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

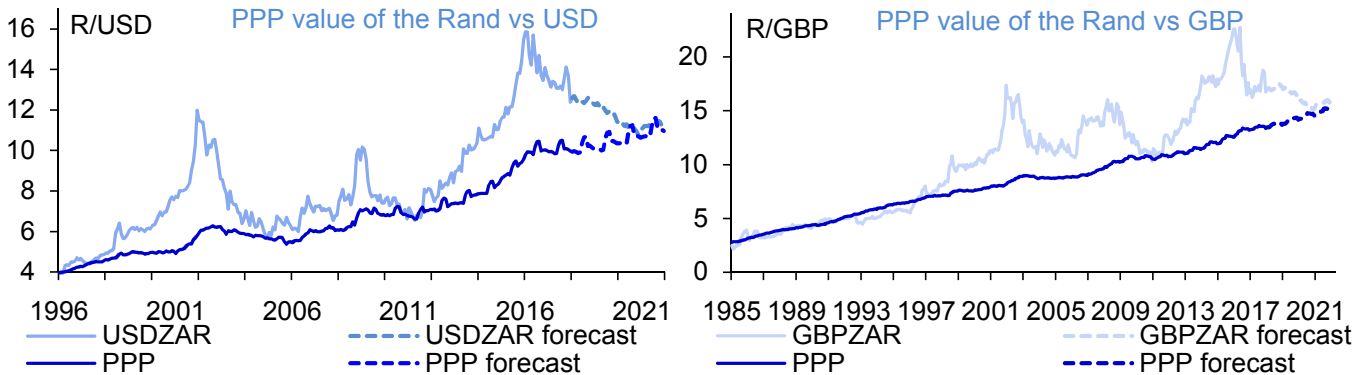
Month	Date	Forecast
May 2018	22 <sup>nd</sup> – 24 <sup>th</sup>	6.75
July 2018	17 <sup>th</sup> – 19 <sup>th</sup>	6.75
September 2018	18 <sup>th</sup> – 20 <sup>th</sup>	6.75
November 2018	20 <sup>th</sup> – 22 <sup>nd</sup>	6.75

Source: SA Reserve Bank, Investec



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

Figure 2: Purchasing price parity value of the rand



Source: Investec, IRESS

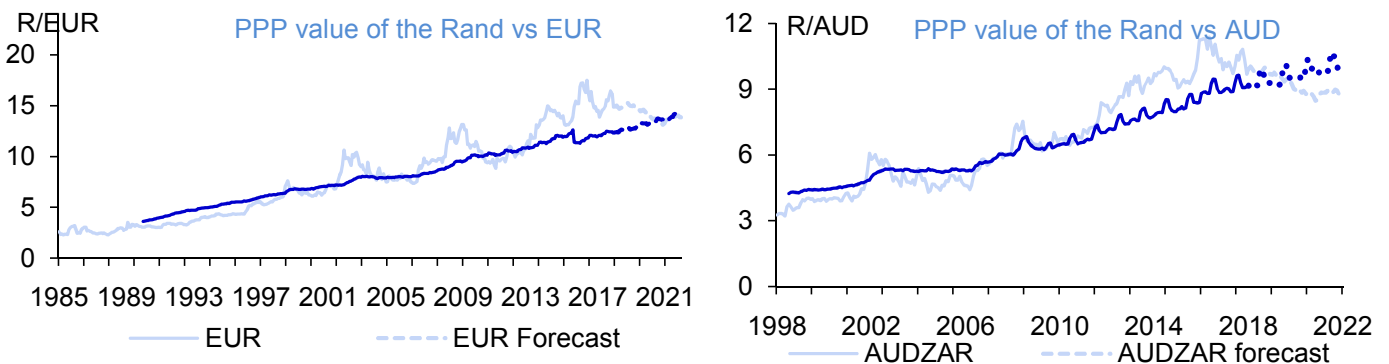
The rand commenced the week on a negative footing, continuing to trade at levels over R12.00/USD, after piercing this resistance barrier last Friday (6 April). The weakness stemmed predominantly from global events, including the imposition of sanctions against certain Russian oligarchs; President Trump’s threatening tweet to Russia, in response to Syria’s chemical attack and financial concerns in Turkey. This caused investors to turn bearish against emerging markets, putting pressure on emerging market currencies. Additionally, tensions between America and China continue, however these have abated somewhat as Chinese President Xi Jinping announced important reform initiatives to aid globalisation.

