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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) and Ryan Djajasaputra (RD).

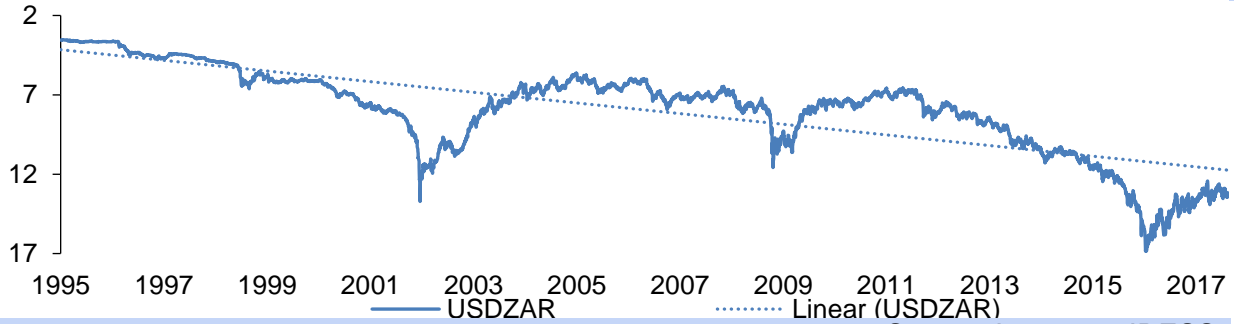


**Week Ahead: Current account balance remains biased towards small deficits as trade balance remains in surplus**

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

Figure 2: USDZAR

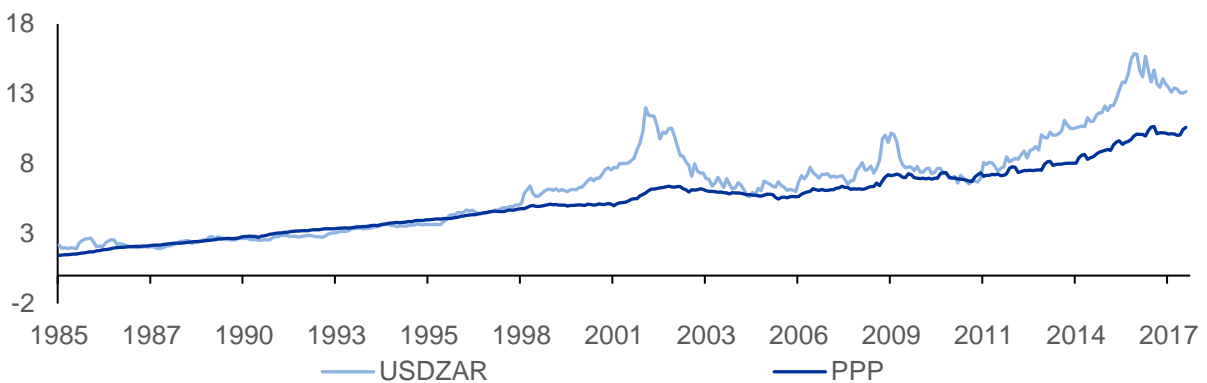


Source: Investec, IRESS

The rand retained its appreciative bias for the fourth consecutive week, trading at 12.87/US\$, at the time of publication, compared to 13.44/US\$ a month ago. Rand strength has coincided with US\$ weakness. The US\$ index is presently at its lowest level since 2014. Broadly, US\$ weakness can be linked to moderating US growth expectations on the paring back of expectations surrounding the implementation of Trump’s pro-growth campaign promises. Moreover, with US inflation struggling to gain sustained traction, the market-implied interest rate path continues to signal that US policy rates will rise only gradually in the coming years (see figure 12). North Korea and geopolitics remained a feature this week but emerging market inflows remained relatively supported, with the bulk of interest still concentrated in emerging market bonds.

