



19<sup>th</sup> January 2018

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

Month	Date	Forecast
March 2018	26 <sup>th</sup> – 28 <sup>th</sup>	6.75
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

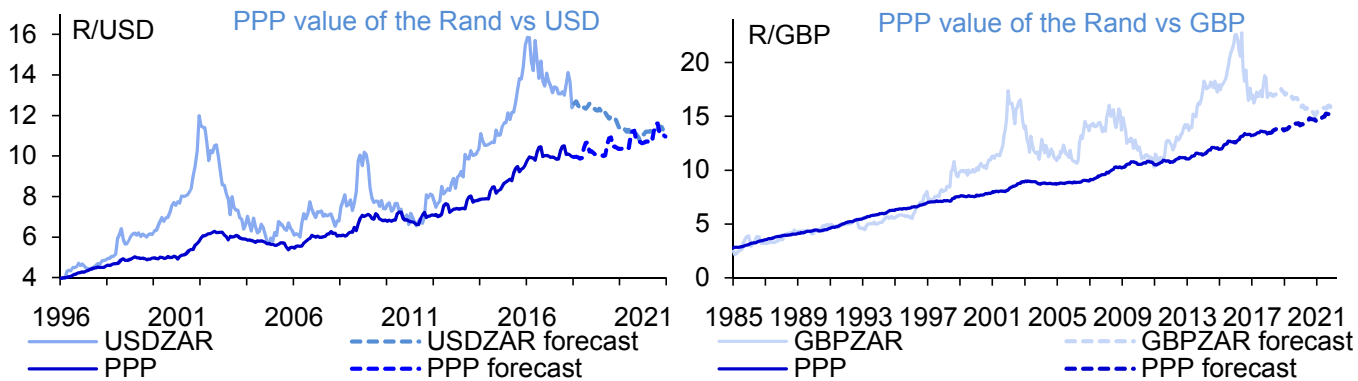
Source: SA Reserve Bank, Investec



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

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



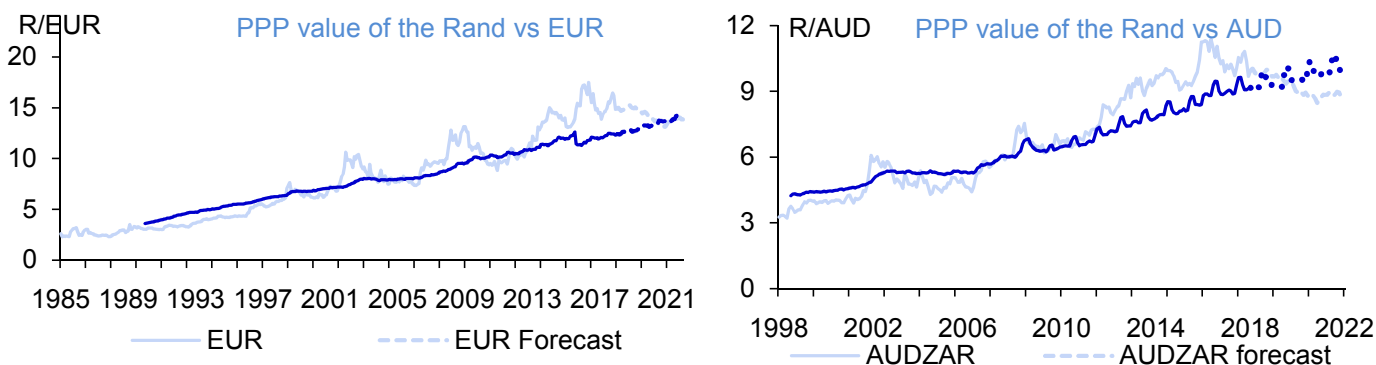
Source: Investec, IRESS

Over the past week, the rand appreciated by 1.7%, to R12.21/USD, to be the second best performer out of a basket of 24 emerging market currencies. Most emerging market currencies gained over the course of the week, partly on US\$ weakness. Specifically the US\$ index has declined towards levels last seen in 2015 (see figure 7) on concerns of a possible US government shutdown. Additionally, there has been some speculation that the continued lift in global growth will see developed market central banks, aside from the US Fed, normalise monetary policy.

Domestic influences on the currency continue to be linked to positive market sentiment in relation to the ANC elective conference outcome in December. Additionally, the SARB MPC decided to keep the repo rate unchanged at 6.75% with the market having priced in a 40% chance of a reduction. As such, the interest rate decision is likely lending marginal support to the rand.

