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

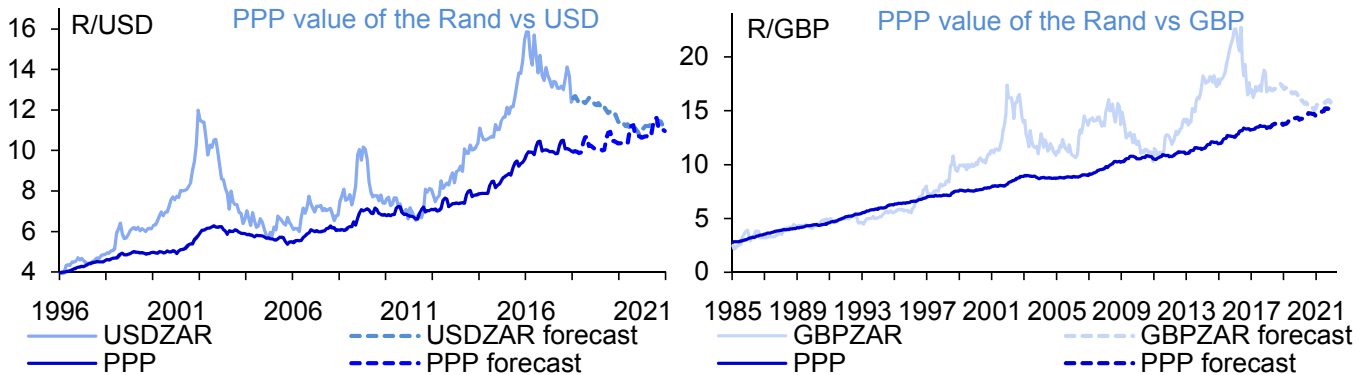
Month	Date	Forecast
May 2018	22 <sup>nd</sup> – 24 <sup>th</sup>	6.75
July 2018	17 <sup>th</sup> – 19 <sup>th</sup>	6.75
September 2018	18 <sup>th</sup> – 20 <sup>th</sup>	6.75
November 2018	20 <sup>th</sup> – 22 <sup>nd</sup>	6.75

Source: SA Reserve Bank, Investec



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

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



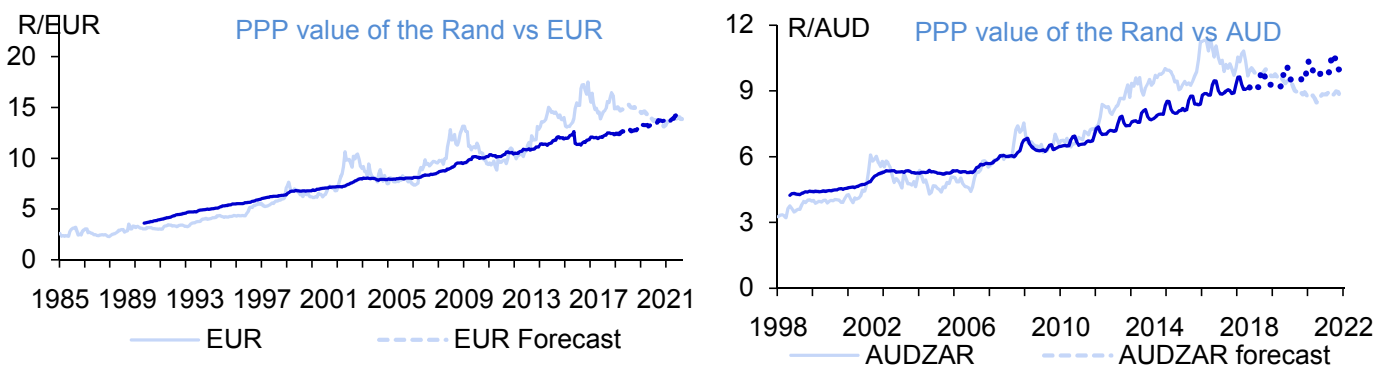
Source: Investec, IRESS

After commencing last week at still depressed levels, over R12.00/USD the rand strengthened notably on Wednesday, after the release of better than expected domestic inflation and retail sales figures. Additionally the International Monetary Fund lifted its South African growth forecast for 2018, adding to the positive sentiment. However this momentum was not sustained as the domestic currency slipped again on Friday, piercing the R12.00/USD resistance level again, on the back of a stronger greenback.

