

# DAILY MARKET COMMENTARY



[Fixed Income and Interest Rates](#) | [Currencies](#) | [Commodities](#) | [Equities](#) | [LDT](#)  
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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

Currencies	The rand reverses its recent losses to trade back towards 15.0000
Commodities	Oil prices rose after data showed a decline in US fuel stocks
Equities	The broader US market advanced as the rotation into value stocks, financials and energy resumed despite the slightly weaker inflation report
Economics	US CPI increased by 1.7% y/y in February; Chinese CPI declined 0.2% while PPI rose by 1.7% y/y in February; SA RMB/BER business confidence index declined to 35 in 1Q21

## Key Overnight Factors and Upcoming Events This Week

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Date	Region	Event	Actual/Expected/Prior	Implications
10/03	CH	PPI	1.7%/1.5%/0.3%	Increased global commodity prices and domestic demand
10/03	CH	CPI	-0.2%/-0.3%/-0.8%	CPI remains in deflation driven by a further decline in pork prices
10/03	SA	Business Confidence	35/42/40	Sentiment deteriorated across all the sectors surveyed in the BCI
11/03	EZ	ECB Main refinancing rate	--/0.0%/0.0%	Rates expected to be on hold

Source: Nedbank

**Contact For Queries**  
Nedbank CIB Market Commentary  
[CIBMarketComm@Nedbank.co.za](mailto:CIBMarketComm@Nedbank.co.za)

# Fixed Income and Interest Rates

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	
R208-0,1 yrs	4,12	2,39	24,89	39,69	-197,01	↑
R186-5,8 yrs	7,56	-0,00	20,40	89,20	-62,10	↑
R2030-8,9 yrs	9,44	0,15	40,15	70,75	18,55	↑
R2048-27 yrs	11,14	-0,05	39,35	33,45	68,05	↑
US 10 yr	1,52	0,44	11,65	60,83	65,20	↑
UK 10 yr	0,71	-1,30	-10,60	51,70	47,40	↓
German 10 yr	-0,31	-1,20	-5,30	25,60	47,70	↓
Japan 10 yr	0,10	-2,70	-6,10	8,00	16,70	↓

Money Market	Last price	Δ				MTD trend
		1d	MTD	YTD	12Month	
	%	bps	bps	bps	bps	
SA repo rate	3,50	0,00	0,00	0,00	-275,00	→
SA prime rate	7,00	0,00	0,00	0,00	-275,00	→
SA CPI (MTD - previous month)	3,20		10,00	10,00	-130,00	↑
SA 3m JIBAR	3,65	0,80	0,80	0,80	-281,70	↑
SA 3m NCD	3,65	0,00	0,00	2,50	-287,50	→
SA 6m NCD	4,06	-1,25	3,75	18,75	-273,75	↑
SA 12m NCD	4,56	-6,25	11,25	48,75	-246,25	↑
US 3m LIBOR	0,18	-0,53	-1,11	-6,11	-59,09	↓
UK 3m LIBOR	0,08	0,13	1,11	5,16	-39,48	↑
Japan 3m LIBOR	-0,09	-0,32	-0,67	-0,62	3,23	↓

Source: Bloomberg & Nedbank CIB Time 2021/03/11 07:45

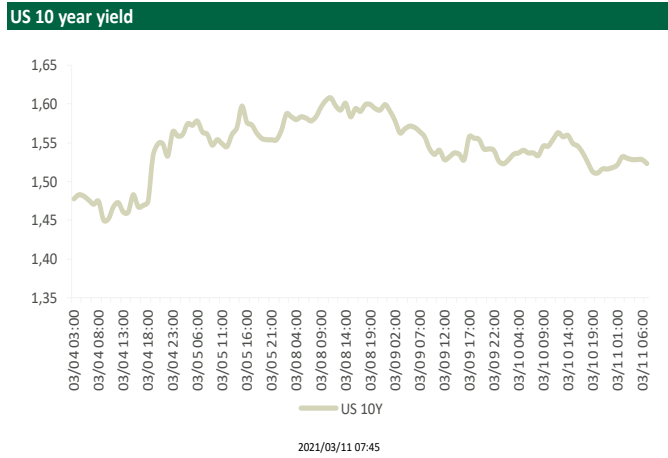
FRAs and Swaps	Last price	Δ				MTD trend
		1d	MTD	YTD	12Month	
	%	bps	bps	bps	bps	
3X6 FRA	3,88	0,00	12,50	56,50	-212,50	↑
6X9 FRA	4,11	0,00	4,00	3,00	4,00	↑
9X12 FRA	4,49	-1,50	27,50	116,00	-135,00	↑
18X21 FRA	5,17	0,00	18,50	138,00	-87,50	↑
SA 2yr Swap	4,54	-3,30	16,80	99,10	-151,40	↑
SA 3yr Swap	5,00	-9,00	11,75	109,00	-121,00	↑
SA 5yr Swap	5,97	-12,25	5,25	121,50	-62,77	↑
SA 10yr Swap	7,58	-16,50	-0,50	98,00	5,00	↓
SA 15yr Swap	8,31	-17,00	0,00	86,00	34,50	→

