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**Figure 1: SA Monetary Policy Committee (MPC) meeting dates for 2017**

Month	Date	Forecast
September 2017	19 <sup>th</sup> – 21 <sup>st</sup>	6.50
November 2017	21 <sup>st</sup> – 23 <sup>rd</sup>	6.50

Source: SA Reserve Bank, Investec

Week ahead written in conjunction with the international economic contributions from Philip Shaw (PS), Victoria Clarke (VC) Ryan Djajasaputra (RD) and Anea Koziol (AK).

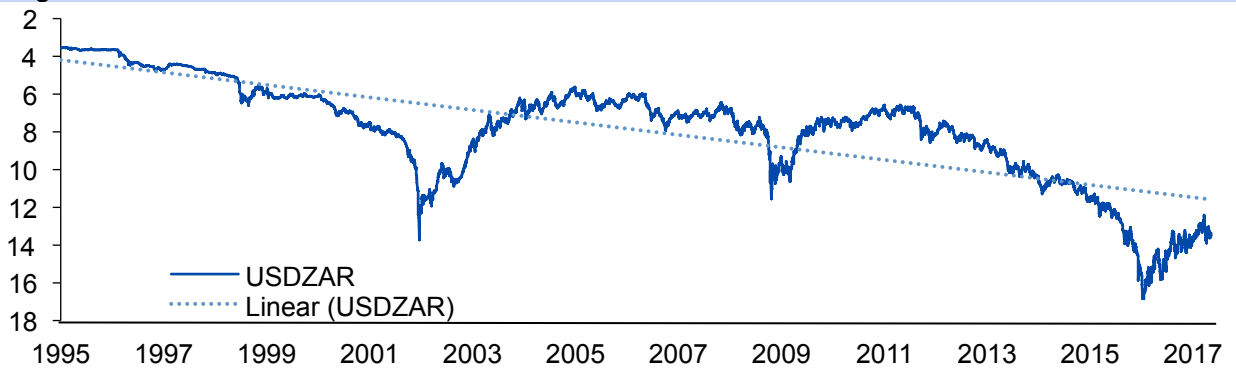


**Week Ahead: Trade data likely to confirm subdued domestic demand amid depressed consumer and business confidence**

28<sup>th</sup> July 2017

**Rand, currency outlook for the week ahead and foreign flows:**

Figure 2: USDZAR



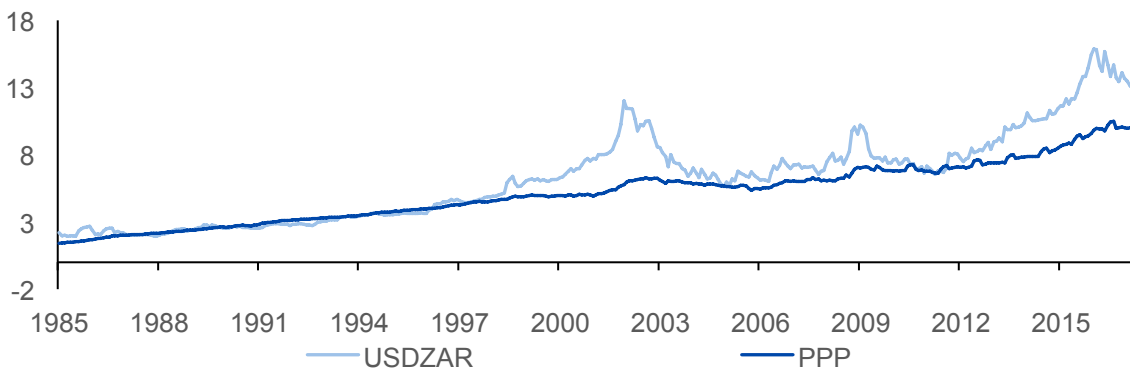
Source: Investec, IRESS

The rand traded in line with most emerging market currencies this week, guided by the US\$ and the US FOMC statement. In particular, the US\$ index is trading in the vicinity of its lowest level in over a year which has also seen commodity prices strengthen.

In its July FOMC statement the Fed noted the declines in both core and headline inflation, which continue to run below 2.0%. Markets expect the moderation in inflation could extend for longer than the Fed anticipates. Fed fund futures are presently assigning a 40% probability of one more interest rate hike by December. The Fed also expects to “begin implementing its balance normalization program relatively soon”. Markets are positioned for a very gradual pace of change and liquidity conditions are still favourable. A continuation of this coupled with a sustained lift in global growth and trade could continue to support emerging market portfolio flows.

The rand is expected to trade in a range of R13.55/USD – R12.55/USD, R15.80/EUR - R14.80/EUR and R17.60/GBP - R16.60/GBP.

