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

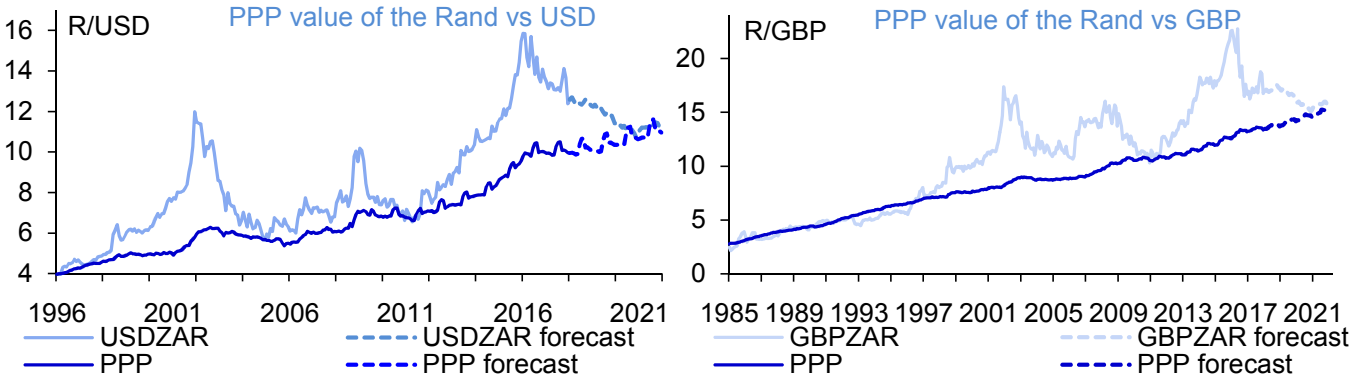
Month	Date	Forecast
March 2018	26 th – 28 th	6.75
May 2018	22 nd – 24 th	6.75
July 2018	17 th – 19 th	6.75
September 2018	18 th – 20 th	6.75
November 2018	20 th – 22 nd	6.75

Source: SA Reserve Bank, Investec



Currency outlook for the week ahead and foreign portfolio flows:

Figure 2: Purchasing price parity value of the rand



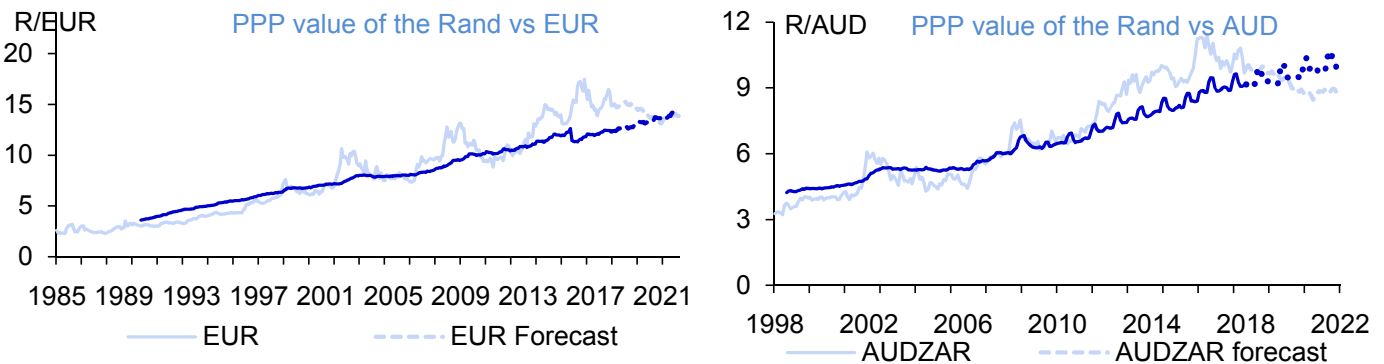
Source: Investec, IRESS

The Rand commenced the week slightly weaker, having pierced the R12.00/USD barrier, on the back of US dollar strength in anticipation of the Fed’s rate decision. It did however gain some ground during the week, in part on the back of higher global commodity prices and dollar weakness following a more dovish than expected FOMC announcement. At the time of writing the domestic currency was trading at 11.85/USD, 16.71/GBP and 14.60/EUR, having strengthened by 1.4%, 0.9% and 1.5% against these currencies respectively, since the beginning of the week.

