

DAILY MARKET COMMENTARY

01 March 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)	Bonds weaken in line with the currency
(Currencies)	The rand breaks above 14.0000
(Commodities)	Oil was poised to eke out a third weekly gain after Saudi Arabia defied Trump's call for lower prices, and a drop in inventories signalled supplies are tightening
(Equities)	The JSE, European and US markets end mostly lower as Brexit, geopolitical concerns and uncertainty over US-China trade talks weigh on sentiment
(Economics)	SA trade and budget balances post disappointing deficits in January; US GDP growth beats expectations

KEY OVERNIGHT FACTORS AND UPCOMING EVENTS THIS WEEK

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Date	Region	Event	Actual/expected/prior	Implications
28/02	SA	Trade balance	-R13.1b/--/R16.7b	Sharply higher imports push trade balance into a deficit
28/02	SA	Monthly Budget balance	-R60.3b/--/R14.5b	Deficit sharply higher than consensus as expenditures rise, and revenues continue to disappoint
28/02	US	GDP advance	2.6%/2.3%/3.4%	US GDP growth slows in Q4 as a result of a slowdown in consumer spending
01/03	US	Personal income and spending growth	--	This data print will provide early insight into consumer patterns in 1Q19, important as the consumer drives growth in the US
01/03	SA	Manufacturing PMI	--/49.5/49.9	PMI likely to dip further in February amid low confidence levels and weak demand

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				MTD trend
		1d	MTD	YTD	12Month	
	%	bps	bps	bps	bps	
R208-2,1 yrs	7,02	-1,05	-1,05	2,75	-6,35	↓
R186-7,8 yrs	8,71	-0,70	-0,70	-16,70	52,00	↓
R2048-29 yrs	9,81	-0,70	-0,70	-9,20	62,10	↓
US10 yr	2,71	-0,18	-0,18	2,90	-9,46	↓
UK 10 yr	1,30	2,80	8,30	2,50	-19,90	↑
German 10 yr	0,18	3,50	3,40	-5,90	-47,30	↑
Japan 10 yr	-0,02	0,60	0,60	-1,90	-5,90	↑

Money Market	Last price	Δ				MTD trend
		1d	MTD	YTD	12Month	
	%	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	-2,50	-2,50	0,00	-2,50	↓
SA 6m NCD	7,70	0,00	0,00	-5,00	12,50	→
SA 12m NCD	8,18	0,00	0,00	-15,00	25,00	→
US3m LIBOR	2,62	-1,10	-12,24	-19,25	59,79	↓
UK 3m LIBOR	0,85	-0,29	-6,00	-6,04	27,04	↓
Japan 3m LIBOR	-0,08	0,13	1,03	-0,57	-1,82	↑

Source: Bloomberg & Nedbank CIB
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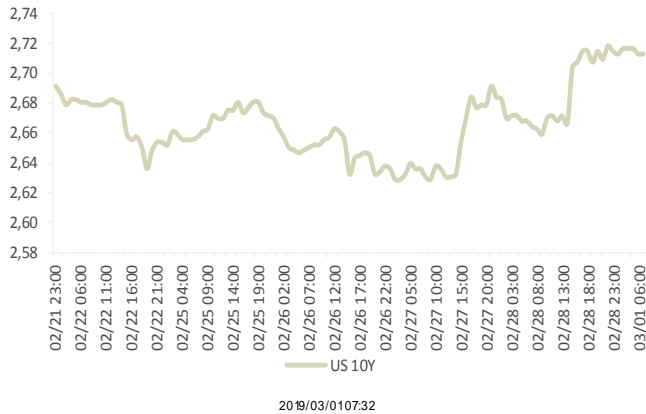
FRAs and Swaps	Last price	Δ				MTD trend
		1d	MTD	YTD	12Month	
	%	bps	bps	bps	bps	
3X6 FRA	7,10	0,00	0,00	-11,50	21,50	→
6X9 FRA	7,09	0,00	4,00	3,00	4,00	↑
9X12 FRA	7,09	0,00	0,00	-24,00	36,00	→
18X21 FRA	7,18	0,00	0,00	-28,50	35,50	→
SA 2yr Swap	7,13	0,90	0,00	-20,10	22,80	→
SA 3yr Swap	7,23	2,50	0,00	-21,50	22,25	→
SA 5yr Swap	7,47	3,50	0,00	-20,00	25,00	→
SA 10yr Swap	8,04	4,50	0,00	-15,00	32,50	→
SA 15yr Swap	8,31	4,50	0,00	-16,00	34,00	→

