



8th December 2017 – 2nd January 2018

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Figure 1: SA Monetary Policy Committee (MPC) meeting dates for 2017 and 2018

Month	Date	Forecast
January 2018	17 th – 18 th	6.75
March 2018	26 th – 28 th	6.75
May 2018	22 nd – 24 th	6.75
July 2018	17 th – 19 th	7.00
September 2018	18 th – 20 th	7.00
November 2018	20 th – 22 nd	7.25

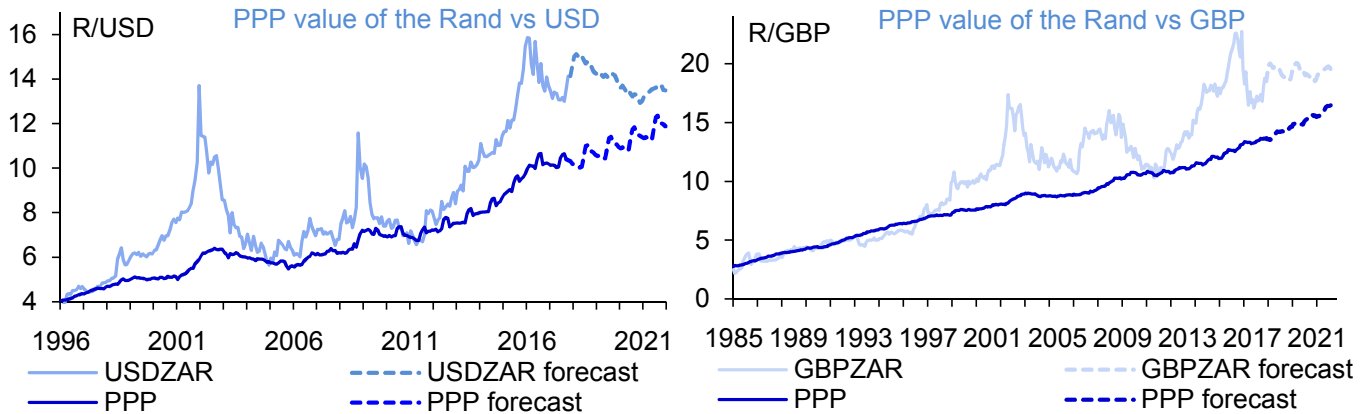
Source: SA Reserve Bank, Investec



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Currency outlook for the week ahead and foreign portfolio flows:

Figure 2: Purchasing price parity value of the rand

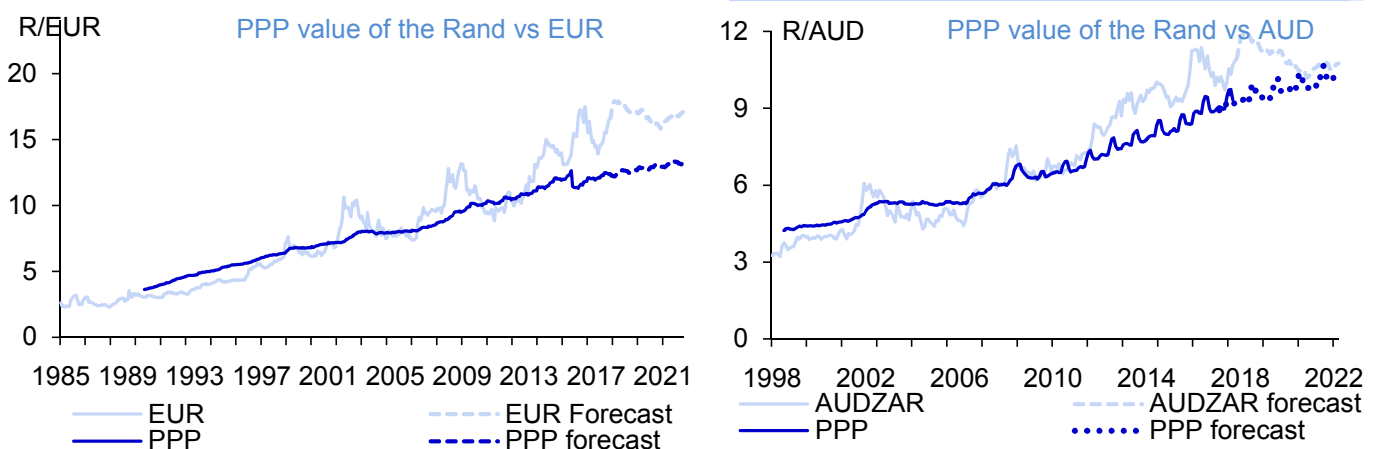


Source: Investec, IRESS

Over the last week the rand has strengthened by a modest 0.8% whilst most emerging market currencies weakened in line with a stronger US\$. The US\$ has gained on expectations of tax reform being passed and expectations of an infrastructure spending plan being introduced early next year. Favourable tax reform and increased fiscal spending would support expectations of stronger US economic growth and higher inflation. In the event, markets could be expecting more Fed tightening. In the meantime, a hike at next week's FOMC is priced in. This week's modest gains in the rand may have been linked to market sentiment surrounding the outcome of ANC branch nominations that show Deputy President Cyril Ramaphosa is just in the lead. Heading into next week the rand can be expected to remain influenced by any further domestic political events in the lead up to the ANC conference taking place between 16 December and 20 December.

In the week ahead, the rand is expected to trade in a range of R13.10/USD – 14.10/USD, R15.50/EUR - R16.50/EUR and R17.70/GBP - R18.70/GBP.

