

DAILY MARKET COMMENTARY

23 May 2019



[Fixed Income and Interest Rates](#) | [Currencies](#) | [Commodities](#) | [Equities](#) | [LDT](#) | [JSE performance](#) | [Economics](#) | [*Foreign flows](#) | [Economic calendar](#) | [#Contacts](#)

*Click on any of the above links to access your point of interest
(* when available)*

KEY DAILY DRIVERS

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SNIPPETS

(Fixed Income)	SAGB yields edge lower after downside CPI surprise, markets watch SARB MPC today
(Currencies)	Markets continue to await the cabinet announcement
(Commodities)	Oil extended losses after a surprise jump in American crude inventories alleviated concerns over a supply crunch, while the demand outlook remained bleak as there was no let up in U.S.-China tensions
(Equities)	Amid the US-China trade war, equity markets remain subdued ahead of the release of the FOMC minutes
(Economics)	SA CPI surprises to the downside; UK CPI rises in April; Fed FOMC minutes reiterate patience

KEY OVERNIGHT FACTORS AND UPCOMING EVENTS THIS WEEK

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Date	Region	Event	Actual/expected/prior	Implications
22/05	SA	CPI	4.4%/--/4.5%	CPI surprises to the downside as a result of broad based declines in subcomponents, transport inflation rises sharply
22/05	UK	CPI	2.1%/--/1.9%	UK CPI rises as broad range of goods prices increase
23/05	SA	SARB MPC	--/6.75%/6.75%	SARB expected on hold and cautious – geopolitical tensions and a higher oil price may keep the SARB from sounding overly dovish
24/05	UK	Retail sales	--/4.5%/6.7%	Retail activity may continue to grow strongly as consumers prepare for the uncertainty over Brexit conditions
24/05	US	Durable goods orders	--/-2%/2.6%	Preliminary orders likely to provide some insight into Q2 growth in the US, weaker quarter expected due to a slump in business investment and trade uncertainty

Source: Nedbank

CONTACT FOR QUERIES

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FIXED INCOME AND INTEREST RATES

[back to top](#)

Bond flow sales | +2711 535 4021 | Corporate Money Markets | +2711 535 4007 | Business Bank Money Markets | +2711 535 4006

Bonds	Last price	Δ	Δ	Δ	Δ	MTD trend
	%	1d	MTD	YTD	12Month	
		bps	bps	bps	bps	
R208-1.9 yrs	6.62	0.04	-17.16	-37.46	-85.76	↓
R186-7.6 yrs	8.41	0.35	-12.65	-46.75	-3.95	↓
R2048-28.8 yrs	9.68	0.15	-5.25	-22.35	34.45	↓
US10 yr	2.37	-0.88	-12.86	-31.10	-62.03	↓
UK 10 yr	1.02	-6.80	-17.00	-26.20	-50.80	↓
German 10 yr	-0.09	-2.30	-9.90	-32.80	-64.60	↓
Japan 10 yr	-0.06	-0.50	-2.10	-6.40	-10.70	↓

Money Market	Last price	Δ	Δ	Δ	Δ	MTD trend
	%	1d	MTD	YTD	12Month	
		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)	4.40		-10.00	-10.00	-10.00	↓
SA 3m JIBAR	7.16	0.00	0.00	0.80	25.80	→
SA 3m NCD	7.13	0.00	-2.50	0.00	22.50	↓
SA 6m NCD	7.65	-2.50	-5.00	-10.00	22.50	↓
SA 12m NCD	8.05	-2.50	-10.00	-27.50	17.50	↓
US3m LIBOR	2.52	0.13	-5.09	-28.29	19.48	↓
UK 3m LIBOR	0.80	-0.44	-1.80	-11.36	17.64	↓
Japan 3m LIBOR	-0.07	1.08	-0.15	0.62	-3.80	↓

Source: Bloomberg & Nedbank CIB

Time 2019/05/23 07:46

FRAs and Swaps	Last price	Δ	Δ	Δ	Δ	MTD trend
	%	1d	MTD	YTD	12Month	
		bps	bps	bps	bps	
3X6 FRA	7.05	0.00	-6.00	-16.00	17.00	↓
6X9 FRA	6.97	0.00	4.00	3.00	4.00	↑
9X12 FRA	6.95	-1.00	-11.00	-38.50	5.50	↓
18X21 FRA	7.04	-1.25	-14.50	-42.50	-4.50	↓
SA 2yr Swap	7.03	-0.10	-10.00	-31.00	6.00	↓
SA 3yr Swap	7.09	0.00	-13.00	-36.00	-3.50	↓
SA 5yr Swap	7.31	-6.00	-16.50	-36.00	-18.00	↓
SA 10yr Swap	7.89	-5.50	-14.50	-30.50	-9.50	↓
SA 15yr Swap	8.15	-5.80	-15.00	-31.50	-10.20	↓