Figure 3: Purchasing Power Parity value of the Rand vs USD



Source: Investec, IRESS



Figure 4: Economic Scenarios

		Q3.17	Q4.17	Q1.18	Q2.18	Q3.18	Q4.18	Q1.19	Q2.19
Extreme up Case <b>1%</b>	Rand/USD (average)	13.00	11.70	10.60	9.50	8.60	7.90	7.60	7.40
	Repo rate (end rate)	6.50	6.50	6.00	5.50	5.00	5.00	5.00	4.50
	Fast, sustainable <b>economic growth of 5.0 – 7.0% y/y plus</b> . SA sees <b>change in political will</b> that structurally lifts private sector investor confidence and so fixed investment, growth creating economic reforms in line with global norms. <b>Global growth boom</b> (including commodities) and SA export boom that substantially lifts employment and incomes, eventually eliminating poverty. Fiscal consolidation, <b>credit rating upgrades with potential for A grade ultimately</b> , interest rate cuts.								
Up case <b>10%</b>	Rand/USD (average)	13.00	12.60	12.20	11.80	11.50	11.20	10.50	10.55
	Repo rate (end rate)	6.50	6.50	6.50	6.25	6.25	6.00	5.50	5.50
	<b>Persistent economic growth of 3.0 – 5.0%</b> , with growing probability of extreme up case thereafter. <b>Better governance</b> , growth creating economic reforms in line with global norms (structural constraints are overcome) and greater socio-economic stability. This lifts business confidence and so private sector fixed investment growth rises to double digits, fixed investment inflows occur, resulting in faster GDP growth and fiscal consolidation. <b>Strong global growth</b> and commodity cycle. <b>Stabilisation of credit ratings, with ultimately credit rating upgrades</b> .								
Base line case <b>35%</b>	Rand/USD (average)	13.00	13.30	13.65	13.45	13.10	12.75	12.40	12.10
	Repo rate (end rate)	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50
	<b>Trend growth rate of 2.0% y/y, reached by 2023</b> . Recent downgrades subdue confidence and so growth somewhat. Rand structurally weaker so slower return to PPP (by 2020). <b>SA retains two investment grade (IG) ratings on its local currency (LC) long-term sovereign debt this year</b> . Sedate global monetary policy normalisation – avoid severe global risk-off environment, neutral to global risk-on. <b>Modestly strengthening global demand</b> .								
Down case <b>35%</b>	Rand/USD (average)	13.00	16.00	18.00	19.00	19.50	18.50	17.80	16.90
	Repo rate (end rate)	6.50	7.50	8.25	9.00	10.00	10.50	10.50	10.50
	<b>All three key agencies rate SA's foreign and local currency long-term debt sub-investment grade</b> , increased chance of further credit downgrades. Rand weakness (SA debt exits Citibank WGBI), <b>confidence and investment measures depressed</b> . Government's capacity for expenditure reduced, including social welfare grants. Commodity slump, <b>global sharp slowdown/recession (SA V shaped recession)</b> .								
Extreme down case <b>19%</b>	Rand/USD (average)	13.00	17.00	19.00	21.00	22.80	24.00	25.50	26.00
	Repo rate (end rate)	6.50	8.00	10.00	13.00	15.50	17.00	19.00	22.00
	State bankruptcy, and <b>so the path to a failed state</b> . <b>Credit ratings drop to junk</b> , sovereign debt default, debt restructure. Lack of funds to pay public sector employees wages and social grants, civil unrest/war, persistent government services outages. Partial loss of commercial private sector property rights under state custodianship. <b>SA economic depression, global economy falls into recession</b> .								

**Note:** Event risk begins Q4.17



**Week Ahead: Trade data likely to confirm subdued domestic demand amid depressed consumer and business confidence**

28<sup>th</sup> July 2017

**Figure 5: Net foreign portfolio flows for SA assets**

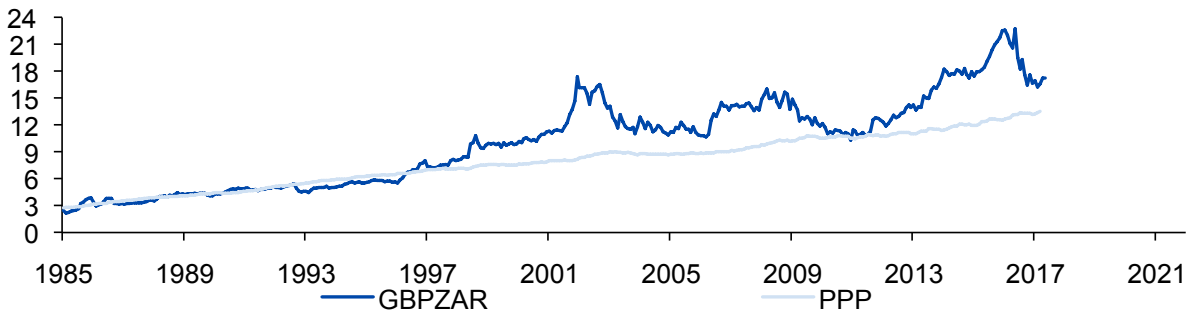
Week	Equities (Rbn)	Debt (Rbn)	Total (Rbn)
17 <sup>th</sup> – 21 <sup>st</sup> July 2017	1.0	4.7	5.6
10 <sup>th</sup> – 14 <sup>th</sup> July 2017	5.4	2.8	8.2
3 <sup>rd</sup> – 7 <sup>th</sup> July 2017	4.5	-4.8	-0.3
26 <sup>th</sup> – 30 <sup>th</sup> June 2017	2.6	-3.6	-0.9
19 <sup>th</sup> – 23 <sup>rd</sup> June 2017	0.8	-0.6	0.2
12 <sup>th</sup> – 15 <sup>th</sup> June 2017	-4.7	-4.4	-9.1
5 <sup>th</sup> – 9 <sup>th</sup> June 2017	-0.3	2.0	1.7

Month	Equities (Rbn)	Debt (Rbn)	Total (Rbn)
June 2017	-19.1	-6.4	-25.5
May 2017	-9.1	9.2	0.1
April 2017	-2.9	14.4	11.5
March 2017	-12.8	18.6	5.7
February 2017	-9.6	3.7	-5.9
January 2017	-16.1	-6.5	-22.7

