


Table of contents for week ahead:
Pages
The Rand

Forex commentary	2
Purchasing Power Parity of the ZAR/USD	2
Foreign portfolio flows	3
Rand vs Economist metals' price index	3
Trading range	2

Release dates and commentary

SA MPC meetings for 2018	1
Table of international and local economic data releases	4
Commentary on international data releases	5&6
Commentary on South African data releases	8

Forecasts for inflation rates, interest rates and exchange rates

International interest rates	7
SA interest rate forecast	11
Exchange rates	12-14
SA CPI inflation	9&10

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

Month	Date	Forecast
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

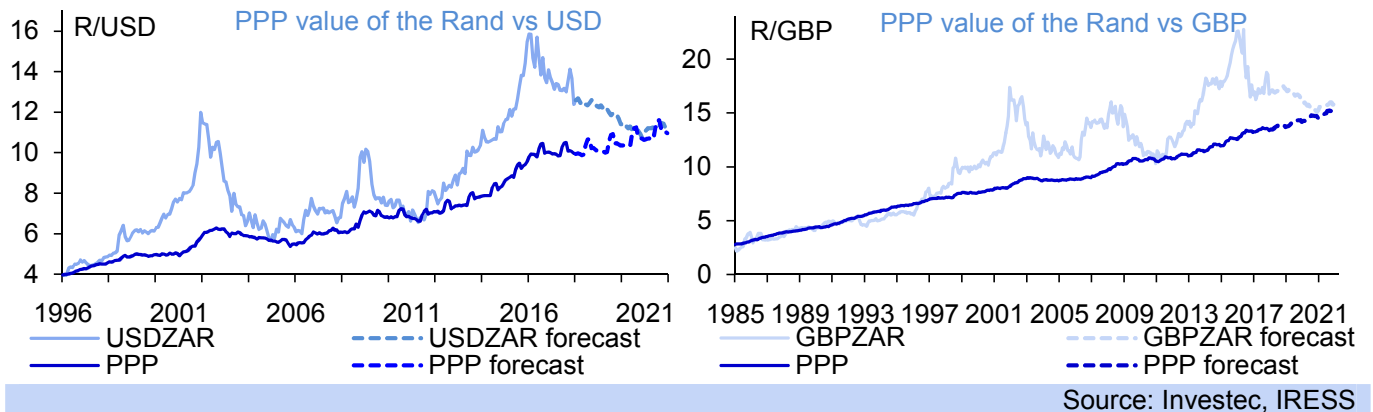
Week Ahead: Manufacturing growth expected to be higher in February, than in January.

6th April 2018



Currency outlook for the week ahead and foreign portfolio flows:

Figure 2: Purchasing price parity value of the rand



The rand lost some momentum during the course of the week, after averaging around R11.75/USD last week and at the time of writing had pierced the R12.00/USD barrier as mounting tensions between the U.S. and China, caused risk-averse sentiment to prevail in the market, negatively affecting emerging markets. Heightened concern that President Trump’s protectionist policies, may initiate a trade war which could impede global growth and therefore demand for commodity exports, could negatively affect the currency.

In the week ahead, the rand is expected to trade in a range of R11.59/USD – R12.59/USD, R14.29/EUR - R15.29/EUR and R16.43/GBP - R17.43/GBP.

