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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

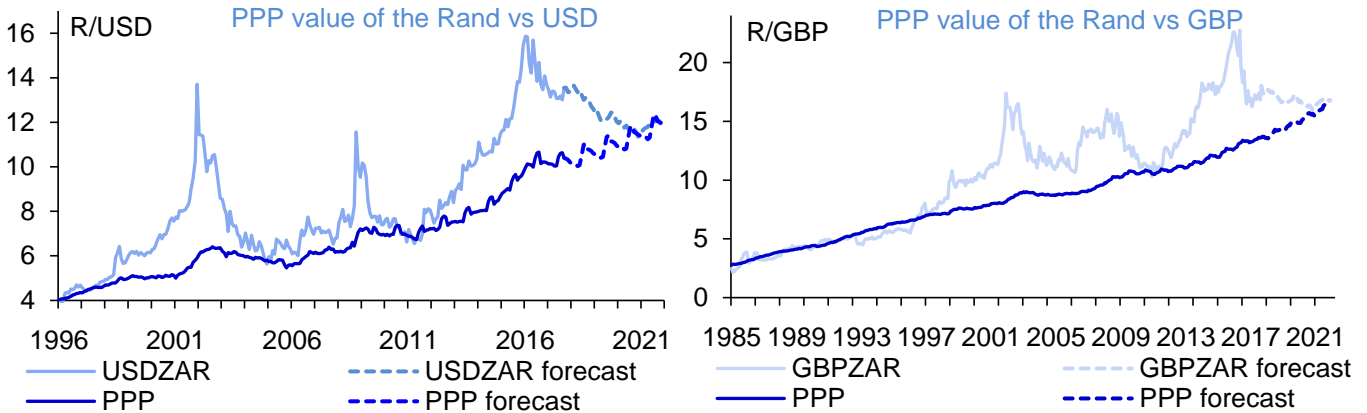


**Week Ahead: rand will take direction from rating agencies & international events, scenario table revised to take account of recent MTBPS with increased tilt to the downside**

3<sup>rd</sup> November 2017

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

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

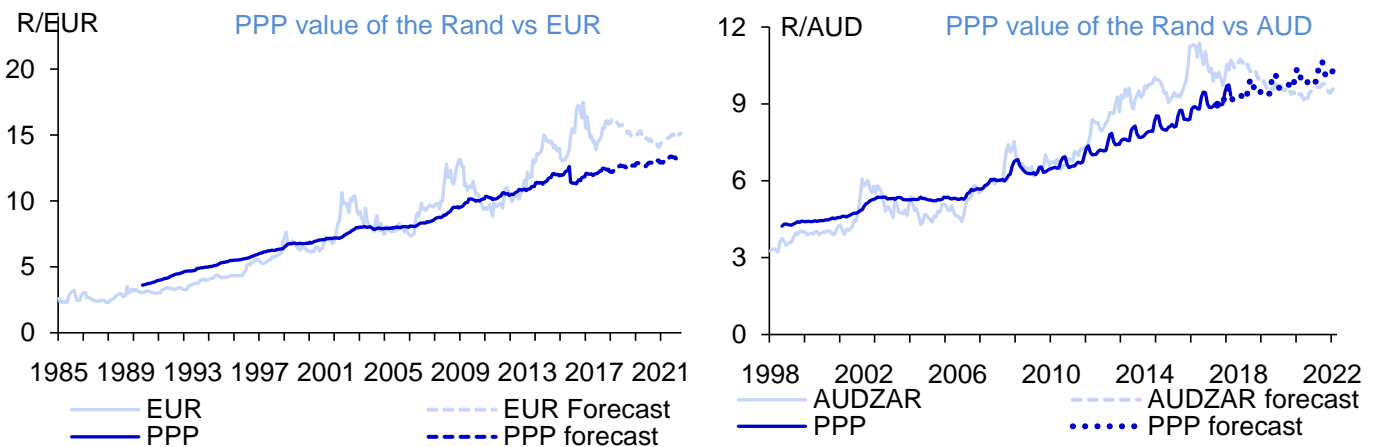


Source: Investec, IRESS

In the early part of this week the rand continued to factor in likely credit rating downgrades on the back of the recent Medium Term Budget Policy Statement (MTBPS), with Moody’s publishing a credit negative statement, which we believe signals it will downgrade SA’s long-term foreign currency sovereign debt to Ba1 (currently Baa3) at its next country review, on 24<sup>th</sup> November 2017. On the local currency credit rating front (also currently Baa3 with a negative outlook), Moody’s could wait until after the February 2018 Budget before downgrading. S&P has not released an official communication post MTBPS, but it is also likely to downgrade its local currency long-term sovereign rating for SA of BBB-, with a negative outlook, potentially also on 24<sup>th</sup> November.