Spreads	Last price	Δ				MTD trend
		1d	MTD	YTD	12Month	
	%	bps	bps	bps	bps	
2v10y	-0,91	-3,60	0,00	-5,10	-9,70	→
3v10y	-0,81	-2,00	0,00	-6,50	-10,25	→
R186-R208	1,68	0,35	0,35	-19,45	58,35	↑
R2048-R186	1,10	-0,00	-0,00	7,50	10,10	↓
5y-R186	-1,24	4,20	0,70	-3,30	-27,00	↑
10y-R186	-0,67	5,20	0,70	1,70	-19,50	↑
15y-R186	-0,40	5,20	0,70	0,70	-18,00	↑
SA 5yr CDS spread - basis points	175,79	0,93	0,93	-47,16	28,53	↑

Source: Bloomberg & Nedbank CIB
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US 10 year yield

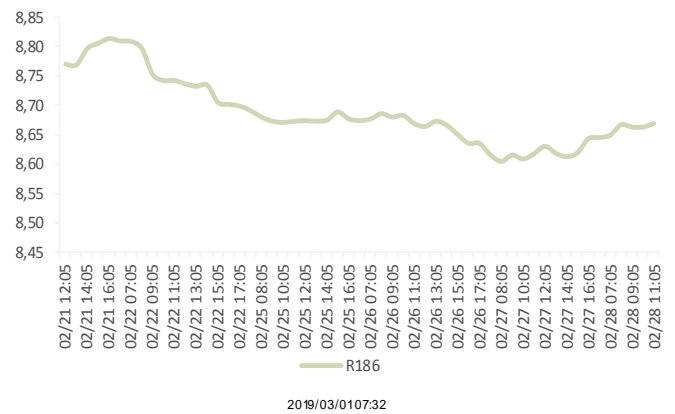
US 10 year yield



Source: Bloomberg, Nedbank

SA 10 year yield

SA 10 year yield



Source: Bloomberg, Nedbank

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- The final session of the month saw the rand open the day trading at 13.9650. Thereafter, the local unit traded steadily weaker due to global concerns weighing on the emerging-market complex and local factors weighing on the rand. It reached a high of 14.0500 on the day, closing the session trading at 14.0350. In the overnight sessions, the rand traded to a high of 14.0950. This morning, it is currently trading at 14.0675, the EURZAR is trading at 16.0005 and the GBPZAR is trading at 18.6590.
- International markets were range-bound again. The EURUSD traded between 1.1360 and 1.1417 on the day, closing the day trading at 1.1365. This morning, it is currently trading at 1.1375. The GBPUSD was also range-bound, failing to hold on to levels above 1.3300. This morning, it is currently trading at 1.3260. Gold is currently trading at 1,312.50, marginally off from the same time yesterday.
- Data releases scheduled for today: locally, we have the manufacturing PMI and vehicle sales; from Europe, we have various manufacturing PMI releases, German retail sales and CPI and unemployment for the zone; we have no releases from the US.
- The rand has succumbed to the effects of global adversity to emerging markets and local factors, including the possibility of renewed load shedding by Eskom.
- Possible trading range for the rand today: 13.9500 to 14.3000

Majors	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	USD trend
GBPUSD	1,33	-0,05	-0,05	4,02	-3,47	↓	USD strength
EURUSD	1,14	-0,08	-0,08	-0,69	-6,87	↓	USD strength
USDJPY	111,72	0,35	0,35	-1,84	4,39	↑	USD strength
USDAUD	1,41	0,09	0,09	-0,70	9,07	↑	USD strength

Rand crosses	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	ZAR trend
USDZAR	14,07	0,05	0,05	-2,18	15,47	↑	ZAR weakness
GBPZAR	18,66	-0,00	-0,00	1,73	12,44	↓	ZAR strength
EURZAR	16,01	-0,03	-0,03	-2,89	9,23	↓	ZAR strength
AUDZAR	9,98	-0,04	-0,04	-1,53	7,80	↓	ZAR strength
ZARJPY	7,94	0,28	0,28	3,96	-13,12	↑	ZAR strength

African FX	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	ZAR trend
ZARMWK (Malawian kwacha)	51,80	-0,11	-0,11	2,15	-17,76	↓	ZAR weakness
ZARBWP (Botswana pula)	0,75	-0,47	-0,47	0,31	-8,01	↓	ZAR weakness
ZARKES (Kenyan shilling)	7,11	0,01	0,01	0,40	-19,71	↑	ZAR strength
ZARMUR (Mauritian rupee)	2,39	-1,49	-1,49	0,38	-17,51	↓	ZAR weakness
ZARNGN (Nigerian naira)	25,63	-0,05	-0,05	1,44	-18,05	↓	ZAR weakness
ZARGHS (Ghanian cedi)	0,39	-0,05	-0,05	13,68	4,90	↓	ZAR weakness
ZARZMW (Zambian kwacha)	0,86	-0,05	-0,05	3,19	4,20	↓	ZAR weakness
ZARMZN (Mozambican metical)	4,44	-0,05	-0,05	4,97	-17,82	↓	ZAR weakness