Figure 3: Purchasing price parity value of the rand



Source: Investec, IRESS

Week Ahead: Economic updates estimated to show relatively modest rates of economic activity and slower rates of inflation



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Figure 4: Economic Scenarios: the risk is currently tilted to the downside

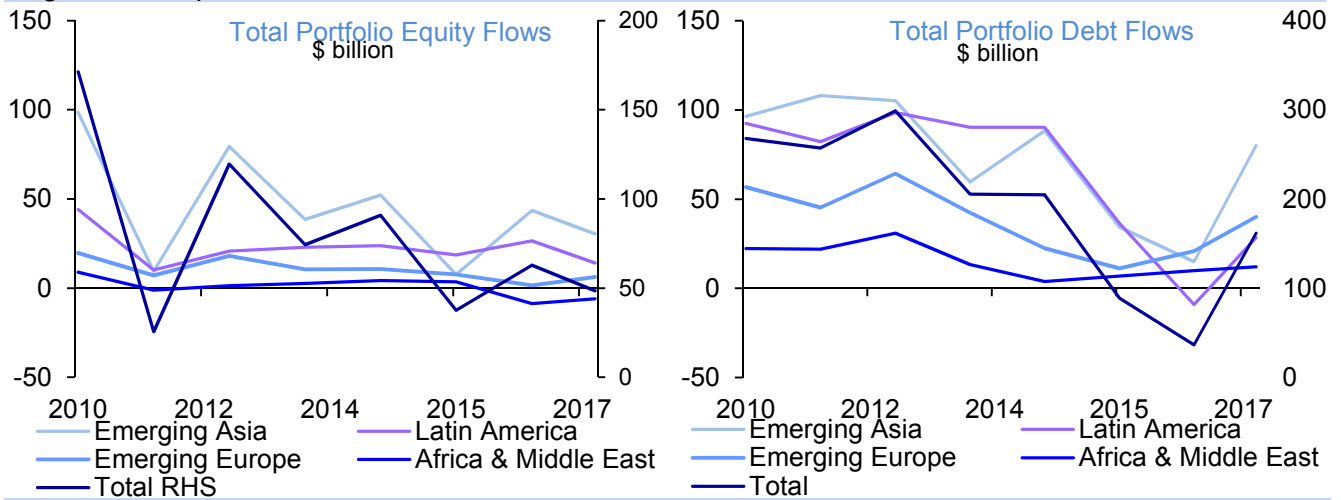
		Q4.17	Q1.18	Q2.18	Q3.18	Q4.18	Q1.19	Q2.19	Q3.19
Extreme up case 1%	Rand/USD (average)	13.60	11.70	10.60	9.50	8.60	7.90	7.60	7.40
	Repo rate (end rate)	6.75	6.50	6.00	5.50	5.00	5.00	5.00	5.00
	Fast, sustainable economic growth of 5.0-7.0% y/y plus . SA sees change in political will with growth creating 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 8%	Rand/USD (average)	13.65	12.60	12.20	11.80	11.50	11.20	10.50	10.55
	Repo rate (end rate)	6.75	6.50	6.25	6.25	6.00	5.50	5.50	5.50
	Persistent economic growth of 3-5% , with growing probability of extreme up case thereafter. Good governance , growth creating economic reforms in line with global norms (structural constraints are overcome) and greater socio-economic stability. High business confidence and private sector fixed investment growth and fiscal consolidation. Strong global growth and commodity cycle. Stabilisation of credit ratings, with ultimately credit rating upgrades .								
Base line case 33%	Rand/USD (average)	13.90	14.40	15.00	14.50	14.20	14.00	14.40	14.20
	Repo rate (end rate)	6.75	6.75	7.00	7.25	7.25	7.25	7.25	7.25
	Global risk-on and good world economic growth . SA weak economic growth, 2.0% y/y reached by 2023 . SA debt high tier of sub-investment grade, rand structurally weak. Sedate pace of global monetary policy normalisation, however SA mild repo rate hikes on higher CPI inflation and credit rating downgrades.								
Down case 32%	Rand/USD (average)	14.25	16.00	18.00	19.00	19.50	18.50	17.80	16.90
	Repo rate (end Rate)	6.75	7.00	7.50	8.25	9.00	10.00	10.50	10.50
	Global risk-off (market correction) , commodity price slump, global economic slowdown . SA's debt sub-investment grade, increased chance of further credit rating downgrades. Rand weakness, confidence and investment measures depressed , SA V shaped recession. Government's capacity for expenditure reduced, including social welfare grants.								
Extreme case 26%	Rand/USD (average)	13.22	17.00	19.00	21.00	22.80	24.00	25.50	26.00
	Repo rate (end Rate)	6.75	8.00	10.00	13.00	15.50	17.00	19.00	22.00
	The path to a failed state (state bankruptcy) . Credit ratings junk , sovereign debt default & 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. SA economic depression, global recession .								

Source: Investec, IRESS



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Figure 5: Net portfolio flows for EMs



Source: IIF

Figure 6: Net foreign portfolio flows for SA assets

Week	Equities (Rbn)	Debt (Rbn)	Total (Rbn)
27 th November – 1 st December 2017	-6.6	-8.8	-15.4
20 th November – 24 th November 2017	4.1	1.8	5.9
13 th November – 17 th November 2017	5.3	0.1	5.4
6 th November – 10 th November 2017	1.8	-6.1	-4.3
30 th October – 3 rd November 2017	1.8	-6.9	-5.2
23 rd October – 27 th October 2017	-0.1	-5.9	-5.9
16 th October – 20 th October 2017	1.7	-1.0	0.7
9 th October - 13 th October 2017	3.3	-2.1	1.2
2 nd October – 6 th October 2017	2.1	-0.6	1.5
25 th September – 29 th September 2017	-2.4	1.5	-0.9
Month			
November 2017	4.0	-13.9	-9.8
October 2017	8.6	-13.7	-5.1
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