Spreads	Last price	Δ				MTD trend
		1d	MTD	YTD	12Month	
	%	bps	bps	bps	bps	
2v10y	-3,03	13,20	17,30	1,10	-156,00	↑
3v10y	-2,58	7,50	12,25	11,00	-126,00	↑
R2030-R208	5,32	-2,24	15,26	31,06	215,56	↑
R2048-R2030	1,69	-0,20	-0,80	-37,30	49,50	↓
5y-R2030	-3,48	-12,40	-34,90	50,75	-81,32	↓
10y-R2030	-1,87	-16,65	-40,65	27,25	-13,55	↓
15y-R2030	-1,13	-17,15	-40,15	15,25	15,95	↓
SA 5yr CDS spread - basis points	230,00		-12,00	22,00	-88,00	↓

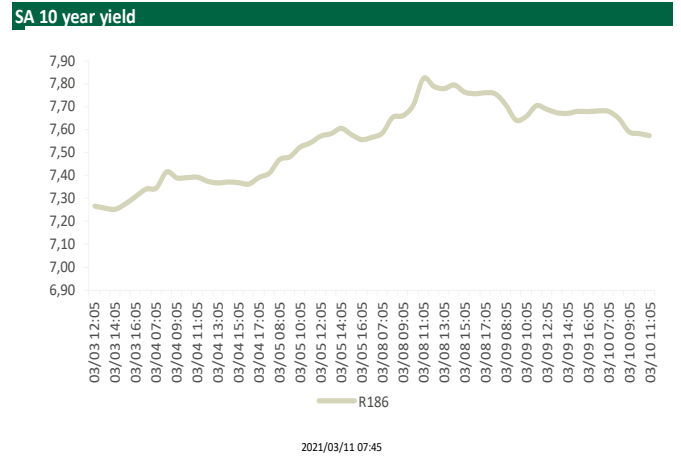
Source: Bloomberg & Nedbank CIB Time 2021/03/11 07:45

## US 10 Year Yield



Source: Bloomberg, Nedbank

## SA 10 Year Yield



Source: Bloomberg, Nedbank

## Currencies

Business Banking FX | +27 11 535 4003 | Corporate FX | +2711 535 4002 | Institutional FX | +011 535 4002

- On Wednesday, the rand was trading in the mid-15.30s at the time of the open. In a reversal of its fortunes for the week thus far, the rand encountered support for the entire session, apparently assisted by a disappointing US CPI print, and this saw the local unit reach a best level of 15.1075 on the day, ending the local session trading at 15.1650. In the overnight sessions, the rand extended its gains to reach a best level of 15.0525, albeit briefly; this morning, it currently trades at 15.0750, the EURZAR is trading at 17.9800 and the GBPZAR is at 21.0065.
- The international markets continued to occupy limited ranges, with the EURUSD trading between 1.1870 and 1.1923; this morning, it is currently trading at 1.1926. The GBPUSD is currently trading at 1.3936, around the highs of yesterday.
- Gold is trading at 1,731.75, some USD20 firmer than at the same time yesterday.
- Data releases scheduled for today: locally, we have current account, mining and manufacturing production releases; from Europe, there are no releases, but the ECB is meeting and Lagarde will be speaking thereafter. From the US, we have jobless claims and continuing claims.
- Yesterday, the rand traded resiliently, having failed to breach the technical targets on the topside. It has now recovered most of the losses it posted over the past two weeks. Market focus today is likely to be on the ECB meeting.
- Possible trading range for the rand today: 14.8500 to 15.3500

Majors	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	USD trend
GBPUSD	1.39	0.04	0.04	1.96	8.72	↑	USD weakness
EURUSD	1.19	-0.02	-1.23	-2.37	5.83	↓	USD strength
USDJPY	108.69	0.29	1.95	-5.01	3.82	↑	USD strength
USDAUD	1.29	-0.15	-0.55	-0.71	-16.31	↓	USD weakness

Rand crosses	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	ZAR trend
USDZAR	15.08	0.01	-0.30	2.52	-7.44	↓	ZAR strength
GBPZAR	21.01	0.10	-0.14	4.40	1.17	↓	ZAR strength
EURZAR	17.98	-0.02	-1.48	0.15	-1.52	↓	ZAR strength
AUDZAR	11.68	0.15	0.18	3.21	10.09	↑	ZAR weakness
ZARJPY	7.21	0.28	2.21	2.51	10.49	↑	ZAR strength

