



### Table of contents for week ahead:

### Pages

#### The Rand

Forex commentary	.....	2
Purchasing Power Parity of the ZAR/USD	.....	2
Scenarios quantitative	.....	3
Scenarios qualitative	.....	3
Foreign portfolio flows	.....	4
Rand vs Economist metals' price index	.....	4
Trading range	.....	2

#### Release dates and commentary

SA MPC meetings for 2018	.....	1
Table of international and local economic data releases	.....	5
Commentary on international data releases	.....	6&7
Commentary on South African data releases	.....	9&10

#### Forecasts for inflation rates, interest rates and exchange rates

International interest rates	.....	8
SA interest rate forecast	.....	13
Exchange rates	.....	14-16
SA CPI inflation	.....	11&12

**Figure 1: SA Monetary Policy Committee (MPC) meeting dates for 2018**

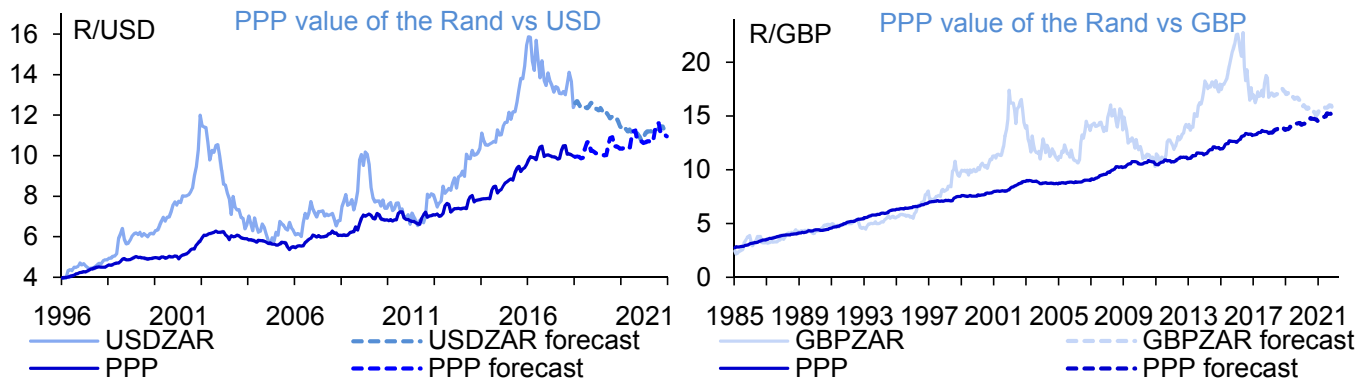
Month	Date	Forecast
September 2018	18 <sup>th</sup> – 20 <sup>th</sup>	6.50
November 2018	20 <sup>th</sup> – 22 <sup>nd</sup>	6.50

Source: SA Reserve Bank, Investec Annabel Bishop



**Currency outlook for the week ahead and foreign portfolio flows:**

**Figure 2: Purchasing price parity value of the rand**

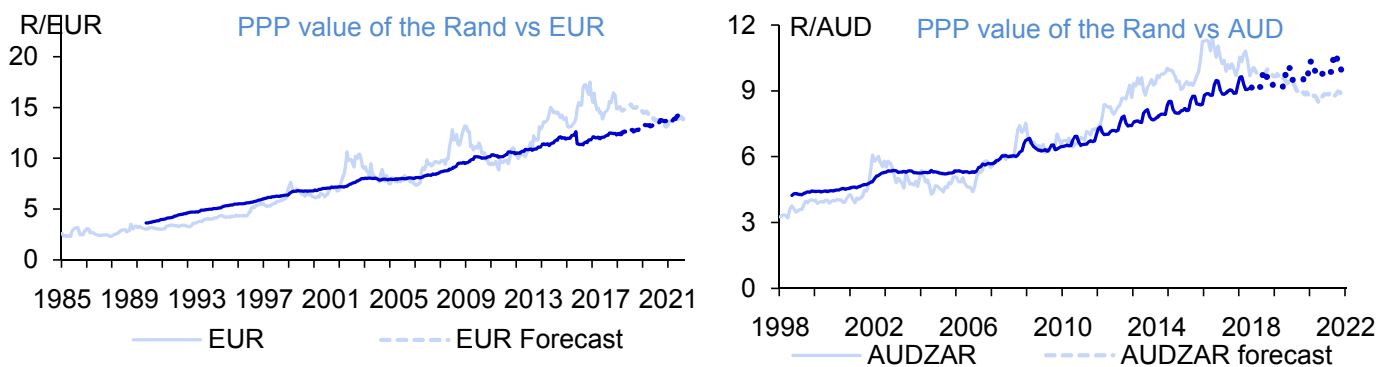


Source: IRESS, Investec Annabel Bishop

The domestic currency gained some momentum earlier this week, buoyed by positive news from President Ramaphosa that China has committed \$14.7bn worth of funds for investment in South Africa. The rand maintained this appreciated stance as the week progressed on the back of a weaker greenback, and has been one of the best performers among a basket of 24 emerging market currencies over the past five days.

In the week ahead, the rand is expected to trade in a range of R12.90 /USD – R13.50/USD, R15.10/EUR - R15.70/EUR and R17.05/GBP - R17.65/GBP.

