

DAILY MARKET COMMENTARY

14 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

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

SNIPPETS

(Fixed Income)	SAGBs rally marginally intraday, market cautious ahead of Moody's and SARB next week
(Currencies)	USDZAR once again trading on the back foot
(Commodities)	Oil continues to climb on supply concerns; gold continues to rally on trade and growth concerns
(Equities)	Global equity markets gained with energy shares benefiting from the higher oil price
(Economics)	SA business confidence continues to fall; US PPI eases, durable goods orders recover; Eurozone industrial output contracts

KEY OVERNIGHT FACTORS AND UPCOMING EVENTS THIS WEEK

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Date	Region	Event	Actual/expected/prior	Implications
13/03	SA	BER Business confidence	--/32/31	BER confidence data likely to remain subdued on the back of weak growth, high unemployment, weak demand and policy uncertainty
15/02	EZ	CPI	--/1.5%/1.4%	Eurozone inflation likely to remain subdued and fall further in coming months
14/03	SA	Mining and manufacturing	--	Mining production expected to decline sharply in January, while manufacturing output may expand on robust sales and low inventories
15/03	US	Manufacturing production	--/0.1%/-0.9%	Some recovery in output expected in Q1, despite weaker demand
20/03	SA	CPI	--/--/4%	CPI expected to rise marginally as a result of higher administered prices

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	
R208-2 yrs	7.08	0.05	4.35	8.15	5.95	↑
R186-7.8 yrs	8.70	0.80	-1.60	-17.60	59.20	↓
R2048-29 yrs	9.74	0.55	-7.45	-15.95	60.45	↓
US10 yr	2.63	0.54	-8.83	-5.75	-19.04	↓
UK 10 yr	1.20	3.50	-10.40	-7.90	-28.90	↓
German 10 yr	0.07	1.00	-11.80	-17.70	-55.40	↓
Japan 10 yr	-0.04	-0.20	-2.20	-4.70	-9.40	↓

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	7.18	2.50	2.50	5.00	6.25	↑
SA 6m NCD	7.73	0.00	2.50	-2.50	17.50	↑
SA 12m NCD	8.23	2.50	5.00	-10.00	33.75	↑
US3m LIBOR	2.59	-1.50	-2.19	-21.44	48.64	↓
UK 3m LIBOR	0.85	0.25	-0.70	-6.74	24.29	↓
Japan 3m LIBOR	-0.07	-0.48	0.38	-0.18	-1.98	↑

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	7.14	-1.00	4.50	-7.00	29.00	↑
6X9 FRA	7.14	0.00	4.00	3.00	4.00	↑
9X12 FRA	7.15	3.50	5.50	-18.50	44.50	↑
18X21 FRA	7.25	2.50	7.00	-21.50	43.50	↑
SA 2yr Swap	7.18	0.70	4.80	-15.30	35.65	↑
SA 3yr Swap	7.27	1.50	4.00	-17.50	34.50	↑
SA 5yr Swap	7.52	2.00	5.00	-15.00	36.50	↑
SA 10yr Swap	8.08	2.00	4.00	-11.00	41.20	↑
SA 15yr Swap	8.34	2.00	3.50	-12.50	40.80	↑

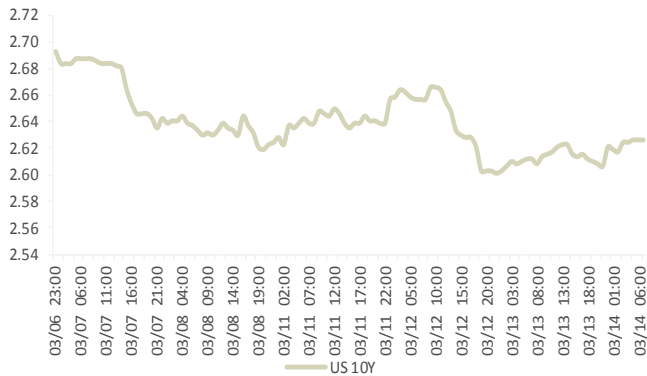
Spreads	Last price	Δ 1d	Δ MTD	Δ YTD	Δ 12Month	MTD trend
	%	bps	bps	bps	bps	
2v10y	-0.90	-1.30	0.80	-4.30	-5.55	↑
3v10y	-0.81	-0.50	0.00	-6.50	-6.70	→
R186-R208	1.62	0.75	-5.95	-25.75	53.25	↓
R2048-R186	1.04	-0.25	-5.85	1.65	1.25	↓
5y-R186	-1.18	1.20	6.60	2.60	-22.70	↑
10y-R186	-0.62	1.20	5.60	6.60	-18.00	↑
15y-R186	-0.36	1.20	5.10	5.10	-18.40	↑
SA 5yr CDS spread - basis points	176.00	0.00	0.00	-47.00	35.00	→

