↓	USD weakness
USDRUB (Russian Ruble)	65,37	-0,33	-0,05	-6,64	14,77	↓	USD weakness

Source: Bloomberg & Nedbank CIB  
Time: 2019/02/25 08:13

\*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

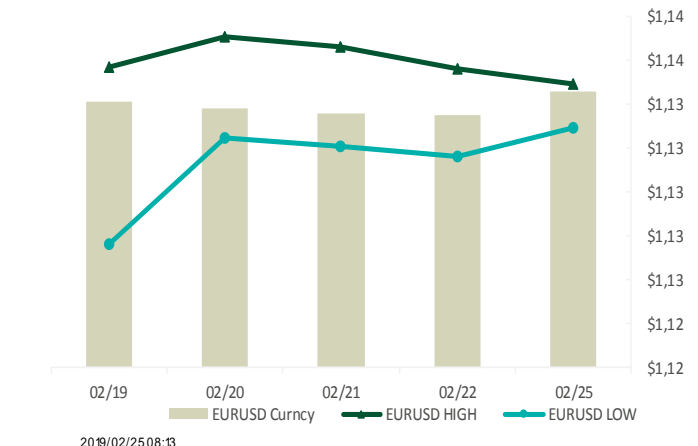
\$/R (close, high and low)



Source: Bloomberg, Nedbank

## EUR/USD

€/\$(close, high and low)



Source: Bloomberg, Nedbank

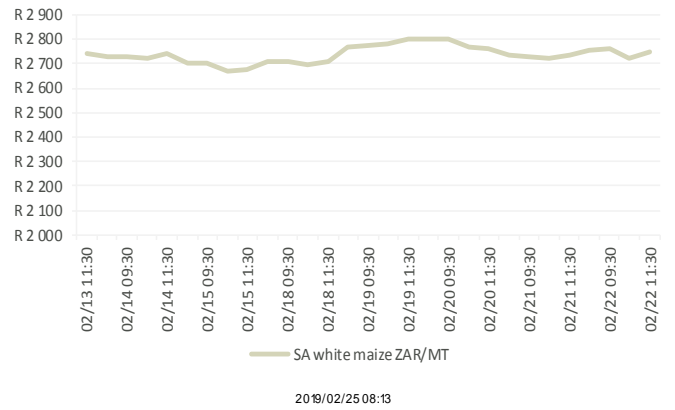
- Oil held gains above \$57 a barrel as a move to extend a trade truce with China raised hopes that the world's two biggest economies would soon resolve their differences. Gold remained steady as investors weighed the implications for metals and the dollar of progress in trade talks. Spot gold is flat at \$1,330.64/oz.

Commodities	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend
Brent near future (\$)	66,93	-0,28	8,14	24,41	-0,56	👆
WTI crude (\$)	57,15	-0,19	6,25	25,85	-10,07	👆
Gold spot (\$)	1 331,15	0,13	0,75	3,79	-0,19	👆
Platinum spot (\$)	848,70	0,69	3,25	6,67	-15,14	👆
SA white maize spot (R)	2 751,00	0,47	-4,08	-6,11	53,60	👇