**Figure 3: Purchasing price parity value of the rand**



Source: IRESS, Investec Annabel Bishop



Figure 4: Economic Scenarios – note updated probabilities

		Q1.18	Q2.18	Q3.18	Q4.18	Q1.19	Q2.19	Q3.19	Q4.19
Extreme Up case <b>1%</b>	Rand/USD (average)	11.96	12.55	10.75	10.00	9.50	9.00	8.60	7.90
	Repo rate (end rate)	6.50	6.50	6.00	5.50	5.25	5.00	5.00	5.00
	Fast, sustainable <b>economic growth of 5.0-7.0% y/y plus</b> . SA sees change in political will with growth creating economic reforms in line with global norms that structurally lift private sector investor confidence and so fixed investment. <b>Global growth boom</b> (including commodities), SA export and domestic growth boom lifts employment and incomes to the degree that poverty is eliminated (individuals obtain title deeds to land they live on (EWC) without disruption to economy). Fiscal consolidation, <b>credit rating upgrades to A grade</b> .								
Up case <b>10%</b>	Rand/USD (average)	11.96	12.55	11.15	10.70	10.50	10.50	10.30	10.25
	Repo rate (end rate)	6.50	6.50	6.25	6.00	5.50	5.50	5.25	5.25
	<b>Persistent growth of 3.0 – 5.0%</b> , higher probability of extreme up case. <b>Better governance</b> , growth creating reforms in line with global norms (structural constraints are overcome) and greater socio-economic stability, individuals obtain title deeds to land they live on (EWC) without disruption to economy. High business confidence, fixed investment growth in double digits, substantial FDI inflows, 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>45%</b>	Rand/USD (average)	11.96	12.55	13.20	12.70	12.50	12.30	12.35	12.25
	Repo rate (end rate)	6.50	6.50	6.50	6.50	7.00	7.00	7.00	7.00
	<b>Annual growth rate of 2.0% y/y reached by 2019, 3.0% y/y by 2024</b> . Higher confidence and investment levels than past decade, limited impact of EWC/expropriation without compensation (to abandoned and unused land of government and agricultural sector – individuals are new owners and receive title deeds). Rand structurally stronger, returns to PPP by 2020. <b>SA retains one investment grade (Moody's) rating on its local currency 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>30%</b>	Rand/USD (average)	11.96	12.55	15.00	15.90	17.00	17.90	18.60	19.60
	Repo rate (end rate)	6.50	6.50	7.00	7.50	8.00	8.50	8.50	8.50
	Partial expropriation of (certain groups') private commercial sector property (including productive land) without compensation, plus wide scale land grabs, title deeds not transferred to individuals. <b>Confidence and investment depressed</b> , marked rand weakness, significant strike action and load shedding. <b>SA sub-investment grade</b> , increased chance of further credit downgrades. <b>Faster than expected global monetary policy normalisation, global sharp economic slowdown (commodity slump), escalation of US-China trade war, short global financial crisis (SA V shaped recession)</b> .								
Extreme down case <b>14%</b>	Rand/USD (average)	11.96	12.55	15.50	17.00	19.00	21.00	22.80	24.00
	Repo rate (end rate)	6.50	6.50	8.50	10.50	14.00	16.50	18.00	21.00
	Wide scale expropriation of private sector property (assets and land) rights without compensation with state as custodian. <b>Credit ratings junk &amp; sovereign debt default - state bankruptcy/failed state</b> . Partial to no payment of public sector employees' wages and social grants, persistent government services outages and rolling mass strike action, civil unrest/war. <b>Global economy falls into recession, severe global trade war, severe lengthy global financial crisis, SA economic depression</b> .								

**Note:** Event risk begins Q3.18. Source: IRESS, Investec Annabel Bishop



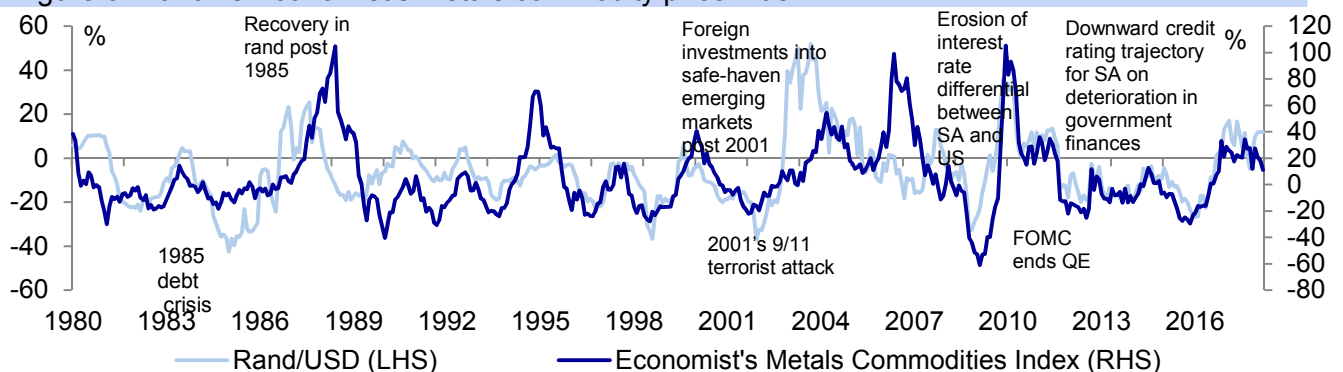
Figure 5: Net foreign portfolio flows for SA assets

