

DAILY MARKET COMMENTARY

31 May 2019



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(* when available)*

KEY DAILY DRIVERS

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SNIPPETS

| | |
|----------------|---|
| (Fixed Income) | SAGB yields marginally higher, curve maintains steepening bias |
| (Currencies) | The rand firmly on the back foot again |
| (Commodities) | WTI Oil dropped to around \$56 a barrel after Trump said the U.S. would impose tariffs on all Mexican goods, opening up a new front in the trade war and further damping the demand outlook |
| (Equities) | The JSE, and European and US markets end firmer, while Asian markets trade lower as trade-war concerns continue to dominate |
| (Economics) | SA budget deficit widens in April, PPI marginally higher; US GDP growth revised lower in Q1; Japanese data disappoints this morning |

KEY OVERNIGHT FACTORS AND UPCOMING EVENTS THIS WEEK

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| Date | Region | Event | Actual/expected/prior | Implications |
|-------|--------|-------------------|-----------------------|--|
| 30/05 | SA | Monthly Budget | -R63.5b/--/-20.3b | A deficit that is wider than the seasonal average of R35bn would concern us |
| 30/05 | US | GDP | 3.1%/3.1%/3.2% | Growth may be revised lower in second print as spending and net exports were weak |
| 31/05 | SA | Trade balance | --/R1.3b/R5b | Consensus sees a small surplus; however this will depend on the rise in imports in April |
| 31/05 | US | PCE deflator | --/1.5%/1.5% | PCE likely to remain subdued on lower goods inflation |
| 03/06 | SA | Manufacturing PMI | --/--/47.2 | SA PMI unlikely to rise above 50-point mark as confidence levels remain low |

Source: Nedbank

CONTACT FOR QUERIES

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FIXED INCOME AND INTEREST RATES

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

| Bonds | Last price | Δ | | | | MTD trend |
|----------------|------------|-------|--------|--------|---------|-----------|
| | | 1d | MTD | YTD | 12Month | |
| | % | bps | bps | bps | bps | |
| R208-1.8 yrs | 6.61 | 0.35 | -18.05 | -38.35 | -107.55 | ↓ |
| R186-7.6 yrs | 8.48 | 0.85 | -5.55 | -39.65 | -12.55 | ↓ |
| R2048-28.7 yrs | 9.84 | 1.00 | 10.70 | -6.40 | 36.80 | ↑ |
| US10 yr | 2.18 | -3.32 | -32.17 | -50.42 | -67.85 | ↓ |
| UK 10 yr | 0.90 | 0.50 | -28.80 | -38.00 | -36.00 | ↓ |
| German 10 yr | -0.18 | 0.40 | -18.80 | -41.70 | -54.70 | ↓ |
| Japan 10 yr | -0.09 | -1.50 | -5.40 | -9.70 | -13.40 | ↓ |

| Money Market | Last price | Δ | | | | MTD trend |
|-----------------------------|------------|-------|--------|--------|---------|-----------|
| | | 1d | MTD | YTD | 12Month | |
| | % | bps | bps | bps | bps | |
| SA repo rate | 6.75 | 0.00 | 0.00 | 0.00 | 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 | 7.12 | -0.80 | -4.10 | -3.30 | 20.90 | ↓ |
| SA 3m NCD | 7.13 | -1.25 | -2.50 | 0.00 | 21.25 | ↓ |
| SA 6m NCD | 7.60 | -1.25 | -10.00 | -15.00 | 17.50 | ↓ |
| SA 12m NCD | 7.95 | -1.25 | -20.00 | -37.50 | 1.25 | ↓ |
| US3m LIBOR | 2.52 | -0.15 | -5.54 | -28.74 | 21.99 | ↓ |
| UK 3m LIBOR | 0.80 | 0.20 | -2.09 | -11.64 | 19.12 | ↓ |
| Japan 3m LIBOR | -0.06 | 0.03 | 0.45 | 1.22 | -4.65 | ↑ |

Source: Bloomberg & Nedbank CIB
Time: 2019/05/31 06:44

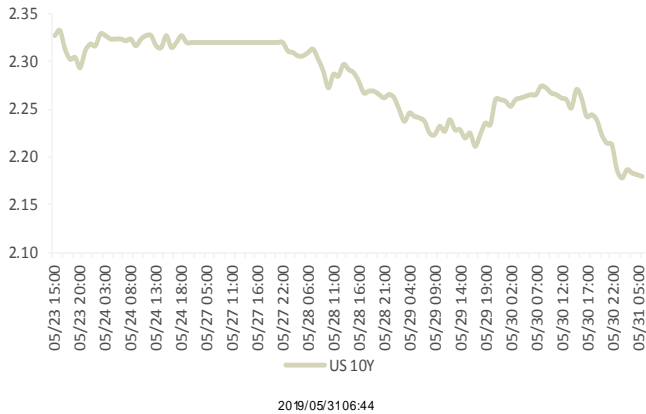
| FRAs and Swaps | Last price | Δ | | | | MTD trend |
|----------------|------------|-------|--------|--------|---------|-----------|
| | | 1d | MTD | YTD | 12Month | |
| | % | bps | bps | bps | bps | |
| 3X6 FRA | 6.98 | 0.00 | -13.50 | -23.50 | 5.50 | ↓ |
| 6X9 FRA | 6.90 | 0.00 | 4.00 | 3.00 | 4.00 | ↑ |
| 9X12 FRA | 6.87 | 0.50 | -18.50 | -46.00 | -15.00 | ↓ |
| 18X21 FRA | 6.99 | 0.00 | -19.50 | -47.50 | -27.50 | ↓ |
| SA 2yr Swap | 6.97 | 0.50 | -16.00 | -37.00 | -10.50 | ↓ |
| SA 3yr Swap | 7.04 | -0.50 | -17.50 | -40.50 | -17.00 | ↓ |
| SA 5yr Swap | 7.28 | -1.00 | -19.50 | -39.00 | -20.00 | ↓ |
| SA 10yr Swap | 7.90 | 1.50 | -13.50 | -29.50 | -7.50 | ↓ |
| SA 15yr Swap | 8.15 | -1.00 | -15.00 | -31.50 | -8.00 | ↓ |