Additionally on the domestic front, the rand was also affected by concerns that the economy’s momentum has moderated somewhat after its steep rebound, following President Ramaphosa’s election as head of the ANC, with recent releases, including the Absa PMI and manufacturing data disappointing.

The domestic currency made some gains later on in the week trading back below the R12.00/USD level. However at the time of writing it had moved up again to R12:05/USD.

In the week ahead, the rand is expected to trade in a range of R11.55/USD – R12.55/USD, R14.36/EUR - R15.36/EUR and R16.70/GBP - R17.70/GBP.

Figure 3: Purchasing price parity value of the rand



Source: Investec, IRESS



Figure 4: Economic Scenarios

		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	10.75	10.00	9.50	9.00	8.60	7.90	7.60
	Repo rate (end rate)	6.50	6.00	5.50	5.25	5.00	5.00	5.00	4.50
	Fast, sustainable economic growth of 5.0-7.0% y/y plus. 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. Global growth boom (including commodities), SA export and domestic growth boom lifts employment and incomes to the degree that poverty is eliminated. Fiscal consolidation, credit rating upgrades to A grade ultimately, interest rate cuts.								
Up case <b>14%</b>	Rand/USD (average)	11.96	11.15	10.70	10.50	10.50	10.30	10.25	10.20
	Repo rate (end rate)	6.50	6.25	6.00	5.50	5.50	5.25	5.25	5.25
	Persistent economic growth of 3.0 – 5.0%, with growing probability of extreme up case thereafter. Better governance, 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. Strong global growth and commodity cycle. Stabilisation of credit ratings, with ultimately credit rating upgrades.								
Base line case <b>50%</b>	Rand/USD (average)	11.96	11.70	11.70	11.60	11.55	11.40	11.45	11.45
	Repo rate (end rate)	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50
	Annual growth rate of 2.0% y/y reached by 2018, 3.5% y/y by 2024. Higher confidence and investment levels than past decade. Rand structurally stronger on political change, quicker return to PPP (by 2020). SA retains one investment grade (Moody's) rating on its local currency long-term sovereign debt this year. Sedate global monetary policy normalisation – avoid severe global risk-off environment, neutral to global risk-on. Modestly strengthening global demand.								
Down case <b>21%</b>	Rand/USD (average)	11.96	13.50	14.90	15.80	16.90	17.00	16.50	15.50
	Repo rate (end rate)	6.50	7.00	7.50	8.00	8.50	8.50	8.50	8.50
	Partial loss of private sector property rights (land) under state custodianship without compensation, widescale land grabs. Confidence and investment depressed, marked rand weakness. SA sub-investment grade, increased chance of further credit downgrades. 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).								
Extreme down case <b>14%</b>	Rand/USD (average)	11.96	14.50	17.00	19.00	21.00	22.80	24.00	25.50
	Repo rate (end rate)	6.50	8.50	10.50	14.00	16.50	18.00	21.00	21.50
	Loss of private sector property (assets and land) rights under state custodianship without compensation. Credit ratings drop to junk, sovereign debt default (restructure), state bankruptcy - a failed state. Partial to no payment of public sector employees' wages and social grants, persistent government services outages, civil unrest/war. Global economy falls into recession, severe global trade war, severe lengthy global financial crisis, WW3, SA economic depression.								