Furthermore, although geopolitical tensions waned to an extent last week, they still continue to weigh on global investors, causing a risk-off sentiment to prevail. This remains a key risk for emerging market countries.

This week, the rand is expected to trade in a range of R11.62/USD – R12.62/USD, R14.38/EUR - R15.38/EUR and R16.50/GBP - R17.50/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 <b>1%</b>	Rand/USD (average)	11.96	10.75	10.00	9.50	9.00	8.60	7.90	7.60
	Repo rate (end rate)	6.50	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 <b>14%</b>	Rand/USD (average)	11.96	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 <b>50%</b>	Rand/USD (average)	11.96	11.70	11.70	11.60	11.55	11.40	11.45	11.45
	Repo rate (end rate)	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50
	Annual growth rate of 2.0% y/y reached by 2018, 3.5% y/y by 2024. 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 <b>21%</b>	Rand/USD (average)	11.96	13.50	14.90	15.80	16.90	17.00	16.50	15.50
	Repo rate (end rate)	6.50	7.00	7.50	8.00	8.50	8.50	8.50	8.50
	Partial loss of private sector property rights (land) under state custodianship without compensation, widescale land grabs. Confidence and investment depressed, marked rand weakness. SA sub-investment grade, increased chance of further credit downgrades. Faster than expected global monetary policy normalisation, global sharp economic slowdown (commodity slump), escalation of US-China trade war, short global financial crisis (SA V shaped recession).								
Extreme down case <b>14%</b>	Rand/USD (average)	11.96	14.50	17.00	19.00	21.00	22.80	24.00	25.50
	Repo rate (end rate)	6.50	8.50	10.50	14.00	16.50	18.00	21.00	21.50
	Loss of private sector property (assets and land) rights under state custodianship without compensation. Credit ratings drop to junk, sovereign debt default (restructure), state bankruptcy - a failed state. Partial to no payment of public sector employees' wages and social grants, persistent government services outages, civil unrest/war. Global economy falls into recession, severe global trade war, severe lengthy global financial crisis, WW3, SA economic depression.								