Emerging Market FX	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	USD trend
USDBRL (Brazilian Real)	3,76	0,72	0,00	-3,32	13,55	↔	USD weakness
USDTRY (Turkish Lira)	5,34	0,12	0,12	0,96	28,70	↑	USD strength
USDMXN (Mexican Peso)	19,27	0,07	0,07	-2,03	2,00	↑	USD strength
USDINR (Indian Rupee)	70,81	0,09	0,09	1,48	7,97	↑	USD strength
USD RUB (Russian Ruble)	65,87	0,04	0,04	-5,32	13,80	↑	USD strength

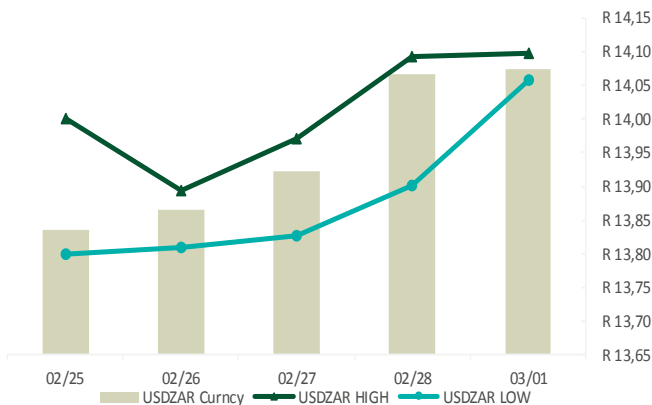
Source: Bloomberg & Nedbank CIB

Time 2019/03/01 07:32

**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)

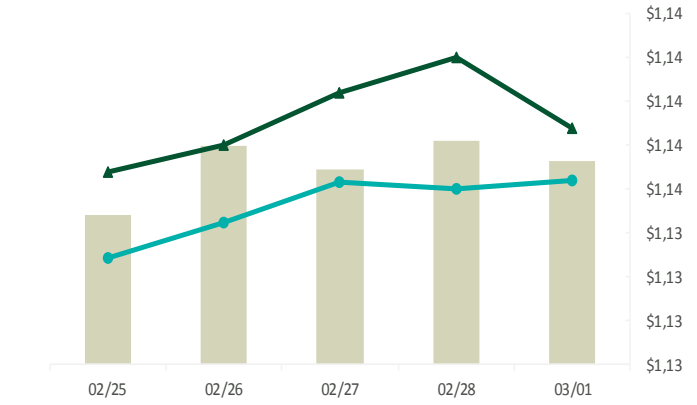


2019/03/01 07:32

Source: Bloomberg, Nedbank

EUR/USD

€/€ (close, high and low)



2019/03/01 07:32

Source: Bloomberg, Nedbank

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- Oil was poised to eke out a third weekly gain after Saudi Arabia defied Trump’s call for lower prices, and a drop in inventories signalled supplies are tightening. Palladium is poised for a fourth weekly advance after hitting a record on concerns of a shortage. Palladium +0.3% to \$1,550.95/oz; +3.4% this week.
- Spot gold little changed at \$1,313.82/oz; -1.2% this week to snap two weeks of gains. Silver -1.9% this week. Platinum heads for third weekly gain.
- Copper retreated from the highest close in eight months as Goldman Sachs says metals rally may pause before better global growth data picks up. LME copper -0.5% to \$6,476.50/ton. LME zinc -0.9% to \$2,752.50/ton, most other metals dropped. Iron ore +0.5% to 612.5 yuan/ton on DCE.

