

# DAILY MARKET COMMENTARY

04 February 2020



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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) | Risk continues to trade better after the Chinese stimulus, benefiting EM FX, SAGB yields follow lower                      |
| (Currencies)   | USDZAR recovers from weakness  |
| (Commodities)  | Oil traded back above \$50 a barrel ahead of OPEC meeting today, gold and silver were steady, while base metals were mixed |
| (Equities)     | A rebound in the Chinese market is boosting markets  |
| (Economics)    | SA PMI declines further in January as sentiment deteriorates   |

## KEY OVERNIGHT FACTORS AND UPCOMING EVENTS THIS WEEK

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| Date  | Region | Event                           | Actual/expected/prior | Implications  |
|-------|--------|---------------------------------|-----------------------|---|
| 03/02 | SA     | Manufacturing PMI               | --/47.3/47.1          | SA manufacturing output expected to remain below 50 points, weighed by weak demand and confidence |
| 03/02 | Global | PMIs                            | --                    | Marginal improvement expected in Jan  |
| 05/02 | US     | ADP employment                  | --/158k/202k          | US labour market still upbeat but employment has slowed recently                                  |
| 06/02 | SA     | SACCI business confidence index | --/93.2/93.1          | Confidence levels remain downbeat as a result of load shedding, joblessness                       |
| 07/02 | US     | Labour market data              | --                    | Labour market remains resilient, but wage growth may ease   |

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     |           |
| R208-1.2 yrs   | 6.51       | -0.80 | -0.80  | -23.00 | -51.90  | ↓         |
| R186-6.9 yrs   | 8.02       | 0.40  | 0.40   | -22.20 | -60.60  | ↑         |
| R2048-28.1 yrs | 10.11      | 0.35  | 0.35   | 3.05   | 43.15   | ↑         |
| US 10 yr       | 1.52       | 1.61  | 1.61   | -39.54 | -116.13 | ↑         |
| UK 10 yr       | 0.52       | -1.80 | -29.80 | -29.80 | -69.50  | ↓         |
| German 10 yr   | -0.43      | -2.80 | -24.90 | -24.90 | -58.30  | ↓         |
| Japan 10 yr    | -0.06      | 0.20  | 0.20   | -5.30  | -5.20   | ↑         |

| Money Market                | Last price | Δ     |        |        |         | MTD trend |
|-----------------------------|------------|-------|--------|--------|---------|-----------|
|                             |            | 1d    | MTD    | YTD    | 12Month |           |
|                             | %          | bps   | bps    | bps    | bps     |           |
| SA repo rate                | 6.25       | 0.00  | -25.00 | -25.00 | -50.00  | ↓         |
| SA prime rate               | 9.75       | 0.00  | -25.00 | -25.00 | -50.00  | ↓         |
| SA CPI (MTD=previous month) | 4.00       |       | 40.00  | -50.00 | 50.00   | ↑         |
| SA 3m JIBAR                 | 6.56       | 0.00  | -24.20 | -24.20 | -59.20  | ↓         |
| SA 3m NCD                   | 6.58       | 0.00  | 0.00   | -25.00 | -56.25  | →         |
| SA 6m NCD                   | 7.08       | -2.50 | 0.00   | -25.00 | -65.00  | →         |
| SA 12m NCD                  | 7.40       | -7.50 | 0.00   | -22.50 | -82.50  | →         |
| US 3m LIBOR                 | 1.75       | -1.21 | -15.73 | -15.73 | -98.64  | ↓         |
| UK 3m LIBOR                 | 0.76       | 7.24  | -2.69  | -2.69  | -14.73  | ↓         |
| Japan 3m LIBOR              | -0.06      | -0.50 | -0.93  | -0.93  | 3.20    | ↓         |

Source: Bloomberg & Nedbank CIB Time 2020/02/03 07:47

| FRAs and Swaps | Last price | Δ     |       |        |         | MTD trend |
|----------------|------------|-------|-------|--------|---------|-----------|
|                |            | 1d    | MTD   | YTD    | 12Month |           |
|                | %          | bps   | bps   | bps    | bps     |           |
| 3X6 FRA        | 6.45       | 0.50  | 0.50  | -15.50 | -68.00  | ↑         |
| 6X9 FRA        | 6.26       | 0.00  | 4.00  | 3.00   | 4.00    | ↑         |
| 9X12 FRA       | 6.20       | -2.00 | -2.00 | -29.00 | -92.50  | ↓         |
| 18X21 FRA      | 6.28       | 0.50  | 0.50  | -30.00 | -90.00  | ↑         |
| SA 2yr Swap    | 6.31       | -0.10 | 0.00  | -27.10 | -81.80  | →         |
| SA 3yr Swap    | 6.38       | -1.25 | 0.00  | -29.00 | -81.00  | →         |
| SA 5yr Swap    | 6.66       | 0.00  | 0.00  | -29.00 | -80.50  | →         |
| SA 10yr Swap   | 7.48       | -0.50 | -0.50 | -20.50 | -54.00  | ↓         |
| SA 15yr Swap   | 7.88       | 0.00  | 0.00  | -18.00 | -40.50  | →         |