In the week ahead, the rand is expected to trade in a range of R13.30/USD – R12.30/USD, R15.95/EUR - R14.95/EUR and R17.40/GBP - R16.40/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)	13.15	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 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. Fiscal consolidation, <b>credit rating upgrades to A grade ultimately</b> , interest rate cuts.								
Up case <b>10%</b>	Rand/USD (average)	13.15	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)	13.15	13.45	13.60	13.40	13.05	12.80	12.45	12.10
	Repo rate (end rate)	6.50	6.50	6.25	6.25	6.25	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)	13.15	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</b> foreign and local currency long-term <b>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)	13.15	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, persistent government services outages, civil unrest/war. 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: Current account balance remains biased towards small deficits as trade balance remains in surplus**

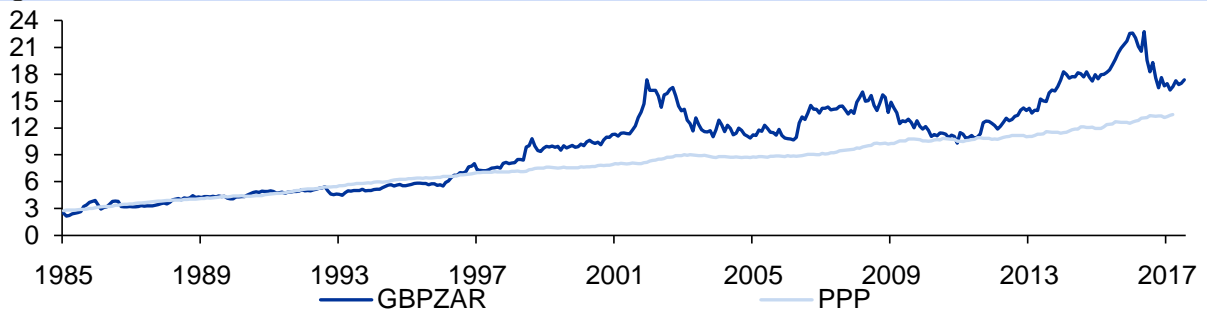
8th September 2017

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

Week	Equities (Rbn)	Debt (Rbn)	Total (Rbn)
28 <sup>th</sup> August – 1 <sup>st</sup> September 2017	-3.2	0.5	-2.7
21 <sup>st</sup> – 25 <sup>th</sup> August 2017	1.4	1.2	2.6
14 <sup>th</sup> – 18 <sup>th</sup> August 2017	1.9	2.3	4.2
7 <sup>th</sup> – 11 <sup>th</sup> August 2017	-0.8	-3.1	-3.8
31 <sup>st</sup> July – 4 <sup>th</sup> August 2017	-2.7	-2.0	-4.7
24 <sup>th</sup> – 28 <sup>th</sup> July 2017	0.8	6.5	7.2
Month			
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

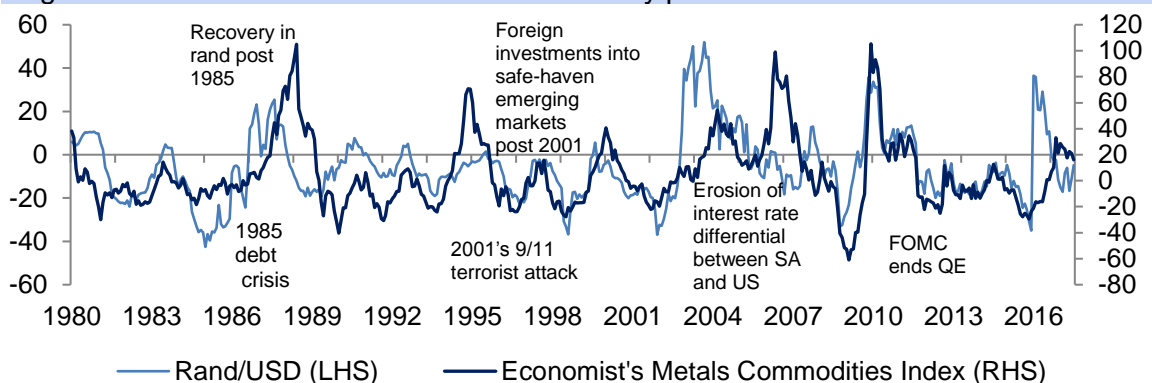
Source: IRESS. Note: data subject to frequent revisions