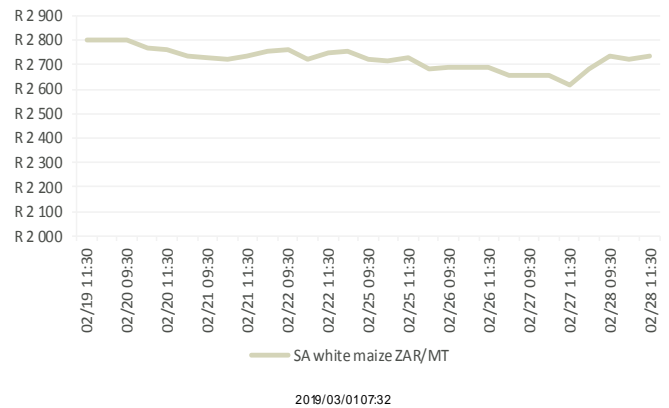
Source: Bloomberg

Commodities	Last price	%Δ				MTD trend
		-1d	MTD	YTD	12Month	
Brent near future (\$)	66,61	0,45	0,88	23,81	4,36	↑
WTI crude (\$)	57,42	0,35	0,35	26,45	-5,85	↑
Gold spot (\$)	1312,86	-0,18	-0,18	2,44	0,23	↓
Platinum spot (\$)	871,70	-0,11	-0,11	9,63	-8,81	↓
SA white maize spot (R)	2738,00	4,70	0,00	-6,55	51,86	↔

Source: Bloomberg & Nedbank CIB
Time: 2019/03/01 07:32

SA white maize

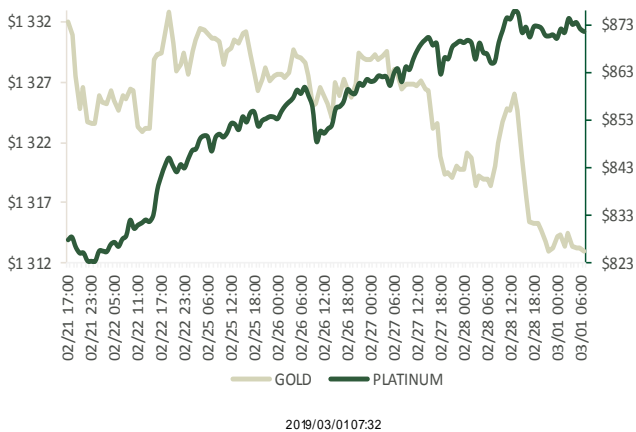
SA White maize (ZAR/MT) - 30 day chart



Source: Bloomberg, Nedbank

Platinum vs Gold

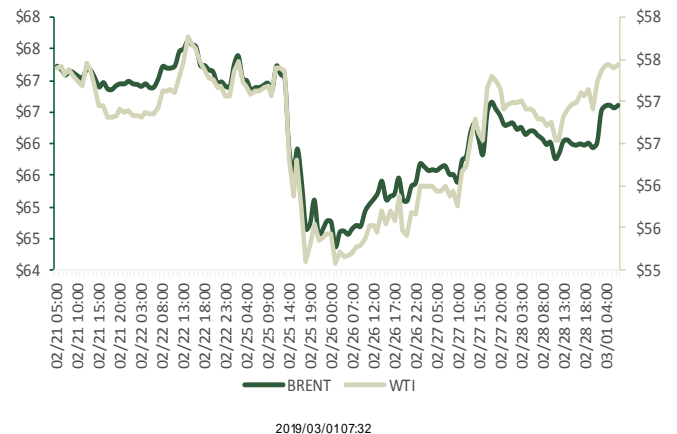
Platinum vs. Gold



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 Top40 ended the day down 0.58% at 49,667.10.
- A number of large-cap companies reported disappointing results.
- Massmart slumped 6.43% after cutting its full-year dividend by 40%. Imperial Logistics declined 9.99% on expectations of a weaker 2H performance, while Mondi Plc lost 4.79%, despite reporting results that beat analyst estimates. It also reported a cautious outlook, citing macro uncertainty and increased maintenance costs.
- On the upside, Impala Platinum surged 9.45% after reporting a strong set of results, with the improvement at Impala Rustenburg boosting numbers.
- Anheuser-Busch InBev rallied 5.36% after forecasting strong revenue and profit growth in 2019, with a focus on increasing beer sales rather than just prices.
- The value traded at the close was R23bn, and the ZAR was trading at 14.04 vs the USD.

UK/Europe

- European markets ended Thursday's session mixed as caution prevailed due to Brexit, geopolitical concerns and uncertainty over US-China trade talks.
- Markets spent most of the day in the red, but rebounded at the close, scoring a second straight month of gains.
- Mining stocks were among the worst performers on the day, under pressure after copper prices fell as surveys showed that factory activity in China had shrunk for a third straight month in February.
- Vivendi rallied 5.4% on news that US buyout fund KKR and Tencent Music Entertainment Group were exploring rival bids for up to half of its Universal Music division.
- The FTSE 100 lost 0.46%, the DAX added 0.25% and the CAC 40 gained 0.29%.

USA

- US markets closed lower as concerns surrounding the US-China trade talks offset better-than-expected US GDP data.
- Material and energy stocks underperformed and were the biggest losers on the S&P 500.
- United Health weighed on the healthcare sector, falling 3% on concerns about the potential for a single-payer US healthcare system.
- Monster Beverage Corp. rallied 8.7% after its quarterly revenue results beat estimates.
- The Dow lost 0.27%, the S&P 500 fell 0.28% and the Nasdaq declined 0.29%.