Figure 3: Purchasing price parity value of the rand

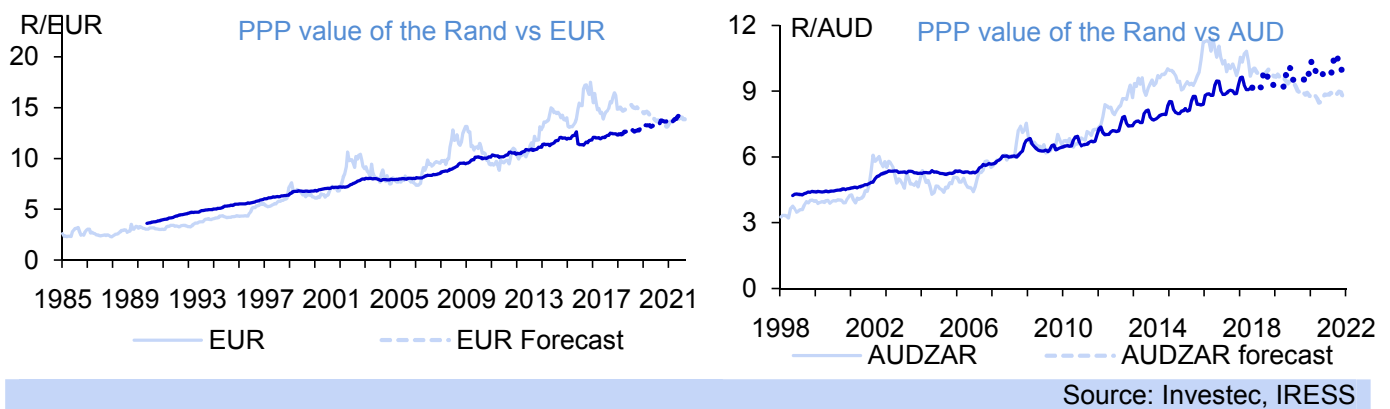




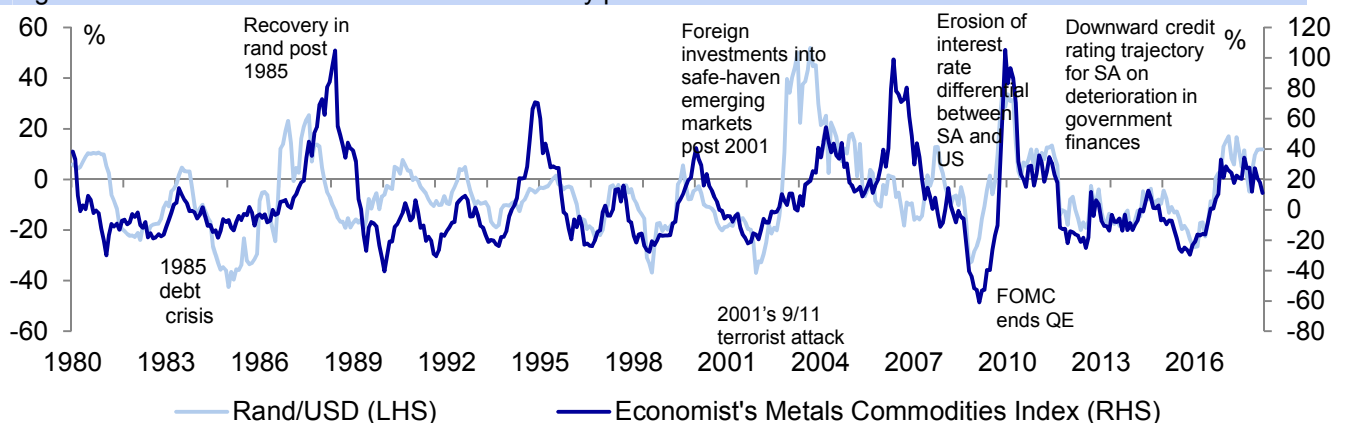
Figure 4: Net foreign portfolio flows for SA assets

Week	Equities (Rbn)	Bonds (Rbn)	Total (Rbn)
3rd April – 5th April	2.1	-3.3	-1.2
26th March – 29th March	-2.4	1.1	-1.2
19th March – 23rd March	6.4	2.4	8.7
12th March – 16th March	-8.9	3.5	-5.4
5th March – 9th March 2018	2.6	-0.3	2.3
26th February - 2nd March 2018	0.4	1.6	2.0
19th February – 23rd February 2018	2.7	12.2	14.8
12th February – 16th February 2018	7.2	1.0	8.2
5th February – 9th February 2018	3.6	-4.7	-1.1
29th January – 2nd February 2018	-2.7	-2.2	-4.9
Month			
March 2018	-0.8	6.2	5.4
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

Note: Data subject to frequent revisions

Source: IRESS

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



Source: IRESS, Investec

Week Ahead: Manufacturing growth expected to be higher in February, than in January.