Source: Bloomberg & Nedbank CIB

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US 10 year yield

US 10 year yield

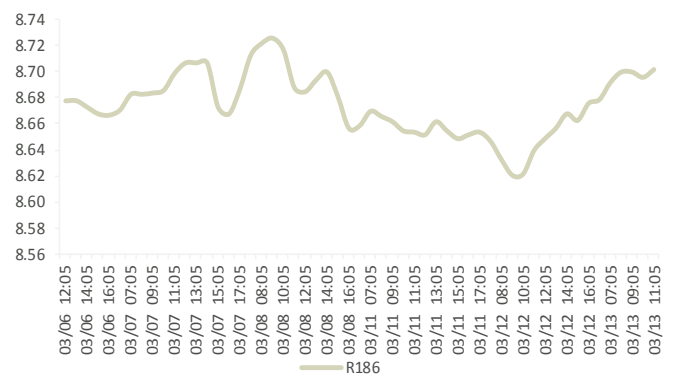


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Source: Bloomberg, Nedbank

SA 10 year yield

SA 10 year yield



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Source: Bloomberg, Nedbank

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

- Yesterday, the local trading session got underway with the rand trading in the high 14.30s. After some signs of strength from the local unit, managing to trade to a best level of 14.2975 on the day, these gains were reversed going into the time of the local close, with the rand trading at 14.40. In the overnight session, the upward trajectory continued and this morning, the rand is currently trading at 14.4450, the EURZAR is trading at 16.3485 and the GBPZAR is trading at 19.1280.
- International markets saw the major currency pairs largely confined to limited trading ranges, with the EURUSD trading between 1.1278 and 1.1318 on the day. This morning, it is currently trading at 1.1320. The GBPUSD held steady for much of the day yesterday. Last night, the British Parliament voted to reject a no-deal exit from the EU. This morning, the GBPUSD is currently trading at 1.3240. Gold held steady, but this morning, it is marginally off from the same time yesterday at 1,304.50.
- Data releases scheduled for today: locally, we have mining production; from Europe, we have the German and French CPI; and from the US, we have jobless claims, import prices, export prices and new home sales.
- The rand traded poorly into the time of the local close in a limited liquidity environment, with many participants apparently on the side lines. The local unit is increasingly under scrutiny as a scheduled Moody's review on 29 March approaches. In international news, the UK rejected a no-deal exit; the EU is likely to stand firm on the terms of the current deal.
- Possible trading range for the rand today: 14.3000 to 14.6000

Majors	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	USD trend
GBPUSD	1.32	-0.67	-0.11	3.87	-5.11	↓	USD strength
EURUSD	1.13	-0.06	-0.45	-1.28	-8.47	↓	USD strength
USDJPY	111.56	0.35	0.15	-1.68	4.70	↑	USD strength
USDAUD	1.42	0.49	0.48	-0.17	11.58	↑	USD strength

Rand crosses	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	ZAR trend
USDZAR	14.46	0.24	2.58	0.77	18.55	↑	ZAR weakness
GBPZAR	19.15	-0.44	2.47	4.33	14.16	↑	ZAR weakness
EURZAR	16.37	0.17	2.14	-0.55	11.04	↑	ZAR weakness
AUDZAR	10.21	-0.22	2.13	0.84	9.13	↑	ZAR weakness
ZARJPY	7.72	0.10	-2.46	1.08	-17.01	↓	ZAR weakness

