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

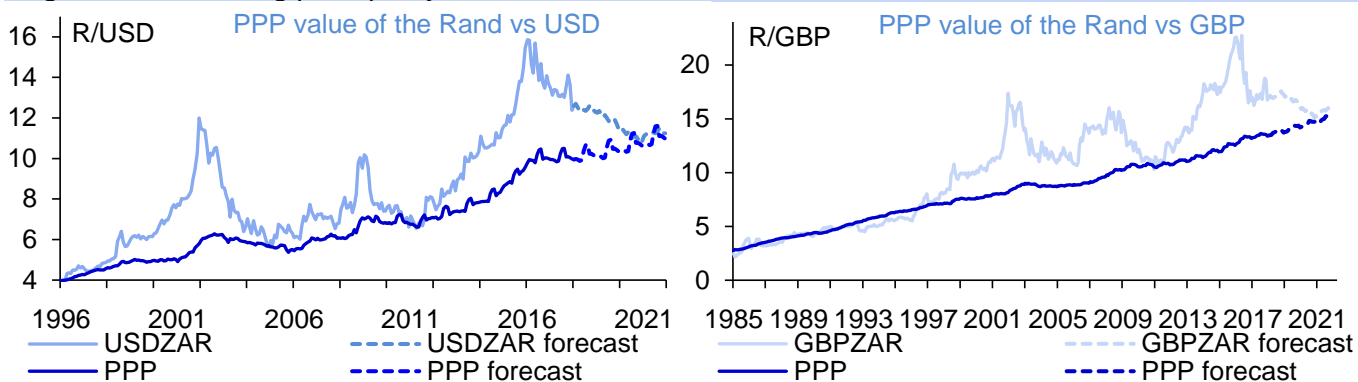
Month	Date	Forecast
March 2018	26 th – 28 th	6.75
May 2018	22 nd – 24 th	6.75
July 2018	17 th – 19 th	6.75
September 2018	18 th – 20 th	6.75
November 2018	20 th – 22 nd	6.75

Source: SA Reserve Bank, Investec



Currency outlook for the week ahead and foreign portfolio flows:

Figure 2: Purchasing price parity value of the rand



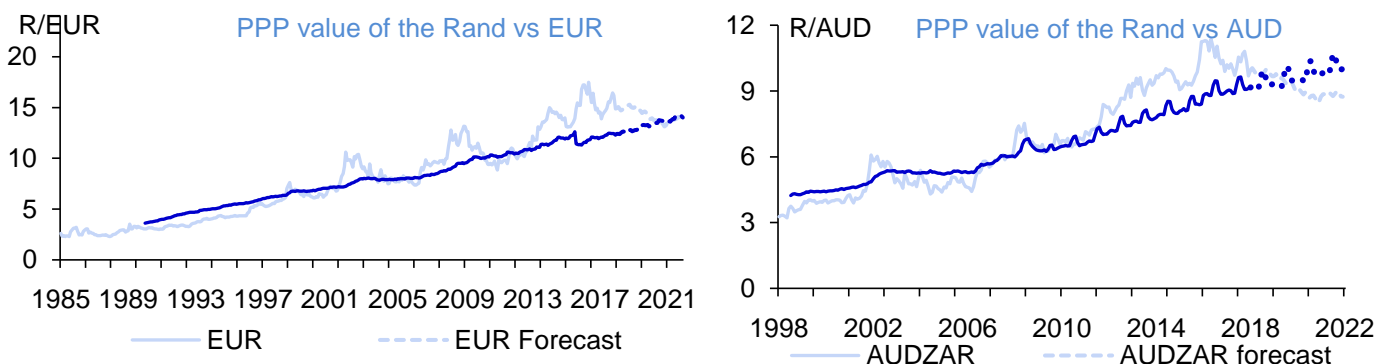
Source: Investec, IRESS

The appreciative bias in the rand was maintained throughout last week, with the currency presently at 11.55/USD compared to 11.67/USD last Monday. Last week, the rand's performance was influenced by the 2018 Budget which reflected efforts of fiscal consolidation following the fiscal deterioration presented in the Medium Term Budget Policy Statement in October 2017. Consequently, a lower possibility of a credit rating downgrade by Moody's is being priced, as reflected in the narrowing of SA's credit default swap (CDS) spread to 144bp presently from levels around 200bp prior to the ANC elective conference in December. SA's CDS has also moved below those of Brazil and Turkey, both of which are rated non-investment grade. In the year to date, the rand is the best performer amongst 24 emerging market currency, having appreciated by 7.11%.