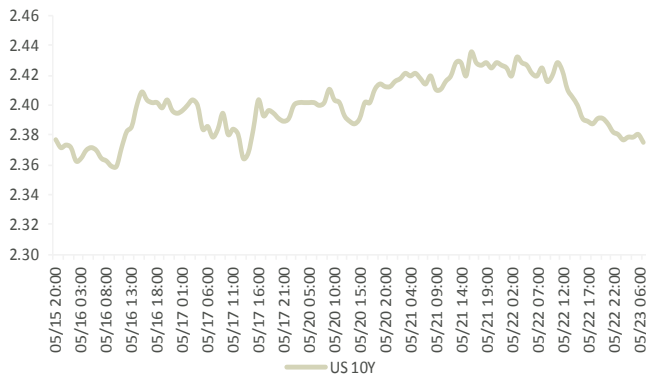
Spreads	Last price	Δ	Δ	Δ	Δ	MTD trend
	%	1d	MTD	YTD	12Month	
		bps	bps	bps	bps	
2v10y	-0.86	5.40	4.50	-0.50	15.50	↑
3v10y	-0.80	5.50	1.50	-5.50	6.00	↑
R186-R208	1.79	0.30	4.50	-9.30	81.80	↑
R2048-R186	1.27	-0.20	7.40	24.40	38.40	↓
5y-R186	-1.10	-6.35	-3.85	10.75	-14.05	↓
10y-R186	-0.52	-5.85	-1.85	16.25	-5.55	↓
15y-R186	-0.26	-6.15	-2.35	15.25	-6.25	↓
SA 5yr CDS spread - basis points	194.31	4.24	7.14	-28.64	20.63	↑

Source: Bloomberg & Nedbank CIB

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US 10 year yield

US 10 year yield

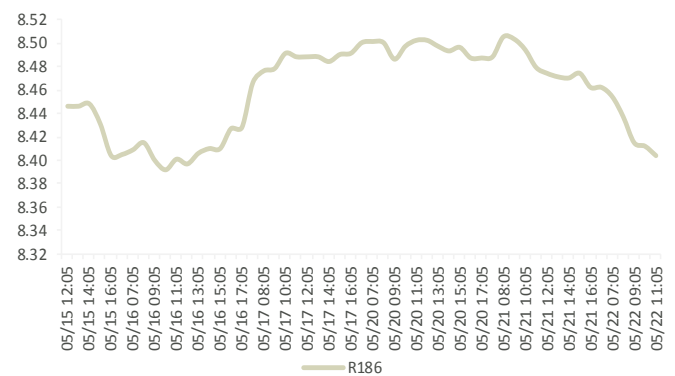


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Source: Bloomberg, Nedbank

SA 10 year yield

SA 10 year yield



2019/05/23 07:46

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 at 14.4000. We again encountered some initial demand for USD, but this scenario was short-lived, and the local unit managed to post modest gains for much of the session, reaching a best level of 14.3375 on the day, before closing at 14.3700. The overnight sessions were quiet as the FOMC minutes reaffirmed a patient approach from the Fed. This morning, the rand is currently trading at 14.3900, the EURZAR is trading at 16.0390 and the GBPZAR is at 18.1890.
- The international markets were again largely subdued, with the EURUSD trading between 1.1149 and 1.1180; this morning, it is currently trading at 1.1148 in what has proven to be an exceptionally quiet trading session in the Far East. The GBPUSD continued to trade on the back foot as politics in the UK continue to drive the GBP, currently trading at 1.2638.
- Gold has, along with the rest of the markets, held steady; this morning, it is trading effectively unchanged at 1,273.15.
- Data releases scheduled for today: locally, no releases; from Europe, we have German GDP and the IFO index, and various PMI releases for France, Germany and the Eurozone; and from the US, we have the manufacturing and services PMIs, new home sales, and Kansas Fed manufacturing and the Fed's Kaplan is scheduled to speak.
- Markets again traded cautiously and were confined to limited trading ranges as they awaited the FOMC minutes; subsequently, there was little if any activity. Locally, the focus is now on the SARB MPC today; although the consensus view is for no change, some quarters are hoping for an unlikely cut. Internationally, the ongoing trade talks remain at the forefront.
- Possible trading range for the rand today: 14.2800 to 14.5300