**Note:** Event risk begins Q2.18 Source: Investec, IRESS

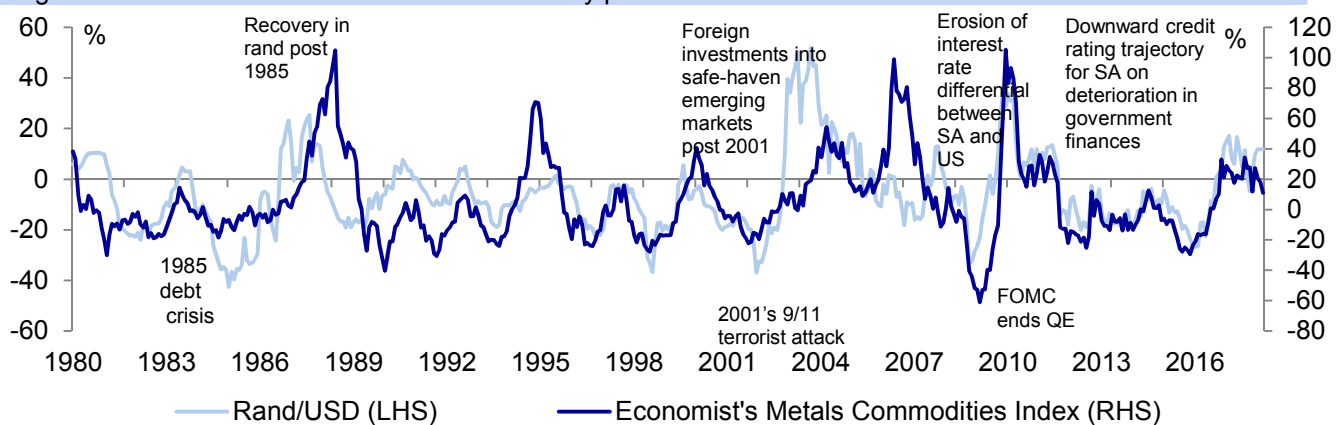


**Figure 5: Net foreign portfolio flows for SA assets**

Week	Equities (Rbn)	Bonds (Rbn)	Total (Rbn)
16th April -20th April	-2.4	4.5	2.0
9th April – 13th April	5.0	-1.7	3.2
3rd April – 6th April	1.9	-3.3	-1.4
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
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 6: Rand vs Economist’s metals commodity price index**



Source: IRESS, Investec



**Data releases in the week ahead**

**Figure 7: Economic data releases for this week**

Date	Country	Indicator	Month	Forecast	Previous	
23/04/18	US	Existing Home Sales	Mar	5.55m	5.54m	
		Existing Home Sales	Mar	0.2% m/m	3.0% m/m	
	Eurozone	Prelim. Composite PMI	April		55.2	
24/04/18	SA	Leading Indicator	Feb		106.1	
	US	Conf. Board Consumer Confidence	Apr	126.0	127.7	
		New Home Sales	Mar	625k	618k	
		New Sales	Mar	1.1% m/m	-0.6% m/m	
25/04/18	SA	Consumer Confidence	Q1.18	-1	-8	
	US	MBA Mortgage Applications	Apr 20		4.9%	
26/04/18	SA	PPI	Mar		-0.3% m/m	
		PPI	Mar	4.0% y/y	4.2% y/y	
	US	Initial Jobless Claims	Apr 21			
		Continuing Claims	Apr 14			
			Advance Goods Trade Balance	Mar	-\$74.8bn	-\$75.9bn
			Retail Inventories	Mar		0.4% m/m
			Prelim. Wholesale Inventories	Mar		1.0% m/m
			Prelim. Durable Goods Orders	Mar	1.1%	3.0%
			Prelim. Durable Ex Transportation	Mar	0.4%	1.0%
			Prelim. Cap Goods Orders Nondef Ex Air	Mar		1.4%
		Prelim. Cap Goods Ship Nondef Ex Air	Mar		1.4%	
	Eurozone	ECB Deposit Facility Rate	Apr 26	-0.400%	-0.400%	
27/04/18	US	Employment Cost Index	Q1.18	0.7%	0.6%	
		Advance GDP Annualized	Q1.18	2.2% q/q	2.9% q/q	
		Advance Personal Consumption	Q1.18		4.0%	
		Advance GDP Price Index	Q1.18	2.2%	2.3%	
		Advance Core PCE	Q1.18		1.9% q/q	
	Eurozone	Economic Confidence	Apr	112.0	112.6	
	Business Climate Indicator	Apr		1.34		
		Consumer Confidence	Apr			

