

DAILY MARKET COMMENTARY

02 April 2019



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(* when available)*

KEY DAILY DRIVERS

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SNIPPETS

| | |
|----------------|---|
| (Fixed Income) | Risk traded well gave SA rates outperformance yesterday, and brought us down to and eventually through the big 8.50 level on R186s |
| (Currencies) | The rand posts a robust performance |
| (Commodities) | Oil prices rose to fresh highs for the year after a U.S. official said Washington is considering more sanctions on Iran and a key Venezuelan export terminal halted operations. |
| (Equities) | Global equity markets rally on PMI data |
| (Economics) | SA manufacturing PMI slumps further in March; US retail sales disappoints; Global PMIs tick higher in March following loose monetary policy response |

KEY OVERNIGHT FACTORS AND UPCOMING EVENTS THIS WEEK

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| Date | Region | Event | Actual/expected/prior | Implications |
|-------|--------|--------------------|-----------------------|---|
| 01/04 | Global | PMIs | -- | PMIs surprisingly higher in March, on better confidence levels and new orders |
| 01/04 | EZ | CPI | 1.4%/1.5%/1.5% | CPI eases as a result of lower core inflation, weak demand |
| 01/04 | US | Retail sales | -0.2%/0.3%/0.2% | Retail activity may reflect limited willingness to spend, despite the ability to do so, as confidence has recently declined |
| 03/04 | US | ADP payrolls | --/180k/183k | Labour market gains have eased recently as a result of the reduced supply and disappointing economic data |
| 05/04 | US | Labour market data | --/175k/20k | NFP may be revised higher for the previous print, tighter labour market persists |

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 | 6,82 | -0,50 | -8,40 | -17,60 | -27,40 | ↓ |
| R186-7,7 yrs | 8,47 | -0,10 | -12,70 | -40,50 | 41,00 | ↓ |
| R2048-28,9 yrs | 9,56 | -0,10 | -15,30 | -34,40 | 58,90 | ↓ |
| US10 yr | 2,48 | -2,68 | 6,91 | -21,01 | -25,57 | ↑ |
| UK 10 yr | 1,05 | 4,80 | 4,80 | -22,90 | -30,20 | ↑ |
| German 10 yr | -0,03 | 4,40 | 4,40 | -26,80 | -52,30 | ↑ |
| Japan 10 yr | -0,07 | -0,10 | 0,70 | -7,70 | -11,90 | ↑ |

| 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 | 25,00 | → |
| SA prime rate | 10,25 | 0,00 | 0,00 | 0,00 | 25,00 | → |
| SA CPI (MTD=previous month) | 4,10 | | 10,00 | -40,00 | 10,00 | ↑ |
| SA 3m JIBAR | 7,15 | 0,00 | 0,00 | 0,00 | 28,30 | → |
| SA 3m NCD | 7,13 | -1,25 | -1,25 | 0,00 | 22,50 | ↓ |
| SA 6m NCD | 7,73 | 1,25 | 0,00 | -2,50 | 32,50 | → |
| SA 12m NCD | 8,20 | 1,25 | -2,50 | -12,50 | 45,00 | ↓ |
| US3m LIBOR | 2,60 | -0,43 | -0,43 | -21,21 | 28,38 | ↓ |
| UK 3m LIBOR | 0,84 | -0,75 | -0,75 | -7,16 | 12,91 | ↓ |
| Japan 3m LIBOR | -0,06 | 0,23 | 0,23 | 1,10 | -3,03 | ↑ |

Source: Bloomberg & Nedbank CIB

Time 2019/04/02 07:48

| FRAs and Swaps | Last price | Δ 1d | Δ MTD | Δ YTD | Δ 12Month | MTD trend |
|----------------|------------|--------|--------|--------|-----------|-----------|
| | % | bps | bps | bps | bps | |
| 3X6 FRA | 7,10 | 1,50 | -1,50 | -11,50 | 28,00 | ↓ |
| 6X9 FRA | 7,04 | 0,00 | 4,00 | 3,00 | 4,00 | ↑ |
| 9X12 FRA | 7,00 | 2,00 | -8,00 | -33,00 | 28,50 | ↓ |
| 18X21 FRA | 7,04 | 0,50 | -16,00 | -42,50 | 21,00 | ↓ |
| SA 2yr Swap | 7,05 | 0,40 | -8,50 | -28,50 | 26,00 | ↓ |
| SA 3yr Swap | 7,12 | -10,50 | -10,50 | -33,00 | 21,30 | ↓ |
| SA 5yr Swap | 7,35 | -9,00 | -9,00 | -32,00 | 21,50 | ↓ |
| SA 10yr Swap | 7,88 | -10,50 | -10,50 | -31,00 | 26,00 | ↓ |
| SA 15yr Swap | 8,14 | -11,20 | -11,20 | -32,50 | 24,50 | ↓ |