| Spreads | Last price | Δ | | | | MTD trend |
|----------------------------------|------------|-------|--------|--------|---------|-----------|
| | | 1d | MTD | YTD | 12Month | |
| | % | bps | bps | bps | bps | |
| 2v10y | -0.93 | -1.00 | -2.50 | -7.50 | -3.00 | ↓ |
| 3v10y | -0.86 | -2.00 | -4.00 | -11.00 | -9.50 | ↓ |
| R186-R208 | 1.87 | 0.50 | 12.50 | -1.30 | 95.00 | ↑ |
| R2048-R186 | 1.36 | 0.15 | 16.25 | 33.25 | 49.35 | ↑ |
| 5y-R186 | -1.20 | -1.85 | -13.95 | 0.65 | -7.45 | ↓ |
| 10y-R186 | -0.58 | 0.65 | -7.95 | 10.15 | 5.05 | ↓ |
| 15y-R186 | -0.33 | -1.85 | -9.45 | 8.15 | 4.55 | ↓ |
| SA 5yr CDS spread - basis points | 199.24 | 2.62 | 12.06 | -23.71 | 26.40 | ↑ |

Source: Bloomberg & Nedbank CIB
Time: 2019/05/31 06:44

US 10 year yield

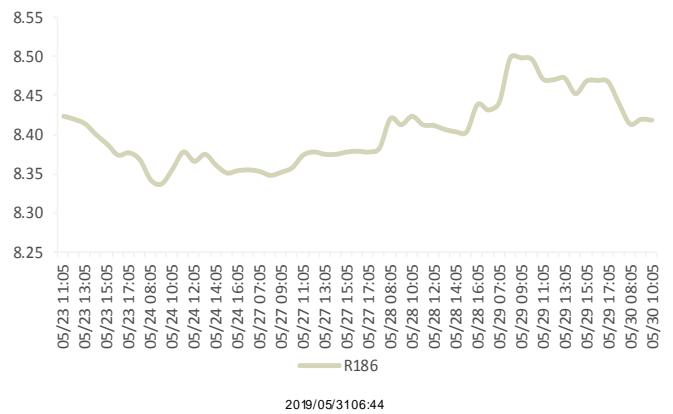
US 10 year yield



Source: Bloomberg, Nedbank

SA 10 year yield

SA 10 year yield



Source: Bloomberg, Nedbank

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

- The local market opened with the rand trading in the low 14.60s after the well-received Cabinet announcements. Thereafter, the local unit traded to a best level, marginally below 14.6000, before closing the day trading at 14.6725, with mixed flows from various quarters on the day. In the overnight session, the rand, along with emerging-market peers, traded poorly; this morning, it is currently trading at 14.8250, the EURZAR is trading at 16.5002 and the GBPZAR is trading at 18.6945.
- The international markets were confined to limited trading ranges, with the EURUSD trading between 1.1116 and 1.1143 yesterday. This morning, it is currently trading at 1.1130. The GBPUSD continued to trade around the 1.2600 pivot; this morning, it is currently trading at 1.2612. After having been under pressure over the most recent sessions, gold is trading significantly firmer this morning, currently at 1,293.30, versus at 1,277.30 at the same time yesterday.
- Data releases scheduled for today: locally, we have trade; from Europe, we have Italian GDP and the German CPI; from the UK, we have consumer credit and mortgage applications; and from the US, we have personal income and spending, the PCE deflator, the Chicago PMI and the Michigan survey, and the Fed's Williams is scheduled to speak.
- After starting in positive territory yesterday, the rand traded steadily for much of the session. Since the time of the close last night, it has lost ground as risk aversion has ratcheted up with President Trump initiating a potential trade war with Mexico, China's manufacturing data showing a deterioration, and the local economy faltering.
- Possible trading range for the rand today: 14.7000 to 15.0000

| Majors | Last price | %Δ -1d | %Δ MTD | %Δ YTD | %Δ 12Month | MTD trend | USD trend |
|--------|------------|--------|--------|--------|------------|-----------|--------------|
| GBPUSD | 1.26 | -0.02 | -3.32 | -1.07 | -5.15 | ↓ | USD strength |
| EURUSD | 1.11 | -0.07 | -0.79 | -2.83 | -4.65 | ↓ | USD strength |
| USDJPY | 109.14 | -0.50 | -2.00 | 0.48 | 0.37 | ↓ | USD weakness |
| USDAUD | 1.45 | 0.01 | 1.98 | 1.85 | 9.39 | ↑ | USD strength |