African FX	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	ZAR trend
ZARMWK (Malawian kwacha)	50.54	-0.02	-2.30	-0.42	-21.93	↓	ZAR weakness
ZARBWP (Botswana pula)	0.74	-0.03	-1.16	-0.46	-9.18	↓	ZAR weakness
ZARKES (Kenyan shilling)	6.93	-0.25	-2.43	-2.42	-24.09	↓	ZAR weakness
ZARMUR (Mauritian rupee)	2.41	-0.03	-0.70	0.92	-17.44	↓	ZAR weakness
ZARNGN (Nigerian naira)	25.09	-0.04	-2.07	-0.82	-21.84	↓	ZAR weakness
ZARGHS (Ghanian cedi)	0.41	-0.27	2.86	15.99	7.38	↑	ZAR strength
ZARZMW (Zambian kwacha)	0.83	-0.02	-3.12	-0.04	1.25	↓	ZAR weakness
ZARMZN (Mozambican metical)	4.34	-0.02	-2.42	1.16	-22.91	↓	ZAR weakness

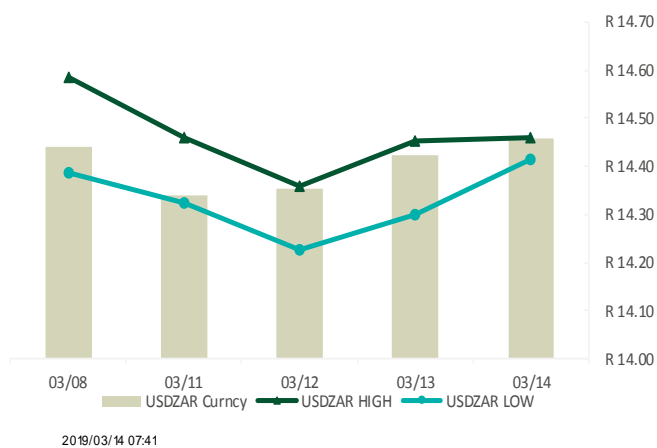
Emerging Market FX	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	USD trend
USDBRL (Brazilian Real)	3.82	0.15	1.58	-1.51	14.57	↑	USD strength
USDTRY (Turkish Lira)	5.47	0.18	2.36	3.23	29.02	↑	USD strength
USDMXN (Mexican Peso)	19.31	0.15	0.17	-1.74	3.78	↑	USD strength
USDINR (Indian Rupee)	69.60	0.09	-1.64	-0.24	6.85	↓	USD weakness
USD RUB (Russian Ruble)	65.40	-0.34	-0.78	-6.60	12.79	↓	USD weakness

Source: Bloomberg & Nedbank CIB
Time: 2019/03/14 07:41

*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

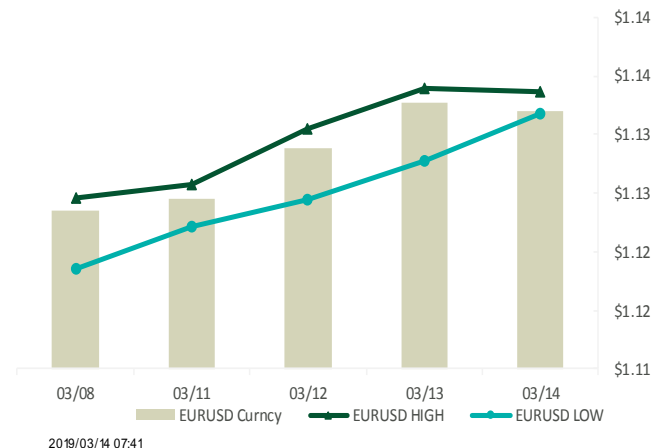
\$/R (close, high and low)



Source: Bloomberg, Nedbank

EUR/USD

€/€ (close, high, low)



Source: Bloomberg, Nedbank

- Oil held gains after breaching \$58 a barrel for the first time this year as falling U.S. crude and fuel inventories boosted optimism that a global surplus is shrinking. Energy Information Administration reported crude stockpiles declined 3.86 million barrels last week vs a prediction for an increase in a Bloomberg survey of analysts.
- Gold drops to snap two days of advances as the dollar recovered, while investors weigh the latest economic data from China and developments in the Brexit saga. Spot gold -0.3% to \$1,304.87/oz, Silver -0.4%, Platinum -0.9%, Palladium -0.4%.