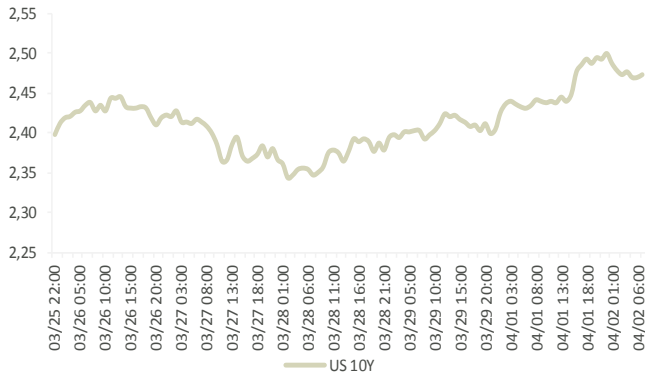
| Spreads | Last price | Δ 1d | Δ MTD | Δ YTD | Δ 12Month | MTD trend |
|----------------------------------|------------|--------|--------|--------|-----------|-----------|
| | % | bps | bps | bps | bps | |
| 2v10y | -0,83 | 10,90 | 2,00 | 2,50 | 0,00 | ↑ |
| 3v10y | -0,77 | 0,00 | 0,00 | -2,00 | -4,70 | → |
| R186-R208 | 1,65 | 0,40 | -4,30 | -22,90 | 68,40 | ↓ |
| R2048-R186 | 1,09 | -0,00 | -2,60 | 6,10 | 17,90 | ↓ |
| 5y-R186 | -1,12 | -8,90 | 3,70 | 8,50 | -19,50 | ↑ |
| 10y-R186 | -0,59 | -10,40 | 2,20 | 9,50 | -15,00 | ↑ |
| 15y-R186 | -0,33 | -11,10 | 1,50 | 8,00 | -16,50 | ↑ |
| SA 5yr CDS spread - basis points | 186,01 | -5,09 | -20,56 | -36,94 | 34,09 | ↓ |

Source: Bloomberg & Nedbank CIB

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US 10 year yield

US 10 year yield

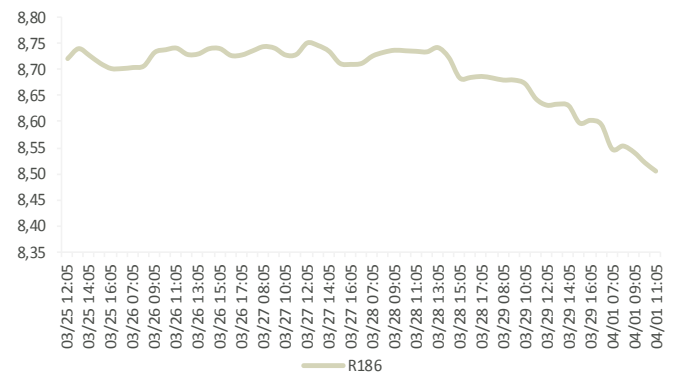


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Source: Bloomberg, Nedbank

SA 10 year yield

SA 10 year yield



Time 2019/04/02 07:48

Source: Bloomberg, Nedbank

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

- The new week opened with the rand trading around the 14.4000 level. Although the improved levels in the rand did attract USD buying interest, demand was easily met, and the local unit managed to trade steadily firmer throughout the session to trade to a best level of 14.1500, closing the day trading at 14.1700.
- The overnight session saw only limited trading activity, and this morning, the rand is currently trading at 14.2000. The EURZAR is trading at 15.9040 and the GBPZAR is trading at 18.5520.
- International markets had another subdued trading session on the day, with the EURUSD trading between 1.1214 and 1.1248; it is currently trading at 1.1200. The GBPUSD traded between 1.3010 and 1.3150 on the day, and this morning, it is currently trading at 1.3065. Gold held largely steady as the markets found comfort in the mostly stable environment and is currently trading at 1,286.15, some USD5 off from the time of the local close.
- Data releases scheduled for today: locally, no releases; from Europe, we have the Eurozone PPI; from the UK, we have the construction PMI; and from the US, we have durable goods orders and the Fed's Kaplan is scheduled to speak.
- The rand has posted significant gains over the most recent sessions; yesterday, it traded to the short-term technical objective at 14.1500, with the current price action in the local unit suggesting a possible short-term extension to 14.0000.
- On the international front, the focus remains on the various scenarios regarding Brexit, and US NFP data is scheduled for release on Friday.
- Possible trading range for the rand today: 14.0500 to 14.3500

| Majors | Last price | %Δ -1d | %Δ MTD | %Δ YTD | %Δ 12Month | MTD trend | USD trend |
|--------|------------|-----------|-----------|-----------|---------------|-----------|--------------|
| GBPUSD | 1,31 | -0,36 | 0,28 | 2,56 | -6,85 | ↕ | USD weakness |
| EURUSD | 1,12 | -0,01 | -0,12 | -2,16 | -8,86 | ↘ | USD strength |
| USDJPY | 111,39 | -0,03 | 0,48 | -1,55 | 4,82 | ↕ | USD strength |
| USDAUD | 1,41 | 0,40 | 0,22 | -0,55 | 8,19 | ↕ | USD strength |

| Rand crosses | Last price | %Δ -1d | %Δ MTD | %Δ YTD | %Δ 12Month | MTD trend | ZAR trend |
|--------------|------------|-----------|-----------|-----------|---------------|-----------|--------------|
| USDZAR | 14,21 | 0,01 | -2,08 | -1,23 | 16,50 | ↘ | ZAR strength |
| GBPZAR | 18,57 | -0,36 | -1,75 | 1,24 | 10,35 | ↘ | ZAR strength |
| EURZAR | 15,92 | -0,01 | -2,23 | -3,47 | 8,38 | ↘ | ZAR strength |
| AUDZAR | 10,06 | -0,38 | -2,29 | -0,73 | 9,68 | ↘ | ZAR strength |
| ZARJPY | 7,84 | -0,05 | 2,49 | 2,79 | -13,98 | ↕ | ZAR strength |