This week ahead, the rand could be further influenced by domestic political developments pertaining to the possible announcement of a Cabinet reshuffle.

In the week ahead, the rand is expected to trade in a range of R11.10/USD – R12.10/USD, R13.80/EUR - R14.80/EUR and R15.70/GBP - R16.70/GBP.

Figure 3: Purchasing price parity value of the rand



Source: Investec, IRESS



Figure 4: Economic Scenarios

		Q1.18	Q2.18	Q3.18	Q4.18	Q1.19	Q2.19	Q3.19	Q4.19
Extreme Up case 1%	Rand/USD (average)	11.50	10.75	10.00	9.50	9.00	8.60	7.90	7.60
	Repo rate (end rate)	6.25	6.00	5.50	5.25	5.00	5.00	5.00	4.50
	Fast, sustainable economic growth of 5.0-7.0% y/y plus . SA sees change in political will with growth creating economic reforms in line with global norms that structurally lift private sector investor confidence and so fixed investment. Global growth boom (including commodities), SA export and domestic growth boom lifts employment and incomes to the degree that poverty is eliminated. Fiscal consolidation, credit rating upgrades to A grade ultimately , interest rate cuts.								
Up case 12%	Rand/USD (average)	11.70	11.15	10.70	10.50	10.50	10.30	10.25	10.20
	Repo rate (end rate)	6.50	6.25	6.00	5.50	5.50	5.25	5.25	5.25
	Persistent economic growth of 3.0 – 5.0% , with growing probability of extreme up case thereafter. Better governance , growth creating economic reforms in line with global norms (structural constraints are overcome) and greater socio-economic stability. This lifts business confidence and so private sector fixed investment growth rises to double digits, fixed investment inflows occur, resulting in faster GDP growth and fiscal consolidation. Strong global growth and commodity cycle. Stabilisation of credit ratings, with ultimately credit rating upgrades .								
Base line case 45%	Rand/USD (average)	11.90	11.65	11.65	11.55	11.50	11.35	11.40	11.40
	Repo rate (end rate)	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75
	Annual growth rate of 2.0% y/y reached by 2019, 3.0% y/y by 2021 . Higher confidence and investment levels than past decade. Rand structurally stronger on political change, quicker return to PPP (by 2020). SA retains one investment grade (Moody's) rating on its local currency long-term sovereign debt this year . Sedate global monetary policy normalisation – avoid severe global risk-off environment, neutral to global risk-on. Modestly strengthening global demand .								
Down case 27%	Rand/USD (average)	12.35	13.50	14.90	15.80	16.90	17.80	18.50	19.50
	Repo rate (end rate)	7.00	7.00	7.50	7.50	7.50	8.00	8.50	8.50
	SA's foreign and local currency long-term debt sub-investment grade , increased chance of further credit downgrades. Marked rand weakness, confidence and investment measures depressed . Government's capacity for expenditure reduced, including social welfare grants. Faster than expected global monetary policy normalisation, global sharp economic slowdown (commodity slump), and substantial period of risk-off (SA V shaped recession) .								
Extreme down case 15%	Rand/USD (average)	12.90	15.00	17.00	19.00	21.00	22.80	24.00	25.50
	Repo rate (end rate)	7.25	8.50	10.50	14.00	16.50	18.00	21.00	21.50
	State bankruptcy, and so the path to a failed state . Credit ratings drop to junk , sovereign debt default, debt restructure. Lack of funds to pay public sector employees' wages and social grants, persistent government services outages, civil unrest/war. Partial loss of commercial private sector property rights under state custodianship. SA economic depression, global economy falls into recession, global financial crisis .								

