

DAILY MARKET COMMENTARY

24 October 2019



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(when available)*

KEY DAILY DRIVERS

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SNIPPETS

| | |
|----------------|---|
| (Fixed Income) | A decent day for SA again in a quiet macro back drop, SAGB yields marginally lower as the MTBPS and Moody's still a concern |
| (Currencies) | Global Market focus today on the ECB |
| (Commodities) | Oil prices dipped on Thursday on lingering concerns about a weak demand outlook |
| (Equities) | Equity markets continue to react to company earnings and Brexit concerns |
| (Economics) | SA CPI surprises to the downside in September, core inflation declines |

KEY OVERNIGHT FACTORS AND UPCOMING EVENTS THIS WEEK

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| Date | Region | Event | Actual/expected/prior | Implications |
|-------|--------|----------------------------|-----------------------|--|
| 23/10 | SA | CPI | 4.1%/4.3%/4.3% | SA inflation surprised to the downside as a result of lower rental and public transport costs |
| 24/10 | EZ | ECB interest rate decision | --/0%/0% | ECB expected to provide more clarity on its loose monetary policy stance, and QE |
| 29/10 | SA | Unemployment | --/--/29% | Unemployment rate may ease, but discouraged work-seekers to rise |
| 29/10 | US | Consumer confidence | --/127.9/125.1 | Confidence is fragile amid geopolitical unrest and trade uncertainty |
| 30/10 | SA | MTBPS | -- | MTBPS likely to show a deterioration in fiscal metrics but we will look for large expenditure cuts to signal continued focus on fiscal consolidation |
| 30/10 | US | ADP employment | --/132k/135k | US labour market remains upbeat, gains likely to persist |
| 30/10 | US | GDP | --/1.5%/2.0% | US GDP growth expected to slow in Q3 as a result of a decline in investment and exports |

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 | |
| R208-1.4 yrs | 6.64 | -0.15 | -3.05 | -35.15 | -123.75 | ↓ |
| R186-7.2 yrs | 8.20 | -0.05 | -11.55 | -67.15 | -115.55 | ↓ |
| R2048-28.3 yrs | 9.82 | -0.05 | -10.25 | -7.85 | -47.75 | ↓ |
| US 10 yr | 1.76 | -0.52 | 9.36 | -92.52 | -134.45 | ↑ |
| UK 10 yr | 0.69 | -2.60 | 19.70 | -59.20 | -78.40 | ↑ |
| German 10 yr | -0.39 | -2.60 | 17.70 | -63.60 | -80.30 | ↑ |
| Japan 10 yr | -0.13 | 0.30 | 8.10 | -13.50 | -26.70 | ↑ |

| 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) | 4.10 | | -20.00 | -40.00 | -80.00 | ↓ |
| SA 3m JIBAR | 6.78 | 0.00 | -1.70 | -37.50 | -25.00 | ↓ |
| SA 3m NCD | 6.78 | 0.00 | -2.50 | -35.00 | -25.00 | ↓ |
| SA 6m NCD | 7.23 | 0.00 | -7.50 | -52.50 | -42.50 | ↓ |
| SA 12m NCD | 7.58 | 0.00 | -10.00 | -75.00 | -75.00 | ↓ |
| US 3m LIBOR | 1.94 | 0.20 | -14.91 | -87.16 | -55.14 | ↓ |
| UK 3m LIBOR | 0.79 | -0.55 | 3.19 | -12.26 | -1.48 | ↑ |
| Japan 3m LIBOR | -0.11 | 0.07 | -1.37 | -4.02 | -2.15 | ↓ |

Source: Bloomberg & Nedbank CIB
Time: 2019/10/24 07:08

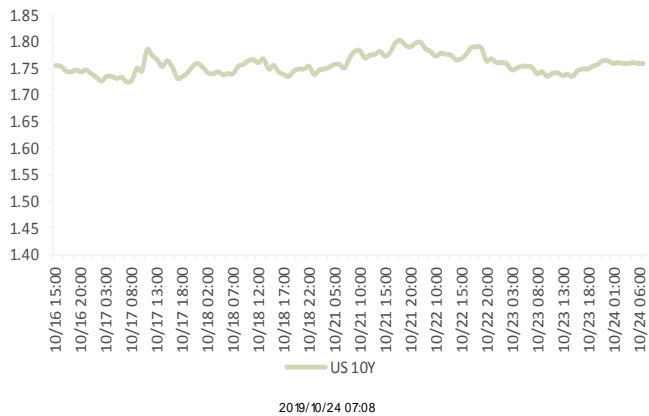
| FRAs and Swaps | Last price | Δ | | | | MTD trend |
|----------------|------------|-------|--------|--------|---------|-----------|
| | | 1d | MTD | YTD | 12Month | |
| | % | bps | bps | bps | bps | |
| 3X6 FRA | 6.59 | 1.25 | -9.00 | -62.00 | -71.00 | ↓ |
| 6X9 FRA | 6.46 | 0.00 | 4.00 | 3.00 | 4.00 | ↑ |
| 9X12 FRA | 6.41 | 0.00 | -12.50 | -92.50 | -119.50 | ↓ |
| 18X21 FRA | 6.51 | 0.00 | -15.50 | -95.50 | -135.50 | ↓ |
| SA 2yr Swap | 6.52 | -0.60 | -11.40 | -81.60 | -99.60 | ↓ |
| SA 3yr Swap | 6.62 | 0.00 | -10.80 | -82.50 | -115.50 | ↓ |
| SA 5yr Swap | 6.89 | 0.50 | -10.00 | -78.00 | -114.00 | ↓ |
| SA 10yr Swap | 7.59 | 0.50 | -7.00 | -60.00 | -99.50 | ↓ |
| SA 15yr Swap | 7.94 | 0.50 | -6.50 | -53.00 | -91.50 | ↓ |