The rand gained towards the end of this week (ending 3<sup>rd</sup> November) on news that the nominated

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



Source: Investec, IRESS

## Week Ahead: rand will take direction from rating agencies & international events, scenario table revised to take account of recent MTBPS with increased tilt to the downside

3<sup>rd</sup> November 2017



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 1%	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 economic growth of 5.0-7.0% y/y plus. SA sees change in political will with growth creating economic reforms in line with global norms that structurally lift private sector investor confidence and so fixed investment. Global growth boom (including commodities), SA export and domestic growth boom lifts employment and incomes to the degree that poverty is eliminated. Fiscal consolidation, credit rating upgrades to A grade ultimately, interest rate cuts.								
Up case 8%	Rand/USD (average)	13.18	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
	Persistent economic growth of 3-5%, with growing probability of extreme up case thereafter. Good governance, growth creating economic reforms in line with global norms (structural constraints are overcome) and greater socio-economic stability. High business confidence and private sector fixed investment growth and fiscal consolidation. Strong global growth and commodity cycle. Stabilisation of credit ratings, with ultimately credit rating upgrades.								
Base line case 33%	Rand/USD (average)	13.18	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
	Global risk-on and good world economic growth. SA weak economic growth, 2.0% y/y reached by 2023. SA debt high tier of sub-investment grade, rand structurally weak. Sedate pace of global monetary policy normalisation, however SA mild repo rate hikes on higher CPI inflation and credit rating downgrades.								
Down case 32%	Rand/USD (average)	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
	Global risk-off (market correction), commodity price slump, global economic slowdown. SA's debt sub-investment grade, increased chance of further credit rating downgrades. Rand weakness, confidence and investment measures depressed, SA V shaped recession. Government's capacity for expenditure reduced, including social welfare grants.								
Extreme down case 26%	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
	The path to a failed state (state bankruptcy). Credit ratings junk, sovereign debt default & restructure. Lack of funds to pay public sector employees' wages and social grants, persistent government services outages, civil unrest/war. Partial loss of commercial private sector property rights under state custodianship. SA economic depression, global recession.								

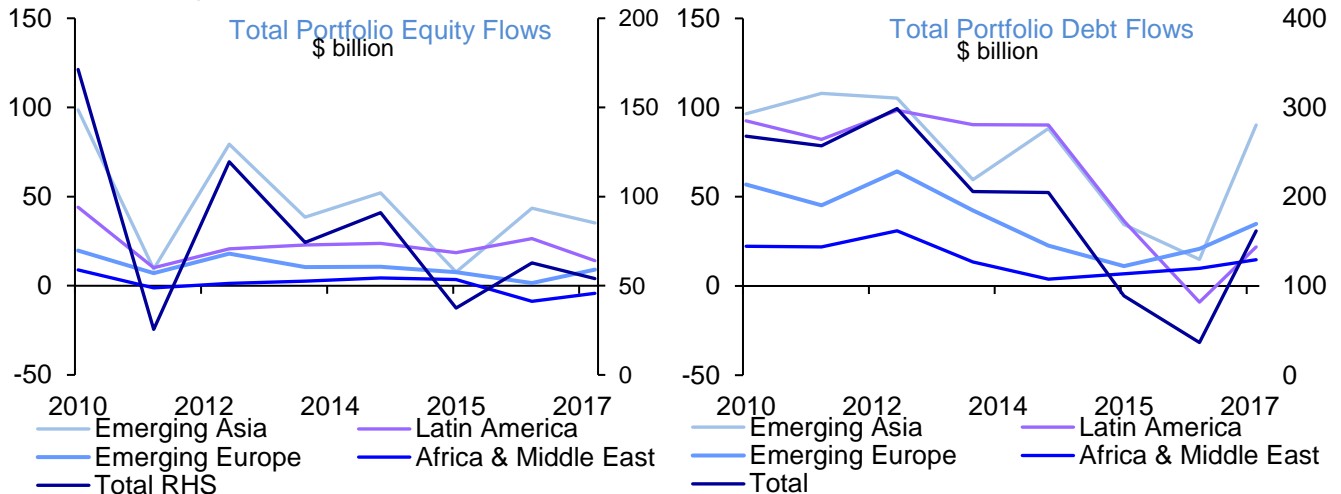
**Note:** Event risk begins Q4.17. Source: Investec, IRESS