Week	Equities (Rbn)	Bonds (Rbn)	Total (Rbn)
23 <sup>rd</sup> July – 26 <sup>th</sup> July	-0.9	3.8	2.9
16 <sup>th</sup> – 20 <sup>th</sup> July	-1.1	1.5	0.4
9 <sup>th</sup> July – 13 <sup>th</sup> July	-0.9	1.0	0.1
2 <sup>nd</sup> July – 6 <sup>th</sup> July	-1.9	0.2	-1.7
25 <sup>th</sup> June – 29 <sup>th</sup> June	11.1	-1.8	9.3
18 <sup>th</sup> June – 22 <sup>nd</sup> June	-2.0	-11.6	-13.7
11 <sup>th</sup> June – 15 <sup>th</sup> June	-3.3	-1.0	-4.3
4 <sup>th</sup> June – 8 <sup>th</sup> June	-0.6	-15.5	-16.4
28 <sup>th</sup> May – 1 <sup>st</sup> June	-6.2	-5.5	-11.6
21 <sup>st</sup> May – 25 <sup>th</sup> May	-1.5	1.0	-0.5
14 <sup>th</sup> May – 18 <sup>th</sup> May	-10.5	-13.2	-23.7
Month			
June 2018	4.5	-31.4	-26.9
May 2018	-20.7	-31.7	-52.4
April 2018	7.6	-5.0	2.6
March 2018	-0.3	4.3	3.9
February 2018	14.4	7.6	22.0
January 2018	10.6	-7.0	3.6
December 2017	31.0	-4.6	26.4
November 2017	2.4	-14.3	-12.0
October 2017	9.1	-13.7	-4.6
September 2017	-24.7	17.8	-6.8
August 2017	-1.9	-2.4	-4.3
July 2017	10.8	8.1	18.9
June 2017	-19.1	-6.4	-25.5

Note: Data subject to frequent revisions

Source: IRESS

Figure 6: Rand vs Economist's metals commodity price index



Source: IRESS, Investec



### Data releases in the week ahead

Figure 7: Economic data releases for this week

Date	Country	Indicator	Month	Forecast	Previous
30/07/18	SA	Money Supply M3	Jun		5.73% y/y
		Private Sector Credit Extension	Jun	4.8% y/y	4.56% y/y
		SA Budget	Jun		-17.7bn
	US	Pending Home Sales	Jun		-2.8% y/y
	Eurozone	Consumer Confidence	Jul	-0.6	-0.6
31/07/2018	SA	SA Unemployment	Q2.18	26.5%	26.7%
		Trade Balance	Jun	5.0bn	3.5bn
	US	PCE Core	Jun	2.0% y/y	2.0% y/y
		Personal Income	Jun	0.4%	0.4%
		Personal Spending	Jun	0.5%	0.2%
	Eurozone	Unemployment Rate	Jun	8.3%	8.4%
		CPI Estimate	Jul	2.0% y/y	2.0% y/y
01/08/18		Advance GDP SA	Q2.18	0.5% q/q	0.4% q/q
	SA	Manufacturing PMI	Jul	48.5	47.9
		Vehicle Sales	Jul	2.0% y/y	3.0% y/y
	US	MBA Mortgage Applications	Jul 27		-0.2%
		Construction Spending	Jun	0.3% m/m	0.4% m/m
		ISM Manufacturing	Jul	59.2	60.2
		FOMC Rate Decision (Upper Bound)	Aug 1	2.00%	2.00%
		FOMC Rate Decision (Lower Bound)	Aug 1	1.75%	1.75%
		Wards Total Vehicle Sales	Jul		17.38m
	Eurozone	Manufacturing PMI	Jul	55.1	55.1
02/08/18	SA	Electricity Production	Jun		-0.8% y/y
		Electricity Consumption	Jun		0.2% y/y
	US	Challenger Job Cuts	Jul		19.6% y/y
		Initial Jobless Claims	Jul 28		217k
		Continuing Claims	Jul 21		1745k
		Factory Orders	Jul	1.7%	0.4%
		Durable Goods Orders	Jul		1.0%
		Cap Goods Orders Nondef Ex Air	Jun		0.6%
		Cap Goods Ship Nondef Ex Air	Jun		1.0%
	Eurozone	PPI	Jun	3.4% y/y	3.0% y/y
03/08/18	US	Trade Balance	Jun	-\$44.6bn	-\$43.1bn
		Change in nonfarm Payrolls	Jul	190k	213k
		Unemployment Rate	Jul	3.9%	4.0%
		Average hourly earnings	Jul	2.7% y/y	2.7% y/y
		Labour Force Participation Rate	Jul		62.9%
		ISM Non-Manf. Composite	Jul	58.6	59.1
	Eurozone	Retail Sales	Jun		1.4% y/y

Source: Bloomberg

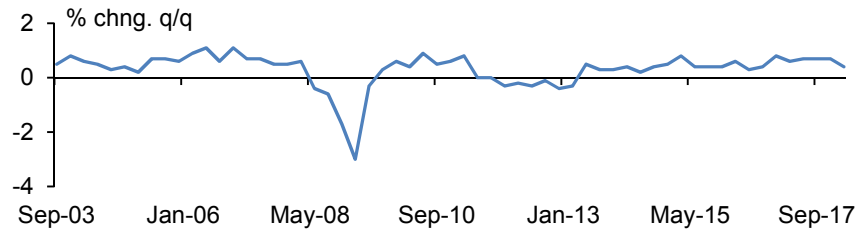
Note: sa – seasonally adjusted, nsa – not seasonally adjusted



**International section**

written by Philip Shaw (PS)/ Victoria Clarke (VC)/ Ryan Djajasaputra (RD)/George Brown (GB).