| Spreads | Last price | Δ | | | | MTD trend |
|----------------------------------|------------|-------|--------|--------|---------|-----------|
| | | 1d | MTD | YTD | 12Month | |
| | % | bps | bps | bps | bps | |
| 2v10y | -1.07 | -1.10 | -4.40 | -21.60 | -0.10 | ↓ |
| 3v10y | -0.97 | -0.50 | -3.80 | -22.50 | -16.00 | ↓ |
| R186-R208 | 1.56 | 0.10 | -8.50 | -32.00 | 8.20 | ↓ |
| R2048-R186 | 1.62 | -0.00 | 1.30 | 59.30 | 67.80 | ↑ |
| 5y-R186 | -1.31 | 0.55 | 1.55 | -10.85 | 1.55 | ↑ |
| 10y-R186 | -0.61 | 0.55 | 4.55 | 7.15 | 16.05 | ↑ |
| 15y-R186 | -0.27 | 0.55 | 5.05 | 14.15 | 24.05 | ↑ |
| SA 5yr CDS spread - basis points | 175.50 | 0.00 | -19.00 | -47.50 | -49.00 | ↓ |

Source: Bloomberg & Nedbank CIB
Time: 2019/10/24 07:08

US 10 year yield

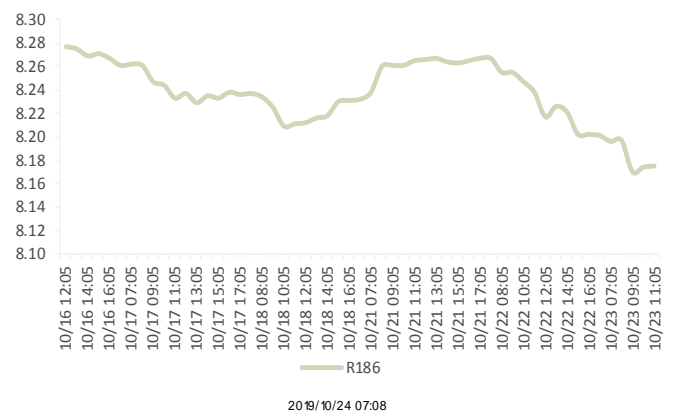
US 10 year yield



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 trading session opened with the rand trading in the low 14.60s. The improved levels in the rand proved attractive to USD buyers, and this saw it trade to a high of 14.7100 on the day, before recovering lost ground to close the day trading at 14.6300. This morning, the rand is currently trading at 14.6225, the EURZAR is trading at 16.2805 and the GBPZAR is trading at 18.8850.
- The international markets were again subdued, with the EURUSD trading between 1.1108 and 1.1129, ahead of the ECB meeting today. The GBPUSD was also range-bound, but this morning, it has managed to trade back above the 1.2900 level. Gold has held steady over the most recent sessions, and this morning, is trading marginally firmer at 1,493.25.
- Data releases scheduled for today: locally, we have no releases; from Europe, we have French, German and Eurozone manufacturing and services PMI releases ahead of the ECB meeting; and from the US, we have jobless claims, durable goods, various services PMI releases, new home sales and Kansas Fed manufacturing.
- The local unit traded fractionally above the 14.7000 level yesterday, although this move was of limited duration and the rand recovered into the time of the local close. The technical formation for an attempt on 14.4000 remains intact. Today, the markets' focus will be on the final ECB meeting to be headed by Draghi; locally, opposition party politics dominate the headlines.
- Possible trading range for the rand today: 14.4500 to 14.8000