**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

**Figure 8: Economic data releases for next week**

Date	Country	Indicator	Month	Forecast	Previous
12/09/17	SA	Current Account as a % GDP	Q2.17	-1.7%	-2.1%
		Current Account Balance	Q2.17	-R77bn	-R91bn
	US	NFIB Small Business Optimism	Jul	105.0	105.2
13/09/17	SA	BER Business Confidence	Q3.17		29.0
		Retail Sales	Jul		0.2% m/m
	US	Retail Sales	Jul	2.7% y/y	2.9% y/y
		MBA Mortgage Applications	Sep 8		3.3%
	Eurozone	PPI Final Demand	Aug	0.3% m/m	-0.1% m/m
		PPI Final Demand	Aug	2.5% y/y	1.9% y/y
		PPI Ex Food and Energy	Aug	0.2% m/m	-0.1% m/m
		PPI Ex Food and Energy	Aug	2.1% y/y	1.8% y/y
		Industrial Production SA	Jul	0.2% m/m	-0.6% m/m
		Industrial Production NSA	Jul	3.4% y/y	2.6% y/y
		Employment	Q2.17		0.4% q/q
		Employment	Q2.17		1.5% y/y
14/09/17	US	Initial Jobless Claims	Sep 9		298k
		Continuing Claims	Sep 2		1940k
	Eurozone	CPI	Aug	0.3% m/m	0.1% m/m
		CPI	Aug	1.8% y/y	1.7% y/y
		CPI Ex Food and Energy	Aug	0.2% m/m	0.1% m/m
		CPI Ex Food and Energy	Aug	1.6% y/y	1.7% y/y
		Real Average Weekly Earnings	Aug		1.1% y/y
		Real Average Hourly Earnings	Aug		0.7% y/y
		EU27 New Car Registrations	Aug		2.1%
		15/09/17	US	Empire Manufacturing	Sep
Advance Retail Sales	Aug			0.1% m/m	0.6% m/m
Retail Sales Ex Auto	Aug			0.5% m/m	0.5% m/m
Retail Sales Ex Auto and Gas	Aug			0.3%	0.5%
Retail Sales Control Group	Aug			0.3%	0.6%
Industrial Production	Aug			0.1% m/m	0.2% m/m
Manufacturing (SIC) Production	Aug			0.5%	-0.1%
Capacity Utilisation	Aug			76.8%	76.7%
University of Michigan Sentiment	Sep			96.5	96.8
Eurozone	Trade Balance SA		Jul		22.3bn
	Trade Balance NSA		Jul		26.6bn

