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

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

Source: SA Reserve Bank, Investec

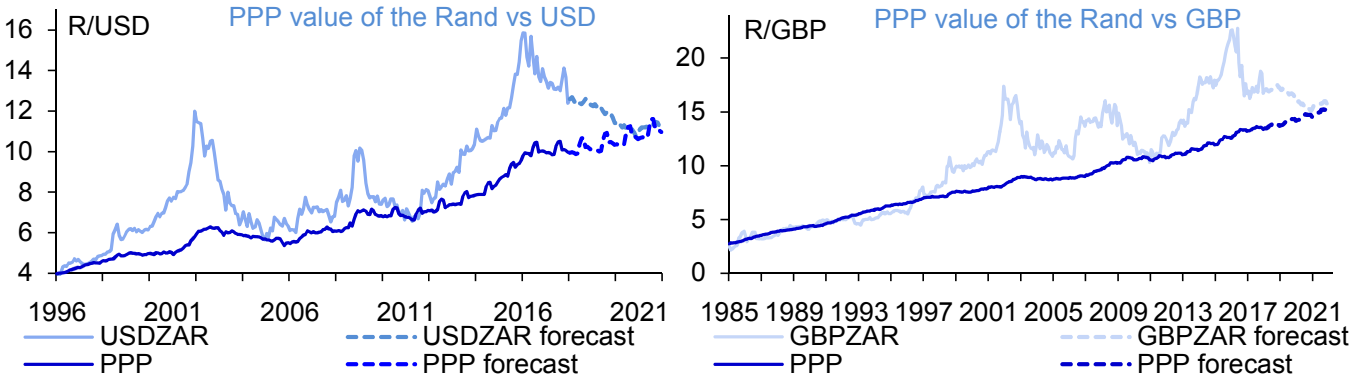
Currency outlook for the week ahead and foreign portfolio flows:

Week Ahead: February CPI is likely to moderate to 4.0% y/y, on the back of food and petrol price relief

19th March 2018



Figure 2: Purchasing price parity value of the rand



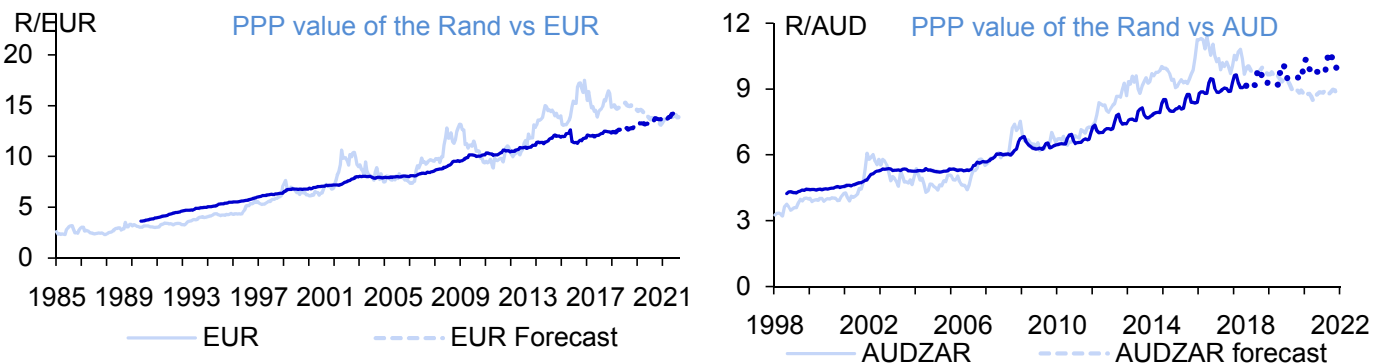
Source: Investec, IRESS

The rand traded relatively flat against all the major currencies, towards the earlier part of last week, before losing ground against the greenback later on in the week. This was primarily on the back of a stronger USD, following investor expectations of a US interest rate hike this week. On Friday afternoon the rand was trading at 11.96/USD, 16.7/GBP and 14.7/EUR, having depreciated by 1.2%, 2.0% and 1.1% against these currencies respectively over the week.