**Figure 8: Eurozone Preliminary GDP**



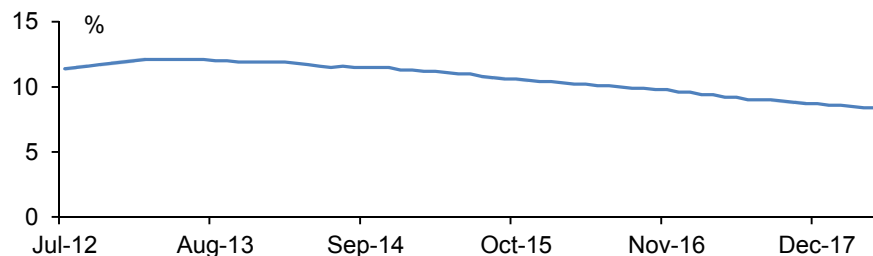
Source: Bloomberg

(GB) Expectations heading into Wednesday’s trade summit between Donald Trump and European Commission Chief Jean-Claude Juncker were not particularly high. Markets were therefore pleasantly surprised that the two leaders had agreed that the US and EU would start talks on reducing bilateral trade barriers and pledged to not raise tariffs as long as such dialogue was ongoing. Equities rallied on the back of the joint announcement.

Though Thursday’s ECB decision saw no changes to policy as expected, the euro weakened more than half a cent to \$1.1660 after President Mario Draghi reiterated that rates would remain unchanged through the summer of 2019, disappointing some speculation that he may open the door to an earlier hike. In terms of data next week, the key Eurozone release will be the ‘preliminary flash’ Q2.18 GDP release on Tuesday, which we expect to show that growth has firmed from +0.4% q/q to +0.5% q/q. Published alongside this will be the flash HICP figures for July and the unemployment rate for June, with the final PMIs for July released later on in the week.

Domestically, the House of Commons rose for its summer recess earlier this week after a tumultuous few weeks. When MPs return in September, Mrs May will face the challenge of pushing contentious Brexit legislation through the Commons, a more difficult prospect after her majority was eroded by the suspension of the DUP’s Ian Paisley Jr. Though he now faces the prospect of a by-election, the opposition may similarly do so after Labour MP Fiona Onasanya was charged with perverting the course of justice. While Mr Paisley’s seat is relatively safe, Ms Onasanya’s is marginal, opening the door for the Conservatives to wrestle back control of it in the event of a by-election.

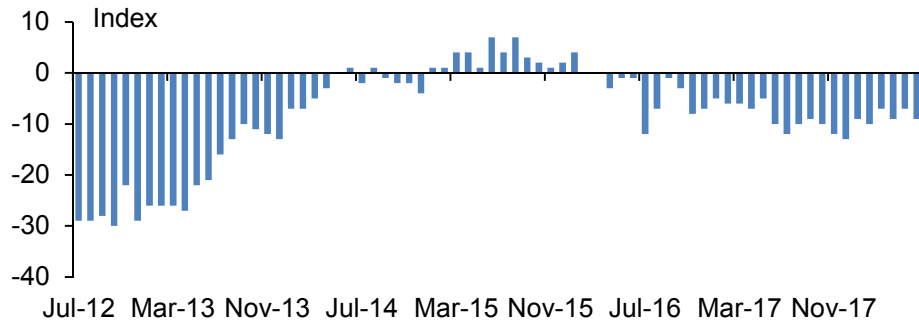
**Figure 9: Eurozone Unemployment Rate**



Source: Bloomberg



Figure 10: GfK Consumer Confidence



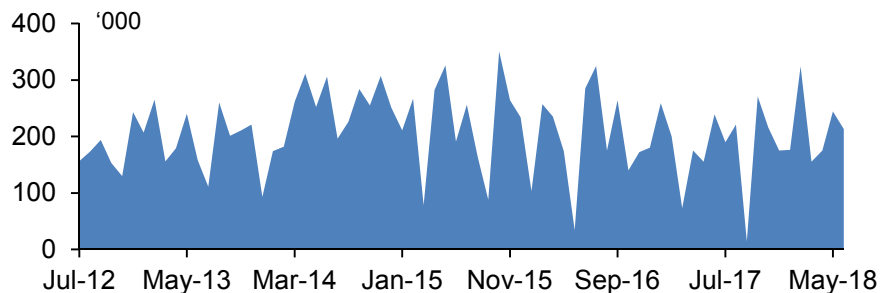
Source: Bloomberg

Highlights of the UK data calendar next week include Bank of England net mortgage lending and consumer credit figures, GfK consumer confidence and the various PMIs. Still, the main event will be on Thursday when the Monetary Policy Committee will announce its rate decision alongside updated economic forecasts published within the Inflation Report (IR). With the economy having evolved broadly in line with the May IR projections, we expect policymakers to vote 8-1 in favour of a 25bp hike to 0.75%, with Sir Jon Cunliffe acting as the sole source of dissent.

In terms of US markets, next week's sentiment will probably be set by today's GDP print. This looks set to show that growth has firmed to the strongest annualised pace seen in any quarter for a number of years. Though this should make the FOMC more confident in pushing on with a gradual path of policy hikes, we expect the committee to stand pat on Wednesday. Data releases next week include PCE inflation, ISM numbers and consumer confidence. Capping off the week will be Friday's jobs report, which we expect will show a 195k payroll gain with the unemployment rate falling from 4.0% to 3.9%.

