

# DAILY MARKET COMMENTARY

16 August 2019



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*(\* when available)*

## KEY DAILY DRIVERS

Nedbank CIB Market Commentary | [CIBMarketComm@Nedbank.co.za](mailto:CIBMarketComm@Nedbank.co.za) | +27 11 537 4091

## SNIPPETS

|                |  |
|----------------|--|
| (Fixed Income) | SAGB moves remain very subdued again given what's occurring in global risk and the ZAR. Locals buy, offshore sells, and we steepen on continuing fiscal pressures despite the flattening in other curves |
| (Currencies)   | The rand holds steady above 15.0000  |
| (Commodities)  | Oil edged higher and is set for a weekly gain as trade news continues to whipsaw the market against the backdrop of rising U.S. stockpiles and a weakening global demand outlook                         |
| (Equities)     | Global markets remain under pressure amid trade war concerns. US markets were supported by strong US retail sales numbers  |
| (Economics)    | US retail sales recovers in July, industrial production contracts; UK retail activity still positive but eases   |

## KEY OVERNIGHT FACTORS AND UPCOMING EVENTS THIS WEEK

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| Date  | Region | Event                                  | Actual/expected/prior | Implications   |
|-------|--------|--|-----------------------|--|
| 15/08 | US     | Retail sales and industrial production | --                    | Retail supported by better wage growth; industrial production contracts on trade uncertainty, weaker global growth |
| 16/08 | US     | Michigan consumer confidence           | --/97/98.4            | Consumer confidence may ease on the back of geopolitical, trade and recession concerns                             |
| 20/08 | SA     | Leading index                          | --/--/103.9           | Leading index is likely to remain subdued amid downside risks to SA growth   |
| 21/08 | SA     | CPI                                    | --/4.3%/4.5%          | SA CPI may decline on lower fuel costs in July   |
| 21/08 | US     | FOMC minutes                           | --                    | Markets will watch for debate on monetary policy, consistency on dovish rhetoric                                   |
| 22/08 | US     | Leading index                          | --/0.2%/-0.3%         | Any uptick in leading index likely to reflect an improvement in forecasted growth                                  |

Source: Nedbank

## CONTACT FOR QUERIES

### REEZWANA SUMAD

Strategy: Research Analyst  
Tel: +27 11 537 4091  
[ReezwanaS@Nedbank.co.za](mailto:ReezwanaS@Nedbank.co.za)

# 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     |           |
| R208-1.6 yrs   | 6.79       | -0.20 | 15.40  | -20.20  | -119.60 | ↑         |
| R186-7.3 yrs   | 8.42       | -0.25 | 13.15  | -45.25  | -61.15  | ↑         |
| R2048-28.5 yrs | 10.04      | 0.70  | 14.40  | 13.80   | 16.30   | ↑         |
| US 10 yr       | 1.54       | 1.17  | -47.49 | -114.48 | -132.65 | ↓         |
| UK 10 yr       | 0.41       | -4.00 | -20.30 | -86.90  | -81.70  | ↓         |
| German 10 yr   | -0.71      | -6.30 | -27.30 | -95.50  | -101.70 | ↓         |
| Japan 10 yr    | -0.24      | -0.50 | -8.50  | -24.10  | -34.00  | ↓         |

| Money Market                | Last price | Δ     |        |        |         | MTD trend |
|-----------------------------|------------|-------|--------|--------|---------|-----------|
|                             |            | 1d    | MTD    | YTD    | 12Month |           |
|                             | %          | bps   | bps    | bps    | bps     |           |
| SA repo rate                | 6.50       | 0.00  | 0.00   | -25.00 | 0.00    | →         |
| SA prime rate               | 10.00      | 0.00  | 0.00   | -25.00 | 0.00    | →         |
| SA CPI (MTD=previous month) | 4.50       | 0.00  | 0.00   | -10.00 | 0.00    | →         |
| SA 3m JIBAR                 | 6.83       | -0.90 | 0.00   | -31.70 | -17.50  | →         |
| SA 3m NCD                   | 6.85       | 0.00  | 0.00   | -27.50 | -15.00  | →         |
| SA 6m NCD                   | 7.33       | 0.00  | 0.00   | -42.50 | -25.00  | →         |
| SA 12m NCD                  | 7.70       | 0.00  | 0.00   | -62.50 | -61.25  | →         |
| US 3m LIBOR                 | 2.12       | -4.46 | -14.19 | -68.39 | -18.80  | ↓         |
| UK 3m LIBOR                 | 0.77       | -0.18 | -0.45  | -14.43 | -3.36   | ↓         |
| Japan 3m LIBOR              | -0.10      | -0.02 | -3.10  | -3.17  | -7.32   | ↓         |