**Week Ahead: rand will take direction from rating agencies & international events, scenario table revised to take account of recent MTBPS with increased tilt to the downside**

3<sup>rd</sup> November 2017

**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)
30 <sup>th</sup> October – 1 <sup>st</sup> November 2017	1.8	-0.7	1.1
23 <sup>rd</sup> October – 27 <sup>th</sup> October 2017	-1.3	-5.9	-7.2
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

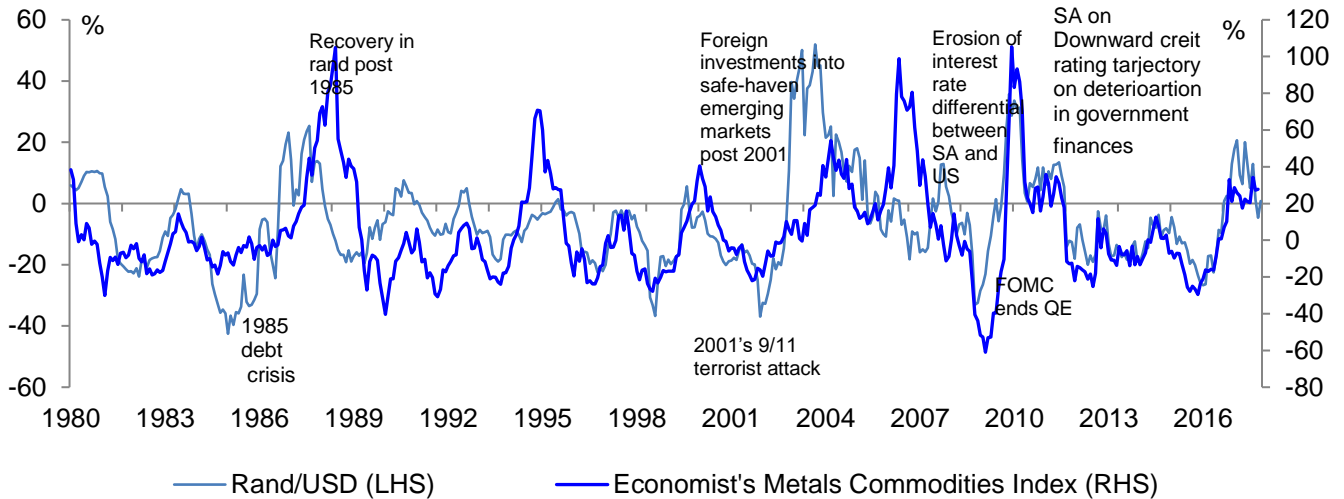
Source: IRESS



**Week Ahead: rand will take direction from rating agencies & international events, scenario table revised to take account of recent MTBPS with increased tilt to the downside**