6th April 2018



Data releases in the week ahead

Figure 6: Economic data releases for this week

Date	Country	Indicator	Month	Forecast	Previous
09/04/18	SA	Gross Reserves	Mar		\$50.05bn
		Net Reserves	Mar		\$43.30bn
10/04/18	SA	Manufacturing Production SA	Feb		-1.6% m/m
		Manufacturing Production NSA	Feb	3.2% y/y	2.5% y/y
11/04/18	US	NFIB Small Business Optimism	Mar		107.6
		PPI Final Demand	Mar	0.2% m/m	0.2% m/m
		PPI Final Demand	Mar	2.9% y/y	2.8% y/y
		Final Wholesale Trade Sales	Feb		-1.1% m/m
		Final Wholesale Inventories	Feb	0.5% m/m	1.1% m/m
		MBA Mortgage Applications	6 April		-3.3%
12/04/18	SA	Mining Production	Feb		1.0% m/m
		Mining Production	Feb	2.8% y/y	2.4% y/y
	Eurozone	Industrial Production ex construction SA	Feb	0.4% m/m	-1.0% m/m
		Industrial Production ex construction WDA	Feb	4.3% y/y	2.7% y/y
	US	Import Price Index	Mar	0.1% m/m	0.4% m/m
		Import Price Index	Mar	3.8% y/y	3.5% y/y
		Continuing Claims	31 Mar		
Export Price Index		Mar		0.2% m/m	
Export Price Index	Mar		3.3% y/y		
13/04/18	Eurozone	Trade Balance SA	Feb		19.9bn
		Trade Balance NSA	Feb		3.3bn
		JOLTS Job Openings	Feb		6312

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

Source Bloomberg

Week Ahead: Manufacturing growth expected to be higher in February, than in January.