Source: Bloomberg & Nedbank CIB  
Time: 2019/02/25 08:13

## SA white maize

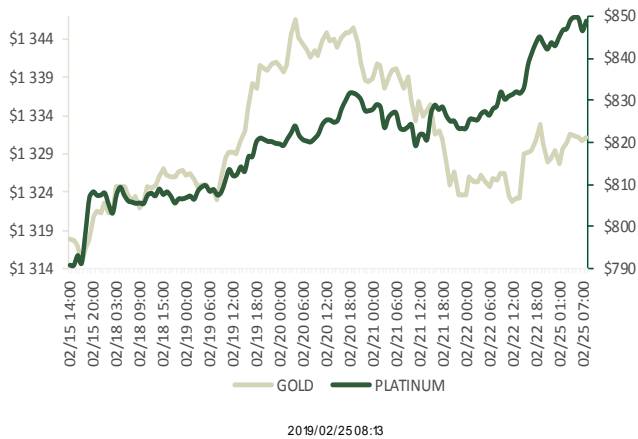
SA White maize (ZAR/MT) - 30 day chart



Source: Bloomberg, Nedbank

## Platinum vs Gold

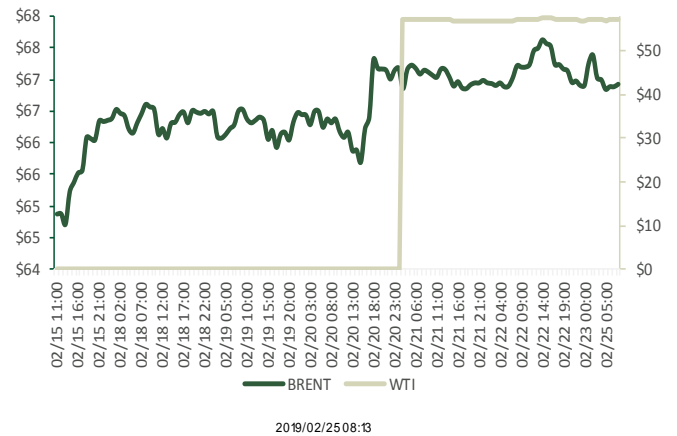
Platinum vs. Gold



Source: Bloomberg, Nedbank

## Brent Crude vs West Texas Intermediate

Brent Crude vs West Texas Intermediate



Source: Bloomberg, Nedbank

Cash equities | +2711 535 4030/31

Developed Markets	Last price	%Δ		%Δ		2018 Performance	MTD trend
		-1d	MTD	YTD	12Month		
Dow Jones	26 031,81	0,70	4,13	11,59	2,85	-6,03	↑
Nasdaq	7 527,55	0,91	3,38	13,45	2,59	-5,30	↑
S&P 500	2 792,67	0,64	3,28	11,40	1,65	-7,01	↑
DJ Eurostoxx 50	3 270,55	0,21	3,52	8,97	-4,97	-14,00	↑
DAX	11 457,70	0,30	2,55	8,51	-8,22	-17,97	↑
CAC	5 215,85	0,38	4,47	10,26	-1,91	-10,55	↑
FTSE	7 178,60	0,16	3,01	6,70	-0,91	-12,03	↑
ASX200	6 186,32	0,31	5,48	9,56	3,11	-6,84	↑
Nikkei 225	21 528,08	0,48	3,63	7,56	-1,67	-14,85	↑
MSCI World	2 086,97	0,46	2,88	10,78	-2,52	-10,97	↑

Emerging Markets	Last price	%Δ		%Δ		2018 Performance	MTD trend
		-1d	MTD	YTD	12Month		
Hang Seng	28 820,47	0,01	3,14	11,51	-7,83	-15,30	↑
Shanghai	2 910,21	3,78	12,60	16,69	-11,52	-25,52	↑
Brazil Bovespa	97 885,60	0,98	0,51	11,38	12,13	12,83	↑
India - NSE	35 964,16	0,26	-0,81	-0,29	5,34	6,67	↓
Russia Micex	2 488,63	0,74	-1,29	5,04	6,50	9,55	↓
MSCI Emerging	1 058,65	0,73	0,83	9,62	-12,97	-18,02	↑

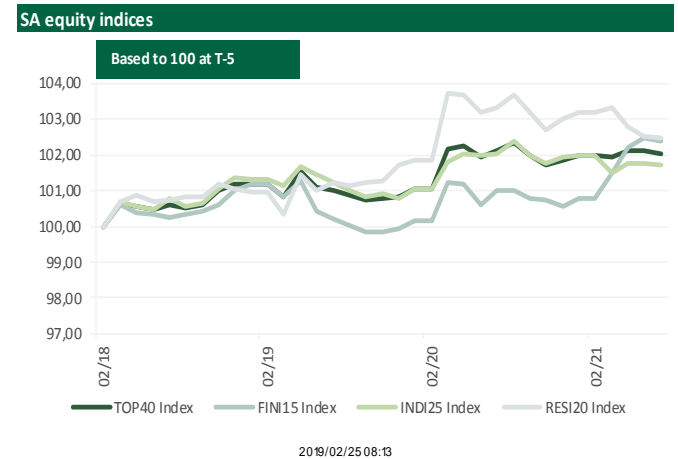
  

SA Indices	Last price	%Δ		%Δ		2018 Performance	MTD trend
		-1d	MTD	YTD	12Month		
JSE All Share	55 992,97	0,92	3,39	6,17	-4,64	-11,71	↑
Top 40	49 735,69	1,08	3,71	6,44	-3,89	-11,54	↑
Resi 10	45 902,03	0,99	8,89	11,83	29,97	12,01	↑
Indi 25	66 612,05	1,33	3,72	4,60	-13,89	-20,20	↑
Fini 15	17 159,57	0,41	-1,87	4,76	-7,60	-6,54	↓