We are further expecting the MPC’s rate announcement on Wednesday 28th. The lower CPI inflation figure of 4.0% released on Tuesday 20th March, does not necessarily signal lower interest rates as the SARb bases its interest rate decisions on what CPI inflation is likely to be six to twenty four months in the future, not what it has come out recently at. CPI inflation is likely to average around 5.5% for next year, and over the longer-term and so the SARb is unlikely to cut interest rates on this basis.

In the week ahead, the rand is expected to trade in a range of R11.26/USD – R11.76/USD, R14.03/EUR - R14.53/EUR and R16.13/GBP - R16.63/GBP.

Figure 3: Purchasing price parity value of the rand



Source: Investec, IRESS



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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



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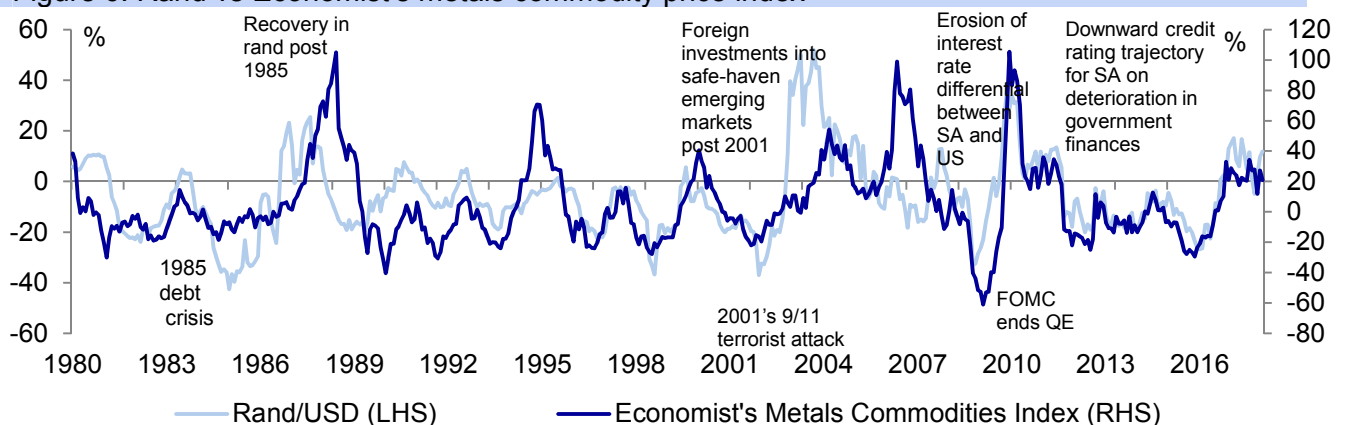
Figure 5: Net foreign portfolio flows for SA assets

Week	Equities (Rbn)	Bonds (Rbn)	Total (Rbn)
19 th March – 23 rd March	6.4	1.2	7.6
12 th March – 16 th March	-8.6	3.5	-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
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
27/03/18	SA	Non-Farm Payrolls	Q4.2017		-0.3% y/y
		Non-Farm Payrolls	Q4.2017		-0.9% q/q
	US	Interest rate announcement	Mar 28	6.75%	6.75%
		S&P CoreLogic CS 20-City NSA 1	Jan		204.45
	Eurozone	Conf. Board Consumer Conf.	Mar	131.0	130.8
		M3 Money Supply	Feb	4.6% y/y	4.6% y/y
		Final Consumer Confidence	Mar	0.1	0.1
		Economic Confidence	Mar	113.2	114.1
		Business Climate Indicator	Mar	1.41	1.48
28/03/18	US	MBA Mortgage Applications	Mar 23		-1.1%
		Advance Goods Trade Balance	Feb	-\$74.0bn	-\$75.3bn
		Prelim. Wholesale Inventories	Feb		0.8% m/m
		Retail Inventories	Feb		0.7% m/m
		GDP Annualised (Third revision)	Q4.2017	2.7% q/q	2.5% q/q
		GDP Price Index (Third revision)	Q4.2017	2.3%	2.3%
		Pending Home Sales	Feb	1.5% m/m	-4.7% m/m
		Pending Home Sales	Feb		-1.7% y/y
29/03/18	SA	M3 Money Supply	Feb		5.83% y/y
		Private Sector Credit (PSCE)	Feb	5.9%	5.54% y/y
		PPI	Feb		0.3% m/m
		PPI	Feb	5.0%	5.1% y/y
		SA Budget	Feb		-41.3bn
	US	Trade Balance	Feb	2.5bn	-27.7bn
		Core PCE	Feb	0.2% m/m	0.3% m/m
		Core PCE	Feb	1.6% y/y	1.5% y/y
		Personal Income	Feb	0.4%	0.4%
		Personal Spending	Feb	0.2%	0.2%
		PCE Deflator	Feb	0.2% m/m	0.4% m/m
		PCE Deflator	Feb	1.7% y/y	1.7% y/y
		Initial Jobless Claims	Mar 24		229k
		Continuing Claims	Mar 17		1828k
		Final Uni. Michigan Sentiment	Mar	102	102