Source: Bloomberg & Nedbank CIB  
Time: 2019/08/16 07:49

| FRAs and Swaps | Last price | Δ     |       |        |         | MTD trend |
|----------------|------------|-------|-------|--------|---------|-----------|
|                |            | 1d    | MTD   | YTD    | 12Month |           |
|                | %          | bps   | bps   | bps    | bps     |           |
| 3X6 FRA        | 6.78       | -1.00 | 0.50  | -43.50 | -39.50  | ↑         |
| 6X9 FRA        | 6.66       | 0.00  | 4.00  | 3.00   | 4.00    | ↑         |
| 9X12 FRA       | 6.61       | 1.00  | -3.50 | -72.50 | -95.50  | ↓         |
| 18X21 FRA      | 6.70       | 0.00  | -6.50 | -76.00 | -114.00 | ↓         |
| SA 2yr Swap    | 6.70       | -4.60 | -3.60 | -63.60 | -81.60  | ↓         |
| SA 3yr Swap    | 6.80       | -5.00 | -3.00 | -65.00 | -89.50  | ↓         |
| SA 5yr Swap    | 7.06       | -5.50 | -4.00 | -61.00 | -92.00  | ↓         |
| SA 10yr Swap   | 7.74       | -3.50 | -4.00 | -45.00 | -71.00  | ↓         |
| SA 15yr Swap   | 8.06       | -5.50 | -5.00 | -40.50 | -65.00  | ↓         |

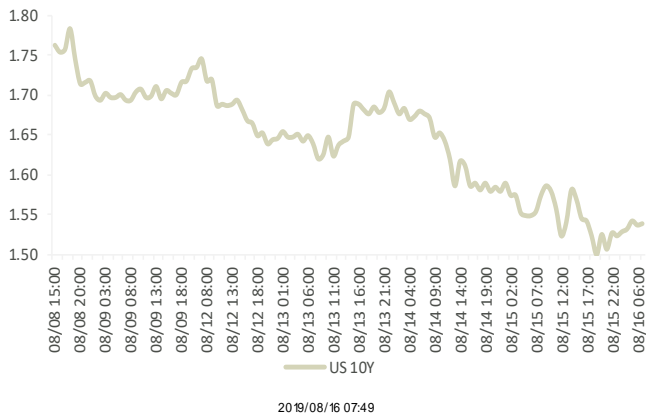
  

| Spreads                          | Last price | Δ     |        |        |         | MTD trend |
|----------------------------------|------------|-------|--------|--------|---------|-----------|
|                                  |            | 1d    | MTD    | YTD    | 12Month |           |
|                                  | %          | bps   | bps    | bps    | bps     |           |
| 2v10y                            | -1.04      | -1.10 | 0.40   | -18.60 | -10.60  | ↑         |
| 3v10y                            | -0.95      | -1.50 | 1.00   | -20.00 | -18.50  | ↑         |
| R186-R208                        | 1.63       | -0.05 | -2.25  | -25.05 | 58.45   | ↓         |
| R2048-R186                       | 1.62       | 0.95  | 1.25   | 59.05  | 77.45   | ↑         |
| 5y-R186                          | -1.36      | -5.25 | -17.15 | -15.75 | -30.85  | ↓         |
| 10y-R186                         | -0.68      | -3.25 | -17.15 | 0.25   | -9.85   | ↓         |
| 15y-R186                         | -0.36      | -5.25 | -18.15 | 4.75   | -3.85   | ↓         |
| SA 5yr CDS spread - basis points | 197.08     | -5.14 | 23.80  | -25.87 | -21.17  | ↑         |

Source: Bloomberg & Nedbank CIB  
Time: 2019/08/16 07:49

## US 10 year yield

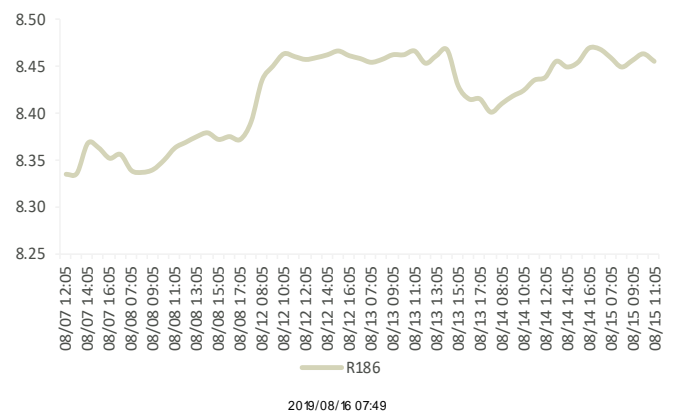
### US 10 year yield



Source: Bloomberg, Nedbank

## SA 10 year yield

### SA 10 year yield



Source: Bloomberg, Nedbank

- The local trading session got underway with the rand trading in the mid-15.30s. The local unit traded marginally firmer for much of the session, reaching a best level of 15.2000, before closing the day at 15.2700. This morning, the rand is currently trading at 15.2250, the EURZAR is trading at 16.9025 and the GBPZAR is trading at 18.4145.
- The international markets remained within limited ranges, with the major currency pairs especially so. The EURUSD is trading at 1.1104, slightly off from the same time yesterday, having tested sub-1.1100 on the day, and the GBPUSD is trading at 1.2092, around the middle of yesterday's trading range. As levels of uncertainty remain elevated globally, gold has held steady around the 1,520.00 level and is currently trading at 1,522.05.
- Data releases scheduled for today: locally, no releases; from Europe, only trade data for the zone; and from the US, housing starts, building permits and Michigan survey data.
- The world's financial markets remain at the mercy of the next headline or tweet. The US-China trade-war saga, which continues unabated, has provided the catalyst for numerous short-lived market moves of late. This morning, the rand is currently trading in the low 15.20s; from a technical perspective, 15.0000 is likely to provide a significant base for the local unit. Only a break of and consolidation sub this level would provide any meaningful relief for the rand.
- Possible trading range for the rand today: 15.0500 to 15.3500