African FX	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	ZAR trend
ZARMWK (Malawian kwacha)	51.78	0.01	0.12	-1.39	12.23	↑	ZAR strength
ZARBWP (Botswana pula)	0.74	0.01	1.23	0.14	5.33	↑	ZAR strength
ZARKES (Kenyan shilling)	7.27	-0.00	0.16	-2.21	12.99	↑	ZAR strength
ZARMUR (Mauritian rupee)	2.66	0.33	1.04	-1.44	11.54	↑	ZAR strength
ZARNGN (Nigerian naira)	27.14	0.01	0.32	0.23	16.71	↑	ZAR strength
ZARGHS (Ghanian cedi)	0.38	-0.03	-0.11	-5.00	10.44	↓	ZAR weakness
ZARZMW (Zambian kwacha)	1.46	0.01	1.00	1.10	35.54	↑	ZAR strength
ZARMZN (Mozambican metical)	4.92	0.27	-0.27	-3.59	17.48	↓	ZAR weakness

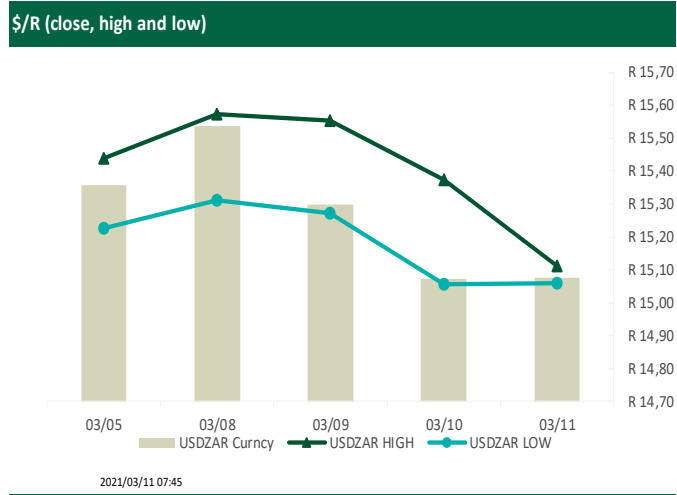
Emerging Market FX	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	USD trend
USDBRL (Brazilian Real)	5.67	-2.36	1.22	8.36	18.15	↑	USD strength
USDTRY (Turkish Lira)	7.50	-0.05	0.96	0.78	17.19	↑	USD strength
USDMXN (Mexican Peso)	20.88	-0.10	0.11	4.61	-2.43	↑	USD strength
USDINR (Indian Rupee)	72.92	-0.02	-0.75	-0.21	-1.60	↓	USD weakness
USDRUB (Russian Ruble)	73.60	-0.42	-1.39	-1.10	3.04	↓	USD weakness

Source: Bloomberg & Nedbank CIB

Time 2021/03/11 07:45

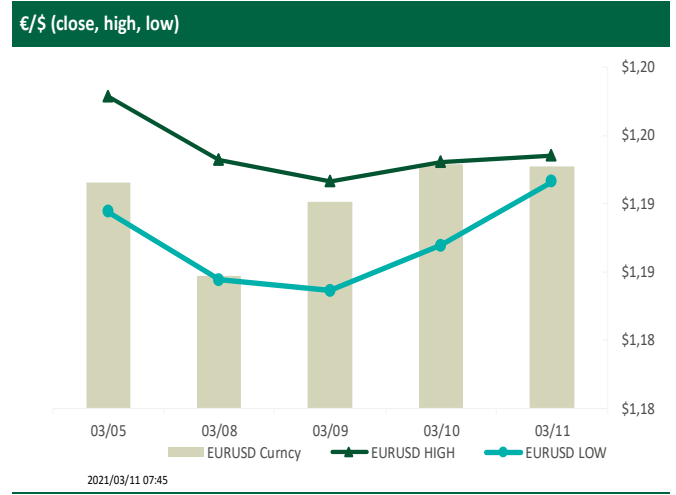
\*Please note that the sign on the % change reflects the change on the headline number. The narrative indicates the trend direction over the month. For trade in any of these currencies, contact our FX dealing desks

### USD/ZAR



Source: Bloomberg, Nedbank

### EUR/USD



Source: Bloomberg, Nedbank

# Commodities

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- Oil prices rose after data showed a decline in US fuel stocks and amid an improved economic outlook as COVID-19 vaccine programs continue to gain ground. Brent crude traded up 0.9% at \$68.49 a barrel; WTI crude rose 0.9% to \$65 a barrel.