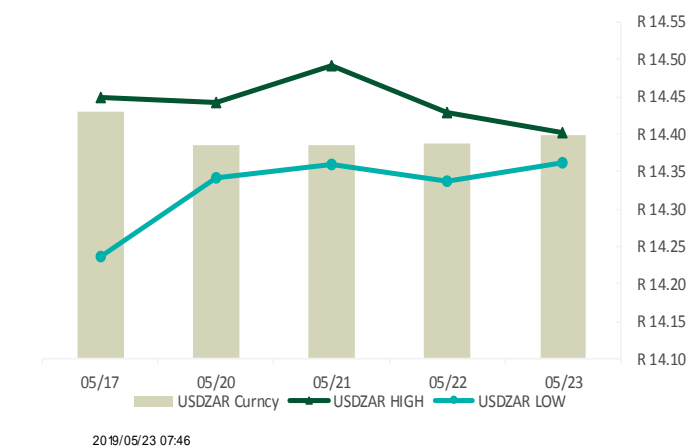
Majors	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	USD trend
GBPUSD	1.26	-0.28	-3.09	-0.84	-5.23	↓	USD strength
EURUSD	1.11	-0.09	-0.62	-2.66	-4.67	↓	USD strength
USDJPY	110.29	0.04	-0.93	-0.57	0.04	↓	USD weakness
USDAUD	1.46	0.13	2.59	2.46	9.67	↑	USD strength
Rand crosses	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	ZAR trend
USDZAR	14.40	0.07	0.47	0.12	13.30	↑	ZAR weakness
GBPZAR	18.20	-0.22	-2.70	-0.78	8.49	↓	ZAR strength
EURZAR	16.05	-0.02	-0.15	-2.61	9.06	↓	ZAR strength
AUDZAR	9.90	-0.06	-2.11	-2.41	4.86	↓	ZAR strength
ZARJPY	7.66	-0.04	-1.34	0.49	-15.32	↓	ZAR weakness
African FX	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	ZAR trend
ZARMWK (Malawian kwacha)	51.54	-0.33	0.44	1.66	-12.78	↑	ZAR strength
ZARBWP (Botswana pula)	0.75	-0.07	-0.04	0.16	-6.60	↓	ZAR weakness
ZARKES (Kenyan shilling)	7.03	-0.11	-0.42	-0.76	-15.06	↓	ZAR weakness
ZARMUR (Mauritian rupee)	2.46	-0.01	1.43	3.22	-12.36	↑	ZAR strength
ZARNGN (Nigerian naira)	24.97	-0.07	-0.81	-1.19	-15.60	↓	ZAR weakness
ZARGHS (Ghanian cedi)	0.37	-0.08	2.82	8.72	0.54	↑	ZAR strength
ZARZMW (Zambian kwacha)	0.94	-0.80	5.99	12.25	13.16	↑	ZAR strength
ZARMZN (Mozambican metical)	4.41	-0.07	-1.34	4.16	-8.80	↓	ZAR weakness
Emerging Market FX	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	USD trend
USDBRL (Brazilian Real)	4.04	0.01	2.98	3.92	9.69	↑	USD strength
USDTRY (Turkish Lira)	6.13	0.26	2.68	13.70	24.82	↑	USD strength
USDMXN (Mexican Peso)	19.03	0.26	0.24	-3.34	-3.43	↑	USD strength
USDINR (Indian Rupee)	69.53	-0.20	-0.05	-0.34	1.59	↓	USD weakness
USDRUB (Russian Ruble)	64.40	0.04	-0.46	-7.74	4.57	↓	USD weakness

Source: Bloomberg & Nedbank CIB
Time: 2019/05/23 07:46

*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

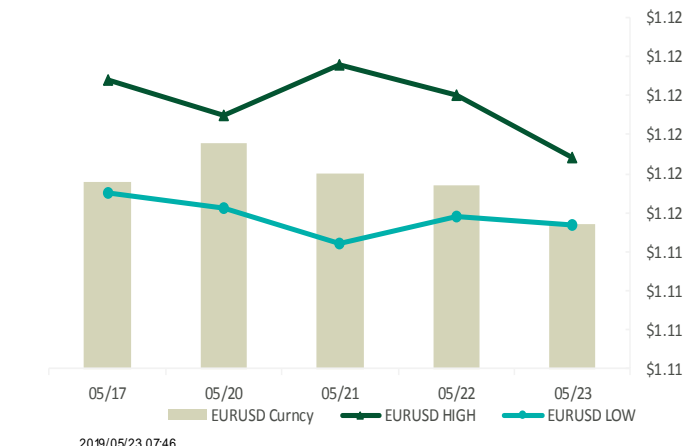
\$/R (close, high and low)