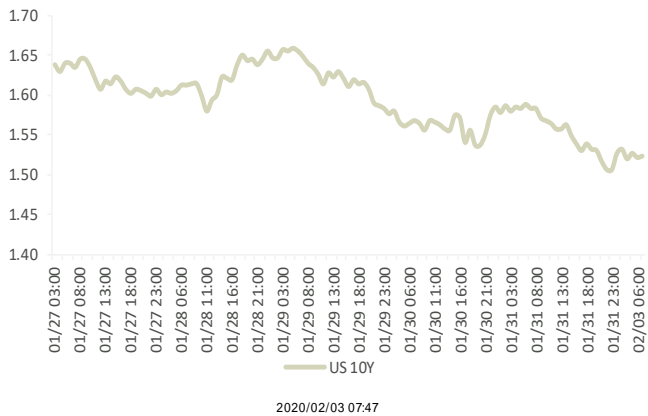
  

| Spreads                          | Last price | Δ     |       |       |         | MTD trend |
|----------------------------------|------------|-------|-------|-------|---------|-----------|
|                                  |            | 1d    | MTD   | YTD   | 12Month |           |
|                                  | %          | bps   | bps   | bps   | bps     |           |
| 2v10y                            | -1.16      | 0.40  | 0.50  | -6.60 | -27.80  | ↑         |
| 3v10y                            | -1.10      | -0.75 | 0.50  | -8.50 | -27.00  | ↑         |
| R186-R208                        | 1.51       | 1.20  | 1.20  | 0.80  | -8.70   | ↑         |
| R2048-R186                       | 2.09       | -0.05 | -0.05 | 25.25 | 103.75  | ↓         |
| 5y-R186                          | -1.36      | -0.40 | -0.40 | -6.80 | -19.90  | ↓         |
| 10y-R186                         | -0.55      | -0.90 | -0.90 | 1.70  | 6.60    | ↓         |
| 15y-R186                         | -0.14      | -0.40 | -0.40 | 4.20  | 20.10   | ↓         |
| SA 5yr CDS spread - basis points | 186.07     | 0.31  | 0.31  | 24.46 | 9.21    | ↑         |

Source: Bloomberg & Nedbank CIB Time 2020/02/03 07:47

## US 10 year yield

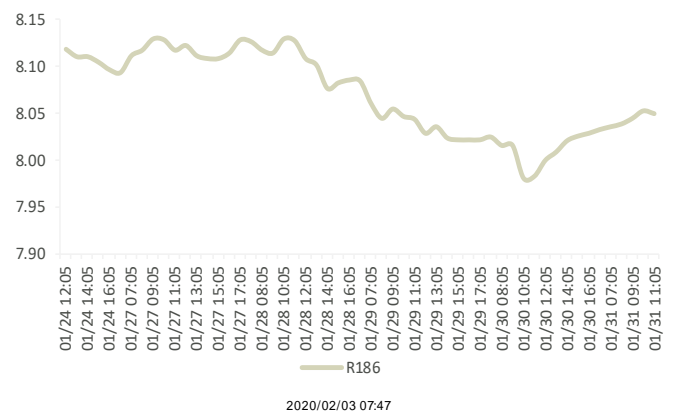
### US 10 year yield



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 new month opened with the rand trading around the 15.0000 level. Right from the opening of the session, the market encountered broad-based dollar selling interest, which saw the rand trading firmer to reach a best level of 14.8440 on the day, closing the session around the 14.8750 level. In the overnight session, the rand managed to extend these gains to reach a best level of around 14.8100. This morning, in the far east, the rand is trading at 14.8200, the EURZAR is trading at 16.3910 and the GBPZAR at 19.2745.
- International markets saw the EURUSD trading between 1.1035 and 1.1087. This morning, it is trading at 1.1060. Again, the GBPUSD was somewhat more active, selling off following the UK's exit from Europe, trading from a high of above 1.3200 to close the day at 1.3020. This morning, it is trading marginally below that level. Gold opened the month trading at 1,580.50 but drifted lower over the course of the session to close at 1,575.45, where it trades currently.
- Data releases scheduled for today: locally, no releases are expected; from Europe, we have the French budget and Eurozone PPI releases; from the US, we have factory orders and durable goods orders.
- Yesterday, the rand encountered dollar selling interest from various quarters; this, as markets found apparent comfort in the measures taken to curtail the spread of the coronavirus, along with a rand market in which technical indicators were stretched to the upside. Today, markets will await Trump's State of the Nation Address.
- Possible trading range in the rand today: 14.6500 and 14.9500

| Majors | Last price | %Δ<br>-1d | %Δ<br>MTD | %Δ<br>YTD | %Δ<br>12Month | MTD trend | USD trend    |
|--------|------------|-----------|-----------|-----------|---------------|-----------|--------------|
| GBPUSD | 1.32       | -0.31     | -0.31     | -0.74     | 0.93          | ↓         | USD strength |
| EURUSD | 1.11       | -0.08     | -0.08     | -1.29     | -3.04         | ↓         | USD strength |
| USDJPY | 108.53     | 0.17      | 0.17      | 0.05      | -1.27         | ↑         | USD strength |
| USDAUD | 1.49       | -0.22     | -0.22     | 4.80      | 7.68          | ↓         | USD weakness |