Source: Bloomberg & Nedbank CIB

Time 2019/02/25 08:13

## 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
<b>26 February 2019</b>		
EXG	eXtract Group Ltd	Scheme of Arrangement @ 600cps
HDC	Hudaco Industries Ltd	dividend @380cps
IWE	Interwaste Holdings Ltd	Scheme of Arrangement @ 120cps
NEWGBP	Newwave GBP ETN 12Mat32	interest @ 4cps
NEWUSD	Newwave USD ETN 12Mat32	interest @ 14cps
NPN	Naspers Ltd -N-	Unbundling of MultiChoice 1:1

Source: JSE

# JSE PERFORMANCE

[back to top](#)

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Top40 constituents	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	2018 Performance	MTD trend
ABG : Absa Group Ltd	177,25	0,12	-4,08	9,54	-13,06	-11,08	↓
AGL : Anglo American Plc	373,70	1,84	9,24	15,96	30,11	26,07	↑
ANG : Anglogold Ashanti Ltd	207,07	-3,02	10,74	13,93	83,78	41,31	↑
APN : Aspen Pharmacare Holdings Lt	143,00	1,42	-1,57	6,07	-47,16	-51,42	↓
BHP : Bhp Group Plc	331,82	1,66	12,30	14,63	41,81	21,24	↑
BID : Bid Corp Ltd	295,14	0,44	4,16	11,37	5,01	-11,96	↑
BTI : British American Tobacco Plc	523,04	1,62	12,27	11,45	-27,36	-43,42	↑
BVT : Bidvest Group Ltd	201,89	0,69	-0,35	-2,40	-14,09	-5,15	↓
CFR : Financiere Richemont-Dep Rec	103,81	0,78	14,32	10,85	-0,51	-16,20	↑
CLS : Clicks Group Ltd	184,51	3,98	-6,29	-3,62	3,43	5,70	↓
CPI : Capitec Bank Holdings Ltd	1 270,00	0,19	8,90	13,60	46,01	1,83	↑
DSY : Discovery Ltd	150,12	2,86	-5,72	-6,05	-16,59	-14,09	↓
FSR : Firstrand Ltd	64,78	-0,61	-6,64	-1,19	-14,84	-2,51	↓
GRT : Growthpoint Properties Ltd	25,09	1,87	-3,39	7,68	-16,09	-15,76	↓
INL : Investec Ltd	89,91	0,50	3,27	13,81	-11,73	-11,95	↑
INP : Investec Plc	89,60	0,67	3,36	12,48	-12,66	-11,25	↑
LHC : Life Healthcare Group Holdin	27,13	0,07	0,04	2,77	-2,59	-4,86	↑
MND : Mondi Ltd	350,74	-0,01	6,90	13,30	21,15	-3,04	↑
MNP : Mondi Plc	345,44	0,40	6,95	13,61	18,54	-4,78	↑
MRP : Mr Price Group Ltd	218,00	3,13	-2,24	-11,44	-24,16	0,52	↓
MTN : Mtn Group Ltd	86,91	2,07	-0,14	-2,35	-33,15	-34,85	↓
NED : Nedbank Group Ltd	286,18	-0,98	0,14	4,17	-2,33	7,27	↑
NPN : Naspers Ltd-N Shs	3 137,83	1,22	3,22	8,49	-5,90	-16,19	↑
NRP : Nepi Rockcastle Plc	128,00	0,91	2,04	13,27	9,40	-47,09	↑
NTC : Netcare Ltd	25,55	1,15	3,23	-1,83	0,96	5,09	↑
OMU : Old Mutual Ltd	23,16	-0,86	-0,98	3,39			↓
PSG : Psg Group Ltd	259,98	0,14	3,77	6,20	17,77	-9,33	↑
RDF : Redefine Properties Ltd	9,88	1,02	-6,35	2,17	-14,09	-9,63	↓
REM : Remgro Ltd	207,08	0,28	-1,88	6,34	-14,81	-17,48	↓
RMH : Rmb Holdings Ltd	79,62	-0,26	-4,66	0,91	-10,43	-0,34	↓
RNI : Reinet Investments Sca	215,66	1,39	7,48	-1,28	-7,84	-20,27	↑
SAP : Sappi Limited	74,99	0,12	-3,88	-8,16	-3,55	-8,77	↓
SBK : Standard Bank Group Ltd	195,45	0,75	0,23	9,31	-11,00	-8,61	↑
SHP : Shoprite Holdings Ltd	163,17	3,01	-0,29	-14,19	-36,93	-14,03	↓
SLM : Sanlam Ltd	79,50	1,92	-5,48	-0,38	-14,48	-8,28	↓
SOL : Sasol Ltd	414,48	0,68	3,51	-2,48	5,06	-0,74	↑
SPP : Spar Group Limited/The	198,62	0,93	-0,39	-4,28	-10,18	2,05	↓
TBS : Tiger Brands Ltd	274,64	0,77	-0,58	0,31	-35,18	-40,48	↓
TFG : The Foschini Group Ltd	168,00	2,75	-0,80	1,06	-25,37	-15,76	↓
TRU : Truworths International Ltd	76,02	5,44	-5,09	-13,71	-28,65	-6,74	↓
VOD : Vodacom Group Ltd	119,89	3,25	-0,57	-9,17	-26,34	-9,39	↓
WHL : Woolworths Holdings Ltd	44,93	4,37	-10,55	-18,44	-30,89	-15,65	↓

