

DAILY MARKET COMMENTARY

23 April 2019



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(* when available)*

KEY DAILY DRIVERS

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

SNIPPETS

(Fixed Income)	Bull flattening of the SAGB curve continued towards the end of the week, particularly in the long end portion
(Currencies)	USDZAR trades on the back foot
(Commodities)	Oil extended gains after leaping to a six-month high after the U.S. said it will no longer give any buyer of Iranian crude a waiver from sanctions aimed at cutting the OPEC producer's exports to zero

KEY OVERNIGHT FACTORS AND UPCOMING EVENTS THIS WEEK

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Date	Region	Event	Actual/expected/prior	Implications
18/04	US	Retail sales	1.6%/1%/-0.2%	Retail sales rises as a result of upbeat labour market, seasonal spending
23/04	SA	Leading index	--/--/102.8	Leading indicator set to drop amid low confidence levels
24/04	SA	BER consumer confidence index	--/6/7	Consumer spending is hampered by weak growth, high unemployment rate and political uncertainty
25/04	SA	PPI	--/5.5%/4.7%	PPI likely to rise on higher petroleum costs
26/04	US	GDP	--/2.2%/2.2%	GDP growth expected to be supported by investment and trade

Source: Nedbank

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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	
R208-1,9 yrs	6,84	0,90	-6,30	-15,50	-51,10	↓
R186-7,7 yrs	8,47	2,20	-12,50	-40,30	24,90	↓
R2048-28,9 yrs	9,57	1,45	-14,15	-33,25	44,55	↓
US10 yr	2,58	-1,27	17,08	-10,84	-39,93	↑
UK 10 yr	1,20	0,00	19,70	-8,00	-28,20	↑
German 10 yr	0,03	0,00	9,50	-21,70	-56,50	↑
Japan 10 yr	-0,03	0,00	5,00	-3,40	-9,80	↑

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	25,00	→
SA prime rate	10,25	0,00	0,00	0,00	25,00	→
SA CPI (MTD=previous month)	4,50		40,00	0,00	70,00	↑
SA 3m JIBAR	7,16	0,00	0,80	0,80	25,80	↑
SA 3m NCD	7,13	-2,50	-1,25	0,00	22,50	↓
SA 6m NCD	7,70	-1,25	-2,50	-5,00	32,50	↓
SA 12m NCD	8,20	0,00	-2,50	-12,50	42,50	↓
US3m LIBOR	2,58	-1,04	-1,86	-22,65	22,25	↓
UK 3m LIBOR	0,82	-0,45	-2,64	-9,04	3,88	↓
Japan 3m LIBOR	-0,07	-0,78	-0,58	0,28	-3,30	↓

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	7,12	0,00	1,00	-9,00	34,00	↑
6X9 FRA	7,07	0,00	4,00	3,00	4,00	↑
9X12 FRA	7,06	0,00	-2,50	-27,50	29,50	↓
18X21 FRA	7,17	0,00	-2,50	-29,00	29,00	↓
SA 2yr Swap	7,12	0,00	-1,50	-21,50	29,50	↓
SA 3yr Swap	7,19	0,00	-3,00	-25,50	24,50	↓
SA 5yr Swap	7,42	-0,50	-2,50	-25,50	20,50	↓
SA 10yr Swap	7,97	-0,50	-2,00	-22,50	26,00	↓
SA 15yr Swap	8,23	-0,50	-2,20	-23,50	24,50	↓

Spreads	Last price	Δ 1d	Δ MTD	Δ YTD	Δ 12Month	MTD trend	
	%	bps	bps	bps	bps		
2v10y	-0,85	0,50	0,50	1,00	3,50	↑	
3v10y	-0,77	0,50	-1,00	-3,00	-1,50	↓	
R186-R208	1,63	1,30	-6,20	-24,80	76,00	↓	
R2048-R186	1,10	-0,75	-1,65	7,05	19,65	↓	
5y-R186	-1,06	-2,70	10,00	14,80	-4,40	↓	
10y-R186	-0,51	-2,70	10,50	17,80	1,10	↑	
15y-R186	-0,24	-2,70	10,30	16,80	-0,40	↑	
SA 5yr CDS spread - basis points	180,75	#N/A	N/A	-25,82	-42,20	21,40	↓