| Rand crosses | Last price | %Δ<br>-1d | %Δ<br>MTD | %Δ<br>YTD | %Δ<br>12Month | MTD trend | ZAR trend    |
|--------------|------------|-----------|-----------|-----------|---------------|-----------|--------------|
| USDZAR       | 14.97      | -0.40     | -0.40     | 6.62      | 10.31         | ↓         | ZAR strength |
| GBPZAR       | 19.70      | -0.60     | -0.60     | 5.89      | 11.10         | ↓         | ZAR strength |
| EURZAR       | 16.59      | -0.37     | -0.37     | 5.40      | 7.50          | ↓         | ZAR strength |
| AUDZAR       | 10.03      | -0.22     | -0.22     | 2.15      | 3.42          | ↓         | ZAR strength |
| ZARJPY       | 7.25       | 0.47      | 0.47      | -7.07     | -12.89        | ↑         | ZAR strength |

| African FX                  | Last price | %Δ<br>-1d | %Δ<br>MTD | %Δ<br>YTD | %Δ<br>12Month | MTD trend | ZAR trend    |
|-----------------------------|------------|-----------|-----------|-----------|---------------|-----------|--------------|
| ZARMWK (Malawian kwacha)    | 49.33      | 0.09      | 0.09      | -6.28     | -10.11        | ↑         | ZAR strength |
| ZARBWP (Botswana pula)      | 0.73       | 0.08      | 0.08      | -3.62     | -5.40         | ↑         | ZAR strength |
| ZARKES (Kenyan shilling)    | 6.72       | 0.37      | 0.37      | -7.84     | -10.94        | ↑         | ZAR strength |
| ZARMUR (Mauritian rupee)    | 2.45       | -0.11     | -0.11     | -6.05     | -4.02         | ↓         | ZAR weakness |
| ZARNGN (Nigerian naira)     | 24.22      | -0.27     | -0.27     | -7.74     | -11.26        | ↓         | ZAR weakness |
| ZARGHS (Ghanian cedi)       | 0.37       | 0.11      | 0.11      | -11.23    | -4.03         | ↑         | ZAR strength |
| ZARZMW (Zambian kwacha)     | 0.99       | 0.31      | 0.31      | -1.70     | 9.86          | ↑         | ZAR strength |
| ZARMZN (Mozambican metical) | 4.27       | 0.11      | 0.11      | -3.26     | -8.45         | ↑         | ZAR strength |

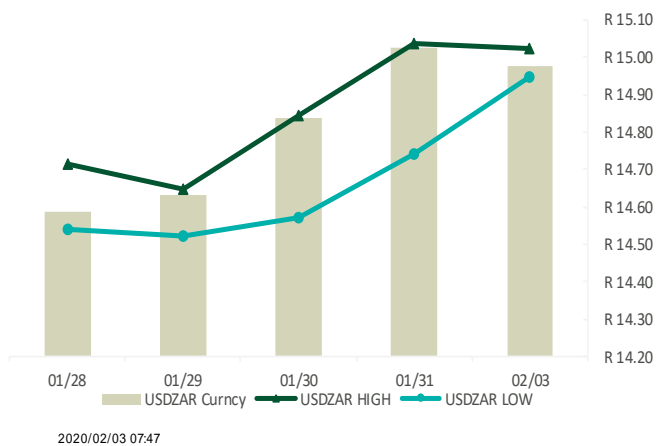
| Emerging Market FX      | Last price | %Δ<br>-1d | %Δ<br>MTD | %Δ<br>YTD | %Δ<br>12Month | MTD trend | USD trend    |
|-------------------------|------------|-----------|-----------|-----------|---------------|-----------|--------------|
| USDBRL (Brazilian Real) | 4.28       | 0.82      | 0.00      | 6.02      | 14.84         | ↔         | USD weakness |
| USDTRY (Turkish Lira)   | 5.98       | 0.03      | 0.03      | 0.58      | 12.83         | ↑         | USD strength |
| USDMXN (Mexican Peso)   | 18.87      | 0.13      | 0.13      | -0.06     | -1.18         | ↑         | USD strength |
| USDINR (Indian Rupee)   | 71.55      | 0.27      | 0.27      | 0.23      | -0.37         | ↑         | USD strength |
| USDRUB (Russian Ruble)  | 63.83      | -0.21     | -0.21     | 2.79      | -2.80         | ↓         | USD weakness |

Source: Bloomberg & Nedbank CIB  
Time: 2020/02/03 07:47

\*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

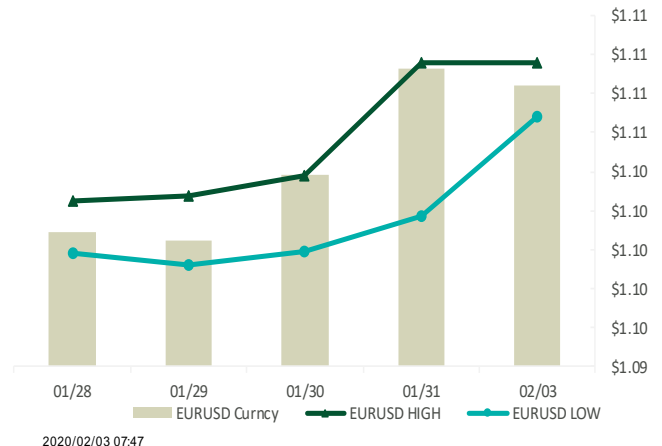
\$/R (close, high and low)



Source: Bloomberg, Nedbank

## EUR/USD

€/€ (close, high and low)



Source: Bloomberg, Nedbank

- Oil traded back above \$50 a barrel after falling into a bear market before OPEC and its allies gather Tuesday for an urgent meeting to assess the impact of the coronavirus on global demand.
- Gold and silver were steady, while base metals were mixed.