Source: Bloomberg, Nedbank

EUR/USD

€/€ (close, high, low)



Source: Bloomberg, Nedbank

- Oil extended losses after a surprise jump in American crude inventories alleviated concerns over a supply crunch, while the demand outlook remained bleak as there was no let up in U.S.-China tensions. American stockpiles rose by 4.7 million barrels to the highest level since mid-2017 last week despite expectations for a drop, while fuel inventories also climbed.
- Gold was steady as minutes from the last Federal Reserve meeting damped expectations for lower rates this year, while the ongoing trade war weighed on equities and the dollar continued its ascent. Platinum fell to the lowest since February, base metals mixed.

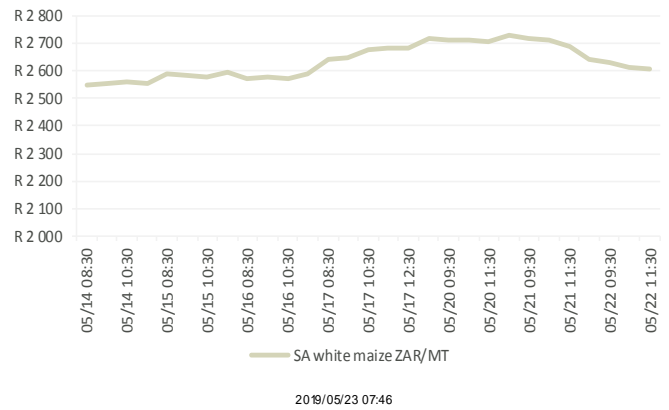
Source: Bloomberg

Commodities	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend
Brent near future (\$)	70.46	-0.75	-3.21	30.97	-11.70	↓
WTI crude (\$)	60.96	-0.75	-4.62	34.24	-15.14	↓
Gold spot (\$)	1273.96	-0.07	-0.75	-0.59	-1.29	↓
Platinum spot (\$)	801.58	-0.42	-10.04	0.81	-11.06	↓
SA white maize spot (R)	2 604.00	-3.16	0.85	-11.13	22.89	↑

Source: Bloomberg & Nedbank CIB
Time: 2019/05/23 07:46

SA white maize

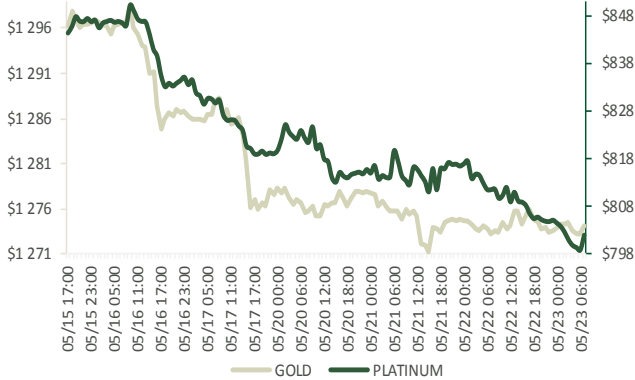
SA White maize (ZAR/MT) - 30 day chart



Source: Bloomberg, Nedbank

Platinum vs Gold

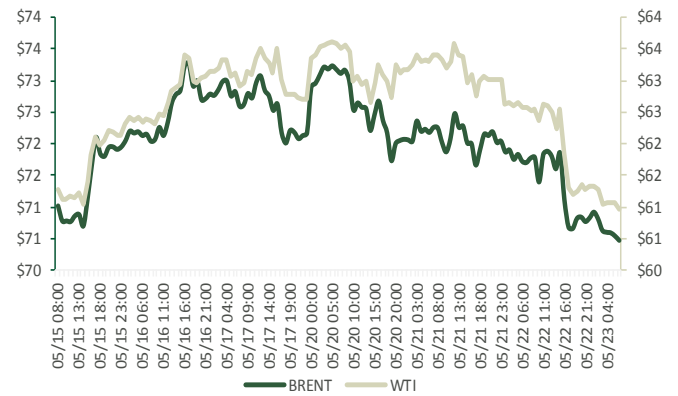
Platinum vs. Gold



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 closed lower for the fourth consecutive session, with both major indices losing around half a percent.
- Sasol dropped 13% on news that the Lake Charles estimate would be increasing to USD12.6bn-12.9bn (initially: USD11.8bn).
- CPI inflation declined to 4.4% in April and is expected to remain below 5% for most of the year.
- The value traded was R22.3bn, and the rand was at 14.38 to the USD.