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



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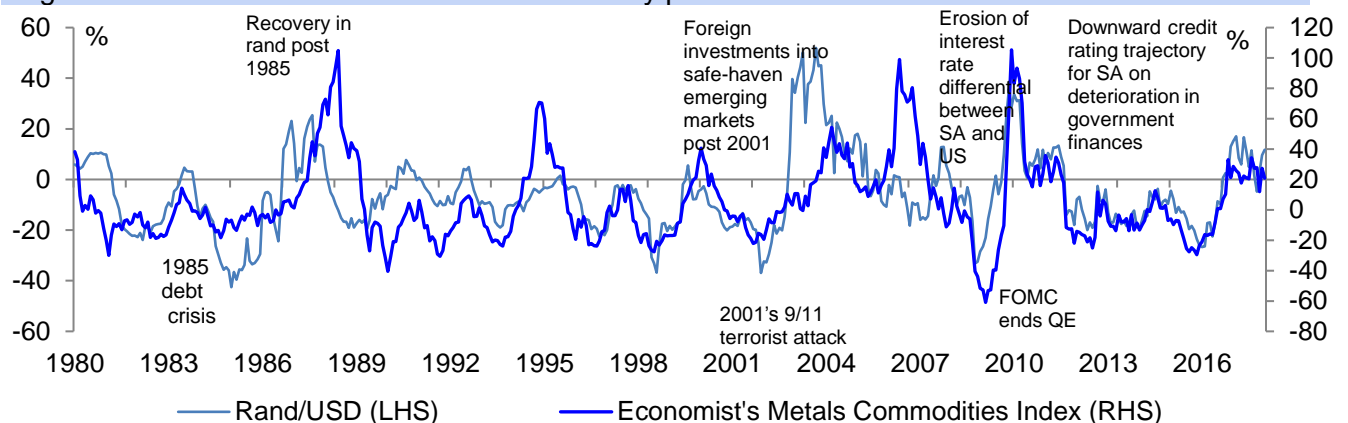
Figure 5: Net foreign portfolio flows for SA assets

Week	Equities (Rbn)	Bonds (Rbn)	Total (Rbn)
19 th February – 23 rd February 2018	3.3	12.2	15.4
12 th February – 16 th February 2018	7.4	1.0	8.4
5 th February – 9 th February 2018	3.7	-4.7	-1.0
29 th January – 2 nd February 2018	-2.8	-2.2	-5.0
22 nd January – 26 th January 2018	9.6	-5.3	4.3
15 th January – 19 th January 2018	5.9	-0.5	5.5
8 th January – 12 th January 2018	0.7	-0.1	0.7
2 nd January – 5 th January 2018	-0.6	-1.5	-2.1
27 th December – 29 th December 2017	2.6	-1.7	0.9
18 th December – 22 nd December 2017	16.9	9.1	26.0
Month			
January 2018	10.7	-7.0	3.7
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



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Data releases in the week ahead

Figure 7: Economic data releases for this week

Date	Country	Indicator	Month	Forecast	Previous
27/02/18	US	Advance Goods Trade Balance	Jan	-\$72.3bn	-\$72.3bn
		Preliminary Wholesale Inventories	Jan	0.4% m/m	0.4% m/m
		Preliminary Durable Goods Orders	Jan	-2.0%	-2.8%
		Retail Inventories	Jan		0.2%
		FHFA House Price Index	Dec	0.4% m/m	0.4% m/m
		S&P CoreLogic CS US HPI NSA	Dec		6.21% y/y
	Conf. Board Consumer Confidence	Feb	126.4	125.4	
	Eurozone	M3 Money Supply	Jan	4.6% y/y	4.6% y/y
Economic Confidence		Feb	114.0	114.7	
28/02/18	SA	M3 Money Supply	Jan		6.41% y/y
		Private Sector Credit Extension	Jan	6.30% y/y	6.72% y/y
		PPI	Jan	0.4% m/m	0.6% m/m
		PPI	Jan	5.2% y/y	5.2% y/y
		Budget	Jan		13.2bn
	US	Trade Balance	Jan	-R4.5bn	R15.7bn
		MBA Mortgage Applications	Feb 23		-6.6%
		Second GDP Annualised	Q4.17	2.5% q/q	2.6% q/q
		Pending Home Sales	Jan	0.5% m/m	0.5% m/m
		Pending Home Sales NSA	Jan		-1.8% y/y
		Eurozone	Advance Core CPI	Feb	1.0% y/y
CPI Estimate	Feb		1.2% y/y	1.3% y/y	
01/03/18	SA	Manufacturing PMI	Feb	50.5	49.9
		Electricity Production	Jan		1.4% y/y
		Electricity Consumption	Jan		1.0% y/y
	US	New Vehicle Sales	Feb		-8.9% y/y
		Personal Income	Jan	0.3%	0.4%
		Personal Spending	Jan	0.2%	0.4%
		PCE Deflator	Jan	1.7% y/y	1.7% y/y
		Initial Jobless Claims	Feb 24	225k	222k
		Continuing Claims	Feb 17	1930k	1875k
		Manufacturing PMI	Feb	58.7	59.1
		Wards Total Vehicle Sales	Feb	17.15mn	17.07mn
		Preliminary Composite PMI	Feb	58.4	58.8
		Eurozone	Final Manufacturing PMI	Feb	58.5
Unemployment Rate	Jan		8.6%	8.7%	
02/03/18	US	University of Michigan Sentiment	Feb	99.5	99.9
	Eurozone	PPI	Jan	0.4% m/m	0.2% m/m
		PPI	Jan	1.6% y/y	2.2% y/y