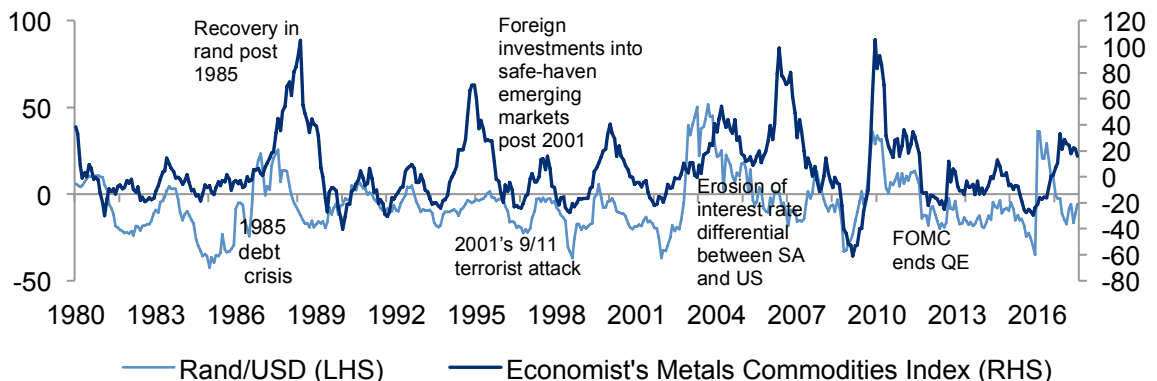
Source: IRESS. Note: data subject to frequent revisions

**Figure 6: PPP value of the Rand vs GBP**



Source: Investec, IRESS

**Figure 7: Rand vs Economist's metals commodity price index**



Source: IRESS, Investec



## Data releases in the week ahead

### Economic data releases for next week

Date	Country	Indicator	Month	Forecast	Previous
31/07/17	SA	M3 Money Supply	Jun		5.98% y/y
		Private Sector Credit Extension	Jun	6.40% y/y	6.69% y/y
		Trade Balance	Jun	R10.0bn	R9.5bn
	US	Pending Home Sales	Jun	1.0% m/m	-0.8% m/m
		Pending Home Sales	Jun		0.5% y/y
	Eurozone	Unemployment Rate	Jun	9.2%	9.3%
		CPI Estimate	Jul	1.2% y/y	1.3% y/y
Advance Core CPI		Jul	1.1%	1.1%	
01/08/17	SA	Manufacturing PMI	Jul	48.5	46.7
		New Vehicle Sales	Jul		1.0%
	US	Personal Spending	Jun	0.1%	0.1%
		Personal Income	Jul	0.4%	0.4%
		PCE Deflator	Jun	1.3% y/y	1.4% y/y
	Eurozone	PCE Core	Jun	1.4% y/y	1.4% y/y
		ISM Manufacturing PMI	Jul	56.2	57.8
		Wards Total Vehicle Sales	Jul	16.78mn	16.41mn
		Final Manufacturing PMI	Jul	56.8	56.8
		Advance GDP	Q2.17	0.6% q/q	0.6% q/q
Advance GDP	Q2.17	2.1% y/y	1.9% y/y		
02/08/17	US	MBA Mortgage Applications	Jul 28		0.4%
		ADP Employment Change	Jul	195k	158k
	Eurozone	PPI	Jun	-0.1% m/m	-0.4% m/m
		PPI	Jun	2.3% y/y	3.3% y/y
03/08/17	SA	Electricity Production	Jun		4.6% y/y
		Electricity Consumption	Jun		3.4% y/y
	US	Initial Jobless Claims	Jul 29		244k
		Continuing Claims	Jul 22		1964k
		Challenger Job Cuts	Jul		19.3% y/y
	Eurozone	ISM Non-Manufacturing Composite	Jul	56.8	57.4
		Retail Sales	Jun	0.1% m/m	0.4% m/m
		Retail Sales	Jun	2.5% y/y	2.6% y/y
04/08/17	US	Change in Non-Farm Payrolls	Jul	183k	222k
		Unemployment Rate	Jul	4.3%	4.4%
		Labour Force Participation Rate	Jul		62.8%
		Average Hourly Earnings	Jul	0.3% m/m	0.2% m/m
		Average Hourly Earnings	Jul	2.4% y/y	2.5% y/y
		Trade Balance	Jun	-\$45.5bn	-\$46.5bn

Source: Bloomberg



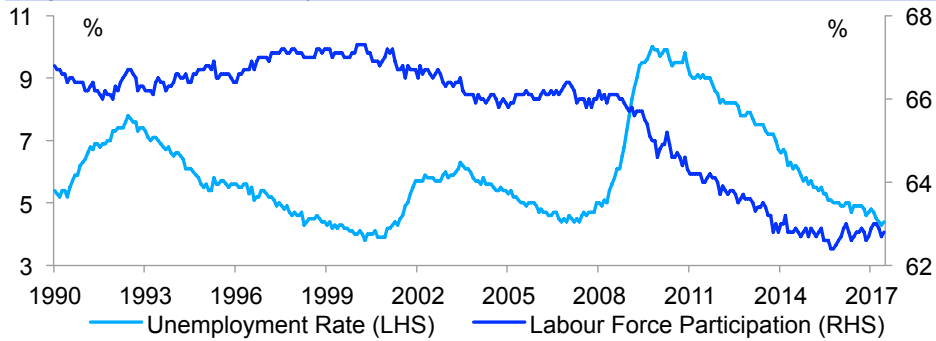
**Week Ahead: Trade data likely to confirm subdued domestic demand amid depressed consumer and business confidence**

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Note: sa – seasonally adjusted, nsa – not seasonally adjusted