| Majors | Last price | %Δ<br>-1d | %Δ<br>MTD | %Δ<br>YTD | %Δ<br>12Month | MTD trend | USD trend    |
|--------|------------|-----------|-----------|-----------|---------------|-----------|--------------|
| GBPUSD | 1.21       | -0.12     | -0.95     | -5.08     | -4.79         | ↓         | USD strength |
| EURUSD | 1.11       | 0.01      | -0.24     | -3.07     | -2.31         | ↓         | USD strength |
| USDJPY | 106.14     | 0.03      | -2.31     | 3.32      | -4.50         | ↓         | USD weakness |
| USDAUD | 1.47       | -0.14     | 1.31      | 3.69      | 6.90          | ↑         | USD strength |

| Rand crosses | Last price | %Δ<br>-1d | %Δ<br>MTD | %Δ<br>YTD | %Δ<br>12Month | MTD trend | ZAR trend    |
|--------------|------------|-----------|-----------|-----------|---------------|-----------|--------------|
| USDZAR       | 15.23      | -0.01     | 6.94      | 5.57      | 3.71          | ↑         | ZAR weakness |
| GBPZAR       | 18.42      | -0.17     | 6.06      | 0.47      | -1.13         | ↑         | ZAR weakness |
| EURZAR       | 16.91      | 0.01      | 6.72      | 2.59      | 1.43          | ↑         | ZAR weakness |
| AUDZAR       | 10.34      | 0.11      | 5.73      | 2.03      | -2.92         | ↑         | ZAR weakness |
| ZARJPY       | 6.97       | 0.03      | -9.96     | -9.37     | -8.53         | ↓         | ZAR weakness |

| African FX                  | Last price | %Δ<br>-1d | %Δ<br>MTD | %Δ<br>YTD | %Δ<br>12Month | MTD trend | ZAR trend    |
|-----------------------------|------------|-----------|-----------|-----------|---------------|-----------|--------------|
| ZARMWK (Malawian kwacha)    | 48.16      | 0.03      | -9.17     | -5.25     | -2.66         | ↓         | ZAR weakness |
| ZARBWP (Botswana pula)      | 0.73       | 0.21      | -3.90     | -2.73     | -1.12         | ↓         | ZAR weakness |
| ZARKES (Kenyan shilling)    | 6.73       | 0.02      | -9.01     | -5.20     | -2.12         | ↓         | ZAR weakness |
| ZARMUR (Mauritian rupee)    | 2.37       | 0.16      | -7.95     | -0.75     | -0.46         | ↓         | ZAR weakness |
| ZARNGN (Nigerian naira)     | 23.88      | 0.04      | -7.01     | -5.78     | -3.36         | ↓         | ZAR weakness |
| ZARGHS (Ghanian cedi)       | 0.36       | 0.03      | -6.53     | 5.13      | 7.98          | ↓         | ZAR weakness |
| ZARZMW (Zambian kwacha)     | 0.85       | -0.26     | -6.99     | 2.80      | 17.60         | ↓         | ZAR weakness |
| ZARMZN (Mozambican metical) | 3.97       | 0.02      | -9.12     | -6.48     | -1.63         | ↓         | ZAR weakness |

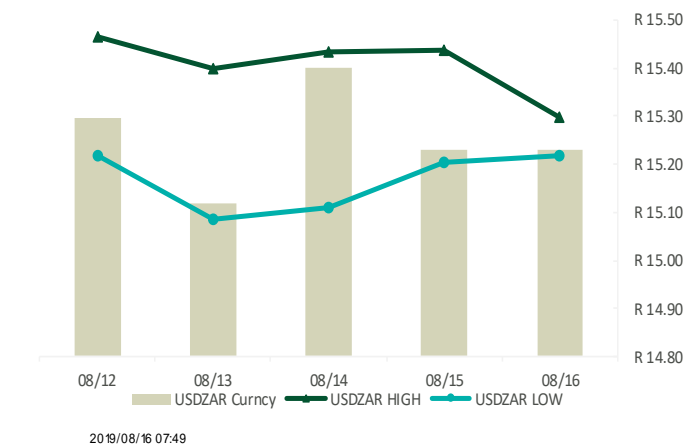
| Emerging Market FX      | Last price | %Δ<br>-1d | %Δ<br>MTD | %Δ<br>YTD | %Δ<br>12Month | MTD trend | USD trend    |
|-------------------------|------------|-----------|-----------|-----------|---------------|-----------|--------------|
| USDBRL (Brazilian Real) | 3.99       | -1.49     | 4.53      | 2.79      | 2.18          | ↑         | USD strength |
| USDTRY (Turkish Lira)   | 5.56       | 0.01      | 0.26      | 4.87      | -5.30         | ↑         | USD strength |
| USDMXN (Mexican Peso)   | 19.58      | -0.31     | 3.00      | -0.42     | 2.77          | ↑         | USD strength |
| USDINR (Indian Rupee)   | 71.33      | 0.07      | 3.55      | 2.19      | 1.64          | ↑         | USD strength |
| USD RUB (Russian Ruble) | 66.04      | -0.02     | 3.96      | -5.06     | -1.27         | ↑         | USD strength |

