

DAILY MARKET COMMENTARY

18 December 2019



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(when available)*

KEY DAILY DRIVERS

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SNIPPETS

- (Fixed Income) Thin liquidity conditions persist, SAGB yields continue to ease
- (Currencies) USDZAR holds steady
- (Commodities) Oil retreated after rising more than 1% in the previous session as U.S. industry data showed a surprise build in crude stocks, but hopes for firmer demand next year checked a deeper fall in prices

Please note that the current publication will end on the 19 December 2019 and resume on 06 January 2020. We wish all our readers a wonderful festive season

KEY OVERNIGHT FACTORS AND UPCOMING EVENTS THIS WEEK

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Date	Region	Event	Actual/expected/prior	Implications
17/12	SA	Leading index	103.9/103.5/103.2	Likely to fall as a result of weak output, load shedding, low confidence – implies growth in 6-9 months' time will deteriorate
17/12	US	Industrial production	-1.1%/0.8%/-0.8%	Output could rise ahead of festive season, any disappointment points to weak global demand
18/12	UK	CPI	--/1.5%/1.5%	CPI weighed by lower energy and commodity costs
19/12	UK	BOE interest rate decision	--	Neutral to dovish stance likely maintained as Brexit uncertainty persists
19/12	US	Leading index	--/0.1%/0.1%	Any decline in the index will be a concern, implying weaker growth in 6-9 months
20/12	SA	Monthly budget balance	--/--/R42.3b	November is a deficit month, preliminary figures show a deficit of R27bn
20/12	US	GDP (final)	--/2.1%/2.1%	Growth likely to finalise, from 2% in Q2, driven by personal consumption

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 1d	Δ MTD	Δ YTD	Δ 12Month	MTD trend
	%	bps	bps	bps	bps	
R208-1.3 yrs	6.72	-0.15	-2.85	-27.95	-42.85	↓
R186-7 yrs	8.28	-0.40	-17.40	-59.60	-76.70	↓
R2048-28.2 yrs	10.20	-0.10	-2.90	29.80	10.70	↓
US 10 yr	1.88	-0.35	10.09	-80.76	-94.08	↓
UK 10 yr	0.76	-6.00	6.50	-51.50	-50.40	↑
German 10 yr	-0.30	-1.80	6.50	-53.70	-55.10	↑
Japan 10 yr	-0.01	-0.70	6.20	-1.40	-3.70	↑

Money Market	Last price	Δ 1d	Δ MTD	Δ YTD	Δ 12Month	MTD trend
	%	bps	bps	bps	bps	
SA repo rate	6.50	0.00	0.00	-25.00	-25.00	→
SA prime rate	10.00	0.00	0.00	-25.00	-25.00	→
SA CPI (MTD=previous month)	3.60		-10.00	-90.00	-160.00	↓
SA 3m JIBAR	6.80	0.00	-0.80	-35.00	-35.00	↓
SA 3m NCD	6.78	-2.50	-5.00	-35.00	-35.00	↓
SA 6m NCD	7.30	-1.25	0.00	-45.00	-45.00	→
SA 12m NCD	7.65	0.00	-12.50	-67.50	-72.50	↓
US 3m LIBOR	1.90	-0.11	-0.70	-90.91	-90.22	↓
UK 3m LIBOR	0.80	-0.21	0.44	-11.49	-10.34	↑
Japan 3m LIBOR	-0.07	0.28	1.62	0.53	3.63	↑