Source: Bloomberg & Nedbank CIB

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US 10 year yield

US 10 year yield

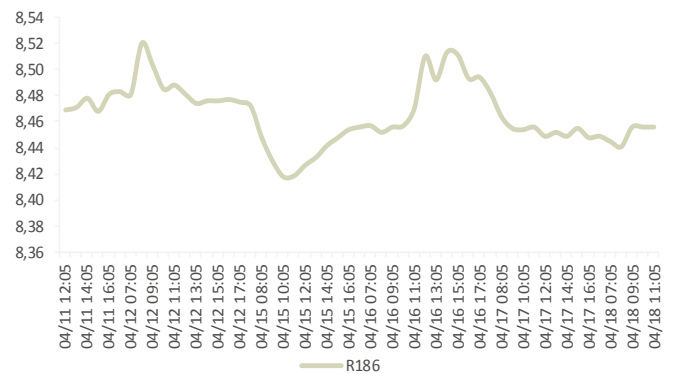


Time 2019/04/23 07:33

Source: Bloomberg, Nedbank

SA 10 year yield

SA 10 year yield



Time 2019/04/23 07:33

Source: Bloomberg, Nedbank

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

- On Thursday, the local trading session got under way with the rand trading around the 14.0000 level. As markets headed into the long weekend, some position squaring drove weakness in the local unit, which traded to a high of 14.1175 on the day before closing the week trading at 14.0650. Since the time of the close, the rand has traded steadily weaker as the price of crude oil has risen and the dollar has encountered broad-based support. The rand is currently trading at 14.1700, the EURZAR is trading at 15.9426 and the GBPZAR at 18.4040.
- International markets also traded with a broadly weaker bias as the dollar gained ground. The EURUSD traded down to 1.1236 on the day from 1.1300. This morning, it is trading at 1.1252. The GBPUSD is currently trading at 1.2988, which is marginally weaker than its closing level last week. Gold is currently trading at 1,275.15, which is unchanged from the same time on Thursday.
- The price of crude oil has increased over the most recent sessions as the US announced that it would no longer be granting exemptions for countries to import oil from Iran. This saw the price of oil climb to the highs of the year as markets contemplated impending supply constraints.
- Possible trading range in the rand today: 14.0700 to 14.3200

Majors	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	USD trend
GBPUSD	1,30	0,02	-0,37	1,89	-6,87	↓	USD strength
EURUSD	1,13	-0,06	0,29	-1,76	-7,91	↓	USD weakness
USDJPY	111,88	-0,05	0,91	-1,98	2,89	↑	USD strength
USDAUD	1,40	0,15	-0,38	-1,15	6,84	↓	USD weakness

Rand crosses	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	ZAR trend
USDZAR	14,17	0,08	-2,33	-1,48	12,99	↓	ZAR strength
GBPZAR	18,40	0,10	-2,66	0,36	6,57	↓	ZAR strength
EURZAR	15,94	0,01	-2,05	-3,30	5,51	↓	ZAR strength
AUDZAR	10,10	-0,07	-1,93	-0,37	7,04	↓	ZAR strength
ZARJPY	7,90	-0,12	3,17	3,47	-11,61	↑	ZAR strength

African FX	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	ZAR trend
ZARMWK (Malawian kwacha)	51,74	-0,11	2,07	2,05	-13,72	↑	ZAR strength
ZARBWP (Botswana pula)	0,75	-0,08	0,09	0,03	-5,82	↑	ZAR strength
ZARKES (Kenyan shilling)	7,15	-0,05	2,85	1,00	-13,37	↑	ZAR strength
ZARMUR (Mauritian rupee)	2,47	0,07	1,80	3,35	-11,08	↑	ZAR strength
ZARNGN (Nigerian naira)	25,37	-0,10	1,32	0,41	-15,09	↑	ZAR strength
ZARGHS (Ghanian cedi)	0,36	-0,19	-4,86	6,15	1,38	↓	ZAR weakness
ZARZMW (Zambian kwacha)	0,87	-0,03	2,80	4,34	10,38	↑	ZAR strength
ZARMZN (Mozambican metical)	4,53	-0,09	3,03	6,84	-6,78	↑	ZAR strength