In the week ahead, the rand is expected to trade in a range of R11.66/USD – R12.66/USD, R14.45/EUR - R15.45/EUR and R16.40/GBP - R17.40/GBP.

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



Source: Investec, IRESS



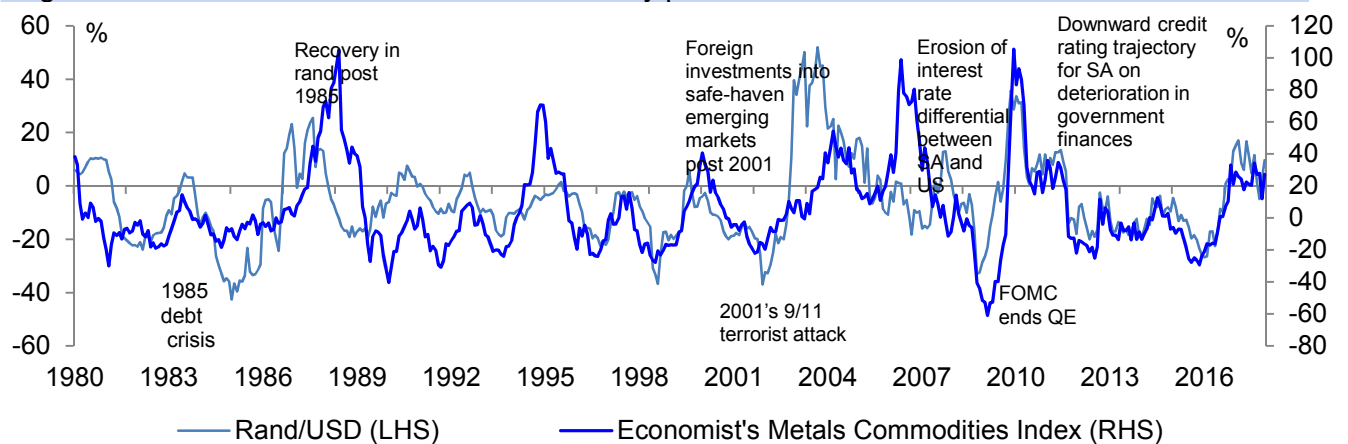
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**Figure 4: Net foreign portfolio flows for SA assets**

Week	Equities (Rbn)	Bonds (Rbn)	Total (Rbn)
8 <sup>th</sup> January – 12 <sup>th</sup> January 2018	0.7	-0.1	0.7
2 <sup>nd</sup> January – 5 <sup>th</sup> January 2018	-0.6	-1.5	-2.1
27 <sup>th</sup> December – 29 <sup>th</sup> December 2017	2.6	-1.7	0.9
18 <sup>th</sup> December – 22 <sup>nd</sup> December 2017	16.9	9.1	26.0
11 <sup>th</sup> December – 15 <sup>th</sup> December 2017	5.2	-4.4	0.8
4 <sup>th</sup> December – 8 <sup>th</sup> December 2017	5.8	-5.8	0.1
27 <sup>th</sup> November – 1 <sup>st</sup> December 2017	-6.4	-8.8	-15.2
20 <sup>th</sup> November – 24 <sup>th</sup> November 2017	2.9	1.5	4.4
13 <sup>th</sup> November – 17 <sup>th</sup> November 2017	4.8	0.1	4.9
6 <sup>th</sup> November – 10 <sup>th</sup> November 2017	1.3	-6.1	-4.8
30 <sup>th</sup> October – 3 <sup>rd</sup> November 2017	2.4	-6.9	-4.5
Month			
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
January 2017	-16.1	-6.5	-22.7

Note: data subject to frequent revisions Source: IRESS

**Figure 5: Rand vs Economist's metals commodity price index**



Source: IRESS, Investec



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**Data releases in the week ahead**