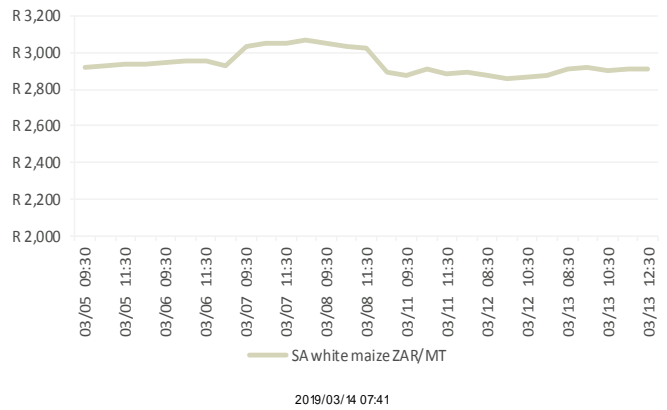
Source: Bloomberg

Commodities	Last price	%Δ				MTD trend
		-1d	MTD	YTD	12Month	
Brent near future (\$)	67.83	0.41	2.73	26.08	4.53	↑
WTI crude (\$)	58.43	0.29	2.11	28.67	-4.15	↑
Gold spot (\$)	1303.97	-0.39	-0.71	1.67	-1.58	↓
Platinum spot (\$)	832.15	-1.37	-4.44	4.59	-13.48	↓
SA white maize spot (R)	2910.00	1.08	6.28	-0.68	48.85	↑

Source: Bloomberg & Nedbank CIB
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SA white maize

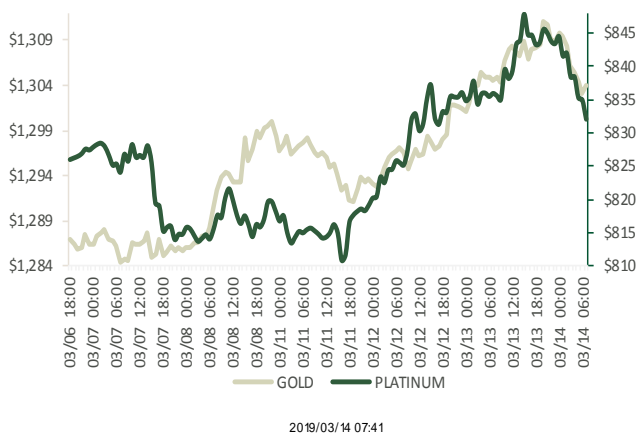
SA White maize (ZAR/MT) - 30 day chart



Source: Bloomberg, Nedbank

Platinum vs Gold

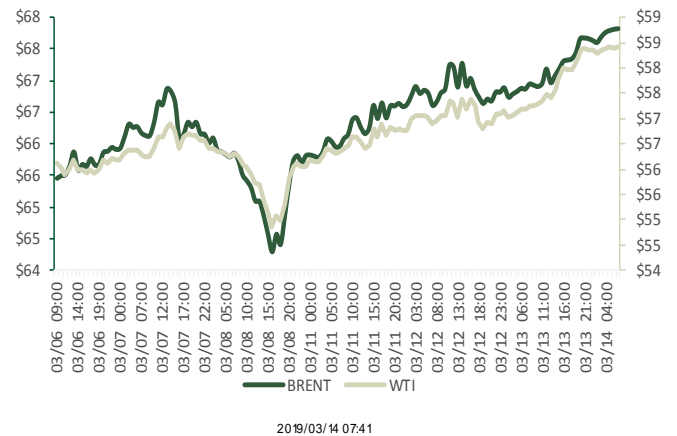
Platinum vs. Gold



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 experienced another choppy trading day, with both major indices eventually closing three-tenths of a percent higher.
- Financials and retailers were on the back foot. ABSA Group Ltd fell for the 11th consecutive trading session, losing 4% on the day.
- Naspers returned to gains and gold miners outperformed.
- The value traded was R19.9bn, and the rand was at 14.39 to the USD.

UK/Europe

- European markets closed higher on the back of positive Eurozone economic data and the strengthening oil price.
- The CAC outperformed peers, up seven-tenths of a percent, followed by the Dax, which advanced four-tenths of a percent.
- The stronger oil price supported the energy sector, while the utilities and healthcare sectors lagged.
- The FTSE gained a tenth of a percent. The GBP strengthened ahead of another Brexit vote.

USA

- US markets advanced, with the Dow gaining six-tenths of a percent and the S&P and Nasdaq both increasing by seven-tenths of a percent.
- Boeing managed to post a slight gain, despite the US also deciding to ground its 747 Max fleet.
- Data released by the Commerce Department showed that US durable goods orders increased in January, while a separate report showed that producer prices posted minor gains in February.