Asia

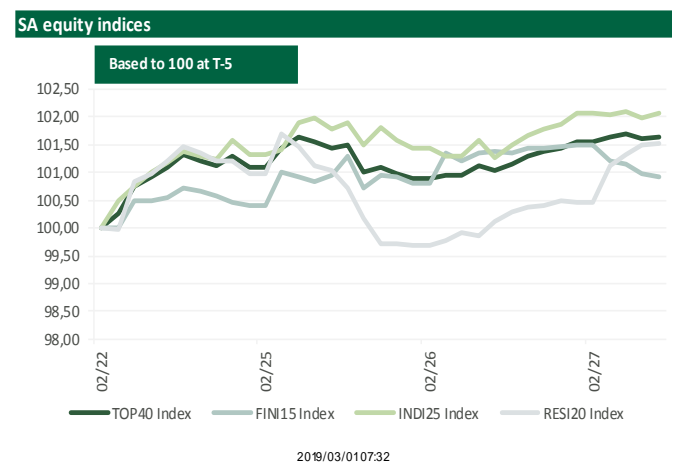
- Asian markets are trading firmer this morning, with the Nikkei lifted by futures buying after the USD rose against the JPY on better-than-expected US GDP data, boosting exporters.
- Chinese stocks posted gains after MSCI said it would boost the proportion of mainland China shares in its global benchmarks later this year.
- The Australian market traded at a five-month high, with financial and defensive firms outperforming, while mining stocks remained under pressure.

Developed Markets	Last price	%Δ	%Δ	%Δ	%Δ	2018 Performance	MTD trend
		-1d	MTD	YTD	12Month		
Dow Jones	25 916,00	-0,27	0,00	11,10	5,31	-6,03	→
Nasdaq	7 532,53	-0,29	0,00	13,52	4,90	-5,30	→
S&P 500	2 784,49	-0,28	0,00	11,08	3,99	-7,01	→
DJ Eurostoxx 50	3 298,26	0,47	0,00	9,89	-2,97	-14,00	→
DAX	11 515,64	0,25	0,00	9,06	-5,54	-17,97	→
CAC	5 240,53	0,29	0,00	10,78	-0,42	-10,55	→
FTSE	7 074,73	-0,46	0,00	5,15	-1,41	-12,03	→
ASX200	6 192,70	0,38	0,38	9,68	3,67	-6,84	↑
Nikkei 225	21 624,12	1,12	1,12	8,04	-0,46	-14,85	↑
MSCI World	2 085,85	-0,30	0,00	10,72	-0,20	-10,97	→
Emerging Markets	Last price	%Δ	%Δ	%Δ	%Δ	2018 Performance	MTD trend
		-1d	MTD	YTD	12Month		
Hang Seng	28 714,26	0,28	0,28	11,10	-7,51	-15,30	↑
Shanghai	2 943,86	0,10	0,10	18,04	-10,08	-25,52	↑
Brazil Bovespa	95 584,35	-1,77	0,00	8,76	11,95	12,83	→
India - NSE	36 059,45	0,54	0,54	-0,02	5,91	6,67	↑
Russia Micex	2 485,27	-0,22	0,00	4,89	8,15	9,55	→
MSCI Emerging	1 050,95	-0,97	0,00	8,82	-11,85	-18,02	→
SA Indices	Last price	%Δ	%Δ	%Δ	%Δ	2018 Performance	MTD trend
		-1d	MTD	YTD	12Month		
JSE All Share	56 002,08	-0,53	0,00	6,19	-3,32	-11,71	→
Top 40	49 667,10	-0,58	0,00	6,29	-2,63	-11,54	→
Resi 10	45 544,52	-1,59	0,00	10,96	30,97	12,01	→
Indi 25	66 860,16	-0,06	0,00	4,99	-12,14	-20,20	→
Fini 15	17 126,69	-0,42	0,00	4,56	-6,91	-6,54	→

Source: Bloomberg & Nedbank CIB

Time 2019/03/01 07:32

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
5 March 2019		
AMS	Anglo American Platinum Ltd	dividend @ 751cps
CAT	Caxton CTP Publish Print	Odd lot offer @ 902.31164cps
CLH	City Lodge Holdings Ltd	dividend @ 229cps
COH	Curro Holdings Ltd	dividend @ 12cps
DSBP	Discovery Ltd B Pref	dividend @ 506.712330cps
EMI	Emira Property Fund Ltd	dividend @ 72.86cps
HET	Heriot REIT Ltd	dividend @ 39.50cps
ITE	Italtile Ltd	dividend @ 22cps
RES	Resilient REIT Ltd	dividend @ 263.66cps
TDHBP	Tradehold Ltd B Pref	dividend @ 1942.126030cps