**Figure 6: Economic data releases for next week**

Date	Country	Indicator	Month	Forecast	Previous
22/01/18	SA	Budget	Dec		-15.3bn
23/01/18	SA	Leading Indicator	Nov		105.4
	Eurozone	ZEW Survey Expectations	Jan		29.0
		Advance Consumer Confidence	Jan	0.6	0.5
24/01/18	SA	CPI	Dec	0.5% m/m	0.1% m/m
		CPI	Dec	4.7% y/y	4.6% y/y
		Core CPI	Dec		0.0% m/m
	US	Core CPI	Dec		4.4% y/y
		MBA Mortgage Applications	Jan 19		4.1%
		FHFA House Price Index	Nov	0.4% m/m	0.5% m/m
		Existing Home Sales	Dec	-2.2% m/m	5.6% m/m
	Eurozone	Existing Home Sales	Dec	5.69mn	5.81mn
		Preliminary Manufacturing PMI	Jan	60.3	60.6
		Preliminary Services PMI	Jan	56.4	56.6
		Preliminary Composite PMI	Jan	57.9	58.1
25/01/18	SA	PPI	Dec	0.6% m/m	0.5% m/m
		PPI	Dec	5.2% y/y	5.1% y/y
	US	Retail Inventories	Dec		0.1% m/m
		Wholesale Inventories	Dec		0.8% m/m
		Advance Goods Trade Balance	Dec	-\$68.5bn	-\$70.0bn
		Initial Jobless Claims	Jan 20		220k
		Continuing Claims	Jan 13		1952k
		New Home Sales	Dec	675k	733k
		New Home Sales	Dec	-7.9% m/m	17.5% m/m
	Eurozone	Leading Index	Dec	0.5%	0.4%
		ECB Main Refinancing Rate	Jan 25	0.000%	0.000%
		ECB Marginal Lending Facility Rate	Jan 25	0.250%	0.250%
		ECB Deposit Facility Rate	Jan 25	-0.400%	-0.400%
		26/01/18	US	Advance GDP Annualised	Q4.17
Advance GDP Price Index	Q4.17			2.4%	2.1%
Personal Consumption	Q4.17				2.2%
Advance Core PCE	Q4.17				1.3%
Durable Goods Orders	Dec			0.9%	1.3%
Durables Ex Transportation	Dec			0.7%	-0.1%
Eurozone	M3 Money Supply		Dec	5.0% y/y	4.9% y/y

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

Source: Bloomberg

**Week Ahead: CPI inflation forecast to have slowed to 5.3% y/y in 2017 from 6.3% y/y in 2016 on the dissipation of supply side price pressures**

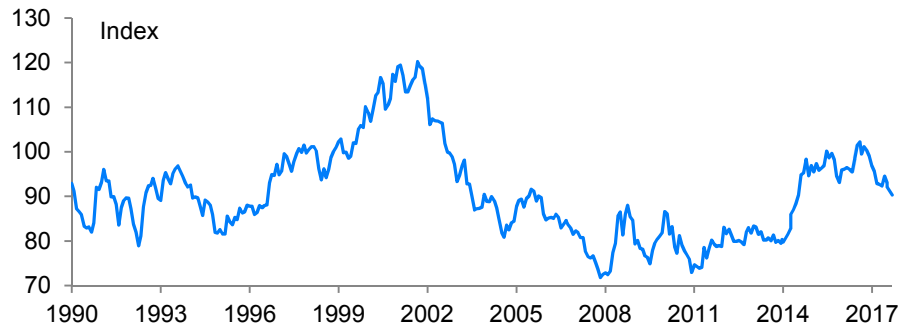
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**International section**

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

**Figure 7: US\$ Index**



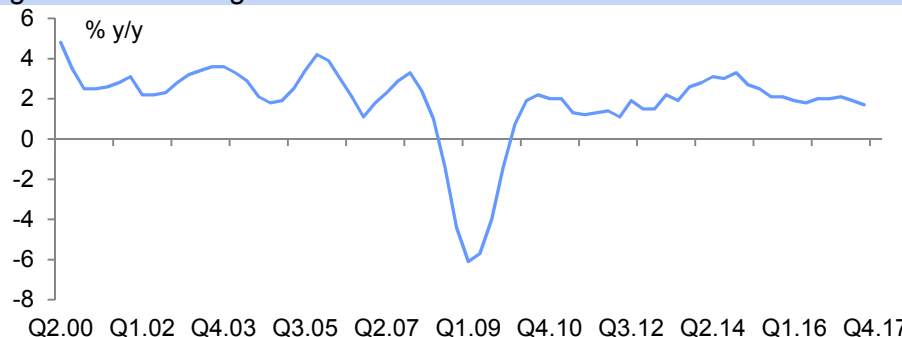
Sources: Bloomberg

(GB) With a potential US government shutdown looming, the theme of markets over the past week has centred on the greenback’s weakness. Republican leaders are attempting to push through the fourth stop-gap funding bill in six months before the Friday (19<sup>th</sup>) deadline. However disagreements with the Democrats and within the Republican party itself have raised questions over whether a stop-gap bill will be passed in time. Investors are likely to be displeased in the event of a shutdown, though for the meantime the political uncertainty has failed to dampen US equities significantly.