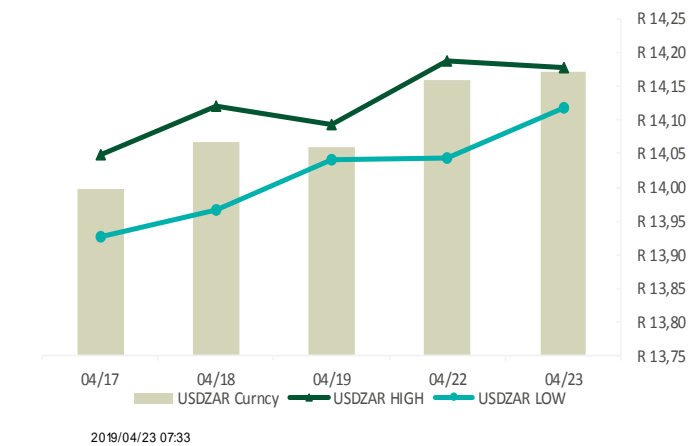
Emerging Market FX	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	USD trend
USDBRL (Brazilian Real)	3,94	0,22	0,39	1,40	12,29	↑	USD strength
USDTRY (Turkish Lira)	5,83	-0,08	4,47	9,27	29,55	↑	USD strength
USDMXN (Mexican Peso)	18,84	-0,04	-3,12	-4,39	-0,24	↓	USD weakness
USDINR (Indian Rupee)	69,72	0,06	0,79	-0,08	4,65	↑	USD strength
USDRUB (Russian Ruble)	63,81	-0,01	-3,06	-8,74	3,03	↓	USD weakness

Source: Bloomberg & Nedbank CIB
Time: 2019/04/23 07:33

*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

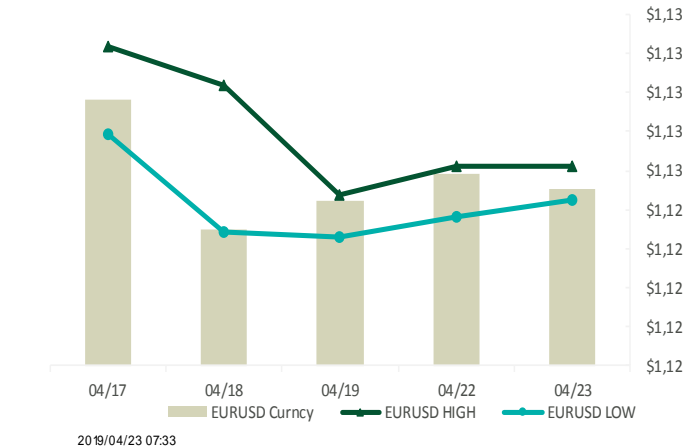
\$/R (close, high and low)



Source: Bloomberg, Nedbank

EUR/USD

€/€ (close, high, low)



Source: Bloomberg, Nedbank

- Oil extended gains after leaping to a six-month high after the U.S. said it'll no longer give any buyer of Iranian crude a waiver from sanctions aimed at cutting the OPEC producer's exports to zero. U.S. Secretary of State Mike Pompeo said any nation that continues to buy Iranian oil will face American sanctions. In response, the Islamic Republic threatened to shut the Strait of Hormuz, a key waterway for Middle East supplies. Meanwhile, Saudi Arabia said it will coordinate with other producers to ensure that adequate supplies are available. Gold was steady and silver gained, while copper and nickel declined. Bullion prices have been hit by wavering haven-asset demand on expectations the U.S. and China will reach a trade deal and as U.S. stocks hold near an all-time high. Spot gold +0.03% to \$1,275.34/oz, Spot silver +0.1%, Platinum +0.1%, Palladium -0.1%.

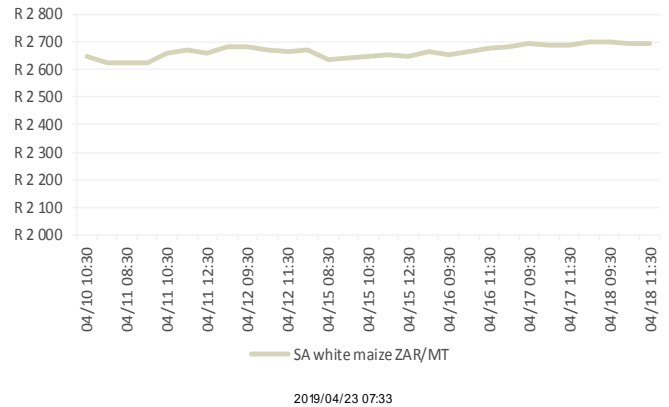
Source: Bloomberg

Commodities	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend
Brent near future (\$)	74,39	0,47	8,77	38,27	-0,43	↑
WTI crude (\$)	65,92	0,56	9,61	45,17	-3,96	↑
Gold spot (\$)	1 274,51	0,01	-1,38	-0,55	-3,72	↓
Platinum spot (\$)	899,74	0,43	5,92	13,15	-2,34	↑
SA white maize spot (R)	2 694,00	0,22	-6,56	-8,05	34,57	↓