| African FX | Last price | %Δ -1d | %Δ MTD | %Δ YTD | %Δ 12Month | MTD trend | ZAR trend |
|-----------------------------|------------|-----------|-----------|-----------|---------------|-----------|--------------|
| ZARMWK (Malawian kwacha) | 51,51 | -0,02 | 1,62 | 1,60 | -18,74 | ↕ | ZAR strength |
| ZARBWP (Botswana pula) | 0,75 | -0,01 | 0,49 | 0,43 | -7,66 | ↕ | ZAR strength |
| ZARKES (Kenyan shilling) | 7,10 | -0,01 | 2,14 | 0,28 | -20,04 | ↕ | ZAR strength |
| ZARMUR (Mauritian rupee) | 2,46 | 0,33 | 1,74 | 3,28 | -14,78 | ↕ | ZAR strength |
| ZARNGN (Nigerian naira) | 25,30 | -0,02 | 1,07 | 0,16 | -19,93 | ↕ | ZAR strength |
| ZARGHS (Ghanian cedi) | 0,39 | 0,00 | 1,63 | 11,96 | 3,68 | ↕ | ZAR strength |
| ZARZMW (Zambian kwacha) | 0,85 | -0,26 | 1,16 | 2,72 | 6,26 | ↕ | ZAR strength |
| ZARMZN (Mozambican metical) | 4,50 | -0,14 | 2,26 | 6,10 | -16,42 | ↕ | ZAR strength |

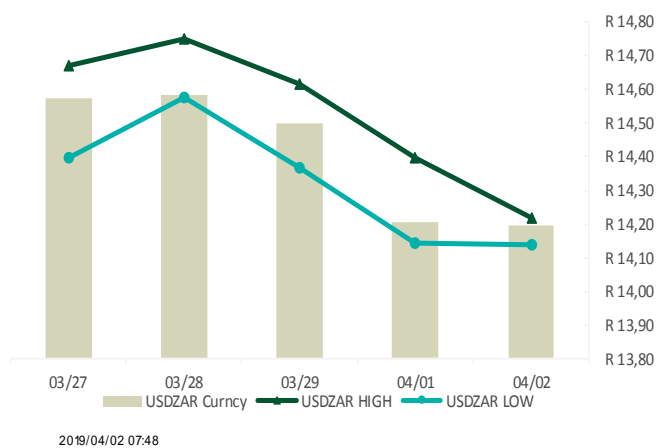
| Emerging Market FX | Last price | %Δ -1d | %Δ MTD | %Δ YTD | %Δ 12Month | MTD trend | USD trend |
|-------------------------|------------|-----------|-----------|-----------|---------------|-----------|--------------|
| USDBRL (Brazilian Real) | 3,85 | -1,83 | -1,83 | -0,80 | 13,95 | ↘ | USD weakness |
| USDTRY (Turkish Lira) | 5,55 | 1,40 | -0,33 | 4,70 | 28,45 | ↘ | USD weakness |
| USDMXN (Mexican Peso) | 19,17 | -0,17 | -1,33 | -2,57 | 4,55 | ↘ | USD weakness |
| USDINR (Indian Rupee) | 69,21 | 0,07 | 0,07 | -0,81 | 5,83 | ↕ | USD strength |
| USDRUB (Russian Ruble) | 65,28 | -0,14 | -0,74 | -6,29 | 11,83 | ↘ | USD weakness |

Source: Bloomberg & Nedbank CIB
Time: 2019/04/02 07:48

*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

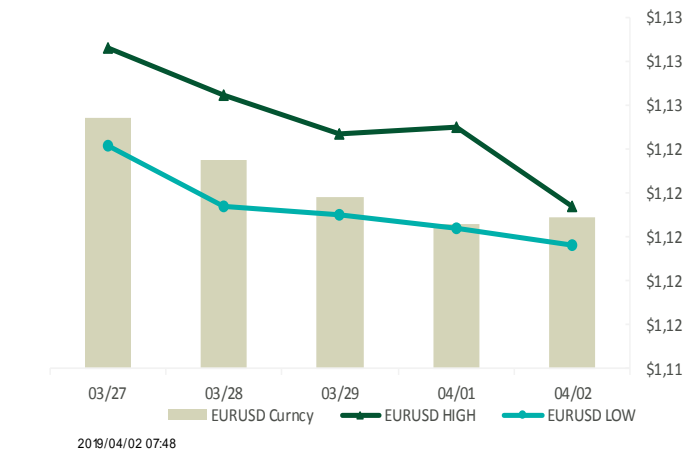
\$/R (close, high and low)



Source: Bloomberg, Nedbank

EUR/USD

€/€ (close, high, low)



Source: Bloomberg, Nedbank

- Oil prices rose to fresh highs for the year after a U.S. official said Washington is considering more sanctions on Iran and a key Venezuelan export terminal halted operations. Prices were also underpinned by a Reuters survey showing OPEC oil supply sank to a four-year low in March, and positive data from the world's biggest economies.
- Gold held a decline as a rebound in U.S. manufacturing and signs of stabilization in China eased concerns about the outlook for global growth. Spot gold - 0.04% to \$1,287.24/oz, Spot silver little changed, Platinum +0.3%, Palladium +0.2%. Base metals mixed.