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

Source: Bloomberg



International section

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

Figure 8: US 10 and 30 year benchmark government bond yields



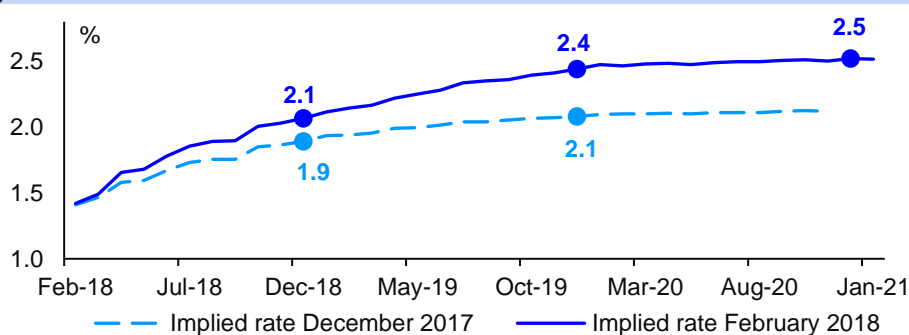
Sources: Bloomberg

(GB) FOMC minutes for January were distinctly hawkish, with a number of rate setters raising their growth forecasts or seeing ‘upside risks’ to their previous numbers. As such, the majority of the FOMC judged that ‘further’ gradual policy firming would be appropriate. Taken with the fiscally expansive spending bill (which was not announced until after the January meeting), investors took this as suggesting that the Fed would raise rates faster than the December ‘dot plot’ suggested; 10-year Treasury yields initially climbed 5bp to 2.94% and the S&P 500 let go of a 1.2% gain to close down 0.6% lower. However at the time of writing it is back in the black.

Markets have now turned their focus to Chair Jerome Powell’s appearances this week before the House Financial Services Committee (Wednesday) and the Senate Committee on Banking, Housing, and Urban Affairs (Thursday). Given that the Governor has said very little about his plans to take policy forward, it is possible he could use these hearings as a platform to bridge rate expectations before his first FOMC meeting as its chair on March 20-21. Also of interest to US investors this week will be the second estimates of GDP for Q4.17 on Wednesday, followed by the monthly PCE inflation figures and the ISM index on Thursday.

In the UK, the “Road to Brexit” speech series continued last week with David Davis dismissing any parallels between Brexit and a “Mad Max” dystopian world, while Liam Fox sang the praises of UK manufacturers. There are now just two speeches left; Minister for the Cabinet Office David Lidington is tabled to speak on