| Rand crosses | Last price | %Δ -1d | %Δ MTD | %Δ YTD | %Δ 12Month | MTD trend | ZAR trend |
|--------------|------------|--------|--------|--------|------------|-----------|--------------|
| USDZAR | 14.82 | 0.89 | 3.33 | 3.00 | 14.45 | ↑ | ZAR weakness |
| GBPZAR | 18.69 | 0.86 | 0.02 | 1.89 | 9.81 | ↑ | ZAR weakness |
| EURZAR | 16.50 | 0.82 | 2.56 | 0.17 | 10.28 | ↑ | ZAR weakness |
| AUDZAR | 10.25 | 0.88 | 1.42 | 1.14 | 6.39 | ↑ | ZAR weakness |
| ZARJPY | 7.36 | -1.42 | -5.44 | -3.53 | -16.45 | ↓ | ZAR weakness |

| African FX | Last price | %Δ -1d | %Δ MTD | %Δ YTD | %Δ 12Month | MTD trend | ZAR trend |
|-----------------------------|------------|--------|--------|--------|------------|-----------|--------------|
| ZARMWK (Malawian kwacha) | 50.14 | -0.90 | -2.33 | -1.07 | -14.12 | ↓ | ZAR weakness |
| ZARBWP (Botswana pula) | 0.73 | -0.90 | -1.69 | -1.48 | -7.35 | ↓ | ZAR weakness |
| ZARKES (Kenyan shilling) | 6.83 | -0.90 | -3.31 | -3.66 | -16.99 | ↓ | ZAR weakness |
| ZARMUR (Mauritian rupee) | 2.40 | -1.00 | -1.12 | 0.72 | -14.46 | ↓ | ZAR weakness |
| ZARNGN (Nigerian naira) | 24.30 | -0.67 | -3.58 | -3.97 | -17.06 | ↓ | ZAR weakness |
| ZARGHS (Ghanian cedi) | 0.37 | -0.90 | 1.55 | 7.53 | -0.38 | ↑ | ZAR strength |
| ZARZMW (Zambian kwacha) | 0.90 | -1.47 | 1.57 | 8.12 | 10.43 | ↑ | ZAR strength |
| ZARMZN (Mozambican metical) | 4.19 | -0.89 | -6.53 | -0.74 | -12.30 | ↓ | ZAR weakness |

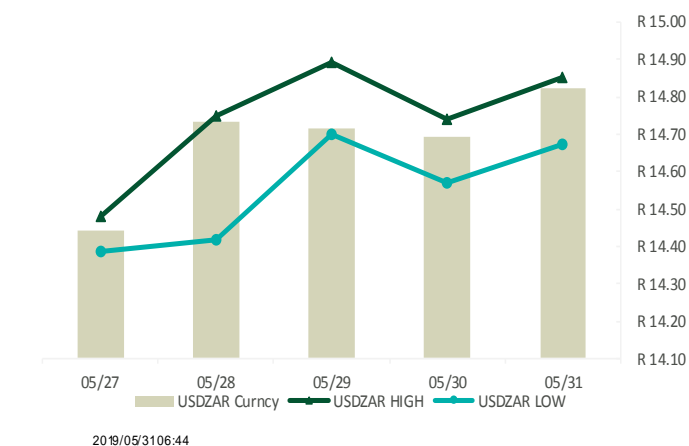
| Emerging Market FX | Last price | %Δ -1d | %Δ MTD | %Δ YTD | %Δ 12Month | MTD trend | USD trend |
|-------------------------|------------|--------|--------|--------|------------|-----------|--------------|
| USDBRL (Brazilian Real) | 3.98 | 0.19 | 1.58 | 2.53 | 6.48 | ↑ | USD strength |
| USDTRY (Turkish Lira) | 5.91 | 0.48 | -0.95 | 10.48 | 23.17 | ↑ | USD weakness |
| USDMXN (Mexican Peso) | 19.57 | 2.54 | 2.97 | -0.50 | -2.14 | ↑ | USD strength |
| USDINR (Indian Rupee) | 69.73 | -0.21 | 0.23 | -0.05 | 3.33 | ↑ | USD strength |
| USD RUB (Russian Ruble) | 65.33 | 0.42 | 0.98 | -6.19 | 4.58 | ↑ | USD strength |

Source: Bloomberg & Nedbank CIB
Time: 2019/05/31 06:44

*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

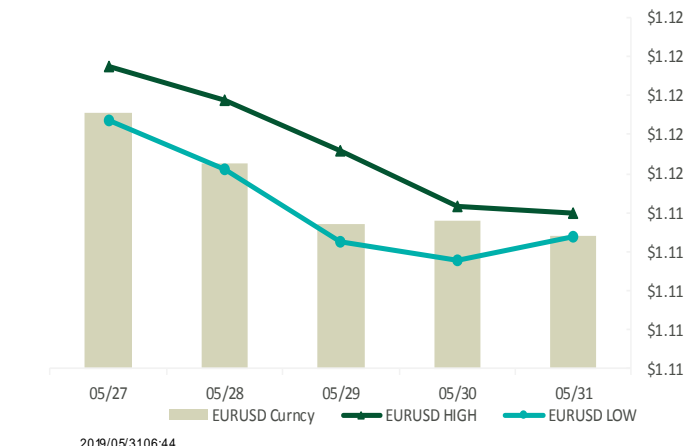
\$/R (close, high and low)



Source: Bloomberg, Nedbank

EUR/USD

€/€ (close, high, low)