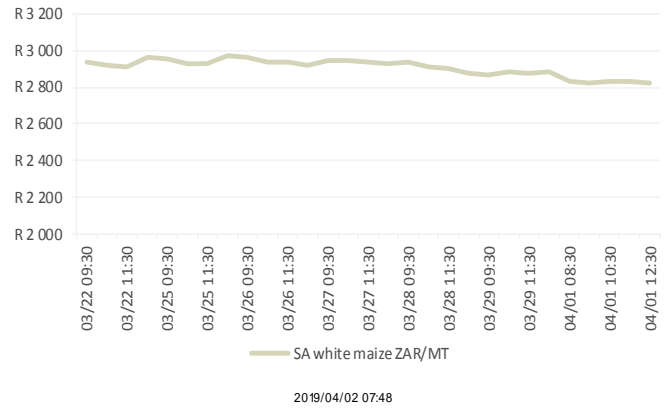
Source: Bloomberg

| Commodities | Last price | %Δ -1d | %Δ MTD | %Δ YTD | %Δ 12Month | MTD trend |
|-------------------------|------------|--------|--------|--------|------------|-----------|
| Brent near future (\$) | 69,12 | 0,16 | 1,07 | 28,48 | 2,19 | ↑ |
| WTI crude (\$) | 61,74 | 0,24 | 2,66 | 35,96 | -2,02 | ↑ |
| Gold spot (\$) | 1286,82 | -0,22 | -0,43 | 0,41 | -3,92 | ↓ |
| Platinum spot (\$) | 850,40 | 0,02 | 0,11 | 6,95 | -8,83 | ↑ |
| SA white maize spot (R) | 2 821,00 | -2,15 | -2,15 | -3,72 | 47,46 | ↓ |

Source: Bloomberg & Nedbank CIB
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SA white maize

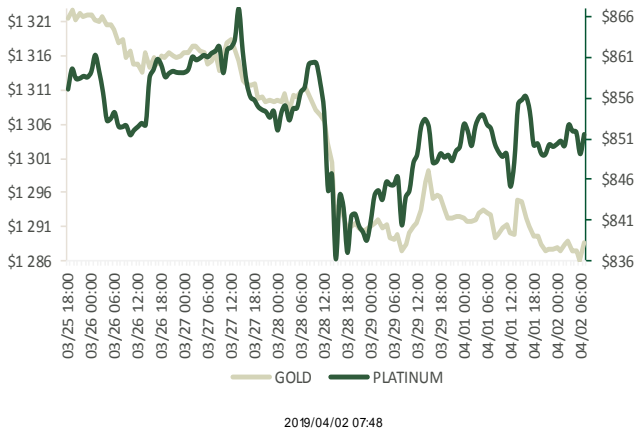
SA White maize (ZAR/MT) - 30 day chart



Source: Bloomberg, Nedbank

Platinum vs Gold

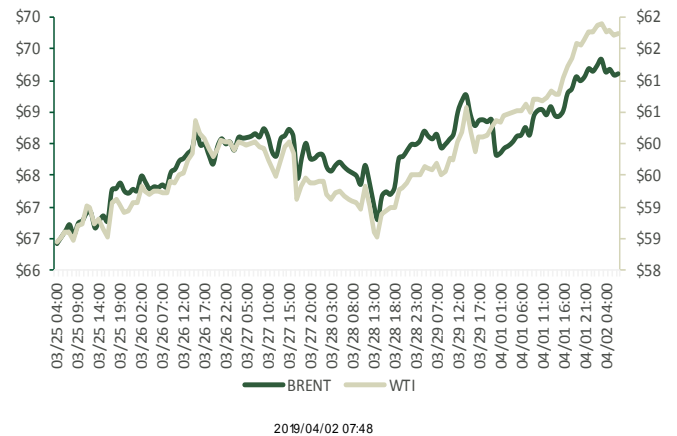
Platinum vs. Gold



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 Top40 (+1.4%) gapped up at the open and traded in a narrow sideways direction before closing just off the highs (Resi +0.8%, Fini +2.8%, and Indi +1%). This marked the fifth day of straight gains.
- The quarter began on a positive foot as our market tracked global markets higher. Chinese manufacturing PMI came in better than expected and spurred global risk appetite.
- The rand continued to strengthen and limited the upside for resources and industrial stocks.
- The value traded was R21.1bn, and the rand was hovering around 14.16 to the USD at the close.

UK/Europe

- European markets closed with strong gains on positive Chinese, US and local economic data (Dax +1.4%, CAC +1%, and FTSE +0.5%).
- Eurozone inflation came in lower than expected, while the unemployment rate stayed unchanged.
- In company news, EasyJet plunged -9% after it slashed its second-half forecasts.

USA

- The major US indices closed with strong gains on upbeat Chinese PMI data and renewed optimism around trade talks.
- The US manufacturing PMI topped analyst estimates. Traders seem to ignore the weaker-than-expected retail sales.
- Strength on the day was most prevalent in the oil, steel, financial and semiconductor sectors.

Asia

- Asian markets are trading higher this morning, taking the lead from Wall Street last night; the MSCI AC Asia Pacific ex-Japan is up +0.2%.
- The Australian market is up +0.7%, with BHP up +1%. The central bank has kept its interest rates unchanged.
- Tencent is currently up +0.6% in Hong Kong this morning.