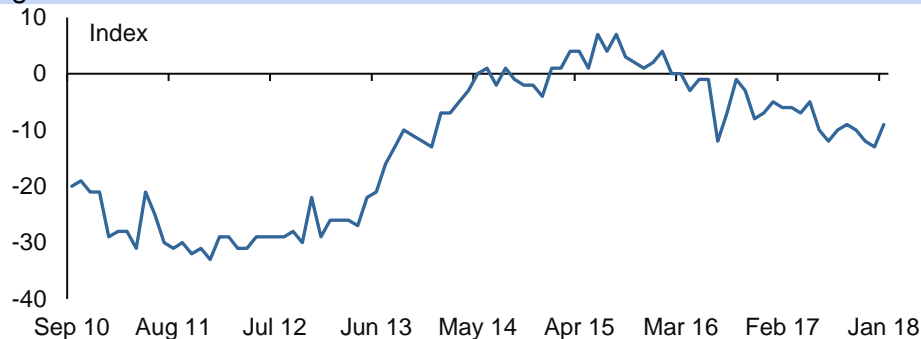
Figure 9: Fed fund futures



Sources: Bloomberg



Figure 10: UK Gfk consumer confidence



Sources: Bloomberg

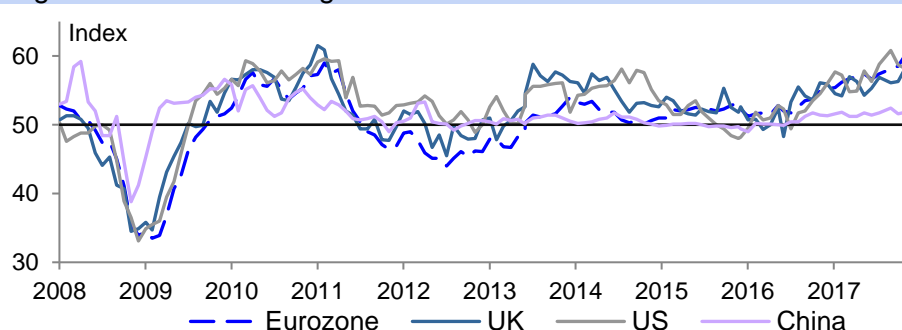
devolution and Theresa May is set to deliver her third major Brexit speech. We may hear from both at some point this week. Meanwhile, opposition leader Jeremy Corbyn is expected to convey the Labour Party's vision for Brexit on Monday.

On the monetary policy front, the BoE's Jon Cunliffe is set to speak on Monday. Given that both dissented against the November rate hike, it will be interesting to see whether they maintain their reservations in the face of the hawkish testimony delivered to the Treasury Select Committee by the Governor Mark Carney and other MPC members. Data wise, we have the GfK consumer confidence number, BoE lending figures as well as both the manufacturing and construction PMIs.

It's a big week for politics in Europe, starting with Monday's CDU convention where delegates will vote on whether to greenlight another 'Grand Coalition'. Still, a greater source of uncertainty is the outcome of the SPD membership ballot on the same question (Sunday 4 March). If the vote fails to pass, then Germany is likely to head back to the polls which will weigh on bunds and the euro. Eurozone data includes the initial estimate of Q4.17 GDP for France, flash estimates for EU19 HICP and the final manufacturing PMIs.

Some solace can be taking from the light Asian week. In Japan, the manufacturing PMI and unemployment figures are the only releases of note, whereas in China we have the official manufacturing and non-manufacturing PMIs out on Wednesday before the Caixin-sponsored manufacturing PMI is published the following day.

Figure 11: Manufacturing PMIs



Sources: Markit, ISM, National Bureau of Statistics of China



Global forecasts

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

	US	Germany	UK
Current	2.71	0.66	1.46
2018			
Q2	2.60	0.75	1.50
Q4	2.75	1.00	1.75
2019			
Q2	2.75	1.00	1.75
Q4	3.00	1.25	2.00

Source: Reuters, Investec

Figure 13: Key official interest rates (% end quarter)

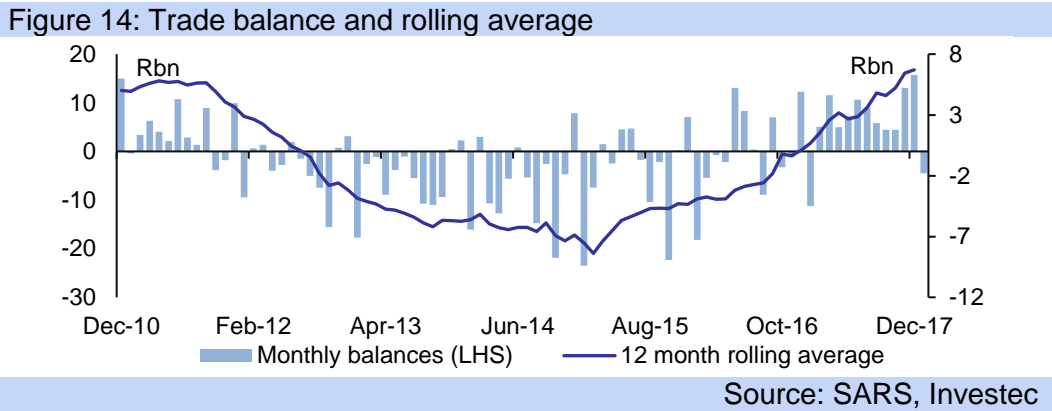
	US Fed funds	Eurozone refi rate	Eurozone deposit rate	UK Bank rate	Australia cash rate
Current	1.25-1.50	0.00	-0.40	0.50	1.50
2018					
Q1	1.50-1.75	0.00	-0.40	0.50	1.50
Q2	1.50-1.75	0.00	-0.40	0.75	1.50
Q3	1.75-2.00	0.00	-0.40	0.75	1.75
Q4	1.75-2.00	0.00	-0.40	1.00	2.00
2019					
Q1	1.75-2.00	0.00	-0.40	1.00	2.25
Q2	2.00-2.25	0.00	-0.20	1.25	2.50
Q3	2.00-2.25	0.25	0.00	1.25	2.50
Q4	2.00-2.25	0.50	0.25	1.25	2.75
End year					
2020	2.50	1.00	0.75	1.50	3.00