Source: Bloomberg & Nedbank CIB Time 2019/12/18 07:45

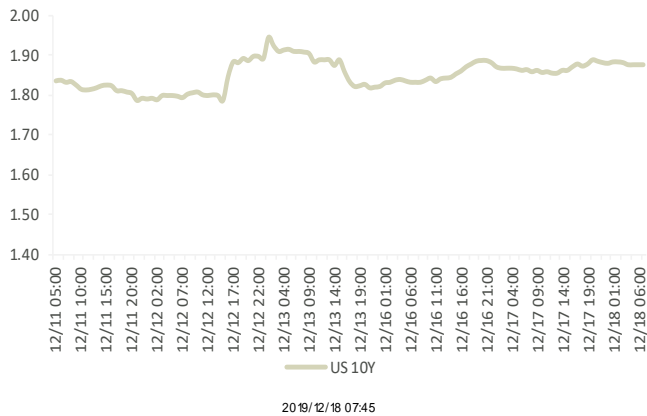
FRAs and Swaps	Last price	Δ 1d	Δ MTD	Δ YTD	Δ 12Month	MTD trend
	%	bps	bps	bps	bps	
3X6 FRA	6.66	-2.00	-9.50	-55.00	-58.00	↓
6X9 FRA	6.51	0.00	4.00	3.00	4.00	↑
9X12 FRA	6.46	-0.50	-21.50	-87.50	-98.50	↓
18X21 FRA	6.54	0.50	-25.75	-92.50	-115.50	↓
SA 2yr Swap	6.56	0.00	-18.50	-77.50	-90.00	↓
SA 3yr Swap	6.65	0.00	-19.50	-79.50	-95.50	↓
SA 5yr Swap	6.94	-0.50	-20.50	-73.50	-95.50	↓
SA 10yr Swap	7.68	-0.50	-18.50	-51.50	-74.50	↓
SA 15yr Swap	8.03	-2.00	-19.50	-43.50	-65.00	↓

Spreads	Last price	Δ 1d	Δ MTD	Δ YTD	Δ 12Month	MTD trend
	%	bps	bps	bps	bps	
2v10y	-1.12	0.50	0.00	-26.00	-15.50	→
3v10y	-1.03	0.50	-1.00	-28.00	-21.00	↓
R186-R208	1.56	-0.25	-14.55	-31.65	-33.85	↓
R2048-R186	1.92	0.30	14.50	89.40	87.40	↑
5y-R186	-1.34	-0.10	-3.10	-13.90	-18.80	↓
10y-R186	-0.60	-0.10	-1.10	8.10	2.20	↓
15y-R186	-0.25	-1.60	-2.10	16.10	11.70	↓
SA 5yr CDS spread - basis points	168.50	0.00	-19.00	-54.50	-49.50	↓