Market participants are awaiting the much anticipated Moody's review, which is scheduled to be announced this Friday 23rd March. SA's credit rating with Moody's is presently one notch above non-investment grade and a downgrade to junk status would result in the expulsion from the Citi World Government Bond Index. However after meeting with rating agencies recently, Finance Minister Nene commented that "Our budget was well-received and they seem confident about the political developments in the recent weeks'. We expect Moody's credit rating to remain unchanged at this March review.

In the week ahead, the rand is expected to trade in a range of R11.54/USD – R12.54/USD, R14.27/EUR - R15.27/EUR and R16.26/GBP - R17.26/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 1%	Rand/USD (average)	11.50	10.75	10.00	9.50	9.00	8.60	7.90	7.60
	Repo rate (end rate)	6.25	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 12%	Rand/USD (average)	11.70	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 45%	Rand/USD (average)	11.90	11.65	11.65	11.55	11.50	11.35	11.40	11.40
	Repo rate (end rate)	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75
	Annual growth rate of 2.0% y/y reached by 2019, 3.0% y/y by 2021. 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 27%	Rand/USD (average)	12.35	13.50	14.90	15.80	16.90	17.80	18.50	19.50
	Repo rate (end rate)	7.00	7.00	7.50	7.50	7.50	8.00	8.50	8.50
	SA's foreign and local currency long-term debt sub-investment grade, increased chance of further credit downgrades. Marked rand weakness, confidence and investment measures depressed. Government's capacity for expenditure reduced, including social welfare grants. Faster than expected global monetary policy normalisation, global sharp economic slowdown (commodity slump), and substantial period of risk-off (SA V shaped recession).								
Extreme down case 15%	Rand/USD (average)	12.90	15.00	17.00	19.00	21.00	22.80	24.00	25.50
	Repo rate (end rate)	7.25	8.50	10.50	14.00	16.50	18.00	21.00	21.50
	State bankruptcy, and so the path to a failed state. Credit ratings drop to junk, 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. SA economic depression, global economy falls into recession, global financial crisis.								

Note: Event risk begins Q1.18 Source: Investec, IRESS



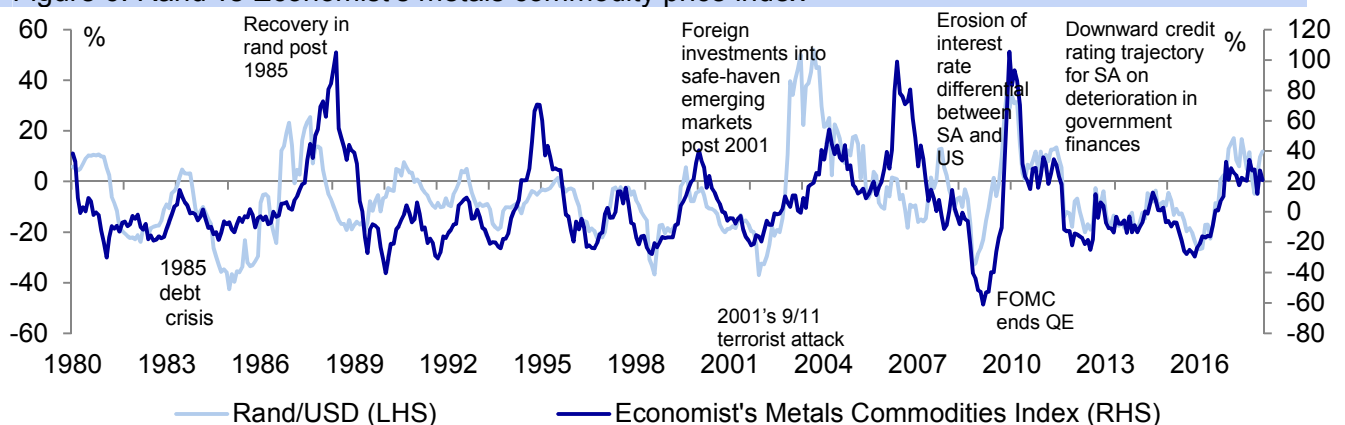
Figure 5: Net foreign portfolio flows for SA assets