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

Source Bloomberg

Week Ahead: February PPI is likely to moderate to 5.0% y/y as a result of a continuing decrease in food price inflation and further fuel price relief

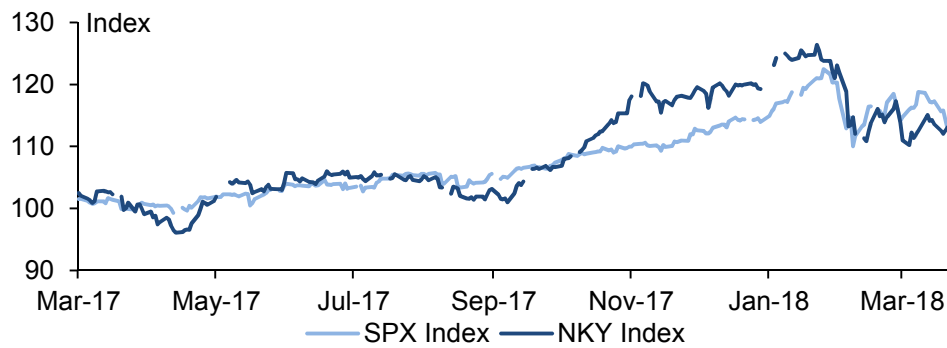
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International section

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

Figure 8: S&P 500 versus the Nikkei 225

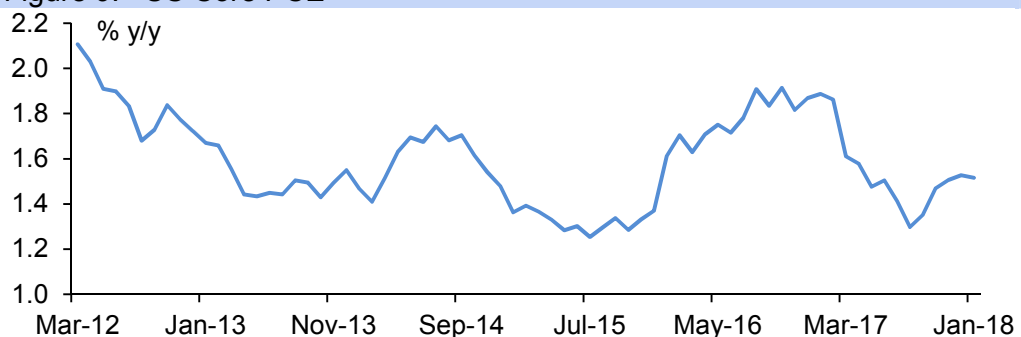


Source: Bloomberg

(PS) The negative tone in markets on Thursday intensified overnight as further detail was gained from the US and China on their planned tariff announcements, causing US stock markets to close well down, with the S&P500 2.5% lower. That trend has continued into Asian markets Friday morning, with the Nikkei 225 one of the worst performers, closing 4.5% lower. On the plus side it now appears that President Trump’s steel and aluminium tariffs seem to be excluding a growing number of countries, which may mean that the EU desists from taking retaliatory action. However President Trump has now announced tariffs of up to \$60bn a year on Chinese imports to the US.

The Chinese government hit back against Trumps announcement (technically with the response to the steel and aluminium tariffs), threatening to hit \$3bn in US goods (128 US products) with tariffs. The plans include a 15% tariff on US steel pipes, fresh fruit and wine and a 25% tariff on pork and recycled aluminium. The Commerce Ministry there said that Trump’s announcement was ‘typical unilateralism and protectionism’ and set a ‘very bad precedent’. We wait to hear whether the Chinese authorities have more to say or do on the matter and whether this sparks another tit-for-tat response from the US. Time will tell whether matters escalate. While tensions between the US and China are obviously running high, it is at least reassuring that the geographical scope of America’s ire appears to be receding. And we hope that the recent G20 meeting in Argentina enabled a few cooler heads to engage in objective dialogue. For now at least, the prospect of new trade barriers bearing down on global growth remains a risk and not a baseline case.

