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

Month	Date	Forecast
November 2017	21 <sup>st</sup> – 23 <sup>rd</sup>	6.75
January 2018	17 <sup>th</sup> – 18 <sup>th</sup>	6.75
March 2018	26 <sup>th</sup> – 28 <sup>th</sup>	6.75
May 2018	22 <sup>nd</sup> – 24 <sup>th</sup>	6.75
July 2018	17 <sup>th</sup> – 19 <sup>th</sup>	7.00
September 2018	18 <sup>th</sup> – 20 <sup>th</sup>	7.00
November 2018	20 <sup>th</sup> – 22 <sup>nd</sup>	7.25

Source: SA Reserve Bank, Investec

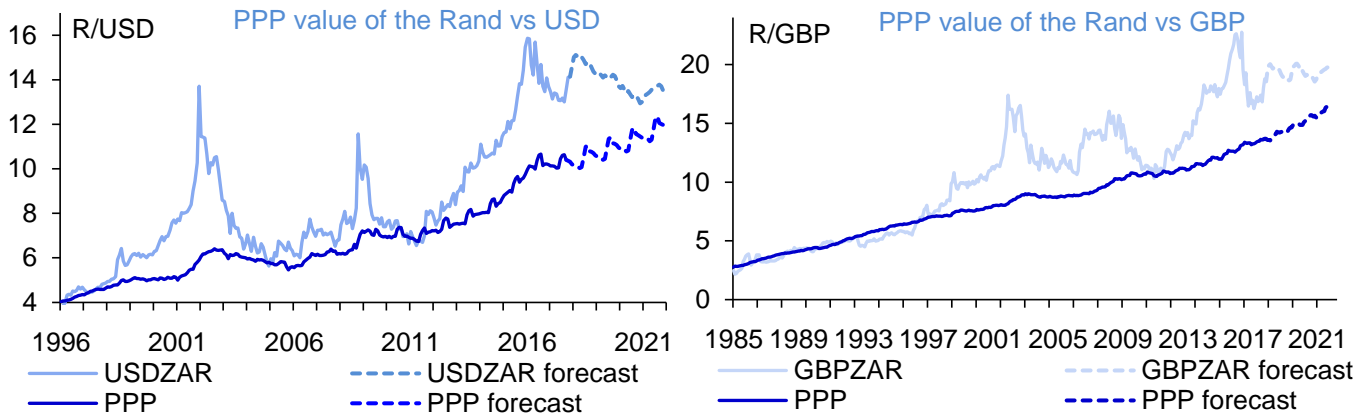


**Week Ahead: rand continues to weaken on fears of sub-investment grade credit ratings ahead of country reviews, with the IMF seeing little improvement to SA's growth in 2018**

10<sup>th</sup> November 2017

**Currency outlook for the week ahead and foreign portfolio flows:**

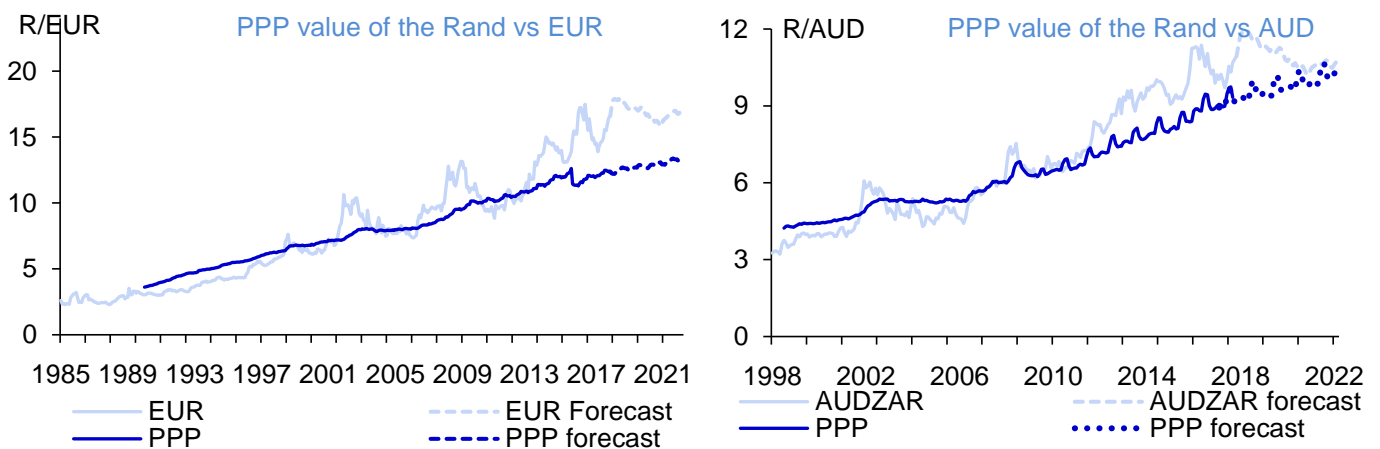
**Figure 2: Purchasing price parity value of the rand**



Source: Investec, IRESS

Opening at R14.19/USD, R16.49/EUR and R18.57/GBP, the rand strengthened mid-week against the US dollar as the greenback softened on further news of delays in US tax reform. However, by Friday the domestic currency had moved weaker to R13.40/USD, R16.76/EUR and R18.98/GBP as fears of a downgrade to SA's sovereign ratings to sub-investment grade on 24<sup>th</sup> November persisted. Foreigners sold off –R6.9bn last week, and –R5.9bn this week, worth of bonds net of sales in response to the MTBPS of 25<sup>th</sup> October 2017. This week to date the net outcome was sales of –R1.9bn worth of debt. Key rating agencies defined the recent MTBPS credit negative, on the forecast deterioration in SA's future fiscal performance compared to the fiscal projections released in the February 2017 Budget. Bond yields have also risen on the forecast deterioration in the projected fiscal metrics which cancelled out the previous projected fiscal consolidation.