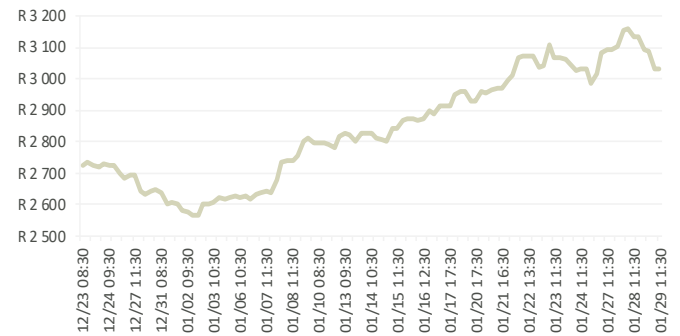
Source: Bloomberg

| Commodities             | Last price | %Δ -1d | %Δ MTD | %Δ YTD | %Δ 12Month | MTD trend |
|-------------------------|------------|--------|--------|--------|------------|-----------|
| Brent near future (\$)  | 56.50      | -0.21  | -2.85  | -14.39 | -9.96      | ↓         |
| WTI crude (\$)          | 51.75      | 0.37   | 0.37   | -15.25 | -6.35      | ↑         |
| Gold spot (\$)          | 1580.51    | -0.54  | -0.54  | 3.79   | 20.23      | ↓         |
| Platinum spot (\$)      | 960.55     | -0.05  | -0.05  | -1.40  | 17.18      | ↓         |
| SA white maize spot (R) | 3 021.00   | 1.79   | 0.00   | 16.19  | 5.33       | ↔         |

Source: Bloomberg & Nedbank CIB  
Time: 2020/02/03 07:47

## SA white maize

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

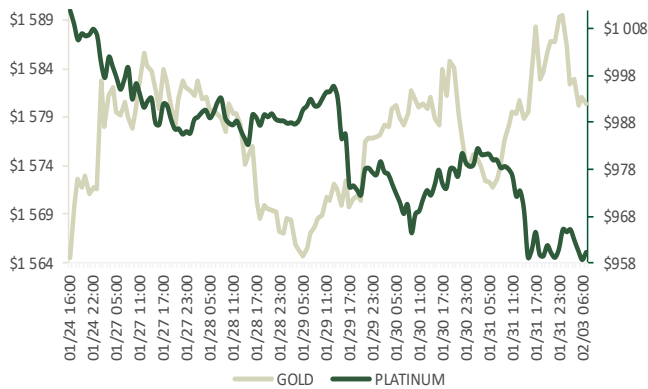


2020/02/03 07:47

Source: Bloomberg, Nedbank

## Platinum vs Gold

Platinum vs. Gold

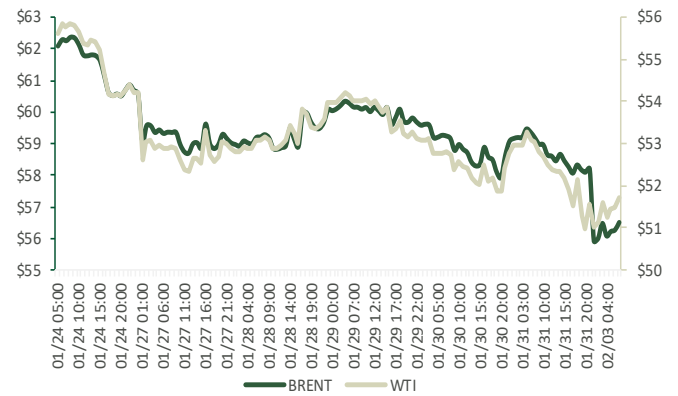


2020/02/03 07:47

Source: Bloomberg, Nedbank

## Brent Crude vs West Texas Intermediate

Brent Crude vs West Texas Intermediate



2020/02/03 07:47

Source: Bloomberg, Nedbank

Cash equities | +2711 535 4030/31

## South Africa

- At the open, the Top 40 fluctuated around the unchanged mark before spiralling downwards and closing down -0.34%, just off the lows (Resi: -1.3%, Fini: -0.3% and Indi: +0.3%).
- Traders reacted to continued coronavirus-related fears, weaker commodity-basket prices and a slightly stronger rand.
- In economic news, SA manufacturing came in at 45.2 vs consensus of 47.3.
- The value traded was R14.2bn, and the rand was hovering around 14.86 to the US dollar at the close.

## UK/Europe

- European markets climbed higher on bargain hunting, despite lingering concerns about the coronavirus (DAX: +0.5%, FTSE: +0.6% and CAC: +0.5%).
- Eurozone's manufacturing PMI for January rose to 47.9 from 46.3 in December, suggesting a slower rate of contraction.
- Around the region, information technology, healthcare and financials led markets, with energy being the only sub-sector to close in the red.