In currency markets, sterling set a fresh post-referendum high having pushed towards \$1.395 on Wednesday evening, while the euro hit a three-year high of \$1.232 on Wednesday morning, on the back of hawkish comments from members of the ECB’s Governing Council. Subsequently euro momentum has waned somewhat given growing concerns that German coalition talks could break down after the Berlin and Saxony-Anhalt branches of the SPD recommended its delegates should vote against progressing to formal talks with the CDU/CSU at Sunday’s conference. Additionally, three members of the ECB Governing Council have made reference to the euro’s appreciation in recent days, which will leave markets on lookout for any similar comments from President Draghi during the press conference on Thursday.

Looking to next week, the first set of UK data takes the form of public sector finance figures. Following this is the labour market release, which we expect will show the unemployment rate holding steady. These two releases are simply the entrée to the main course that is the first estimate of Q4.16 GDP. We are forecasting another

**Figure 8: UK GDP growth**

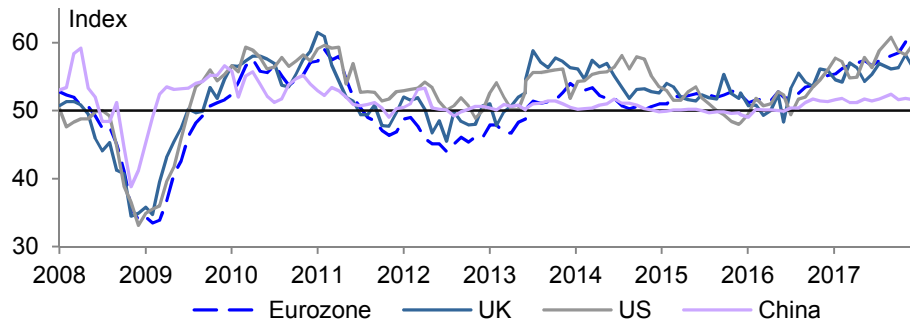


Sources: Bloomberg



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**Figure 9: Manufacturing PMIs**



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

0.4% quarter-on-quarter print, as we saw in Q3.16, which would correspond to full-year growth slowing to a five-year low of 1.8% in 2017 from 1.9% in 2016.

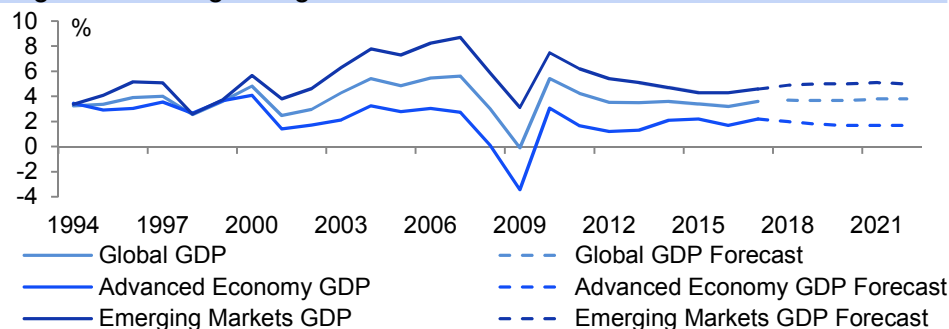
Across the channel, Mário Centeno will chair his first Eurogroup meeting as its new President, with EU19 finance ministers set to approve the latest tranche of Greece's third bailout. On the data front, we will get Eurozone consumer confidence figures followed by the 'flash' PMIs. This sets the stage for an ECB announcement and press conference on Thursday.

Stateside, we have the preliminary PMIs and weekly jobless claims. Rounding off the week is a bumper Friday with GDP, PCE inflation and durable goods orders all out at the same time. In the event of a government shutdown, however, data releases could be rescheduled.

Over in Asia, the highlight will be the Bank of Japan announcement on Tuesday. CPI inflation figures for Japan are set for release on Friday alongside Chinese industrial profit data.

Finally, it is worth noting that the annual four-day Davos meeting gets underway on Tuesday. The IMF is set to kick off proceedings a day earlier (Monday) with an update to its global growth forecasts, while Friday sees the BoE's Carney and the BoJ's Kuroda pairing up on a panel discussing the outlook for the world economy. Nevertheless, the key event will be President Trump's speech on Friday. While he is the first incumbent US president to attend Davos since Clinton in 2000, his protectionist rhetoric may mean he receives a frosty reception at the globalists' gathering.