Source: JSE

JSE PERFORMANCE

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Top40 constituents	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	2018 Performance	MTD trend
ABG : Absa Group Ltd	180,60	-0,93	0,00	11,61	-9,78	-11,08	➔
AGL : Anglo American Plc	372,67	-1,67	0,00	15,64	31,27	26,07	➔
ANG : AngloGold Ashanti Ltd	202,01	-0,49	0,00	11,15	88,51	41,31	➔
APN : Aspen Pharmacare Holdings Lt	139,44	-1,39	0,00	3,43	-47,72	-51,42	➔
BHP : Bhp Group Plc	326,96	-2,17	0,00	12,95	44,34	21,24	➔
BID : Bid Corp Ltd	294,67	-2,91	0,00	11,20	9,37	-11,96	➔
BTI : British American Tobacco Plc	511,81	-1,59	0,00	9,06	-26,73	-43,42	➔
BVT : Bidvest Group Ltd	208,07	-0,71	0,00	0,59	-6,51	-5,15	➔
CFR : Financiere Richemont-Dep Rec	107,01	0,22	0,00	14,27	3,92	-16,20	➔
CLS : Clicks Group Ltd	180,66	-0,74	0,00	-5,64	4,97	5,70	➔
CPI : Capitec Bank Holdings Ltd	1 306,21	0,17	0,00	16,83	53,46	1,83	➔
DSY : Discovery Ltd	154,08	0,51	0,00	-3,57	-12,52	-14,09	➔
FSR : Firststrand Ltd	64,30	-0,31	0,00	-1,92	-13,14	-2,51	➔
GRT : Growthpoint Properties Ltd	24,42	-1,29	0,00	4,81	-18,63	-15,76	➔
INL : Investec Ltd	91,56	0,58	0,00	15,90	-9,93	-11,95	➔
INP : Investec Plc	91,57	0,21	0,00	14,95	-10,23	-11,25	➔
LHC : Life Healthcare Group Holdin	27,06	-0,11	0,00	2,50	-0,70	-4,86	➔
MCG : Multichoice Group Ltd							➔
MND : Mondi Ltd	331,21	-5,14	0,00	6,99	15,58	-3,04	➔
MNP : Mondi Plc	327,25	-4,79	0,00	7,62	14,15	-4,78	➔
MRP : Mr Price Group Ltd	215,89	-2,75	0,00	-12,29	-22,34	0,52	➔
MTN : Mtn Group Ltd	83,52	-1,08	0,00	-6,16	-33,92	-34,85	➔
NED : Nedbank Group Ltd	284,40	-0,26	0,00	3,52	-1,68	7,27	➔
NPN : Naspers Ltd-N Shs	3 045,39	0,94	0,00	8,59	-4,73	-16,19	➔
NRP : Nepi Rockcastle Plc	118,36	-1,78	0,00	4,74	1,22	-47,09	➔
NTC : Netcare Ltd	25,44	-0,27	0,00	-2,25	2,93	5,09	➔
OMU : Old Mutual Ltd	23,25	-0,30	0,00	3,79			➔
PSG : Psg Group Ltd	259,78	0,18	0,00	6,12	19,17	-9,33	➔
RDF : Redefine Properties Ltd	9,71	-1,72	0,00	0,41	-14,52	-9,63	➔
REM : Remgro Ltd	201,20	-0,18	0,00	3,32	-15,99	-17,48	➔
RMH : Rmb Holdings Ltd	80,12	-0,10	0,00	1,55	-7,91	-0,34	➔
RNI : Reinet Investments Sca	222,07	-0,47	0,00	1,66	-1,94	-20,27	➔
SAP : Sappi Limited	72,25	-1,03	0,00	-11,51	-5,56	-8,77	➔
SBK : Standard Bank Group Ltd	193,76	-0,07	0,00	8,36	-11,42	-8,61	➔
SHP : Shoprite Holdings Ltd	171,70	0,15	0,00	-9,70	-34,73	-14,03	➔
SLM : Sanlam Ltd	78,69	-1,02	0,00	-1,39	-15,43	-8,28	➔
SOL : Sasol Ltd	429,88	0,84	0,00	1,15	6,50	-0,74	➔
SPP : Spar Group Limited/The	199,70	-0,81	0,00	-3,76	-7,98	2,05	➔
TBS : Tiger Brands Ltd	266,29	-1,70	0,00	-2,74	-38,20	-40,48	➔
TFG : The Foschini Group Ltd	171,80	-1,36	0,00	3,34	-20,83	-15,76	➔
VOD : Vodacom Group Ltd	116,12	-1,33	0,00	-12,03	-28,01	-9,39	➔
WHL : Woolworths Holdings Ltd	45,80	-0,65	0,00	-16,86	-28,54	-15,65	➔