Over in Asia, fixed income traders will no doubt be keeping a close eye on the Bank of Japan's announcement amid reports that suggest the central bank is considering tweaking its asset purchase programme and/or wider policy toolkit. Such speculation has seen a broad-based rise in 10-year sovereign yields, with 10-year Treasuries testing 3.00% and Bunds back at 0.40%. Data releases include the PMIs for China as well as Japanese industrial production.

Figure 11: US – change in non-farm payrolls



Source: Bloomberg



**Global forecasts**

**Figure 12: 10-year government bond yields (% , end-quarter):**

	US	Germany	UK
Current	2.89	0.36	1.27
2018			
Q2	2.90	0.40	1.30
Q4	3.25	1.00	2.00
2019			
Q2	3.25	1.25	2.25
Q4	3.25	1.50	2.25

Source: Reuters, Investec UK

**Figure 13: Key official interest rates (% , end quarter)**

	US Fed funds	Eurozone refi rate	Eurozone deposit rate	UK Bank rate	Australia cash rate
Current	1.75-2.00	0.00	-0.40	0.50	1.50
2018					
Q1	1.50-1.75	0.00	-0.40	0.50	1.50
Q2	1.75-2.00	0.00	-0.40	0.75	1.50
Q3	2.00-2.25	0.00	-0.40	0.50	1.50
Q4	2.25-2.50	0.00	-0.40	0.75	1.50
2019					
Q1	2.50-2.75	0.00	-0.40	0.75	1.75
Q2	2.75-3.00	0.00	-0.40	1.00	1.75
Q3	2.75-3.00	0.00	-0.20	1.00	2.00
Q4	2.75-3.00	0.25	0.00	1.25	2.00
End year					
2020	2.75-3.00	0.75	0.50	1.50	2.50

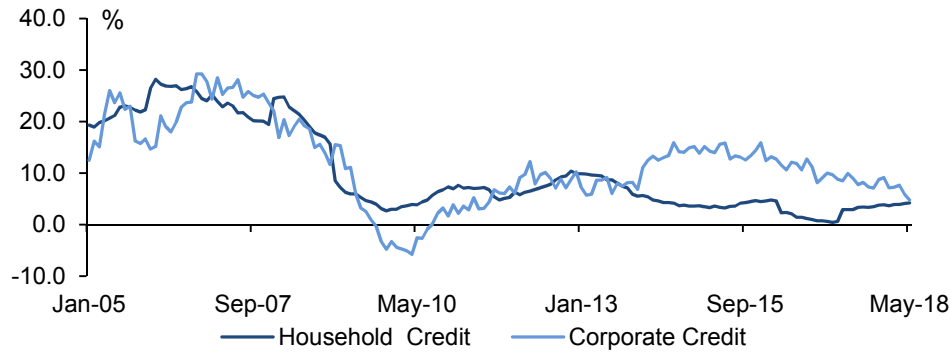
Source: Reuters, Investec UK





South Africa section

Figure 14: Household and Corporate Credit Growth



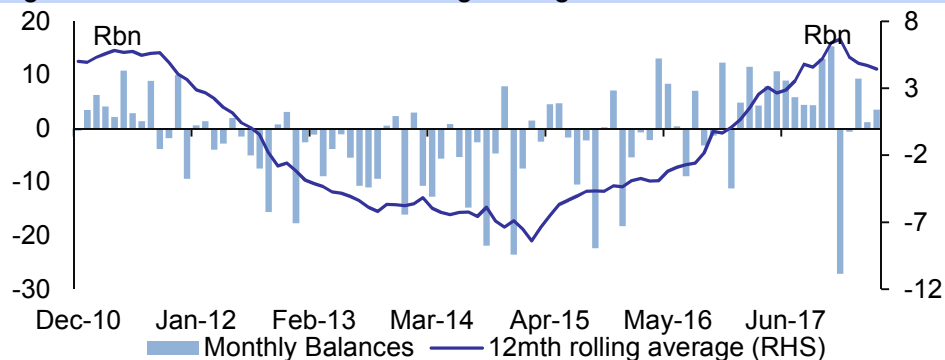
Source: Stats SA

Next week is packed with local data releases, which should provide us with further insight into the pace of domestic activity.

Growth in private sector credit extension (PSCE) should remain muted at around 4.8% y/y in June, marginally up on May's 4.6% y/y. Although lacklustre growth has been prevalent in both categories of borrowers (households and corporates), the main restraining influence on PSCE growth has been the corporate sector, which has slowed so far this quarter, primarily on the back of a marked decline in unsecured lending. The weak economic growth backdrop, along with persistently depressed business confidence and declining investment rates, have contributed to the dampened corporate demand for credit.

We anticipate a larger trade surplus in June, in the region of R5.0bn, following May's surplus of R3.5bn. This estimate is underpinned by a likely continued rise in exports for the month, albeit at a slower pace, following May's 16.0% jump. Additionally we are anticipating a rise in the value of imports, but at a slower rate than May's 13.5% lift, as the weaker rand exchange rate continues to intensify pricing pressures from imports.