Source: Bloomberg & Nedbank CIB

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# ECONOMIC CALENDAR

[back to top](#)

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	Country	Event	Period	Survey	Actual	Prior	Revised
<b>22-February</b>							
01:30 AM	JN	Natl CPI YoY	JAN	-	0,20%	0,30%	-
09:00 AM	GE	GDP NSA YoY	4QF	-	0,90%	0,90%	-
09:00 AM	GE	GDP SA QoQ	4QF	-	0,00%	0,00%	-
11:00 AM	GE	Ifo Business Climate	FEB	-	98,5	98,5	-
11:00 AM	GE	Ifo Current Assessment	FEB	-	103,4	103,4	-
11:00 AM	GE	Ifo Expectations	FEB	-	93,8	93,8	-
12:00 PM	EC	CPI Core YoY	JAN F	1,10%	1,10%	1,10%	-
12:00 PM	EC	CPI YoY	JAN F	-	1,40%	1,60%	-
<b>25-February</b>							
07:00 AM	JN	Leading Index CI	DEC F	-	97,5	97,9	-
03:30 PM	US	Chicago Fed Nat Activity Index	JAN	0,15	-	0,27	-
05:00 PM	US	Wholesale Inventories MoM	DEC P	0,30%	-	0,30%	-
05:00 PM	US	Wholesale Trade Sales MoM	DEC	-0,30%	-	-0,60%	-
05:30 PM	US	Dallas Fed Manf. Activity	FEB	4,9	-	1,0	-
<b>26-February</b>							
09:00 AM	SA	Leading Indicator	DEC	-	-	105,5	-
03:30 PM	US	Building Permits	DEC	1290k	-	1322k	-
03:30 PM	US	Building Permits MoM	DEC	-2,60%	-	4,50%	-
03:30 PM	US	Housing Starts	DEC	1253k	-	1256k	-
03:30 PM	US	Housing Starts MoM	DEC	-0,40%	-	3,20%	-
04:00 PM	US	S&P CoreLogic CS 20-City YoY NSA	DEC	4,50%	-	4,68%	-
05:00 PM	US	Conf. Board Consumer Confidence	FEB	124,0	-	120,2	-
05:00 PM	US	Richmond Fed Manufact. Index	FEB	4	-	-2	-
<b>27-February</b>							
11:00 AM	EC	M3 Money Supply YoY	JAN	4,00%	-	4,10%	-
12:00 PM	EC	Business Climate Indicator	FEB	0,66	-	0,69	-
12:00 PM	EC	Economic Confidence	FEB	106,0	-	106,2	-
03:30 PM	US	Advance Goods Trade Balance	DEC	USD -74,1b	-	00:00	-
05:00 PM	US	Factory Orders	DEC	0,6%	-	-0,6%	-
05:00 PM	US	Factory Orders Ex Trans	DEC	-	-	-1,3%	-
05:00 PM	US	Pending Home Sales NSA YoY	JAN	-	-	-9,50%	-

Source: Bloomberg 2019/02/25 08:13



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