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

Source: Bloomberg

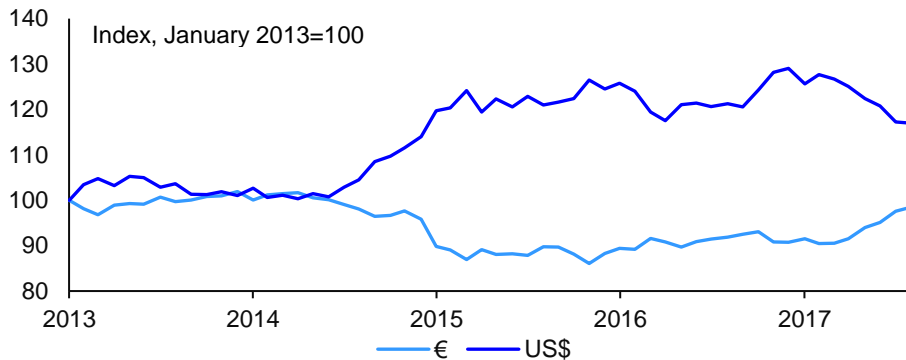


**Week Ahead: Current account balance remains biased towards small deficits as trade balance remains in surplus**

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**International**

**Figure 9: Euro and US\$ indices**



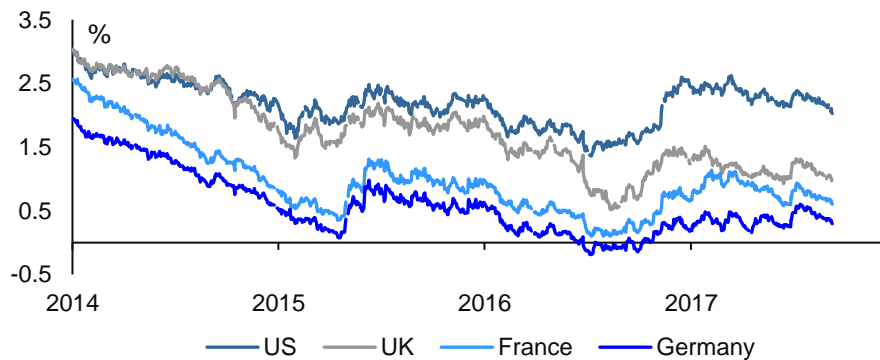
Source: Bloomberg, Investec

Having hit market sentiment at the start of this week, North Korean concerns could potentially dominate next Monday as well. Saturday the 9<sup>th</sup> September, represents the anniversary of the founding of North Korea and reports from South Korea are suggesting the North could mark the occasion with another ICBM test launch provoking further tensions. Meanwhile Monday will see a scheduled vote of the UN Security Council on deeper sanctions, which is likely to receive an angry response from Pyongyang.

This week’s ECB meeting saw no change in policy with the key policy rates kept on hold (refi rate 0.00%, deposit rate -0.40%) as was expected. President Draghi highlighted some Governing Council concerns over the euro, however they do not appear to be sufficient enough to prevent the ECB announcing a tapering of its asset purchase programme, with the President giving a very clear hint to the October meeting.

Next week the Bank of England and the Swiss National Bank are set to announce their latest policy decisions. Neither are likely to spring a rate move on markets, as the Bank of Canada did on Wednesday; it raised interest rates 25bps to 1.00%. Thursday’s BoE decision should see policy kept on hold with Bank rate held at 0.25%. We suspect that Ian McCafferty and Michael Saunders would have maintained their votes for a 25bp hike in rates, but that the overall vote will be 6-2 in favour of no change. Similarly there are no expectations for any change in policy at the SNB.

**Figure 10: Benchmark 10 year government bond yields**



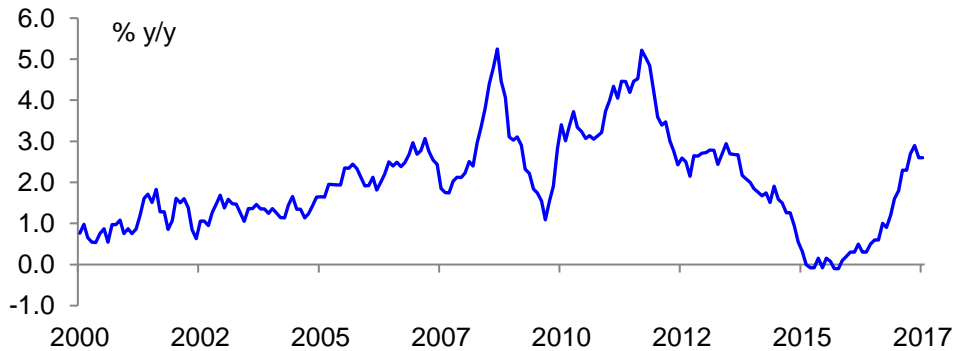
Source: Bloomberg



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**Figure 11: UK CPI inflation**