**Note:** Event risk begins Q2.18 Source: Investec, IRESS

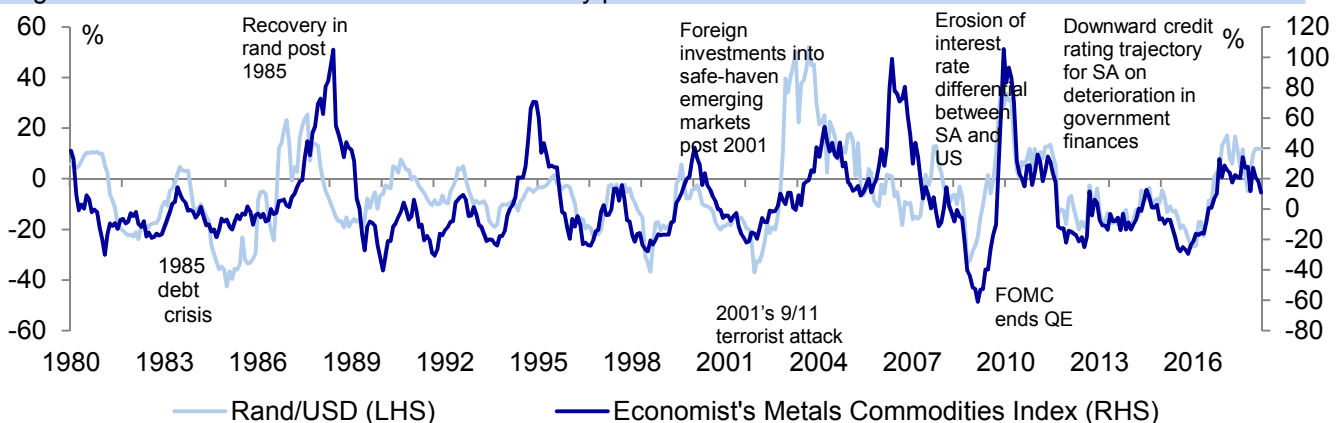


Figure 5: Net foreign portfolio flows for SA assets

Week	Equities (Rbn)	Bonds (Rbn)	Total (Rbn)
9th April – 12th April	3.9	-0.6	3.3
3rd April – 6th April	1.9	-3.3	-1.4
26th March – 29th March	-2.4	1.1	-1.2
19th March – 23rd March	6.4	2.4	8.7
12th March – 16th March	-8.9	3.5	-5.4
5th March – 9th March 2018	2.6	-0.3	2.3
26th February - 2nd March 2018	0.4	1.6	2.0
19th February – 23rd February 2018	2.7	12.2	14.8
12th February – 16th February 2018	7.2	1.0	8.2
5th February – 9th February 2018	3.6	-4.7	-1.1
Month			
March 2018	-0.8	6.2	5.4
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
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

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
16/04/18	US	Empire Manufacturing	Apr	19.6	22.5
		Advance Retail Sales	Mar	0.4% m/m	-0.1% m/m
		Business Inventories	Feb	0.6%	0.6%
		NAHB Housing Index	Apr	70	70
17/04/18	US	Housing Starts	Mar	1260k	1236k
		Housing Starts	Mar	1.9% m/m	-7.0% m/m
		Building Permits	Mar	1325k	1321k
		Building Permits	Mar	0.3% m/m	-4.1% m/m
		Industrial Production	Mar	0.3% m/m	0.9% m/m
		Manufacturing (SIC) Production	Mar	0.1% m/m	1.2%
18/04/18	SA	CPI	Mar		0.8%
		CPI	Mar	4.1% y/y	4.0% y/y
		Retail Sales	Feb		-1.6% m/m
		Retail Sales	Feb	2.8% y/y	3.1% y/y
	US	MBA Mortgage Applications	Apr 13		-1.9%
		US Fed Releases Beige Book			
	Eurozone	EU27 New Car Registrations	Mar		4.3%
		Construction Output	Feb		-2.2% m/m
		Construction Output	Feb		3.7% y/y
		CPI	Mar	1.0% m/m	0.2% m/m
	CPI	Mar	1.4% y/y	1.1% y/y	
19/04/18	US	Initial Jobless Claims	Apr 14		233k
		Continuing Claims	Apr 7		1871k
		Leading Index	Mar	0.3%	0.6%
Eurozone	Eurozone	ECB Current Account SA	Feb		37.6bn
		Current Account NSA	Feb		12.8bn
20/04/18	Eurozone	Advance Consumer Confidence	April	-0.1	0.1