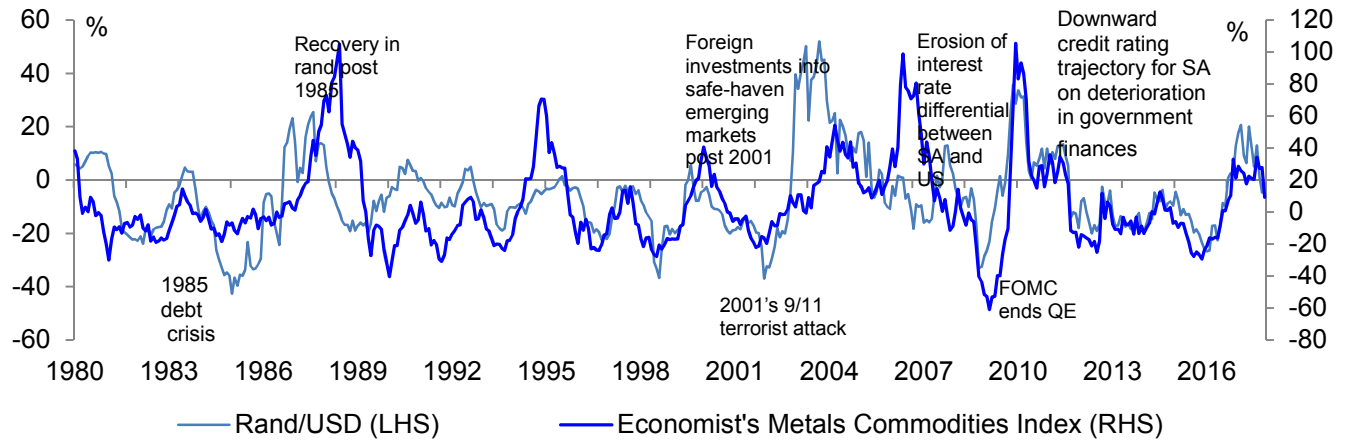
Note: data subject to frequent revisions

Source: IRESS



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



Source: IRESS, Investec

Week Ahead: Economic updates estimated to show relatively modest rates of economic activity and slower rates of inflation



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Data releases in the week ahead

Figure 8: Economic data releases for next week

Date	Country	Indicator	Month	Forecast	Previous	
12/12/17	SA	Non-Farm Payrolls	Q3.17		-0.40% q/q	
		Non-Farm Payrolls	Q3.17		0.10% y/y	
		Manufacturing Prod SA	Oct		-0.80% m/m	
	US	Manufacturing Prod NSA	Oct	0.9% y/y	-1.60% y/y	
		PPI Final Demand	Nov	0.40% m/m	0.40% m/m	
		PPI Final Demand	Nov	3.00% y/y	2.80% y/y	
		Eurozone	ZEW Survey Expectations	Dec		30.9
13/12/17	SA	CPI	Nov	0.20% m/m	0.30% m/m	
		CPI	Nov	4.70% y/y	4.80% y/y	
		CPI Core	Nov		0.10% m/m	
		CPI Core	Nov		4.50% y/y	
		Retail Sales	Oct		-0.70% m/m	
	US	Retail Sales	Oct	5.10% y/y	5.40% y/y	
		MBA Mortgage Applications	Dec 8		0.70% m/m	
		CPI	Nov	0.40% m/m	0.10% m/m	
		CPI	Nov	2.20% y/y	2.00% y/y	
		FOMC Rate Decision (Upper Bound)	Dec 18	1.50%	1.25%	
		FOMC Rate Decision (Lower Bound)	Dec 18	1.25%	1.00%	
		Eurozone	Industrial Production SA	Oct		-0.60% m/m
			Industrial Production WDA	Oct		3.30% y/y
			Employment	Q3.17		0.40% q/q
Employment	Q3.17			1.60% y/y		
14/12/17	SA	Current Account as a % GDP	Q3.17	-2.0%	-2.40%	
		Current Account Balance	Q3.17	-93bn	-110bn	
		PPI	Nov	0.20% m/m	0.70% m/m	
	US	PPI	Nov	4.80% y/y	5.00% y/y	
		Initial Jobless Claims	Dec 9			
		Continuing Claims	Dec 2			
		Import Price Index	Nov		2.5% y/y	
		Export Price Index	Nov		2.7% y/y	
	Eurozone	Retail Sales Advance	Nov	0.3% m/m	0.2% m/m	
		ECB Main Refinancing Rate	Dec 14		0.00%	
		ECB Marginal Lending Facility	Dec 14		0.25%	
ECB Deposit Facility Rate		Dec 14		-0.40%		
15/12/17	US	Empire Manufacturing	Dec		19.4	
		Industrial Production	Nov	0.20% m/m	0.90% m/m	
		Capacity Utilization	Nov	77.20%	77.00%	
		Manufacturing Production	Nov		1.30%	
		Trade Balance SA	Oct		25.0b	
		Trade Balance NSA	Oct		26.4b	