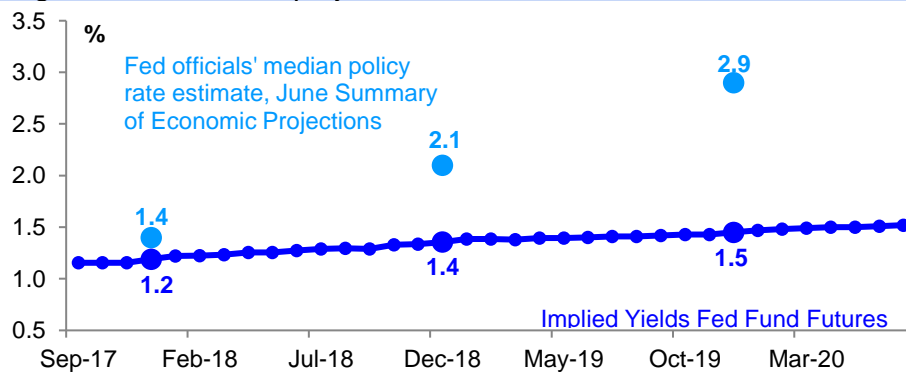
Source: Bloomberg

In the UK, there are a number of key data releases starting with August CPI inflation figures due on Tuesday. We forecast the rate of inflation firming from 2.6% to 2.8% (y/y). Labour market data due on Wednesday will also provide the latest update on wage growth, shaping views on the current squeeze on real household incomes. The RICS housing survey will be due on Thursday morning, whilst the House of Commons is set to vote on the 'Great Repeal Bill' (EU Withdrawal Bill) on Monday.

China is set for its usual monthly run of data, providing the latest health check on the economy in Q3.17. Key figures to watch will be industrial production and retail sales, but lending data in the form of New Yuan loans should also be due during the week.

Stateside, August inflation data will be one of the key figures. Recent months have seen US inflation softening, which has led to some members on the FOMC arguing for a pause in interest rate hikes, whilst the inflation outlook is assessed. However, despite the softening in inflation the FOMC seems content to commence with the gradual wind down of its balance sheet this year, where we suspect an announcement will be made at the 20 September meeting. Aside from CPI inflation data, retail sales, the Empire State manufacturing survey and Michigan consumer sentiment will all be due.

**Figure 12: US FOMC projections and Fed fund futures**



Source: Bloomberg

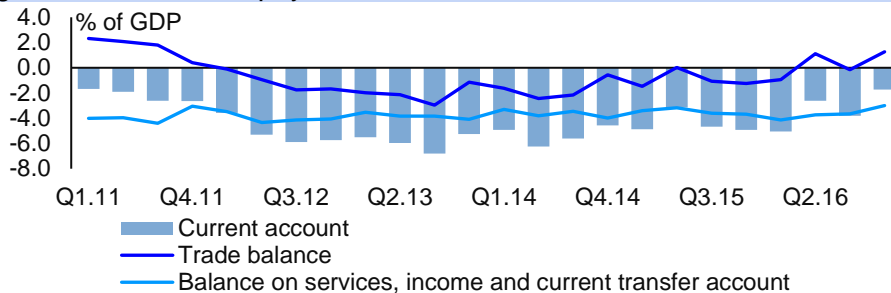


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**South Africa**

**Figure 13: Balance of payments: current account**



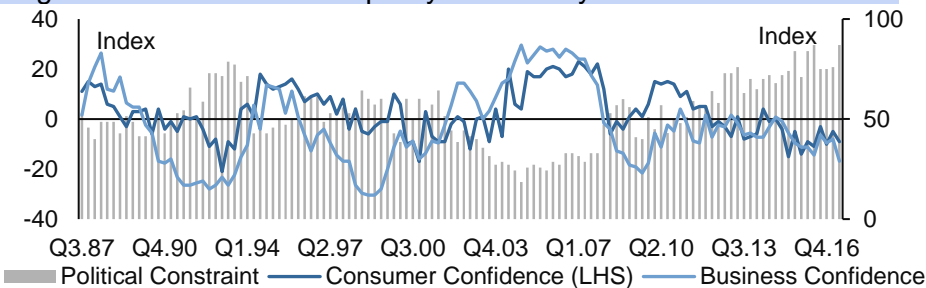
Source: SARB, Investec

The current account deficit is forecast to have narrowed to 1.7% of GDP in Q2.17 from -2.1% of GDP in Q1.17. Based on available data from the SARB, pertaining to international trade in goods and services, the seasonally adjusted trade surplus increased to R64.6bn in Q2.17 from R57.4bn in Q1.17. Expressed as a percentage of GDP the trade surplus rose to 1.4% of GDP in Q2.17 from 1.3% previously. According to the SARB data the deficit on the service account increased slightly as a % of GDP to -0.2% from a prior -0.1%. The income account deficit is forecast to have narrowed slightly on the lagged effects of dividend and interest payments/receipts associated with fixed and portfolio investments.