Source: Bloomberg & Nedbank CIB Time 2019/12/18 07:45

US 10 year yield

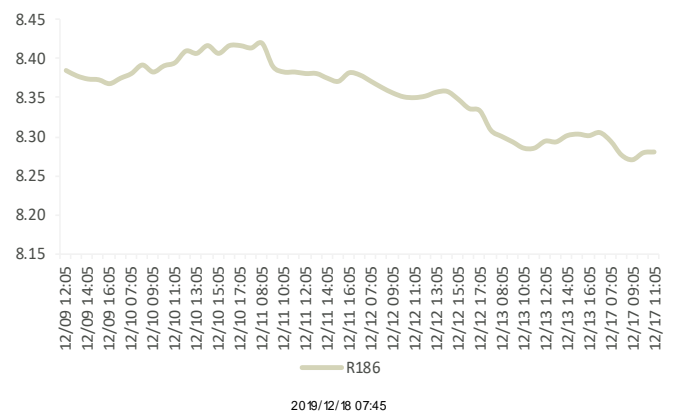
US 10 year yield



Source: Bloomberg, Nedbank

SA 10 year yield

SA 10 year yield



Source: Bloomberg, Nedbank

CURRENCIES

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

- The new week opened with the rand trading in the mid-14.30s. The opening levels proved attractive to dollar buyers as was suggested and the rand traded steadily weaker, although the extent of the move was limited, reaching a high of 14.4430, closing the day trading around the 14.4000 level. Activity in the overnight sessions was exceptionally limited, the rand currently trading at 14.4050, EURZAR is trading at 16.0355 and GBPZAR is trading at 18.8675.
- On the international front there were various outcomes, EURUSD confined to a limited range, trading between 1.1131 and 1.1174, this morning at the lower end of that range. GBPUSD trading steadily weaker from a high of 1.3335 to 1.3132 on the day, this as Mr Johnson appeared to take a hard-line approach to Brexit, this morning cable currently trading at 1.3098. Gold has held steady in the high 1470s, this morning currently trading at 1478.15.
- Data releases scheduled for today, locally no data releases, from Europe we have German PPI, Eurozone construction output and CPI, from the U.K PPI and house price index, from the U.S mortgage applications.
- Activity levels in the local markets ultimately limited as both local and offshore participants remained on the side lines, improvement in the rand attracting dollar buyers, although the markets broadly favouring risk as the partial trade deal between China and the U.S provides the markets with some comfort.
- Possible trading range in the rand today 14.3000 to 14.6000

Majors	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	USD trend
GBPUSD	1.31	-0.19	1.40	2.76	3.69	↑	USD weakness
EURUSD	1.11	-0.15	1.04	-2.91	-2.01	↓	USD weakness
USDJPY	109.46	-0.02	-0.03	0.21	-2.80	↓	USD weakness
USDAUD	1.46	0.04	-1.26	2.91	4.85	↓	USD weakness

Rand crosses	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	ZAR trend
USDZAR	14.41	0.18	-1.82	0.43	0.40	↓	ZAR strength
GBPZAR	18.88	-0.03	-0.35	2.98	3.96	↓	ZAR strength
EURZAR	16.04	0.03	-0.69	-2.59	-1.63	↓	ZAR strength
AUDZAR	9.87	0.15	-0.45	-2.56	-4.41	↓	ZAR strength
ZARJPY	7.60	-0.22	1.67	-0.50	-3.23	↑	ZAR strength

African FX	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	ZAR trend
ZARMWK (Malawian kwacha)	50.62	-0.15	1.23	-0.26	-0.30	↑	ZAR strength
ZARBWP (Botswana pula)	0.75	-0.15	0.71	-0.05	-0.01	↑	ZAR strength
ZARKES (Kenyan shilling)	7.04	-0.21	0.70	-0.82	-1.29	↑	ZAR strength
ZARMUR (Mauritian rupee)	2.53	-0.16	0.49	5.64	5.08	↑	ZAR strength
ZARNGN (Nigerian naira)	25.19	-0.13	2.06	-0.44	-0.42	↑	ZAR strength
ZARGHS (Ghanian cedi)	0.40	-0.13	3.25	14.79	14.54	↑	ZAR strength
ZARZMW (Zambian kwacha)	1.01	-0.10	1.25	17.88	16.91	↑	ZAR strength
ZARMZN (Mozambican metical)	4.38	-0.21	0.80	2.23	2.12	↑	ZAR strength

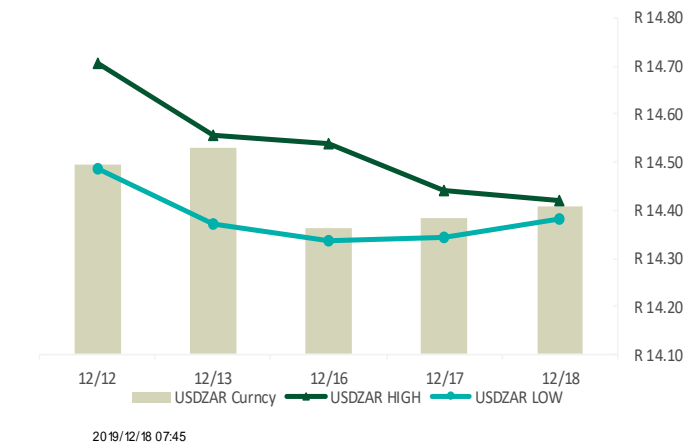
Emerging Market FX	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	USD trend
USDBRL (Brazilian Real)	4.07	0.34	-4.05	4.85	4.18	↓	USD weakness
USDTRY (Turkish Lira)	5.89	0.11	2.42	10.24	9.29	↑	USD strength
USDMXN (Mexican Peso)	18.93	0.03	-3.15	-3.78	-6.05	↓	USD weakness
USDINR (Indian Rupee)	71.08	0.15	-0.92	1.84	0.93	↓	USD weakness
USD RUB (Russian Ruble)	62.40	-0.07	-3.07	-11.72	-7.02	↓	USD weakness