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

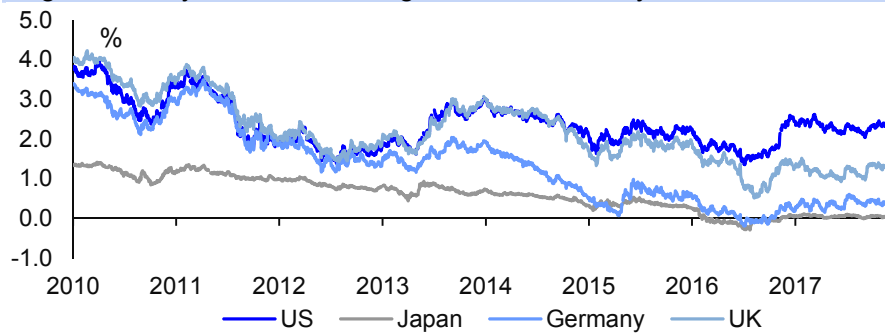
Source: Bloomberg



International section

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

Figure 9: 10 year benchmark government bond yields



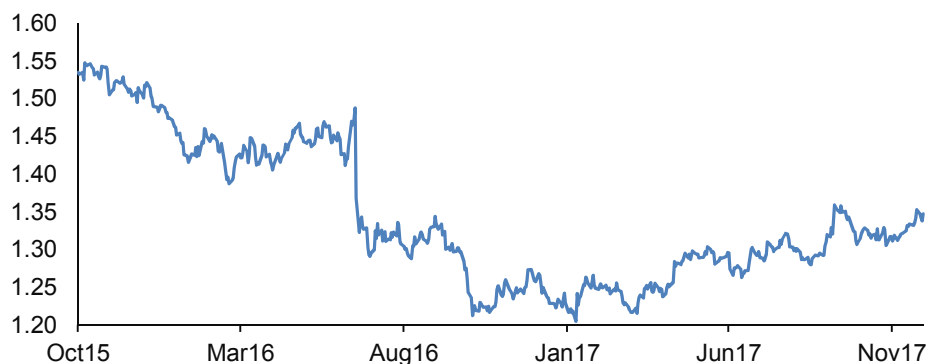
Sources: Bloomberg

(GB) “Urgent phone call from Belfast for you, Prime Minster” was probably the last thing Theresa May wanted to hear on Monday. She was in the middle of a lunch hosted by European Commission President Jean-Claude Juncker and Michel Barnier that had been billed as the deadline to make ‘sufficient progress’ on three key areas ahead of an EU summit which is set to determine whether to move talks onto discussing a transition period and the future trading relationship.

Things were looking promising after a leaked document showed that the UK and EU had agreed to continued regulatory alignment between Northern Ireland and the Republic. But before the champagne could be popped, the Prime Minister was forced to step away from the lunch to take a call from Arlene Foster, the DUP leader whose party props up the minority Conservative government, given that she believed it would prevent Northern Ireland from leaving the EU ‘on the same terms’ as the rest of the UK.

With the Irish situation seemingly the final sticking point, much will depend on whether Belfast, Dublin and London are able to reconcile their views if the EU is to decide at the end of its two-day EU summit on Friday that adequate progress has been made to move on to ‘Phase 2’ of talks. Ultimately, we are hopeful that an agreement of some sorts will be made, albeit probably going down to the wire. If a breakthrough can be achieved, this will mark a pivotal moment in the Brexit negotiations which will support sterling.

Figure 10: GBPUSD



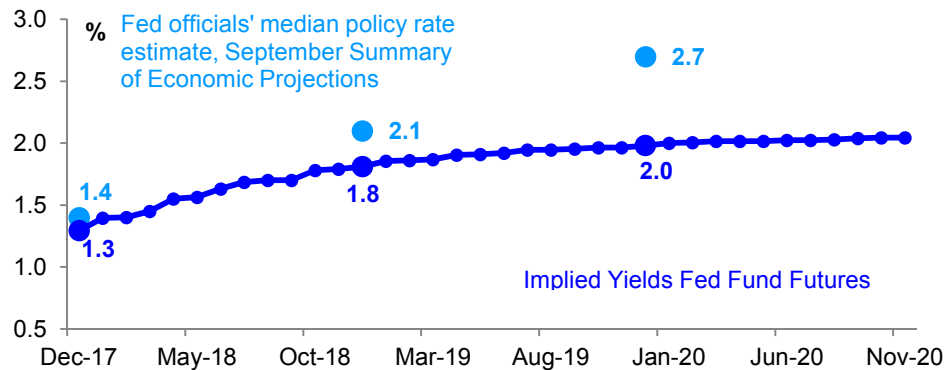
Sources: Bloomberg

Week Ahead: Economic updates estimated to show relatively modest rates of economic activity and slower rates of inflation

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Figure 11: US FOMC projections and Fed fund futures



Sources: US Fed, Bloomberg

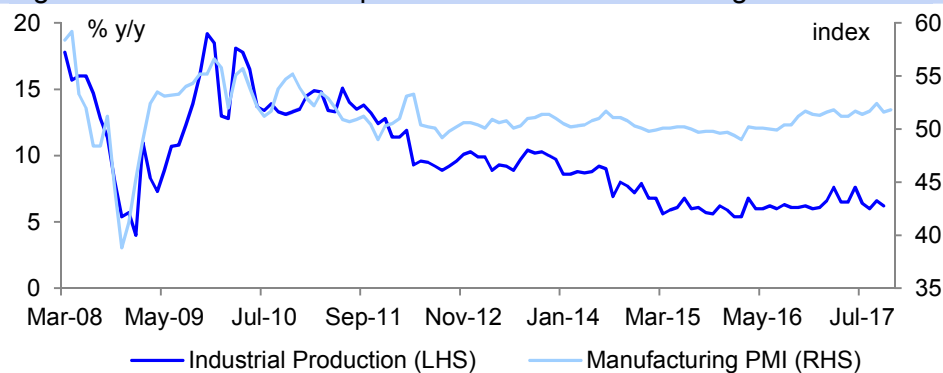
On the data front, UK CPI is expected to support our earlier prediction that inflation has peaked, though labour market stats are expected to show that wage growth remains subdued despite the unemployment rate remaining historically low. Bank of England is all-but-certain to hold fire at its policy meeting on Thursday; we will be looking for any clues over the timing of any future policy tightening in the minutes. Retail sales are similarly out on Thursday, but the already volatile measure is likely to be distorted further by Black Friday.

Stateside, the biggest market event of the week takes the form of Fed Chair Yellen’s penultimate meeting, where we expect she will oversee her fifth and final hike of the Fed funds target rate range.

Across the channel, ZEW figures will give us an insight into German business sentiment. The ECB policy announcement (12.45pm GMT) and press conference is on Thursday. While no change in policy is expected, an upward appraisal of the central bank’s economic forecasts looks likely.

Looking to the East, China kicks off the week with inflation figures on Saturday followed on Thursday by the three key cyclical indicators: fixed asset investment, industrial production and retail sales. Lending figures are also released at some point, with the precise release date remaining elusive as ever.