Source: Reuters, Investec



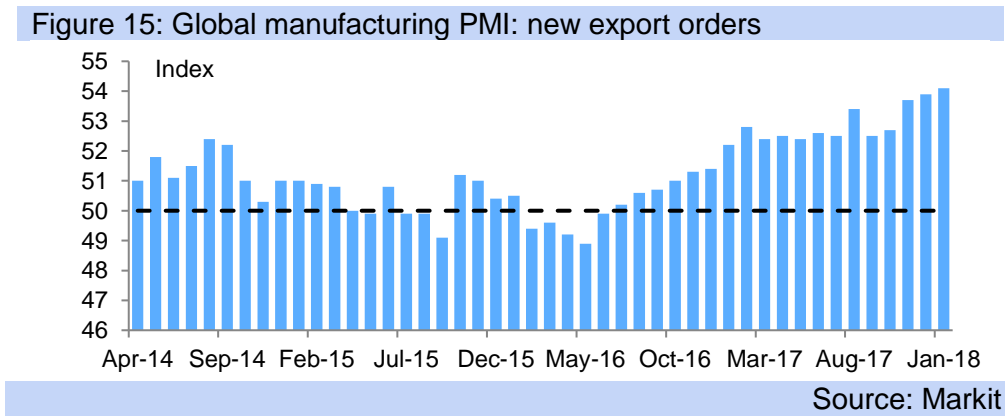
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South Africa section



The trade balance is forecast to have registered a deficit of R4.5bn in January. A deficit is typically incurred in the month of January as imports increase from the seasonal decline in the month of December. However, the magnitude of the deficit is expected to be smaller than in prior years (R11.2bn in January 2017; R18.2bn in January 2016 and R23.5bn in January 2015) as relatively modest economic growth should restrict the imports of consumption and capital goods. Exports typically decline in the month of January but the extent is likely to be mitigated by the increasingly synchronised improvement in global demand conditions. Specifically, the global manufacturing PMI survey showed a continued increase in new export orders in January 2018. In 2017, the trade surplus for 2017 totalled R80.6bn, a substantial increase on the R1.1bn surplus incurred in 2016. There is scope for the trade account to continue registering surpluses in 2018 as we expect economic growth to pick up at only a modest rate. This should keep import growth relatively contained. Additionally, rand appreciation should dampen the growth in the value of imported commodity component. Concurrently, there is scope for export growth to strengthen further, in line with the sustained lift in global trade momentum.

The PMI survey for January 2018 improved to essentially a neutral level of 49.9 at the start of 2018, from depressed readings of 44.9 in December, and an average of 47.3 in Q4.17. The January survey reflected increased output and strengthening demand conditions, with manufacturing sector optimism having risen to seven year highs. The February survey is projected to reflect a further increase in the PMI gauge to 50.5, as the reported improvement in demand conditions in January should be valid in February as well in the wake of diminishing political uncertainty and a favourable global demand backdrop.

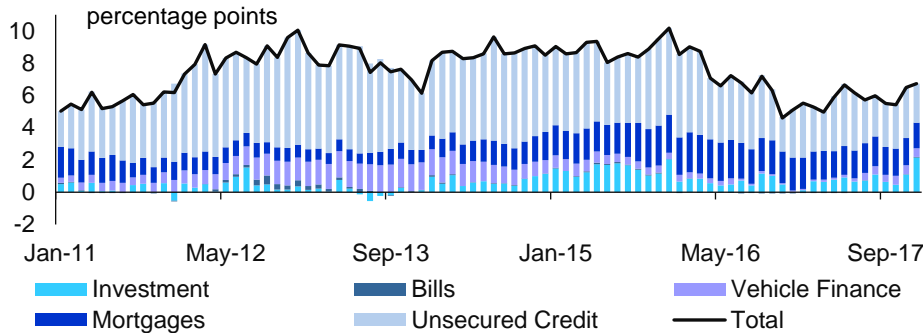




Week Ahead: Scope for economic data releases to reflect modestly improving rates of economic activity

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Figure 16: Private sector credit: contributions to total credit growth