Source: Bloomberg & Nedbank CIB
Time: 2019/12/18 07:45

*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

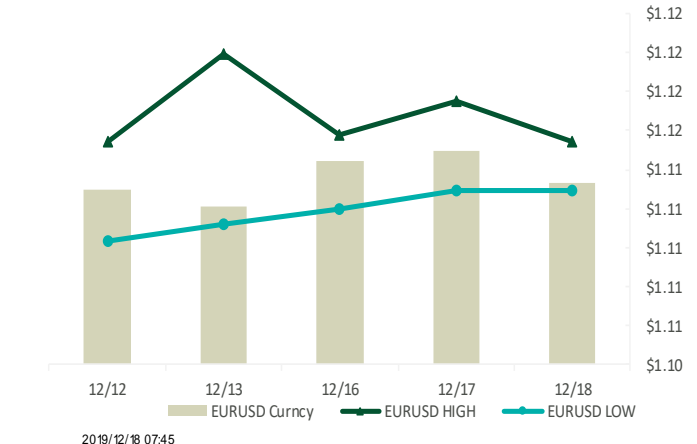
\$/R (close, high and low)



Source: Bloomberg, Nedbank

EUR/USD

€/€ (close, high and low)



Source: Bloomberg, Nedbank

- Oil retreated after rising more than 1% in the previous session as U.S. industry data showed a surprise build in crude stocks, but hopes for firmer demand next year checked a deeper fall in prices. U.S. crude inventories climbed 4.7 million barrels in the week to Dec. 13 to 452 million, compared with analysts' expectations for a draw of 1.3 million barrels.
 - Gold was little changed as investors remained in risk-on mode following the partial U.S.-China trade deal, although the scant details of the accord were a source of lingering concerns. Palladium extended declines after briefly breaching the \$2,000-an-ounce level on Tuesday.
- Source: Bloomberg

Commodities	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend
Brent near future (\$)	65.81	-0.44	5.41	22.32	16.97	↑
WTI crude (\$)	60.55	-0.64	9.75	33.34	30.95	↑
Gold spot (\$)	1476.66	0.03	0.87	15.14	18.19	↑
Platinum spot (\$)	928.70	0.05	3.64	16.72	17.43	↑
SA white maize spot (R)	2711.00	1.04	-4.58	-7.47	-1.09	↓