Figure 12: China industrial production and manufacturing PMI



Sources: National Bureau of Statistics of China



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International interest rates

Figure 13: 10-year government bond yields (% , end-quarter):

	US	Germany	UK	Japan
Current	2.38	0.38	1.33	0.06
2017				
Q2	2.36	0.20	1.12	0.05
Q4	2.45	0.50	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 14: Key official interest rates (% , end quarter)

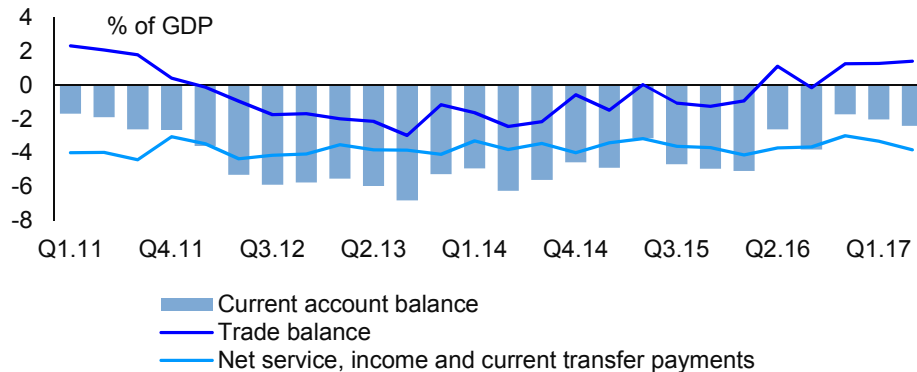
	US Fed funds	Eurozone refi rate	Eurozone deposit rate	UK Bank rate	Japan rate	Australia Cash rate
Current	1.00-1.25	0.00	-0.40	0.25	-0.10	1.50
2017						
Q1	0.75-1.00	0.00	-0.40	0.25	-0.10	1.50
Q2	1.00-1.25	0.00	-0.40	0.25	-0.10	1.50
Q3	1.00-1.25	0.00	-0.40	0.25	-0.10	1.50
Q4	1.25-1.50	0.00	-0.40	0.50	-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



South Africa section

Figure 15: Balance of payments: current account

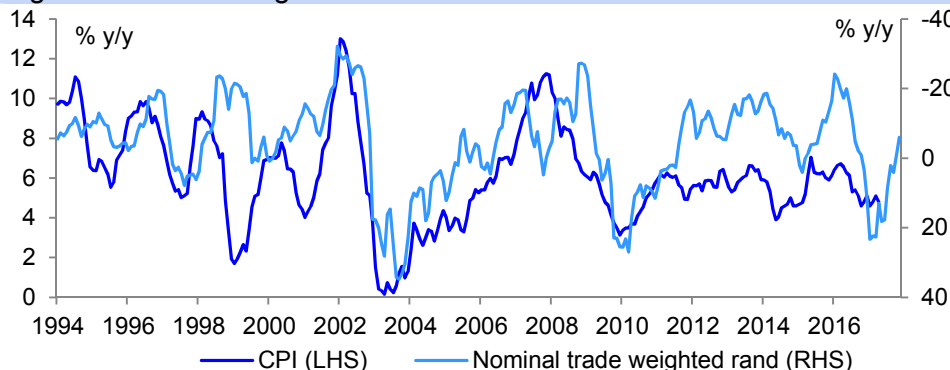


Source: SARB, Investec

The current account deficit is forecast to have narrowed to 2.0% of GDP in Q3.17 from 2.4% of GDP in Q2.17. Based on available data from the SARB, pertaining to international trade in goods and services, the seasonally adjusted trade surplus increased to R71.0bn in Q3.17 from R64.4bn in Q2.17. In Q3.17, the contraction in imports, of 3.1% q/q, outpaced the fall in exports, of 2.4% q/q, yielding the larger surplus. Expressed as a percentage of GDP, the trade surplus rose to 1.5% in Q3.17 from 1.4% previously. According to the SARB data, the deficit on the service account narrowed to R1.5bn from R7.2bn in the prior quarter which translates to 0.0% of GDP versus -0.2% in Q2.17. In Q3.17, service payments decreased by 0.4% q/q whilst service receipts increased by 2.3% q/q. The income component includes dividend and interest payments/receipts associated with fixed and portfolio investments captured in the financial account. We estimate the income account deficit to have remained relatively steady in Q3.17.

CPI inflation is likely to have slowed to 4.7% y/y in November from 4.8% y/y in October, mainly on account of a continued moderation in food prices and a lower fuel price increase relative to the prior month. For the year as a whole CPI inflation is estimated to average 5.3% y/y compared to 6.3% y/y in 2016. However, for 2018 and 2019 we forecast CPI inflation to rise to 5.7% y/y and 5.8% y/y respectively on a strengthening global cycle, a further lift in commodity prices and higher local administered tariffs. At its last MPC meeting in November, the SARB noted that the upside risks to the inflation outlook prevail and in the main include

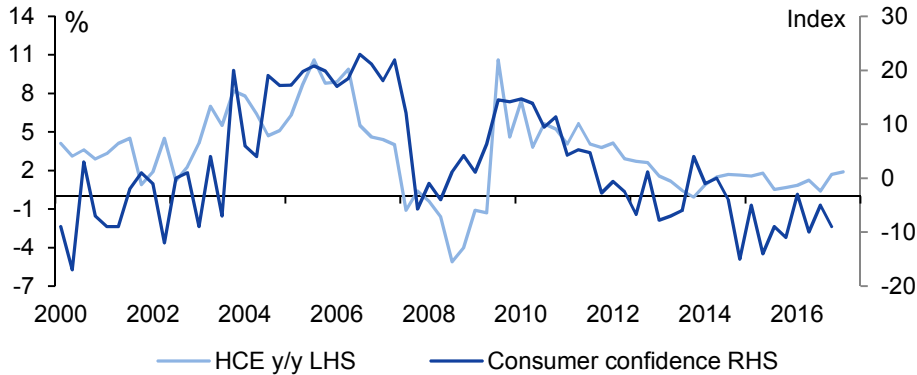
Figure 16: Trade weighted rand versus headline CPI inflation