| Majors | Last price | %Δ -1d | %Δ MTD | %Δ YTD | %Δ 12Month | MTD trend | USD trend |
|--------|------------|--------|--------|--------|------------|-----------|--------------|
| GBPUSD | 1.29 | 0.05 | 5.12 | 1.29 | 0.29 | ↑ | USD weakness |
| EURUSD | 1.11 | 0.04 | 2.17 | -2.90 | -2.26 | ↑ | USD weakness |
| USDJPY | 108.61 | -0.07 | 0.49 | 0.99 | -3.36 | ↑ | USD strength |
| USDAUD | 1.46 | 0.14 | -1.32 | 3.00 | 3.20 | ↓ | USD weakness |

| Rand crosses | Last price | %Δ -1d | %Δ MTD | %Δ YTD | %Δ 12Month | MTD trend | ZAR trend |
|--------------|------------|--------|--------|--------|------------|-----------|--------------|
| USDZAR | 14.62 | -0.15 | -3.51 | 1.89 | 0.39 | ↓ | ZAR strength |
| GBPZAR | 18.89 | -0.10 | 1.49 | 3.02 | 0.70 | ↑ | ZAR weakness |
| EURZAR | 16.28 | -0.11 | -1.30 | -1.07 | -1.90 | ↓ | ZAR strength |
| AUDZAR | 10.01 | -0.30 | -2.10 | -1.16 | -2.81 | ↓ | ZAR strength |
| ZARJPY | 7.43 | 0.05 | 3.86 | -2.79 | -3.82 | ↑ | ZAR strength |

| African FX | Last price | %Δ -1d | %Δ MTD | %Δ YTD | %Δ 12Month | MTD trend | ZAR trend |
|-----------------------------|------------|--------|--------|--------|------------|-----------|--------------|
| ZARMWK (Malawian kwacha) | 50.03 | 0.15 | 2.97 | -1.43 | 0.00 | ↑ | ZAR strength |
| ZARBWP (Botswana pula) | 0.74 | 0.15 | 1.15 | -0.68 | 0.23 | ↑ | ZAR strength |
| ZARKES (Kenyan shilling) | 7.06 | 0.19 | 3.23 | -0.51 | 1.60 | ↑ | ZAR strength |
| ZARMUR (Mauritian rupee) | 2.48 | -0.08 | 4.83 | 3.81 | 4.26 | ↑ | ZAR strength |
| ZARNGN (Nigerian naira) | 24.76 | 0.29 | 3.16 | -2.19 | -0.90 | ↑ | ZAR strength |
| ZARGHS (Ghanian cedi) | 0.38 | 0.16 | 4.94 | 9.51 | 11.91 | ↑ | ZAR strength |
| ZARZMW (Zambian kwacha) | 0.90 | 0.03 | 3.59 | 8.12 | 11.05 | ↑ | ZAR strength |
| ZARMZN (Mozambican metical) | 4.26 | 0.09 | 4.29 | -0.55 | 2.19 | ↑ | ZAR strength |

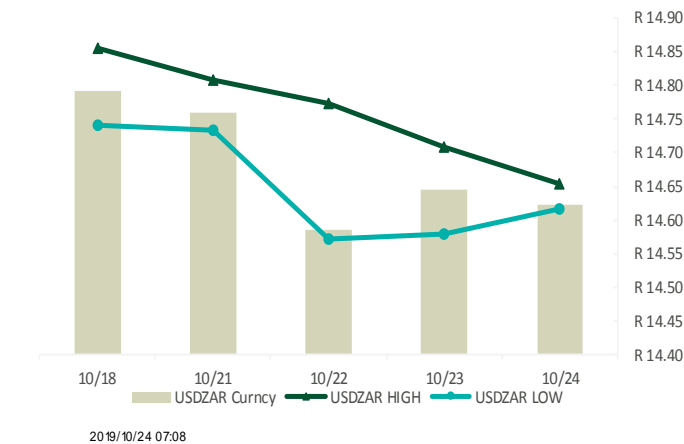
| Emerging Market FX | Last price | %Δ -1d | %Δ MTD | %Δ YTD | %Δ 12Month | MTD trend | USD trend |
|-------------------------|------------|--------|--------|--------|------------|-----------|--------------|
| USDBRL (Brazilian Real) | 4.04 | -1.15 | -2.97 | 4.01 | 8.47 | ↓ | USD weakness |
| USDTRY (Turkish Lira) | 5.76 | 0.37 | 1.85 | 8.12 | 0.94 | ↑ | USD strength |
| USDMXN (Mexican Peso) | 19.12 | 0.02 | -3.22 | -2.78 | -2.56 | ↓ | USD weakness |
| USDINR (Indian Rupee) | 70.87 | -0.05 | 0.00 | 1.55 | -3.23 | ↔ | USD weakness |
| USD RUB (Russian Ruble) | 63.94 | 0.34 | -1.44 | -9.03 | -2.45 | ↓ | USD weakness |