Retail sales for July are forecast to reflect growth of 2.7% y/y versus 2.9% y/y in June. Based on available data to June, retail sales underperformed in the first six months of the year, with growth of 0.6% y/y, relative to the 2.7% y/y increase in the same period of 2016. Retail sector activity is likely to remain muted this year, in line with modest growth in household consumption expenditure that we project at 1.0% y/y versus 0.8% y/y in 2016. Constraining factors to the growth in household consumption expenditure include persistently depressed consumer confidence, high unemployment and relatively weak income growth. Decelerating inflation and interest rate reductions should provide some relief to households but tighter credit conditions as well as the prospects for further fiscal tightening will weigh on consumers' ability to spend.

Business confidence for Q3.17 is scheduled for release in the upcoming week and is expected to remain in depressed territory. Depressed business confidence reflects the perception that economic weakness will be prolonged and increases the risk that pessimism will become entrenched, further delaying a recovery to fast, job creating economic growth. Depressed business and consumer confidence levels have been linked to perceived heightened policy uncertainty.

**Figure 14: Confidence and policy uncertainty**



Source: BER





## Week Ahead: Current account balance remains biased towards small deficits as trade balance remains in surplus

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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	103.4	4.9	0.2		
Sep 2017	103.7	5.0	0.3	4.8	
Oct 2017	104.0	4.8	0.3		
Nov 2017	104.2	4.7	0.2		
Dec 2017	104.4	4.4	0.2	4.6	2017 5.2
Jan 2018	105.2	4.5	0.7		
Feb 2018	105.6	3.8	0.4		
Mar 2018	106.9	4.5	1.2	4.3	
Apr 2018	107.3	4.8	0.4		
May 2018	107.6	4.8	0.3		
Jun 2018	107.9	4.9	0.3	4.8	
Jul 2018	108.7	5.3	0.7		
Aug 2018	109.1	5.5	0.4		
Sep 2018	109.5	5.5	0.3	5.5	
Oct 2018	109.9	5.6	0.4		
Nov 2018	110.2	5.7	0.3		
Dec 2018	110.6	5.8	0.3	5.7	2018 5.1
Jan 2019	111.3	5.8	0.7		
Feb 2019	111.5	5.6	0.2		
Mar 2019	112.7	5.4	1.0	5.6	
Apr 2019	112.9	5.2	0.2		
May 2019	113.1	5.1	0.2		
Jun 2019	113.3	5.0	0.2	5.1	
Jul 2019	114.2	5.1	0.8		
Aug 2019	114.9	5.3	0.6		
Sep 2019	115.3	5.3	0.3	5.3	
Oct 2019	115.9	5.4	0.5		
Nov 2019	116.2	5.4	0.3		
Dec 2019	116.6	5.4	0.3	5.4	2019 5.4

Source: Stats SA, Investec



Figure 15: CPI forecast averages

Date	Index Base 2010	Annual y/y	Monthly m/m	Quarterly y/y	Calendar year y/y
Jan 2020	117.4	5.4	0.7		
Feb 2020	117.5	5.3	0.1		
Mar 2020	119.1	5.7	1.4	5.5	
Apr 2020	119.1	5.5	0.0		
May 2020	119.2	5.4	0.1		
Jun 2020	119.6	5.5	0.3	5.5	
Jul 2020	120.8	5.7	1.0		
Aug 2020	121.4	5.6	0.5		
Sep 2020	121.9	5.7	0.4	5.7	
Oct 2020	122.1	5.4	0.2		
Nov 2020	122.7	5.6	0.5		
Dec 2020	122.9	5.4	0.1	5.5	2020 5.5
Jan 2021	124.1	5.7	1.0		
Feb 2021	124.3	5.8	0.2		
Mar 2021	125.7	5.5	1.1	5.7	
Apr 2021	125.7	5.5	0.0		
May 2021	125.8	5.5	0.1		
Jun 2021	126.2	5.5	0.3	5.5	
Jul 2021	127.5	5.5	1.0		
Aug 2021	128.1	5.5	0.5		
Sep 2021	128.6	5.5	0.4	5.5	
Oct 2021	128.9	5.5	0.2		
Nov 2021	129.5	5.5	0.5		
Dec 2021	129.7	5.5	0.1	5.5	2021 5.6