**Figure 10: IMF global growth: actuals and forecasts**



Sources: IMF World Economic Outlook October 2017



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### International interest rates

**Figure 11: 10-year government bond yields (% , end-quarter):**

	US	Germany	UK	Japan
Current	2.38	0.33	1.26	0.04
2017				
Q2	2.36	0.20	1.12	0.05
Q4	2.45	0.40	1.25	0.00
2018				
Q2	2.60	0.75	1.50	0.00
Q4	2.75	1.00	1.75	0.00

Source: Reuters, Investec

**Figure 12: Key official interest rates (% , end quarter)**

	US Fed funds	Eurozone refi rate	Eurozone deposit rate	UK Bank rate	Japan rate	Australia Cash rate
Current	1.00-1.25	0.00	-0.40	0.25	-0.10	1.50
2017						
Q1	0.75-1.00	0.00	-0.40	0.25	-0.10	1.50
Q2	1.00-1.25	0.00	-0.40	0.25	-0.10	1.50
Q3	1.00-1.25	0.00	-0.40	0.25	-0.10	1.50
Q4	1.25-1.50	0.00	-0.40	0.50	-0.10	1.50
2018						
Q1	1.25-1.50	0.00	-0.40	0.50	-0.10	1.50
Q2	1.50-1.75	0.00	-0.40	0.75	-0.10	1.75
Q3	1.50-1.75	0.00	-0.40	0.75	-0.10	2.00
Q4	1.75-2.00	0.00	-0.40	0.75	-0.10	2.25
End year						
2019	2.00-2.25	+0.50	+0.25	1.00	-0.10	3.00

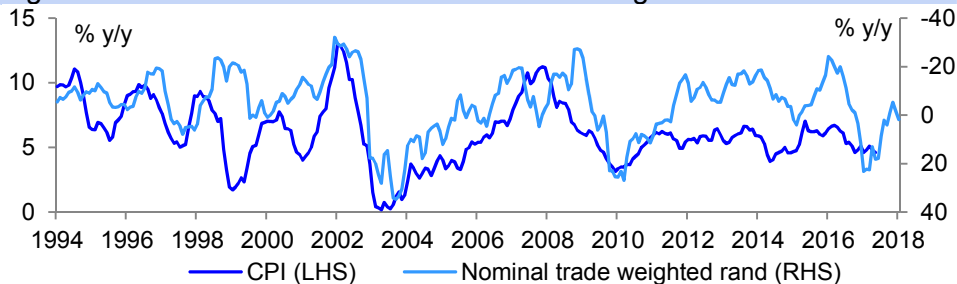
Source: Reuters, Investec



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**South Africa section**

**Figure 13: CPI inflation versus nominal trade weighted rand**



Source: Stats SA, IRESS, Investec

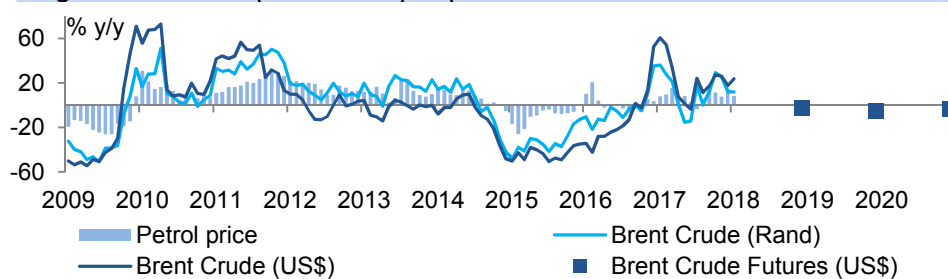
CPI inflation is forecast to have lifted to 4.7% y/y in December from 4.6% y/y in November mainly on account of increased upside price pressure stemming from the fuel component. In December petrol and diesel prices rose by 71 and 60c/litre respectively, on the combination of a higher international oil price and a weaker rand. With the inclusion of the December forecast, CPI inflation is expected to have averaged 5.3% y/y in 2017. This would be a moderation from the 6.3% y/y in 2016, driven by the dissipation of supply side pressures. Specifically, on slower food price inflation and the transmission of the lagged effects of rand appreciation. Concurrently, demand led price pressures were absent.