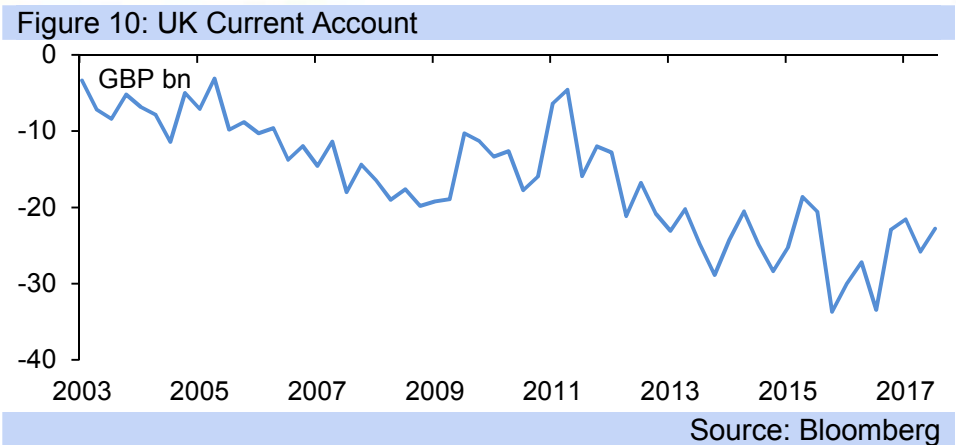
Figure 9: US Core PCE



Source: Bloomberg

Week Ahead: February PPI is likely to moderate to 5.0% y/y as a result of a continuing decrease in food price inflation and further fuel price relief

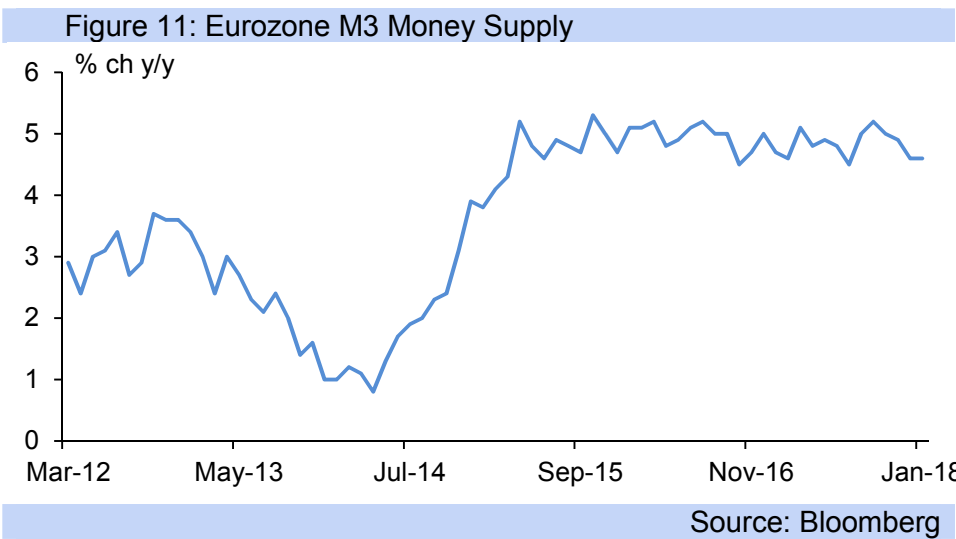
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Next week will be cut short by the long Easter holiday weekend beginning on Good Friday. Major US indicators will be in relatively short supply. Second revisions to Q4 GDP are due on Wednesday, though most observers are already pondering the extent of any slowdown over Q1. The headline and core PCE price index numbers for February will appear the following day.

Third estimates of UK Q4 GDP will be published on Thursday. This will include a cluster of other data including the current account (also for Q4) and the Bank of England's figures on lending. Newsflow on Brexit will continue through most of the week as Westminster, Dublin and Brussels are expected to begin talks on how feasibly to maintain an open border between Northern Ireland and the Republic in post-Brexit conditions.

In the Euro area we will keep a close eye on various business confidence numbers, bearing in mind a softer set of data recently, including March's 'flash' PMI. We will also scrutinise M3 data on Tuesday to determine whether credit flows to businesses and households continued to strengthen in February. Last preliminary CPI (HICP) figures for March in Germany, France and Italy will provide clues to latest inflation trends in the Eurozone as a whole. The 'flash' EU19 series is not due until 4 April.