Source: Bloomberg & Nedbank CIB  
Time: 2019/08/16 07:49

\*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

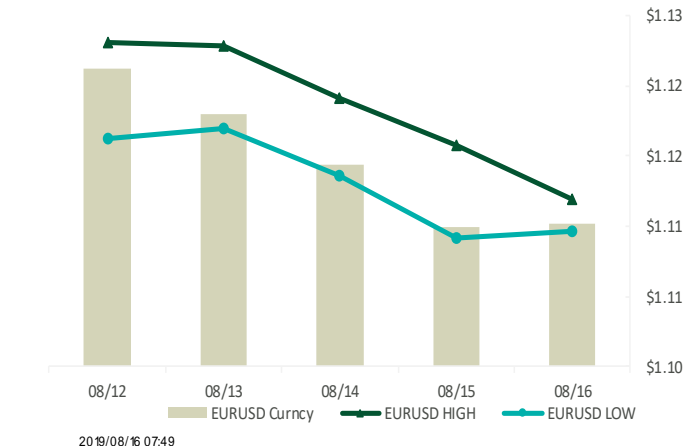
\$/R (close, high and low)



Source: Bloomberg, Nedbank

## EUR/USD

€/\$(close, high and low)



Source: Bloomberg, Nedbank

- Oil edged higher and is set for a weekly gain as trade news continues to whipsaw the market against the backdrop of rising U.S. stockpiles and a weakening global demand outlook.
- Nickel higher to trade near a record high because of an expected export ban by Indonesia, rest metals steady, with Gold slightly lower.

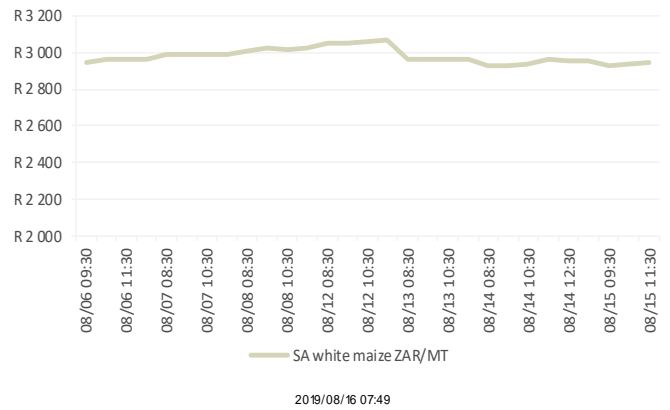
Source: Bloomberg

| Commodities             | Last price | %Δ<br>-1d | %Δ<br>MTD | %Δ<br>YTD | %Δ<br>12Month | MTD trend |
|-------------------------|------------|-----------|-----------|-----------|---------------|-----------|
| Brent near future (\$)  | 59.03      | 1.37      | -9.42     | 9.72      | -17.36        | 🔻         |
| WTI crude (\$)          | 55.33      | 1.58      | -5.55     | 21.85     | -15.48        | 🔻         |
| Gold spot (\$)          | 1519.17    | -0.09     | 6.64      | 18.54     | 28.98         | 🔼         |
| Platinum spot (\$)      | 837.26     | -0.14     | -4.28     | 5.29      | 7.08          | 🔻         |
| SA white maize spot (R) | 2942.00    | -0.51     | 1.34      | 0.41      | 27.36         | 🔼         |