Figure 15: Trade Balance and rolling average

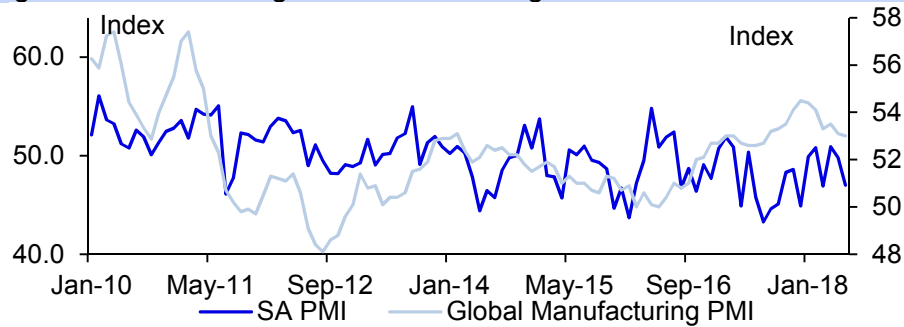


Source: Stats SA



South Africa section

Figure 16: SA versus global manufacturing PMI



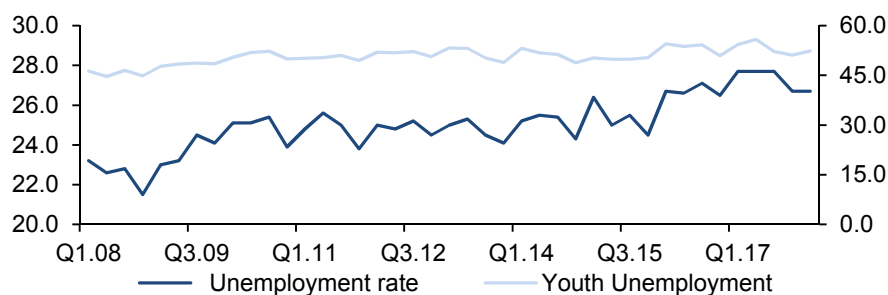
Source: Stats SA

The PMI reading for July will provide some insight into conditions in the manufacturing sector at the start of the third quarter. We are expecting the gauge to move up from June’s reading of 47.9, but still remain below the 50.0 neutral-level for the third month in a row. This is in line with global trends, with June’s global manufacturing growth at an 11-month low. According to Markit, “(o)utput and new order growth slowed and the rate of increase in new export business slipped closer to stagnation”. Details of the PMI survey are likely to continue to reflect the cost burden on manufacturers associated with rand weakness, higher fuel prices and other administered overheads.

Statistics South Africa’s quarterly labour force survey for Q2.18 is likely to see the unemployment rate entrenched above 25.0%. The subdued nature of economic growth implies that unemployment for Q2.18 is likely to be similar to Q1.18’s result. The industrial sector of the economy contracted in Q1.18, and lackluster production updates so far in Q2.18 do not bode well for a meaningful recovery in industrial employment levels.

We expect new car sales to moderate to around 2.0% y/y in July, from June’s figure of 3.0% y/y, which was above industry expectations. Imported cost pressures, coupled with rising fuel costs and other consumer taxes could impede any notable lift in new vehicle growth this year. We anticipate a further dip in export sales in July, after June’s 15.2% y/y fall. That is, according to NAAMSA, “(t)he industry’s export performance was likely to be affected by current protectionist policies in the United States which had increased the risk of a global trade war and this could impact on international trade flows, including vehicle exports”.

Figure 17: Unemployment Rate Trend



Source: Stats SA



Figure 18: 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	103.2	4.6	0.3		
Aug 2017	103.3	4.8	0.1		
Sep 2017	103.8	5.1	0.5	4.8	
Oct 2017	104.1	4.8	0.3		
Nov 2017	104.2	4.6	0.1		
Dec 2017	104.7	4.7	0.5	4.7	2017 5.3
Jan 2018	105.0	4.4	0.3		
Feb 2018	105.8	4.0	0.8		
Mar 2018	106.2	3.8	0.4	4.1	
Apr 2018	107.0	4.5	0.8		
May 2018	107.2	4.4	0.6		
Jun 2018	107.6	4.6	0.4	4.5	
Jul 2018	108.2	4.9	0.6		
Aug 2018	108.7	5.3	0.5		
Sep 2018	109.1	5.1	0.4	5.1	
Oct 2018	109.5	5.2	0.4		
Nov 2018	109.9	5.4	0.3		
Dec 2018	110.2	5.3	0.3	5.3	2018 4.8
Jan 2019	111.0	5.7	0.7		
Feb 2019	111.5	5.4	0.5		
Mar 2019	112.4	5.9	0.8	5.7	
Apr 2019	112.9	5.5	0.4		
May 2019	113.1	5.5	0.2		
Jun 2019	113.3	5.3	0.2	5.4	
Jul 2019	113.9	5.2	0.5		
Aug 2019	114.4	5.2	0.4		
Sep 2019	114.8	5.2	0.4	5.2	
Oct 2019	115.2	5.1	0.3		
Nov 2019	115.5	5.1	0.3		
Dec 2019	115.8	5.1	0.3	5.1	2019 5.4