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)

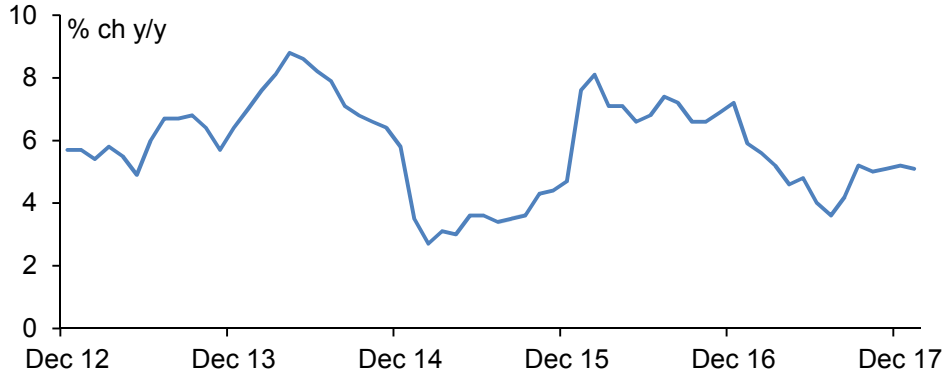
	US Fed funds	Eurozone refi rate	Eurozone deposit rate	UK Bank rate	Australia cash rate
Current	1.25-1.50	0.00	-0.40	0.50	1.50
2018					
Q1	1.50-1.75	0.00	-0.40	0.50	1.50
Q2	1.75-2.00	0.00	-0.40	0.75	1.50
Q3	2.00-2.25	0.00	-0.40	0.75	1.50
Q4	2.25-2.50	0.00	-0.40	1.00	1.75
2019					
Q1	2.50-2.75	0.00	-0.40	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

Source: Reuters, Investec



South Africa section

Figure 14: PPI



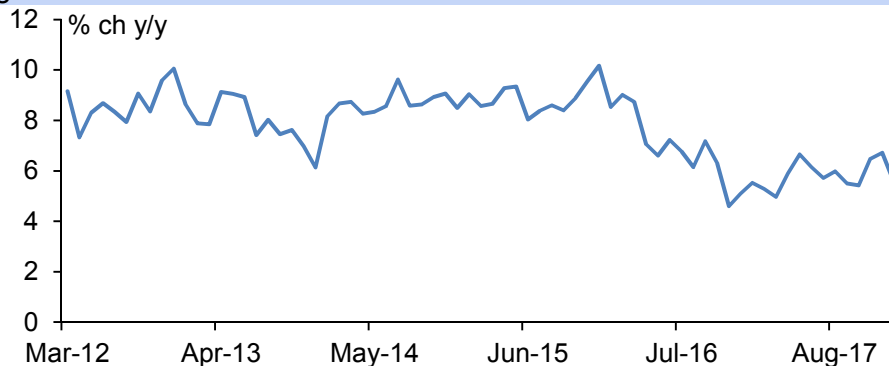
Source: Stats SA

We expect Private sector credit extension to grow by 5.9% y/y in February 2018 compared to the lift of 5.5% y/y in January. Credit growth should strengthen in 2018 on an uptick in GDP growth and an improvement in business and consumer confidence. However it is likely to occur at a relatively moderate pace as households still remain highly indebted and unemployment is still at elevated levels.

The trade balance is forecast to have registered a small surplus of around R2.5bn in February, after a larger than expected deficit of 27.7 bn in January. Exports typically rise in the month of February, looking at historical trends and this should be further supported by an improvement in global demand conditions, as seen by an increase in the export orders, according to latest global manufacturing PMI survey.

PPI inflation should moderate slightly in February to 5.0% from 5.1% in January, primarily as a result of fuel price relief as petrol and diesel price cuts of 36c/litre and 47c/litre respectively were implemented on the 7th of March 2018. Additionally food price inflation is expected to continue on its downward trajectory albeit at a slower pace, primarily on base effects from the recent devastating drought. Furthermore should the strong domestic currency persist it will play a key role in continuing to stem the economy from imported cost pressures.

Figure 15: Credit Extension



Source: Stats SA



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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



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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 PPI is likely to moderate to 5.0% y/y as a result of a continuing decrease in food price inflation and further fuel price relief

23th March 2018

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