Source: Stats SA, Investec



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	5.4	6.75	1.9
Sep 2017	10.00	5.0	6.50	1.5
Oct 2017	10.00	5.2	6.50	1.7
Nov 2017	10.00	5.3	6.50	1.8
Dec 2017	10.00	5.6	6.50	2.1
Jan 2018	9.75	5.2	6.25	1.7
Feb 2018	9.75	5.9	6.25	2.4
Mar 2018	9.75	5.3	6.25	1.8
Apr 2018	9.75	5.0	6.25	1.5
May 2018	9.75	5.0	6.25	1.5
Jun 2018	9.75	4.9	6.25	1.4
Jul 2018	9.75	4.4	6.25	0.9
Aug 2018	9.75	4.2	6.25	0.7
Sep 2018	9.75	4.2	6.25	0.7
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 17: Exchange rate history and forecast, annual averages

	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>EURUSD</b>	1.39	1.29	1.33	1.33	1.11	1.11	1.11	1.16	1.18
<b>EURGBP</b>	0.87	0.81	0.85	0.81	0.73	0.82	0.87	0.89	0.86
<b>GBPEUR</b>	1.14	1.23	1.18	1.24	1.38	1.22	1.15	1.13	1.16
<b>GBPUSD</b>	1.60	1.58	1.56	1.65	1.53	1.36	1.28	1.31	1.37
<b>USDJPY</b>	80	80	98	106	121	109	111	106	105
<b>EURJPY</b>	111	103	130	140	134	120	124	123	124
<b>GBPJPY</b>	128	126	153	174	185	147	142	138	144
<b>EURCHF</b>	1.23	1.21	1.23	1.21	1.07	1.09	1.09	1.13	1.14
<b>USDCHF</b>	0.89	0.94	0.93	0.91	0.96	0.98	0.98	0.98	0.96
<b>GBPCHF</b>	1.42	1.49	1.45	1.50	1.47	1.33	1.25	1.27	1.32
<b>AUDUSD</b>	1.03	1.04	0.97	0.90	0.75	0.75	0.77	0.79	0.79
<b>EURAUD</b>	1.35	1.24	1.38	1.48	1.49	1.49	1.45	1.47	1.50
<b>AUDJPY</b>	82	83	94	95	90	81	85	84	83
<b>GBPAUD</b>	1.55	1.53	1.63	1.83	2.05	1.82	1.67	1.66	1.74
<b>ZARUSD</b>	7.25	8.20	9.64	10.84	12.76	14.68	13.18	13.21	12.27
<b>ZARGBP</b>	11.62	13.01	15.10	17.85	19.48	19.92	16.80	17.24	16.85
<b>ZAREUR</b>	10.07	10.54	12.80	14.39	14.15	16.26	14.65	15.28	14.50
<b>JPYZAR</b>	11.07	9.75	10.15	9.74	9.48	7.33	8.42	8.02	8.56
<b>ZARCHF</b>	8.21	8.75	10.42	11.86	13.26	14.93	13.41	13.54	12.73
<b>ZARAUD</b>	7.49	8.46	9.32	9.78	9.58	10.93	10.10	10.42	9.69