**Figure 3: Purchasing price parity value of the rand**



Source: Investec, IRESS

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

		Q3.17	Q4.17	Q1.18	Q2.18	Q3.18	Q4.18	Q1.19	Q2.19
Extreme up case <b>1%</b>	Rand/USD (average)	13.18	12.55	10.90	9.80	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	4.50
	Fast, sustainable <b>economic growth of 5.0-7.0% y/y plus</b> . SA sees <b>change in political will</b> with growth creating economic reforms in line with global norms that structurally lift private sector investor confidence and so fixed investment. <b>Global growth boom</b> (including commodities), SA export and domestic growth boom lifts employment and incomes to the degree that poverty is eliminated. Fiscal consolidation, <b>credit rating upgrades to A grade ultimately</b> , interest rate cuts.								
Up case <b>8%</b>	Rand/USD (average)	13.18	13.10	12.20	11.80	11.50	11.20	10.50	10.55
	Repo rate (end rate)	6.75	6.50	6.50	6.25	6.25	6.00	5.50	5.50
	<b>Persistent economic growth of 3-5%</b> , with growing probability of extreme up case thereafter. <b>Good governance</b> , 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. <b>Strong global growth</b> and commodity cycle. <b>Stabilisation of credit ratings, with ultimately credit rating upgrades</b> .								
Base line case <b>33%</b>	Rand/USD (average)	13.18	14.40	15.06	14.99	14.75	14.15	14.08	14.07
	Repo rate (end rate)	6.75	6.75	6.75	6.75	7.00	7.25	7.25	7.25
	<b>Global risk-on and good world economic growth</b> . SA <b>weak economic growth, 2.0% y/y reached by 2023</b> . SA <b>debt high tier of sub-investment grade</b> , 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 <b>32%</b>	Rand/USD (average)	13.18	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
	<b>Global risk-off (market correction)</b> , commodity price slump, <b>global economic slowdown</b> . SA's <b>debt sub-investment grade</b> , increased chance of further credit rating downgrades. Rand weakness, <b>confidence and investment measures depressed</b> , SA <b>V shaped recession</b> . Government's capacity for expenditure reduced, including social welfare grants.								
Extreme down case <b>26%</b>	Rand/USD (average)	13.18	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
	<b>The path to a failed state (state bankruptcy)</b> . <b>Credit ratings junk</b> , 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. <b>SA economic depression, global recession</b> .								

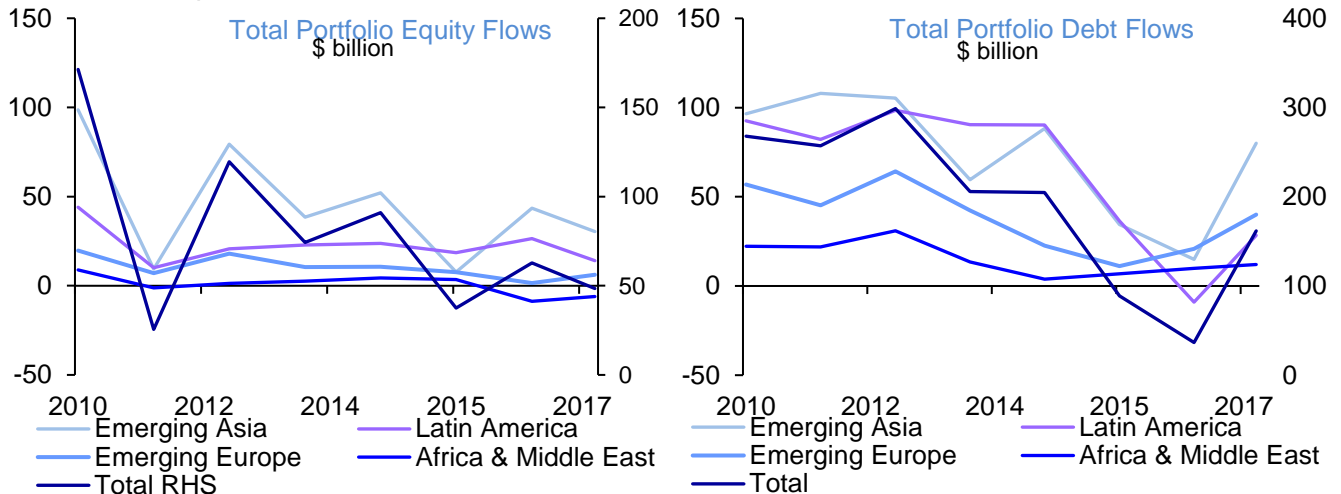
**Note:** Event risk begins Q4.17. Source: Investec, IRESS