Asia

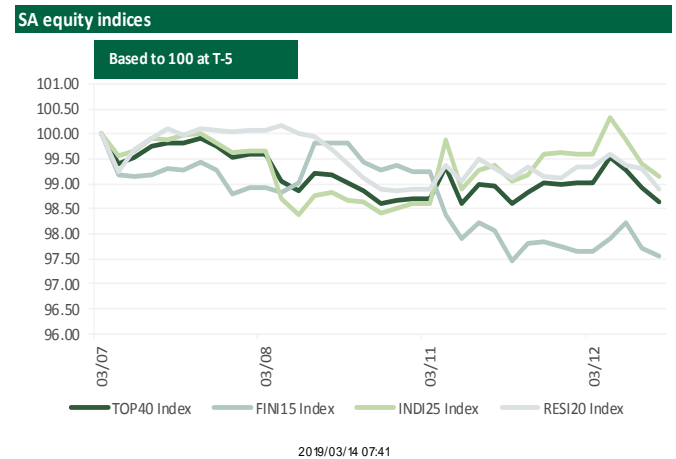
- Asian markets are trading mostly higher this morning, with energy shares benefiting from the higher oil price.
- At the time of writing, the Nikkei advanced six-tenths of a percent and the Hang Seng gained three-tenths of a percent, testing the 29,000 resistance level.
- The Shanghai Composite bucked the trend, losing three-tenths of a percent, while the ASX was flat.

Developed Markets	Last price	%Δ				2018 Performance	MTD trend
		-1d	MTD	YTD	12Month		
Dow Jones	25 702.89	0.58	-0.82	10.18	3.82	-6.03	↓
Nasdaq	7 643.41	0.69	1.47	15.19	1.96	-5.30	↑
S&P 500	2 810.92	0.69	0.95	12.13	2.23	-7.01	↑
DJ Eurostoxx 50	3 323.45	0.59	0.76	10.73	-1.99	-14.00	↑
DAX	11 572.41	0.42	0.49	9.60	-5.44	-17.97	↑
CAC	5 306.38	0.69	1.26	12.17	1.40	-10.55	↑
FTSE	7 159.19	0.11	1.19	6.41	0.37	-12.03	↑
ASX200	6 179.60	0.30	0.17	9.44	4.12	-6.84	↑
Nikkei 225	21 327.79	0.18	-0.27	6.56	-2.06	-14.85	↓
MSCI World	2 095.67	0.59	0.47	11.24	-1.82	-10.97	↑
Emerging Markets	Last price	%Δ				2018 Performance	MTD trend
		-1d	MTD	YTD	12Month		
Hang Seng	28 791.36	-0.06	0.55	11.40	-8.41	-15.30	↑
Shanghai	2 992.84	-1.13	1.76	20.01	-9.07	-25.52	↑
Brazil Bovespa	98 903.88	1.10	3.47	12.53	14.94	12.83	↑
India - NSE	37 817.89	0.17	5.44	4.85	11.77	6.67	↑
Russia Micex	2 470.61	0.10	-0.59	4.27	8.59	9.55	↓
MSCI Emerging	1 050.46	-0.10	-0.05	8.77	-13.80	-18.02	↓
SA Indices	Last price	%Δ				2018 Performance	MTD trend
		-1d	MTD	YTD	12Month		
JSE All Share	55 829.10	0.23	-0.31	5.86	-4.44	-11.71	↓
Top 40	49 584.85	0.24	-0.17	6.12	-4.26	-11.54	↓
Resi 10	45 670.49	1.14	0.28	11.27	30.54	12.01	↑
Indi 25	67 894.89	0.28	1.55	6.61	-12.53	-20.20	↑
Fini 15	16 339.26	-1.04	-4.60	-0.25	-11.00	-6.54	↓

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
18 March 2019		
ANG	Anglogold Ashanti Ltd	dividend @ 95cps
BCF	Bowler Metcalf Ltd	dividend @ 15cps
BID	BID Corporation Ltd	dividend @ 310cps
BVT	Bidvest Ltd	dividend @ 282cps
COM	Comair Ltd	dividend @ 5cps
CPIP	Capitec Bank Holdings Pref	dividend @ 418.82cps
CSB	Cashbuild Ltd	dividend @ 435cps
DGH	Distell Group Holdings Ltd	dividend @ 174cps
HMN	Hammerson Plc	PID dividend @ 139.833360cps, Non PID dividend @ 139.833360cps
HYP	Hyprop Inv Ltd	dividend @ 385.550780cps
ILRP2	IL Redeemable Pref 2 Mar19	dividend @ 1300.4145cps
IPL	Imperial Logistics Ltd	dividend @ 135cps
JSE	JSE Ltd	dividend @ 655cps and special dividend @ 185cps
MTH	Motus Holdings Ltd	dividend @ 240cps
NBKP	Nedbank Ltd Pref	dividend @ 42.231720cps
PGFP	PSG Financial Serv Pref	dividend @ 418.82cps
SNT	Santam Ltd	dividend @ 665cps
TWR	Tower Property Fund Ltd	dividend @ 36.73cps