Week	Equities (Rbn)	Bonds (Rbn)	Total (Rbn)
12 th March – 16 th March	-8.6	3.4	-5.1
5 th March – 9 th March 2018	2.7	-0.3	2.3
26 th February - 2 nd March 2018	0.4	1.6	2.0
19 th February – 23 rd February 2018	2.7	12.2	14.8
12 th February – 16 th February 2018	7.2	1.0	8.2
5 th February – 9 th February 2018	3.6	-4.7	-1.1
29 th January – 2 nd February 2018	-2.7	-2.2	-4.9
22 nd January – 26 th January 2018	9.6	-5.3	4.3
15 th January – 19 th January 2018	5.9	-0.5	5.5
8 th January – 12 th January 2018	0.7	-0.1	0.7
Month			
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
January 2017	-16.1	-6.5	-22.7

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
19/03/18	Eurozone	Trade Balance SA	Jan		23.8bn
		Trade Balance NSA	Jan		25.4bn
		Construction Output	Jan		0.1% m/m
		Construction Output	Jan		0.15 y/y
20/03/18	SA	CPI	Feb	0.9% m/m	0.3% m/m
		CPI	Feb	4.0% y/y	4.4% y/y
	Eurozone	Current Account as a % of GDP	Q4.2017	-2.1%	-2.3%
		Current Account Balance	Q4.2017	-105bn	-109bn
		Consumer Confidence	Mar		0.1
		Prelim. Markit Manufacturing	Mar	58.2	58.6
21/03/18	US	MBA Mortgage Applications	Mar 16		0.9%
		Current Account Balance	Q4. 2017	-\$125.0bn	-\$100.6bn
		Existing Home Sales	Feb	5.42m	5.38m
		FOMC Rate Decision (Upper Bound)	Mar 21	1.75%	1.50%
	Eurozone	FOMC Rate Decision (Lower Bound)	Mar 21	1.50%	1.25%
		ECB Current Account SA	Jan		29.9bn
		Current Account NSA	Jan		45.8bn
		22/03/18	SA	Retail Sales	Jan
Retail Sales	Jan			6.2% y/y	5.3% y/y
US	Initial Jobless Claims		Mar 17		226k
	Continuing Claims		Mar 10		1879k
Eurozone	Leading Index		Feb	0.3%	1.0%
	Prelim. Markit Composite PMI		Mar	56.7	57.1
23/03/18	US	Prelim. Durable Goods Orders	Feb	1.6%	-3.6%
		Prelim. Durables ex. Transport	Feb	0.5%	-0.3%
		Prelim. Cap Goods Orders Ex Air	Feb		-0.3%
		Prelim. Cap Goods Ship Ex Air	Feb		-0.1%
		New Home Sales	Feb	618k	593k
		New Home Sales	Feb	4.1% m/m	-7.8% m/m