**International**

**Figure 9: US unemployment and labour participation rates**



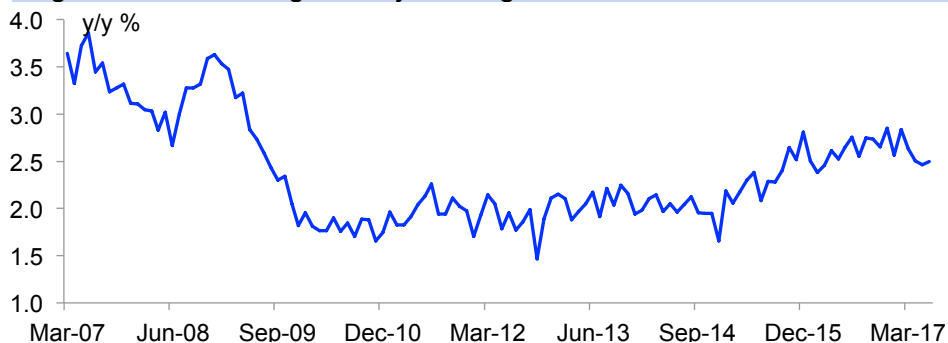
Source: US Department of Labour

(RD) The first week of August is set to be a bumper one for economic events. Monetary policy will once again be a dominant theme, in the UK with the MPC decision due on Thursday. After June’s MPC minutes revealed a hawkish slant to the committee and that three members of the committee had voted for a 0.25% hike, markets had priced in a greater chance of a move at August’s meeting. However, data and comments from a number of prominent members on the committee, including the Governor Mark Carney look to have dampened any chance of a rise in UK interest rates next week. Indeed we do not forecast the first rise in UK policy rates until 2019. As well as the actual decision at midday, the BoE will also release its August Inflation report followed by Governor Carney’s press conference at 12:30pm. In addition to the BoE, the Reserve Bank of Australia is also expected to keep its cash rate on hold on Tuesday at 1.50%.

In the US, non-farm payrolls will be the key data release of the week. June’s employment report recorded 222k jobs being added in the month. We suspect that next Friday’s report will again point to a robust pace of jobs growth in July, at 185k, with the unemployment rate edging down from 4.4% to 4.3%. Markets will also be keeping a close eye on the average earnings figures for any further signs that the fall in unemployment is beginning to push up on wage growth.

Aside from the payrolls figures, there are a number of tier 1 releases from the US across next week. Key ones to watch will be both the manufacturing and non-manufacturing ISM surveys for July and the ADP employment survey. Meanwhile the US corporate earnings season continues.

**Figure 10: US average hourly earnings**



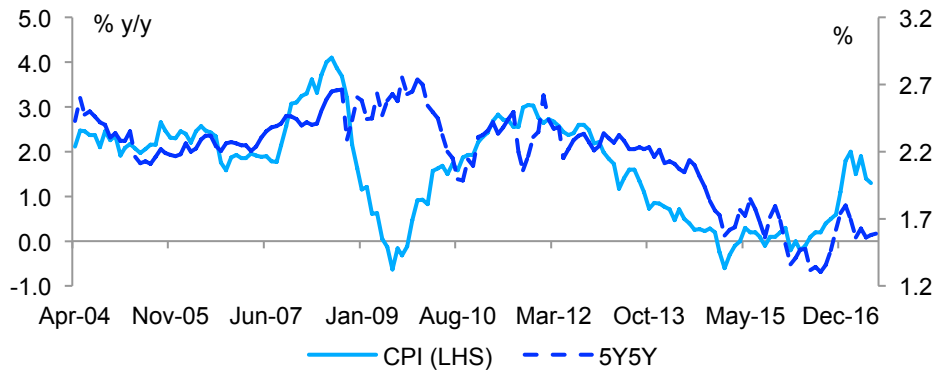


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Source: US Department of Labour

**Figure 11: Euro zone CPI inflation and EU 5Y5Y inflation forwards**



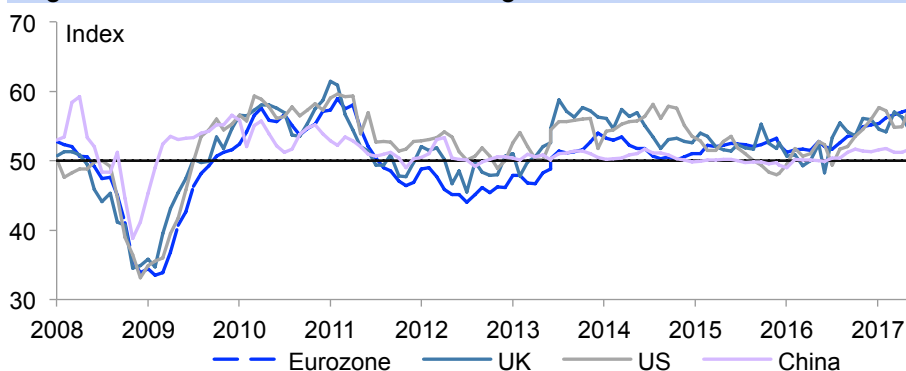
Source: Eurostat, Bloomberg

UK economic data next week is set to be dominated by all three sector PMIs, which will provide the first insight into economic activity at the start of Q3.17. Manufacturing will be the first of the three releases, where we expect the survey to show a very small slowing in manufacturing activity in July, with the index slipping to 54.1. Given the service sector's dominance in the economy, Thursday's Services PMI will be the key release of the three PMIs, where we expect the index to remain more or less steady at 53.5. Household lending figures on Monday, will also provide an update on the housing market, where recent figures have shown the market in a subdued state.