Source: Bloomberg & Nedbank CIB
Time: 2019/10/24 07:08

*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

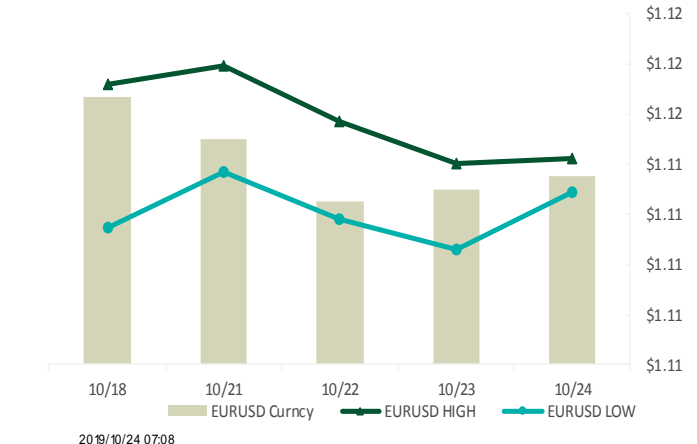
\$/R (close, high and low)



Source: Bloomberg, Nedbank

EUR/USD

€/€ (close, high and low)



Source: Bloomberg, Nedbank

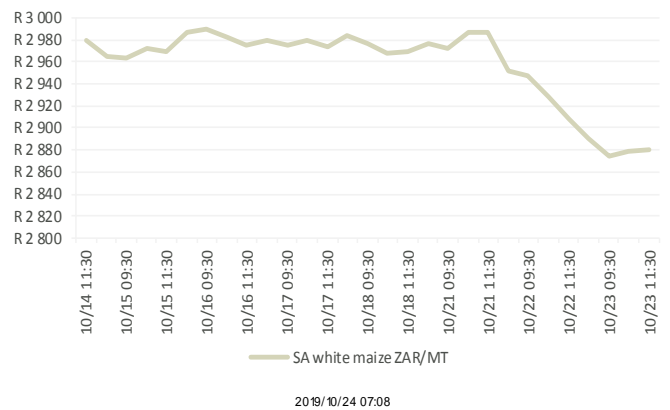
- Oil prices dipped on Thursday on lingering concerns about a weak demand outlook, after surging more than 2% in the previous session on the back of a surprise draw in U.S. crude stocks.
- U.S. crude inventories fell 1.7 million barrels in the week ended Oct. 18, compared with analysts' expectations for a 2.2 million barrel build, data from the EIA showed.
- Spot gold steadied following a two-day rally and palladium nudged higher after an overnight slump. Spot gold little changed at \$1,493.10/oz, Spot silver little changed at \$17.5485/oz, Platinum as much as +0.7% to \$922.81/oz, highest level this month, Palladium +0.2% to \$1,749.48/oz.

| Commodities | Last price | %Δ -1d | %Δ MTD | %Δ YTD | %Δ 12Month | MTD trend |
|-------------------------|------------|-----------|-----------|-----------|---------------|-----------|
| Brent near future (\$) | 60.86 | -0.51 | 0.13 | 13.12 | -20.10 | ↑ |
| WTI crude (\$) | 55.52 | -0.80 | 2.68 | 22.26 | -16.91 | ↑ |
| Gold spot (\$) | 1492.66 | 0.04 | 1.37 | 16.39 | 20.98 | ↑ |
| Platinum spot (\$) | 923.52 | 0.77 | 4.58 | 16.07 | 11.25 | ↑ |
| SA white maize spot (R) | 2880.00 | -0.96 | -0.31 | -1.71 | 20.15 | ↓ |