UK/Europe

- European markets ended mixed, with traders exercising caution ahead of the release of the FOMC minutes.
- The DAX gained two-tenths of a percent, led higher by Wirecard AG, which jumped over 5%.
- The FTSE gained a tenth of a percent, while the CAC lost a tenth of a percent.
- Gains in healthcare and IT stocks were offset by weaker financials and utilities.

USA

- US markets ended modestly lower. The Dow and Nasdaq both dropped around four-tenths of a percent, while the S&P lost three-tenths of a percent.
- The FOMC minutes reinforced that the Federal Reserve would remain patient and that current interest rates were appropriate for now.
- With no new information arising from the FOMC meeting, investors were again focused on the trade situation with China as the White House announced that it was looking to blacklist more Chinese technology companies.

Asia

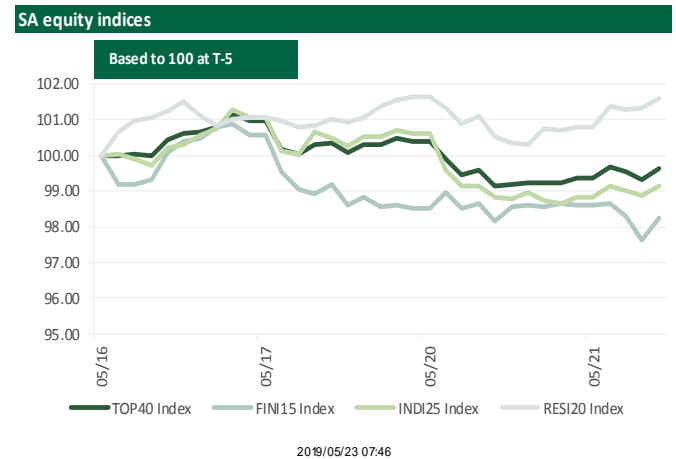
- Asian markets are trading firmly in the red, with the US-China trade dispute taking centre stage again after the comments from the White House overnight.
- At the time of writing, the Nikkei was down eight-tenths of a percent as weaker energy and technology shares weighed on the market.
- The Hang Seng dropped 1.1%, with all sectors trading in the red, while the Shanghai Composite lost nine-tenths of a percent.
- The ASX was supported by gains in technology and consumer stocks as the bourse lost only a quarter of a percent.

Developed Markets	Last price	%Δ		%Δ		2018 Performance	MTD trend
		-1d	MTD	YTD	12Month		
Dow Jones	25 776.61	-0.39	-3.07	10.50	3.58	-6.03	↓
Nasdaq	7 750.84	-0.45	-4.26	16.81	4.38	-5.30	↓
S&P 500	2 856.27	-0.28	-3.04	13.94	4.50	-7.01	↓
DJ Eurostoxx 50	3 386.72	0.01	-3.64	12.84	-4.38	-14.00	↓
DAX	12 168.74	0.21	-1.42	15.25	-6.23	-17.97	↓
CAC	5 378.98	-0.12	-3.71	13.70	-3.36	-10.55	↓
FTSE	7 334.19	0.07	-1.13	9.01	-5.83	-12.03	↓
ASX200	6 490.50	-0.31	2.61	14.95	7.59	-6.84	↑
Nikkei 225	21 130.29	-0.72	-5.07	5.57	-6.87	-14.85	↓
MSCI World	2 111.78	-0.28	-3.07	12.10	-0.52	-10.97	↓
Emerging Markets	Last price	%Δ		%Δ		2018 Performance	MTD trend
		-1d	MTD	YTD	12Month		
Hang Seng	27 295.74	-1.48	-8.09	5.61	-10.99	-15.30	↓
Shanghai	2 864.04	-0.96	-6.96	14.84	-9.62	-25.52	↓
Brazil Bovespa	94 360.66	-0.13	-2.07	7.37	16.69	12.83	↓
India - NSE	39 895.44	2.01	2.21	10.61	16.16	6.67	↑
Russia Micex	2 638.71	0.85	3.10	11.37	14.95	9.55	↑
MSCI Emerging	998.00	-0.10	-7.53	3.34	-11.92	-18.02	↓
SA Indices	Last price	%Δ		%Δ		2018 Performance	MTD trend
		-1d	MTD	YTD	12Month		
JSE All Share	55 231.05	-0.53	-5.63	4.73	-3.18	-11.71	↓
Top 40	49 193.90	-0.59	-5.89	5.28	-2.78	-11.54	↓
Resi 10	42 928.68	-2.41	-6.55	4.59	7.87	12.01	↓
Indi 25	68 317.14	0.01	-6.88	7.27	-7.56	-20.20	↓
Fini 15	16 670.47	0.28	-2.66	1.77	-0.23	-6.54	↓