Source: Bloomberg, Nedbank

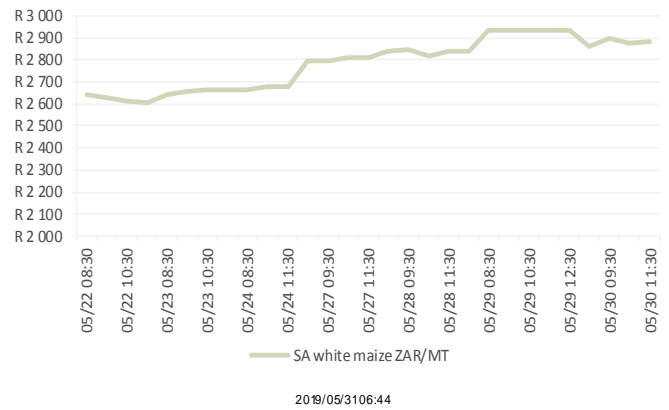
- Oil dropped to around \$56 a barrel after Trump said the U.S. would impose tariffs on all Mexican goods, opening up a new front in the trade war and further damping the demand outlook. Futures fell 1.6% after Trump announced the 5% levies, which will be effective from June 10 and could go as high as 25% on Oct. 1.
- Copper led an advance in most base metals on expectations of Chinese stimulus after a deterioration in the outlook for the country's manufacturing sector. LME copper +0.3% to \$5,870/ton; -8.5% this month, set for biggest drop since Nov. 2015. LME aluminium +0.3% to \$1,786.50. LME nickel -0.4% to \$12,120/ton. Iron ore gains even as banks warn that the raw material is approaching its peak. Iron ore +0.8% at 743 yuan/ton on DCE. Source: Bloomberg

| Commodities | Last price | %Δ -1d | %Δ MTD | %Δ YTD | %Δ 12Month | MTD trend |
|-------------------------|------------|--------|--------|--------|------------|-----------|
| Brent near future (\$) | 66.03 | -1.26 | -9.30 | 22.73 | -14.90 | ↓ |
| WTI crude (\$) | 55.99 | -1.06 | -12.39 | 23.30 | -16.48 | ↓ |
| Gold spot (\$) | 1292.17 | 0.38 | 0.67 | 0.83 | -0.75 | ↑ |
| Platinum spot (\$) | 793.64 | -0.28 | -10.93 | -0.19 | -12.77 | ↓ |
| SA white maize spot (R) | 2 880.00 | -1.91 | 11.54 | -1.71 | 35.02 | ↑ |

Source: Bloomberg & Nedbank CIB
Time: 2019/05/31 06:44

SA white maize

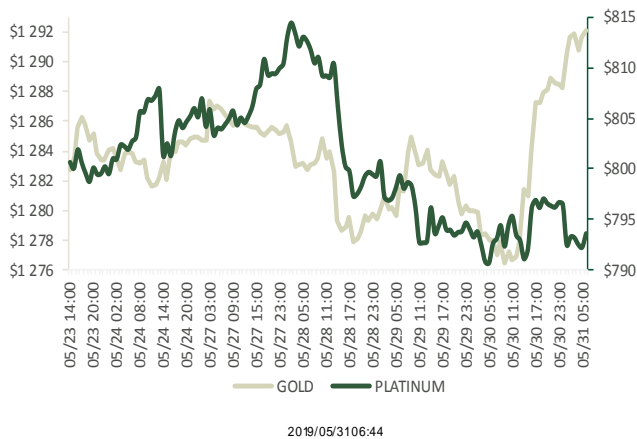
SA White maize (ZAR/MT) - 30 day chart



Source: Bloomberg, Nedbank

Platinum vs Gold

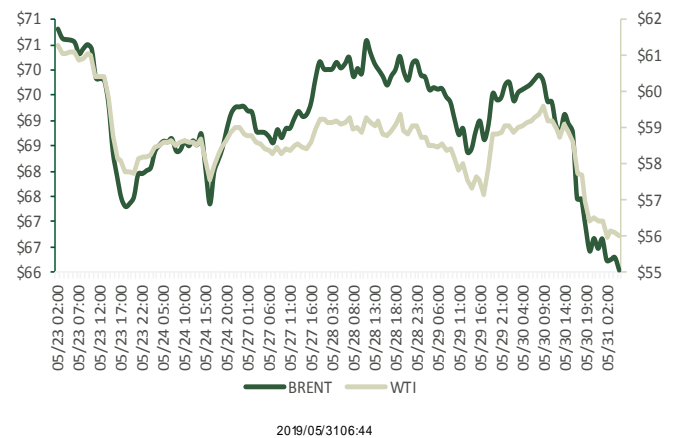
Platinum vs. Gold



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 continued higher on Thursday, with the market reacting positively to the SA Cabinet announcement. The Top40 added 1.35%, ending the day at 49,666.80.
- Banks and food and drug retailers outperformed, adding 3.2% and 2.94%, respectively, while some rand hedges traded lower (CFR – 1.55%) on currency strength.
- Omnia Holdings Ltd tumbled 12.16% after announcing a R2m rights offer in a bid to cut debt.
- The value traded at the close was R19.8bn and the rand was trading at 14.67 vs the USD.

UK/Europe

- European markets ended the session firmer with media stocks outperforming.
- Britain's Daily Mail and General Trust rallied 9.6% after its first-half adjusted pre-tax profit rose more than expected and it reaffirmed its full-year forecasts.
- News that KKR was trying to take Axel Springer private added to the momentum in the sector. Axel Springer surged 22.2%.
- Tariff-sensitive stocks remain subdued after a senior Chinese diplomat said that provoking trade disputes is "naked economic terrorism".
- The FTSE 100 added 0.46%, the DAX rose 0.54% and the CAC 40 climbed 0.51%.