## Week Ahead: rand continues to weaken on fears of sub-investment grade credit ratings ahead of country reviews, with the IMF seeing little improvement to SA's growth in 2018

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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)
6 <sup>th</sup> November – 9 <sup>th</sup> November 2017	1.4*	-1.9	-0.5
30 <sup>th</sup> October – 3 <sup>rd</sup> November 2017	1.8	-6.9	-5.1
23 <sup>rd</sup> October – 27 <sup>th</sup> October 2017	-0.1	-5.9	-6
16 <sup>th</sup> October – 20 <sup>th</sup> October 2017	1.7	-1.0	0.7
9 <sup>th</sup> October - 13 <sup>th</sup> October 2017	3.3	-2.1	1.2
2 <sup>nd</sup> October – 6 <sup>th</sup> October 2017	2.1	-0.6	1.5
25 <sup>th</sup> September – 29 <sup>th</sup> September 2017	-2.4	1.5	-0.9
Month			
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

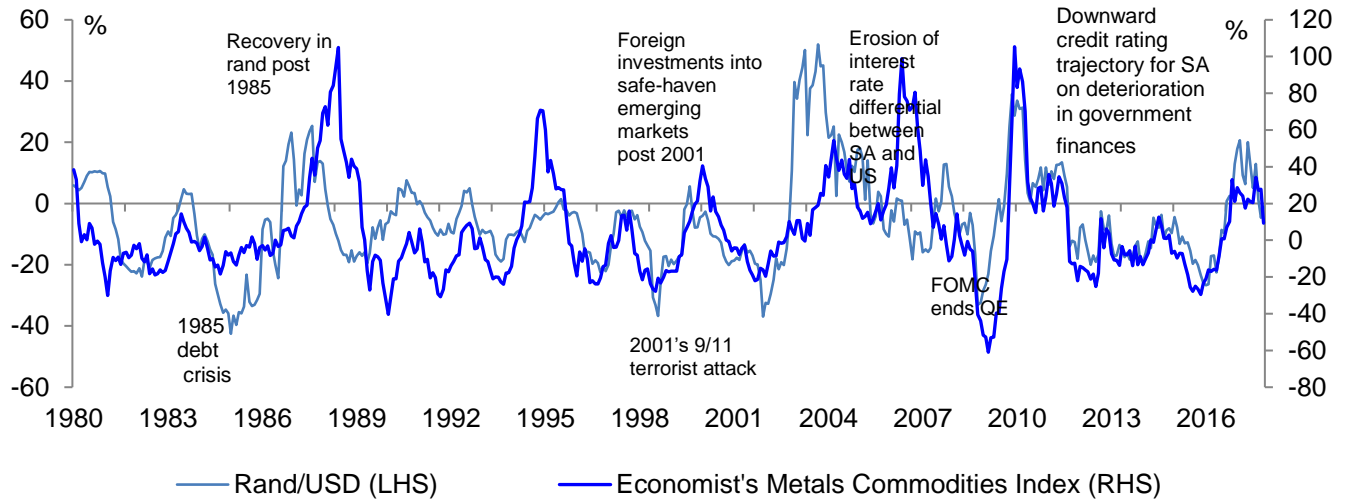
\*up until 8<sup>th</sup> Nov.



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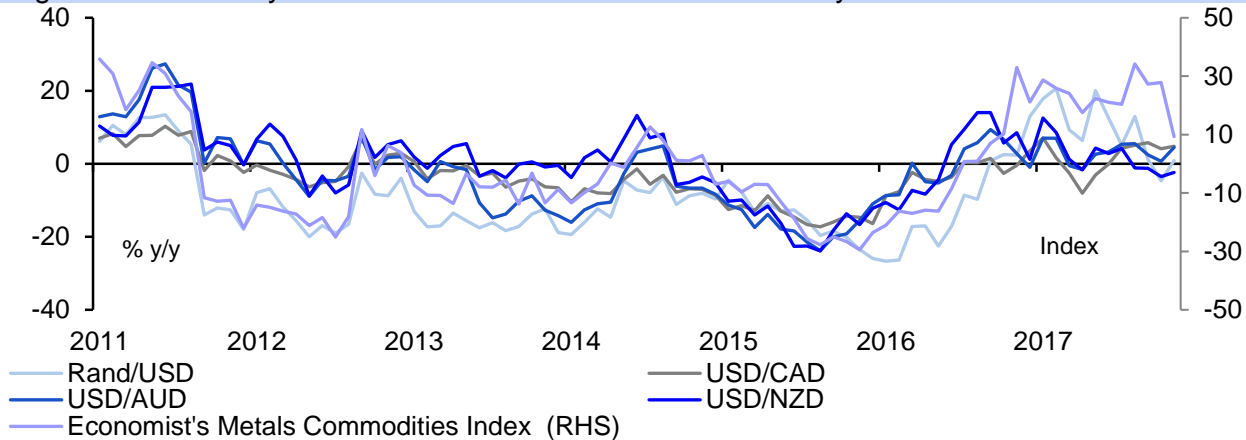
**Figure 7: Rand vs Economist's metals commodity price index**