## USA

- After a positive open, major US indices pulled back from their highs but still closed in the black (Dow: +0.5%, S&P 500: +0.7% and Nasdaq: +1.3%).
- Sectors that posed the biggest gains were chemicals, semiconductors, banking, software and biotechnology.
- Of the 230 S&P 500 companies that have reported, 60% have beaten on sales and 70% have beaten on earnings expectations.

## Asia

- Asian markets are trading up this morning, taking the lead from a strong close on Wall Street last night and a rebound in the Chinese market this morning; the MSCI Asia Pacific ex-Japan Index is up +1.5%.
- The Australian central bank left rates unchanged; the ASX 200 is up +0.2%, while BHP is down -1.2%.
- Tencent is currently up +2.4% in Hong Kong.

| Developed Markets | Last price | %Δ -1d | %Δ MTD | %Δ YTD | %Δ 12Month | 2018 Performance | MTD trend |
|-------------------|------------|--------|--------|--------|------------|------------------|-----------|
| Dow Jones         | 28 256.03  | -2.09  | 0.00   | -0.99  | 12.74      | -6.03            | →         |
| Nasdaq            | 9 150.94   | -1.59  | 0.00   | 1.99   | 25.98      | -5.30            | →         |
| S&P 500           | 3 225.52   | -1.77  | 0.00   | -0.16  | 19.18      | -7.01            | →         |
| DI Eurostoxx 50   | 3 640.91   | -1.35  | 0.00   | -2.78  | 14.81      | -14.00           | →         |
| DAX               | 12 981.97  | -1.33  | 0.00   | -2.02  | 16.11      | -17.97           | →         |
| CAC               | 5 806.34   | -1.11  | 0.00   | -2.87  | 15.68      | -10.55           | →         |
| FTSE              | 7 286.01   | -1.30  | 0.00   | -3.40  | 3.79       | -12.03           | →         |
| ASX200            | 6 923.30   | -1.34  | -1.34  | 3.58   | 18.09      | -6.84            | ↓         |
| Nikkei 225        | 23 012.20  | -0.83  | -0.83  | -2.72  | 10.70      | -14.85           | ↓         |
| MSCI World        | 2 342.41   | -1.25  | 0.00   | -0.68  | 15.42      | -10.97           | ↑         |

| Emerging Markets | Last price | %Δ -1d | %Δ MTD | %Δ YTD | %Δ 12Month | 2018 Performance | MTD trend |
|------------------|------------|--------|--------|--------|------------|------------------|-----------|
| Hang Seng        | 26 446.92  | 0.51   | 0.51   | -6.18  | -5.31      | -15.30           | ↑         |
| Shanghai         | 2 749.83   | -7.62  | -7.62  | -9.85  | 6.10       | -25.52           | ↓         |
| Brazil Bovespa   | 113 760.60 | -1.53  | 0.00   | -1.63  | 16.25      | 12.83            | →         |
| India - NSE      | 39 992.34  | 0.65   | -1.80  | -3.06  | 9.66       | 6.67             | ↓         |
| Russia Micex     | 3 076.65   | -1.03  | 0.00   | 1.01   | 22.01      | 9.55             | →         |
| MSCI Emerging    | 1 062.34   | -0.97  | 0.00   | -4.69  | 1.16       | -18.02           | ↑         |

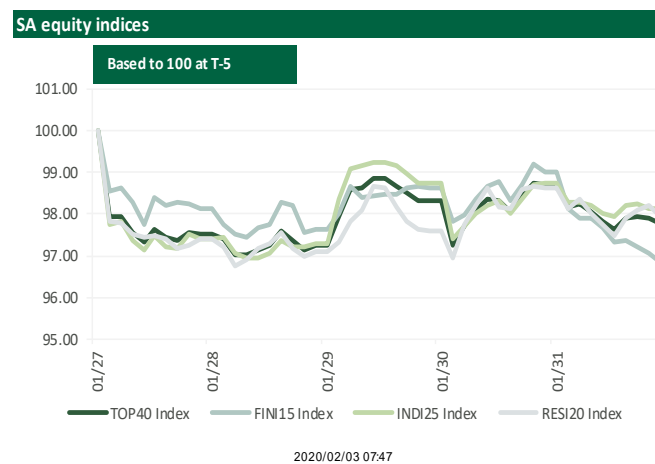
  

| SA Indices    | Last price | %Δ -1d | %Δ MTD | %Δ YTD | %Δ 12Month | 2018 Performance | MTD trend |
|---------------|------------|--------|--------|--------|------------|------------------|-----------|
| JSE All Share | 56 079.54  | -0.90  | 0.00   | -1.76  | 3.99       | -11.71           | →         |
| Top 40        | 50 072.61  | -0.95  | 0.00   | -1.46  | 4.98       | -11.54           | →         |
| Resi 10       | 47 493.05  | -0.67  | 0.00   | -3.59  | 12.16      | 12.01            | →         |
| Indi 25       | 70 697.53  | -0.61  | 0.00   | 2.01   | 11.23      | -20.20           | →         |
| Fini 15       | 14 757.75  | -2.13  | 0.00   | -5.86  | -15.18     | -6.54            | →         |