The euro may see some movement next week as the market attempts to digest the potential for an ECB QE tapering announcement at the September Governing Council meeting. Any ECB decision remains very much dependent on the Council's confidence in the inflation outlook, with Tuesday's 'flash' HICP estimate providing the latest update on inflation's progress towards the ECB's target of 'below, but close to 2%'. Our own view continues to be that the ECB will hold off announcing a tapering of asset purchases until its October meeting. The preliminary estimate of Q2.17 Euro area GDP, released Tuesday will also be an important European data release.

PMI data will also provide the latest health check on the Chinese economy, with manufacturing and services data due in both the official measure and the Caixin release.

**Figure 12: International manufacturing PMIs**





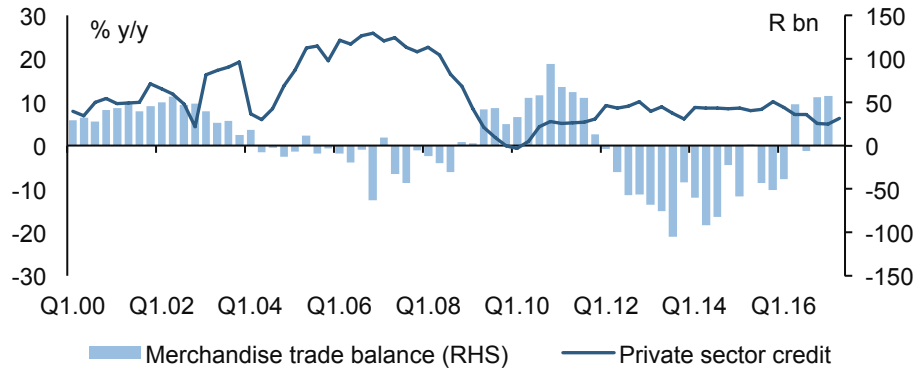
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Source: National Bureau of Statistics of China, ISM, Markit

**South Africa**

**Figure 13: Trade balance versus private sector credit extension**



Source: SARB, Investec

The trade account is expected to have remained in surplus at R10bn in June, following the cumulative surplus in the January to May period of R19.5bn. Export growth has been outpacing import growth, aided by the synchronised upturn in global growth and trade. The trade data has also confirmed subdued domestic demand amid depressed business and consumer confidence. Investment demand remains muted whilst weak rates of credit extension suggest there has been both a reluctance to take on debt to finance increased consumption and on the supply side, credit criteria have been relatively tight. For as long as credit growth remains subdued it can be expected that the trade balance, and by extension the current account balance, should remain biased towards small surpluses or relatively contained deficits (see figure 13).

The rate of private sector credit extension is projected to have remained relatively modest in June, at 6.4% y/y compared to 5.9% y/y in May. Corporate credit growth should continue to outpace household credit growth. The rate of credit extended to households has been affected by both supply and demand side considerations. On the supply side, survey evidence showed a renewed tightening in credit criteria applied to households. Demand side factors include depressed consumer confidence, high unemployment, weak income growth and deleveraging. In view of the recent interest rate reduction, and possibility for a further cut, households may take advantage of the

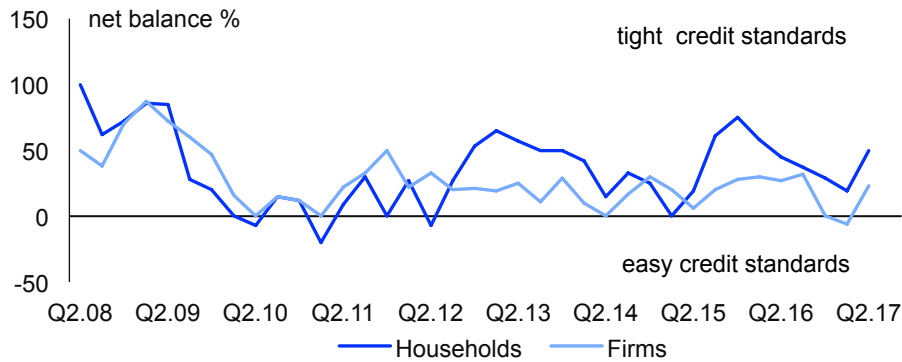
**Figure 14: Credit standards for approving loans**





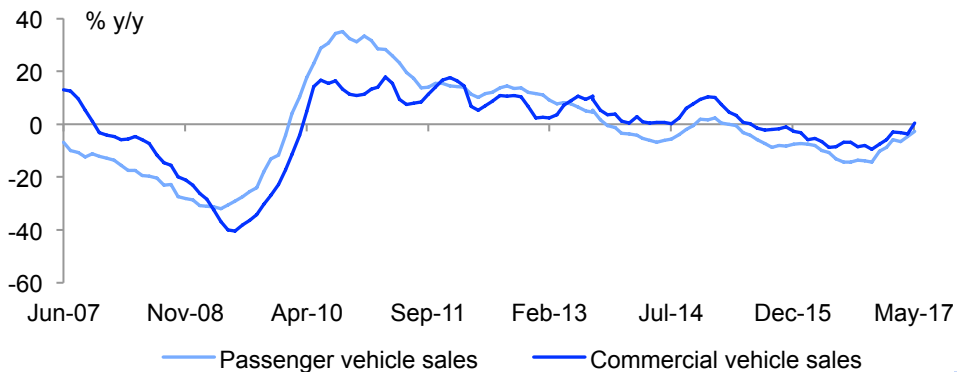
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Source: SARB, Investec

Figure 15: New vehicle sales volume growth, six month rolling average



Source: Department of Trade and Industry, Investec

lower interest rate environment to reduce levels of indebtedness. This has already been taking place as evidenced by the decline in the household debt to disposable income ratio, to 73.2% in Q1.17 from levels closer to 80% in 2013. Despite the decline, the ratio is still historically elevated and according to the National Credit Regulator, over half of credit active consumers are struggling to service debt timeously.