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	159.32	-4.42	-11.78	-1.54	-20.00	-11.08	↓
AGL : Anglo American Plc	374.78	2.29	0.57	16.29	31.11	26.07	↑
ANG : Anglogold Ashanti Ltd	187.95	2.17	-6.96	3.41	70.63	41.31	↓
APN : Aspen Pharmacare Holdings Lt	108.49	-4.02	-22.20	-19.53	-56.81	-51.42	↓
BHP : Bhp Group Plc	333.03	1.79	1.86	15.05	47.28	21.24	↑
BID : Bid Corp Ltd	288.69	0.23	-2.03	8.94	9.68	-11.96	↓
BTI : British American Tobacco Plc	566.68	-1.71	10.72	20.75	-18.51	-43.42	↑
BVT : Bidvest Group Ltd	198.00	-0.75	-4.84	-4.28	-10.54	-5.15	↓
CFR : Financiere Richemont-Dep Rec	102.86	1.68	-3.88	9.83	-1.51	-16.20	↓
CLS : Clicks Group Ltd	180.90	-0.41	0.13	-5.51	5.80	5.70	↑
CPI : Capitec Bank Holdings Ltd	1273.47	0.36	-2.51	13.91	35.17	1.83	↓
DSY : Discovery Ltd	143.43	-1.08	-6.91	-10.24	-20.48	-14.09	↓
FSR : Firststrand Ltd	63.00	-0.62	-2.02	-3.90	-8.83	-2.51	↓
GRT : Growthpoint Properties Ltd	24.73	0.94	1.27	6.14	-18.11	-15.76	↑
INL : Investec Ltd	88.99	1.13	-2.81	12.65	-12.49	-11.95	↓
INP : Investec Plc	88.19	1.18	-3.69	10.71	-14.11	-11.25	↓
LHC : Life Healthcare Group Holdin	26.61	-1.66	-1.66	0.80	-7.73	-4.86	↓
MCG : Multichoice Group Ltd							↔
MND : Mondi Ltd	333.90	1.18	0.81	7.86	8.44	-3.04	↑
MNP : Mondi Plc	332.77	1.32	1.69	9.44	8.51	-4.78	↑
MRP : Mr Price Group Ltd	201.96	-5.03	-6.45	-17.95	-26.71	0.52	↓
MTN : Mtn Group Ltd	96.18	1.35	15.16	8.07	-24.54	-34.85	↑
NED : Nedbank Group Ltd	255.87	-2.34	-10.03	-6.86	-12.97	7.27	↓
NPN : Naspers Ltd-N Shs	3161.81	1.13	3.82	12.74	-7.84	-16.19	↑
NRP : Nepi Rockcastle Plc	125.00	2.12	5.61	10.62	-7.40	-47.09	↑
NTC : Netcare Ltd	25.24	-1.48	-0.79	-3.02	4.32	5.09	↓
OMU : Old Mutual Ltd	21.36	2.20	-8.13	-4.64			↓
PSG : Psg Group Ltd	246.65	-0.22	-5.05	0.76	6.90	-9.33	↓
RDF : Redefine Properties Ltd	9.93	-0.70	2.27	2.69	-14.98	-9.63	↑
REM : Remgro Ltd	199.83	-1.07	-0.68	2.61	-13.75	-17.48	↓
RMH : Rmb Holdings Ltd	77.66	-1.20	-3.07	-1.57	-5.58	-0.34	↓
RNI : Reinet Investments Sca	239.00	-2.85	7.62	9.41	4.56	-20.27	↑
SAP : Sappi Limited	72.00	-0.89	-0.35	-11.82	-7.96	-8.77	↓
SBK : Standard Bank Group Ltd	185.39	-1.46	-4.32	3.68	-16.54	-8.61	↓
SHP : Shoprite Holdings Ltd	170.92	-3.13	-0.45	-10.11	-33.60	-14.03	↓
SLM : Sanlam Ltd	72.60	-3.10	-7.74	-9.02	-21.41	-8.28	↓
SOL : Sasol Ltd	423.51	1.52	-1.48	-0.35	5.35	-0.74	↓
SPP : Spar Group Limited/The	199.22	-1.79	-0.24	-3.99	-2.82	2.05	↓
TBS : Tiger Brands Ltd	277.04	0.05	4.04	1.19	-20.82	-40.48	↑
TFG : The Foschini Group Ltd	171.50	-1.63	-0.17	3.16	-19.78	-15.76	↓
VOD : Vodacom Group Ltd	114.80	-0.14	-1.14	-13.03	-28.60	-9.39	↓
WHL : Woolworths Holdings Ltd	45.40	-0.15	-0.87	-17.59	-25.27	-15.65	↓