Source: IRESS, Investec

## Week Ahead: Current account balance remains biased towards small deficits as trade balance remains in surplus

8<sup>th</sup> September 2017



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	1.14	1.14	1.15	1.16	1.16	1.17	1.18	1.18	1.18	1.19
<b>EURGBP</b>	0.86	0.86	0.88	0.88	0.88	0.89	0.89	0.89	0.88	0.86	0.86	0.85
<b>GBPEUR</b>	1.16	1.16	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	1.28	1.29	1.29	1.30	1.31	1.31	1.31	1.34	1.37	1.38	1.39
<b>USDJPY</b>	114	111	111	109	107	106	106	105	105	105	105	105
<b>EURJPY</b>	121	122	127	124	123	122	122	123	124	124	124	124
<b>GBPJPY</b>	141	142	144	141	139	138	138	138	141	144	145	146
<b>EURCHF</b>	1.07	1.08	1.10	1.12	1.13	1.13	1.13	1.13	1.14	1.14	1.14	1.14
<b>USDCHF</b>	1.00	0.98	0.97	0.98	0.98	0.98	0.97	0.97	0.96	0.97	0.97	0.96
<b>GBPCHF</b>	1.24	1.26	1.25	1.26	1.27	1.28	1.27	1.27	1.29	1.33	1.33	1.34
<b>AUDUSD</b>	0.76	0.75	0.77	0.78	0.79	0.79	0.79	0.79	0.79	0.79	0.79	0.79
<b>EURAUD</b>	1.41	1.47	1.47	1.46	1.46	1.46	1.47	1.48	1.49	1.49	1.49	1.50
<b>AUDJPY</b>	86	83	86	85	84	84	83	83	83	83	83	83
<b>GBPAUD</b>	1.64	1.70	1.67	1.66	1.65	1.65	1.66	1.66	1.70	1.74	1.75	1.76
<b>ZARUSD</b>	13.22	13.19	13.15	13.45	13.60	13.40	13.05	12.80	12.45	12.10	12.20	12.35
<b>ZARGBP</b>	16.35	16.85	17.01	17.37	17.65	17.49	17.08	16.80	16.74	16.60	16.84	17.22
<b>ZAREUR</b>	14.08	14.52	15.00	15.33	15.57	15.48	15.14	14.98	14.69	14.28	14.40	14.63
<b>JPYZAR</b>	8.54	8.39	8.45	8.10	7.87	7.91	8.08	8.20	8.43	8.68	8.61	8.50
<b>ZARCHF</b>	13.18	13.41	13.61	13.75	13.84	13.70	13.40	13.25	12.94	12.52	12.63	12.84
<b>ZARAUD</b>	10.03	9.92	10.17	10.49	10.68	10.59	10.31	10.11	9.84	9.56	9.64	9.76

Source: IRESS, Investec

## Week Ahead: Current account balance remains biased towards small deficits as trade balance remains in surplus

8<sup>th</sup> September 2017



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>	1.19	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	107	107	107	107	107	107	107	107	107
<b>EURJPY</b>	126	126	127	128	129	131	132	132	133	133	133	133
<b>GBPJPY</b>	147	147	148	150	151	151	151	151	152	152	152	152
<b>EURCHF</b>	1.15	1.15	1.16	1.16	1.16	1.17	1.17	1.17	1.17	1.17	1.15	1.15
<b>USDCHF</b>	0.97	0.97	0.97	0.97	0.96	0.96	0.95	0.95	0.94	0.94	0.93	0.93
<b>GBPCHF</b>	1.34	1.35	1.36	1.36	1.35	1.35	1.34	1.34	1.33	1.33	1.32	1.32
<b>AUDUSD</b>	0.80	0.80	0.80	0.80	0.81	0.81	0.81	0.80	0.80	0.81	0.81	0.82
<b>EURAUD</b>	1.49	1.49	1.50	1.50	1.49	1.51	1.52	1.54	1.55	1.53	1.53	1.51
<b>AUDJPY</b>	85	85	85	86	87	87	87	86	86	87	87	88
<b>GBPAUD</b>	1.74	1.74	1.75	1.75	1.74	1.74	1.74	1.76	1.78	1.75	1.75	1.73
<b>ZARUSD</b>	12.00	11.80	11.65	11.45	11.65	11.85	12.00	11.95	12.00	12.20	12.40	12.50
<b>ZARGBP</b>	16.68	16.40	16.31	16.03	16.43	16.71	16.92	16.85	17.04	17.32	17.61	17.75
<b>ZAREUR</b>	14.28	14.04	13.98	13.74	14.10	14.46	14.76	14.70	14.88	15.13	15.38	15.50
<b>JPYZAR</b>	8.83	8.98	9.10	9.34	9.18	9.03	8.92	8.95	8.92	8.77	8.63	8.56
<b>ZARCHF</b>	12.42	12.16	12.01	11.80	12.14	12.34	12.63	12.58	12.77	12.98	13.33	13.44
<b>ZARAUD</b>	9.60	9.44	9.32	9.16	9.44	9.60	9.72	9.56	9.60	9.88	10.04	10.25

Source: IRESS, Investec

## Week Ahead: Current account balance remains biased towards small deficits as trade balance remains in surplus

8<sup>th</sup> September 2017



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