New vehicle sales had lifted by 1.0 y/y in June and in the coming months, low statistical base factors could see the year-on-year sales outcomes improve, following three consecutive years of contractions. However, the underlying performance in the sector is expected to remain relatively subdued, in line with only a modest lift in GDP growth in the region of 0.5% in 2017 from 0.3% y/y in 2016. According to the National Association of Automobile Manufacturers of South Africa “domestic new vehicle sales for 2017 [are] likely to remain flat at best.”

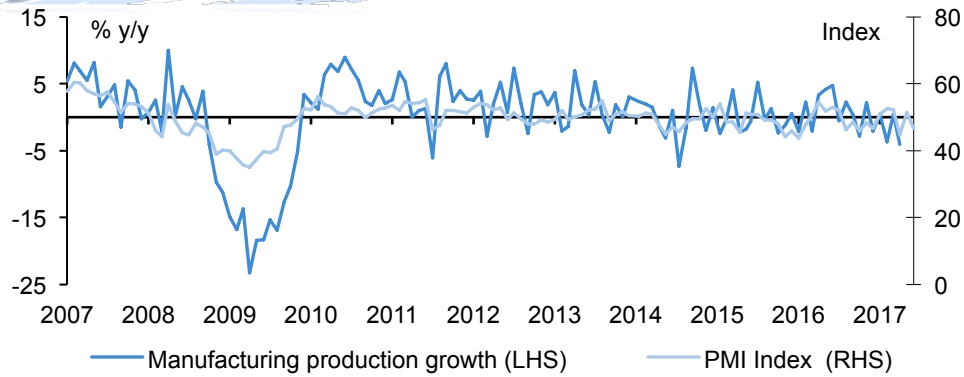
The manufacturing PMI gauge is forecast to have lifted to 48.5 in July from 46.7 in June and therefore to have remained in contractionary territory. Manufacturers have identified insufficient demand as a key constraining factor, particularly from the domestic source with export demand comparatively stronger.

Figure 16: Manufacturing growth vs Absa PMI\*



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\*seasonally adjusted, Source: Absa, Stats SA

Figure 17: CPI forecast averages

Date	Index Base 2010	Annual y/y	Monthly m/m	Quarterly y/y	Calendar year y/y
Jan 2017	100.6	6.6	0.6		
Feb 2017	101.7	6.3	1.1		
Mar 2017	102.3	6.1	0.6	6.3	
Apr 2017	102.4	5.3	0.1		
May 2017	102.7	5.4	0.3		
Jun 2017	102.9	5.1	0.2	5.3	
Jul 2017	103.5	4.9	0.6		
Aug 2017	103.7	5.2	0.2		
Sep 2017	104.0	5.3	0.3	5.1	
Oct 2017	104.3	5.1	0.3		
Nov 2017	104.6	5.0	0.2		
Dec 2017	104.8	4.8	0.2	4.9	2017
Jan 2018	105.5	4.9	0.7		5.4
Feb 2018	105.9	4.2	0.4		
Mar 2018	107.2	4.8	1.2	4.6	
Apr 2018	107.6	5.1	0.4		
May 2018	107.9	5.1	0.3		
Jun 2018	108.3	5.2	0.3	5.1	
Jul 2018	109.0	5.3	0.7		
Aug 2018	109.5	5.5	0.4		
Sep 2018	109.8	5.5	0.3	5.5	
Oct 2018	110.2	5.6	0.4		
Nov 2018	110.6	5.7	0.3		



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Date	Index	Annual	Monthly	Quarterly	Calendar year
	Base	y/y	m/m	y/y	y/y
	2010				
Dec 2018	110.9	5.8	0.3	5.7	2018 5.2
Jan 2019	111.7	5.8	0.7		
Feb 2019	111.9	5.6	0.2		
Mar 2019	113.0	5.4	1.0	5.6	
Apr 2019	113.2	5.2	0.2		
May 2019	113.5	5.1	0.2		
Jun 2019	113.7	5.0	0.2	5.1	
Jul 2019	114.6	5.1	0.8		
Aug 2019	115.3	5.3	0.6		
Sep 2019	115.6	5.3	0.3	5.3	
Oct 2019	116.2	5.4	0.5		
Nov 2019	116.6	5.4	0.3		
Dec 2019	116.9	5.4	0.3	5.4	2019 5.4

Source: Stats SA, Investec

Figure 17: CPI forecast averages

Date	Index	Annual	Monthly	Quarterly	Calendar
	Base	y/y	m/m	y/y	year
	2010				y/y
Jan 2020	117.7	5.4	0.7		
Feb 2020	117.9	5.3	0.1		
Mar 2020	119.5	5.7	1.4	5.5	
Apr 2020	119.5	5.5	0.0		
May 2020	119.6	5.4	0.1		
Jun 2020	120.0	5.5	0.3	5.5	
Jul 2020	121.2	5.7	1.0		
Aug 2020	121.8	5.6	0.5		
Sep 2020	122.3	5.7	0.4	5.7	
Oct 2020	122.5	5.4	0.2		
Nov 2020	123.1	5.6	0.5		
Dec 2020	123.3	5.4	0.1	5.5	2020 5.5
Jan 2021	124.5	5.7	1.0		
Feb 2021	124.7	5.8	0.2		
Mar 2021	126.1	5.5	1.1	5.7	
Apr 2021	126.1	5.5	0.0		
May 2021	126.2	5.5	0.1		
Jun 2021	126.6	5.5	0.3	5.5	
Jul 2021	127.9	5.5	1.0		
Aug 2021	128.5	5.5	0.5		
Sep 2021	129.0	5.5	0.4	5.5	