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

Source Bloomberg

**Week Ahead: CPI expected to remain relatively flat in March at 4.1% y/y, as food price inflation remains favourable**

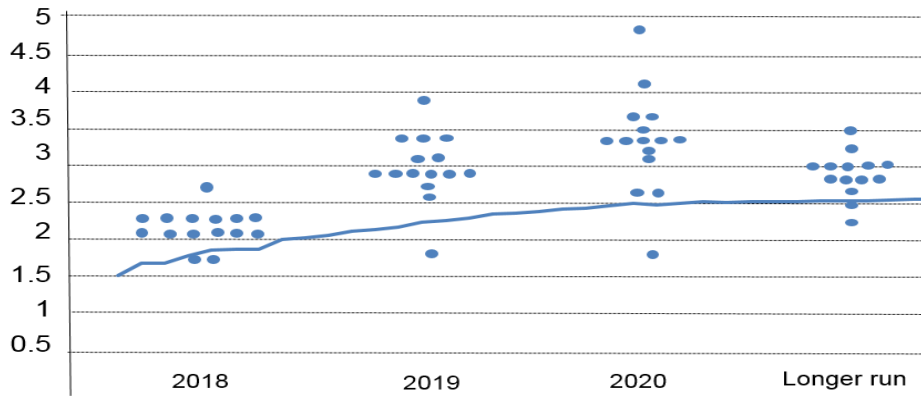
13<sup>th</sup> April 2018



**International section**

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

**Figure 18: FOMC interest rate expectations**

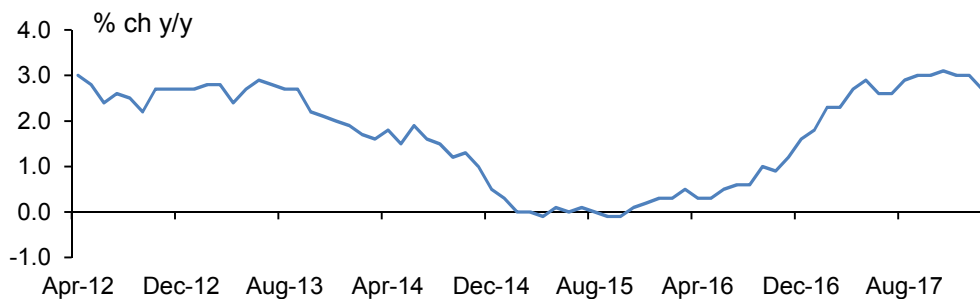


Source: Bloomberg & Federal Reserve Bank

(GB) Concerns over growing protectionism have receded this week after China refrained from retaliating against the US’s latest \$100bn threat and signalled it would still push ahead with reforms. In a keynote speech at the Boao forum, Xi Jinping repeated past pledges to open up Chinese sectors to foreign investors and to lower import tariffs. While this has seemingly helped to satiate the US President for now, who thanked Mr Xi for his “kind words”, he has nevertheless turned his sights in the direction of the Kremlin.

Donald Trump appeared to row back a little on an imminent US-led attack on Syria yesterday when he tweeted that he did not say when action might take place. It could, he claimed, ‘be very soon or not so soon at all’. Nonetheless news reports note a considerable mobilisation of US air and naval resources towards Syria. In addition, the British Cabinet yesterday gave its backing for the UK to support the US. Reports suggest that this could take place either via the use of Gulf based submarines, or the UK’s base at Akrotiri in Cyprus to launch a strike on Syria. One issue is the specific nature of the targets. Trump’s warning tweet on Wednesday appears to have prompted the Syrian government to move its aircraft close to Russian resources in an attempt to discourage a US strike. Even so, a number of commentators are suggesting that action could occur this weekend. In terms of markets, the S&P500 index finished 0.8% up on the day yesterday. However we would note that stocks appear to have been supported by President Trump’s suggestions that the US might be amenable towards restarting Trans Pacific Partnership trade talks in the foreseeable future. Oil prices remained firm with Brent hovering a touch below the \$72 per barrel level.