Source: IRESS, Investec

In the week ahead, the rand is expected to trade in a range of R14.10/USD – R14.80/USD, R17.30/EUR - R16.40/EUR and R19.40/GBP - R18.70/GBP, with the risk towards depreciation as fears of downgrades persist. While the December 2017 ANC elective conference outcome will be of interest to the rating agencies and the financial markets, the February 2018 Budget will provide the fiscal detail that was lacking in the 2017 MTBPS, and which is needed in assessing SA's creditworthiness. Consequently, Moody's could wait until after the 2018 Budget to make a judgment on SA's local currency rating (also Baa3). However, we expect Moody's will downgrade SA's long-term foreign currency sovereign debt to Ba1 (currently Baa3) on 24<sup>th</sup> November 2017 at its country review. S&P is yet to give commentary post the MTBPS, but the risk is that it joins Moody's on the 24<sup>th</sup>, particularly as the IMF said this week SA is likely to see little improvement in 2018.

**Figure 8: Commodity currencies vs economist metals commodity index**



Source: IMF WEO October 2017, IRESS



**Data releases in the week ahead**

**Figure 9: Economic data releases for next week**

Date	Country	Indicator	Month	Forecast	Previous
13/11/17	US	Monthly Budget Statement	Oct	-\$50.0bn	-\$45.8bn
		MBA Mortgage Foreclosures	Q3.17		1.3%
		Mortgage Delinquencies	Q3.17		4.2%
	Eurozone	Bloomberg Nov Eurozone Economic Survey			
14/11/17	US	NFIB Small Business Optimism	Oct	104.5	103.0
		PPI Final Demand	Oct	0.1% m/m	0.4% m/m
		PPI Ex Food and Energy	Oct	0.2% m/m	0.4% m/m
		PPI Ex Food, Energy, Trade	Oct		0.2% m/m
	Eurozone	Industrial Production	Sep	3.3% y/y	3.8% y/y
		ZEW Survey Expectations	Nov		26.7
		GDP (sa)	Q3.17	2.5% y/y	2.5% y/y
15/11/17	SA	Retail Sales (constant)	Sep		5.5% y/y
		Retail Sales	Sep		2.4% m/m
	US	MBA Mortgage Applications	Nov		0.0%
		CPI	Oct	0.1% m/m	0.5% m/m
		CPI Ex Food and Energy	Oct	0.2% m/m	0.1% m/m
		CPI Index (nsa)	Oct		246.8
		Real Avg Weekly Earnings	Oct		0.6% y/y
		Empire Manufacturing	Nov	24.9	30.2
		Real Avg Hourly Earnings	Oct		0.6% y/y
		Retail Sales Advance	Oct	0.1% m/m	1.6% m/m
		Retail Sales Ex Auto	Oct	0.2% m/m	1.0% m/m
		Retail Sales Ex Auto and Gas	Oct	0.3% m/m	0.5% m/m
		Retail Sales Control Group	Oct	0.3%	0.4%
		Business Inventories	Sep	0.0%	0.7%
		Total Net TIC Flows	Sep		\$125.0bn
		Net Long-term TIC Flows	Sep		\$67.2bn
		Eurozone	Trade Balance (sa)	Sep	
16/11/17	US	Initial Jobless Claims	Nov 11		239k
		Philadelphia Fed Business Outlook	Nov	24.0	27.9
		Import Price Index	Oct	0.4% m/m	0.7% m/m
		Import Price Index ex Petroleum	Oct	0.3% m/m	0.3% m/m
		Export Price Index	Oct	0.4% m/m	0.8% m/m
		Industrial Production	Oct	0.4% m/m	0.3% m/m
		Capacity Utilization	Oct	76.2%	76.0%
		Manufacturing Production	Oct	0.4%	0.1%
		Bloomberg Consumer Comfort	Nov		51.5
		Bloomberg Economic Expectations	Nov		47.5





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16/11/17	US	NAHB Housing Market Index	Nov	68	68
	Eurozone	CPI	Oct	1.4% y/y	1.5% y/y
		CPI Core	Oct	0.9% y/y	0.9% y/y
17/11/17	US	Housing Starts	Oct	5.4% m/m	-4.7% m/m
		Building Permits	Oct	1.4% m/m	-3.7% m/m
		Kansas City Fed Manufacturing Activity	Nov		23
	Eurozone	ECB Current Account (sa)	Sep		33.3bn
		Current Account (nsa)	Sep		29.6bn
		Construction Output	Sep		1.6% y/y