CPI inflation is expected to moderate further in 2018 and average 4.8% y/y, on expectations that the rand will remain resilient and demand led inflationary pressures muted on only a mild pick-up in economic growth. Moreover, the electricity tariff increase, of 5.23% granted by NERSA was well below the 19.9% requested by Eskom.

The SARB forecasts inflation within the 3 – 6% target range at 4.9% y/y in 2018 and 5.4% y/y in 2019. However, the risks to this inflation outlook continue to be assessed to the upside, with the rand the most prominent risk. The currency remains vulnerable to fiscal and sovereign credit ratings outcomes, in February and March respectively. Should the rand strengthen notably further this year, and the new levels be maintained, the SARB may consider an interest rate cut on expected lower inflation. In the meantime, the room to cut is constrained by inflation being forecast closer to 5.5% over the SARB’s six to 24 month forecast horizon.

Producer price inflation for December is also scheduled for release and is likely to have lifted to 5.2% y/y from 5.1% y/y in November. Similar to the expected CPI outcome, the slightly higher rate of inflation would have been driven by renewed upward fuel price pressures.

**Figure 14: Petrol price and spot prices of Brent Crude oil**



Source: Bloomberg, Investec





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Figure 15: 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	105.3	4.7	0.6		
Feb 2018	106.1	4.3	0.7		
Mar 2018	106.9	4.5	0.8	4.5	
Apr 2018	107.2	4.7	0.3		
May 2018	107.3	4.5	0.1		
Jun 2018	107.7	4.6	0.3	4.6	
Jul 2018	108.3	5.0	0.6		
Aug 2018	108.5	5.1	0.2		
Sep 2018	108.9	4.9	0.3	5.0	
Oct 2018	109.2	4.9	0.3		
Nov 2018	109.5	5.1	0.3		
Dec 2018	109.8	4.9	0.3	5.0	2018 4.8
Jan 2019	110.4	4.8	0.5		
Feb 2019	111.4	5.0	0.9		
Mar 2019	112.4	5.1	0.9	5.0	
Apr 2019	112.6	5.0	0.2		
May 2019	112.8	5.1	0.2		
Jun 2019	113.1	5.0	0.2	5.0	
Jul 2019	113.8	5.1	0.7		
Aug 2019	114.4	5.4	0.5		
Sep 2019	115.0	5.7	0.6	5.4	
Oct 2019	115.6	5.8	0.5		
Nov 2019	116.0	6.0	0.4		
Dec 2019	116.4	6.0	0.3	5.9	2019 5.3

Source: Stats SA, Investec



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Figure 15: CPI forecast averages

Date	Index Base 2010	Annual y/y	Monthly m/m	Quarterly y/y	Calendar year y/y
Jan 2020	117.0	6.0	0.5		
Feb 2020	118.0	6.0	0.9		
Mar 2020	118.5	5.4	0.4	5.8	
Apr 2020	118.7	5.4	0.2		
May 2020	119.2	5.6	0.4		
Jun 2020	119.5	5.7	0.3	5.6	
Jul 2020	120.4	5.7	0.7		
Aug 2020	120.6	5.4	0.2		
Sep 2020	121.1	5.3	0.4	5.5	
Oct 2020	121.4	5.0	0.2		
Nov 2020	121.8	5.0	0.4		
Dec 2020	122.2	5.0	0.3	5.0	2020 5.5
Jan 2021	122.9	5.1	0.6		
Feb 2021	124.1	5.2	1.0		
Mar 2021	124.6	5.2	0.4	5.1	
Apr 2021	125.0	5.3	0.3		
May 2021	125.5	5.3	0.4		
Jun 2021	125.7	5.2	0.2	5.2	
Jul 2021	126.7	5.3	0.8		
Aug 2021	127.5	5.7	0.6		
Sep 2021	128.0	5.7	0.4	5.6	
Oct 2021	128.4	5.8	0.3		
Nov 2021	128.6	5.6	0.2		
Dec 2021	129.0	5.6	0.3	5.7	2021 5.4