USA

- US markets inched up on Thursday, with signs of caution prevailing on conflicting comments on trade talks, adding to concerns about an ongoing lengthy battle impacting global growth.
- Demand for safe-haven debt was evident with US Treasury yields holding near 20-month lows, weighing on interest rate-sensitive bank stocks. The banking sector fell 1.2%.
- The energy sector lost 1.2% on lower oil prices due to a smaller-than-expected decline in US crude inventories.
- Among individual stocks, Dollar General Corp. added 7.2% after its results topped estimates.
- The Dow added 0.17%, the S&P 500 rose 0.21% and the Nasdaq gained 0.27%.

Asia

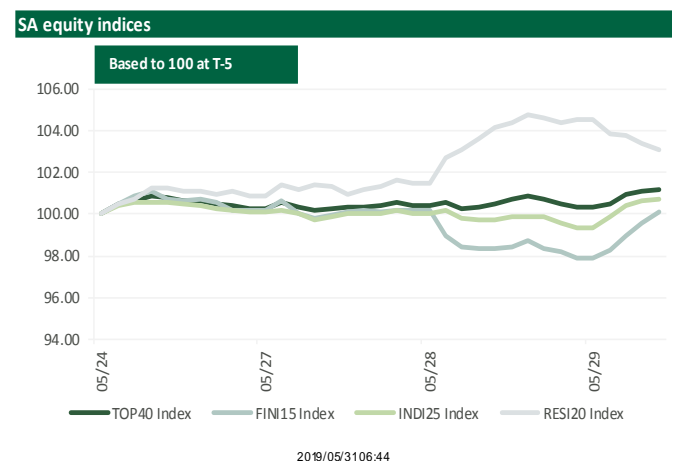
- Asian markets are trading mostly lower this morning, with the Nikkei trading at a three-month low, led by a fall in carmakers after President Trump said he would impose new tariffs on all imports from Mexico next month until illegal immigration is stopped.
- Hong Kong stocks are marginally lower, with Tencent outperforming, up 1.05%.
- Australian stocks recovered from early-morning losses and were little changed into the close, finding support despite trade-war concerns.
- Gold stocks were up 2%, supporting the mining index.

| Developed Markets | Last price | %Δ -1d | %Δ MTD | %Δ YTD | %Δ 12Month | 2018 Performance | MTD trend |
|-------------------|------------|--------|--------|--------|------------|------------------|-----------|
| Dow Jones | 25 169.88 | 0.17 | -5.35 | 7.90 | 3.09 | -6.03 | ↓ |
| Nasdaq | 7 567.72 | 0.27 | -6.52 | 14.05 | 1.69 | -5.30 | ↓ |
| S&P 500 | 2 788.86 | 0.21 | -5.33 | 11.25 | 3.09 | -7.01 | ↓ |
| DJ Eurostoxx50 | 3 318.15 | 0.62 | -5.59 | 10.55 | -2.60 | -14.00 | ↓ |
| DAX | 11 902.08 | 0.54 | -3.58 | 12.72 | -5.58 | -17.97 | ↓ |
| CAC | 5 248.91 | 0.51 | -6.04 | 10.95 | -2.77 | -10.55 | ↓ |
| FTSE | 7 218.16 | 0.46 | -2.70 | 7.28 | -5.99 | -12.03 | ↓ |
| ASX200 | 6 396.40 | 0.07 | 1.12 | 13.28 | 6.40 | -6.84 | ↑ |
| Nikkei 225 | 20 768.82 | -0.83 | -6.69 | 3.77 | -6.45 | -14.85 | ↓ |
| MSCI World | 2 066.48 | 0.08 | -5.15 | 9.69 | -1.26 | -10.97 | ↓ |
| Emerging Markets | Last price | %Δ -1d | %Δ MTD | %Δ YTD | %Δ 12Month | 2018 Performance | MTD trend |
| Hang Seng | 27 066.11 | -0.18 | -8.87 | 4.72 | -11.17 | -15.30 | ↓ |
| Shanghai | 2 906.01 | 0.01 | -5.60 | 16.52 | -6.12 | -25.52 | ↓ |
| Brazil Bovespa | 97 457.36 | 0.92 | 1.15 | 10.89 | 26.97 | 12.83 | ↑ |
| India - NSE | 40 099.58 | 0.67 | 2.74 | 11.18 | 13.52 | 6.67 | ↑ |
| Russia Micex | 2 659.52 | 0.70 | 3.92 | 12.25 | 15.49 | 9.55 | ↑ |
| MSCI Emerging | 994.93 | 0.96 | -7.81 | 3.02 | -11.22 | -18.02 | ↓ |
| SA Indices | Last price | %Δ -1d | %Δ MTD | %Δ YTD | %Δ 12Month | 2018 Performance | MTD trend |
| JSE All Share | 55 700.59 | 1.28 | -4.83 | 5.62 | -0.81 | -11.71 | ↓ |
| Top 40 | 49 666.85 | 1.35 | -4.99 | 6.29 | -0.24 | -11.54 | ↓ |
| Resi 10 | 44 125.92 | 0.59 | -3.94 | 7.50 | 11.44 | 12.01 | ↓ |
| Indi 25 | 68 645.11 | 1.01 | -6.43 | 7.79 | -4.69 | -20.20 | ↓ |
| Fini 15 | 16 715.18 | 2.90 | -2.40 | 2.05 | 0.63 | -6.54 | ↓ |