Source: Bloomberg

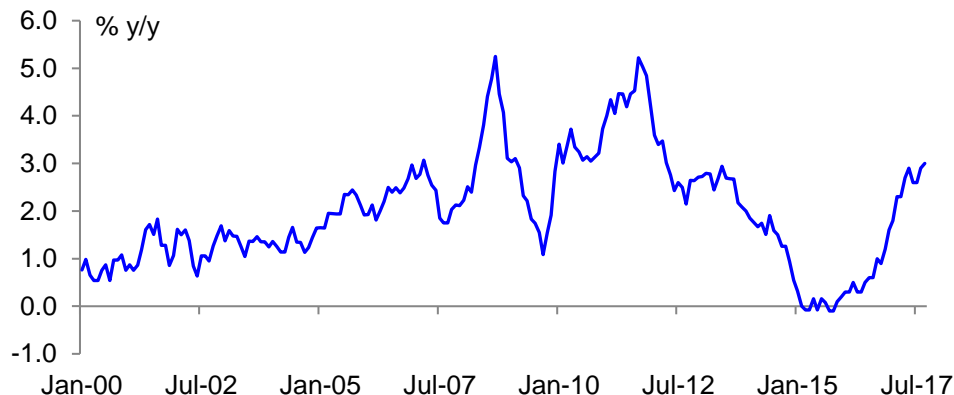
**International section**

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

(GB) In the UK, politics have once again dominated the Fleet Street headlines, with the Prime Minister seeing the second departure from her cabinet in the past week, following International Development Secretary Priti Patel's resignation. Meanwhile, Foreign Secretary Boris Johnson landed himself in hot water over remarks that may have lengthened the sentence of a jailed British dual-national in Iran.

Next week sees the delayed EU Withdrawal Bill finally enter committee stage (November 14-15), where it will likely be subjected to a significant amount of cross-party scrutiny during the first two of eight scheduled days of debate. So far, MPs have tabled almost 400 amendments across 140 pages to the legislation, which transposes EU law onto the UK statute books. But with political

Figure 10: UK CPI inflation



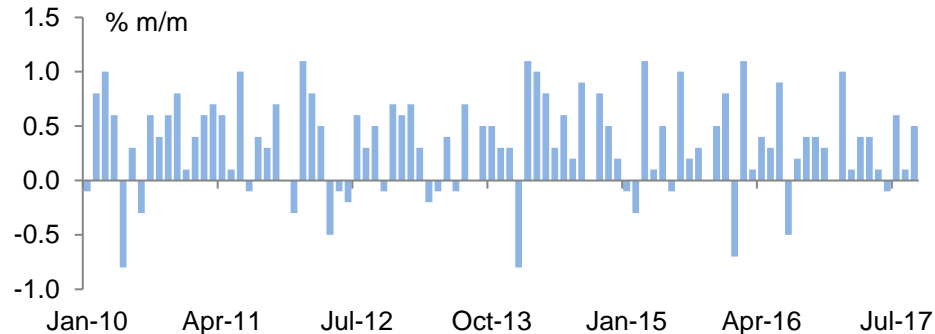
Sources: Bloomberg



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**Figure 11: US retail sales ex auto and gas**



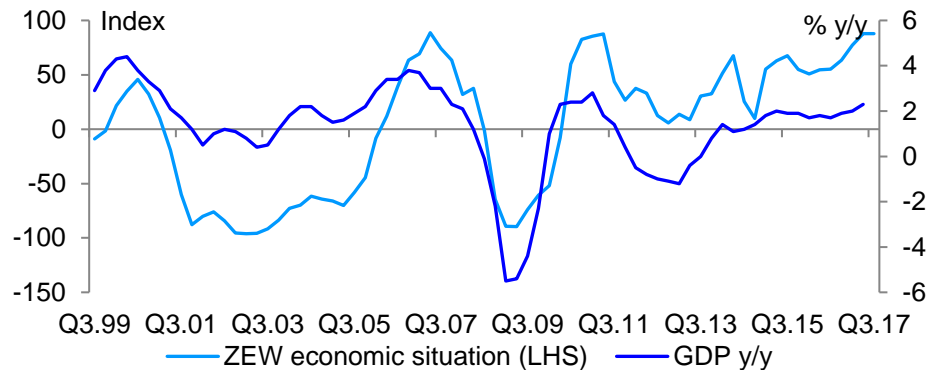
Sources: US Census Bureau

disagreements and distractions, it could be some time until it makes it through to report stage.

Those hoping for a reprieve on the data front are likely to be disappointed. Inflation kicks off UK data proceedings on Tuesday, which our forecast suggests will show that the CPI measure remained steady at 3.0% in October. This could mean that BoE Governor Carney will be spared from having to write a letter to the Chancellor. Following that, we have labour market data on Wednesday which we expect will show no change to the unemployment rate at its 42-year low of 4.3%. We also continue to expect the figures to confirm sluggish wage growth. Finally, retail sales caps off the week on Thursday, which we expect to show that October has been another poor month for Britain's high street.

Over in the Eurozone, the 'flash' (in this case the second!) estimate of Q3 GDP is due out on Tuesday, alongside September figures for industrial production. These are followed by final October inflation (HICP) data on Thursday. Meanwhile, Germany and Italy are both reporting preliminary estimates for Q3 GDP on Tuesday. Looking to Asia, it is a relatively quiet week

**Figure 12: ZEW survey and Eurozone GDP growth**



Sources: ZEW, Eurostat

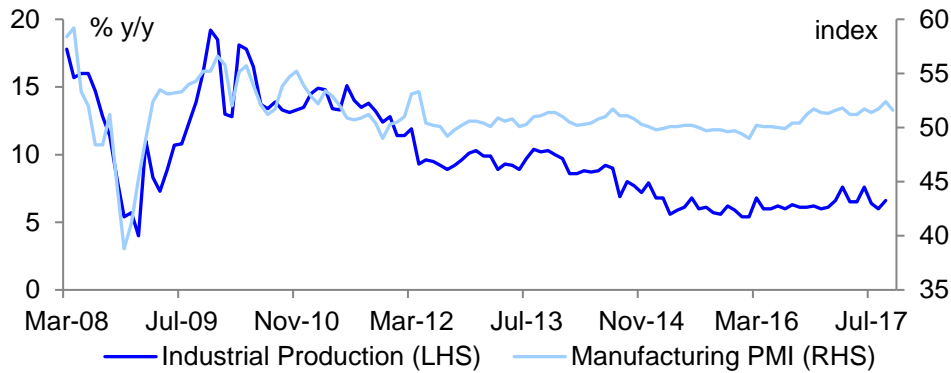




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**Figure 13: China industrial production and manufacturing PMI**



Sources: National Bureau of Statistics of China

for Japan aside from Q3 GDP figures on Wednesday, whilst China is set to release its three key monthly cyclical indicators.