Source: Stats SA, Investec Annabel Bishop



**Figure 18: CPI forecast averages**

Date	Index Base 2010	Annual y/y	Monthly m/m	Quarterly y/y	Calendar year y/y
Jan 2020	116.4	4.9	0.5		
Feb 2020	117.5	5.3	0.9		
Mar 2020	117.9	4.9	0.4	5.0	
Apr 2020	118.2	4.7	0.2		
May 2020	118.6	4.9	0.4		
Jun 2020	119.0	5.0	0.3	4.9	
Jul 2020	119.8	5.2	0.7		
Aug 2020	120.1	5.0	0.2		
Sep 2020	120.6	5.0	0.4	5.1	
Oct 2020	120.8	4.9	0.2		
Nov 2020	121.3	5.0	0.4		
Dec 2020	121.6	5.0	0.3	5.0	2020 5.0
Jan 2021	122.3	5.1	0.6		
Feb 2021	123.5	5.2	1.0		
Mar 2021	124.0	5.2	0.4	5.1	
Apr 2021	124.4	5.3	0.3		
May 2021	124.9	5.3	0.4		
Jun 2021	125.2	5.2	0.2	5.2	
Jul 2021	126.2	5.3	0.8		
Aug 2021	126.9	5.7	0.6		
Sep 2021	127.4	5.7	0.4	5.6	
Oct 2021	127.8	5.8	0.3		
Nov 2021	128.1	5.6	0.2		
Dec 2021	128.4	5.6	0.3	5.7	2021 5.4

Source: Stats SA, Investec Annabel Bishop



**Figure 19: 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	5.7	6.75	2.2
Aug 2017	10.25	5.5	6.75	2.0
Sep 2017	10.25	5.2	6.75	1.7
Oct 2017	10.25	5.4	6.75	1.9
Nov 2017	10.25	5.6	6.75	2.1
Dec 2017	10.25	5.6	6.75	2.1
Jan 2018	10.25	5.9	6.75	2.4
Feb 2018	10.25	6.2	6.75	2.7
Mar 2018	10.00	6.2	6.50	2.7
Apr 2018	10.00	5.5	6.50	2.0
May 2018	10.00	5.6	6.50	2.1
Jun 2018	10.00	5.4	6.50	1.9
Jul 2018	10.00	5.1	6.50	1.6
Aug 2018	10.00	4.7	6.50	1.2
Sep 2018	10.00	4.9	6.50	1.4
Oct 2018	10.00	4.8	6.50	1.3
Nov 2018	10.00	4.6	6.50	1.1
Dec 2018	10.00	4.7	6.50	1.2
Jan 2019	10.25	4.6	6.75	1.1
Feb 2019	10.25	4.8	6.75	1.3
Mar 2019	10.50	4.6	7.00	1.1
Apr 2019	10.50	5.0	7.00	1.5
May 2019	10.50	5.0	7.00	1.5
Jun 2019	10.50	5.2	7.00	1.7
Jul 2019	10.50	5.3	7.00	1.8
Aug 2019	10.50	5.3	7.00	1.8
Sep 2019	10.50	5.3	7.00	1.8
Oct 2019	10.50	5.4	7.00	1.9
Nov 2019	10.50	5.4	7.00	1.9
Dec 2019	10.50	5.4	7.00	1.9

Source: IRESS, Investec Annabel Bishop



Figure 20: **Exchange rate history and forecast: annual averages**

	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>EURUSD</b>	1.11	1.11	1.13	1.21	1.26	1.26	1.25	1.25	1.25
<b>EURGBP</b>	0.73	0.82	0.88	0.87	0.88	0.90	0.90	0.90	0.89
<b>GBPEUR</b>	1.38	1.22	1.14	1.14	1.14	1.12	1.12	1.12	1.12
<b>GBPUSD</b>	1.53	1.36	1.29	1.39	1.43	1.41	1.39	1.39	1.40
<b>USDJPY</b>	115	114	112	107	104	105	106	107	107
<b>EURJPY</b>	128	127	127	130	131	132	133	133	134
<b>GBPJPY</b>	176	155	145	149	149	148	148	149	150
<b>EURCHF</b>	1.09	1.07	1.11	1.19	1.23	1.22	1.21	1.21	1.19
<b>USDCHF</b>	0.98	0.97	0.98	0.98	0.97	0.96	0.96	0.95	0.95
<b>GBPCHF</b>	1.49	1.31	1.27	1.36	1.39	1.36	1.34	1.32	1.33
<b>AUDUSD</b>	0.75	0.75	0.77	0.78	0.78	0.76	0.79	0.78	0.78
<b>EURAUD</b>	1.49	1.49	1.47	1.55	1.61	1.66	1.59	1.60	1.60
<b>AUDJPY</b>	86	85	86	84	81	80	83	83	83
<b>GBPAUD</b>	2.05	1.82	1.68	1.77	1.83	1.86	1.78	1.79	1.79
<b>ZARUSD</b>	12.76	14.68	13.30	12.63	12.35	11.98	11.76	12.10	12.53
<b>ZARGBP</b>	19.48	19.92	17.13	17.53	17.68	16.89	16.40	16.87	17.54
<b>ZAREUR</b>	14.15	16.26	15.03	15.32	15.56	15.13	14.70	15.13	15.66
<b>JPYZAR</b>	9.48	7.33	8.39	8.48	8.43	8.75	9.01	8.82	8.54
<b>ZARCHF</b>	13.26	14.93	13.51	12.86	12.68	12.43	12.25	12.74	13.18
<b>ZARAUD</b>	9.58	10.93	10.20	9.90	9.66	9.10	9.23	9.44	9.77