Source: Bloomberg & Nedbank CIB      Time: 2019/08/16 07:49

## SA white maize

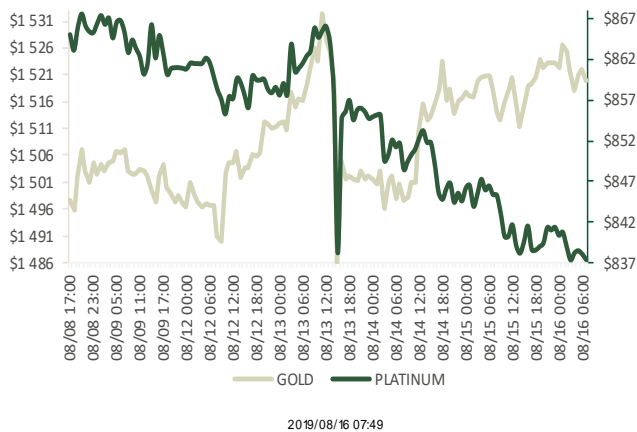
SA White maize (ZAR/MT) - 30 day chart



Source: Bloomberg, Nedbank

## Platinum vs Gold

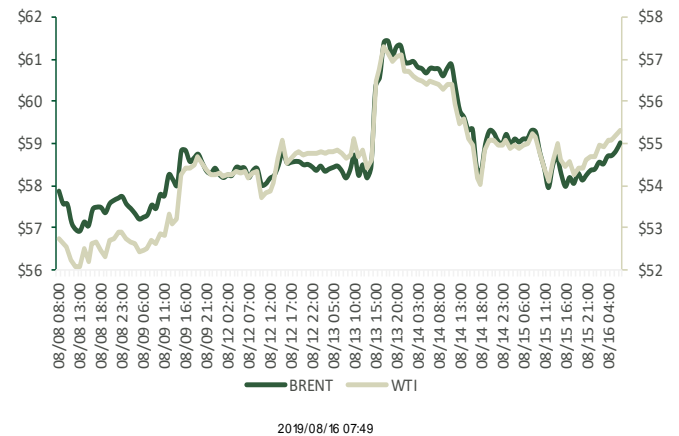
Platinum vs. Gold



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 continued lower, tracking the global sell off, but did end well off the day's lows, with the Top40 ending the day down 0.33% at 48117.00.,
- Banking stocks rallied in the afternoon session, rebounding following recent weakness, with the index adding 3.55%.
- Retailers and industrials posted gains, while the gold and platinum indices lost 2.76% and 3.06% respectively.
- The value traded at the close was R24billion and the ZAR was trading at 15.26 vs the dollar.

**UK/Europe**

- European markets ended a volatile session lower as trade war concerns continue to weigh on global markets, with China warring of retaliation against US tariffs.
- Strong US retail sales figures helped curb losses in the afternoon session.
- Automakers and commodity stocks were amongst the worst performers due to their reliance on exports and demand from China.
- Lower oil prices weighed on the energy sector, while strong numbers from beer maker Carlsberg and food retailer ICA lent some support.
- The FTSE100 lost 1.13%, the DAX fell 0.7% and the CAC40 declined 0.27%.

**USA**

- US markets ended the session firmer, buoyed by strong US retail sales data.
- The Nasdaq closed lower, weighed by Cisco Systems Inc, which tumbled 8.6% after reporting a 25% drop in China sales and reported revenue forecasts which were well below analysts' estimates.
- Walmart rallied 6.1% after beating second quarter analysts estimates and raising their full year earnings outlook.
- The Dow added 0.39%, the S&P500 rose 0.25% and the Nasdaq declined 0.09%.

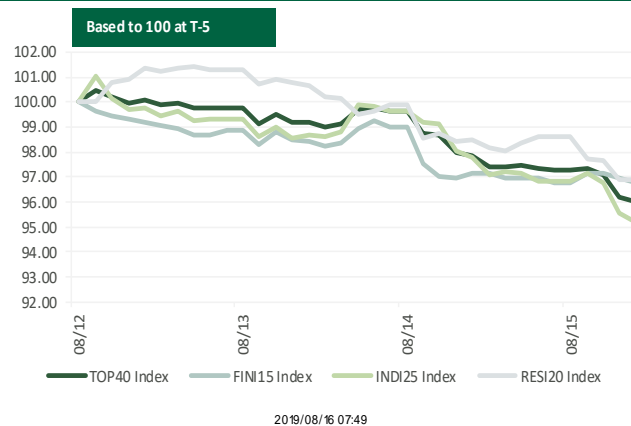
**Asia**

- Asian markets are trading mostly firmer this morning.
- Japanese markets reversed early morning losses, moving into positive territory, with exporters leading the gains.
- Consumer related stocks lead the gains in China and Hong Kong, as Beijing seeks to further boost consumption and shore up falling growth amid the trade war.
- The ASX was little changed, with investors seen to be taking a cautious stance ahead of the weekend. Financial stocks outperformed, while miners traded lower.

| Developed Markets | Last price | %Δ -1d | %Δ MTD | %Δ YTD | %Δ 12Month | 2018 Performance | MTD trend |
|-------------------|------------|--------|--------|--------|------------|------------------|-----------|
| Dow Jones         | 25 579.39  | 0.39   | -4.78  | 9.65   | 0.08       | -6.03            | ↓         |
| Nasdaq            | 7 766.62   | -0.09  | -5.00  | 17.05  | -0.51      | -5.30            | ↓         |
| S&P 500           | 2 847.60   | 0.25   | -4.46  | 13.59  | 0.24       | -7.01            | ↓         |
| DJ Eurostoxx 50   | 3 282.78   | -0.18  | -5.31  | 9.37   | -2.81      | -14.00           | ↓         |
| DAX               | 11 412.67  | -0.70  | -6.37  | 8.09   | -6.74      | -17.97           | ↓         |
| CAC               | 5 236.93   | -0.27  | -5.11  | 10.70  | -2.10      | -10.55           | ↓         |
| FTSE              | 7 067.01   | -1.13  | -6.85  | 5.04   | -6.48      | -12.03           | ↓         |
| ASX200            | 6 406.60   | -0.02  | -5.96  | 13.46  | 1.24       | -6.84            | ↓         |
| Nikkei 225        | 20 391.77  | -0.07  | -5.25  | 1.88   | -8.11      | -14.85           | ↓         |
| MSCI World        | 2 082.84   | -0.16  | -4.79  | 10.56  | -2.26      | -10.97           | ↓         |
| Emerging Markets  | Last price | %Δ -1d | %Δ MTD | %Δ YTD | %Δ 12Month | 2018 Performance | MTD trend |
| Hang Seng         | 25 681.61  | 0.73   | -7.55  | -0.63  | -5.23      | -15.30           | ↓         |
| Shanghai          | 2 835.67   | 0.71   | -3.30  | 13.70  | 4.82       | -25.52           | ↓         |
| Brazil Bovespa    | 99 056.91  | -1.20  | -2.71  | 12.71  | 28.95      | 12.83            | ↓         |
| India - NSE       | 37 184.92  | -0.34  | -0.79  | 3.10   | -1.76      | 6.67             | ↓         |
| Russia Micex      | 2 625.58   | -0.43  | -4.16  | 10.82  | 16.12      | 9.55             | ↓         |
| MSCI Emerging     | 963.52     | -0.09  | -7.09  | -0.23  | -5.68      | -18.02           | ↓         |
| SA Indices        | Last price | %Δ -1d | %Δ MTD | %Δ YTD | %Δ 12Month | 2018 Performance | MTD trend |
| JSE All Share     | 53 840.93  | -0.35  | -5.18  | 2.09   | -4.81      | -11.71           | ↓         |
| Top 40            | 48 116.97  | -0.33  | -5.28  | 2.98   | -4.73      | -11.54           | ↓         |
| Resi 10           | 42 505.96  | -2.15  | -5.78  | 3.56   | 2.66       | 12.01            | ↓         |
| Indi 25           | 69 454.25  | -0.40  | -4.56  | 9.06   | -4.85      | -20.20           | ↓         |
| Fini 15           | 14 755.48  | 2.35   | -6.43  | -9.92  | -9.89      | -6.54            | ↓         |