Source: Bloomberg & Nedbank CIB

Time 2018/05/31 06:44

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 |
|-------------|--|---|
| 4 June 2019 | | |
| AFEP | AECI Limited 5.5% Pref | dividend @ 51.109790cps |
| ARL | Astral Foods Ltd | dividend @ 475cps |
| BAW | Barloworld Limited | dividend @ 165cps |
| CML | Coronation Fund Managers Ltd | dividend @ 165cps |
| DCP | Dis-Chem Pharmacies Ltd | dividend @ 13.4725cps |
| GPA | Gemgrow Properties Ltd - A - | dividend @ 54.53834cps |
| GPB | Gemgrow Properties Ltd - B - | dividend @ 35.3117cps |
| ILU | Indluplace Properties Ltd | dividend @ 37.49077cps |
| INLP | Investec Bank Ltd Non Red N Part Pref | dividend @ 422.87121cps |
| INPP | Investec Bank Ltd N Red N Cum N Part P | dividend @ 160.825970cps |
| INPPR | Investec Bank Ltd N Red N Cum N Part P | dividend @ 482.09247cps |
| INPR | Investec Bank Ltd N Red N Cum Pref | dividend @ 394.65612cps |
| KAL | Kaap Agri Limited | dividend @ 38.50cps |
| OAS | Oasis Crescent Property Fund | DRIP @ 57.445479cps or 2.61353 UOAS : 100 OAS @ 2198cps |
| PIK | Pick n Pay Ltd | dividend @ 192cps |
| SEA | Spear REIT Ltd | dividend @ 44.69081cps |
| SPP | Spar Group Ltd | dividend @ 284cps |
| TCP | Transaction Capital Ltd | dividend @ 27cps |
| THA | Tharisa PLC | dividend @ 7.127cps |

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 | 168.67 | 3.76 | 2.68 | 4.23 | 4.32 | -11.08 | ↑ |
| AGL : Anglo American Plc | 357.73 | 0.58 | -2.67 | 11.00 | 18.25 | 26.07 | ↓ |
| AMS : Anglo American Platinum Ltd | 708.00 | 1.88 | -1.93 | 31.62 | 110.72 | 52.19 | ↓ |
| ANG : Anglogold Ashanti Ltd | 179.81 | 2.93 | 4.35 | -1.07 | 66.52 | 41.31 | ↑ |
| APN : Aspen Pharmacare Holdings Lt | 94.01 | 2.03 | -8.64 | -30.27 | -62.40 | -51.42 | ↓ |
| BHP : Bhp Group Plc | 335.18 | -0.30 | -0.77 | 15.79 | 21.57 | 21.24 | ↓ |
| BID : Bid Corp Ltd | 300.94 | 2.75 | -0.37 | 13.56 | 18.52 | -11.96 | ↓ |
| BTI : British American Tobacco Plc | 523.19 | -0.07 | -6.11 | 11.48 | -19.32 | -43.42 | ↓ |
| BVT : Bidvest Group Ltd | 205.99 | 2.48 | -5.12 | -0.42 | 1.98 | -5.15 | ↓ |
| CFR : Financiere Richemont-Dep Rec | 106.42 | -1.55 | 1.53 | 13.64 | -8.74 | -16.20 | ↑ |
| CLS : Clicks Group Ltd | 188.73 | 1.74 | -3.54 | -1.42 | -6.56 | 5.70 | ↓ |
| CPI : Capitec Bank Holdings Ltd | 1322.83 | 3.35 | -1.04 | 18.32 | 51.28 | 1.83 | ↓ |
| DSY : Discovery Ltd | 141.75 | 2.27 | -1.60 | -11.29 | -8.04 | -14.09 | ↓ |
| FSR : Firststrand Ltd | 66.25 | 3.52 | -2.44 | 1.05 | 10.42 | -2.51 | ↓ |
| GFI : Gold Fields Ltd | 61.01 | 4.54 | 13.09 | 23.65 | 35.04 | -8.80 | ↑ |
| GRT : Growthpoint Properties Ltd | 24.00 | 1.74 | -3.54 | 3.00 | -11.76 | -15.76 | ↓ |
| INL : Investec Ltd | 87.50 | 3.16 | -4.21 | 10.76 | -5.03 | -11.95 | ↓ |
| INP : Investec Plc | | | | | | | → |
| MCG : Multichoice Group Ltd | 123.00 | 1.54 | -4.24 | | | | ↓ |
| MND : Mondi Ltd | 308.77 | 0.37 | -2.07 | -0.26 | -11.96 | -3.04 | ↓ |
| MNP : Mondi Plc | 307.50 | -0.43 | -2.25 | 1.13 | -12.63 | -4.78 | ↓ |
| MRP : Mr Price Group Ltd | 177.62 | -2.39 | -18.01 | -27.84 | -29.24 | 0.52 | ↓ |
| MTN : Mtn Group Ltd | 101.30 | 1.50 | -2.00 | 13.82 | -11.53 | -34.85 | ↓ |
| NED : Nedbank Group Ltd | 260.00 | 3.77 | -2.28 | -5.36 | -4.97 | 7.27 | ↓ |
| NPN : Naspers Ltd-N Shs | 3270.16 | 1.52 | -10.53 | 16.60 | 11.45 | -16.19 | ↓ |
| NRP : Nepi Rockcastle Plc | 122.67 | 3.69 | 2.89 | 8.56 | -1.07 | -47.09 | ↑ |
| NTC : Netcare Ltd | 18.25 | -1.14 | -23.89 | -29.88 | | | ↓ |
| OMU : Old Mutual Ltd | 21.07 | 2.58 | -8.35 | -5.94 | | | ↓ |
| PSG : Psg Group Ltd | 242.23 | 2.50 | -8.62 | -1.05 | 11.23 | -9.33 | ↓ |
| RDF : Redefine Properties Ltd | 8.93 | 3.24 | -9.34 | -7.65 | -18.60 | -9.63 | ↓ |
| REM : Remgro Ltd | 184.38 | 2.77 | -5.03 | -5.32 | -9.62 | -17.48 | ↓ |
| RMH : Rmb Holdings Ltd | 81.23 | 3.41 | -2.70 | 2.95 | 11.84 | -0.34 | ↓ |
| SAP : Sappi Limited | 56.27 | -0.18 | -17.47 | -31.08 | -32.39 | -8.77 | ↓ |
| SBK : Standard Bank Group Ltd | 198.70 | 2.37 | -0.15 | 11.12 | -4.19 | -8.61 | ↓ |
| SHP : Shoprite Holdings Ltd | 171.06 | 4.19 | -0.74 | -10.04 | -26.92 | -14.03 | ↓ |
| SLM : Sanlam Ltd | 75.16 | 2.64 | -1.75 | -5.81 | -1.17 | -8.28 | ↓ |
| SOL : Sasol Ltd | 378.00 | 2.60 | -20.34 | -11.06 | -17.38 | -0.74 | ↓ |
| SPP : Spar Group Limited/The | 191.35 | 3.63 | -1.37 | -7.78 | -0.73 | 2.05 | ↓ |
| TBS : Tiger Brands Ltd | 221.57 | 4.89 | -10.82 | -12.72 | -28.86 | -40.48 | ↓ |
| TFG : The Foschini Group Ltd | 173.58 | 1.21 | -6.05 | 4.42 | -5.79 | -15.76 | ↓ |
| VOD : Vodacom Group Ltd | 118.00 | 1.13 | 2.32 | -10.61 | -17.77 | -9.39 | ↑ |
| WHL : Woolworths Holdings Ltd | 45.02 | 1.03 | -5.64 | -18.28 | -22.83 | -15.65 | ↓ |