Across the Atlantic, Wednesday is set to be the key date for the US with CPI, retail sales and the Empire State manufacturing survey all due. The back end of next week sees the release of industrial production, the Philadelphia Fed report as well as various indicators on the housing market, including existing home sales, starts and permits. Efforts to push through President Trump's tax reform are also set to continue as both chambers begin to debate the bill. However with significant inter and intra-party divisions remaining, progress may be slow as further amendments are made in order to drum up enough political support.

**International interest rates**

**Figure 14: 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

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On the monetary policy front, ECB Governor Draghi is set to speak this weekend (11 November) in Milan. Tuesday sees the governors of the Eurozone, Japanese, UK and US central banks participate in an ECB panel on the 'challenges and opportunities of central bank communication'. Next the BoE's Broadbent is set to give a speech at the London School of Economics on Wednesday, chaired by his former colleague Minouche Shafik, before subsequently joining the majority of the other "internal" members of the MPC at the Bank's annual Future Forum. Only Chief Economist Haldane will be absent from the event, though we note he will be speaking in Frankfurt on Wednesday.

Figure 15: Key official interest rates (% , end quarter)

	US Fed funds	Eurozone refi rate	Eurozone deposit rate	UK Bank rate	Japan rate	Australia Cash rate
Current 2017	1.00-1.25	0.00	-0.40	0.25	-0.10	1.50
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

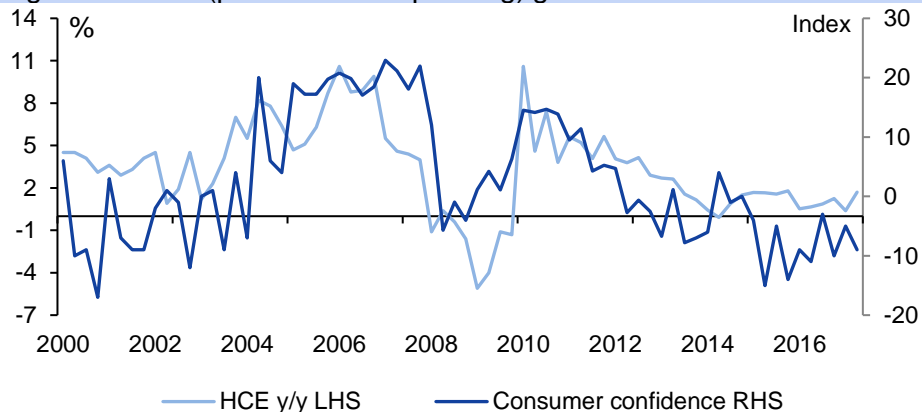


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**South Africa section**

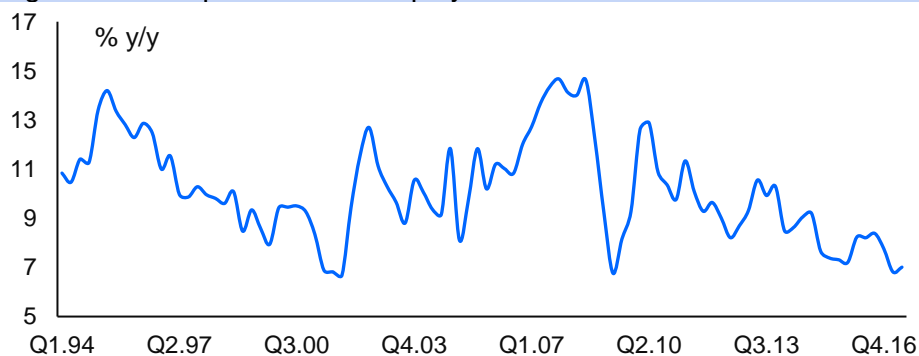
**Figure 16: HCE (private sector spending) growth vs consumer confidence**



Sources: SARB, BER

In South Africa economic growth has slowed sharply since 2010, with the IMF stating “(d)espite South Africa’s institutional strength and favorable global conditions, increasing domestic political uncertainty and stalled reforms point to a challenging economic outlook. Some sectors, including agriculture and mining, are certainly generating growth, but other key activities have stagnated or declined, as investment decisions are being postponed or abandoned.” The Fund adds that “the subdued economic growth of 0.7 percent, projected by the authorities for 2017, is not likely to improve much in 2018”. “Against current structural constraints, the envisaged growth upturn would be insufficient to reverse the ongoing decline in per-capita income and generate enough jobs to absorb the growing labor force.” SA releases retail sales data next week, expected at 4.5% y/y, down from the previous month’s 5.5% y/y. The IMF adds “(g)rowth would recover only gradually in the medium term, unless the pace of implementation of structural reforms accelerates quickly enough to prompt a clear recovery in business and consumer confidence.”