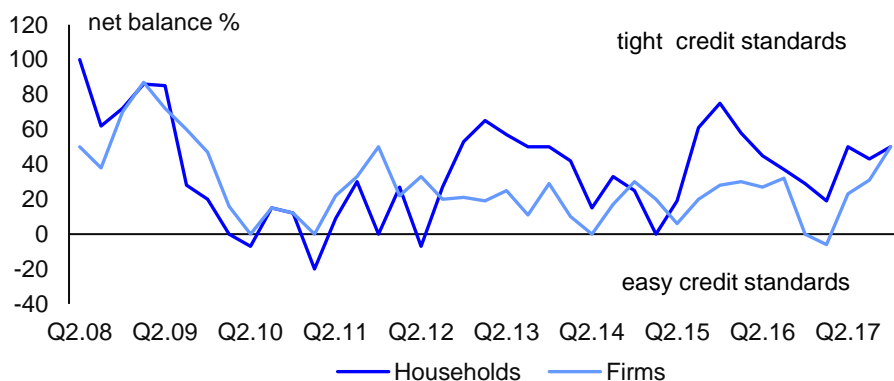
Source: SARB, Investec

Private sector credit extension is expected to have increased at a slower rate of 6.3% y/y in January 2018 compared to the rise of 6.7% y/y in December 2017. Credit growth could strengthen in 2018 on the expected mild lift in GDP growth to above 1.0% y/y. Any lift in credit expansion is however still likely to occur at relatively weak rates as households remain highly indebted, unemployment is elevated and any improvements in business and consumer confidence need to still translate into increased consumption and investment. Additionally, credit criteria presently remain relatively tight.

New vehicles sales contracted by 8.9% y/y in January and are likely to have contracted further in February albeit at a slower pace. The performance of new vehicle sales this year will be influenced by credit conditions, the interest rate environment and new vehicle price inflation which in turn will be affected by the rand as well as the VAT and ad valorem tax increases announced in the 2018 Budget.

The PPI release for February will be updated with new weights which could influence the headline PPI outcome for the month. In terms of other considerations, PPI inflation should moderate in Q1.18 as fuel price pressures abate, on the cumulative 64 and 39 c/litre petrol and diesel price cuts in January and February. The Department of Energy currently estimates a further petrol price cut of 36c/litre for March. In the months ahead, the rand will play a key role in stemming cost pressures from global commodity prices.

Figure 17: Credit standards for approving loans



Source: EY/BER



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	4.8	0.3		
Nov 2017	104.2	4.6	0.1		
Dec 2017	104.5	4.7	0.5	4.7	2017 5.3
Jan 2018	105.2	4.4	0.3		
Feb 2018	106.2	4.0	0.7		
Mar 2018	106.7	4.2	0.8	4.2	
Apr 2018	107.0	4.9	0.8		
May 2018	107.5	4.8	0.2		
Jun 2018	107.8	4.9	0.3	4.9	
Jul 2018	108.3	5.3	0.6		
Aug 2018	108.5	5.4	0.2		
Sep 2018	108.9	5.2	0.3	5.3	
Oct 2018	109.2	5.2	0.3		
Nov 2018	109.5	5.4	0.3		
Dec 2018	109.8	5.2	0.3	5.3	2018 4.9
Jan 2019	110.4	5.4	0.5		
Feb 2019	111.4	5.1	0.4		
Mar 2019	112.4	5.1	0.8	5.2	
Apr 2019	112.6	5.0	0.7		
May 2019	112.8	5.0	0.2		
Jun 2019	113.1	4.9	0.2	5.0	
Jul 2019	113.8	5.0	0.7		
Aug 2019	114.4	5.3	0.5		
Sep 2019	115.0	5.6	0.6	5.3	
Oct 2019	115.6	5.7	0.5		
Nov 2019	116.0	5.8	0.4		
Dec 2019	116.4	5.8	0.3	5.8	2019 5.3

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	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	119.0	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	121.4	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	124.4	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	128.3	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 19: 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 20: Exchange rate history and forecast: annual averages