Source: Bloomberg & Nedbank CIB

Time 20/05/23 07:46

Short-term performance of SA equity indices



Source: Bloomberg, Nedbank

LAST DAY TO TRADE

[back to top](#)

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SHARE CODE	SHARE NAME	DIVIDEND / INTEREST RATE
28 May 2019		
AEE	African Equity Empowerment Invest	dividend @ 11cps
AEL	Allied Electronics Corp Ltd	dividend @ 44cps
EQU	Equities Property Fund Ltd	DRIP @ 70.31469cps or share ratio TBA
GAM	Global Asset Management Ltd	Merger @ 210cps & Tender @ 183cps
LTE	Lighthouse Capital Ltd	dividend @ 24.0536cps
MIX	Mix Telematics Ltd	dividend @ 4cps
OCT	Octodec Investments Ltd	dividend @ 101.7cps
RBX	Raubex Group Ltd	dividend @ 22cps

Source: JSE

JSE PERFORMANCE

[back to top](#)

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Top40 constituents	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	2018 Performance	MTD trend
ABG : Absa Group Ltd	166.20	1.22	1.18	2.71	3.54	-11.08	↑
AGL : Anglo American Plc	349.30	-2.12	-4.96	8.39	13.88	26.07	↓
AMS : Anglo American Platinum Ltd	675.04	-0.73	-6.50	25.49	101.50	52.19	↓
ANG : Anglogold Ashanti Ltd	169.64	1.11	-1.55	-6.66	69.28	41.31	↓
APN : Aspen Pharmacare Holdings Lt	104.29	0.76	1.35	-22.65	-58.39	-51.42	↑
BHP : Bhp Group Plc	325.16	-1.11	-3.73	12.33	17.39	21.24	↓
BID : Bid Corp Ltd	294.79	1.50	-2.41	11.24	11.76	-11.96	↓
BTI : British American Tobacco Plc	542.58	-0.96	-2.63	15.61	-14.69	-43.42	↓
BVT : Bidvest Group Ltd	200.00	0.40	-7.88	-3.31	-6.96	-5.15	↓
CFR : Financiere Richemont-Dep Rec	106.23	0.53	1.35	13.43	-8.53	-16.20	↑
CLS : Clicks Group Ltd	196.33	2.84	0.34	2.55	-5.15	5.70	↑
CPI : Capitec Bank Holdings Ltd	1319.57	0.49	-1.28	18.03	57.73	1.83	↓
DSY : Discovery Ltd	140.70	0.74	-2.33	-11.95	-13.11	-14.09	↓
FSR : Firststrand Ltd	65.64	1.41	-3.34	0.12	8.50	-2.51	↓
GFI : Gold Fields Ltd	54.75	4.35	1.48	10.96	23.76	-8.80	↑
GRT : Growthpoint Properties Ltd	24.11	-0.37	-3.09	3.48	-12.39	-15.76	↓
INL : Investec Ltd	89.00	-0.84	-2.57	12.66	-7.05	-11.95	↓
INP : Investec Plc							→
MCG : Multichoice Group Ltd	130.00	0.12	1.21				↑
MND : Mondi Ltd	311.15	2.78	-1.31	0.51	-11.34	-3.04	↓
MNP : Mondi Plc	311.10	2.61	-1.10	2.31	-11.80	-4.78	↓
MRP : Mr Price Group Ltd	191.62	-0.25	-11.55	-22.15	-25.44	0.52	↓
MTN : Mtn Group Ltd	101.16	-1.01	-2.14	13.66	-11.26	-34.85	↓
NED : Nedbank Group Ltd	257.68	0.52	-3.15	-6.20	-8.84	7.27	↓
NPN : Naspers Ltd-N Shs	3203.00	-0.30	-12.37	14.21	3.88	-16.19	↓
NRP : Nepi Rockcastle Plc	118.80	-0.24	-0.36	5.13	-4.96	-47.09	↓
NTC : Netcare Ltd	18.85	0.16	-21.39	-27.57			↓
OMU : Old Mutual Ltd	22.22	-1.38	-3.35	-0.80			↓
PSG : Psg Group Ltd	243.31	0.44	-8.21	-0.61	14.55	-9.33	↓
RDF : Redefine Properties Ltd	9.05	-1.72	-8.12	-6.41	-16.90	-9.63	↓
REM : Remgro Ltd	183.07	-0.03	-5.71	-5.99	-12.80	-17.48	↓
RMH : Rmb Holdings Ltd	81.29	1.57	-2.62	3.03	14.53	-0.34	↓
SAP : Sappi Limited	56.95	0.51	-16.47	-30.25	-33.58	-8.77	↓
SBK : Standard Bank Group Ltd	195.75	1.45	-1.63	9.47	-3.95	-8.61	↓
SHP : Shoprite Holdings Ltd	169.47	1.52	-1.67	-10.88	-26.48	-14.03	↓
SLM : Sanlam Ltd	74.13	0.14	-3.10	-7.11	-3.34	-8.28	↓
SOL : Sasol Ltd	375.00	-12.99	-20.97	-11.76	-18.80	-0.74	↓
SPP : Spar Group Limited/The	198.50	1.20	2.32	-4.34	5.14	2.05	↑
TBS : Tiger Brands Ltd	230.00	0.00	-7.43	-9.40	-28.99	-40.48	↓
TFG : The Foschini Group Ltd	175.32	-0.12	-5.11	5.46	-9.78	-15.76	↓
VOD : Vodacom Group Ltd	118.50	-0.84	2.76	-10.23	-21.54	-9.39	↑
WHL : Woolworths Holdings Ltd	45.45	1.38	-4.74	-17.50	-23.36	-15.65	↓