3<sup>rd</sup> November 2017

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

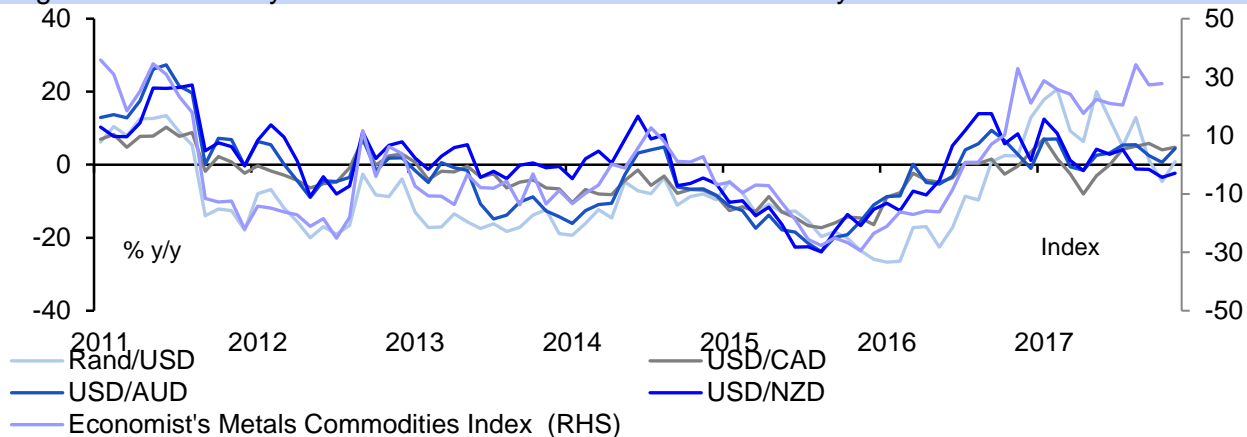


Source: IRESS, Investec

successor to Janet Yellen, Chair of the Federal Reserve Bank, is Jerome Powel, who is seen as dovish.

In the week ahead, the rand is expected to trade in a range of R14.70/USD – R13.50/USD, R17.00/EUR - R16.80/EUR and R19.00/GBP - R17.80/GBP, with any communication from S&P likely to have a negative impact, as this agency is the only one out of the three key agencies who has not delivered a verdict on the recent MTBPS. S&P is likely to also have a credit negative view of the budget as Moody's does. Our expected (base) case has changed due to the recent MTBPS, to one of SA's debt rated on a high tier of sub-investment grade (see figure 4), with the rand structurally weaker, CPI inflation somewhat higher and growth somewhat lower over the next few years.

**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
06/11/17	US	Mortgage Delinquencies	Q3.17		4.2%
		MBA Mortgage Foreclosures	Q3.17		1.3%
	Eurozone	Markit Eurozone Services PMI	Oct		54.9
		Markit Eurozone Composite	Oct		55.9
		Sentix Investor Confidence	Nov		29.7
		PPI	Sep		0.3% m/m
		PPI	Sep		2.5% y/y
07/11/17	SA	Gross Reserves	Oct		\$49.4bn
		Net Reserves	Oct		\$42.7bn
	US	JOLTS Job Openings	Sep		6082
		Consumer Credit	Se	\$17.5bn	\$13.1bn
	Eurozone	Markit Eurozone Retail PMI	Oct		52.2
		Retail Sales	Sep		-0.5% m/m
		Retail Sales	Sep		1.2% y/y
08/11/17	SA	SACCI Business Confidence	Oct		93.0
		MBA Mortgage Applications	Nov		
09/11/17	SA	Mining Production	Sep	7.3% y/y	6.9% y/y
		Mining Production	Sep	1.4% y/y	5.3% m/m
		Manufacturing Production (nsa)	Sep		1.5% y/y
		Manufacturing Production (sa)	Sep		0.3% m/m
	US	Initial Jobless Claims	Nov		
		Continuing Claims	Oct		
		Wholesale Trade Sales	Sep		1.7% m/m
		Wholesale Inventories	Sep		0.3% m/m
	Eurozone	ECB publishes Economic Bulletin			
		European Commission Economic Forecasts			
10/11/17	US	University of Michigan Sentiment	Nov	98.5	100.7
		Monthly Budget Statement	Oct		\$8.0bn

Source: Bloomberg





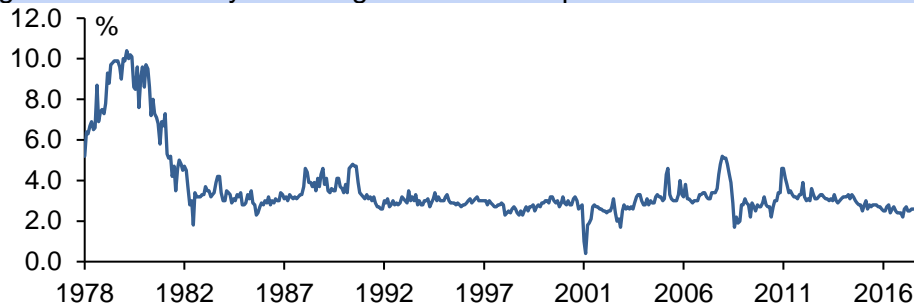
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3<sup>rd</sup> November 2017