Source: IRESS, Stats SA, Investec



Figure 17: Private sector spending growth vs consumer confidence



Sources: SARB, BER

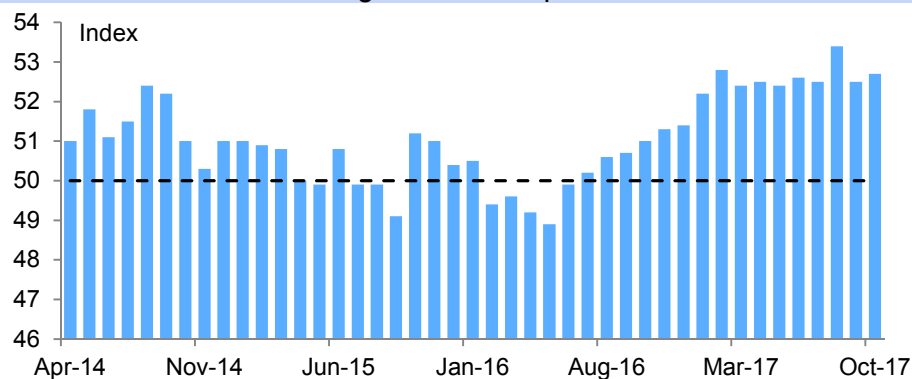
PPI inflation is also forecast to have moderated in November to 4.8% y/y from 5.0% y/y previously. Similar to the CPI, food and fuel price dynamics are likely to be the main drivers behind the moderation.

Decelerating inflation over the course of 2017 has provided some relief to households but consumption growth continues to be constrained by a number of factors. These include tax increases, high unemployment, weaker income growth and modest rates of household credit extension. Moreover, persistently depressed consumer confidence has also impacted consumers' willingness to spend, particularly for big ticket items. Indeed according the BER Retail Survey "conditions in the retail sector remain tough and volume growth likely slowed somewhat during the fourth quarter." We project retail sales at 5.1% y/y in October compared to 5.4% y/y in September.

Also scheduled for release next week is the manufacturing production update for October. Manufacturing production is also expected to have recovered to 0.9% y/y in October from a prior contraction of 1.6% y/y. The manufacturing sectors has derived some support from the strengthening global demand conditions but growth in the sector is being constrained by weak domestic demand and persistent policy uncertainty which has weighed on confidence levels.

Towards the end of December private sector credit extension and the trade balance updates will be released for the November month. Private sector credit extension is forecast to have remained relatively

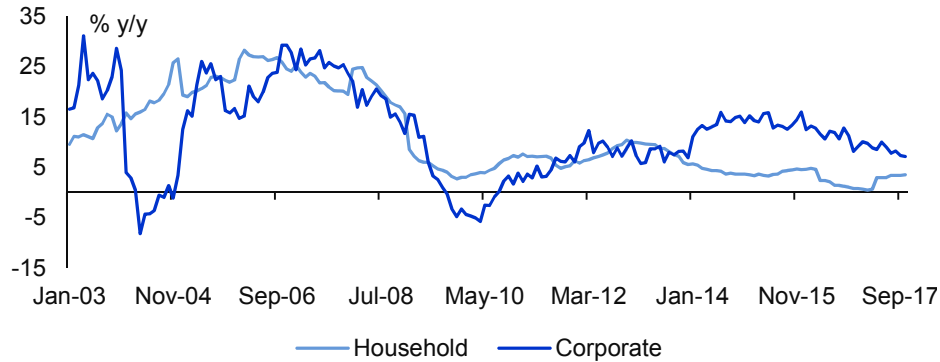
Figure 18: Global manufacturing PMI: new export orders



Source: Markit



Figure 19: Household and corporate credit growth



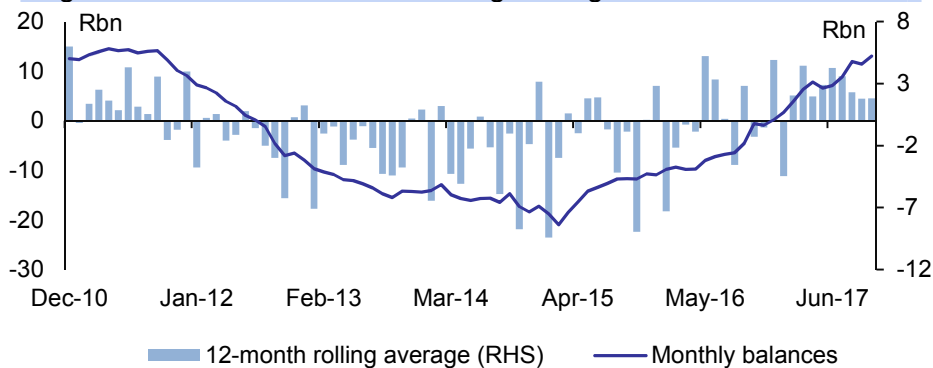
Source: SARB, Investec

steady at 5.5% y/y in November versus 5.4% y/y in October. The disaggregation of the data is likely to show moderating corporate credit growth, with depressed business confidence and weaker investment rates. Household credit growth rates are expected to remain modest, partially reflecting relatively tight credit criteria.

The trade account is estimated to have registered another surplus of R5.5bn in November following a surplus of R4.6bn in October. Based on the available data to October, the year to date surplus totaled R51.6bn compared to a deficit of R9.9bn in the same period of 2016. The trade surplus so far in 2017 reflects weak rates of domestic consumption and investment which have contributed to import compression. Concurrently, the export performance has been stronger aided by a strengthening global economy and higher commodity prices (relative to early 2016 lows).

Please note the week ahead publication will resume in January 2018.