Commodities	Last price	%Δ				MTD trend
		-1d	MTD	YTD	12Month	
Brent near future (\$)	68,44	0,80	3,49	32,12	91,23	↑
WTI crude (\$)	64,97	0,82	5,64	33,90	97,00	↑
Gold spot (\$)	1733,57	0,40	-0,03	-8,68	6,03	↓
Platinum spot (\$)	1218,87	1,12	2,17	13,69	41,06	↑
SA white maize spot (R)	3334,00	-0,63	4,06	0,51	13,79	↑

Source: Bloomberg & Nedbank CIB  
Time: 2021/03/11 07:45

## SA White Maize

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

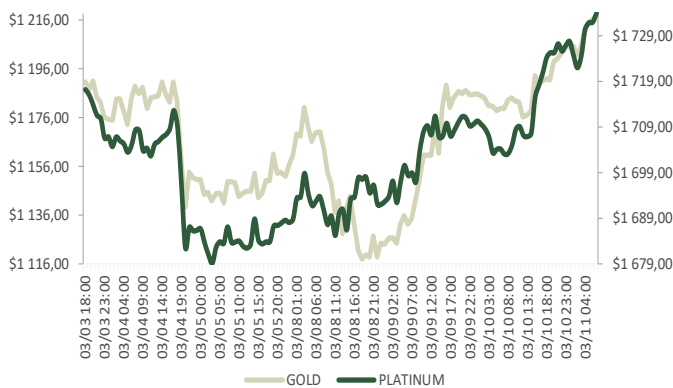


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Source: Bloomberg, Nedbank

## Platinum vs. Gold

Platinum vs. Gold

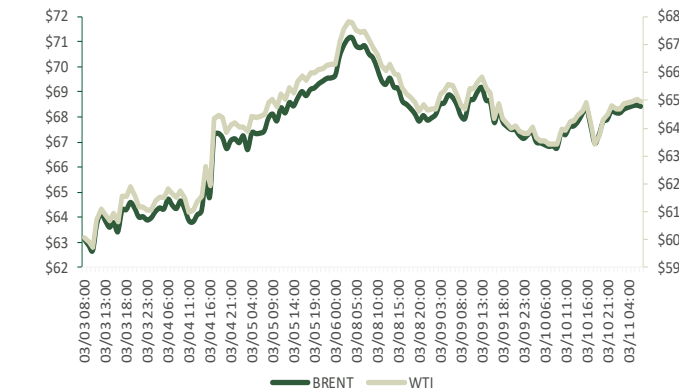


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Source: Bloomberg, Nedbank

## Brent Crude vs. West Texas Intermediate

Brent Crude vs West Texas Intermediate



2021/03/11 07:45

Source: Bloomberg, Nedbank

## Equities

Cash equities | +2711 535 4030/31

### South Africa

- Top40 -0.34%; US inflation abated with a softer CPI print, which saw tech stocks hold on to gains; NPN +0.03% remains funding trade. Telco -1.10%; busy day in the sector with MTN -2% nrs out with the main disappointment being no dividend; locals were better sellers. Stronger rand +0.76% (ending day at 15.16) helped keep domestic names up; Fini15 +1.34% and duals down with BTI -1.45% and CFR -0.64%. SAPY -0.13%; switch activity picking up in the sector as PMs look for relative value after what was a decent move higher in February. FFA +2.41%; results after the close... No div – in line. LTV 38% slightly lower than benchmark. Disposals during the period totalled R1bn at 4% above book, which is a great result. Vacancies: office continued to weaken but is now only a small part of the portfolio. Industrial and retail improved, which is a positive. Collections at 100% – another positive. NAV for the group improved. All in all, a better-than-expected read. Worth noting: SA 1Q BER Business Confidence came in below est. at 35 vs 42; US CPI was in line m/m at 0.4% but below ex-food and energy at 0.1%. Turnover at R21.6bn; 1m SOL at 230, 249k CLS at 246, 27k AMS at 2,154, 26k PRX at 1,745, 890k SSW, 197k BHP.

### UK/Europe

- European equities rose for a third day, closing in on a record high reached last year, as investors remained upbeat about the prospects of an economic recovery. The Stoxx Europe 600 Index rose 0.4% at the close, about 3% away from the pre-pandemic high of February 2020, even as a rotation into cyclical and value shares paused. Deutsche Telekom AG led telecoms to the best performance among sectors after Citigroup Inc. upgraded the shares to buy, while miners fell as iron ore slid. Adidas AG rose 2.8% after forecasting sales will bounce back to near 2019 levels. European stocks have risen in March as cyclicals, such as carmakers and construction firms, rallied on expectations of an economic recovery, while surging bond yields have weighed on tech shares. With a record level for the Stoxx 600 in sight, the path to further gains may be bumpy as investors weigh frothy valuations in some pockets of the market and global inflation risk.