Source: Bloomberg & Nedbank CIB
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SA white maize

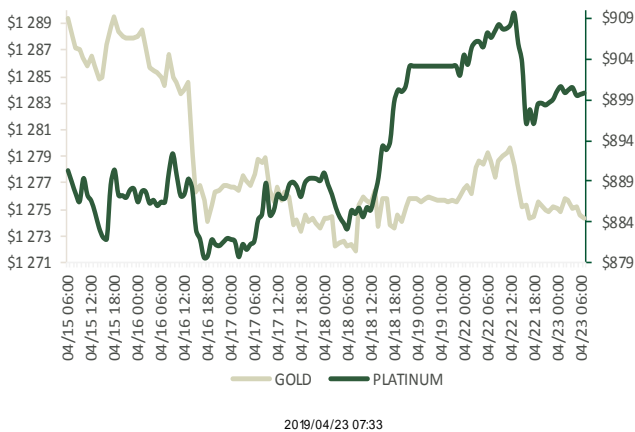
SA White maize (ZAR/MT) - 30 day chart



Source: Bloomberg, Nedbank

Platinum vs Gold

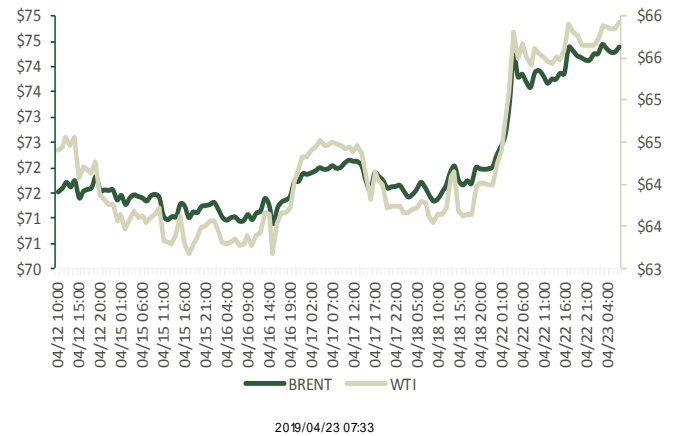
Platinum vs. Gold



Source: Bloomberg, Nedbank

Brent Crude vs West Texas Intermediate

Brent Crude vs West Texas Intermediate



Source: Bloomberg, Nedbank

Cash equities | +2711 535 4030/31

Developed Markets	Last price	%Δ		%Δ		2018 Performance	MTD trend
		-1d	MTD	YTD	12Month		
Dow Jones	26 511,05	-0,18	2,25	13,65	8,44	-6,03	↑
Nasdaq	8 015,27	0,22	3,70	20,80	12,44	-5,30	↑
S&P 500	2 907,97	0,10	2,60	16,00	8,90	-7,01	↑
DJ Eurostoxx 50	3 499,23	0,62	4,40	16,59	0,36	-14,00	↑
DAX	12 222,39	0,57	6,04	15,75	-2,75	-17,97	↑
CAC	5 580,38	0,31	4,30	17,96	3,50	-10,55	↑
FTSE	7 459,88	-0,15	2,48	10,88	1,79	-12,03	↑
ASX200	6 318,30	0,93	2,23	11,90	7,44	-6,84	↑
Nikkei 225	22 216,41	-0,01	4,77	11,00	0,58	-14,85	↑
MSCI World	2 161,58	0,06	2,55	14,74	3,07	-10,97	↑

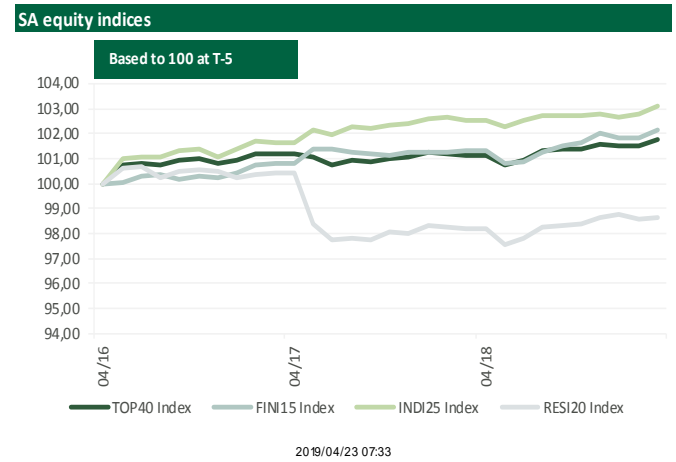
Emerging Markets	Last price	%Δ		%Δ		2018 Performance	MTD trend
		-1d	MTD	YTD	12Month		
Hang Seng	29 951,16	-0,04	3,10	15,88	-2,47	-15,30	↑
Shanghai	3 202,57	-0,39	3,62	28,42	4,39	-25,52	↑
Brazil Bovespa	94 588,06	0,01	-0,87	7,62	10,50	12,83	↓
India - NSE	38 715,90	0,18	0,11	7,34	12,38	6,67	↑
Russia Micex	2 584,74	0,81	3,51	9,09	14,83	9,55	↑
MSCI Emerging	1 089,03	-0,32	2,92	12,76	-5,98	-18,02	↑