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

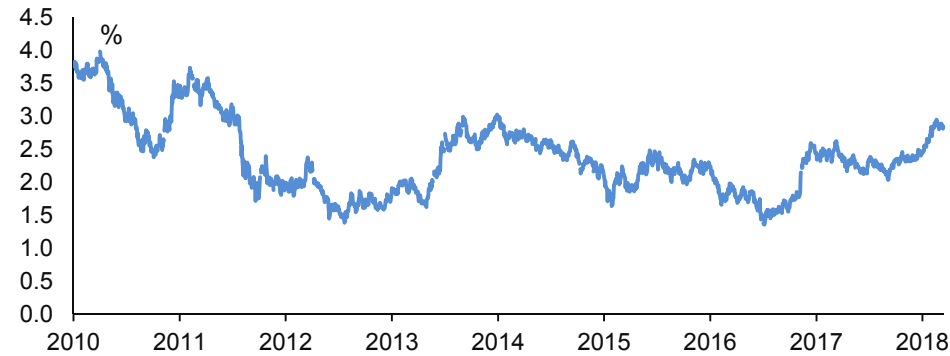
Source Bloomberg



International section

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

Figure 8: US 10 year government bond yield

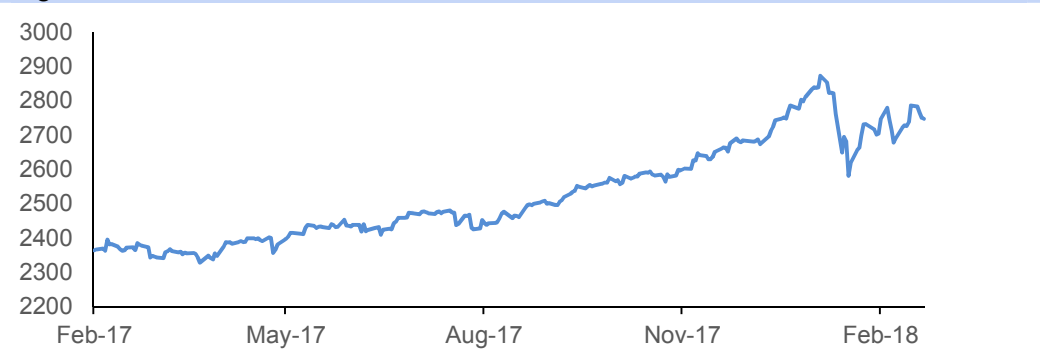


Sources: Bloomberg

(GB) Market nerves over the threat of rising inflation and more aggressive monetary policy normalisation have for now been superseded by worries about the growing risk of protectionism after President Trump announced new tariffs on aluminium and steel imports. Since Friday 9th March's close, the yield on 10-year Treasuries has dropped 7bp to 2.83% whilst the S&P 500 is 1.2% lower. Subsequent market direction is likely to be determined by whether the US announces any further barriers to trade, as well as whether any retaliatory measures are unveiled as threatened by the likes of the EU and China. President Trump's firing of Rex Tillerson as Secretary of State has also not helped risk sentiment. CIA Director Mike Pompeo is set to replace him, swapping one of the more moderate members of the administration with a foreign policy hawk, sparking fears that the US is hardening its trade agenda. Reports indicate President Trump is gearing up to slap further tariffs of around \$60bn on imports from China.

On the monetary policy front, there is a key FOMC decision on Wednesday. We expect Jerome Powell to oversee a 25bp hike at his first meeting as Fed Chair, though we continue to see the 'dot plot' pointing to three hikes this year and continuing to factor in two rate rises in 2019. Somewhat less exciting will be the BoE's MPC announcement on Thursday; no policy changes are expected, but perhaps one of the more hawkish members may be inclined to dissent. The minutes will be eyed for any signs of when the next hike is likely to occur.

Figure 9: S&P 500



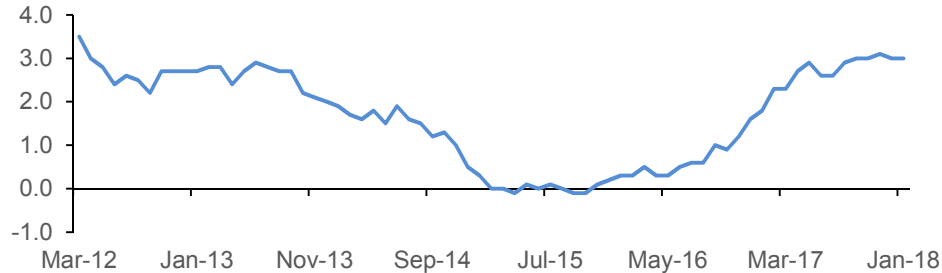
Sources: Bloomberg

Week Ahead: February CPI is likely to moderate to 4.0% y/y, on the back of food and petrol price relief

19th March 2018



Figure 10: UK CPI



Sources: Bloomberg

This week is also set to be crucial for Brexit negotiations. David Davis is meeting with his EU counterpart Michel Barnier today to flesh out the final details of an agreed transition period. Reports suggest that a deal is close, putting it on course to be approved by EU leaders at the Summit later in the week alongside the negotiating principles for trade talks. If negotiations do indeed proceed in line with the scheduled timetable, this should help to reassure investors that a final deal is indeed possible which should have some upside for the pound.