### USA

- US equities advanced as the rotation into value stocks resumed following a weak inflation report. Treasury yields turned lower after a 10-year note auction. The USD weakened. The S&P 500 notched its best two-day advance since early February, led by financial firms and producers of raw materials. A lower-than-expected inflation reading eased concern that prices will spike higher if growth picks up as many economists now predict. Tech shares, whose valuations look stretched in an era of higher yields, slipped after Tuesday's rebound from weeks of selling. The yield on the 10-year Treasury note fell towards 1.50%, with bonds rising after a government auction. The USD retreated. The threat of higher prices as the economy revs and the Biden administration signs a USD1.9tn spending package drove the rotation from growth stocks that led all of 2020 and into companies with businesses more closely tied to the economic cycle.

### Asia

- Chinese stocks jumped the most in about two months on Thursday, extending their rebound from a selloff that wiped out more than USD1.3tn from equities in less than a month, as the nation's key week-long legislative meeting concludes. The CSI 300 Index jumped as much as 2.7%, setting itself up for its first back-to-back advance in a month, amid calls for calm in the media. Gains were broad-based with nine out of 10 sectors rising, led by consumer staples and materials shares. The rebound follows a slump that dragged the CSI 300 into a technical correction, casting a cloud over the National People's Congress, the Communist Party's biggest political event of the year. Intervention by state-backed funds failed to stem the selloff on Tuesday, and a rally on Wednesday fizzled in the final hour of trading.

Developed Markets	Last price	%Δ				2020 Performance %	MTD trend
		-1d	MTD	YTD	12Month		
Dow Jones	32 297,02	1,46	4,41	5,52	37,12	22,34	↑
Nasdaq	13 068,83	-0,04	-0,94	1,40	64,35	35,23	↓
S&P 500	3 898,81	0,60	2,30	3,80	42,22	28,88	↑
DJ Eurostoxx 50	3 819,92	0,89	5,05	7,52	31,47	25,12	↑
DAX	14 540,25	0,71	5,47	5,99	39,29	25,22	↑
CAC	5 990,55	1,11	5,04	7,91	29,94	26,46	↑
FTSE	6 725,60	-0,07	3,74	4,10	14,45	12,00	↑
ASX200	6 713,90	-0,00	0,61	1,93	17,26	13,38	↑
Nikkei 225	29 161,90	0,43	0,68	6,26	50,19	20,93	↑
MSCI World	2 775,34	0,49	1,78	3,17	40,73	25,19	↑

Emerging Markets	Last price	%Δ				2020 Performance %	MTD trend
		-1d	MTD	YTD	12Month		
Hang Seng	29 347,30	1,52	1,27	7,77	16,31	9,07	↑
Shanghai	3 419,48	1,84	-2,55	-1,54	15,19	23,72	↓
Brazil Bovespa	112 776,50	1,30	2,49	-5,24	32,41	27,07	↑
India - NSE	51 279,51	0,50	4,44	7,39	43,65	14,38	↑
Russia Micex	3 463,06	-0,45	3,48	5,29	38,92	28,21	↑
MSCI Emerging	1 324,90	0,53	-1,07	2,61	39,96	15,38	↓

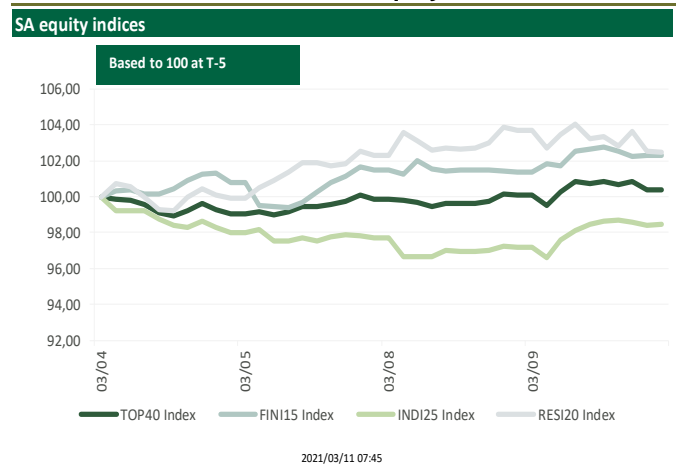
  

SA Indices	Last price	%Δ				2020 Performance %	MTD trend
		-1d	MTD	YTD	12Month		
JSE All Share	68 516,99	-0,20	3,60	15,33	39,62	8,24	↑
Top 40	62 886,16	-0,34	3,51	15,64	43,28	8,75	↑
Resi 10	70 217,98	-1,02	4,09	21,96	89,87	20,01	↑
Indi 25	88 066,98	-0,27	2,23	13,05	32,04	8,82	↑
Fini 15	13 035,03	1,34	6,84	8,08	0,46	-4,30	↑