Source: Bloomberg & Nedbank CIB

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## 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 February 2020 |                     |                                |
| RLF             | Rolfes Holdings Ltd | Scheme of arrangement @ 300cps |

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               | 137.44     | -1.72     | 0.00      | -7.94     | -24.86        | -11.08              | →         |
| AGL : Anglo American Plc           | 390.63     | -0.29     | 0.00      | -2.06     | 13.17         | 26.07               | →         |
| AMS : Anglo American Platinum Ltd  | 1199.50    | -1.42     | 0.00      | -8.25     | 88.59         | 52.19               | →         |
| ANG : AngloGold Ashanti Ltd        | 303.78     | 2.10      | 0.00      | -4.02     | 59.89         | 41.31               | →         |
| APN : Aspen Pharmacare Holdings Lt | 116.04     | -0.94     | 0.00      | -2.67     | -19.97        | -51.42              | →         |
| BHP : Bhp Group Plc                | 325.72     | -0.40     | 0.00      | -1.23     | 9.57          | 21.24               | →         |
| BID : Bid Corp Ltd                 | 332.25     | -3.25     | 0.00      | 0.62      | 16.50         | -11.96              | →         |
| BTI : British American Tobacco Plc | 659.00     | 1.90      | 0.00      | 10.32     | 38.74         | -43.42              | →         |
| BVT : Bidvest Group Ltd            | 207.00     | -2.51     | 0.00      | 1.09      | 1.72          | -5.15               | →         |
| CFR : Financiere Richemont-Dep Rec | 109.69     | -0.14     | 0.00      | 0.15      | 19.42         | -16.20              | →         |
| CLS : Clicks Group Ltd             | 244.28     | -3.18     | 0.00      | -4.80     | 23.37         | 5.70                | →         |
| CPI : Capitec Bank Holdings Ltd    | 1346.15    | -1.74     | 0.00      | -6.92     | 15.39         | 1.83                | →         |
| DSY : Discovery Ltd                | 116.98     | -2.52     | 0.00      | -3.03     | -26.66        | -14.09              | →         |
| FSR : Firststrand Ltd              | 57.80      | -2.91     | 0.00      | -7.96     | -15.62        | -2.51               | →         |
| GFI : Gold Fields Ltd              | 97.79      | 2.63      | 0.00      | 2.00      | 81.87         | -8.80               | →         |
| GRT : Growthpoint Properties Ltd   | 21.09      | -0.52     | 0.00      | -4.61     | -17.84        | -15.76              | →         |
| IMP : Impala Platinum Holdings Ltd | 141.50     | -1.97     | 0.00      | -1.41     | 265.16        | 13.07               | →         |
| INL : Investec Ltd                 | 84.05      | -1.37     | 0.00      | 1.31      | -2.90         | -11.95              | →         |
| INP : Investec Plc                 | 82.75      | -1.12     | 0.00      | 0.96      | -3.78         | -11.25              | →         |
| MCG : Multichoice Group Ltd        | 106.77     | -2.04     | 0.00      | -8.35     |               |                     | →         |
| MNP : Mondi Plc                    | 304.47     | -1.23     | 0.00      | -6.69     | -5.74         | -4.78               | →         |
| MRP : Mr Price Group Ltd           | 170.12     | -3.15     | 0.00      | -6.78     | -23.81        | 0.52                | →         |
| MTN : Mtn Group Ltd                | 80.79      | -2.18     | 0.00      | -2.06     | -8.30         | -34.85              | →         |
| NED : Nedbank Group Ltd            | 195.71     | -3.23     | 0.00      | -8.67     | -30.93        | 7.27                | →         |
| NPN : Naspers Ltd-NShs             | 2460.72    | 0.03      | 0.00      | 7.42      | 26.23         | -16.19              | →         |
| NRP : Nepi Rockcastle Plc          | 123.50     | 0.10      | 0.00      | -0.27     | -1.48         | -47.09              | →         |
| OMU : Old Mutual Ltd               | 17.30      | -2.70     | 0.00      | -12.00    | -26.38        |                     | →         |
| PRX : Prosus Nv                    | 1080.41    | -0.15     | 0.00      | 2.51      |               |                     | →         |
| RDF : Redefine Properties Ltd      | 7.19       | -1.78     | 0.00      | -4.89     | -31.00        | -9.63               | →         |
| REM : Remgro Ltd                   | 182.50     | -1.64     | 0.00      | -6.41     | -12.68        | -17.48              | →         |
| RMH : Rmb Holdings Ltd             | 73.73      | -2.54     | 0.00      | -8.34     | -11.19        | -0.34               | →         |
| SBK : Standard Bank Group Ltd      | 157.48     | -2.56     | 0.00      | -6.44     | -18.93        | -8.61               | →         |
| SGL : Sibanye Gold Ltd             | 39.08      | 2.46      | 0.00      | 8.89      | 222.98        | -34.13              | →         |
| SHP : Shoprite Holdings Ltd        | 117.06     | -1.34     | 0.00      | -7.04     | -28.83        | -14.03              | →         |
| SLM : Sanlam Ltd                   | 73.92      | -2.79     | 0.00      | -6.55     | -12.52        | -8.28               | →         |
| SOL : Sasol Ltd                    | 239.17     | -6.76     | 0.00      | -21.19    | -39.98        | -0.74               | →         |
| SPP : Spar Group Limited/The       | 191.72     | -1.39     | 0.00      | -2.93     | -3.50         | 2.05                | →         |
| TBS : Tiger Brands Ltd             | 197.00     | -2.14     | 0.00      | -6.51     | -21.62        | -40.48              | →         |
| TFG : The Foschini Group Ltd       | 137.80     | -5.91     | 0.00      | -7.82     | -17.61        | -15.76              | →         |
| VOD : Vodacom Group Ltd            | 117.25     | -1.01     | 0.00      | 1.69      | -1.75         | -9.39               | →         |
| WHL : Woolworths Holdings Ltd      | 44.38      | -2.57     | 0.00      | -8.68     | -11.89        | -15.65              | →         |