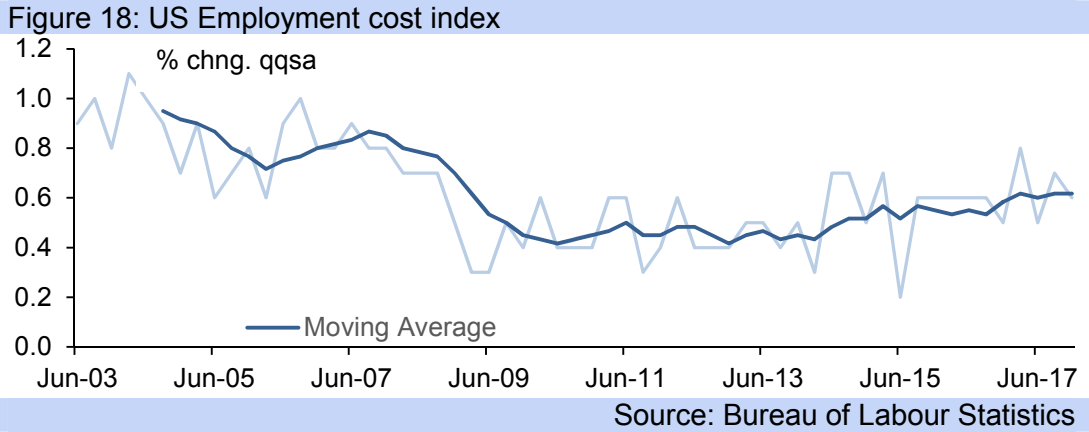
Note: sa – seasonally adjusted, nsa – not seasonally adjusted

Source Bloomberg



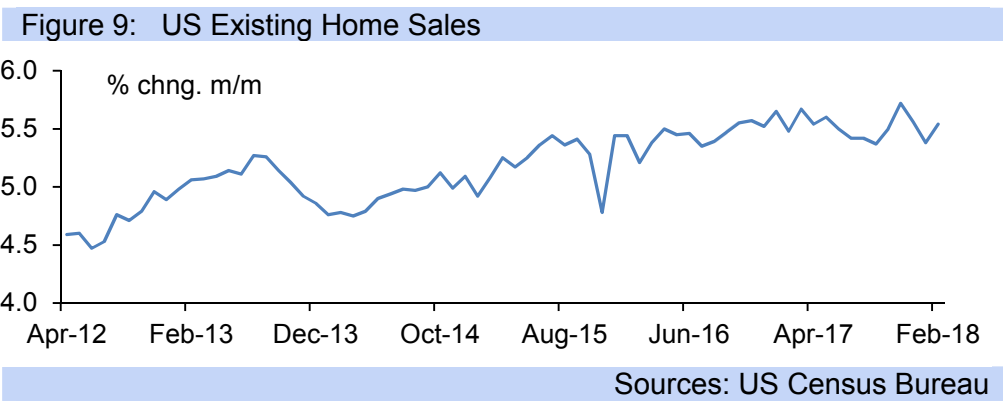
**International section**

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



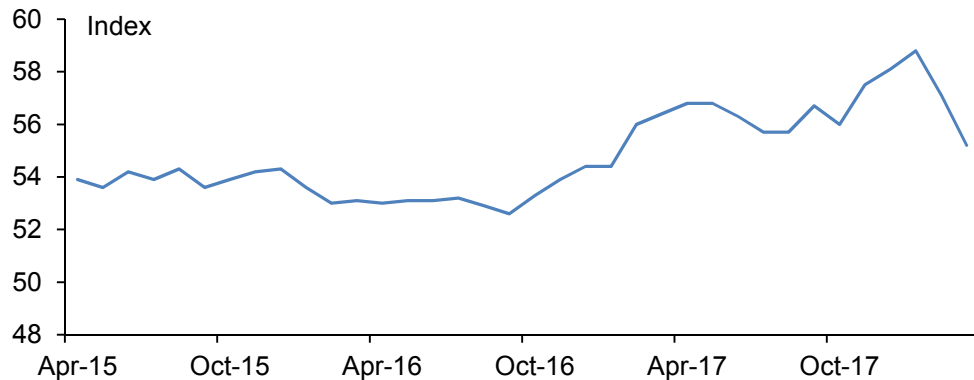
(VC) There has been a more settled mood in markets over the past week with nerves calmed by a steady in relations between Russia and the West, after the air strikes in Syria. A quieter week for trade war rhetoric has also likely helped provide a backstop to risk sentiment. The US has public consultations underway on its recent tariff announcements, buying time for negotiators to find a more palatable outcome for the US and China, following the initial tariff announcements. Formal negotiations with China have not yet commenced, but this does not mean both the US and China are sitting on their hands not talking to one another. Whether this week delivers another major tweet from President Trump is anyone’s guess. As such we are wary that the recent lull in trade sparring looks to be just that. We will keep a close eye on the direction of movement of any behind the scenes trade discussions, but are reassured that on both sides, the tit-for-tat rhetoric has not continued to escalate.