Source: Bloomberg & Nedbank CIB

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### Short Term Performance of SA Equity Indices



Source: Bloomberg, Nedbank

## Last Day To Trade

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

SHARE CODE	SHARE NAME	DIVIDEND / INTEREST RATE
<b>16 March 2021</b>		
AGL	Anglo American Plc	dividend @ 1050.552cps
AIP	Adcock Ingram Holdings Ltd	dividend @ 80cps
CPIP	Capitec Bank Holdings Pref	dividend @ 289.26cps
IMP	Impala Platinum Holdings Ltd	dividend @ 1000cps
IPL	Imperial Logistics Ltd	dividend @ 80cps
L2D	Liberty Two Degrees Ltd	dividend @ 32.33cps
NRP	NEPI Rockcastle Plc	dividend @ 310.5670cps
PGFP	PSG Financial Serv Pref	dividend @ 289.26cps
SSW	Sibanye Stillwater Ltd	dividend @ 321cps
TPC	Transpaco Ltd	dividend @ 43cps

Source: JSE

## JSE Performance

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Top40 constituents	Last price	%Δ				2020 Performance %	MTD trend
		-1d	MTD	YTD	12Month		
ABG : Absa Group Ltd	132,06	1,13	8,83	10,18	8,15	-19,72	↑
AGL : Anglo American Plc	605,75	-0,80	4,29	24,90	94,17	21,60	↑
AMS : Anglo American Platinum Ltd	2 171,36	3,23	18,38	50,46	140,84	10,39	↑
ANG : Anglogold Ashanti Ltd	336,79	-0,50	11,09	-1,67	10,18	8,22	↑
APN : Aspen Pharmacare Holdings Lt	149,78	0,78	5,15	19,47	37,17	5,16	↑
BHP : Bhp Group Plc	453,82	-2,02	-4,88	16,65	92,13	17,98	↓
BID : Bid Corp Ltd	317,25	-0,80	11,96	20,61	13,66	-20,34	↑
BTI : British American Tobacco Plc	550,22	-1,45	5,23	0,87	-9,59	-8,69	↑
BVT : Bidvest Group Ltd	182,82	-0,59	8,66	16,43	-3,71	-23,32	↑
CFR : Financiere Richemont-Dep Rec	146,47	-0,64	0,18	11,72	46,15	19,69	↑
CLS : Clicks Group Ltd	246,20	-0,80	0,59	-2,56	-1,95	-1,53	↑
CPI : Capitec Bank Holdings Ltd	1 379,76	0,42	3,06	-3,69	6,18	-0,94	↑
DSY : Discovery Ltd	144,00	2,86	1,66	-6,21	41,18	27,28	↑
EXX : Exxaro Resources Ltd	178,13	1,45	4,11	28,24	59,16	5,92	↑
FSR : Firststrand Ltd	55,84	0,52	10,97	9,40	6,81	-18,73	↑
GFI : Gold Fields Ltd	140,42	-4,99	11,64	2,07	33,04	43,50	↑
GRT : Growthpoint Properties Ltd	14,08	-0,14	3,00	12,01	-19,27	-43,15	↑
HAR : Harmony Gold Mining Co Ltd	68,50	-1,90	19,38	-4,33	16,83	39,84	↑
IMP : Impala Platinum Holdings Ltd	291,38	2,27	18,41	44,32	136,70	40,68	↑
INL : Investec Ltd	45,53	2,45	14,89	24,26	-8,85	-37,83	↑
INP : Investec Plc	47,58	1,78	15,21	26,37	-14,54	-42,72	↑
MCG : Multichoice Group Ltd	129,87	0,47	1,74	-3,08	46,88	0,00	↑
MNP : Mondi Plc	382,00	-0,93	4,57	11,33	23,28	5,16	↑
MRP : Mr Price Group Ltd	178,55	1,06	2,37	4,63	19,26	-6,49	↑
MTN : Mtn Group Ltd	74,37	-2,00	2,31	23,56	18,42	-27,03	↑
NED : Nedbank Group Ltd	144,01	-0,33	10,24	11,22	-5,88	-39,58	↑
NHM : Northam Platinum Ltd	254,47	1,79	14,68	21,45	126,78	69,50	↑
NPN : Naspers Ltd-N Shs	3 560,00	0,03	1,19	17,91	43,49	31,80	↑
NRP : Nepi Rockcastle Plc	97,99	-0,21	5,62	4,80	-10,24	-21,25	↑
OMU : Old Mutual Ltd	13,75	3,38	2,23	15,64	-11,00	-39,52	↑
PRX : Prosus Nv	1 763,79	0,39	-0,02	9,81	64,29	52,39	↓
REM : Remgro Ltd	109,36	1,73	5,55	13,68	-5,56	-32,51	↑
RNI : Reinet Investments Sca	291,34	2,26	3,09	5,71	-4,85	-0,68	↑
SBK : Standard Bank Group Ltd	143,15	1,75	7,63	12,65	1,50	-24,50	↑
SHP : Shoprite Holdings Ltd	140,25	-0,58	5,40	0,18	21,97	11,18	↑
SLM : Sanlam Ltd	62,35	1,25	2,58	6,13	-2,55	-25,73	↑
SOL : Sasol Ltd	229,46	-0,09	21,77	71,33	335,24	-55,87	↑
SPP : Spar Group Limited/The	195,46	0,81	2,68	3,12	14,26	-4,04	↑
SSW : Sibanye Stillwater Ltd	72,07	1,02	2,93	20,12	135,37	67,18	↑
VOD : Vodacom Group Ltd	125,89	0,46	1,05	1,21	14,53	7,88	↑
WHL : Woolworths Holdings Ltd	50,70	-0,06	9,91	28,22	43,91	-18,64	↑