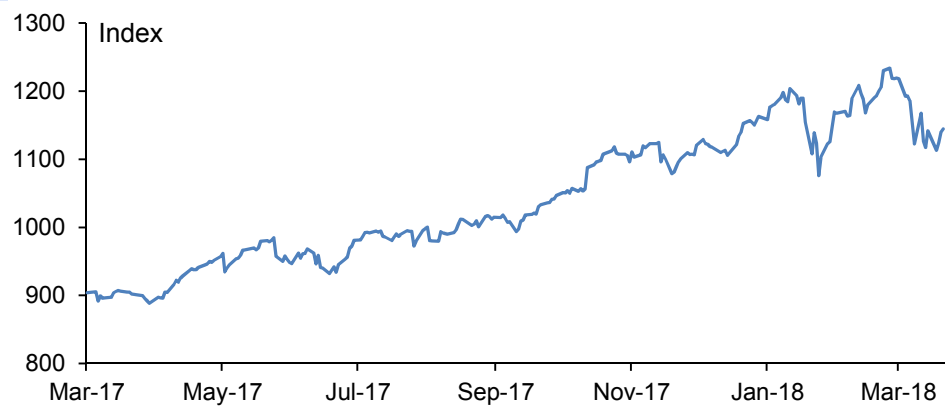
6th April 2018



International section

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

Figure 7: S&P IT Index

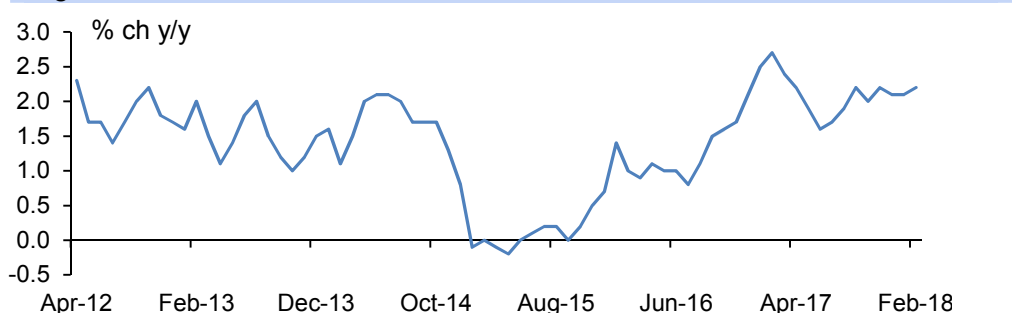


Source: Bloomberg

(VC) Over the past week, market sentiment has continued to hang on every word of the US and Chinese administrations as investors continued to size up the evolving threat of an all-out trade war. At the start of the week, US equities closed their first trading day of Q2 down more than 2% amidst these concerns and as fears over the growth outlook for tech stocks set in. Sentiment looked set to deteriorate more sharply mid-week following further tariff announcements from the US and Chinese administrations. However, a concerted effort by White House Economic Advisor Larry Kudlow to settle the mood seemed to do the trick. US stocks moved higher after he said he thought the US was 'going to come to agreements' [with China] and that Beijing will 'back down and will play ball'.

Further support to sentiment also came from Commerce Secretary Wilbur Ross's comments, signalling that the door was open for a negotiated solution with China on trade. However the comment itself also served to highlight that the US and China are deep into negotiation now. This reminds us that talks look set to run on and that we can expect plenty more by way of rhetoric from both sides before any deal is struck. It is a decent bet therefore that trade discussions will be an important driver of sentiment again next week.