| Developed Markets | Last price | %Δ | | | | 2018 Performance | MTD trend |
|-------------------|------------|------|------|-------|---------|------------------|-----------|
| | | -1d | MTD | YTD | 12Month | | |
| Dow Jones | 26 258,42 | 1,27 | 1,27 | 12,56 | 11,06 | -6,03 | ↑ |
| Nasdaq | 7 828,91 | 1,29 | 1,29 | 17,99 | 13,96 | -5,30 | ↑ |
| S&P 500 | 2 867,19 | 1,16 | 1,16 | 14,37 | 11,05 | -7,01 | ↑ |
| DJ Eurostoxx 50 | 3 385,38 | 1,00 | 1,00 | 12,79 | 0,71 | -14,00 | ↑ |
| DAX | 11 681,99 | 1,35 | 1,35 | 10,64 | -3,43 | -17,97 | ↑ |
| CAC | 5 405,53 | 1,03 | 1,03 | 14,27 | 4,61 | -10,55 | ↑ |
| FTSE | 7 317,38 | 0,52 | 0,52 | 8,76 | 3,70 | -12,03 | ↑ |
| ASX200 | 6 242,40 | 0,41 | 1,00 | 10,56 | 8,39 | -6,84 | ↑ |
| Nikkei 225 | 21 530,76 | 0,10 | 1,53 | 7,57 | 0,66 | -14,85 | ↑ |
| MSCI World | 2 131,79 | 1,14 | 1,14 | 13,16 | 4,57 | -10,97 | ↑ |

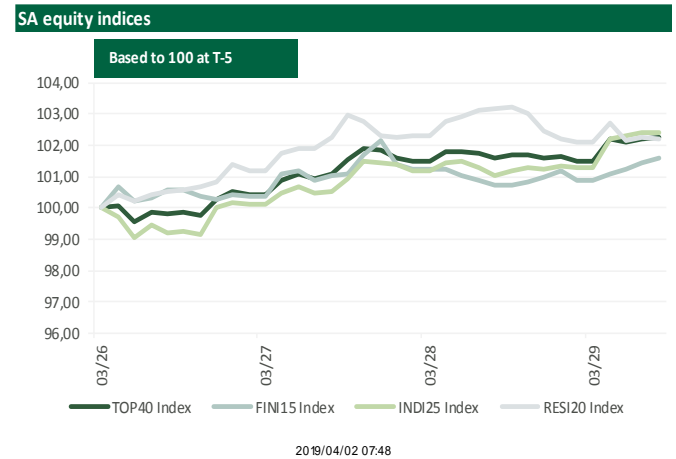
| Emerging Markets | Last price | %Δ | | | | 2018 Performance | MTD trend |
|------------------|------------|------|------|-------|---------|------------------|-----------|
| | | -1d | MTD | YTD | 12Month | | |
| Hang Seng | 29 616,68 | 0,18 | 1,95 | 14,59 | -1,58 | -15,30 | ↑ |
| Shanghai | 3 189,49 | 0,60 | 3,19 | 27,89 | 0,83 | -25,52 | ↑ |
| Brazil Bovespa | 96 054,45 | 0,67 | 0,67 | 9,29 | 13,45 | 12,83 | ↑ |
| India - NSE | 38 883,23 | 0,03 | 0,54 | 7,80 | 16,92 | 6,67 | ↑ |
| Russia Micex | 2 521,25 | 0,97 | 0,97 | 6,41 | 11,73 | 9,55 | ↑ |
| MSCI Emerging | 1 070,09 | 1,13 | 1,13 | 10,80 | -8,50 | -18,02 | ↑ |

| SA Indices | Last price | %Δ | | | | 2018 Performance | MTD trend |
|---------------|------------|------|------|-------|---------|------------------|-----------|
| | | -1d | MTD | YTD | 12Month | | |
| JSE All Share | 57 109,64 | 1,15 | 1,15 | 8,29 | 2,95 | -11,71 | ↑ |
| Top 40 | 50 879,64 | 1,20 | 1,20 | 8,89 | 4,27 | -11,54 | ↑ |
| Resi 10 | 47 192,47 | 0,66 | 0,66 | 14,97 | 35,98 | 12,01 | ↑ |
| Indi 25 | 69 480,57 | 0,82 | 0,82 | 9,10 | -3,20 | -20,20 | ↑ |
| Fini 15 | 16 706,02 | 2,73 | 2,73 | 1,99 | -4,83 | -6,54 | ↑ |

Source: Bloomberg & Nedbank CIB

Time 2019/04/02 07:48

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 |
|----------------------|---------------------------------------|--------------------------|
| 02 April 2019 | | |
| AFE | AECI Limited | dividend @ 366cps |
| AFX | African Oxygen Limited | dividend @ 25cps |
| ARI | African Rainbow Minerals Ltd | dividend @ 400cps |
| BEL | Bell Equipment Ltd | dividend @ 25cps |
| FSR | Firstrand Ltd | dividend @ 139cps |
| FVT | Fairvest Property Holdings | dividend @ 10.6160cps |
| LBH | Liberty Holdings Ltd | dividend @ 415cps |
| LBR | Libstar Holdings Ltd | dividend @ 22cps |
| MPT | Mpact Ltd | dividend @ 55cps |
| NED | Nedbank Group Ltd | dividend @ 720cps |
| OLG | Onelogix Group Ltd | dividend @ 6cps |
| PPR | Putprop Ltd | dividend @ 6cps |
| RLF | Rolfes Technology Holdings | dividend @ 4cps |
| RMH | RMH Holdings Ltd | dividend @ 178cps |
| RMI | Rand Merchant Investment Holdings Ltd | dividend @ 45cps |
| SAC | SA Corp Real Estate Ltd | dividend @ 20.520cps |
| SBKP | Std Bbank Group 6.5% Pref | dividend @ 3.25cps |
| SBPP | Standard Bank Group Pref | dividend @ 390.22cps |
| SBV | Sabvest Ltd | dividend @ 36cps |
| SFNP | Sasfin Holdings Ltd Pref | dividend @ 408.09cps |
| SVN | Sabvest Ltd-N- | dividend @ 36cps |