Source: Bloomberg & Nedbank CIB

Time 2021/03/11 07:45

## Economics

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

### US

- CPI increased by 1.7% y/y in February, from 1.4% in January, in line with consensus. Core inflation rose 1.3% y/y from 1.4% previously, lower than consensus of 1.4%. CPI increased 0.4% m/m while core inflation rose 0.1% m/m. Weighing down on core inflation in the month of February was the cost of used vehicles, clothing and transportation services which declined. Used vehicles dropped 0.9% m/m, clothing declined by 0.7% m/m and transportation services dropped by 0.1%.

### China

- CPI declined 0.2% y/y in February, from -0.8% previously, better than of consensus of -0.3%. Food prices dropped by 0.2% y/y compared to an increase of 1.6% in January, driven by a decline in pork prices of 14.9%. Pork prices declined as a result of a higher comparison base in the previous year, as the COVID-19 outbreak boosted the prices of consumer goods in February last year. The higher base resulted in a decline of 1.8% while new price inflation increased CPI growth by 1.6%. Core inflation (excluding food and energy prices) came in at 0% from a decline of 0.3% in January. On a monthly basis, CPI gained 0.6% driven by an increase in food prices of 1.6% as a result of increased demand and logistic costs during the Spring Festival. China set its consumer inflation target at around 3% for 2021.
- The PPI rose by 1.7% y/y in February from 0.3% previously, as global commodity prices continued to rise while domestic demand recovered. PPI for the domestic oil and natural gas extraction sector increased by 7.5% m/m due to increasing crude oil prices. PPI for the non-ferrous metal smelting and rolling processing sector increased by 1.5% m/m, as a result of increased demand. Given the roll out of COVID-19 vaccinations in global economies, increased demand levels should drive an increase in commodity prices which will lead to an increase in the growth in PPI.

### SA

- The RMB/BER business confidence index declined to 35 in 1Q21, from 40 index points previously, worse than consensus of 42 index points. A reading above 50 indicates that majority of respondents are optimistic about prevailing business conditions and a reading below 50 indicates the opposite. What the current reading means is that 65% of respondents are dissatisfied with prevailing business conditions from 60% previously. It is worth noting that the survey was conducted after the peak of the second wave of COVID-19 infections when restrictions were eased further, and load-shedding was less pronounced. Confidence levels declined although conditions improved which further emphasises concerns regarding economic recovery.
- Sentiment deteriorated across all the sectors surveyed in the BCI – retail was the hardest hit, followed by manufacturing, new vehicle dealers, building contractors and wholesale traders. All sectors confidence indices remained below the 50-index point level (net negative territory) apart from wholesale trade. Details below:
  - Retailers were disappointed with low Black Friday and festive season sales; sales volumes were still weak in 1Q21, and demand for durable goods worsened. While demand for items like hardware and furniture was strong at the start of the lockdown, demand for these items have run its course, implying no further upside likely in 2021.
  - Manufacturers were also disappointed by the weakening demand, worker absenteeism, shortages of raw materials and some disruptions to supply chains. Overall depressed new vehicle sales weighed on sentiment among dealerships. Building contractors were also disappointed that demand for residential projects declined after the surge and high base from 2H20.
- The picture above confirms what we have been seeing in the high frequency data prints in January and February, that consumer demand, credit extension growth and perhaps overall confidence levels have eased in 1Q21. The PMI data tells a different story in that manufacturing activity remains in net expansion territory. Business confidence is important because it tends to lead private sector gross fixed capital formation growth (i.e. investment trends in the economy). We continue to remain cautious on growth in 2021 because we need to see more evidence of consumer spending, and business investment recovering (in order to revise our forecast higher). We maintain a below-consensus growth forecast of 2.5% for 2021 and 2.1% for 2022, and see real GDP recovering to pre-pandemic levels by early 2024.