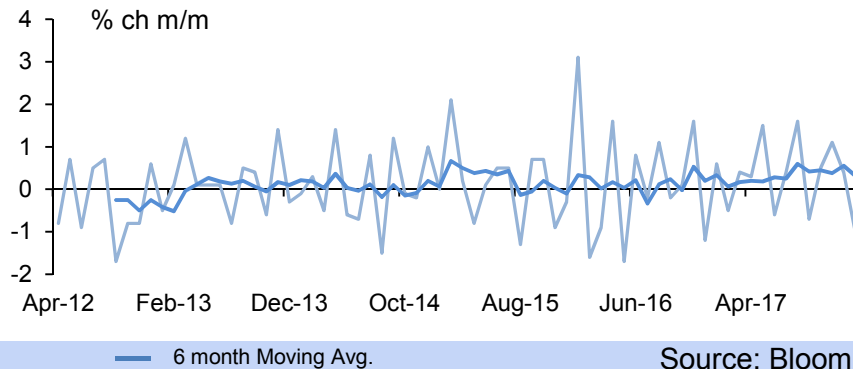
Figure 8: US CPI



Sources: Bloomberg



Figure 9: EU Industrial Production (ex. Construction) SA



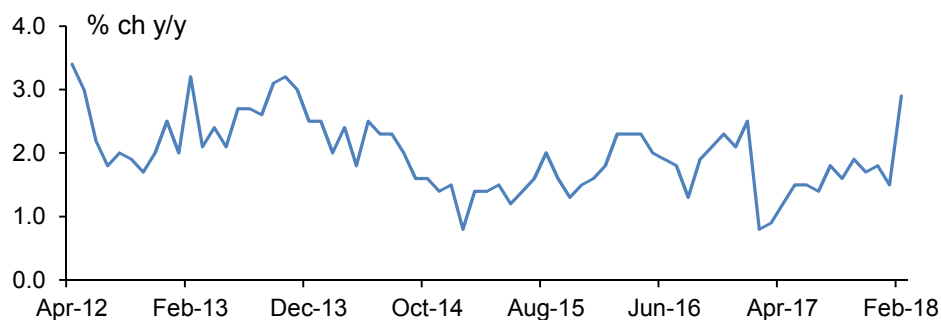
Source: Bloomberg

Another key driver of the risk backdrop, is likely to come from any new steers from the Fed on its forward policy plans. Today (Friday 6 April) we are set to hear from Fed Chair Powell whilst the Fed’s March policy meeting minutes are set for publication next Wednesday. These will be assessed for clues on what more it will take the Fed to step up the pace of its rate rises and any further information on how the Fed views the trade discussions and the scope for these to limit its appetite to raise rates more rapidly than the ‘dot plot’ implies. US focused markets will also be closely watching the CPI inflation figures due Wednesday, for any further impetus for Fed normalisation momentum; the early consensus view is that the headline inflation rate will have accelerated from 2.2% to 2.3%, its highest since March last year.

In the UK, we suspect that Brexit news will remain relatively quiet over the coming week with Parliament in recess until 16 April. Instead, the focus is likely to be on data releases, with industrial output and trade figures for February due. On the retail front, the BRC retail sales monitor is set for publication providing information on the extent to which retail sales suffered at the hands of heavy snow through March. From the Bank of England, the Credit Conditions and Bank Liabilities surveys are due, whilst BoE Governor Mark Carney is being honoured at an event in Toronto.

In the Euro area, the data calendar for the week ahead looks relatively light with February’s industrial production figures likely to be the main focus for markets. Italian government formation discussions are set to continue next week, although a quick agreement on a final government arrangement seems a way off. Finally, in the wider calendar, we note that Chinese trade figures for March are due towards the end of next week. Given the focus on China-US trade flows, these may gain even more attention that they typically do. Chinese CPI inflation figures are due mid-week.

Figure 10: China CPI



Source: Bloomberg



Global forecasts

Figure 11: 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 12: Key official interest rates (% , end quarter)

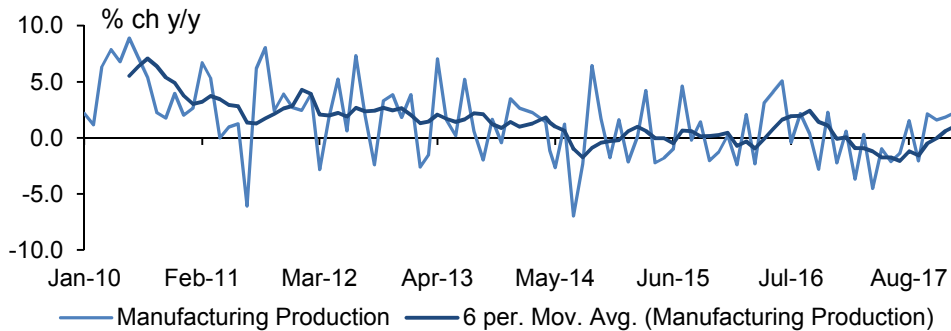
	US Fed funds	Eurozone refi rate	Eurozone deposit rate	UK Bank rate	Australia cash rate
Current	1.25-1.50	0.00	-0.40	0.50	1.50
2018					
Q1	1.50-1.75	0.00	-0.40	0.50	1.50
Q2	1.75-2.00	0.00	-0.40	0.75	1.50
Q3	2.00-2.25	0.00	-0.40	0.75	1.50
Q4	2.25-2.50	0.00	-0.40	1.00	1.75
2019					
Q1	2.50-2.75	0.00	-0.40	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 13: Manufacturing Production