**Figure 9: UK CPI**



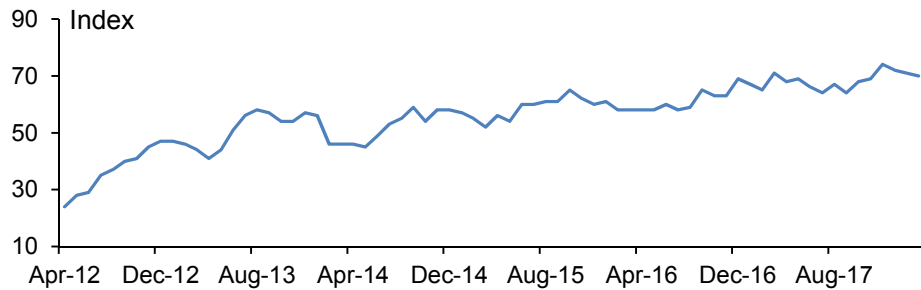
Sources: Bloomberg

**Week Ahead: CPI expected to remain relatively flat in March at 4.1% y/y, as food price inflation remains favourable**

13<sup>th</sup> April 2018



**Figure 10: NAHB index**



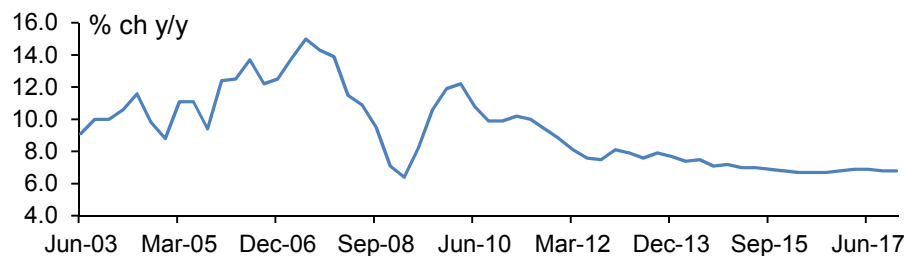
Source: Bloomberg

Meanwhile, FOMC minutes from the March meeting were on the hawkish side, with ‘several’ participants warning it would likely become appropriate at some point to set the Federal funds rate above its longer-run normal value (currently estimated to be 2.9%) for a period of time. Still, the March employment situation report saw payrolls of just +103k and wage growth stuck in its post-2015 range of 2.3-2.8% y/y. As such, the FOMC may not feel more hawkish when it next meets, particularly when one considers the past month’s trade developments.

In the UK it has again been rather quiet on the Brexit front with Parliament in recess. Things should start getting back to normal once MPs retake their seats on Monday. In terms of data, labour market figures (which are now released on Tuesdays) are expected to show a further firming in earnings growth, while CPI inflation (now published on Wednesdays) is expected to ease even more. While our forecasts indicate real wages (3m y/y) will have turned positive in February, we don’t expect this to have offset the impact of the snowfall on Thursday’s retail sales release. It’s a very quiet week for Euro area releases next week, with final HICP readings for Italy (Tuesday) as well the common currency area (Thursday), while preliminary consumer confidence is on Friday. Rather, European investors’ focus is likely to centre more on the outcome of ongoing Italian government formation discussions. Reports suggest that President Sergio Mattarella currently favours ‘centre-right’ coalition leader Matteo Salvini and may ask him to try to form a government as early as next week.

The US data calendar is largely peppered with second-tier releases. Retail sales start the week off, while we will also get the NAHB index and new housing starts. Also released are industrial production figures as well as the New York Fed and Philadelphia Fed manufacturing surveys. Additionally, the Fed will publish its regular Beige Book on Wednesday. In Asia, Chinese GDP figures for Q1 are out on Tuesday alongside the monthly cyclical indicators for March (i.e. industrial production, retail sales, FAI). Japanese trade data are out on Wednesday before CPI inflation on Friday.