Figure 20: Trade balance and rolling average



Source: SARS, Investec



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Figure 21: 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	104.3	4.7	0.2		
Dec 2017	104.6	4.5	0.2	4.7	2017 5.3
Jan 2018	105.4	4.8	0.8		
Feb 2018	106.4	4.7	1.0		
Mar 2018	107.1	4.7	0.6	4.7	
Apr 2018	107.6	5.1	0.5		
May 2018	108.2	5.3	0.5		
Jun 2018	108.8	5.7	0.6	5.4	
Jul 2018	109.5	6.1	0.7		
Aug 2018	110.0	6.4	0.4		
Sep 2018	110.3	6.2	0.3	6.3	
Oct 2018	110.6	6.2	0.3		
Nov 2018	110.9	6.3	0.3		
Dec 2018	111.2	6.3	0.2	6.3	2018 5.7
Jan 2019	111.7	6.0	0.5		
Feb 2019	112.8	6.0	1.0		
Mar 2019	113.7	6.2	0.8	6.1	
Apr 2019	114.0	5.9	0.2		
May 2019	114.1	5.5	0.1		
Jun 2019	114.3	5.1	0.2	5.5	
Jul 2019	115.3	5.3	0.9		
Aug 2019	116.2	5.7	0.7		
Sep 2019	116.8	5.9	0.6	5.6	
Oct 2019	117.2	6.0	0.4		
Nov 2019	117.4	5.8	0.2		
Dec 2019	117.6	5.8	0.2	5.9	2019 5.8

Source: Stats SA, Investec



Figure 21: CPI forecast averages

Date	Index Base 2010	Annual y/y	Monthly m/m	Quarterly y/y	Calendar year y/y
Jan 2020	118.3	5.9	0.6		
Feb 2020	119.5	5.9	1.0		
Mar 2020	120.0	5.5	0.4	5.7	
Apr 2020	120.4	5.7	0.4		
May 2020	120.6	5.7	0.1		
Jun 2020	120.9	5.8	0.3	5.7	
Jul 2020	122.3	6.0	1.1		
Aug 2020	123.0	5.8	0.6		
Sep 2020	123.5	5.7	0.4	5.8	
Oct 2020	123.7	5.5	0.2		
Nov 2020	124.1	5.7	0.3		
Dec 2020	124.2	5.6	0.1	5.6	2020 5.7
Jan 2021	124.9	5.6	0.6		
Feb 2021	126.4	5.8	1.2		
Mar 2021	127.5	6.3	0.9	5.9	
Apr 2021	127.5	5.9	0.0		
May 2021	127.4	5.7	-0.1		
Jun 2021	127.3	5.3	-0.1	5.6	
Jul 2021	128.8	5.4	1.2		
Aug 2021	129.8	5.6	0.8		
Sep 2021	130.8	5.9	0.7	5.6	
Oct 2021	130.9	5.8	0.1		
Nov 2021	131.0	5.5	0.1		
Dec 2021	131.0	5.5	0.1	5.6	2021 5.7

Source: Stats SA, Investec



Figure 22: 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	5.5	6.75	2.0
Dec 2017	10.25	5.7	6.75	2.2
Jan 2018	10.25	5.5	6.75	2.0
Feb 2018	10.25	5.6	6.75	2.1
Mar 2018	10.25	5.6	6.75	2.1
Apr 2018	10.25	5.2	6.75	1.7
May 2018	10.25	4.9	6.75	1.4
Jun 2018	10.25	4.5	6.75	1.0
Jul 2018	10.50	4.4	7.00	0.9
Aug 2018	10.50	4.1	7.00	0.6
Sep 2018	10.50	4.3	7.00	0.8
Oct 2018	10.50	4.3	7.00	0.8
Nov 2018	10.75	4.4	7.25	0.9
Dec 2018	10.75	4.4	7.25	0.9
Jan 2019	10.75	4.7	7.25	1.2
Feb 2019	10.75	4.7	7.25	1.2
Mar 2019	10.75	4.5	7.25	1.0
Apr 2019	10.75	4.8	7.25	1.3
May 2019	10.75	5.3	7.25	1.8
Jun 2019	10.75	5.7	7.25	2.2
Jul 2019	10.75	5.4	7.25	1.9
Aug 2019	10.75	5.1	7.25	1.6
Sep 2019	10.75	4.8	7.25	1.3
Oct 2019	10.75	4.8	7.25	1.3
Nov 2019	10.75	4.9	7.25	1.4
Dec 2019	10.75	5.0	7.25	1.5

Source: IRESS, Investec



Figure 23: Exchange rate history and forecast, annual averages

	2015	2016	2017	2018	2019	2020	2021	2022	2023
EURUSD	1.11	1.11	1.13	1.19	1.21	1.22	1.23	1.24	1.25
EURGBP	0.73	0.82	0.88	0.90	0.89	0.86	0.86	0.86	0.86
GBPEUR	1.38	1.22	1.14	1.11	1.13	1.17	1.17	1.17	1.17
GBPUSD	1.53	1.36	1.29	1.32	1.37	1.43	1.44	1.45	1.46
USDJPY	115	114	113	111	109	107	107	107	107
EURJPY	128	127	127	132	131	131	132	133	134
GBPJPY	176	155	145	146	148	152	154	155	156
EURCHF	1.09	1.07	1.10	1.16	1.17	1.17	1.18	1.18	1.19
USDCHF	0.98	0.97	0.97	0.97	0.97	0.96	0.96	0.95	0.95
GBPCHF	1.49	1.31	1.25	1.28	1.33	1.37	1.38	1.38	1.39
AUDUSD	0.75	0.75	0.77	0.79	0.79	0.79	0.79	0.78	0.78
EURAUD	1.49	1.49	1.47	1.51	1.53	1.54	1.57	1.59	1.60
AUDJPY	86	85	87	87	86	85	84	83	83
GBPAUD	2.05	1.82	1.67	1.68	1.73	1.80	1.83	1.86	1.87
ZARUSD	12.76	14.68	13.50	14.82	14.14	13.35	13.51	13.98	14.59
ZARGBP	19.48	19.92	17.36	19.60	19.34	19.03	19.46	20.27	21.31
ZAREUR	14.15	16.26	15.29	17.65	17.11	16.29	16.65	17.37	18.24
JPYZAR	9.48	7.33	8.27	7.46	7.67	8.01	7.92	7.66	7.33
ZARCHF	13.26	14.93	13.78	15.27	14.58	13.91	14.07	14.72	15.36
ZARAUD	9.58	10.93	10.40	11.69	11.17	10.55	10.61	10.90	11.38