Source: Bloomberg &amp; Nedbank CIB

Time 2020/02/03 07:47

## SA

- SA manufacturing PMI remained below 50-index points (which separates expansion from contraction) in January, falling to 45.2 points, from 47.1 in December, worse than consensus of 47.3.
- The problem with starting off the year on the back foot is that December is usually a slow month of production, with most factories closed, with some recovery taking place in January and February to make up for lost productions. This hasn't been the case this year, which threatens the prospect of any sort of recovery in Q1.
- In January, business activity and new sales orders recovered somewhat, but remain at low levels which implies that demand still remains weak.
- The other subcomponents, employment, backlogged orders, and inventories declined sharply, more than offsetting the gains experienced in business activity. Business sentiment remains downbeat, with the expected business conditions index falling to a 1-year low.
- Purchasing managers are concerned about global demand and trade activity waning, alongside local structural impediments to the manufacturing process, like load shedding and socio-political problems. Overall, the PMI reflects a tough operating environment for businesses, and increased joblessness for individuals.



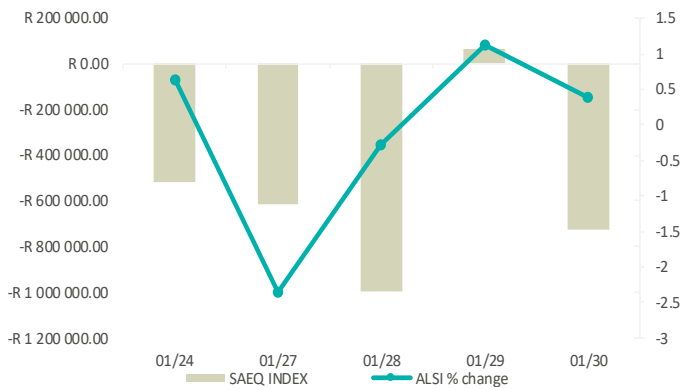
| Foreign flows (bn)                  | Week to 31 Jan 2020 | Month to 31 Jan 2020 | Year to 31 Jan 2020 |
|-------------------------------------|---------------------|----------------------|---------------------|
| Foreign flows into SA equity market | -R 5.702            | -R 4.203             | -R 4.203            |
| Foreign flows into SA bond market   | R 2.221             | R 6.159              | R 6.159             |
| Total foreign flows                 | -R 3.481            | R 1.956              | R 1.956             |

Source: Bloomberg

2020/02/03 07:47

## Foreign equity flows: 5-day history

Net Foreign Flows: Equities (R'000) (LHS) vs. ALSI daily % change (RHS)

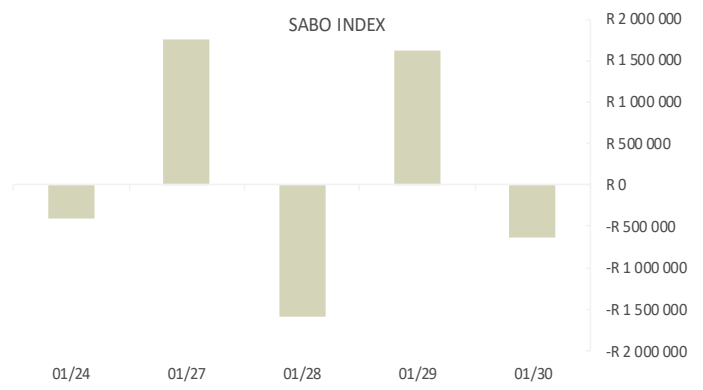


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Source: Bloomberg, Nedbank

## Foreign bond flows: 5-day history

Net Foreign Flows: Bonds (R'000)