Source: Bloomberg &amp; Nedbank CIB

Time 20/08/16 07:49

**Short-term performance of SA equity indices****SA equity indices**

Source: Bloomberg, Nedbank

# LAST DAY TO TRADE

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Susan Correia | [Scorreia@Nedbankcapital.co.za](mailto:Scorreia@Nedbankcapital.co.za) | +27 11 295 8227

| SHARE CODE     | SHARE NAME              | DIVIDEND / INTEREST RATE |
|----------------|-------------------------|--------------------------|
| 20 August 2019 |                         |                          |
| L2D            | Liberty two Degrees Ltd | dividend @ 29.31cps      |
| MIX            | Mix Telematics Ltd      | dividend @ 4cps          |
| VVO            | Vivo Energy Plc         | dividend @ 15.82cps      |

Source: JSE

# JSE PERFORMANCE

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

| Top40 constituents                 | Last price | %Δ<br>-1d | %Δ<br>MTD | %Δ<br>YTD | %Δ<br>12Month | 2018<br>Performance | MTD trend |
|------------------------------------|------------|-----------|-----------|-----------|---------------|---------------------|-----------|
| ABG : Absa Group Ltd               | 152.10     | 4.03      | -4.75     | -6.01     | -5.53         | -11.08              | ↓         |
| AGL : Anglo American Plc           | 313.18     | -3.49     | -11.05    | -2.82     | 9.35          | 26.07               | ↓         |
| AMS : Anglo American Platinum Ltd  | 804.42     | -3.79     | -5.82     | 49.54     | 100.23        | 52.19               | ↓         |
| ANG : Anglogold Ashanti Ltd        | 311.02     | 0.33      | 22.54     | 71.13     | 188.92        | 41.31               | ↑         |
| APN : Aspen Pharmacare Holdings Lt | 68.27      | -1.84     | -24.41    | -49.36    | -73.77        | -51.42              | ↓         |
| BHP : Bhp Group Plc                | 326.46     | -1.54     | -4.96     | 12.78     | 13.06         | 21.24               | ↓         |
| BID : Bid Corp Ltd                 | 295.41     | -0.60     | -1.54     | 11.48     | 0.99          | -11.96              | ↓         |
| BTI : British American Tobacco Plc | 563.67     | 1.06      | 10.00     | 20.11     | -27.17        | -43.42              | ↑         |
| BVT : Bidvest Group Ltd            | 173.48     | 1.21      | -6.34     | -16.13    | -10.08        | -5.15               | ↓         |
| CFR : Financiere Richemont-Dep Rec | 115.00     | -2.46     | -6.28     | 22.80     | -7.26         | -16.20              | ↓         |
| CLS : Clicks Group Ltd             | 199.16     | 0.37      | -2.49     | 4.03      | 5.94          | 5.70                | ↓         |
| CPI : Capitec Bank Holdings Ltd    | 1124.23    | 2.20      | -4.73     | 0.56      | 20.48         | 1.83                | ↓         |
| DSY : Discovery Ltd                | 105.99     | 5.26      | -19.89    | -33.67    | -35.54        | -14.09              | ↓         |
| EXX : Exxaro Resources Ltd         | 136.53     | -0.66     | -18.42    | -0.97     | -2.48         | -15.16              | ↓         |
| FSR : Firststrand Ltd              | 56.61      | 2.85      | -8.32     | -13.65    | -11.12        | -2.51               | ↓         |
| GFI : Gold Fields Ltd              | 80.93      | -9.76     | 6.43      | 64.03     | 115.81        | -8.80               | ↑         |
| GRT : Growthpoint Properties Ltd   | 22.89      | -0.78     | -4.07     | -1.76     | -12.97        | -15.76              | ↓         |
| INL : Investec Ltd                 |            | 1.20      | -7.26     | -3.80     | -17.15        | -11.95              | ↓         |
| INP : Investec Plc                 | 75.03      | 0.59      | -8.33     | -5.81     | -19.53        | -11.25              | ↓         |
| MCG : Multichoice Group Ltd        | 132.66     | -1.26     | -1.30     |           |               |                     | ↓         |
| MNP : Mondi Plc                    | 278.17     | -2.44     | -10.83    | -8.52     | -27.93        | -4.78               | ↓         |
| MRP : Mr Price Group Ltd           | 176.00     | 1.73      | -0.37     | -28.50    | -20.79        | 0.52                | ↓         |