Source: Bloomberg & Nedbank CIB
Time: 2019/10/24 07:08

SA white maize

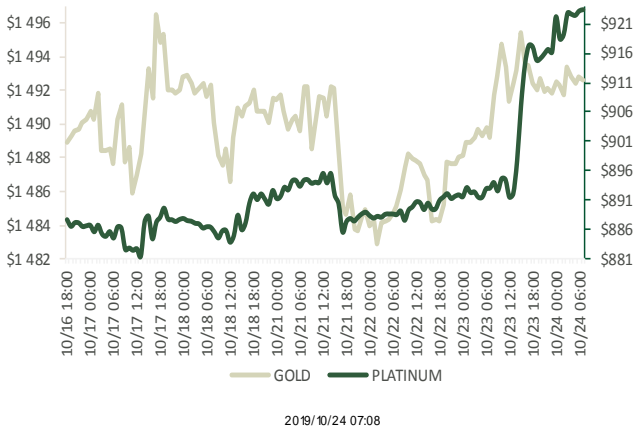
SA White maize (ZAR/MT) - 30 day chart



Source: Bloomberg, Nedbank

Platinum vs Gold

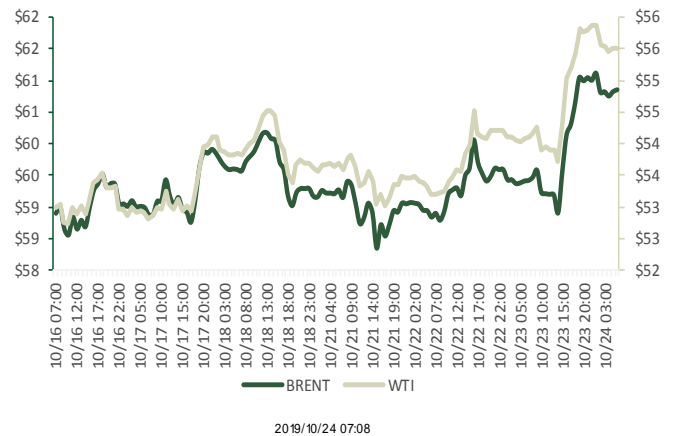
Platinum vs. Gold



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 fell deeper into the red with the Top40 and All Share both losing around seven-tenths of a percent.
- Naspers and Prosus remained under pressure, both losing over 5%.
- Standard Bank dropped 3.5%, while AngloGold Ashanti and Sibanye Gold both gained over 5%.
- Data released showed that headline consumer inflation eased to 4.1% in September.
- The value traded was R20.5bn, and the rand was at 14.62 to the USD.

UK/Europe

- European markets ended mixed, with a firmer GBP supporting the FTSE.
- Tech shares traded lower after Texas Instruments flagged a weaker-than-expected forecast for the current quarter and raised concerns of a global slowdown in the tech sector.
- The FTSE gained seven-tenths of a percent, with the mining and energy sectors outperforming.
- The DAX rose three-tenths of a percent, and the CAC lost a tenth of a percent.
- Today's focus will be on the ECB's rate decision.

USA

- US markets posted modest gains after a choppy trading session.
- The Nasdaq and Dow both gained around two-tenths of a percent, while the S&P advanced three-tenths of a percent.
- Industrial heavyweights Caterpillar and Boeing both posted weaker-than-expected earnings, while Texas Instruments attributed lowering its 2019 guidance to the uncertainty surrounding global trade.
- Today, investors will be looking at the release of new home sales, durable goods and weekly jobless claims data.

Asia

- Asian markets are trading mostly higher this morning, assisted by the higher crude price.
- Stronger IT and energy shares are helping the Nikkei and Hang Seng advance six-tenths of a percent and four-tenths of a percent, respectively.
- The ASX was up three-tenths of a percent, with diversified miners gaining on the back of higher metal prices.
- Qantas reported a slight increase in first-half revenue but warned that full-year profit would be affected by the challenging trade conditions and the global economic slowdown.

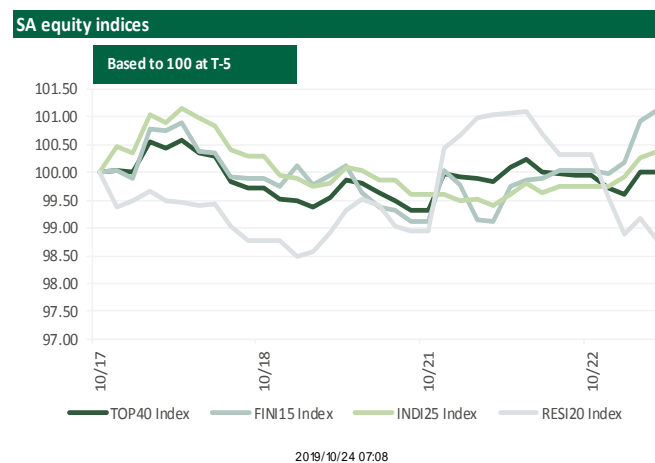
| Developed Markets | Last price | %Δ | | | | 2018 Performance | MTD trend |
|-------------------|------------|-------|-------|-------|---------|------------------|-----------|
| | | -1d | MTD | YTD | 12Month | | |
| Dow Jones | 26 833.95 | 0.17 | -0.31 | 15.03 | 9.15 | -6.03 | ↓ |
| Nasdaq | 8 119.79 | 0.19 | 1.51 | 22.37 | 14.23 | -5.30 | ↑ |
| S&P 500 | 3 004.52 | 0.28 | 0.93 | 19.85 | 13.12 | -7.01 | ↑ |
| DJ Eurostoxx 50 | 3 606.89 | 0.06 | 1.05 | 20.17 | 15.22 | -14.00 | ↑ |
| DAX | 12 798.19 | 0.34 | 2.98 | 21.21 | 14.36 | -17.97 | ↑ |
| CAC | 5 653.44 | -0.08 | -0.43 | 19.51 | 14.14 | -10.55 | ↓ |
| FTSE | 7 260.74 | 0.67 | -1.99 | 7.92 | 4.28 | -12.03 | ↓ |
| ASX200 | 6 691.70 | 0.28 | 0.05 | 18.51 | 14.80 | -6.84 | ↑ |
| Nikkei 225 | 22 758.36 | 0.59 | 4.61 | 13.71 | 3.02 | -14.85 | ↑ |
| MSCI World | 2 208.28 | 0.18 | 1.30 | 17.22 | 11.05 | -10.97 | ↑ |