2020/02/03 07:47

Source: Bloomberg, Nedbank

# ECONOMIC CALENDAR

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|                    | Country | Event                                | Period | Survey     | Actual    | Prior      | Revised   |
|--------------------|---------|--------------------------------------|--------|------------|-----------|------------|-----------|
| <b>31-January</b>  |         |                                      |        |            |           |            |           |
| 01:30 AM           | JN      | Job-To-Applicant Ratio               | DEC    | -          | 1.57      | 1.57       | -         |
| 01:30 AM           | JN      | Jobless Rate                         | DEC    | -          | 2.20%     | 2.20%      | -         |
| 01:50 AM           | JN      | Industrial Production YoY            | DEC P  | -          | -3.00%    | -8.20%     | -         |
| 01:50 AM           | JN      | Retail Trade YoY                     | DEC    | -          | -2.60%    | -2.10%     | -         |
| 09:00 AM           | GE      | Retail Sales YoY                     | DEC    | -          | 0.80%     | 2.80%      | -         |
| 11:30 AM           | UK      | Net Consumer Credit                  | DEC    | -          | GBP 1.22b | GBP 0.60b  | GBP 0.70b |
| 11:30 AM           | UK      | M4 Money Supply YoY                  | DEC    | -          | 3.80%     | 4.50%      | -         |
| 12:00 PM           | EC      | CPI Core YoY                         | JAN P  | -          | 1.10%     | 1.30%      | -         |
| 12:00 PM           | EC      | CPI Estimate YoY                     | JAN    | -          | 1.40%     | 1.30%      | -         |
| 12:00 PM           | EC      | GDP SA QoQ                           | 4QA    | -          | 0.10%     | 0.20%      | 0.30%     |
| 12:00 PM           | EC      | GDP SA YoY                           | 4QA    | -          | 1.00%     | 1.20%      | -         |
| 02:00 PM           | SA      | Trade Balance Rand                   | DEC    | -          | 14.9b     | 6.1b       | -         |
| 03:30 PM           | US      | PCE Core YoY                         | DEC    | -          | 1.58%     | 1.60%      | 1.50%     |
| 03:30 PM           | US      | PCE Deflator YoY                     | DEC    | -          | 1.60%     | 1.50%      | 1.40%     |
| 03:30 PM           | US      | Real Personal Spending               | DEC    | -          | 0.10%     | 0.30%      | -         |
| 03:30 PM           | US      | Personal Income                      | DEC    | -          | 0.20%     | 0.50%      | 0.40%     |
| 03:30 PM           | US      | Personal Spending                    | DEC    | -          | 0.30%     | 0.40%      | -         |
| 04:45 PM           | US      | Chicago Purchasing Manager           | JAN    | -          | 42.9      | 48.9       | -         |
| 05:00 PM           | US      | U. of Mich. Sentiment                | JAN F  | -          | 99.8      | 99.8       | -         |
| <b>03-February</b> |         |                                      |        |            |           |            |           |
| 12:00 AM           | SA      | Naamsa Vehicle Sales YoY             | JAN    | 3.4%       | 4.2%      | 4.2%       | -         |
| 02:30 AM           | JN      | Nikkei Japan PMI Mfg                 | JAN F  | -          | 48.8      | 48.4       | -         |
| 03:30 AM           | CH      | Industrial Profits YoY               | DEC    | -          | -6.30%    | 5.40%      | -         |
| 03:45 AM           | CH      | Caixin China PMI Mfg                 | JAN    | 51.0       | 51.1      | 51.5       | -         |
| 10:55 AM           | GE      | Markit/BME Germany Manufacturing PMI | JAN F  | 45.2       | -         | 45.2       | -         |
| 11:00 AM           | EC      | Markit Eurozone Manufacturing PMI    | JAN F  | 47.8       | -         | 47.8       | -         |
| 11:00 AM           | SA      | Barclays Manufacturing PMI           | JAN    | 47.3       | -         | 47.1       | -         |
| 11:30 AM           | UK      | Markit UK PMI Manufacturing SA       | JAN F  | 49.8       | -         | 49.8       | -         |
| 04:45 PM           | US      | Markit US Manufacturing PMI          | JAN F  | 51.7       | -         | 51.7       | -         |
| 05:00 PM           | US      | ISM Manufacturing                    | JAN    | 48.5       | -         | 47.2       | -         |
| <b>04-February</b> |         |                                      |        |            |           |            |           |
| 12:00 PM           | EC      | PPI YoY                              | DEC    | -0.7%      | -         | -1.4%      | -         |
| 05:00 PM           | US      | Factory Orders Ex Trans              | DEC    | 0.1%       | -         | 0.3%       | -         |
| 05:00 PM           | US      | Factory Orders                       | DEC    | 1.2%       | -         | -0.7%      | -         |
| <b>05-February</b> |         |                                      |        |            |           |            |           |
| 03:45 AM           | CH      | Caixin China PMI Services            | JAN    | 52.0       | -         | 52.5       | -         |
| 10:55 AM           | GE      | Markit Germany Services PMI          | JAN F  | 54.2       | -         | 54.2       | -         |
| 11:00 AM           | EC      | Markit Eurozone Services PMI         | JAN F  | 52.2       | -         | 52.2       | -         |
| 11:30 AM           | UK      | Markit/CIPS UK Services PMI          | JAN F  | 52.9       | -         | 52.9       | -         |
| 12:00 PM           | EC      | Retail Sales YoY                     | DEC    | 2.3%       | -         | 2.2%       | -         |
| 03:15 PM           | US      | ADP Employment Change                | JAN    | 158k       | -         | 202k       | -         |
| 03:30 PM           | US      | Trade Balance                        | DEC    | USD -48.0b | -         | USD -43.1b | -         |
| 04:45 PM           | US      | Markit US Services PMI               | JAN F  | 53.2       | -         | 53.2       | -         |

Source: Bloomberg 2020/02/03 07:18

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|  |   |   |
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