**Figure 11: China GDP**



Source: Bloomberg



**Global forecasts**

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

	US	Germany	UK
Current	2.85	0.52	1.44
2018			
Q2	3.00	0.75	1.75
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

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

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

Source: Reuters, Investec



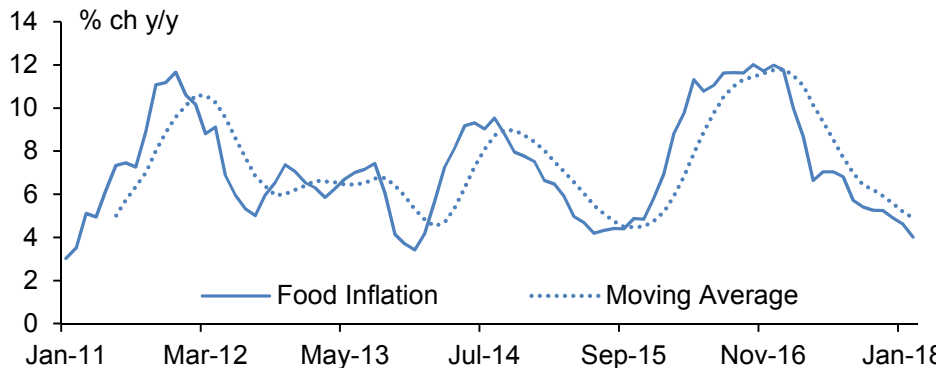
**Week Ahead: CPI expected to remain relatively flat in March at 4.1% y/y, as food price inflation remains favourable**

13<sup>th</sup> April 2018



**South Africa section**

**Figure 14: Food Inflation**



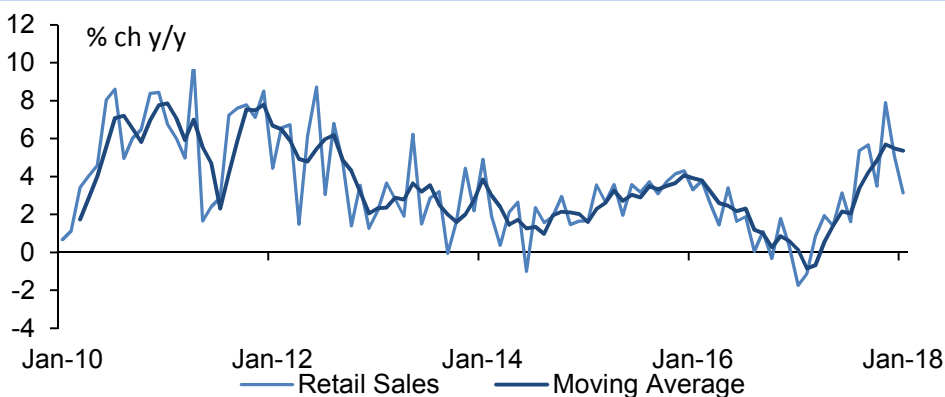
Source: Stats SA

We expect Headline CPI to remain relatively flat in March at 4.1% y/y from February's 4.0% y/y. In March, petrol and diesel prices declined by 36c and 47c/litre respectively, on the back of a favourable domestic currency and lower oil price. Additionally food price inflation should remain at favorable levels, on the back of still robust maize supplies although this trend in food price deflation could start to moderate as base effects from the drought begin dissipating. This is likely the low point of the current CPI inflation cycle, as tax pressures from the budget take effect from Q2.18.

We expect retail sales growth to have moderated in February to 2.8% y/y from 3.1% y/y in January, even though consumer activity and by extension, growth in retail sales has been supported by recent improved sentiment, coupled with a more favourable inflationary environment. However credit extension to households, although improved, remains tight, with growth in unsecured lending averaging 3.0% y/y since February last year. Added to this are high unemployment rates.

According to the BER's retail trade survey for Q1.18 "After falling in 2017Q4, business confidence among retailers rebounded during the first quarter of 2018". The latest survey results indicate that "(a) net majority of 8% of retailers expects general business conditions to improve in 2018Q2, while a net 18% expects higher sales volumes compared to a year ago".