Source: Bloomberg & Nedbank CIB

Time 2019/03/0107:32

US

- US GDP growth beat expectations for 4Q18, at 2.6% q/q SAAR, relative to consensus of 2.2%. However, this was down from 3.4% q/q achieved in 3Q18.
- A slowdown in personal and government consumption over the quarter, along with a sharp fall in gross private investment growth led to the slower pace of growth recorded in Q4.
- Net exports also contributed negatively to Q4 growth, as import growth outpaced export growth.
- The US economy achieved a 2.9% real GDP growth rate in 2018, which was the fastest pace of growth since 2015.

Synopsis: The Fed has gone back to the drawing board to reassess its policy stance as it fears overshooting its targeted neutral interest rate if it hikes too aggressively. The threat of a slowdown in economic activity in 2019 and 2020 has caused the Fed to re-think its projected pace of tightening. The market has also reassessed the Fed's policy stance and now sees no hikes in 2019, with the Fed expected to reduce interest rates in 2020. The longer-term outlook is more uncertain. We could see a halt or slowdown in the pace of balance sheet normalisation, with the possibility of no hikes in 2019 if economic data disappoints.

SA

- The SA monthly budget posted a massive deficit of R60.3 billion in January, from a surplus of R14.5 billion in December, worse than all consensus estimates.
- Of concern is the fact that the seasonal average deficit for January (for the last 6 years) is R33 billion, while the preliminary data showed a deficit of around R38 billion for January. The slippage in January reflects expenditures having been reported after the provisional figures were drafted, which necessitated a large draw-down in the government's cash balances.
- We still believe that a slight revenue shortfall is likely to materialise, even after considering the sharply reduced revenue collection profile in the 2019 Budget. This stems predominantly from lower CIT and PIT revenue collection. We project a revenue undershoot of R9bn for the current fiscal year, which would need to be mitigated by lower expenditure if it were to be deficit-neutral.

We believe that NT may well achieve its (wider) main budget deficit of R225bn (4.4% of GDP) for the current year, in the absence of any further surprises in the last two months of the year. Our key concern is rising SOE bail-out requests in the new year, which could result in further slippage over and above what was reported in the 2019 Budget. The deficit is seen widening to 4.7% of GDP in 2019/20, before tapering off to 4.6% in the following year. Furthermore, there are still significant downside risks to the growth outlook, and if these risks do materialise, it would imply lower revenue collection relative to current forecasts.

- The SA trade balance posted a deficit of R13.1 billion in January, from a surplus of R16.7 billion in December, better than consensus of -R14.5 billion. Despite starting the year off with a deficit, this was much smaller than the trade deficit of R27 billion recorded a year ago.
- Nonetheless, we see exports declining by 13.3% m/m in January, while imports surged by 18.9%, resulting in the large trade deficit in January. This represents the seasonal trend as manufacturers and wholesalers start off the new year with restocking inventories, hence the sharp increase in imports. On the export side of the equation, a decline in global trade activity and weak demand across Europe and China were key reasons for the slump in exports.
- Exports of all products apart from mineral resources declined. Exports of vehicles and transport equipment slumped 51% over the month. Imports of all major products increased sharply, apart from imports of mineral products. Imports of textiles and base metals surged 74% m/m, while imports of equipment components rose 79% m/m. Imports from all regions rose, apart from imports from Africa.

While Nedbank forecasts a narrower current account deficit in 2019 (-3.4% of GDP, relative to -3.7% of GDP forecasted for 2018), this stems from greater portfolio flows rather than a wider trade surplus – the trade balance will likely remain constrained by weak global demand and the consequent slowdown in global trade over the medium term, while the country's import needs continues to grow.