Source: Bloomberg & Nedbank CIB
Time: 2019/12/18 07:45

SA white maize

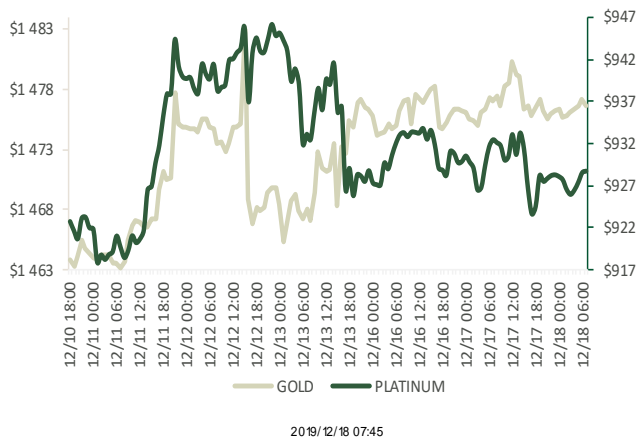
SA White maize (ZAR/MT) - 30 day chart



Source: Bloomberg, Nedbank

Platinum vs Gold

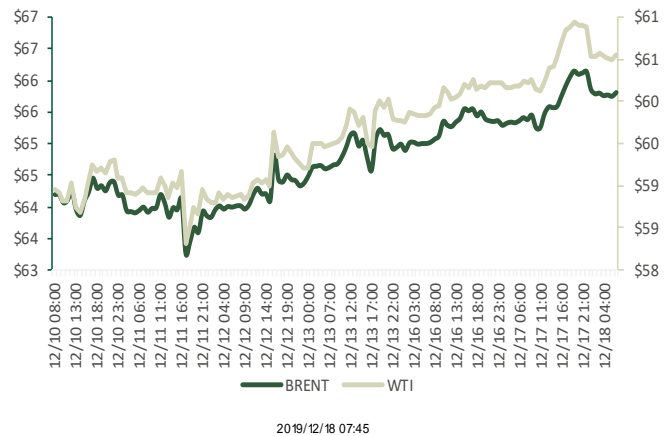
Platinum vs. Gold



Source: Bloomberg, Nedbank

Brent Crude vs West Texas Intermediate

Brent Crude vs West Texas Intermediate



Source: Bloomberg, Nedbank

Cash equities | +2711 535 4030/31

Developed Markets		Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	2018 Performance	MTD trend
Dow Jones	28 267.16	0.11	0.77	21.18	19.39	-6.03	↑	
Nasdaq	8 823.36	0.10	1.82	32.98	30.06	-5.30	↑	
S&P 500	3 192.52	0.03	1.64	27.35	25.39	-7.01	↑	
DI Eurostoxx 50	3 745.28	-0.73	1.13	24.78	23.19	-14.00	↑	
DAX	13 287.83	-0.89	0.39	25.84	23.71	-17.97	↑	
CAC	5 968.26	-0.39	1.07	26.16	25.54	-10.55	↑	
FTSE	7 525.28	0.08	2.43	11.85	12.29	-12.03	↑	
ASX200	6 851.40	0.06	0.08	21.34	22.58	-6.84	↑	
Nikkei 225	23 928.35	-0.57	2.72	19.55	13.32	-14.85	↑	
MSCI World	2 336.61	-0.04	1.93	24.03	22.45	-10.97	↑	

Emerging Markets		Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	2018 Performance	MTD trend
HangSeng	27 852.63	0.03	5.72	7.77	7.90	-15.30	↑	
Shanghai	3 025.80	0.11	5.36	21.33	17.43	-25.52	↑	
Brazil Bovespa	112 615.70	0.64	4.05	28.14	30.03	12.83	↑	
India - NSE	41 422.00	0.17	1.54	14.84	13.96	6.67	↑	
Russia Micex	3 013.29	0.24	2.65	27.18	28.21	9.55	↑	
MSCI Emerging	1 102.61	1.35	6.01	14.17	14.50	-18.02	↑	

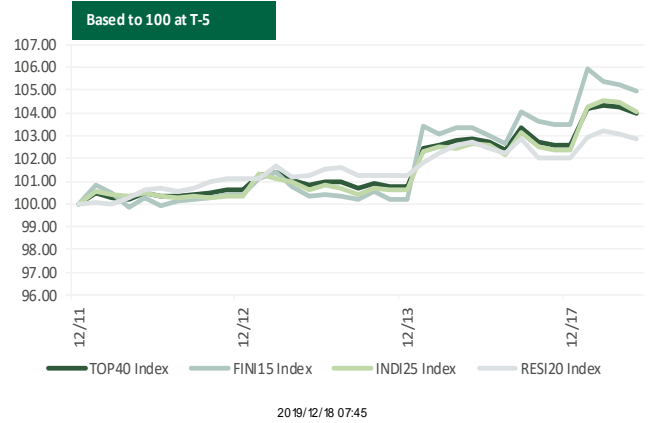
SA Indices		Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	2018 Performance	MTD trend
JSE All Share	57 326.18	1.02	3.57	8.70	11.88	-11.71	↑	
Top 40	50 994.19	0.98	3.87	9.13	12.75	-11.54	↑	
Resi 10	49 766.15	0.98	7.95	21.24	24.97	12.01	↑	
Indi 25	68 900.81	1.52	1.63	8.19	11.23	-20.20	↑	
Fini 15	15 871.70	0.07	1.88	-3.10	1.16	-6.54	↑	