Source: Bloomberg & Nedbank CIB

Time 2019/05/23 07:46

US

- FOMC minutes reflected further patience in changing interest rates, with policymakers agreeing that the current policy rate was appropriate for now and that there is no strong case to move interest rates in either direction.
- The Fed reinforced its view that the recent decline in inflation is transitory, and that any policy adjustments will be consistent with the sustained expansion of economic activity, an upbeat labour market and inflation near the 2% symmetric level.
- There had also been discussion on how to adjust the Fed's balance sheet, with a shorter maturity profile likely to raise term premiums, forcing the fed funds rate lower, while another approach replicates that structure of outstanding Treasury securities, which will likely be a moving target of portfolio composition and would not induce adverse economic shocks.

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.

UK

- UK CPI rose to 2.1% y/y in April, from 1.9% in March, marginally below consensus of 2.2%. Core inflation remained unchanged at 1.8% y/y.
- Prices of alcohol, tobacco, liquid fuels, education and health rose in April, while energy costs eased marginally.

Synopsis: The BOE shifted from its neutral monetary policy outlook to one that is seemingly more hawkish, as it expects to raise interest rates more frequently should there be a smooth Brexit outcome. This may be required in the event of a weaker sterling which would raise import costs and inflation to levels well above the BOE target of 2%. There is significant uncertainty over the growth trajectory, however policymakers have conceded that most businesses are ready for the Brexit.

SA

- SA CPI declined to 4.4% y/y in April, from 4.5% in March, below consensus of 4.5%. Core inflation slumped to 4.1% y/y, from 4.4% previously. Goods inflation rose by 10bps to 4.2% y/y, while services inflation continued to fall, to 4.6% y/y in April from 4.9% previously.
- The uptick in alcoholic beverage inflation in March proved to be temporary, with price inflation easing sharply in April – this component was a key downward driver of inflation in April (contributing 10bps less than a month ago). Given very weak local demand, inflation in the recreation and culture category and among restaurants also eased sharply (contributing 10bps less than a month ago), while the residual component subtracted a further 10bps. We also saw marginal declines in inflation in the following product categories: housing and utilities, household contents and services, health and communication. These declines were partly offset by a surge in transport inflation.
- Transport costs were the only positive contributor towards headline CPI, with transport inflation rising to 7.4% y/y, from 6.4% previously. This is due to the rise in fuel costs (due to the R1.31/litre hike in the petrol price in April). Hence we see administered costs continue to rise.