	2015	2016	2017	2018	2019	2020	2021	2022	2023
EURUSD	1.11	1.11	1.13	1.21	1.25	1.25	1.25	1.25	1.25
EURGBP	0.73	0.82	0.88	0.87	0.89	0.89	0.89	0.89	0.89
GBPEUR	1.38	1.22	1.14	1.15	1.13	1.12	1.12	1.12	1.12
GBPUSD	1.53	1.36	1.29	1.39	1.41	1.40	1.40	1.40	1.40
USDJPY	115	114	112	108	104	105	106	107	107
EURJPY	128	127	126	131	130	131	133	133	134
GBPJPY	176	155	145	150	146	147	148	149	150
EURCHF	1.09	1.07	1.11	1.17	1.20	1.21	1.21	1.19	1.19
USDCHF	0.98	0.97	0.98	0.96	0.97	0.96	0.96	0.95	0.95
GBPCHF	1.49	1.31	1.27	1.34	1.36	1.35	1.34	1.33	1.33
AUDUSD	0.75	0.75	0.77	0.79	0.78	0.79	0.79	0.78	0.78
EURAUD	1.49	1.49	1.47	1.53	1.59	1.58	1.59	1.60	1.60
AUDJPY	86	85	86	85	81	83	83	83	83
GBPAUD	2.05	1.82	1.68	1.76	1.80	1.78	1.78	1.79	1.79
ZARUSD	12.76	14.68	13.30	11.69	11.41	11.13	10.91	11.25	11.68
ZARGBP	19.48	19.92	17.15	16.24	16.05	15.60	15.28	15.75	16.35
ZAREUR	14.15	16.26	15.01	14.14	14.21	13.91	13.64	14.06	14.59
JPYZAR	9.48	7.33	8.43	9.24	9.12	9.44	9.71	9.49	9.17
ZARCHF	13.26	14.93	13.51	12.13	11.80	11.59	11.37	11.84	12.29
ZARAUD	9.58	10.93	10.20	9.22	8.93	8.79	8.57	8.78	9.11

Source: IRESS, Investec



Figure 20: 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	1.21	1.21	1.21	1.22	1.23	1.25	1.25	1.26
EURGBP	0.86	0.86	0.90	0.88	0.88	0.87	0.87	0.87	0.88	0.89	0.89	0.89
GBPEUR	1.16	1.16	1.11	1.13	1.14	1.15	1.15	1.15	1.14	1.13	1.12	1.12
GBPUSD	1.24	1.28	1.31	1.33	1.38	1.39	1.39	1.40	1.41	1.41	1.40	1.41
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	151	148	147	147	146	146	147
EURCHF	1.07	1.08	1.13	1.16	1.17	1.16	1.17	1.18	1.19	1.21	1.21	1.21
USDCHF	1.00	0.98	0.96	0.99	0.96	0.96	0.97	0.97	0.97	0.97	0.97	0.96
GBPCHF	1.24	1.26	1.26	1.31	1.33	1.34	1.34	1.35	1.36	1.36	1.36	1.36
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	1.54	1.53	1.53	1.54	1.56	1.59	1.60	1.62
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	1.79	1.80	1.82
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	18.11	16.44	16.25	16.14	16.13	16.17	15.97	16.01	16.08
ZAREUR	14.09	14.52	15.42	16.02	14.40	14.10	14.04	14.03	14.15	14.13	14.25	14.31
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	12.36	12.15	12.05	11.94	11.89	11.73	11.78	11.82
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 20: 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	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
EURGBP	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89
GBPEUR	1.13	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.12
GBPUSD	1.41	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40
USDJPY	105	105	105	105	106	106	106	106	106	107	107	107
EURJPY	131	131	131	131	133	133	133	133	133	134	134	134
GBPJPY	148	147	147	147	148	148	148	148	148	150	150	150
EURCHF	1.21	1.21	1.21	1.21	1.21	1.21	1.21	1.20	1.19	1.19	1.19	1.19
USDCHF	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.95	0.95	0.95	0.95
GBPCHF	1.35	1.34	1.34	1.34	1.34	1.34	1.34	1.34	1.33	1.33	1.33	1.33
AUDUSD	0.79	0.79	0.79	0.79	0.79	0.79	0.78	0.78	0.78	0.78	0.78	0.78
EURAUD	1.58	1.58	1.58	1.58	1.58	1.58	1.60	1.60	1.60	1.60	1.60	1.60
AUDJPY	83	83	83	83	84	84	83	83	83	83	83	83
GBPAUD	1.78	1.77	1.77	1.77	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	16.00	15.75	15.47	15.19	15.05	15.19	15.40	15.47	15.47	15.75	15.89	15.89
ZAREUR	14.19	14.06	13.81	13.56	13.44	13.56	13.75	13.81	13.81	14.06	14.19	14.19
JPYZAR	9.25	9.33	9.50	9.68	9.86	9.77	9.64	9.59	9.59	9.51	9.43	9.43
ZARCHF	11.82	11.72	11.51	11.30	11.20	11.30	11.46	11.51	11.63	11.84	11.95	11.95
ZARAUD	8.97	8.89	8.73	8.57	8.49	8.57	8.58	8.62	8.62	8.78	8.85	8.85

Source: IRESS, Investec



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26th February 2018



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