**Figure 15: Retail Sales**



Source: Stats SA



Figure 16: 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	106.5	4.1	0.7	4.2		
Apr 2018	107.3	4.8	0.8			
May 2018	107.7	4.8	0.3			
Jun 2018	108.0	4.9	0.3	4.9		
Jul 2018	108.6	5.3	0.6			
Aug 2018	109.0	5.5	0.3			
Sep 2018	109.3	5.3	0.3	5.3		
Oct 2018	109.6	5.3	0.3			
Nov 2018	109.9	5.5	0.3			
Dec 2018	110.3	5.3	0.3	5.4	2018	4.9
Jan 2019	111.0	5.8	0.7			
Feb 2019	111.6	5.5	0.5			
Mar 2019	112.5	5.6	0.8	5.6		
Apr 2019	112.9	5.2	0.4			
May 2019	113.2	5.1	0.2			
Jun 2019	113.4	5.0	0.2	5.1		
Jul 2019	114.0	4.9	0.5			
Aug 2019	114.4	5.0	0.4			
Sep 2019	114.9	5.1	0.4	5.0		
Oct 2019	115.2	5.1	0.3			
Nov 2019	115.6	5.1	0.3			
Dec 2019	115.9	5.1	0.3	5.1	2019	5.2

Source: Stats SA, Investec

## Week Ahead: CPI expected to remain relatively flat in March at 4.1% y/y, as food price inflation remains favourable

13<sup>th</sup> April 2018



Figure 16: CPI forecast averages

Date	Index Base 2010	Annual y/y	Monthly m/m	Quarterly y/y	Calendar year y/y
Jan 2020	116.5	4.9	0.5		
Feb 2020	117.5	5.3	0.9		
Mar 2020	118.0	4.9	0.4	5.0	
Apr 2020	118.2	4.7	0.2		
May 2020	118.7	4.9	0.4		
Jun 2020	119.1	5.0	0.3	4.9	
Jul 2020	119.9	5.2	0.7		
Aug 2020	120.1	5.0	0.2		
Sep 2020	120.6	5.0	0.4	5.1	
Oct 2020	120.9	4.9	0.2		
Nov 2020	121.4	5.0	0.4		
Dec 2020	121.7	5.0	0.3	5.0	2020 5.0
Jan 2021	122.4	5.1	0.6		
Feb 2021	123.6	5.2	1.0		
Mar 2021	124.1	5.2	0.4	5.1	
Apr 2021	124.5	5.3	0.3		
May 2021	125.0	5.3	0.4		
Jun 2021	125.2	5.2	0.2	5.2	
Jul 2021	126.2	5.3	0.8		
Aug 2021	127.0	5.7	0.6		
Sep 2021	127.5	5.7	0.4	5.6	
Oct 2021	127.9	5.8	0.3		
Nov 2021	128.1	5.6	0.2		
Dec 2021	128.5	5.6	0.3	5.7	2021 5.4

Source: Stats SA, Investec



**Figure 17: 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	5.9	6.50	2.4
Apr 2018	10.00	5.2	6.50	1.7
May 2018	10.00	5.2	6.50	1.7
Jun 2018	10.00	5.1	6.50	1.6
Jul 2018	10.00	4.7	6.50	1.2
Aug 2018	10.00	4.5	6.50	1.0
Sep 2018	10.00	4.7	6.50	1.2
Oct 2018	10.00	4.7	6.50	1.2
Nov 2018	10.00	4.5	6.50	1.0
Dec 2018	10.00	4.7	6.50	1.2
Jan 2019	10.00	4.2	6.50	0.7
Feb 2019	10.00	4.5	6.50	1.0
Mar 2019	10.00	4.4	6.50	0.9
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	5.1	6.50	1.6
Aug 2019	10.00	5.0	6.50	1.5
Sep 2019	10.00	4.9	6.50	1.4
Oct 2019	10.00	4.9	6.50	1.4
Nov 2019	10.00	4.9	6.50	1.4
Dec 2019	10.00	4.9	6.50	1.4