Source: Bloomberg & Nedbank CIB

Time 2019/05/31 06:44

US

- US real GDP growth was revised down to 3.1% q/q in Q1, from 3.2% previously estimated; however this was sharply higher than the 2.2% growth rate achieved in the previous quarter.
- The main reasons for the downward revision were slower growth in gross private investment than initially estimated. Net exports remained very strong, while government and personal consumption continue to support growth in the US.

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.

Japan

- Industrial production in Japan contracted by 1.1% y/y in April, from -4.3% in March, better than expectations of -1.5%. the decline was driven by a slump in mining and manufacturing output, capital goods and construction goods.
- Retail sales growth slowed to 0.5% y/y in April, from 1% in March, worse than consensus of 0.9%. sales of metals, minerals, textiles and motor vehicles declined sharply in April.
- The Japanese unemployment rate fell to 2.4% in April, from 2.5% previously, in line with consensus. While the labour market in Japan has tightened and wage growth has risen, this has not resulted in increased inflationary pressures, as CPI remains below the 2% target (at 1.1%). The main reason for the lower unemployment rate in April was due to a shrinkage in the labour force.

Synopsis: Japan continues to battle with low inflation and disappointing economic growth and would likely keep monetary policy unchanged and loose for some time. The tighter labour market has not aided wage growth enough to impact inflation – inflation is likely to remain well below the BOJ target over the medium term, warranting loose monetary policy. Despite recent adjustments to the range in which it commits to buy bonds, policy remains loose.

SA

- SA PPI rose to 6.5% y/y in April, from 6.2% in March, worse than consensus of 5.9%. Higher food input costs offset lower beverage prices in April, while prices of textiles, clothing, footwear, coke, petroleum, metals, machinery, equipment, and transport equipment rose. Overall, the key upward drivers of input prices were fuel, metals and machinery products.
- The monthly budget posted a deficit of R63.5bn in April, from R20.3bn in March. A deficit of R63.5bn for April spells significant fiscal slippage early into the new fiscal year, as this is well above the seasonal deficit of R35bn. What's even more concerning is the very slow pace of revenue collection – we usually see around 6% of full-year budgeted revenues collected in the first month of the fiscal year. In April, revenue collected amounted to just 5.3% of total budgeted revenues, further signalling that the bar (for revenue collection) may be too high.
- On the expenditure front, costs incurred in the first month usually amount to 7.2% of total expenses. In April, we saw 8.3% of the expenditure budget being consumed. A combination of higher departmental spending and a R13.5bn bail-out provided to Eskom were key reasons for the expenditure overshoot in April.
- We do believe that the main budget deficit will remain well above the 4% (of GDP) level over the medium and long run, unless real GDP growth of 3% or more is achieved. While still early into the 2019/20 fiscal year, our estimates point to a main budget deficit of R281bn, or 5.3% of GDP, while the consolidated deficit is projected at R260bn, or 4.8% of GDP. The gross debt to GDP ratio is forecast to exceed 60% by 2021.

Synopsis: Consumer prices are likely to rise gradually in coming months, taking its cue from higher factory prices, an increase in transport costs, as well a rise in utilities prices. However counterbalancing factors are lower services and discretionary goods prices, on the back of very weak consumer demand. We estimate average CPI at 4.7% in 2019 and 5.3% in 2020, with risks to the outlook fairly balanced. While the SARB may be satisfied with a broadly stable inflation trajectory, the NT will come under increasing pressure to stabilise fiscal policy to enable growth. Rising expenditure pressures, a weak growth outlook and poor revenue collection will weigh on the state's desired developmental objectives as debt levels and debt service costs continue to crowd out social spending.