Source: Stats SA, Investec



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Figure 16: 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	5.5	6.75	2.0
Jan 2018	10.25	5.5	6.75	2.0
Feb 2018	10.25	6.0	6.75	2.5
Mar 2018	10.25	5.7	6.75	2.2
Apr 2018	10.25	5.5	6.75	2.0
May 2018	10.25	5.7	6.75	2.2
Jun 2018	10.25	5.6	6.75	2.1
Jul 2018	10.25	5.3	6.75	1.8
Aug 2018	10.25	5.2	6.75	1.7
Sep 2018	10.25	5.4	6.75	1.9
Oct 2018	10.25	5.4	6.75	1.9
Nov 2018	10.25	5.2	6.75	1.7
Dec 2018	10.25	5.3	6.75	1.8
Jan 2019	10.25	5.4	6.75	1.9
Feb 2019	10.25	5.2	6.75	1.7
Mar 2019	10.25	5.1	6.75	1.6
Apr 2019	10.25	5.2	6.75	1.7
May 2019	10.25	5.1	6.75	1.6
Jun 2019	10.25	5.2	6.75	1.7
Jul 2019	10.25	5.1	6.75	1.6
Aug 2019	10.25	4.8	6.75	1.3
Sep 2019	10.25	4.6	6.75	1.1
Oct 2019	10.25	4.4	6.75	0.9
Nov 2019	10.50	4.5	7.00	1.0
Dec 2019	10.50	4.5	7.00	1.0

Source: IRESS, Investec



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Figure 17: 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	1.20	1.22	1.22	1.23	1.24	1.24
<b>EURGBP</b>	0.73	0.82	0.88	0.87	0.87	0.87	0.88	0.88	0.89
<b>GBPEUR</b>	1.38	1.22	1.14	1.15	1.15	1.15	1.14	1.13	1.13
<b>GBPUSD</b>	1.53	1.36	1.29	1.37	1.40	1.40	1.40	1.40	1.40
<b>USDJPY</b>	115	114	112	108	108	107	107	107	107
<b>EURJPY</b>	128	127	126	130	131	131	131	132	133
<b>GBPJPY</b>	176	155	145	149	151	150	150	150	150
<b>EURCHF</b>	1.09	1.07	1.11	1.17	1.18	1.17	1.18	1.17	1.18
<b>USDCHF</b>	0.98	0.97	0.98	0.97	0.97	0.96	0.96	0.95	0.95
<b>GBPCHF</b>	1.49	1.31	1.27	1.34	1.36	1.34	1.34	1.33	1.33
<b>AUDUSD</b>	0.75	0.75	0.77	0.79	0.79	0.79	0.79	0.78	0.78
<b>EURAUD</b>	1.49	1.49	1.47	1.52	1.54	1.54	1.56	1.58	1.59
<b>AUDJPY</b>	86	85	86	85	85	85	84	83	83
<b>GBPAUD</b>	2.05	1.82	1.68	1.74	1.77	1.77	1.78	1.79	1.79
<b>ZARUSD</b>	12.76	14.68	13.30	12.49	12.03	11.14	11.26	11.73	12.33
<b>ZARGBP</b>	19.48	19.92	17.15	17.17	16.80	15.59	15.77	16.42	17.26
<b>ZAREUR</b>	14.15	16.26	15.01	14.97	14.67	13.59	13.80	14.48	15.31
<b>JPYZAR</b>	9.48	7.33	8.43	8.66	8.96	9.61	9.50	9.13	8.68
<b>ZARCHF</b>	13.26	14.93	13.51	12.85	12.40	11.60	11.73	12.34	12.97
<b>ZARAUD</b>	9.58	10.93	10.20	9.87	9.50	8.80	8.84	9.15	9.61