Source: IRESS, Investec



Figure 23: 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
EURUSD	1.07	1.10	1.17	1.19	1.19	1.19	1.19	1.20	1.20	1.21	1.21	1.22
EURGBP	0.86	0.86	0.89	0.90	0.89	0.90	0.89	0.91	0.91	0.92	0.86	0.86
GBPEUR	1.16	1.16	1.12	1.11	1.12	1.11	1.12	1.10	1.10	1.09	1.17	1.16
GBPUSD	1.24	1.28	1.31	1.32	1.33	1.32	1.33	1.32	1.32	1.32	1.41	1.42
	113	113	112	112	111	111	110	110	110	108	108	108
USDJPY	121	124	131	133	132	132	131	132	132	131	131	132
EURJPY	140	145	147	148	147	146	146	145	145	143	152	153
GBPJPY												
	1.04	1.07	1.13	1.15	1.15	1.15	1.15	1.16	1.16	1.17	1.17	1.18
EURCHF	0.97	0.97	0.97	0.97	0.97	0.97	0.97	0.97	0.97	0.97	0.97	0.97
USDCHF	1.20	1.24	1.27	1.28	1.29	1.28	1.29	1.28	1.28	1.28	1.37	1.38
GBPCHF												
	0.76	0.75	0.79	0.78	0.79	0.79	0.79	0.79	0.79	0.79	0.79	0.79
AUDUSD	1.41	1.46	1.48	1.52	1.51	1.51	1.51	1.52	1.52	1.53	1.53	1.54
EURAUD	86	85	88	87	87	88	87	87	87	85	85	85
AUDJPY	1.64	1.70	1.66	1.69	1.69	1.66	1.68	1.67	1.67	1.67	1.78	1.80
GBPAUD	0.86	0.86	0.89	0.90	0.89	0.90	0.89	0.91	0.91	0.92	0.86	0.86
ZARUSD	13.22	13.19	13.18	14.40	15.06	14.99	14.75	14.46	14.27	14.15	14.08	14.07
ZARGBP	16.35	16.85	17.22	19.01	19.98	19.71	19.61	19.09	18.84	18.68	19.85	19.97
ZAREUR	14.08	14.52	15.49	17.08	17.85	17.84	17.55	17.36	17.12	17.13	17.04	17.16
JPYZAR	8.54	8.39	8.36	7.78	7.37	7.41	7.46	7.60	7.71	7.63	7.67	7.68
ZARCHF	13.18	13.41	13.70	14.85	15.53	15.45	15.20	14.91	14.71	14.59	14.52	14.50
ZARAUD	10.03	9.92	10.42	11.23	11.83	11.84	11.65	11.43	11.27	11.18	11.12	11.11

Source: IRESS, Investec



Figure 23: 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
EURUSD	1.22	1.22	1.22	1.22	1.23	1.23	1.23	1.24	1.24	1.24	1.24	1.25
EURGBP	0.86	0.86	0.85	0.85	0.85	0.85	0.85	0.86	0.86	0.86	0.86	0.86
GBPEUR	1.16	1.16	1.17	1.17	1.17	1.17	1.17	1.16	1.17	1.17	1.17	1.16
GBPUSD	1.42	1.42	1.43	1.43	1.44	1.44	1.44	1.44	1.45	1.45	1.45	1.45
USDJPY	107	107	107	107	107	107	107	107	107	107	107	107
EURJPY	131	131	131	131	132	132	132	133	133	133	133	134
GBPJPY	152	152	153	153	154	154	154	154	155	155	155	155
EURCHF	1.17	1.17	1.17	1.17	1.18	1.18	1.18	1.19	1.18	1.18	1.18	1.19
USDCHF	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.95	0.95	0.95	0.95
GBPCHF	1.36	1.36	1.37	1.37	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38
AUDUSD	0.79	0.79	0.79	0.79	0.79	0.79	0.78	0.78	0.78	0.78	0.78	0.78
EURAUD	1.54	1.54	1.54	1.54	1.56	1.56	1.58	1.59	1.59	1.59	1.59	1.60
AUDJPY	85	85	85	85	85	85	83	83	83	83	83	83
GBPAUD	1.80	1.80	1.81	1.81	1.82	1.82	1.85	1.85	1.86	1.86	1.86	1.86
ZARUSD	13.67	13.44	13.27	13.04	13.27	13.50	13.67	13.61	13.67	13.89	14.12	14.24
ZARGBP	19.41	19.08	18.97	18.65	19.11	19.43	19.68	19.60	19.82	20.15	20.48	20.64
ZAREUR	16.67	16.40	16.19	15.91	16.32	16.60	16.81	16.88	16.95	17.23	17.51	17.80
JPYZAR	7.83	7.96	8.06	8.21	8.06	7.93	7.83	7.86	7.83	7.70	7.58	7.52
ZARCHF	14.24	14.00	13.82	13.58	13.82	14.06	14.24	14.18	14.39	14.63	14.87	14.99
ZARAUD	10.80	10.62	10.48	10.30	10.48	10.66	10.66	10.62	10.66	10.84	11.02	11.10

Source: IRESS, Investec

Week Ahead: Economic updates estimated to show relatively modest rates of economic activity and slower rates of inflation

8th December 2017 – 2nd January 2018



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