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 | 159,00 | 4,54 | 4,54 | -1,74 | -16,18 | -11,08 | ↑ |
| AGL : Anglo American Plc | 388,03 | 0,57 | 0,57 | 20,41 | 40,45 | 26,07 | ↑ |
| AMS : Anglo American Platinum Ltd | 747,35 | 1,52 | 1,52 | 38,93 | 130,66 | 52,19 | ↑ |
| ANG : Anglogold Ashanti Ltd | 184,31 | -3,80 | -3,80 | 1,41 | 63,80 | 41,31 | ↓ |
| APN : Aspen Pharmacare Holdings Lt | 94,40 | 1,53 | 1,53 | -29,98 | -63,62 | -51,42 | ↑ |
| BHP : Bhp Group Plc | 352,50 | 1,46 | 1,46 | 21,78 | 57,02 | 21,24 | ↑ |
| BID : Bid Corp Ltd | 298,00 | 0,00 | 0,00 | 12,45 | 15,62 | -11,96 | → |
| BTI : British American Tobacco Plc | 582,39 | -2,59 | -2,59 | 24,10 | -16,39 | -43,42 | ↓ |
| BVT : Bidvest Group Ltd | 200,67 | 3,71 | 3,71 | -2,99 | -10,46 | -5,15 | ↑ |
| CFR : Financiere Richemont-Dep Rec | 104,53 | -0,13 | -0,13 | 11,62 | -2,05 | -16,20 | ↓ |
| CLS : Clicks Group Ltd | 185,76 | 0,84 | 0,84 | -2,97 | 2,00 | 5,70 | ↑ |
| CPI : Capitec Bank Holdings Ltd | 1 384,00 | 2,52 | 2,52 | 23,79 | 59,04 | 1,83 | ↑ |
| DSY : Discovery Ltd | 139,49 | 1,97 | 1,97 | -12,70 | -18,19 | -14,09 | ↑ |
| FSR : Firststrand Ltd | 64,80 | 2,92 | 2,92 | -1,16 | -3,14 | -2,51 | ↑ |
| GFI : Gold Fields Ltd | 52,52 | -1,43 | -1,43 | 6,45 | 9,46 | -8,80 | ↓ |
| GRT : Growthpoint Properties Ltd | 24,90 | 1,97 | 1,97 | 6,87 | -12,35 | -15,76 | ↑ |
| INL : Investec Ltd | 86,68 | 2,77 | 2,77 | 9,72 | -6,07 | -11,95 | ↑ |
| INP : Investec Plc | 85,72 | 2,79 | 2,79 | 7,61 | -7,23 | -11,25 | ↑ |
| MCG : Multichoice Group Ltd | 121,50 | 0,66 | 0,66 | | | | ↑ |
| MND : Mondi Ltd | 324,19 | 1,70 | 1,70 | 4,72 | 4,89 | -3,04 | ↑ |
| MNP : Mondi Plc | 324,22 | 1,99 | 1,99 | 6,63 | 4,96 | -4,78 | ↑ |
| MRP : Mr Price Group Ltd | 196,29 | 3,57 | 3,57 | -20,26 | -31,13 | 0,52 | ↑ |
| MTN : Mtn Group Ltd | 91,33 | 3,06 | 3,06 | 2,62 | -23,27 | -34,85 | ↑ |
| NED : Nedbank Group Ltd | 261,32 | 4,01 | 4,01 | -4,88 | -8,48 | 7,27 | ↑ |
| NPN : Naspers Ltd-N Shs | 3 345,98 | 0,42 | 0,42 | 19,31 | 19,33 | -16,19 | ↑ |
| NRP : Nepi Rockcastle Plc | 120,40 | -0,86 | -0,86 | 6,55 | 4,70 | -47,09 | ↓ |
| NTC : Netcare Ltd | 23,63 | 1,20 | 1,20 | -9,21 | -14,30 | 5,09 | ↑ |
| OMU : Old Mutual Ltd | 21,57 | -1,37 | -1,37 | -3,71 | | | ↓ |
| PSG : Psg Group Ltd | 267,00 | 2,10 | 2,10 | 9,07 | 18,63 | -9,33 | ↑ |
| RDF : Redefine Properties Ltd | 9,83 | 1,34 | 1,34 | 1,65 | -15,19 | -9,63 | ↑ |
| REM : Remgro Ltd | 190,76 | 2,97 | 2,97 | -2,04 | -14,07 | -17,48 | ↑ |
| RMH : Rmb Holdings Ltd | 78,10 | 2,79 | 2,79 | -1,01 | 1,23 | -0,34 | ↑ |
| SAP : Sappi Limited | 67,05 | 0,60 | 0,60 | -17,88 | -12,01 | -8,77 | ↑ |
| SBK : Standard Bank Group Ltd | 193,53 | 4,48 | 4,48 | 8,23 | -11,50 | -8,61 | ↑ |
| SHP : Shoprite Holdings Ltd | 164,67 | 3,82 | 3,82 | -13,40 | -34,80 | -14,03 | ↑ |
| SLM : Sanlam Ltd | 76,76 | 4,07 | 4,07 | -3,81 | -10,01 | -8,28 | ↑ |
| SOL : Sasol Ltd | 449,43 | -0,13 | -0,13 | 5,75 | 11,46 | -0,74 | ↓ |
| SPP : Spar Group Limited/The | 195,71 | 2,00 | 2,00 | -5,68 | -3,38 | 2,05 | ↑ |
| TBS : Tiger Brands Ltd | 269,00 | 1,51 | 1,51 | -1,75 | -27,69 | -40,48 | ↑ |
| TFG : The Foschini Group Ltd | 168,80 | 3,56 | 3,56 | 1,54 | -24,56 | -15,76 | ↑ |
| VOD : Vodacom Group Ltd | 114,14 | 2,43 | 2,43 | -13,53 | -25,43 | -9,39 | ↑ |
| WHL : Woolworths Holdings Ltd | 46,93 | 0,97 | 0,97 | -14,81 | -21,78 | -15,65 | ↑ |