Source: IRESS, Investec



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Figure 17: 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	1.10	1.17	1.18	1.19	1.19	1.21	1.22	1.22	1.22	1.22	1.22
<b>EURGBP</b>	0.86	0.86	0.90	0.88	0.88	0.87	0.87	0.87	0.88	0.87	0.87	0.87
<b>GBPEUR</b>	1.16	1.16	1.11	1.13	1.14	1.15	1.15	1.15	1.14	1.15	1.15	1.15
<b>GBPUSD</b>	1.24	1.28	1.31	1.33	1.35	1.37	1.39	1.40	1.39	1.40	1.40	1.40
<b>USDJPY</b>	114	111	111	113	111	109	107	106	107	108	108	108
<b>EURJPY</b>	121	122	130	133	133	130	129	128	130	132	132	132
<b>GBPJPY</b>	141	142	145	150	151	149	148	147	149	151	151	151
<b>EURCHF</b>	1.07	1.08	1.13	1.16	1.16	1.16	1.17	1.18	1.18	1.18	1.18	1.18
<b>USDCHF</b>	1.00	0.98	0.96	0.99	0.98	0.97	0.97	0.97	0.97	0.97	0.97	0.97
<b>GBPCHF</b>	1.24	1.26	1.26	1.31	1.32	1.33	1.34	1.35	1.35	1.36	1.36	1.36
<b>AUDUSD</b>	0.76	0.75	0.79	0.77	0.79	0.79	0.79	0.79	0.79	0.79	0.79	0.79
<b>EURAUD</b>	1.41	1.47	1.48	1.53	1.50	1.51	1.53	1.54	1.54	1.54	1.54	1.54
<b>AUDJPY</b>	86	83	88	87	88	86	85	83	85	85	85	85
<b>GBPAUD</b>	1.64	1.70	1.66	1.73	1.71	1.73	1.75	1.77	1.76	1.77	1.77	1.77
<b>ZARUSD</b>	13.22	13.19	13.18	13.62	12.65	12.40	12.40	12.50	12.30	12.10	11.90	11.80
<b>ZARGBP</b>	16.38	16.88	17.24	18.11	17.08	16.96	17.17	17.46	17.10	16.94	16.66	16.52
<b>ZAREUR</b>	14.09	14.52	15.42	16.02	14.99	14.76	14.94	15.19	15.01	14.76	14.52	14.40
<b>JPYZAR</b>	8.59	8.42	8.42	8.29	8.77	8.79	8.63	8.44	8.70	8.93	9.08	9.15
<b>ZARCHF</b>	13.17	13.40	13.69	13.80	12.92	12.72	12.83	12.93	12.68	12.47	12.27	12.16
<b>ZARAUD</b>	10.02	9.90	10.40	10.47	9.99	9.80	9.80	9.88	9.72	9.56	9.40	9.32

Source: IRESS, Investec



19<sup>th</sup> January 2018

Figure 17: 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>	1.22	1.22	1.22	1.22	1.22	1.22	1.23	1.23	1.23	1.23	1.24	1.24
<b>EURGBP</b>	0.87	0.87	0.87	0.87	0.87	0.87	0.88	0.88	0.88	0.88	0.89	0.89
<b>GBPEUR</b>	1.15	1.15	1.15	1.15	1.15	1.15	1.14	1.14	1.14	1.14	1.13	1.13
<b>GBPUSD</b>	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40
<b>USDJPY</b>	107	107	107	107	107	107	107	107	107	107	107	107
<b>EURJPY</b>	131	131	131	131	131	131	132	132	132	132	133	133
<b>GBPJPY</b>	150	150	150	150	150	150	150	150	150	150	150	150
<b>EURCHF</b>	1.17	1.17	1.17	1.17	1.17	1.17	1.18	1.18	1.17	1.17	1.18	1.18
<b>USDCHF</b>	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.95	0.95	0.95	0.95
<b>GBPCHF</b>	1.34	1.34	1.34	1.34	1.34	1.34	1.34	1.34	1.33	1.33	1.33	1.33
<b>AUDUSD</b>	0.79	0.79	0.79	0.79	0.79	0.79	0.78	0.78	0.78	0.78	0.78	0.78
<b>EURAUD</b>	1.54	1.54	1.54	1.54	1.54	1.54	1.58	1.58	1.58	1.58	1.59	1.59
<b>AUDJPY</b>	85	85	85	85	85	85	83	83	83	83	83	83
<b>GBPAUD</b>	1.77	1.77	1.77	1.77	1.77	1.77	1.79	1.79	1.79	1.79	1.79	1.79
<b>ZARUSD</b>	11.40	11.25	11.05	10.85	11.15	11.25	11.30	11.35	11.45	11.65	11.85	11.95
<b>ZARGBP</b>	15.96	15.75	15.47	15.19	15.61	15.75	15.82	15.89	16.03	16.31	16.59	16.73
<b>ZAREUR</b>	13.91	13.73	13.48	13.24	13.60	13.73	13.90	13.96	14.08	14.33	14.69	14.82
<b>JPYZAR</b>	9.39	9.51	9.68	9.86	9.60	9.51	9.47	9.43	9.34	9.18	9.03	8.95
<b>ZARCHF</b>	11.88	11.72	11.51	11.30	11.61	11.72	11.77	11.82	12.05	12.26	12.47	12.58
<b>ZARAUD</b>	9.01	8.89	8.73	8.57	8.81	8.89	8.81	8.85	8.93	9.09	9.24	9.32

Source: IRESS, Investec

## Week Ahead: CPI inflation forecast to have slowed to 5.3% y/y in 2017 from 6.3% y/y in 2016 on the dissipation of supply side price pressures

19<sup>th</sup> January 2018



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