SA Indices	Last price	%Δ		%Δ		2018 Performance	MTD trend
		-1d	MTD	YTD	12Month		
JSE All Share	59 222,47	0,53	4,89	12,30	2,95	-11,71	↑
Top 40	52 872,78	0,59	5,17	13,15	4,23	-11,54	↑
Resi 10	47 077,25	0,43	0,41	14,69	25,87	12,01	↑
Indi 25	73 597,53	0,57	6,79	15,57	-0,82	-20,20	↑
Fini 15	17 425,99	0,77	7,16	6,39	-2,80	-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
23 April 2019		
ARA	Astroia Investments Ltd	Capital repayment @ 1282.4280cps
AYO	Ayo Tech Solutions Ltd	dividend @ 35cps
GLN	Glencore Plc	dividend @ 139.85cps
QLT	Quilter Plc	dividend @ 61.920280cps
RCL	RCL Foods Limited	dividend @ 15cps
SHFF	Steinhoff Inv Holdings Pref	dividend @ 418.09418cps
TBS	Tiger Brands Ltd	Unbundling: 25.86927 OCE per 100 TBS held

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	164,29	0,81	8,01	1,53	-5,58	-11,08	↑
AGL : Anglo American Plc	396,79	0,83	2,84	23,12	30,95	26,07	↑
AMS : Anglo American Platinum Ltd	750,00	0,00	1,88	39,42	133,66	52,19	↑
ANG : Anglogold Ashanti Ltd	183,85	1,94	-4,04	1,16	65,63	41,31	↓
APN : Aspen Pharmacare Holdings Lt	107,87	1,78	16,01	-19,99	-59,14	-51,42	↑
BHP : Bhp Group Plc	341,38	0,56	-1,74	17,94	36,51	21,24	↓
BID : Bid Corp Ltd	304,17	0,60	2,07	14,78	8,68	-11,96	↑
BTI : British American Tobacco Plc	561,02	-1,00	-6,16	19,54	-12,48	-43,42	↓
BVT : Bidvest Group Ltd	219,47	0,46	13,42	6,10	-9,23	-5,15	↑
CFR : Financiere Richemont-Dep Rec	105,73	1,02	1,01	12,90	-8,92	-16,20	↑
CLS : Clicks Group Ltd	195,46	6,19	6,11	2,09	-7,97	5,70	↑
CPI : Capitec Bank Holdings Ltd	1421,41	0,88	5,29	27,14	64,58	1,83	↑
DSY : Discovery Ltd	147,87	0,69	8,09	-7,46	-14,43	-14,09	↑
FSR : Firststrand Ltd	68,26	1,19	8,42	4,12	2,72	-2,51	↑
GFI : Gold Fields Ltd	54,90	2,48	3,04	11,27	12,20	-8,80	↑
GRT : Growthpoint Properties Ltd	24,79	0,57	1,52	6,39	-14,22	-15,76	↑
INL : Investec Ltd	94,03	-0,07	11,49	19,03	-4,20	-11,95	↑
INP : Investec Plc	93,98	0,62	12,70	17,98	-5,02	-11,25	↑
MCG : Multichoice Group Ltd	126,89	0,11	5,13				↑
MND : Mondi Ltd	316,39	1,60	-0,75	2,20	-3,84	-3,04	↓
MNP : Mondi Plc	315,70	1,51	-0,69	3,82	-4,41	-4,78	↓
MRP : Mr Price Group Ltd	215,96	3,35	13,95	-12,26	-21,06	0,52	↑
MTN : Mtn Group Ltd	105,30	2,71	18,82	18,31	-13,96	-34,85	↑
NED : Nedbank Group Ltd	274,02	1,29	9,07	-0,25	-6,82	7,27	↑
NPN : Naspers Ltd-N Shs	3620,35	0,01	8,65	29,09	23,29	-16,19	↑
NRP : Nepi Rockcastle Plc	118,92	-0,17	-2,08	5,24	-13,48	-47,09	↓
NTC : Netcare Ltd	23,89	-0,79	2,31	-8,21	-19,29	5,09	↑
OMU : Old Mutual Ltd	23,50	0,69	7,45	4,91			↑
PSG : Psg Group Ltd	272,90	0,04	4,36	11,48	21,61	-9,33	↑
RDF : Redefine Properties Ltd	9,99	0,30	2,99	3,31	-15,70	-9,63	↑
REM : Remgro Ltd	196,95	0,75	6,31	1,13	-13,16	-17,48	↑
RMH : Rmb Holdings Ltd	82,94	0,66	9,16	5,12	7,10	-0,34	↑
SAP : Sappi Limited	65,50	-0,44	-1,73	-19,78	-18,52	-8,77	↓
SBK : Standard Bank Group Ltd	202,34	1,02	9,24	13,16	-10,15	-8,61	↑
SHP : Shoprite Holdings Ltd	178,20	-0,32	12,35	-6,28	-26,90	-14,03	↑
SLM : Sanlam Ltd	79,92	0,65	8,35	0,15	-0,54	-8,28	↑
SOL : Sasol Ltd	467,81	-1,39	3,96	10,07	8,04	-0,74	↑
SPP : Spar Group Limited/The	202,66	-1,38	5,62	-2,33	-2,87	2,05	↑
TBS : Tiger Brands Ltd	269,00	1,27	1,51	-1,75	-30,71	-40,48	↑
TFG : The Foschini Group Ltd	186,66	2,84	14,52	12,28	-12,49	-15,76	↑
VOD : Vodacom Group Ltd	120,71	0,77	8,33	-8,55	-20,76	-9,39	↑
WHL : Woolworths Holdings Ltd	47,63	1,71	2,47	-13,54	-25,81	-15,65	↑