ECONOMIC CALENDAR

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	Country	Event	Period	Survey	Actual	Prior	Revised
28-February							
01:50 AM	JN	Industrial Production YoY	JAN P	1,30%	0,00%	-1,90%	-
01:50 AM	JN	Retail Trade YoY	JAN	1,40%	0,60%	1,30%	-
08:00 AM	SA	Money Supply M3 YoY	JAN	5,70%	5,09%	5,59%	5,56%
08:00 AM	SA	Private Sector Credit YoY	JAN	5,60%	6,51%	5,10%	-
11:30 AM	SA	PPI YoY	JAN	5,00%	4,10%	5,20%	-
02:00 PM	SA	Trade Balance Rand	JAN	-14,5b	-13,1b	17,2b	16,7b
02:00 PM	SA	South Africa Budget	JAN	-	ZAR -60,3b	ZAR 14,5b	-
03:00 PM	GE	CPI YoY	MAY F	1,50%	1,60%	1,40%	-
03:30 PM	US	Initial Jobless Claims	NOV 24	220k	225k	216k	-
03:30 PM	US	Continuing Claims	NOV 17	1737k	1805k	1725k	-
03:30 PM	US	Core PCE QoQ	4QA	1,60%	1,70%	1,60%	-
03:30 PM	US	GDP Annualized QoQ	4QA	2,20%	2,60%	3,40%	-
03:30 PM	US	Personal Consumption	4QA	2,95%	2,80	3,50	-
04:45 PM	US	Chicago Purchasing Manager	FEB	57,5	64,7	56,7	-
06:00 PM	US	Kansas City Fed Manf. Activity	FEB	6,0	1,0	5,0	-
01-March							
12:00 AM	SA	Naamsa Vehicle Sales YoY	FEB	-7,4%	-7,4%	-7,4%	-
01:30 AM	JN	Jobless Rate	JAN	2,40%	2,50%	2,40%	-
01:30 AM	JN	Job-To-Applicant Ratio	JAN	1,63	1,63	1,63	-
02:30 AM	JN	Nikkei Japan PMI Mfg	FEB F	-	48,9	50,3	-
03:45 AM	CH	Caixin China PMI Mfg	FEB	48,5	49,9	48,3	-
09:00 AM	GE	Retail Sales YoY	JAN	1,20%	-	-2,10%	-
10:55 AM	GE	Markit/BME Germany Manufacturing PMI	FEB F	47,6	-	47,6	-
11:00 AM	EC	Markit Eurozone Manufacturing PMI	FEB F	49,2	-	49,2	-
11:00 AM	SA	Barclays Manufacturing PMI	FEB	49,5	-	49,9	-
11:30 AM	UK	Markit UK PMI Manufacturing SA	FEB	52,0	-	52,8	-
11:30 AM	UK	M4 Money Supply YoY	JAN	-	-	2,00%	-
11:30 AM	UK	Net Consumer Credit	JAN	GBP 0,80b	-	GBP 0,70b	-
12:00 PM	EC	CPI Estimate YoY	FEB	1,50%	-	1,40%	-
12:00 PM	EC	Unemployment Rate	JAN	7,90%	-	7,90%	-
03:30 PM	US	Personal Income	JAN	0,30%	-	0,20%	-
03:30 PM	US	PCE Core YoY	DEC	1,90%	-	1,90%	-
03:30 PM	US	PCE Deflator YoY	DEC	1,70%	-	1,80%	-
03:30 PM	US	Personal Spending	DEC	-0,30%	-	0,40%	-
03:30 PM	US	Real Personal Spending	DEC	-0,30%	-	0,30%	-
04:45 PM	US	Markit US Manufacturing PMI	FEB F	53,7	-	53,7	-
05:00 PM	US	U. of Mich. Sentiment	FEB F	95,9	-	95,5	-
05:00 PM	US	ISM Manufacturing	FEB	55,8	-	56,6	-
04-March							
11:30 AM	EC	Sentix Investor Confidence	MAR	-3,1	-	-3,7	-
12:00 PM	EC	PPI YoY	JAN	0,0%	-	3,0%	-
05-March							
03:45 AM	CH	Caixin China PMI Services	FEB	53,7	-	53,6	-
10:55 AM	GE	Markit Germany Services PMI	FEB F	55,1	-	55,1	-
11:00 AM	EC	Markit Eurozone Services PMI	FEB F	52,3	-	52,3	-
11:30 AM	UK	Markit/CIPS UK Services PMI	FEB	50,1	-	50,1	-
11:30 AM	SA	GDP YoY	4Q	0,6%	-	1,1%	-
11:30 AM	SA	GDP Annualized QoQ	4Q	1,2%	-	2,2%	-
12:00 PM	EC	Retail Sales YoY	JAN	0,0%	-	0,8%	-
04:45 PM	US	Markit US Services PMI	FEB F	56,2	-	56,2	-
05:00 PM	US	New Home Sales	DEC	580k	-	657k	-
05:00 PM	US	New Home Sales MoM	DEC	-0,28%	-	16,90%	-
09:00 PM	US	Monthly Budget Statement	JAN	USD 3,0b	-	USD -13,5b	-

Source: Bloomberg 2019/03/01 07:32

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