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Oct 2021	129.3	5.5	0.2		
Nov 2021	129.9	5.5	0.5	5.5	
Dec 2021	130.1	5.5	0.1		
					2021 5.6

Source: Stats SA, Investec



Figure 18: Interest rate forecast end rates

Date	Prime forecast	Prime less Inflation	Repo	Repo less Inflation
Jan 2017	10.50	3.9	7.00	0.4
Feb 2017	10.50	4.2	7.00	0.7
Mar 2017	10.50	4.4	7.00	0.9
Apr 2017	10.50	5.2	7.00	1.7
May 2017	10.50	5.1	7.00	1.6
Jun 2017	10.50	5.4	7.00	1.9
Jul 2017	10.25	5.4	6.75	1.9
Aug 2017	10.25	5.1	6.75	1.6
Sep 2017	10.00	4.7	6.50	1.2
Oct 2017	10.00	4.9	6.50	1.4
Nov 2017	10.00	5.0	6.50	1.5
Dec 2017	10.00	5.2	6.50	1.7
Jan 2018	10.00	5.1	6.50	1.6
Feb 2018	10.00	5.8	6.50	2.3
Mar 2018	10.00	5.2	6.50	1.7
Apr 2018	10.00	4.9	6.50	1.4
May 2018	10.00	4.9	6.50	1.4
Jun 2018	10.00	4.8	6.50	1.3
Jul 2018	10.00	4.7	6.50	1.2
Aug 2018	10.00	4.5	6.50	1.0
Sep 2018	10.00	4.5	6.50	1.0
Oct 2018	10.00	4.4	6.50	0.9
Nov 2018	10.00	4.3	6.50	0.8
Dec 2018	10.00	4.2	6.50	0.7
Jan 2019	10.00	4.2	6.50	0.7
Feb 2019	10.00	4.4	6.50	0.9
Mar 2019	10.00	4.6	6.50	1.1
Apr 2019	10.00	4.8	6.50	1.3
May 2019	10.00	4.9	6.50	1.4
Jun 2019	10.00	5.0	6.50	1.5
Jul 2019	10.00	4.9	6.50	1.4
Aug 2019	10.00	4.7	6.50	1.2
Sep 2019	10.00	4.7	6.50	1.2
Oct 2019	10.00	4.6	6.50	1.1
Nov 2019	10.00	4.6	6.50	1.1
Dec 2019	10.00	4.6	6.50	1.1

Source: IRESS, Investec



Figure 19: Exchange rate history and forecast, annual averages

	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>EURUSD</b>	1.11	1.11	1.10	1.16	1.18	1.20	1.22	1.24	1.25
<b>EURGBP</b>	0.73	0.82	0.85	0.86	0.86	0.86	0.87	0.87	0.87
<b>GBPEUR</b>	1.38	1.22	1.18	1.17	1.17	1.17	1.15	1.15	1.14
<b>GBPUSD</b>	1.53	1.36	1.29	1.35	1.38	1.40	1.41	1.42	1.43
<b>USDJPY</b>	121	109	110	106	105	106	107	107	107
<b>EURJPY</b>	134	120	120	122	124	127	131	133	134
<b>GBPJPY</b>	185	147	141	143	145	148	151	152	153
<b>EURCHF</b>	1.07	1.09	1.10	1.13	1.14	1.16	1.17	1.16	1.15
<b>USDCHF</b>	0.96	0.98	1.00	0.98	0.96	0.97	0.96	0.94	0.92
<b>GBPCHF</b>	1.47	1.33	1.29	1.32	1.33	1.35	1.35	1.33	1.32
<b>AUDUSD</b>	0.75	0.75	0.76	0.77	0.77	0.78	0.79	0.81	0.82
<b>EURAUD</b>	1.49	1.49	1.44	1.51	1.53	1.53	1.54	1.53	1.52
<b>AUDJPY</b>	90	81	83	81	81	83	85	87	88
<b>GBPAUD</b>	2.05	1.82	1.70	1.76	1.79	1.79	1.78	1.75	1.74
<b>ZARUSD</b>	12.76	14.68	13.18	13.24	12.26	11.69	11.81	12.28	12.88
<b>ZARGBP</b>	19.48	19.92	16.76	17.28	16.83	16.30	16.66	17.43	18.41
<b>ZAREUR</b>	14.15	16.26	14.61	15.32	14.49	13.97	14.44	15.22	16.09
<b>JPYZAR</b>	9.48	7.33	8.41	8.00	8.56	9.09	9.06	8.72	8.31
<b>ZARCHF</b>	13.26	14.93	13.39	13.57	12.72	12.06	12.37	13.13	13.99
<b>ZARAUD</b>	9.58	10.93	9.98	10.18	9.44	9.12	9.36	9.94	10.56