Source: Bloomberg & Nedbank CIB

Time 2019/04/02 07:48

US

- Retail sales contracted by 0.2% m/m in February, from 0.7% previously, worse than consensus estimates of +0.2%.
- Sales of motor vehicles, gasoline, healthcare products and sporting goods were the only products which saw an increase in sales in February. Sales of all other categories of items were sharply lower, reflective of consumer's lack of willingness to spend, despite incomes growing strongly.

Synopsis: The Fed has adjusted its monetary policy stance in line with the slowdown in the US economy, with its balance sheet decline expected to end as soon as September, and interest rates likely to be left unchanged this year. The shift comes as a result of global economic conditions deteriorating, as well as muted US inflation pressures. The Fed has indicated that it is watching macroeconomic data closely, along with global developments in order to decide on policy rates.

Europe

- Eurozone CPI estimate fell by 10bps in March, to 1.4% y/y, disappointing consensus of 1.5%. Core inflation slumped to 0.8% y/y, from 1% previously, reflective of weak underlying inflationary pressures in the economy.
- Price inflation of food, alcohol, tobacco, non-energy industrial goods and services eased sharply, while prices of energy ticked up. The uptick in energy prices was not enough to offset broad-based declines in the inflation basket.

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.

Global

- The Chinese PMI rose to 50.5 index points in March, from 49.2 previously, better than consensus of 49.6. There was a broad-based improvement in the PMI subcomponents, with the key drivers being output, new orders, purchases and the expectation for business activity in 6 months' time.
- Japanese PMI rose to 49.2 points in March, from 48.9 previously, as new order volumes ticked up. However, output continued to decline, which is still a concern. The PMI remains below 50 points, which implies contractionary conditions for the manufacturing industry.
- The Eurozone PMI slumped to 47.5 points in March, from 49.3 in February, worse than consensus of 47.6. New orders continued to decline, and this is reflective of the still weak global demand and trading conditions.
- UK PMI surged to 55.1 points in March, from 52.1 previously, well ahead of consensus of 51.2. This is the highest reading in more than a year as new order surged with media reporting that businesses are currently stockpiling inventory ahead of Brexit.
- The US ISM manufacturing index rose to 55.3 points in March, from 54.2 previously, better than estimates of 54.5. The index was driven by higher production levels and new orders, while the rest of the subcomponents eased or remained lacklustre.

Synopsis: Global manufacturing conditions are perceived to have improved in March as a result of the looser monetary policy pledged by global central banks, which resulted in a more upbeat assessment of the global economy. The PMI indicator to a large degree reflects the confidence levels of purchasing managers, and hence saw a similar uptick as overall confidence levels. We are yet to see trade indices like the Baltic Dry index tick up meaningfully to reflect better trading conditions.

SA

- The SA manufacturing PMI fell to 45.0 points in March, from 46.2 in February, worse than consensus of 46.5. The decline was driven by worsening business activity and a decline in new sales orders, with both subcomponents remaining well below the 50-index point level which separates expansion from contraction.
- While the employment subcomponent had remained fairly stable in recent months, we see a sharp decline in employment in March – rolling electricity blackouts, subdued local demand, and a difficult trading environment will likely keep the unemployment rate elevated over the medium term.
- The glaring concern within the PMI data in March was the purchasing commitments sub-index – this fell to 41.5 points from 50 in February. This implies that purchasing managers have halted new purchases as production of manufactured products would have likely contracted (because of weak sales), while inventory stock piles have grown in the last two months (because of weak sales).
- Combined with this, input costs have risen in March, as the purchasing price index was the only subcomponent to have seen an uptick in March due to the fuel price hike. If these costs are passed onto the final price of manufactured goods, it will probably inhibit demand further.

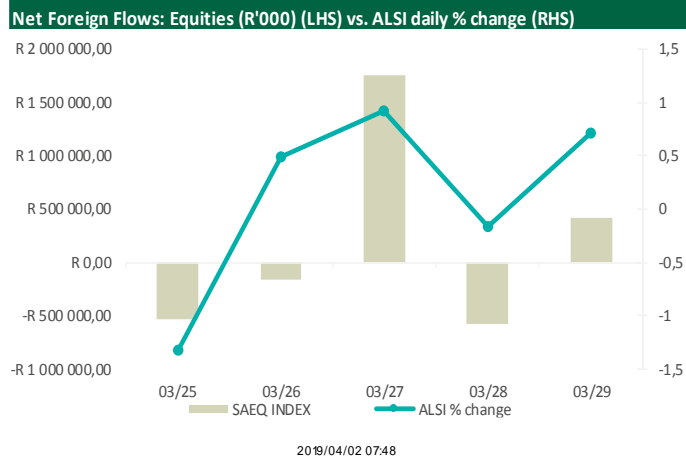
Synopsis: Confidence levels have continued to dip – for the second consecutive month the PMI shows a decline in optimism over expected business conditions in six months' time. Manufacturing conditions are likely to remain very weak as local demand is downbeat, inventories have risen, and output has had to decline to avoid adding to existing stockpiles. This will bode negatively for fixed investment, as it is directly correlated to confidence levels in the economy. The risks to the growth outlook is therefore still to the downside.