## Economic Calendar

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

	Country	Event	Period	Survey	Actual	Prior	Revised
<b>10-March</b>							
03:30 AM	CH	CPI YoY	FEB	-0,30%	-0,20%	-0,30%	-
03:30 AM	CH	PPI YoY	FEB	1,45%	1,70%	0,30%	-
10:30 AM	CH	New Yuan Loans CNY	DEC	CNY 950b	CNY 1360b	CNY 3580b	-
10:30 AM	CH	Money Supply M2 YoY	DEC	9,40%	10,10%	9,40%	-
12:00 PM	SA	BER Business Confidence	1Q	42	35	40	-
02:00 PM	US	MBA Mortgage Applications	JAN 1	-	-1,30%	0,50%	-
03:30 PM	US	Real Avg Weekly Earnings YoY	FEB	-	4,10%	6,10%	-
03:30 PM	US	Real Avg Hourly Earning YoY	FEB	-	3,40%	4,00%	-
03:30 PM	US	CPI YoY	FEB	1,70%	1,70%	1,40%	-
09:00 PM	US	Monthly Budget Statement	FEB	USD -305,0b	USD -310,9b	USD -162,8b	-
<b>11-March</b>							
01:50 AM	JN	PPI YoY	FEB	-0,70%	-0,70%	-1,60%	-1,50%
11:00 AM	SA	Current Account as a % GDP	4Q	4,40%	-	5,90%	-
11:00 AM	SA	Current Account Balance	4Q	ZAR 0,2b	-	ZAR 0,3b	-
11:30 AM	SA	Gold Production YoY	JAN	-	-	-0,90%	-
11:30 AM	SA	Platinum Production YoY	JAN	-	-	-19,40%	-
11:30 AM	SA	Mining Production YoY	JAN	-3,00%	-	0,10%	-
01:00 PM	SA	Manufacturing Prod NSA YoY	JAN	-1,10%	-	1,80%	-
02:45 PM	EC	ECB Main Refinancing Rate	MAR 11	0,00%	-	0,00%	-
02:45 PM	EC	ECB Marginal Lending Facility	MAR 11	0,25%	-	0,25%	-
02:45 PM	EC	ECB Deposit Facility Rate	MAR 11	-0,50%	-	-0,50%	-
05:00 PM	US	JOLTS Job Openings	JAN	6700	-	6646	-
<b>12-March</b>							
09:00 AM	GE	CPI YoY	MAY F	1,30%	-	1,30%	-
09:00 AM	UK	Industrial Production YoY	JAN	-4,40%	-	-3,30%	-
09:00 AM	UK	Manufacturing Production YoY	JAN	-3,70%	-	-2,50%	-
09:00 AM	UK	Trade Balance	JAN	GBP -4563m	-	GBP -6202m	-
12:00 PM	EC	Industrial Production WDA YoY	JAN	-2,20%	-	-0,80%	-
03:30 PM	US	PPI Final Demand YoY	FEB	2,70%	-	1,70%	-
05:00 PM	US	U. of Mich. Sentiment	MAR P	78,5	-	76,8	-
<b>15-March</b>							
01:50 AM	JN	Machine Orders YoY	JAN	0,00%	-	11,80%	-
10:00 PM	US	Net Long-term TIC Flows	JAN	-	-	USD 121,0b	-
10:00 PM	US	Total Net TIC Flows	JAN	-	-	USD -0,6b	-

Source: Bloomberg

2021/03/11 07:44

## Contacts

**Research Analyst**

Reezwana Sumad

(011) 537 4091

**Fixed Income and Currency Strategist**

Walter de Wet

**Research Publishers**

(011) 294 0206

**ALM Portfolio Management**

(011) 535 4042

**Bond Trading**

(011) 535 4021

**Credit Derivatives**

(011) 535 4086

**Equities Sales and Distribution**

(011) 535 4030/31

**Forex Business Banking Sales Desk**

(011) 535 4003

**Forex Corporate Sales Desk**

JHB (011) 535 4002

DBN (031) 327 3000

CTN (021) 413 9300

**Forex Institutional Sales Desk**

(011) 535 4002

**Forex Retail Sales Desk**

(011) 535 4020

**Inflation Trading**

(011) 535 4026

**Interest Rate Swaps & FRA's Trading**

(011) 535 4004

**Money Market Business Banking Sales Desk**

(011) 535 4006

**Money Market Corporate Sales Desk**

JHB (011) 535 4007

DBN (031) 327 3000

CTN (021) 413 9300

**Money Market Institutional Sales Desk**

(011) 535 4008

**Non Soft & Soft Commodities Trading**

(011) 535 4038

**Preference shares desk**

(011) 535 4072