**Figure 17: Compensation of employees**



Sources: Stats SA



Figure 18: 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	5.6	6.75	2.1
Feb 2018	10.25	5.7	6.75	2.2
Mar 2018	10.25	5.7	6.75	2.2
Apr 2018	10.25	5.4	6.75	1.9
May 2018	10.25	5.1	6.75	1.6
Jun 2018	10.25	4.7	6.75	1.2
Jul 2018	10.50	4.6	7.00	1.1
Aug 2018	10.50	4.3	7.00	0.8
Sep 2018	10.50	4.5	7.00	1.0
Oct 2018	10.50	4.4	7.00	0.9
Nov 2018	10.75	4.5	7.25	1.0
Dec 2018	10.75	4.4	7.25	0.9
Jan 2019	10.75	4.6	7.25	1.1
Feb 2019	10.75	4.6	7.25	1.1
Mar 2019	10.75	4.4	7.25	0.9
Apr 2019	10.75	4.6	7.25	1.1
May 2019	10.75	5.1	7.25	1.6
Jun 2019	10.75	5.5	7.25	2.0
Jul 2019	10.75	5.2	7.25	1.7
Aug 2019	10.75	4.9	7.25	1.4
Sep 2019	10.75	4.6	7.25	1.1
Oct 2019	10.75	4.7	7.25	1.2
Nov 2019	10.75	4.8	7.25	1.3
Dec 2019	10.75	5.0	7.25	1.5

Source: IRESS, Investec



Figure 18: Exchange rate history and forecast, annual averages

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

Source: IRESS, Investec



Figure 18: Exchange rate history and forecast, annual averages continued

	2017				2018				2019			
	Q1.17	Q2.17	Q3.17	Q4.17	Q1.18	Q2.18	Q3.18	Q4.18	Q1.19	Q2.19	Q3.19	Q4.19
<b>EURUSD</b>	1.07	1.10	1.17	1.19	1.19	1.19	1.19	1.20	1.20	1.21	1.21	1.22
<b>EURGBP</b>	0.86	0.86	0.89	0.90	0.89	0.90	0.89	0.91	0.91	0.92	0.86	0.86
<b>GBPEUR</b>	1.16	1.16	1.12	1.11	1.12	1.11	1.12	1.10	1.10	1.09	1.17	1.16
<b>GBPUSD</b>	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
<b>USDJPY</b>	121	124	131	133	132	132	131	132	132	131	131	132
<b>EURJPY</b>	140	145	147	148	147	146	146	145	145	143	152	153
<b>GBPJPY</b>												
	1.04	1.07	1.13	1.15	1.15	1.15	1.15	1.16	1.16	1.17	1.17	1.18
<b>EURCHF</b>	0.97	0.97	0.97	0.97	0.97	0.97	0.97	0.97	0.97	0.97	0.97	0.97
<b>USDCHF</b>	1.20	1.24	1.27	1.28	1.29	1.28	1.29	1.28	1.28	1.28	1.37	1.38
<b>GBPCHF</b>												
	0.76	0.75	0.79	0.78	0.79	0.79	0.79	0.79	0.79	0.79	0.79	0.79
<b>AUDUSD</b>	1.41	1.46	1.48	1.52	1.51	1.51	1.51	1.52	1.52	1.53	1.53	1.54
<b>EURAUD</b>	86	85	88	87	87	88	87	87	87	85	85	85
<b>AUDJPY</b>	1.64	1.70	1.66	1.69	1.69	1.66	1.68	1.67	1.67	1.67	1.78	1.80
<b>GBPAUD</b>	0.86	0.86	0.89	0.90	0.89	0.90	0.89	0.91	0.91	0.92	0.86	0.86
<b>ZARUSD</b>	13.22	13.19	13.18	14.40	15.06	14.99	14.75	14.46	14.27	14.15	14.08	14.07
<b>ZARGBP</b>	16.35	16.85	17.22	19.01	19.98	19.71	19.61	19.09	18.84	18.68	19.85	19.97
<b>ZAREUR</b>	14.08	14.52	15.49	17.08	17.85	17.84	17.55	17.36	17.12	17.13	17.04	17.16
<b>JPYZAR</b>	8.54	8.39	8.36	7.78	7.37	7.41	7.46	7.60	7.71	7.63	7.67	7.68
<b>ZARCHF</b>	13.18	13.41	13.70	14.85	15.53	15.45	15.20	14.91	14.71	14.59	14.52	14.50
<b>ZARAUD</b>	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 18: Exchange rate history and forecast, annual averages continued