| Emerging Markets | Last price | %Δ | | | | 2018 Performance | MTD trend |
|------------------|------------|-------|------|-------|---------|------------------|-----------|
| | | -1d | MTD | YTD | 12Month | | |
| Hang Seng | 26 691.11 | 0.47 | 2.30 | 3.27 | 5.71 | -15.30 | ↑ |
| Shanghai | 2 935.25 | -0.22 | 1.03 | 17.70 | 12.75 | -25.52 | ↑ |
| Brazil Bovespa | 107 543.60 | 0.15 | 2.67 | 22.37 | 29.47 | 12.83 | ↑ |
| India - NSE | 39 139.27 | 0.21 | 1.22 | 8.51 | 15.00 | 6.67 | ↑ |
| Russia Micex | 2 821.58 | 0.69 | 2.71 | 19.09 | 20.76 | 9.55 | ↑ |
| MSCI Emerging | 1 030.95 | -0.30 | 2.99 | 6.75 | 8.17 | -18.02 | ↑ |

| SA Indices | Last price | %Δ | | | | 2018 Performance | MTD trend |
|---------------|------------|-------|-------|-------|---------|------------------|-----------|
| | | -1d | MTD | YTD | 12Month | | |
| JSE All Share | 55 571.45 | -0.65 | 1.36 | 5.37 | 9.23 | -11.71 | ↑ |
| Top 40 | 49 244.55 | -0.74 | 0.88 | 5.39 | 10.24 | -11.54 | ↑ |
| Resi 10 | 44 610.25 | 1.71 | 2.62 | 8.68 | 12.28 | 12.01 | ↑ |
| Indi 25 | 68 553.72 | -2.03 | -1.56 | 7.65 | 12.11 | -20.20 | ↓ |
| Fini 15 | 16 167.45 | -1.13 | 4.86 | -1.30 | 5.76 | -6.54 | ↑ |

Source: Bloomberg & Nedbank CIB

Time 20/10/24 07:08

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 |
|------------------------|--------------------------------|--------------------------|
| 29 October 2019 | | |
| ACT | Afro Centric Inv Corp Ltd | dividend @ 17cps |
| BAWP | Barworld Ltd 6%Pref | dividend @ 6cps |
| BCF | Bowler Metcalf Ltd | dividend @ 25cps |
| CGN | Cognition Holdings Ltd | dividend @ 10cps |
| COM | Comair Ltd | dividend @ 18cps |
| CPI | Capitec Bank Holdings Ltd | dividend @ 755cps |
| KST | PSG Konsult Ltd | dividend @ 7.5cps |
| NRL | Nampak REIT Ltd | dividend @ 24.320740cps |
| NTCP | Netcare Ltd Pref | dividend @ 418.772260cps |
| PPR | Putprop Ltd | dividend @ 7cps |
| RCL | RCL Foods Ltd | dividend @ 10cps |
| RMI | Rand Merchant Inv Holdings Ltd | dividend @ 65cps |
| TLM | Telemaster Holdings Ltd | dividend @ 1.50cps |