Source: IRESS, Investec



Figure 19: Exchange rate history and forecast, annual averages continued

	2017				2018				2019			
	Q1.17	Q2.17	Q3.17	Q4.17	Q1.18	Q2.18	Q3.18	Q4.18	Q1.19	Q2.19	Q3.19	Q4.19
<b>EURUSD</b>	1.07	1.09	1.13	1.14	1.15	1.16	1.16	1.17	1.18	1.18	1.18	1.19
<b>EURGBP</b>	0.86	0.87	0.88	0.88	0.88	0.89	0.89	0.89	0.88	0.86	0.86	0.85
<b>GBPEUR</b>	1.17	1.15	1.13	1.13	1.13	1.13	1.13	1.12	1.14	1.16	1.17	1.18
<b>GBPUSD</b>	1.24	1.26	1.28	1.29	1.30	1.31	1.31	1.31	1.34	1.37	1.38	1.39
<b>USDJPY</b>	114	112	111	109	107	106	106	105	105	105	105	105
<b>EURJPY</b>	121	122	125	124	123	122	122	123	124	124	124	124
<b>GBPJPY</b>	141	141	142	141	139	138	138	138	141	141	144	145
<b>EURCHF</b>	1.07	1.08	1.10	1.12	1.13	1.13	1.13	1.13	1.13	1.14	1.14	1.14
<b>USDCHF</b>	1.00	0.99	0.97	0.98	0.98	0.98	0.97	0.97	0.97	0.96	0.97	0.97
<b>GBPCHF</b>	1.25	1.25	1.25	1.26	1.27	1.28	1.27	1.27	1.27	1.29	1.33	1.33
<b>AUDUSD</b>	0.76	0.76	0.76	0.76	0.77	0.77	0.77	0.77	0.77	0.77	0.77	0.77
<b>EURAUD</b>	1.41	1.44	1.49	1.50	1.50	1.50	1.51	1.51	1.52	1.53	1.53	1.53
<b>AUDJPY</b>	86	85	84	83	82	82	81	81	81	81	81	81
<b>GBPAUD</b>	1.64	1.66	1.69	1.70	1.70	1.69	1.70	1.70	1.70	1.75	1.78	1.79
<b>ZARUSD</b>	13.22	13.19	13.00	13.30	13.65	13.45	13.10	12.75	12.40	12.10	12.21	12.21
<b>ZARGBP</b>	16.35	16.85	16.65	17.18	17.71	17.55	17.14	16.73	16.67	16.60	16.60	16.81
<b>ZAREUR</b>	14.08	14.52	14.68	15.16	15.63	15.53	15.20	14.92	14.63	14.28	14.41	14.41
<b>JPYZAR</b>	8.54	8.39	8.53	8.20	7.84	7.88	8.05	8.24	8.47	8.68	8.61	8.61
<b>ZARCHF</b>	13.18	13.41	13.36	13.60	13.89	13.75	13.45	13.20	12.89	12.52	12.61	12.61
<b>ZARAUD</b>	10.03	9.92	9.86	10.11	10.44	10.36	10.09	9.82	9.55	9.32	9.39	9.39

Source: IRES



Figure 19: Exchange rate history and forecast, annual averages continued

	2020				2021				2022			
	Q1.20	Q2.20	Q3.20	Q4.20	Q1.21	Q2.21	Q3.21	Q4.21	Q1.22	Q2.22	Q3.22	Q4.22
<b>EURUSD</b>	1.19	1.19	1.20	1.20	1.21	1.22	1.23	1.23	1.24	1.24	1.24	1.24
<b>EURGBP</b>	0.86	0.86	0.86	0.86	0.86	0.87	0.87	0.87	0.87	0.87	0.87	0.87
<b>GBPEUR</b>	1.17	1.17	1.17	1.17	1.17	1.16	1.15	1.15	1.15	1.15	1.15	1.15
<b>GBPUSD</b>	1.39	1.39	1.40	1.40	1.41	1.41	1.41	1.41	1.42	1.42	1.42	1.42
<b>USDJPY</b>	106	106	106	106	107	107	107	107	107	107	107	107
<b>EURJPY</b>	126	126	126	127	128	129	131	132	132	133	133	133
<b>GBPJPY</b>	147	147	147	148	150	151	151	151	151	152	152	152
<b>EURCHF</b>	1.15	1.15	1.15	1.16	1.16	1.16	1.17	1.17	1.17	1.17	1.17	1.15
<b>USDCHF</b>	0.97	0.97	0.97	0.97	0.97	0.96	0.96	0.95	0.95	0.94	0.94	0.93
<b>GBPCHF</b>	1.34	1.34	1.35	1.36	1.36	1.35	1.35	1.34	1.34	1.33	1.33	1.32
<b>AUDUSD</b>	0.78	0.78	0.78	0.78	0.78	0.79	0.79	0.79	0.80	0.80	0.81	0.81
<b>EURAUD</b>	1.53	1.53	1.53	1.54	1.54	1.53	1.54	1.56	1.54	1.55	1.53	1.53
<b>AUDJPY</b>	83	83	83	83	83	85	85	85	86	86	87	87
<b>GBPAUD</b>	1.78	1.78	1.78	1.79	1.79	1.78	1.78	1.78	1.76	1.78	1.75	1.75
<b>ZARUSD</b>	11.95	11.80	11.80	11.60	11.40	11.70	11.80	11.85	11.90	12.00	12.20	12.40
<b>ZARGBP</b>	16.61	16.40	16.40	16.24	15.96	16.50	16.64	16.71	16.78	17.04	17.32	17.61
<b>ZAREUR</b>	14.22	14.04	14.04	13.92	13.68	14.16	14.40	14.58	14.64	14.88	15.13	15.38
<b>JPYZAR</b>	8.87	8.98	8.98	9.14	9.39	9.15	9.07	9.03	8.99	8.92	8.77	8.63
<b>ZARCHF</b>	12.37	12.16	12.16	11.96	11.75	12.19	12.29	12.47	12.53	12.77	12.98	13.30
<b>ZARAUD</b>	9.32	9.20	9.20	9.05	8.89	9.24	9.32	9.36	9.52	9.60	9.88	10.04

Source: IRES



## Week Ahead: Trade data likely to confirm subdued domestic demand amid depressed consumer and business confidence

28<sup>th</sup> July 2017



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28<sup>th</sup> July 2017