	2020				2021				2022			
	Q1.20	Q2.20	Q3.20	Q4.20	Q1.21	Q2.21	Q3.21	Q4.21	Q1.22	Q2.22	Q3.22	Q4.22
<b>EURUSD</b>	1.22	1.22	1.22	1.22	1.23	1.23	1.23	1.24	1.24	1.24	1.24	1.25
<b>EURGBP</b>	0.86	0.86	0.85	0.85	0.85	0.85	0.85	0.86	0.86	0.86	0.86	0.86
<b>GBPEUR</b>	1.16	1.16	1.17	1.17	1.17	1.17	1.17	1.16	1.17	1.17	1.17	1.16
<b>GBPUSD</b>	1.42	1.42	1.43	1.43	1.44	1.44	1.44	1.44	1.45	1.45	1.45	1.45
<b>USDJPY</b>	107	107	107	107	107	107	107	107	107	107	107	107
<b>EURJPY</b>	131	131	131	131	132	132	132	133	133	133	133	134
<b>GBPJPY</b>	152	152	153	153	154	154	154	154	155	155	155	155
<b>EURCHF</b>	1.17	1.17	1.17	1.17	1.18	1.18	1.18	1.19	1.18	1.18	1.18	1.19
<b>USDCHF</b>	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.95	0.95	0.95	0.95
<b>GBPCHF</b>	1.36	1.36	1.37	1.37	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38
<b>AUDUSD</b>	0.79	0.79	0.79	0.79	0.79	0.79	0.78	0.78	0.78	0.78	0.78	0.78
<b>EURAUD</b>	1.54	1.54	1.54	1.54	1.56	1.56	1.58	1.59	1.59	1.59	1.59	1.60
<b>AUDJPY</b>	85	85	85	85	85	85	83	83	83	83	83	83
<b>GBPAUD</b>	1.80	1.80	1.81	1.81	1.82	1.82	1.85	1.85	1.86	1.86	1.86	1.86
<b>ZARUSD</b>	13.67	13.44	13.27	13.04	13.27	13.50	13.67	13.61	13.67	13.89	14.12	14.24
<b>ZARGBP</b>	19.41	19.08	18.97	18.65	19.11	19.43	19.68	19.60	19.82	20.15	20.48	20.64
<b>ZAREUR</b>	16.67	16.40	16.19	15.91	16.32	16.60	16.81	16.88	16.95	17.23	17.51	17.80
<b>JPYZAR</b>	7.83	7.96	8.06	8.21	8.06	7.93	7.83	7.86	7.83	7.70	7.58	7.52
<b>ZARCHF</b>	14.24	14.00	13.82	13.58	13.82	14.06	14.24	14.18	14.39	14.63	14.87	14.99
<b>ZARAUD</b>	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



Figure 19: 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	4.9	0.3		
Nov 2017	104.3	4.8	0.2		
Dec 2017	104.6	4.6	0.2	4.7	2017 5.3
Jan 2018	105.3	4.7	0.7		
Feb 2018	106.3	4.6	1.0		
Mar 2018	107.0	4.6	0.6	4.6	
Apr 2018	107.4	4.9	0.4		
May 2018	107.9	5.1	0.5		
Jun 2018	108.6	5.5	0.6	5.2	
Jul 2018	109.3	5.9	0.7		
Aug 2018	109.7	6.2	0.4		
Sep 2018	110.1	6.0	0.3	6.0	
Oct 2018	110.5	6.1	0.4		
Nov 2018	110.8	6.2	0.3		
Dec 2018	111.2	6.3	0.3	6.2	2018 5.5
Jan 2019	111.7	6.1	0.5		
Feb 2019	112.8	6.1	1.0		
Mar 2019	113.7	6.3	0.8	6.2	
Apr 2019	114.0	6.1	0.2		
May 2019	114.1	5.7	0.1		
Jun 2019	114.3	5.3	0.2	5.7	
Jul 2019	115.3	5.5	0.9		
Aug 2019	116.2	5.9	0.7		
Sep 2019	116.8	6.2	0.6	5.9	
Oct 2019	117.2	6.1	0.4		
Nov 2019	117.4	5.9	0.2		
Dec 2019	117.6	5.8	0.2	5.9	2019 5.9

Source: Stats SA, Investec



Figure 19: CPI forecast averages

Date	Index Base 2010	Annual y/y	Monthly m/m	Quarterly y/y	Calendar year y/y
Jan 2020	118.4	6.0	0.7		
Feb 2020	119.6	6.0	1.0		
Mar 2020	120.1	5.6	0.4	5.9	
Apr 2020	120.6	5.8	0.4		
May 2020	120.7	5.8	0.1		
Jun 2020	121.0	5.9	0.3	5.8	
Jul 2020	122.4	6.1	1.1		
Aug 2020	123.1	6.0	0.6		
Sep 2020	123.6	5.8	0.4	5.9	
Oct 2020	123.9	5.6	0.2		
Nov 2020	124.2	5.8	0.3		
Dec 2020	124.3	5.7	0.1	5.7	2020 5.8
Jan 2021	125.0	5.6	0.6		
Feb 2021	126.5	5.8	1.2		
Mar 2021	127.7	6.3	0.9	5.9	
Apr 2021	127.7	5.9	0.0		
May 2021	127.5	5.7	-0.1		
Jun 2021	127.4	5.3	-0.1	5.6	
Jul 2021	128.9	5.4	1.2		
Aug 2021	130.0	5.6	0.8		
Sep 2021	130.9	5.9	0.7	5.6	
Oct 2021	131.0	5.8	0.1		
Nov 2021	131.1	5.5	0.1		
Dec 2021	131.2	5.5	0.1	5.6	2021 5.7

Source: Stats SA, Investec

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10<sup>th</sup> November 2017



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