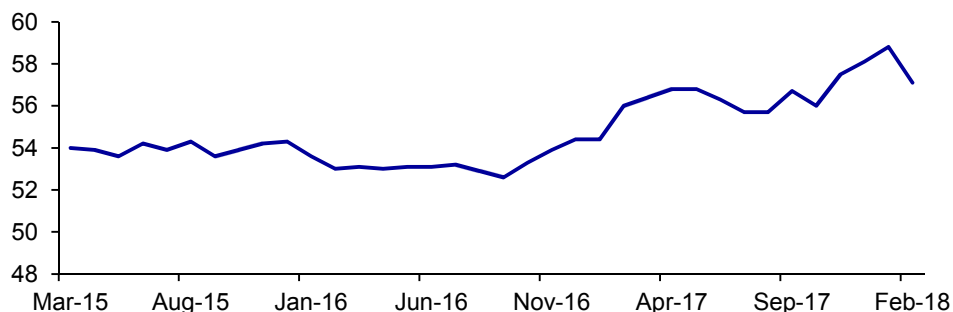
This week's UK data calendar is jam-packed. Firstly, inflation figures for February are coming out tomorrow (Tuesday 20th March). Alongside Brexit related news, the inflation figures could be an important driver of sterling, with our forecast for the targeted inflation measure to drop from 3.0% to 2.7%, its lowest level since April 2017. Additionally, both labour market figures and public finances data will be released on Wednesday, with retail sales following on Thursday.

US data releases include existing home sales on the Wednesday, flash PMIs and jobless claims figures on the Thursday, with preliminary durable goods orders rounding off the week on Friday.

Over in the Euro area, the highlight will be the flash PMIs on Thursday. Tomorrow (Tuesday 20th March), meanwhile, sees the release of preliminary consumer confidence as well as the German ZEW survey. Do also note that the Italian parliament is set to convene on Friday, thereby allowing formal coalition talks to begin although even then government formation talks may be slow to move ahead.

In Asia, no Chinese releases are scheduled but Japan sees the release of the flash PMIs on Thursday followed by CPI figures on Friday.

Figure 11: Eurozone PMI



Sources: Markit



Global forecasts

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

	US	Germany	UK
Current	2.85	0.65	1.51
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	1.25-1.50	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	1.75
2019					
Q1	2.50-2.75	0.00	-0.40	1.00	2.00
Q2	2.75-3.00	0.00	-0.20	1.25	2.25
Q3	2.75-3.00	0.25	0.00	1.25	2.50
Q4	2.75-3.00	0.50	0.25	1.25	2.50

End year

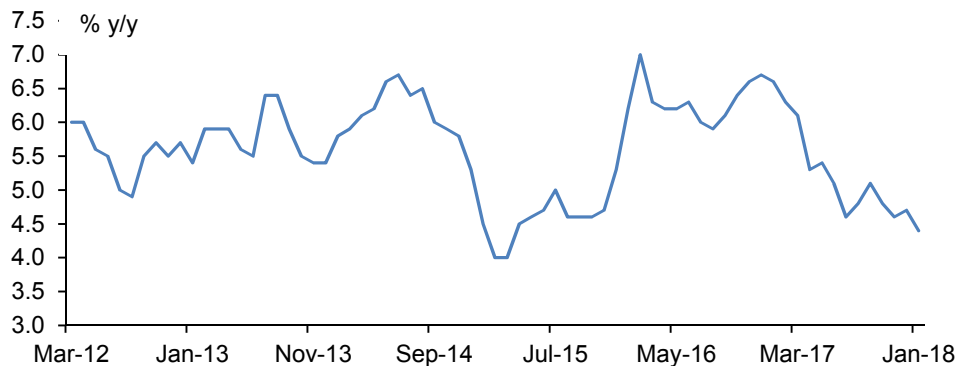
2020	2.75-3.00	1.00	0.75	1.50	3.00
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Source: Reuters, Investec