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 | 162.94 | -0.71 | 6.59 | 0.69 | 13.97 | -11.08 | ↑ |
| AGL : Anglo American Plc | 373.85 | 1.12 | 6.29 | 16.01 | 23.51 | 26.07 | ↑ |
| AMS : Anglo American Platinum Ltd | 1066.42 | 1.18 | 16.80 | 98.25 | 134.18 | 52.19 | ↑ |
| ANG : Anglogold Ashanti Ltd | 315.07 | 5.53 | 10.90 | 73.35 | 118.95 | 41.31 | ↑ |
| BHP : Bhp Group Plc | 309.22 | 1.36 | -4.90 | 6.83 | 15.33 | 21.24 | ↓ |
| BID : Bid Corp Ltd | 345.78 | 1.30 | 7.37 | 30.48 | 28.62 | -11.96 | ↑ |
| BTI : British American Tobacco Plc | 511.66 | 1.25 | -8.99 | 9.03 | -22.51 | -43.42 | ↓ |
| BVT : Bidvest Group Ltd | 209.06 | -0.39 | 9.56 | 1.07 | 14.28 | -5.15 | ↑ |
| CFR : Financiere Richemont-Dep Rec | 109.47 | 0.52 | -1.98 | 16.89 | 8.72 | -16.20 | ↓ |
| CLS : Clicks Group Ltd | 239.00 | 0.46 | 11.17 | 24.84 | 46.63 | 5.70 | ↑ |
| CPI : Capitec Bank Holdings Ltd | 1370.33 | 0.48 | 6.44 | 22.57 | 40.17 | 1.83 | ↑ |
| DSY : Discovery Ltd | 123.24 | -1.44 | 8.06 | -22.87 | -16.80 | -14.09 | ↑ |
| EXX : Exxaro Resources Ltd | 118.91 | -1.27 | -2.15 | -7.31 | -11.19 | -15.16 | ↓ |
| FSR : Firststrand Ltd | 67.74 | -0.82 | 8.92 | 3.33 | 11.32 | -2.51 | ↑ |
| GFI : Gold Fields Ltd | 83.50 | 4.47 | 9.70 | 69.23 | 96.61 | -8.80 | ↑ |
| GRT : Growthpoint Properties Ltd | 22.59 | -1.31 | -2.21 | -3.05 | -3.09 | -15.76 | ↓ |
| IMP : Impala Platinum Holdings Ltd | 101.72 | 2.54 | 6.76 | 177.32 | 318.60 | 13.07 | ↑ |
| INL : Investec Ltd | | -1.18 | 5.20 | 6.33 | -3.98 | -11.95 | ↑ |
| INP : Investec Plc | 83.63 | -0.52 | 6.05 | 4.98 | -5.40 | -11.25 | ↑ |
| MCG : Multichoice Group Ltd | 123.67 | 1.80 | 4.83 | | | | ↑ |
| MNP : Mondi Plc | 293.60 | 1.40 | 1.08 | -3.44 | -10.35 | -4.78 | ↑ |
| MRP : Mr Price Group Ltd | 164.50 | -2.88 | 3.95 | -33.17 | -27.04 | 0.52 | ↑ |
| MTN : Mtn Group Ltd | 95.90 | 0.28 | -0.42 | 7.75 | 15.44 | -34.85 | ↓ |
| NED : Nedbank Group Ltd | 240.55 | -1.46 | 6.05 | -12.44 | 3.13 | 7.27 | ↑ |
| NPN : Naspers Ltd-N Shs | 2141.50 | -5.33 | -6.69 | 11.86 | 25.64 | -16.19 | ↓ |
| NRP : Nepi Rockcastle Plc | 126.98 | -0.47 | -4.34 | 12.37 | 2.95 | -47.09 | ↓ |
| OMU : Old Mutual Ltd | 20.01 | -0.60 | 3.52 | -10.67 | -11.73 | | ↑ |
| PRX : Prosus Nv | 1020.42 | -5.21 | -7.82 | | | | ↓ |
| RDF : Redefine Properties Ltd | 7.89 | -0.38 | 0.77 | -18.41 | -16.77 | -9.63 | ↑ |
| REM : Remgro Ltd | 176.90 | -0.77 | 8.40 | -9.16 | -2.16 | -17.48 | ↑ |
| RMH : Rmb Holdings Ltd | 81.43 | -0.51 | 8.43 | 3.21 | 14.42 | -0.34 | ↑ |
| SBK : Standard Bank Group Ltd | 175.00 | -3.50 | 0.18 | -2.13 | 10.41 | -8.61 | ↑ |
| SGL : Sibanye Gold Ltd | 25.79 | 5.27 | 22.93 | 157.39 | 140.13 | -34.13 | ↑ |
| SHP : Shoprite Holdings Ltd | 132.74 | -3.50 | 8.24 | -30.19 | -29.21 | -14.03 | ↑ |
| SLM : Sanlam Ltd | 81.64 | -0.38 | 9.47 | 2.31 | 14.95 | -8.28 | ↑ |
| SOL : Sasol Ltd | 267.63 | 0.15 | 5.76 | -37.03 | -44.37 | -0.74 | ↑ |
| SPP : Spar Group Limited/The | 202.05 | 0.88 | 5.78 | -2.63 | 17.47 | 2.05 | ↑ |
| TBS : Tiger Brands Ltd | 215.00 | -0.14 | 2.11 | -14.16 | -7.35 | -40.48 | ↑ |
| TFG : The Foschini Group Ltd | 174.94 | -1.35 | 7.02 | 5.23 | 8.83 | -15.76 | ↑ |
| VOD : Vodacom Group Ltd | 131.60 | 0.64 | 10.00 | -0.30 | 10.02 | -9.39 | ↑ |
| WHL : Woolworths Holdings Ltd | 57.59 | -2.02 | 4.56 | 4.54 | 19.73 | -15.65 | ↑ |