| MTN : Mtn Group Ltd                | 104.90     | -0.38     | -6.95     | 17.87     | 3.35          | -34.85              | ↓         |
| NED : Nedbank Group Ltd            | 223.53     | 3.66      | -7.30     | -18.63    | -14.73        | 7.27                | ↓         |
| NPN : Naspers Ltd-N Shs            | 3350.98    | -0.09     | -4.46     | 19.49     | 9.84          | -16.19              | ↓         |
| NRP : Nepi Rockcastle Plc          | 125.75     | -0.83     | -3.02     | 11.28     | 0.22          | -47.09              | ↓         |
| OMU : Old Mutual Ltd               | 17.88      | 0.79      | -6.97     | -20.18    | -12.26        |                     | ↓         |
| PSG : Psg Group Ltd                | 203.77     | 1.89      | -10.94    | -16.76    | -6.53         | -9.33               | ↓         |
| RDF : Redefine Properties Ltd      | 8.28       | -1.08     | -5.91     | -14.37    | -20.77        | -9.63               | ↓         |
| REM : Remgro Ltd                   | 169.11     | 0.91      | -5.58     | -13.16    | -15.79        | -17.48              | ↓         |
| RMH : Rmb Holdings Ltd             | 68.65      | 1.99      | -9.40     | -12.99    | -10.66        | -0.34               | ↓         |
| SAP : Sappi Limited                | 42.68      | -2.56     | -18.21    | -47.73    | -54.65        | -8.77               | ↓         |
| SBK : Standard Bank Group Ltd      | 173.50     | 4.58      | -3.37     | -2.97     | -7.31         | -8.61               | ↓         |
| SHP : Shoprite Holdings Ltd        | 139.85     | -0.64     | -9.48     | -26.45    | -34.00        | -14.03              | ↓         |
| SLM : Sanlam Ltd                   | 69.90      | 1.51      | -6.36     | -12.41    | -6.38         | -8.28               | ↓         |
| SOL : Sasol Ltd                    | 278.15     | 0.09      | -10.49    | -34.55    | -46.67        | -0.74               | ↓         |
| SPP : Spar Group Limited/The       | 184.00     | 0.94      | -0.11     | -11.33    | -3.25         | 2.05                | ↓         |
| TBS : Tiger Brands Ltd             | 213.50     | 0.05      | -4.21     | -14.76    | -21.77        | -40.48              | ↓         |
| TFG : The Foschini Group Ltd       | 149.88     | 1.87      | -9.77     | -9.84     | -12.35        | -15.76              | ↓         |
| VOD : Vodacom Group Ltd            | 113.11     | 0.09      | -3.87     | -14.31    | -11.40        | -9.39               | ↓         |
| WHL : Woolworths Holdings Ltd      | 52.48      | 0.50      | -4.58     | -4.74     | 2.94          | -15.65              | ↓         |

Source: Bloomberg & Nedbank CIB

Time 2019/08/16 07:49

## US

- US retail sales growth rose to 0.7% m/m in July, from 0.3% in June, better than consensus of 0.3%. Retail sales was driven by clothing, gasoline, electronics, furniture and miscellaneous goods. In contrast, sales of motor vehicles contracted.
- Industrial production contracted by 0.2% m/m in July, from 0.2% growth in June, worse than consensus of +0.1%. production of machinery and motor vehicles contracted sharply in July, while production of computers and electronics were unchanged. Mining production also contracted sharply. In contrast, utilities output surged in July.

**Synopsis: The Fed has turned sharply dovish as a result of sluggish low inflation, threats to the growth outlook due to weaker global trade and geopolitical tensions from the trade war. Wage pressures remain muted and unable to boost inflation, while the threat of a recession mounts. The market is currently pricing in a 100% probability of another 25bps cut in September.**

## UK

- UK retail sales growth remained positive but eased to 3.3% y/y in July, from 3.8% in June, better than consensus of 2.5%. While sales of food and household goods contracted sharply in July, sales growth was driven predominantly by internet sales, and sales of auto fuel.
- According to Bloomberg, almost one fifth of all shopping was done online, boosted by Amazon's Prime Day discounts. The broader retail backdrop however, remains weak – non-food sales posted its biggest decline in seven months. Consumer confidence has eased, and with it, appetite for spending.