South Africa section

Figure 14: CPI

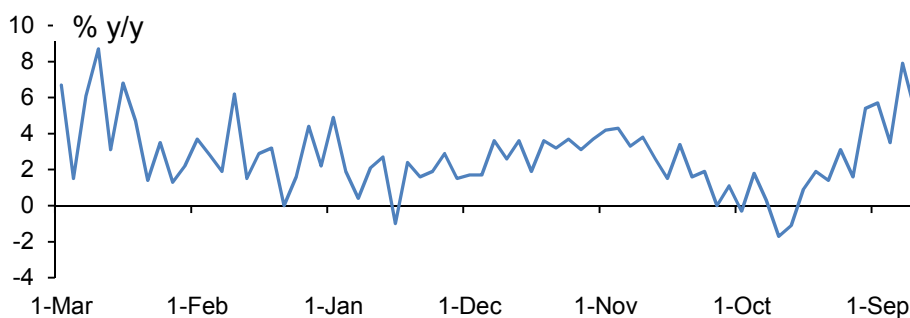


Source: Stats SA

CPI inflation is expected to moderate to 4.0% in February 2018 from 4.4% in January. The key influencing factors for the February outcome are expected to be the food and fuel price components. Fuel price pressures subsided in February, with petrol and diesel prices dipping by 30c and 17c/ litre respectively. This should continue into March, on the back of further cuts. Additionally the downward trajectory in food price inflation is expected to continue primarily as a result of the drop in grain prices, following the recovery from the drought and further supported by the bumper 2016/2017 maize harvest.

Retail sales are forecast to have lifted to 6.2% y/y in January 2018 from 5.3% y/y in December. Retail sales traditionally fall sharply in the month of January as there is a tightening of discretionary spend, following an increase in expenditure leading up to, and during, the festive period. An increase in sentiment following the perceived positive political events domestically should act as an impetus to consumer spend, especially in the current low inflationary environment. However recent tax regulations implemented in the 2018 budget, including an increase in VAT, below inflation tax relief on personal income tax, sugar tax and the raised fuel levies, to be adopted in April will likely weigh on private consumption. We are expecting modest growth in household consumption expenditure (HCE) for 2018.

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	105.7	4.0	0.7			
Mar 2018	106.6	4.2	0.8	4.2	1.38	
Apr 2018	107.4	4.9	0.8			
May 2018	107.6	4.8	0.2			
Jun 2018	108.0	4.9	0.3	4.9	1.81	
Jul 2018	108.6	5.3	0.6			
Aug 2018	108.8	5.4	0.2			
Sep 2018	109.2	5.2	0.3	5.3	1.1	
Oct 2018	109.5	5.2	0.3			
Nov 2018	109.8	5.4	0.3			
Dec 2018	110.1	5.2	0.3	5.3	0.87	4.9
Jan 2019	110.7	5.4	0.5			
Feb 2019	111.1	5.1	0.4			
Mar 2019	112.0	5.1	0.8	5.2	1.34	
Apr 2019	112.8	5.0	0.7			
May 2019	113.0	5.0	0.2			
Jun 2019	113.3	4.9	0.2	5.0	1.57	
Jul 2019	114.1	5.0	0.7			
Aug 2019	114.6	5.3	0.5			
Sep 2019	115.3	5.6	0.6	5.3	1.42	
Oct 2019	115.8	5.7	0.5			
Nov 2019	116.2	5.8	0.4			
Dec 2019	116.6	5.8	0.3	5.8	1.36	5.3