Source: IRESS, Investec Annabel Bishop



Figure 20: **Exchange rate history and forecast: annual averages**

	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	1.10	1.18	1.18	1.23	1.21	1.20	1.22	1.23	1.25	1.27	1.29
<b>EURGBP</b>	0.86	0.86	0.90	0.88	0.88	0.87	0.87	0.87	0.88	0.88	0.88	0.89
<b>GBPEUR</b>	1.16	1.16	1.11	1.13	1.13	1.15	1.15	1.15	1.14	1.14	1.14	1.13
<b>GBPUSD</b>	1.24	1.28	1.31	1.33	1.39	1.39	1.38	1.40	1.41	1.42	1.44	1.46
<b>USDJPY</b>	114	111	111	113	108	107	107	106	105	104	104	104
<b>EURJPY</b>	121	122	131	133	133	130	128	128	129	130	132	134
<b>GBPJPY</b>	141	142	145	150	151	149	148	147	147	148	150	152
<b>EURCHF</b>	1.07	1.08	1.14	1.16	1.17	1.19	1.21	1.22	1.22	1.23	1.23	1.24
<b>USDCHF</b>	1.00	0.98	0.96	0.99	0.95	0.98	1.00	1.00	0.99	0.98	0.97	0.96
<b>GBPCHF</b>	1.24	1.26	1.26	1.31	1.32	1.36	1.38	1.40	1.39	1.39	1.40	1.40
<b>AUDUSD</b>	0.76	0.75	0.79	0.77	0.79	0.77	0.79	0.79	0.79	0.79	0.78	0.78
<b>EURAUD</b>	1.41	1.47	1.49	1.53	1.56	1.56	1.53	1.54	1.56	1.59	1.63	1.66
<b>AUDJPY</b>	86	83	88	87	85	83	84	83	83	82	81	81
<b>GBPAUD</b>	1.64	1.70	1.66	1.73	1.77	1.79	1.76	1.77	1.78	1.81	1.85	1.88
<b>ZARUSD</b>	13.22	13.19	13.18	13.62	11.96	12.65	13.20	12.70	12.50	12.30	12.35	12.25
<b>ZARGBP</b>	16.35	16.85	17.22	18.08	16.65	17.54	18.21	17.74	17.57	17.47	17.82	17.86
<b>ZAREUR</b>	14.08	14.52	15.49	16.05	14.70	15.32	15.84	15.43	15.38	15.38	15.68	15.80
<b>JPYZAR</b>	8.54	8.39	8.36	8.27	9.06	8.47	8.11	8.31	8.36	8.46	8.42	8.49
<b>ZARCHF</b>	13.16	13.40	13.69	13.81	12.61	12.94	13.20	12.70	12.60	12.55	12.75	12.80
<b>ZARAUD</b>	10.02	9.90	10.41	10.47	9.41	9.80	10.36	10.03	9.88	9.66	9.63	9.49

Source: IRESS, Investec Annabel Bishop



Figure 20: **Exchange rate history and forecast: annual averages**

	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>	1.28	1.26	1.26	1.26	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
<b>EURGBP</b>	0.89	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90
<b>GBPEUR</b>	1.12	1.12	1.11	1.11	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.12
<b>GBPUSD</b>	1.44	1.41	1.40	1.39	1.39	1.39	1.39	1.39	1.39	1.39	1.39	1.39
<b>USDJPY</b>	104	105	105	105	106	106	106	106	106	107	107	107
<b>EURJPY</b>	133	132	132	132	133	133	133	133	133	134	134	134
<b>GBPJPY</b>	150	148	147	146	148	148	148	148	148	149	149	149
<b>EURCHF</b>	1.23	1.22	1.22	1.23	1.22	1.20	1.20	1.20	1.21	1.21	1.21	1.21
<b>USDCHF</b>	0.95	0.96	0.97	0.98	0.96	0.96	0.96	0.96	0.95	0.95	0.95	0.95
<b>GBPCHF</b>	1.38	1.36	1.36	1.36	1.34	1.34	1.34	1.34	1.32	1.32	1.32	1.32
<b>AUDUSD</b>	0.77	0.77	0.76	0.75	0.79	0.79	0.78	0.78	0.78	0.78	0.78	0.78
<b>EURAUD</b>	1.66	1.65	1.67	1.67	1.58	1.58	1.60	1.60	1.60	1.60	1.60	1.60
<b>AUDJPY</b>	80	80	79	79	84	84	83	83	83	83	83	83
<b>GBPAUD</b>	1.87	1.84	1.85	1.86	1.77	1.77	1.79	1.79	1.79	1.79	1.79	1.79
<b>ZARUSD</b>	12.10	12.00	11.80	11.60	11.50	11.60	11.75	11.80	11.80	12.00	12.10	12.10
<b>ZARGBP</b>	17.40	16.89	16.52	16.18	16.04	16.18	16.38	16.45	16.45	16.73	16.87	16.87
<b>ZAREUR</b>	15.49	15.12	14.87	14.56	14.38	14.50	14.69	14.75	14.75	15.00	15.13	15.13
<b>JPYZAR</b>	8.60	8.75	8.90	9.05	9.22	9.14	9.02	8.98	8.98	8.92	8.84	8.84
<b>ZARCHF</b>	12.80	12.44	12.19	11.88	11.98	12.08	12.24	12.29	12.42	12.63	12.74	12.74
<b>ZARAUD</b>	9.32	9.18	8.91	8.70	9.09	9.16	9.17	9.20	9.20	9.36	9.44	9.44

Source: IRESS, Investec Annabel Bishop



## Week Ahead: A packed week of local data releases will provide insight into the pace of domestic activity

27 July 2018



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