The downside surprise in CPI reflects the weak pricing power of business in the face of a very weak consumer base. We also see the (still limited) effect of the VAT hike that was initiated a year ago work itself into the CPI base, keeping price increases limited despite a weaker rand exchange rate and higher import costs. This has resulted in a downward revision of our CPI estimate to 4.8% (average for 2019), from 4.9% previously. The estimate for 2020 remains unchanged at 5.3%. We expect CPI to rise gradually in coming months as a result of a volatile rand exchange rate and unpredictable international oil price. The full adjustment to the electricity tariff will kick in on 01 July 2019 (9.4% + 4.4%), which will then affect utilities costs across the whole economy to a greater extent.

ECONOMIC CALENDAR

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	Country	Event	Period	Survey	Actual	Prior	Revised
22-May							
01:50 AM	JN	Machine Orders YoY	FEB	▼ -3.40%	▼ -0.70%	-5.50%	-
01:50 AM	JN	Exports YoY	MAR	▼ -1.55%	▼ -2.40%	-2.40%	-
01:50 AM	JN	Imports YoY	MAR	▲ 4.50%	▲ 6.40%	1.10%	-
01:50 AM	JN	Trade Balance Adjusted	MAR	JPY -37.5b	JPY -110.9b	JPY -177.8b	JPY -154.3b
10:00 AM	SA	CPI YoY	MAR	▲ 4.50%	▲ 4.40%	4.50%	-
10:30 AM	UK	CPI YoY	MAR	▲ 2.20%	▲ 2.10%	1.90%	-
10:30 AM	UK	PPI Input NSA YoY	MAR	▲ 4.50%	▲ 3.80%	▲ 3.70%	3.20%
10:30 AM	UK	PSNB ex Banking Groups	MAR	GBP 5.9b	GBP 5.8b	GBP 1.7b	GBP -0.1b
01:00 PM	US	MBA Mortgage Applications	FEB 23	▼ -	▲ 2.40%	-0.60%	-
08:00 PM	US	FOMC Meeting Minutes	MAR 20	▼ -	0	-	-
23-May							
12:00 AM	SA	SARB Announce Interest Rate	MAY F	▲ 6.75%	-	6.75%	-
02:30 AM	JN	Nikkei Japan PMI Mfg	MAY P	▼ -	▲ 49.6	50.2	-
08:00 AM	GE	GDP NSA YoY	1QF	▲ 0.60%	-	0.60%	-
08:00 AM	GE	GDP SA QoQ	1QF	▲ 0.40%	-	0.40%	-
09:30 AM	GE	Markit Germany Services PMI	MAY P	▲ 55.4	-	55.7	-
09:30 AM	GE	Markit/BME Germany Manufacturing PMI	MAY P	▲ 44.8	-	44.4	-
10:00 AM	EC	Markit Eurozone Services PMI	MAY P	▲ 53.0	-	52.8	-
10:00 AM	EC	Markit Eurozone Manufacturing PMI	MAY P	▲ 48.1	-	47.9	-
10:00 AM	GE	Ifo Business Climate	MAY	▲ 99.1	-	99.2	-
10:00 AM	GE	Ifo Current Assessment	MAY	▲ 103.5	-	103.3	-
10:00 AM	GE	Ifo Expectations	MAY	▲ 95.0	-	95.2	-
03:45 PM	US	Markit US Services PMI	MAY P	▲ 53.5	-	53.0	-
03:45 PM	US	Markit US Manufacturing PMI	MAY P	▲ 52.7	-	52.6	-
04:00 PM	US	New Home Sales	APR	▲ 675k	-	692k	-
04:00 PM	US	New Home Sales MoM	APR	▼ -2.46%	-	4.50%	-
05:00 PM	US	Kansas City Fed Manf. Activity	MAY	▲ 6.0	-	5.0	-
24-May							
01:30 AM	JN	Natl CPI YoY	APR	▲ 0.90%	-	0.50%	-
10:30 AM	UK	Retail Sales Inc Auto Fuel YoY	APR	▲ 4.50%	-	6.70%	-
02:30 PM	US	Cap Goods Orders Nondef Ex Air	APR P	▼ -0.3%	-	1.0%	-
02:30 PM	US	Durables Ex Transportation	APR P	▲ 0.10%	-	0.20%	-
02:30 PM	US	Durable Goods Orders	APR P	▼ -2.0%	-	2.8%	-
27-May							
03:30 AM	CH	Industrial Profits YoY	APR	-	-	13.90%	-
07:00 AM	JN	Leading Index Cl	MAR F	-	-	96.3	-

Source: Bloomberg 2019/05/23 07:45

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