Source: Stats SA, Investec



Figure 16: CPI forecast averages

Date	Index Base 2010	Annual y/y	Monthly m/m	Quarterly y/y	Calendar year y/y
Jan 2020	117.2	5.8	0.5		
Feb 2020	118.2	6.4	0.9		
Mar 2020	118.7	6.0	0.4	6.1	
Apr 2020	118.9	5.4	0.2		
May 2020	119.4	5.6	0.4		
Jun 2020	119.8	5.7	0.3	5.6	
Jul 2020	120.6	5.7	0.7		
Aug 2020	120.9	5.4	0.2		
Sep 2020	121.3	5.3	0.4	5.5	
Oct 2020	121.6	5.0	0.2		
Nov 2020	122.1	5.0	0.4		
Dec 2020	122.4	5.0	0.3	5.0	2020 5.5
Jan 2021	123.1	5.1	0.6		
Feb 2021	124.3	5.2	1.0		
Mar 2021	124.8	5.2	0.4	5.1	
Apr 2021	125.2	5.3	0.3		
May 2021	125.7	5.3	0.4		
Jun 2021	126.0	5.2	0.2	5.2	
Jul 2021	127.0	5.3	0.8		
Aug 2021	127.7	5.7	0.6		
Sep 2021	128.2	5.7	0.4	5.6	
Oct 2021	128.6	5.8	0.3		
Nov 2021	128.9	5.6	0.2		
Dec 2021	129.3	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	5.5	6.75	2.0
Jan 2018	10.25	5.9	6.75	2.4
Feb 2018	10.25	6.3	6.75	2.8
Mar 2018	10.25	6.1	6.75	2.6
Apr 2018	10.25	5.3	6.75	1.8
May 2018	10.25	5.4	6.75	1.9
Jun 2018	10.25	5.3	6.75	1.8
Jul 2018	10.25	5.0	6.75	1.5
Aug 2018	10.25	4.9	6.75	1.4
Sep 2018	10.25	5.1	6.75	1.6
Oct 2018	10.25	5.1	6.75	1.6
Nov 2018	10.25	4.8	6.75	1.3
Dec 2018	10.25	5.0	6.75	1.5
Jan 2019	10.25	4.8	6.75	1.3
Feb 2019	10.25	5.1	6.75	1.6
Mar 2019	10.25	5.1	6.75	1.6
Apr 2019	10.25	5.2	6.75	1.7
May 2019	10.25	5.2	6.75	1.7
Jun 2019	10.25	5.3	6.75	1.8
Jul 2019	10.25	5.2	6.75	1.7
Aug 2019	10.25	4.9	6.75	1.4
Sep 2019	10.25	4.7	6.75	1.2
Oct 2019	10.25	4.5	6.75	1.0
Nov 2019	10.25	4.4	6.75	0.9
Dec 2019	10.25	4.4	6.75	0.9

Source: IRESS, Investec



Figure 18: **Exchange rate history and forecast: annual averages**

	2015	2016	2017	2018	2019	2020	2021	2022	2023
EURUSD	1.11	1.11	1.13	1.22	1.26	1.26	1.25	1.25	1.25
EURGBP	0.73	0.82	0.88	0.87	0.88	0.90	0.90	0.90	0.89
GBPEUR	1.38	1.22	1.14	1.14	1.14	1.12	1.12	1.12	1.12
GBPUSD	1.53	1.36	1.29	1.39	1.43	1.41	1.39	1.39	1.40
USDJPY	115	114	112	108	104	105	106	107	107
EURJPY	128	127	126	131	130	132	133	133	134
GBPJPY	176	155	145	150	149	148	148	149	150
EURCHF	1.09	1.07	1.11	1.17	1.20	1.22	1.21	1.21	1.19
USDCHF	0.98	0.97	0.98	0.96	0.96	0.96	0.96	0.95	0.95
GBPCHF	1.49	1.31	1.27	1.34	1.37	1.36	1.34	1.32	1.33
AUDUSD	0.75	0.75	0.77	0.79	0.78	0.76	0.79	0.78	0.78
EURAUD	1.49	1.49	1.47	1.54	1.61	1.66	1.59	1.60	1.60
AUDJPY	86	85	86	85	81	80	83	83	83
GBPAUD	0.75	0.75	0.77	0.79	0.78	0.76	0.79	0.78	0.78
ZARUSD	12.76	14.68	13.30	11.69	11.41	11.13	10.91	11.25	11.68
ZARGBP	19.48	19.92	17.14	16.25	16.34	15.69	15.22	15.69	16.35
ZAREUR	14.15	16.26	15.01	14.20	14.36	14.06	13.64	14.06	14.59
JPYZAR	9.48	7.33	8.43	9.24	9.12	9.42	9.71	9.49	9.17
ZARCHF	13.26	14.93	13.51	12.15	11.94	11.55	11.37	11.84	12.29
ZARAUD	9.58	10.93	10.20	9.22	8.93	8.46	8.57	8.78	9.11