**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.**



# ECONOMIC CALENDAR

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

|                  | Country | Event                             | Period | Survey      | Actual    | Prior      | Revised   |
|------------------|---------|-----------------------------------|--------|-------------|-----------|------------|-----------|
| <b>15-August</b> |         |                                   |        |             |           |            |           |
| 06:30 AM         | JN      | Industrial Production YoY         | JUN F  | -           | -3.80%    | -2.10%     | -         |
| 10:30 AM         | UK      | Retail Sales Inc Auto Fuel YoY    | JUL    | 2.50%       | 3.30%     | 3.80%      | -         |
| 02:30 PM         | US      | Initial Jobless Claims            | JUL 6  | 212k        | 220k      | 209k       | -         |
| 02:30 PM         | US      | Continuing Claims                 | JUN 29 | 1685k       | 1726k     | 1684k      | -         |
| 02:30 PM         | US      | Philadelphia Fed Business Outlook | AUG    | 9.5         | 16.8      | 21.8       | -         |
| 02:30 PM         | US      | Retail Sales Advance MoM          | JUL    | 0.30%       | 0.70%     | 0.40%      | 0.30%     |
| 03:15 PM         | US      | Industrial Production MoM         | JUL    | 0.10%       | -0.22%    | 0.00%      | 0.20%     |
| 03:15 PM         | US      | Manufacturing (SIC) Production    | JUL    | -0.30%      | -0.40%    | 0.40%      | 0.60%     |
| 03:15 PM         | US      | Capacity Utilization              | JUL    | 77.80%      | 77.49%    | 77.90%     | 77.80%    |
| 10:00 PM         | US      | Net Long-term TIC Flows           | JUN    | USD 0.0b    | USD 99.1b | USD 3.5b   | USD 4.6b  |
| 10:00 PM         | US      | Total Net TIC Flows               | JUN    | USD 0.0b    | USD 1.7b  | USD 32.9b  | USD 37.6b |
| <b>16-August</b> |         |                                   |        |             |           |            |           |
| 11:00 AM         | EC      | Trade Balance SA                  | JUN    | EUR 0.0b    | -         | EUR 0.0b   | -         |
| 02:30 PM         | US      | Building Permits MoM              | JUL    | 3.08%       | -         | -6.10%     | -         |
| 02:30 PM         | US      | Housing Starts MoM                | JUL    | 0.24%       | -         | -0.90%     | -         |
| 02:30 PM         | US      | Building Permits                  | JUL    | 1270k       | -         | 1220k      | -         |
| 02:30 PM         | US      | Housing Starts                    | JUL    | 1256k       | -         | 1253k      | -         |
| 04:00 PM         | US      | U. of Mich. Sentiment             | AUG P  | 97.0        | -         | 98.4       | -         |
| <b>19-August</b> |         |                                   |        |             |           |            |           |
| 01:50 AM         | JN      | Imports YoY                       | JUL    | -2.30%      | -         | -5.20%     | -         |
| 01:50 AM         | JN      | Trade Balance Adjusted            | JUL    | JPY -150.8b | -         | JPY -14.4b | -         |
| 01:50 AM         | JN      | Exports YoY                       | JUL    | -2.30%      | -         | -6.60%     | -         |
| 10:00 AM         | EC      | ECB Current Account SA            | JUN    | -           | -         | EUR 29.7b  | -         |
| 11:00 AM         | EC      | CPI YoY                           | JUL F  | 1.10%       | -         | 1.10%      | -         |
| 11:00 AM         | EC      | CPI Core YoY                      | JUL F  | 0.90%       | -         | 0.90%      | -         |
| <b>20-August</b> |         |                                   |        |             |           |            |           |
| 08:00 AM         | GE      | PPI YoY                           | JUL    | 1.10%       | -         | 1.20%      | -         |
| 09:00 AM         | SA      | Leading Indicator                 | JUN    | 0.0         | -         | 103.9      | -         |

Source: Bloomberg 2019/08/16 07:38

## CONTACTS

|  |   |   |
|--|---|---|
| <b>Research Analyst</b><br><b>Reezwana Sumad</b><br>(011) 537 4091 | <b>Fixed Income and Currency Strategist</b><br><b>Walter de Wet</b><br>(011) 537 4140 | <b>Research Publishers</b><br>(011) 294 0206  |
| <b>ALM Portfolio Management</b><br>(011) 535 4042                  | <b>Bond Trading</b><br>(011) 535 4021   | <b>Credit Derivatives</b><br>(011) 535 4047   |
| <b>Equities Sales and Distribution</b><br>(011) 535 4030/31        | <b>Forex Business Banking Sales Desk</b><br>(011) 535 4003                            | <b>Forex Corporate Sales Desk</b><br>JHB (011) 535 4002; DBN (031) 327 3000;<br>CTN (021) 413 9300        |
| <b>Forex Institutional Sales Desk</b><br>(011) 535 4005            | <b>Forex Retail Sales Desk</b><br>(011) 535 4020                                      | <b>Inflation Trading</b><br>(011) 535 4026  |
| <b>Interest Rate Swaps &amp; FRA's Trading</b><br>(011) 535 4004   | <b>Money Market Business Banking Sales Desk</b><br>(011) 535 4006                     | <b>Money Market Corporate Sales Desk</b><br>JHB (011) 535 4007; DBN (031) 327 3000;<br>CTN (021) 413 9300 |
| <b>Money Market Institutional Sales Desk</b><br>(011) 535 4008     | <b>Non Soft &amp; Soft Commodities Trading</b><br>(011) 535 4038                      | <b>Preference shares desk</b><br>(011) 535 4072   |

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