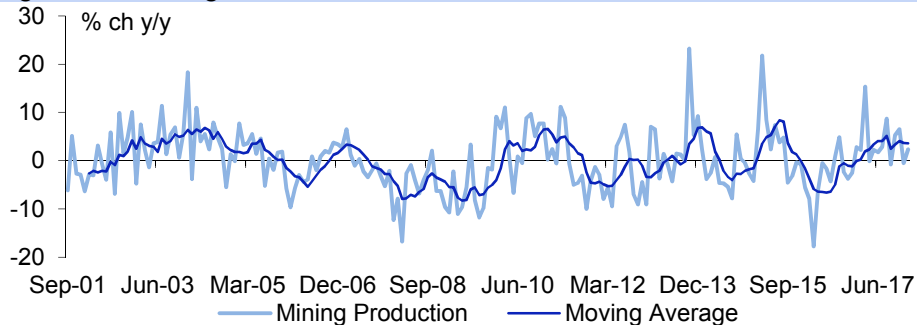
Source: Stats SA

We forecast February’s manufacturing production growth at 3.2% y/y, supported by a rise in the BER’s purchasing managers’ index for that month. Manufacturing production typically rises on a month-to-month basis in February as production is resumed, following factory shutdowns over the holiday period. March’s PMI release was not as encouraging, with new sales orders and business activity having dipped, indicating that March’s production numbers may not be as favourable.

Looking forward, recent positive developments, including the avoidance of a ratings downgrade by Moody’s and the interest rate cut, should boost private consumption and investment, with forecasts for 2018 having been revised upwards somewhat. Additionally the global PMI has reached high levels last seen seven years ago, on the back of a sustained, synchronised upswing in global economic activity. This should lend support to domestic export orientated manufacturers.

We forecast mining production growth of 2.8% y/y for February, supported by the sustained, synchronized upswing in global activity and still elevated commodity prices. Failure to fully dissolve policy and regulatory uncertainty around the mining charter will continue to impede full investment into the domestic mining sector, preventing stronger growth.

Figure 14: Mining Production



Source: Stats SA



Figure 15: CPI forecast averages

Date	Index Base 2010	Annual y/y	Monthly m/m	Quarterly y/y	Calendar year y/y	
Jan 2017	100.6	6.6	0.6			
Feb 2017	101.7	6.3	1.1			
Mar 2017	102.3	6.1	0.6	6.3		
Apr 2017	102.4	5.3	0.1			
May 2017	102.7	5.4	0.3			
Jun 2017	102.9	5.1	0.2	5.3		
Jul 2017	103.2	4.6	0.3			
Aug 2017	103.3	4.8	0.1			
Sep 2017	103.8	5.1	0.5	4.8		
Oct 2017	104.1	4.8	0.3			
Nov 2017	104.2	4.6	0.1			
Dec 2017	104.7	4.7	0.5	4.7	2017	5.3
Jan 2018	105.0	4.4	0.3			
Feb 2018	105.8	4.0	0.8			
Mar 2018	106.5	4.1	0.7	4.2		
Apr 2018	107.3	4.8	0.8			
May 2018	107.7	4.8	0.3			
Jun 2018	108.0	4.9	0.3	4.9		
Jul 2018	108.6	5.3	0.6			
Aug 2018	109.0	5.5	0.3			
Sep 2018	109.3	5.3	0.3	5.3		
Oct 2018	109.6	5.3	0.3			
Nov 2018	109.9	5.5	0.3			
Dec 2018	110.3	5.3	0.3	5.4	2018	4.9
Jan 2019	111.0	5.8	0.7			
Feb 2019	111.6	5.5	0.5			
Mar 2019	112.5	5.6	0.8	5.6		
Apr 2019	112.9	5.2	0.4			
May 2019	113.2	5.1	0.2			
Jun 2019	113.4	5.0	0.2	5.1		
Jul 2019	114.0	4.9	0.5			
Aug 2019	114.4	5.0	0.4			
Sep 2019	114.9	5.1	0.4	5.0		
Oct 2019	115.2	5.1	0.3			
Nov 2019	115.6	5.1	0.3			
Dec 2019	115.9	5.1	0.3	5.1	2019	5.2