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
EURUSD	1.07	1.10	1.17	1.18	1.22	1.22	1.21	1.22	1.23	1.25	1.27	1.29
EURGBP	0.86	0.86	0.90	0.89	0.88	0.87	0.87	0.87	0.88	0.88	0.88	0.89
GBPEUR	1.16	1.16	1.11	1.13	1.13	1.14	1.15	1.15	1.14	1.14	1.14	1.13
GBPUSD	1.24	1.28	1.31	1.33	1.38	1.40	1.39	1.40	1.41	1.42	1.44	1.46
USDJPY	114	111	111	113	111	109	107	106	105	104	104	104
EURJPY	121	122	130	133	134	131	129	128	129	129	130	131
GBPJPY	141	142	145	150	153	152	148	147	147	148	150	152
EURCHF	1.07	1.08	1.13	1.16	1.17	1.16	1.17	1.18	1.19	1.20	1.21	1.21
USDCHF	1.00	0.98	0.96	0.99	0.96	0.95	0.97	0.97	0.97	0.96	0.95	0.94
GBPCHF	1.24	1.26	1.26	1.31	1.33	1.33	1.34	1.35	1.36	1.37	1.38	1.37
AUDUSD	0.76	0.75	0.79	0.77	0.79	0.79	0.79	0.79	0.79	0.79	0.78	0.78
EURAUD	1.41	1.47	1.48	1.53	1.55	1.54	1.53	1.54	1.56	1.59	1.63	1.66
AUDJPY	86	83	88	87	87	86	85	83	83	82	81	81
GBPAUD	1.64	1.70	1.66	1.73	1.76	1.77	1.75	1.77	1.78	1.81	1.85	1.88
ZARUSD	13.22	13.19	13.18	13.62	11.90	11.65	11.65	11.55	11.50	11.35	11.40	11.40
ZARGBP	16.38	16.88	17.24	18.07	16.46	16.27	16.14	16.13	16.17	16.12	16.45	16.62
ZAREUR	14.09	14.52	15.42	16.02	14.52	14.21	14.04	14.03	14.15	14.13	14.48	14.71
JPYZAR	8.59	8.42	8.42	8.29	9.31	9.31	9.18	9.13	9.09	9.16	9.12	9.12
ZARCHF	13.17	13.40	13.69	13.80	12.41	12.20	12.05	11.94	11.89	11.77	11.97	12.15
ZARAUD	10.02	9.90	10.40	10.47	9.35	9.20	9.20	9.12	9.09	8.91	8.89	8.84

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
EURUSD	1.28	1.26	1.26	1.26	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
EURGBP	0.89	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90
GBPEUR	1.12	1.12	1.11	1.11	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.12
GBPUSD	1.44	1.41	1.40	1.39	1.39	1.39	1.39	1.39	1.39	1.39	1.39	1.39
USDJPY	104	105	105	105	106	106	106	106	106	107	107	107
EURJPY	133	132	132	132	133	133	133	133	133	134	134	134
GBPJPY	150	148	147	146	148	148	148	148	148	149	149	149
EURCHF	1.21	1.22	1.22	1.23	1.22	1.20	1.20	1.20	1.21	1.21	1.21	1.21
USDCHF	0.95	0.96	0.97	0.98	0.96	0.96	0.96	0.96	0.95	0.95	0.95	0.95
GBPCHF	1.36	1.36	1.36	1.36	1.34	1.34	1.34	1.34	1.32	1.32	1.32	1.32
AUDUSD	0.77	0.77	0.76	0.75	0.79	0.79	0.78	0.78	0.78	0.78	0.78	0.78
EURAUD	1.66	1.65	1.67	1.67	1.58	1.58	1.60	1.60	1.60	1.60	1.60	1.60
AUDJPY	80	80	79	79	84	84	83	83	83	83	83	83
GBPAUD	1.87	1.84	1.85	1.86	1.77	1.77	1.79	1.79	1.79	1.79	1.79	1.79
ZARUSD	11.35	11.25	11.05	10.85	10.75	10.85	11.00	11.05	11.05	11.25	11.35	11.35
ZARGBP	16.32	15.84	15.47	15.13	14.99	15.13	15.34	15.41	15.41	15.69	15.83	15.83
ZAREUR	14.53	14.18	13.92	13.62	13.44	13.56	13.75	13.81	13.81	14.06	14.19	14.19
JPYZAR	9.16	9.33	9.50	9.68	9.86	9.77	9.64	9.59	9.59	9.51	9.43	9.43
ZARCHF	12.01	11.67	11.41	11.12	11.20	11.30	11.46	11.51	11.63	11.84	11.95	11.95
ZARAUD	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: February CPI is likely to moderate to 4.0% y/y, on the back of food and petrol price relief

19th March 2018



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