**International section**

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

**Figure 10: University of Michigan: Inflation Expectations**



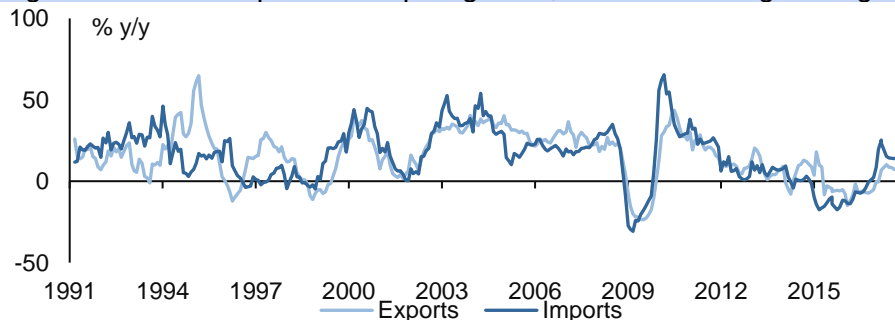
Source: Federal Reserve Bank of St. Louis

(RD) The US data calendar looks fairly empty with the only tier 1 US release coming in the form of Michigan consumer sentiment on Friday. Whilst economic data is set to be on the back burner there is likely to be further interest in US tax policy, with Republican leaders having recently published details of their tax plans ahead of a possible House vote before Thanksgiving.

(RD) Eurozone data is set to focus on industrial production figures from various member states, with September figures due from the 'big four', Germany, France, Italy and Spain. The final estimate of the Eurozone Composite PMI for October is also due on Monday. Meanwhile the European Commission is set to publish its 2017 autumn economic forecasts on Thursday.

(RD) Following the publication of Chinese Q3.17 GDP, which was recorded at 6.8% y/y, the first of the monthly data points for Q4.17 will be due next week. They will include data on inflation, international trade and credit growth. Turning to UK data releases, next Thursday is set to be the important day with September sector figures, in the form of industrial production and construction output published. On the former we are expecting growth of 0.3% m/m. Thursday will however also see the release of October's RICS housing survey and September's Trade figures.

**Figure 11: China import and export growth, 3 month moving average**



Source: Bloomberg



**International interest rates**

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

	US Fed funds	Eurozone refi rate	Eurozone deposit rate	UK Bank rate	Japan rate	Australia Cash rate
Current	1.00-1.25	0.00	-0.40	0.25	-0.10	1.50
2017						
Q1	0.75-1.00	0.00	-0.40	0.25	-0.10	1.50
Q2	1.00-1.25	0.00	-0.40	0.25	-0.10	1.50
Q3	1.00-1.25	0.00	-0.40	0.25	-0.10	1.50
Q4	1.25-1.50	0.00	-0.40	0.50	-0.10	1.50
2018						
Q1	1.25-1.50	0.00	-0.40	0.50	-0.10	1.50
Q2	1.50-1.75	0.00	-0.40	0.75	-0.10	1.75
Q3	1.50-1.75	0.00	-0.40	0.75	-0.10	2.00
Q4	1.75-2.00	0.00	-0.40	0.75	-0.10	2.25
End year						
2019	2.00-2.25	+0.50	+0.25	1.00	-0.10	3.00

Source: Reuters, Investec

In the monetary policy space, both the RBA and the RBNZ are set to deliver their latest policy decisions through next week. Both are expected to keep rates on hold at 1.50% and 1.75% respectively.