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	116.5	4.9	0.5		
Feb 2020	117.5	5.3	0.9		
Mar 2020	118.0	4.9	0.4	5.0	
Apr 2020	118.2	4.7	0.2		
May 2020	118.7	4.9	0.4		
Jun 2020	119.1	5.0	0.3	4.9	
Jul 2020	119.9	5.2	0.7		
Aug 2020	120.1	5.0	0.2		
Sep 2020	120.6	5.0	0.4	5.1	
Oct 2020	120.9	4.9	0.2		
Nov 2020	121.4	5.0	0.4		
Dec 2020	121.7	5.0	0.3	5.0	2020 5.0
Jan 2021	122.4	5.1	0.6		
Feb 2021	123.6	5.2	1.0		
Mar 2021	124.1	5.2	0.4	5.1	
Apr 2021	124.5	5.3	0.3		
May 2021	125.0	5.3	0.4		
Jun 2021	125.2	5.2	0.2	5.2	
Jul 2021	126.2	5.3	0.8		
Aug 2021	127.0	5.7	0.6		
Sep 2021	127.5	5.7	0.4	5.6	
Oct 2021	127.9	5.8	0.3		
Nov 2021	128.1	5.6	0.2		
Dec 2021	128.5	5.6	0.3	5.7	2021 5.4

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	5.5	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	5.6	6.75	2.1
Jan 2018	10.25	5.9	6.75	2.4
Feb 2018	10.25	6.2	6.75	2.7
Mar 2018	10.00	5.9	6.50	2.4
Apr 2018	10.00	5.2	6.50	1.7
May 2018	10.00	5.2	6.50	1.7
Jun 2018	10.00	5.1	6.50	1.6
Jul 2018	10.00	4.7	6.50	1.2
Aug 2018	10.00	4.5	6.50	1.0
Sep 2018	10.00	4.7	6.50	1.2
Oct 2018	10.00	4.7	6.50	1.2
Nov 2018	10.00	4.5	6.50	1.0
Dec 2018	10.00	4.7	6.50	1.2
Jan 2019	10.00	4.2	6.50	0.7
Feb 2019	10.00	4.5	6.50	1.0
Mar 2019	10.00	4.4	6.50	0.9
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	5.1	6.50	1.6
Aug 2019	10.00	5.0	6.50	1.5
Sep 2019	10.00	4.9	6.50	1.4
Oct 2019	10.00	4.9	6.50	1.4
Nov 2019	10.00	4.9	6.50	1.4
Dec 2019	10.00	4.9	6.50	1.4

Source: IRESS, Investec



Figure 17: **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	107	104	105	106	107	107
EURJPY	128	127	127	130	131	132	133	133	134
GBPJPY	176	155	145	149	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	1.55	1.61	1.66	1.59	1.60	1.60
AUDJPY	86	85	86	84	81	80	83	83	83
GBPAUD	2.05	1.82	1.68	1.77	1.83	1.86	1.78	1.79	1.79
ZARUSD	12.76	14.68	13.30	11.74	11.46	11.18	10.96	11.30	11.73
ZARGBP	19.48	19.92	17.13	16.33	16.41	15.76	15.29	15.76	16.42
ZAREUR	14.15	16.26	15.03	14.28	14.44	14.12	13.70	14.13	14.66
JPYZAR	9.48	7.33	8.39	9.11	9.08	9.38	9.67	9.45	9.13
ZARCHF	13.26	14.93	13.51	12.24	12.00	11.60	11.42	11.89	12.34
ZARAUD	9.58	10.93	10.20	9.23	8.97	8.49	8.61	8.81	9.15