Source: Bloomberg & Nedbank CIB

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US

- US PPI eased to 1.9% y/y in February, from 2% in January, in line with consensus. The lower PPI was due to a decline in food, transport, trade and warehousing input costs. Prices of furniture, health products, apparel all declined as well, weighing on PPI. This in turn will negatively impact CPI over the medium term.
- Durable goods orders recovered in January, with nondefense capital goods orders excluding aircraft rising by 0.8% m/m from a 0.9% contraction in December. This was better than consensus of 0.2%. This was lifted by increased order volumes of electrical equipment and machinery in January.

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.

Europe

- Industrial production in the Eurozone contracted by 1.1% y/y in January, from -4.2% in December, better than consensus of -2.1%.
- Production of capital goods and durable consumer goods declined sharply in January, weighing on industrial output. In contrast, production of energy goods recovered, while non-durable consumer goods production was slightly higher.
- The sharp decline in German output in recent months has been the key driver of the subdued pace of industrial production – weak global demand, lower export orders and uncertain trade conditions are some of the reasons for the weaker pace of output.

Synopsis: The ECB has had to buckle under pressure, after the economy showed significant cracks as a result of trade tensions and weak global demand. As a result, more stimulus was pledged until at least March 2020, and the monetary policy rhetoric has reverted to accommodation, just three months after the ECB ended its bond-buying programme. The global central bank sentiment has shifted more dovish as a result of weak inflationary pressure, and deteriorating growth, therefore it is unsurprising that the ECB has had to follow suit as well.

China

- Industrial production
- Retail sales

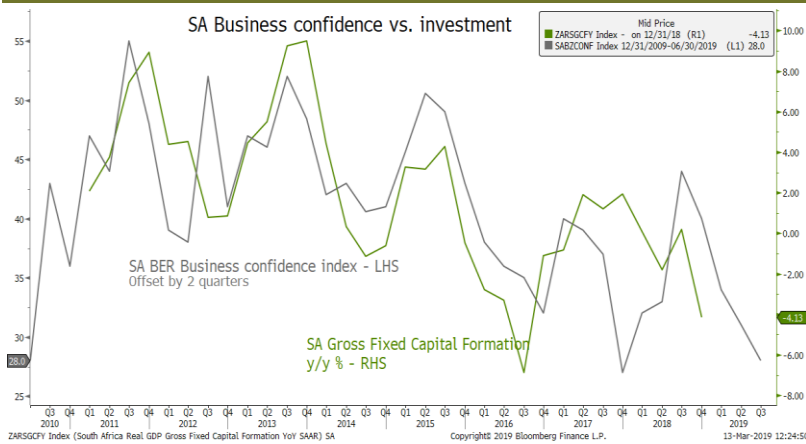
Synopsis: China's PBOC have started to ease liquidity in order to counter the effects of the trade war with the US. However, inflation remains below the target and so interest rates are likely to be kept low for some time. Geopolitical and trade tensions are likely to weigh on growth over the medium term. In such an environment, monetary policy will likely be kept loose for some time.

SA

- The BER business confidence index declined to 28 index points in 1Q19, from 31 in 4Q18. This was worse than consensus forecasts of 32 points. The index is currently at the lowest level since 2Q17.
- The BER noted that the above implies that more than seven out of ten business people are unsatisfied with current conditions. The biggest negative drivers of business sentiment were the slump in building confidence, and a slump in the retail trade sector confidence. This is due to little to no output growth in construction activity, while retailers are concerned about the persistent underperformance of non-durable goods sales.
- Confidence levels in the manufacturing industry continued to deteriorate, along with a slump in new vehicle sales which prompted a slump in confidence among car dealerships. While confidence in the wholesale industry is still net negative (at 40 points, anything below 50 points is 'net negative'), it was the only subcomponent to have improved in 1Q19.