Source: Bloomberg & Nedbank CIB

Time 2019/10/24 07:08

SA

- SA CPI posted a downside surprise in September, falling to 4.1% y/y, from 4.3% in August, better than consensus of 4.3%. Core inflation slumped to 4.0% y/y, from 4.3% previously. Goods inflation rose marginally, to 4.0% y/y, while services inflation fell sharply, to 4.2% y/y (prev. +4.7% y/y).
- September was a survey-heavy month for services and utilities, which saw rental inflation fall to 3.3% y/y, from 4% previously; owners equivalent rental inflation declined by 70bps, to 2.6% y/y, while maintenance inflation also eased. Therefore, lower housing and utilities inflation contributed to the decline in headline CPI.
- A further disinflationary driver was transport costs – public transport was one of the surveyed items in September – even though fuel and running costs rose in September, public transport inflation fell sharply (9% y/y in Aug to 3% in Sep). This was a major surprise, as we see public transport operators begin to absorb higher fuel and maintenance costs, instead of historically passing this onto consumers.
- On the other hand, a few items recorded higher price pressures in September – fresh food costs, clothing, recreation, communication, restaurant and other services costs rose. However the net effect of the decline in transport and housing inflation more than offset these upside inflationary pressures. Core inflation declined as a result of the sharp fall in services costs.

Synopsis: Inflation will likely remain subdued for an extended period of time, as demand pull inflation is non-existent, while cost-push pressures have become more muted in the last three months as global export prices are on a decline. Given the recent downside surprises, alongside the very muted core inflation, our inflation estimate has declined marginally to 4.3% for 2019 (4.4% prev.) while 2020 and 2021 estimates remain unchanged at 5.1% and 5.0% with downside risks.

ECONOMIC CALENDAR

[back to top](#)

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| | Country | Event | Period | Survey | Actual | Prior | Revised |
|-------------------|---------|--------------------------------------|--------|--------|--------|-------|---------|
| 23-October | | | | | | | |
| 10:00 AM | SA | CPI YoY | SEP | - | - | - | - |
| 01:00 PM | US | MBA Mortgage Applications | FEB 23 | - | 0.00% | - | - |
| 04:00 PM | EC | Consumer Confidence | OCT A | - | - | - | - |
| 24-October | | | | | | | |
| 02:30 AM | JN | Nikkei Japan PMI Mfg | OCT P | - | 0.0 | 0.0 | - |
| 07:00 AM | JN | Leading Index CI | AUG F | - | 0.0 | 0.0 | - |
| 09:30 AM | GE | Markit Germany Services PMI | OCT P | - | - | - | - |
| 09:30 AM | GE | Markit/BME Germany Manufacturing PMI | OCT P | - | - | - | - |
| 10:00 AM | EC | Markit Eurozone Services PMI | OCT P | - | - | 0.0 | - |
| 10:00 AM | EC | Markit Eurozone Manufacturing PMI | OCT P | - | - | 0.0 | - |
| 01:45 PM | EC | ECB Main Refinancing Rate | OCT 24 | - | - | 0.00% | - |
| 01:45 PM | EC | ECB Marginal Lending Facility | OCT 24 | - | - | - | - |
| 01:45 PM | EC | ECB Deposit Facility Rate | OCT 24 | - | - | - | - |
| 02:30 PM | US | Cap Goods Orders Nondef Ex Air | SEP P | - | - | 0.0% | - |
| 02:30 PM | US | Durable Goods Orders | SEP P | - | - | 0.0% | - |
| 02:30 PM | US | Durables Ex Transportation | SEP P | - | - | - | - |
| 03:45 PM | US | Markit US Services PMI | OCT P | - | - | 0.0 | - |
| 03:45 PM | US | Markit US Manufacturing PMI | OCT P | - | - | - | - |
| 04:00 PM | US | New Home Sales | SEP | - | - | - | - |
| 04:00 PM | US | New Home Sales MoM | SEP | - | - | 0.00% | - |
| 05:00 PM | US | Kansas City Fed Manf. Activity | OCT | - | - | - | - |
| 25-October | | | | | | | |
| 10:00 AM | GE | IFO Expectations | OCT | - | - | - | - |
| 10:00 AM | GE | IFO Current Assessment | OCT | - | - | - | - |
| 10:00 AM | GE | IFO Business Climate | OCT | - | - | - | - |
| 04:00 PM | US | U. of Mich. Sentiment | OCT F | - | - | - | - |
| 28-October | | | | | | | |
| 11:00 AM | EC | M3 Money Supply YoY | SEP | - | - | - | - |
| 02:30 PM | US | Wholesale Inventories MoM | SEP P | - | - | - | - |
| 02:30 PM | US | Advance Goods Trade Balance | SEP | - | - | 00:00 | - |
| 02:30 PM | US | Chicago Fed Nat Activity Index | SEP | - | - | - | - |
| 04:30 PM | US | Dallas Fed Manf. Activity | OCT | - | - | - | - |

Source: Bloomberg 2019/10/24 07:07

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