Source: Bloomberg & Nedbank CIB

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Short-term performance of SA equity indices

SA equity indices



Source: Bloomberg, Nedbank

LAST DAY TO TRADE

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SHARE CODE	SHARE NAME	DIVIDEND / INTEREST RATE
17 December 2019		
AHA	Arrowhead Prop Ltd A	dividend @ 56.9769470cps
AHB	Arrowhead Prop Ltd B	dividend @ 34.662470
AEY	AEP Energy Africa Ltd	dividend @ 95cps
DLT	Delta Porperty Fund Ltd	dividend @ 12.1930cps
GAI	Gaia Infrastruct Cap Ltd	dividend @ 25cps
OCE	Oceana Group Ltd	dividend @ 240cps
PBG	PBT Group Ltd	dividend @ 12cps
SRE	Sirius Real Estate Ltd	dividend @ 28.508cps or share option
VKE	Vukile Property Fund Ltd	dividend @ 80.83610cps

Source: JSE

JSE PERFORMANCE

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Top40 constituents	Last price	%Δ		%Δ		2018 Performance	MTD trend
		-1d	MTD	YTD	12Month		
ABG : Absa Group Ltd	149.47	-2.23	1.50	-7.63	-3.07	-11.08	↑
AGL : Anglo American Plc	413.19	-1.09	7.20	28.21	33.39	26.07	↑
AMS : Anglo American Platinum Ltd	1376.30	4.48	13.51	155.85	151.84	52.19	↑
ANG : Anglogold Ashanti Ltd	281.14	-1.35	2.58	54.69	59.75	41.31	↑
BHP : Bhp Group Plc	340.00	0.30	4.76	17.46	19.61	21.24	↑
BID : Bid Corp Ltd	327.90	-3.12	1.63	23.74	27.54	-11.96	↑
BTI : British American Tobacco Plc	602.33	2.36	4.30	28.35	27.91	-43.42	↑
BVT : Bidvest Group Ltd	206.01	1.99	1.50	-0.41	3.78	-5.15	↑
CFR : Financiere Richemont-Dep Rec	110.45	-0.31	-0.90	17.94	20.88	-16.20	↓
CLS : Clicks Group Ltd	256.32	-1.45	2.34	33.88	38.06	5.70	↑
CPI : Capitec Bank Holdings Ltd	1456.97	0.14	2.80	30.32	37.71	1.83	↑
DSY : Discovery Ltd	120.64	-1.11	2.19	-24.50	-20.49	-14.09	↑
EXX : Exxaro Resources Ltd	138.95	1.29	4.22	8.32	7.28	-15.16	↑
FSR : Firststrand Ltd	64.40	0.47	2.84	-1.77	2.32	-2.51	↑
GFI : Gold Fields Ltd	86.75	-0.03	12.74	75.82	84.57	-8.80	↑
GRT : Growthpoint Properties Ltd	21.95	-1.22	-3.77	-5.79	-4.57	-15.76	↓
IMP : Impala Platinum Holdings Ltd	144.57	4.01	28.39	294.14	292.11	13.07	↑
INL : Investec Ltd	86.82	0.25	3.10	9.90	12.87	-11.95	↑
INP : Investec Plc	85.68	-0.34	2.19	7.56	11.27	-11.25	↑
MCG : Multichoice Group Ltd	115.79	-1.87	-4.48				↓
MNP : Mondi Plc	321.56	-1.65	1.12	5.75	11.46	-4.78	↑
MRP : Mr Price Group Ltd	192.99	5.21	10.28	-21.60	-16.40	0.52	↑
MTN : Mtn Group Ltd	86.95	-0.44	-5.87	-2.30	3.35	-34.85	↓
NED : Nedbank Group Ltd	217.74	0.39	-0.58	-20.74	-16.12	7.27	↓
NPN : Naspers Ltd-NShs	2205.98	3.28	5.30	15.22	18.03	-16.19	↑
NRP : Nepi Rockcastle Plc	125.38	-0.41	1.10	10.96	18.13	-47.09	↑
OMU : Old Mutual Ltd	19.66	1.08	6.04	-12.23	-9.61		↑
PRX : Prosus Nv	1031.57	2.75	3.13				↑
RDF : Redefine Properties Ltd	7.63	-1.04	-7.29	-21.10	-20.10	-9.63	↓
REM : Remgro Ltd	197.10	0.58	2.55	1.21	4.09	-17.48	↑
RMH : Rmb Holdings Ltd	82.93	0.99	2.83	5.11	9.20	-0.34	↑
SBK : Standard Bank Group Ltd	169.86	0.21	2.49	-5.01	-0.56	-8.61	↑
SGL : Sibanye Gold Ltd	34.79	2.32	20.46	247.21	251.06	-34.13	↑
SHP : Shoprite Holdings Ltd	134.16	3.53	4.68	-29.45	-27.87	-14.03	↑
SLM : Sanlam Ltd	79.32	0.55	3.81	-0.60	4.85	-8.28	↑
SOL : Sasol Ltd	305.58	11.69	15.75	-28.10	-25.09	-0.74	↑
SPP : Spar Group Limited/The	202.33	1.15	-1.74	-2.49	2.05	2.05	↓
TBS : Tiger Brands Ltd	211.19	1.09	3.37	-15.68	-13.57	-40.48	↑
TFG : The Foschini Group Ltd	151.60	0.80	-2.31	-8.81	-4.90	-15.76	↓
VOD : Vodacom Group Ltd	117.19	0.59	-3.24	-10.80	-4.97	-9.39	↓
WHL : Woolworths Holdings Ltd	48.84	1.06	-6.40	-11.35	-9.19	-15.65	↓