Source: IRESS, Investec



13<sup>th</sup> April 2018

Figure 18: **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	1.22	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	1.17	1.20	1.22	1.21	1.21	1.19
<b>USDCHF</b>	0.98	0.97	0.98	0.96	0.96	0.96	0.96	0.95	0.95
<b>GBPCHF</b>	1.49	1.31	1.27	1.34	1.37	1.36	1.34	1.32	1.33
<b>AUDUSD</b>	0.75	0.75	0.77	0.79	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	11.74	11.46	11.18	10.96	11.30	11.73
<b>ZARGBP</b>	19.48	19.92	17.13	16.33	16.41	15.76	15.29	15.76	16.42
<b>ZAREUR</b>	14.15	16.26	15.03	14.28	14.44	14.12	13.70	14.13	14.66
<b>JPYZAR</b>	9.48	7.33	8.39	9.11	9.08	9.38	9.67	9.45	9.13
<b>ZARCHF</b>	13.26	14.93	13.51	12.24	12.00	11.60	11.42	11.89	12.34
<b>ZARAUD</b>	9.58	10.93	10.20	9.23	8.97	8.49	8.61	8.81	9.15

Source: IRESS, Investec



Figure 18: **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	1.22	1.21	1.22	1.23	1.25	1.27	1.29
<b>EURGBP</b>	0.86	0.86	0.90	0.89	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	1.14	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	1.39	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	129	128	129	130	132	134
<b>GBPJPY</b>	141	142	145	150	150	149	148	147	147	148	150	152
<b>EURCHF</b>	1.07	1.08	1.14	1.16	1.17	1.17	1.17	1.18	1.19	1.21	1.21	1.21
<b>USDCHF</b>	1.00	0.98	0.96	0.99	0.95	0.96	0.97	0.97	0.97	0.96	0.95	0.94
<b>GBPCHF</b>	1.24	1.26	1.26	1.31	1.32	1.34	1.34	1.35	1.36	1.37	1.38	1.37
<b>AUDUSD</b>	0.76	0.75	0.79	0.77	0.79	0.78	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	85	83	83	82	81	81
<b>GBPAUD</b>	1.64	1.70	1.66	1.73	1.77	1.78	1.75	1.77	1.78	1.81	1.85	1.88
<b>ZARUSD</b>	13.22	13.19	13.18	13.62	11.96	11.70	11.70	11.60	11.55	11.40	11.45	11.45
<b>ZARGBP</b>	16.35	16.85	17.22	18.08	16.65	16.27	16.21	16.20	16.24	16.19	16.52	16.69
<b>ZAREUR</b>	14.08	14.52	15.49	16.05	14.70	14.23	14.10	14.09	14.21	14.25	14.54	14.77
<b>JPYZAR</b>	8.54	8.39	8.36	8.27	9.06	9.15	9.15	9.09	9.05	9.12	9.08	9.08
<b>ZARCHF</b>	13.16	13.40	13.69	13.81	12.61	12.14	12.10	11.99	11.94	11.83	12.02	12.21
<b>ZARAUD</b>	10.02	9.90	10.41	10.47	9.41	9.12	9.24	9.16	9.12	8.95	8.93	8.87

Source: IRESS, Investec



Figure 18: **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>	1.21	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>	1.36	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>	11.35	11.25	11.05	10.85	10.75	10.85	11.00	11.05	11.05	11.25	11.35	11.35
<b>ZARGBP</b>	16.32	15.84	15.47	15.13	14.99	15.13	15.34	15.41	15.41	15.69	15.83	15.83
<b>ZAREUR</b>	14.53	14.18	13.92	13.62	13.44	13.56	13.75	13.81	13.81	14.06	14.19	14.19
<b>JPYZAR</b>	9.16	9.33	9.50	9.68	9.86	9.77	9.64	9.59	9.59	9.51	9.43	9.43
<b>ZARCHF</b>	12.01	11.67	11.41	11.12	11.20	11.30	11.46	11.51	11.63	11.84	11.95	11.95
<b>ZARAUD</b>	8.74	8.61	8.34	8.14	8.49	8.57	8.58	8.62	8.62	8.78	8.85	8.85

Source: IRESS, Investec

## Week Ahead: CPI expected to remain relatively flat in March at 4.1% y/y, as food price inflation remains favourable

13<sup>th</sup> April 2018



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