Given the more settled risk backdrop, for now, investors may choose to focus more on fundamental economic data. There is plenty to choose from this week. In the States, we have first quarter GDP figures due at the end of the week. It is worth remembering that in each of the past six years, advance first quarter GDP figures have disappointed against consensus expectations. Early consensus expectations are for 2.1% (qqsa) from 2.9% in Q4.17 Other top-tier US data releases include the Employment Cost Index figures for Q1.18, a measure of pay pressures closely tracked by FOMC participants. Other US releases of note include the preliminary PMIs for April, which will give an early steer on economic momentum at the start of Q2.18. Various housing market price and activity metrics and consumer confidence readings are due too.





**Figure 10: Euro PMI**



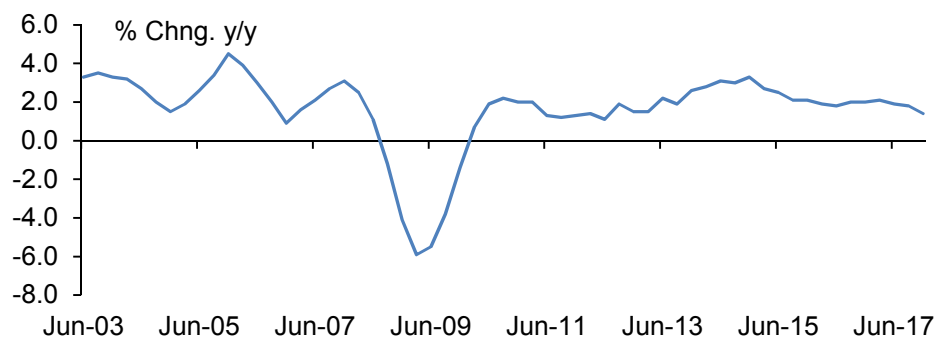
Source: Bloomberg

In the Euro area, the ECB’s latest monetary policy decision will be a focus for investors on Thursday lunchtime. We expect no change in the main policy rates. A key question is whether we get any further clues from the Governing Council on how it views the Q1.18 softening in economic data and whether it sees this as a slowing in growth momentum or a blip, and also how this might sway the policy stance going forward. In this respect, the ‘flash’ Euro area PMIs due today and Germany’s IFO survey due Tuesday, will be important signals of how economic momentum held up, or not, at the start of the second quarter.

In the UK, first quarter GDP figures are due at the end of the week. We are pencilling in a slowing in the growth pace from +0.4% q/q in Q4.17 to +0.2% in Q1.18. Furthermore, if anything, risks look to be to the downside of a +0.2% print. The predominant driver of any slowdown is likely to be the poor Q1.18 weather, which hit activity in the services and construction sectors. We suspect that Q2.18 GDP will not look quite as soft, especially with the household cash squeeze slowly turning around. Note on the political front, Brexit legislation is also back in the House of Lords for debate, following the government’s 18 April defeat on an amendment requiring it to make a statement to Parliament, outlining what efforts it has made to negotiate a customs union with the EU.

Finally, note that we have a Bank of Japan decision due Friday. One question is whether BoJ Governor Kuroda provides further clarity on the policy path for the next couple of years, in his first meeting of his new term at the helm of the bank.