Source: Bloomberg & Nedbank CIB

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ECONOMIC CALENDAR

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	Country	Event	Period	Survey	Actual	Prior	Revised
22-April							
02:30 PM	US	Chicago Fed Nat Activity Index	MAR	-0,10	-0,15	-0,29	-0,31
04:00 PM	US	Existing Home Sales	MAR	5,30m	5,21m	5,51m	5,48m
04:00 PM	US	Existing Home Sales MoM	MAR	-3,81%	-4,93%	11,80%	11,20%
23-April							
09:00 AM	SA	Leading Indicator	FEB	-	-	102,8	-
11:00 AM	EC	Govt Debt/GDP Ratio	2018	-	-	86,80%	-
04:00 PM	US	New Home Sales	MAR	649k	-	667k	-
04:00 PM	US	New Home Sales MoM	MAR	-2,70%	-	4,90%	-
04:00 PM	EC	Consumer Confidence	APR A	-7,00	-	-7,20	-
04:00 PM	US	Richmond Fed Manufact. Index	APR	10	-	10	-
24-April							
07:00 AM	JN	Leading Index CI	FEB F	-	-	97,4	-
08:00 AM	SA	BER Consumer Confidence	1Q	6,0	-	7,0	-
10:00 AM	GE	IFO Business Climate	APR	99,9	-	99,6	-
10:00 AM	GE	IFO Current Assessment	APR	103,5	-	103,8	-
10:00 AM	GE	IFO Expectations	APR	96,1	-	95,6	-
10:30 AM	UK	PSNB ex Banking Groups	MAR	GBP 0,4b	-	GBP 0,2b	-
25-April							
12:00 AM	JN	BOJ 10-Yr Yield Target	APR 25	0,00%	-	0,00%	-
12:00 AM	JN	BOJ Policy Balance Rate	APR 25	-0,10%	-	-0,10%	-
11:30 AM	SA	PPI YoY	MAR	5,50%	-	4,70%	-
02:30 PM	US	Cap Goods Orders Nondef Ex Air	MAR P	0,1%	-	-0,1%	-
02:30 PM	US	Durables Ex Transportation	MAR P	0,20%	-	-0,10%	-
02:30 PM	US	Durable Goods Orders	MAR P	0,8%	-	-1,6%	-
05:00 PM	US	Kansas City Fed Manf. Activity	APR	8,0	-	10,0	-

Source: Bloomberg 2019/04/23 07:32

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