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

	US	Germany	UK	Japan
Current	2.38	0.38	1.33	0.06
2017				
Q2	2.36	0.20	1.12	0.05
Q4	2.45	0.50	1.25	0.00
2018				
Q2	2.60	0.75	1.50	0.00
Q4	2.75	1.00	1.75	0.00

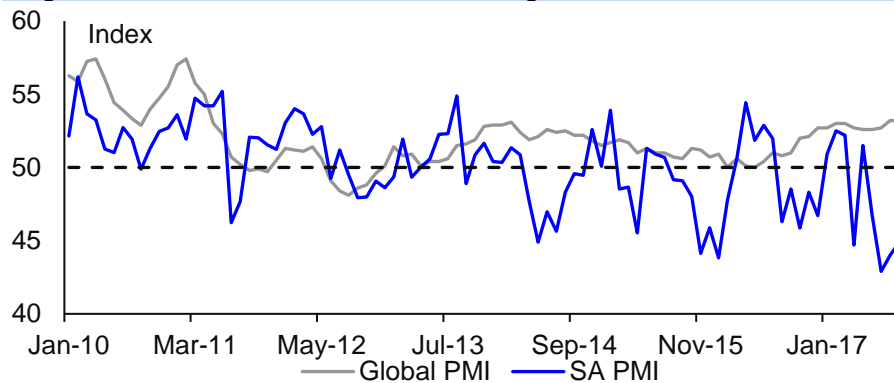
Source: Reuters, Investec





South Africa section

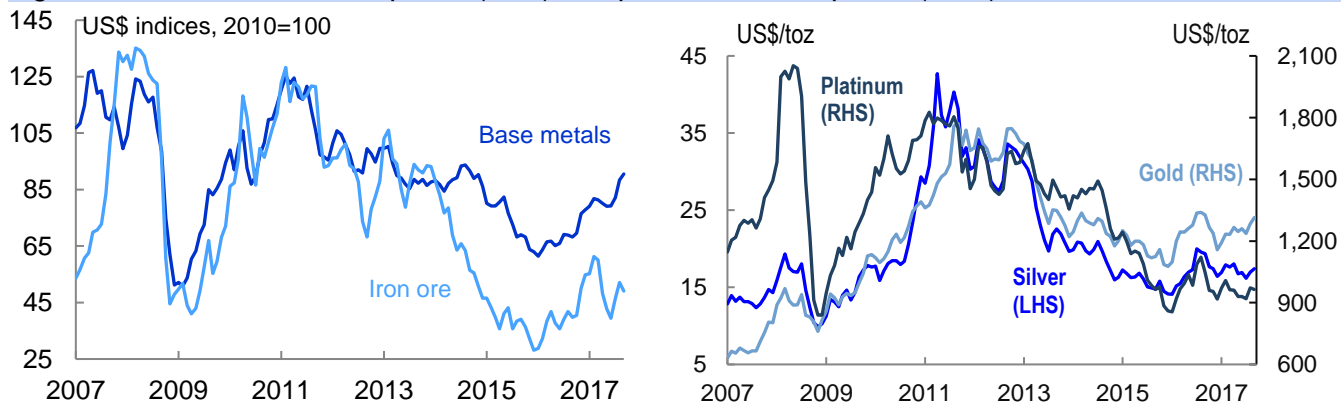
Figure 14: Global and SA manufacturing PMIs



Source: Markit, BER

We expect growth of 1.4% y/y and 7.3% y/y in manufacturing and mining production respectively in September. Higher commodity prices and the rebound in global merchandise trade have aided the performance of the local mining and manufacturing sectors. However, despite the more favourable global backdrop, as the global economy experiences a synchronised upswing on the higher levels of trade, industrial production and investment, growth in the local mining and manufacturing sectors has been constrained by weak domestic demand and depressed business. Consumer confidence also remains very fragile on financial vulnerability, and no further cuts are expected in the current domestic interest rate cycle (see figure 16) due to rand weakness (see figure 17) and higher inflation (see figure 18). Industrial production (mining, manufacturing and electricity production) is expected to make a positive contribution to Q3.17 GDP, as SA sees some mild benefit from the global upswing.

Figure 15: Metal and mineral prices (LHS) and precious metals prices (RHS)



Sources: World Bank



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	5.5	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 17: 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 17: 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 17: 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

**Week Ahead: rand will take direction from rating agencies & international events, scenario table revised to take account of recent MTBPS with increased tilt to the downside**

3<sup>rd</sup> November 2017



Figure 18: 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 18: 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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## **Week Ahead: rand will take direction from rating agencies & international events, scenario table revised to take account of recent MTBPS with increased tilt to the downside**

3<sup>rd</sup> November 2017



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