Source: IRESS, Investec



Figure 17: **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	1.18	1.18	1.23	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	1.39	1.39	1.39	1.40	1.41	1.42	1.44	1.46
USDJPY	114	111	111	113	108	107	107	106	105	104	104	104
EURJPY	121	122	131	133	133	130	129	128	129	130	132	134
GBPJPY	141	142	145	150	150	149	148	147	147	148	150	152
EURCHF	1.07	1.08	1.14	1.16	1.17	1.17	1.17	1.18	1.19	1.21	1.21	1.21
USDCHF	1.00	0.98	0.96	0.99	0.95	0.96	0.97	0.97	0.97	0.96	0.95	0.94
GBPCHF	1.24	1.26	1.26	1.31	1.32	1.34	1.34	1.35	1.36	1.37	1.38	1.37
AUDUSD	0.76	0.75	0.79	0.77	0.79	0.78	0.79	0.79	0.79	0.79	0.78	0.78
EURAUD	1.41	1.47	1.49	1.53	1.56	1.56	1.53	1.54	1.56	1.59	1.63	1.66
AUDJPY	86	83	88	87	85	83	85	83	83	82	81	81
GBPAUD	1.64	1.70	1.66	1.73	1.77	1.78	1.75	1.77	1.78	1.81	1.85	1.88
ZARUSD	13.22	13.19	13.18	13.62	11.96	11.70	11.70	11.60	11.55	11.40	11.45	11.45
ZARGBP	16.35	16.85	17.22	18.08	16.65	16.27	16.21	16.20	16.24	16.19	16.52	16.69
ZAREUR	14.08	14.52	15.49	16.05	14.70	14.23	14.10	14.09	14.21	14.25	14.54	14.77
JPYZAR	8.54	8.39	8.36	8.27	9.06	9.15	9.15	9.09	9.05	9.12	9.08	9.08
ZARCHF	13.16	13.40	13.69	13.81	12.61	12.14	12.10	11.99	11.94	11.83	12.02	12.21
ZARAUD	10.02	9.90	10.41	10.47	9.41	9.12	9.24	9.16	9.12	8.95	8.93	8.87

Source: IRESS, Investec



Figure 17: **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: Manufacturing growth expected to be higher in February, than in January.

6th April 2018



Disclaimer

The information and materials presented in this report are provided to you for information purposes only and are not to be considered as an offer or solicitation of an offer to sell, buy or subscribe to any financial instruments. This report is intended for use by professional and business investors only. This report may not be reproduced in whole or in part or otherwise, without the consent of Investec.

The information and opinions expressed in this report have been compiled from sources believed to be reliable, but neither Investec, nor any of its directors, officers, or employees accepts liability for any loss arising from the use hereof or makes any representation as to its accuracy and completeness.

Investec, and any company or individual connected to it including its directors and employees may to the extent permitted by law, have a position or interest in any investment or service recommended in this report. Investec may, to the extent permitted by law, act upon or use the information or opinions presented herein, or research or analysis on which they are based before the material is published.

Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied is made regarding future performance. Information, opinions and estimates contained in this report reflect a judgement at its original date of publication by Investec and are subject to change.

Investec is not agreeing to nor required to update research commentary and data. Therefore, information may not reflect events occurring after the date of publication. The value of any securities or financial instruments mentioned in this report can fall as well as rise. Foreign currency denominated securities and financial instruments are subject to fluctuations in exchange rates that may have a positive or adverse effect on the value, price or income of such securities or financial instruments. Certain transactions, including those involving futures and options, can give rise to substantial risk and are not suitable for all investors.

Investec may have issued other reports that are inconsistent with, and reach different conclusions from, the information presented in this report. Those reports reflect the different assumptions, views and analytical methods of the analysts who prepared them.

This report is disseminated in South Africa by Investec Bank Limited, a firm regulated by the South African Reserve Bank.

To our readers in South Africa this does not constitute and is not intended to constitute financial product advice for the purposes of the Financial Advisory and Intermediary Services Act.

This report is disseminated in Switzerland by Investec Bank (Switzerland) AG.

To our readers in Australia this does not constitute and is not intended to constitute financial product advice for the purposes of the Corporations Act.

To our readers in the United Kingdom: This report has been issued and approved by Investec Bank (UK) Limited, a firm regulated by the Financial Conduct Authority and is not for distribution in the United Kingdom to private customers as defined by the rules of the Financial Conduct Authority.

To our readers in the Republic of Ireland, this report is issued in the Republic of Ireland by Investec Bank (UK) Limited (Irish Branch), a firm regulated by the Central Bank of Ireland