Synopsis: Businesses have become more bearish as a result of load shedding having returned in February, labour strikes and disruptive social unrest, slowing growth in key trading partner countries, and political uncertainty ahead of the national elections in May. Business confidence levels have a high correlation to GFCF growth, with a three-quarter lag. The recent weakness in business confidence would imply continued decline in fixed investment over the medium term, which will weigh on growth.

Business confidence weaken in the first quarter



Source: Bloomberg, Nedbank

ECONOMIC CALENDAR

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	Country	Event	Period	Survey	Actual	Prior	Revised
13-March							
01:50 AM	JN	Machine Orders YoY	JAN	-2.05%	-2.90%	0.90%	-
01:50 AM	JN	PPI YoY	FEB	0.70%	0.80%	0.60%	-
12:00 PM	EC	Industrial Production WDA YoY	JAN	-2.10%	-1.10%	-4.20%	-
12:00 PM	SA	BER Business Confidence	1Q	32	28	31	-
01:00 PM	US	MBA Mortgage Applications	FEB 23	-	2.30%	-2.50%	-
02:30 PM	US	Cap Goods Orders Nondef Ex Air	JAN P	0.2%	0.8%	-1.0%	-0.9%
02:30 PM	US	Durables Ex Transportation	JAN P	0.10%	-0.10%	0.10%	0.30%
02:30 PM	US	Durable Goods Orders	JAN P	-0.4%	0.4%	1.2%	1.3%
02:30 PM	US	PPI Final Demand YoY	FEB	1.90%	1.90%	2.00%	-
14-March							
09:00 AM	GE	CPI YoY	MAY F	1.60%	-	1.60%	-
11:30 AM	SA	Mining Production YoY	JAN	-3.80%	-	-4.80%	-
11:30 AM	SA	Gold Production YoY	JAN	-	-	-31.00%	-
11:30 AM	SA	Platinum Production YoY	JAN	-	-	6.10%	-
01:00 PM	SA	Manufacturing Prod NSA YoY	JAN	1.20%	-	0.10%	-
04:00 PM	US	New Home Sales	JAN	622k	-	621k	-
04:00 PM	US	New Home Sales MoM	JAN	0.16%	-	3.70%	-
15-March							
12:00 AM	JN	BOJ 10-Yr Yield Target	MAR 15	0.00%	-	0.00%	-
12:00 AM	JN	BOJ Policy Balance Rate	MAR 15	-0.10%	-	-0.10%	-
09:00 AM	GE	Wholesale Price Index YoY	FEB	-	-	1.10%	-
12:00 PM	EC	CPI Core YoY	FEB F	1.00%	-	1.00%	-
12:00 PM	EC	CPI YoY	FEB F	1.50%	-	1.50%	-
03:15 PM	US	Capacity Utilization	FEB	78.45%	-	78.22%	-
03:15 PM	US	Industrial Production MoM	FEB	0.40%	-	-0.58%	-
03:15 PM	US	Manufacturing (SIC) Production	FEB	0.10%	-	-0.90%	-
04:00 PM	US	U. of Mich. Sentiment	MAR P	95.7	-	93.8	-
04:00 PM	US	JOLTS Job Openings	JAN	7225	-	7335	-
10:00 PM	US	Net Long-term TIC Flows	JAN	USD 0.0b	-	USD -48.3b	-
10:00 PM	US	Total Net TIC Flows	JAN	USD 0.0b	-	USD -33.1b	-
18-March							
01:50 AM	JN	Exports YoY	FEB	-1.20%	-	-8.40%	-
01:50 AM	JN	Imports YoY	FEB	-8.35%	-	-0.80%	-
01:50 AM	JN	Trade Balance Adjusted	FEB	JPY 86.0b	-	JPY -370.0b	-
06:30 AM	JN	Industrial Production YoY	JAN F	-	-	0.00%	-
12:00 PM	EC	Trade Balance SA	JAN	-	-	EUR 15.6b	-

Source: Bloomberg 2019/03/14 07:40

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