Source: Bloomberg & Nedbank CIB

Time 2019/12/18 07:45

ECONOMIC CALENDAR

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	Country	Event	Period	Survey	Actual	Prior	Revised
17-December							
05:00 PM	US	JOLTS Job Openings	OCT	-	-	-	-
18-December							
11:30 AM	UK	CPI YoY	NOV	1.40%	-	-	-
11:30 AM	UK	PPI Input NSA YoY	NOV	-2.60%	-	-	-
12:00 PM	EC	CPI Core YoY	NOV F	1.30%	-	-	-
19-December							
12:00 AM	JN	BOJ 10-Yr Yield Target	DEC 19	0.00%	-	-	-
12:00 AM	JN	BOJ Policy Balance Rate	DEC 19	-0.10%	-	-	-
20-December							
01:30 AM	JN	Natl CPI YoY	NOV	0.50%	-	-	-
11:30 AM	UK	GDP YoY	3QF	1.00%	-	-	-
11:30 AM	UK	GDP QoQ	3QF	0.30%	-	-	-
02:00 PM	SA	South Africa Budget	NOV	ZAR -22.6b	-	-	-
03:30 PM	US	Core PCE QoQ	3QT	2.10%	-	-	-
03:30 PM	US	GDP Annualized QoQ	3QT	2.10%	-	-	-
03:30 PM	US	Personal Consumption	3QT	2.90%	-	-	-
05:00 PM	US	U. of Mich. Sentiment	DEC F	99.2	-	-	-
05:00 PM	EC	Consumer Confidence	DECA	-7.00	-	-	-
05:00 PM	US	PCE Core YoY	NOV	1.50%	-	-	-
05:00 PM	US	PCE Deflator YoY	NOV	1.40%	-	-	-
05:00 PM	US	Real Personal Spending	NOV	0.20%	-	-	-
05:00 PM	US	Personal Income	NOV	0.30%	-	-	-
05:00 PM	US	Personal Spending	NOV	0.40%	-	-	-
06:00 PM	US	Kansas City Fed Manf. Activity	DEC	-2.5	-	-	-

Source: Bloomberg 2019/12/18 07:43

CONTACTS

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