| Foreign flows (bn) | Week to 29 Mar 2019 | Month to 29 Mar 2019 | Year to 29 Mar 2019 |
|-------------------------------------|---------------------|----------------------|---------------------|
| Foreign flows into SA equity market | R 0,900 | -R 10,559 | -R 31,942 |
| Foreign flows into SA bond market | R 0,890 | -R 1,312 | R 8,350 |
| Total foreign flows | R 1,790 | -R 11,871 | -R 23,593 |

Source: Bloomberg

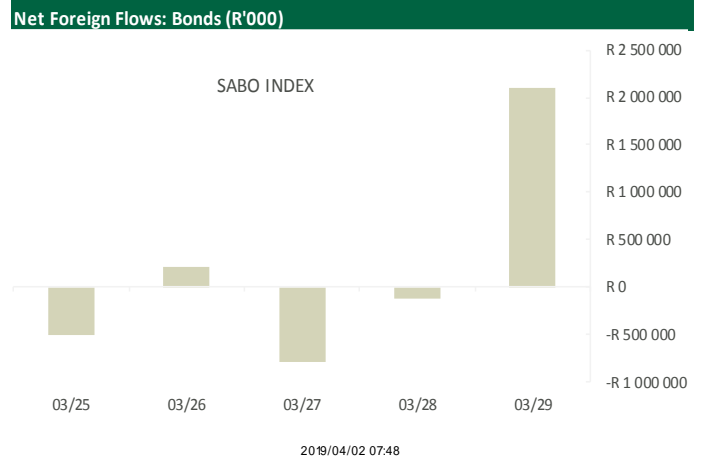
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Foreign equity flows: 5-day history



Source: Bloomberg, Nedbank

Foreign bond flows: 5-day history



Source: Bloomberg, Nedbank

ECONOMIC CALENDAR

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| | Country | Event | Period | Survey | Actual | Prior | Revised |
|-----------------|---------|--------------------------------------|--------|--------|--------|--------|---------|
| 01-April | | | | | | | |
| 12:00 AM | SA | Naamsa Vehicle Sales YoY | MAR | -5,0% | -3,1% | -6,5% | - |
| 02:30 AM | JN | Nikkei Japan PMI Mfg | MAR F | - | 49,2 | 49,2 | - |
| 03:45 AM | CH | Caixin China PMI Mfg | MAR | 50,0 | 50,8 | 49,9 | - |
| 09:55 AM | GE | Markit/BME Germany Manufacturing PMI | MAR F | 44,7 | 44,1 | 44,1 | - |
| 10:00 AM | EC | Markit Eurozone Manufacturing PMI | MAR F | 47,6 | 47,5 | 47,5 | - |
| 10:30 AM | UK | Markit UK PMI Manufacturing SA | MAR | 51,2 | 55,1 | 52,0 | 52,1 |
| 11:00 AM | EC | CPI Core YoY | MAR A | 0,90% | 0,80% | 1,00% | - |
| 11:00 AM | EC | CPI Estimate YoY | MAR | 1,50% | 1,40% | 1,50% | - |
| 11:00 AM | SA | Barclays Manufacturing PMI | MAR | 46,5 | 45,0 | 46,2 | - |
| 11:00 AM | EC | Unemployment Rate | FEB | 7,80% | 7,80% | 7,80% | - |
| 02:30 PM | US | Retail Sales Advance MoM | FEB | 0,20% | -0,20% | 0,20% | 0,70% |
| 03:45 PM | US | Markit US Manufacturing PMI | MAR F | 52,5 | 52,4 | 52,4 | - |
| 04:00 PM | US | ISM Manufacturing | MAR | 54,5 | 55,3 | 54,2 | - |
| 02-April | | | | | | | |
| 11:00 AM | EC | PPI YoY | FEB | 3,1% | - | 3,0% | - |
| 02:30 PM | US | Cap Goods Orders Nondef Ex Air | FEB P | 0,1% | - | 0,8% | - |
| 02:30 PM | US | Durables Ex Transportation | FEB P | 0,10% | - | -0,20% | - |
| 02:30 PM | US | Durable Goods Orders | FEB P | -1,8% | - | 0,3% | - |
| 03-April | | | | | | | |
| 03:45 AM | CH | Caixin China PMI Services | MAR | 52,3 | - | 51,1 | - |
| 09:55 AM | GE | Markit Germany Services PMI | MAR F | 54,9 | - | 54,9 | - |
| 10:00 AM | EC | Markit Eurozone Services PMI | MAR F | 52,7 | - | 52,7 | - |
| 10:30 AM | UK | Markit/CIPS UK Services PMI | MAR | 50,9 | - | 51,3 | - |
| 11:00 AM | EC | Retail Sales YoY | FEB | 2,3% | - | 2,2% | - |
| 02:15 PM | US | ADP Employment Change | MAR | 175k | - | 183k | - |
| 03:45 PM | US | Markit US Services PMI | MAR F | 54,8 | - | 54,8 | - |
| 04-April | | | | | | | |
| 08:00 AM | GE | Factory Orders WDA YoY | FEB | -3,1% | - | -3,9% | - |

Source: Bloomberg 2019/04/02 07:40

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