ECONOMIC CALENDAR

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| | Country | Event | Period | Survey | Actual | Prior | Revised |
|----------------|---------|--------------------------------------|--------|------------|------------|------------|------------|
| 30-May | | | | | | | |
| 11:20 AM | SA | South Africa Budget | APR | - | ZAR -63.5b | ZAR -20.3b | - |
| 11:30 AM | SA | PPI YoY | APR | 5.90% | 6.50% | 6.20% | - |
| 02:30 PM | US | Initial Jobless Claims | NOV 24 | 214k | 215k | 211k | - |
| 02:30 PM | US | Continuing Claims | NOV 17 | 1662k | 1657k | 1676k | - |
| 02:30 PM | US | Wholesale Inventories MoM | APR P | 0.10% | 0.70% | -0.10% | 0.00% |
| 02:30 PM | US | Core PCE QoQ | 1QS | 1.30% | 1.00% | 1.00% | - |
| 02:30 PM | US | GDP Annualized QoQ | 1QS | 3.00% | 3.10% | 3.10% | - |
| 02:30 PM | US | Personal Consumption | 1QS | 1.20% | 1.30% | 1.30% | - |
| 02:30 PM | US | Advance Goods Trade Balance | APR | USD -72.7b | USD -72.1b | 00:00 | USD -71.9b |
| 04:00 PM | US | Pending Home Sales NSA YoY | APR | 0.10% | 0.40% | -3.20% | -3.10% |
| 31-May | | | | | | | |
| 01:30 AM | JN | Jobless Rate | APR | 2.40% | 2.40% | 2.50% | - |
| 01:30 AM | JN | Job-To-Applicant Ratio | APR | 1.63 | 1.63 | 1.63 | - |
| 01:50 AM | JN | Industrial Production YoY | APR P | -1.45% | -1.10% | -4.30% | - |
| 01:50 AM | JN | Retail Trade YoY | APR | 0.90% | 0.50% | 1.00% | - |
| 08:00 AM | SA | Money Supply M3 YoY | APR | 7.00% | - | 6.95% | - |
| 08:00 AM | SA | Private Sector Credit YoY | APR | 6.20% | - | 6.10% | - |
| 08:00 AM | GE | Retail Sales YoY | APR | 1.40% | - | -2.10% | - |
| 10:30 AM | UK | M4 Money Supply YoY | APR | - | - | 2.20% | - |
| 10:30 AM | UK | Net Consumer Credit | APR | GBP 0.96b | - | GBP 0.50b | - |
| 02:00 PM | GE | CPI YoY | MAY F | 1.60% | - | 2.00% | - |
| 02:00 PM | SA | Trade Balance Rand | APR | 1.3b | - | 5.0b | - |
| 02:30 PM | US | Personal Income | APR | 0.30% | - | 0.10% | - |
| 02:30 PM | US | PCE Core YoY | APR | 1.60% | - | 1.60% | - |
| 02:30 PM | US | PCE Deflator YoY | APR | 1.60% | - | 1.50% | - |
| 02:30 PM | US | Personal Spending | APR | 0.20% | - | 0.90% | - |
| 02:30 PM | US | Real Personal Spending | APR | 0.00% | - | 0.70% | - |
| 03:45 PM | US | Chicago Purchasing Manager | MAY | 54.0 | - | 52.6 | - |
| 04:00 PM | US | U. of Mich. Sentiment | MAY F | 101.5 | - | 102.4 | - |
| 03-June | | | | | | | |
| 12:00 AM | SA | Naamsa Vehicle Sales YoY | MAY | 0.6% | - | 1.2% | - |
| 02:30 AM | JN | Nikkei Japan PMI Mfg | MAY F | - | - | 49.6 | - |
| 03:45 AM | CH | Caixin China PMI Mfg | MAY | 50.0 | - | 50.2 | - |
| 09:55 AM | GE | Markit/BME Germany Manufacturing PMI | MAY F | 44.3 | - | 44.3 | - |
| 10:00 AM | EC | Markit Eurozone Manufacturing PMI | MAY F | 47.7 | - | 47.7 | - |
| 10:30 AM | UK | Markit UK PMI Manufacturing SA | MAY | 52.0 | - | 53.1 | - |
| 11:00 AM | SA | Barclays Manufacturing PMI | MAY | 48.0 | - | 47.2 | - |
| 03:45 PM | US | Markit US Manufacturing PMI | MAY F | 50.8 | - | 50.6 | - |
| 04:00 PM | US | ISM Manufacturing | MAY | 53.0 | - | 52.8 | - |
| 04-June | | | | | | | |
| 11:00 AM | EC | CPI Core YoY | MAY A | 1.05% | - | 1.30% | - |
| 11:00 AM | EC | Unemployment Rate | APR | 7.70% | - | 7.70% | - |
| 11:00 AM | EC | CPI Estimate YoY | MAY | 1.40% | - | 1.70% | - |
| 11:30 AM | SA | GDP Annualized QoQ | 1Q | -1.6% | - | 1.4% | - |
| 11:30 AM | SA | GDP YoY | 1Q | 0.9% | - | 1.1% | - |
| 04:00 PM | US | Factory Orders | APR | -0.9% | - | 1.9% | - |
| 04:00 PM | US | Factory Orders Ex Trans | APR | - | - | 0.7% | - |

Source: Bloomberg 2019/05/31 06:42

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