**Figure 11: UK GDP**



Source: Bloomberg



**Global forecasts**

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

	US	Germany	UK
Current	2.85	0.52	1.44
2018			
Q2	3.00	0.75	1.75
Q4	3.25	1.00	2.00
2019			
Q2	3.25	1.25	2.25
Q4	3.25	1.50	2.25

Source: Reuters, Investec

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

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

End year

2020	2.75-3.00	1.00	0.75	1.50	2.50
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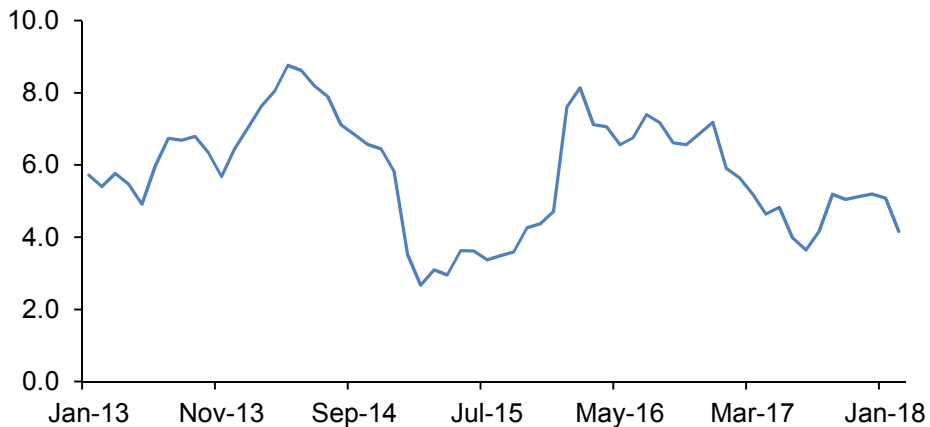
Source: Reuters, Investec





South Africa section

Figure 14: PPI

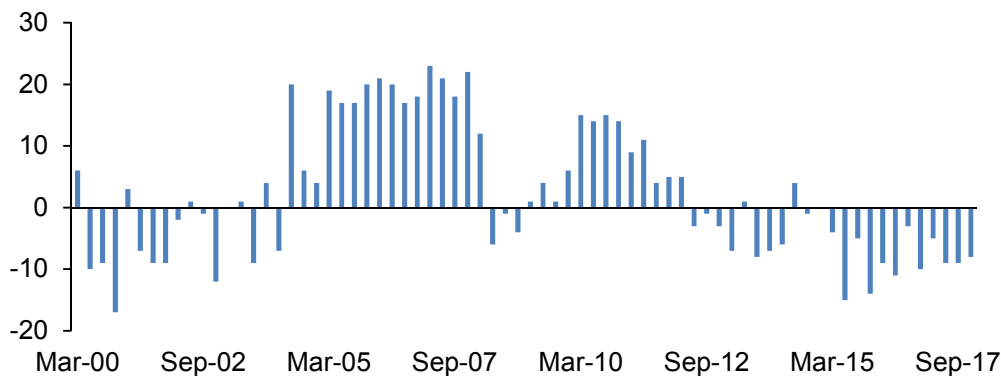


Source: Stats SA

Producer price inflation is likely to have eased to 4.0% y/y in March, after increasing by 4.2% y/y in February. A decrease in petrol and diesel price pressure in March of 36c and 47c/litre respectively and sustained low food price inflation, will again be the main drivers of the low PPI number. However fuel price increases in April of 72c/litre for petrol and 65c/litre for diesel, coupled with additional taxes announced in the 2018 budget, will weigh on production costs causing the headline number to lift.

We expect the consumer confidence gauge to rise markedly in Q1.18, amidst a climate of improved political and policy certainty and foresee the index moving up around 7 points from -8 points logged in Q4.17. Cyril Ramaphosa’s election as President of the ANC and subsequently the republic went a long way towards boosting sentiment, and the business confidence index during Q.18 jumped 11 points to 45. The avoidance of a downgrade by Moody’s rating agency and stronger than expected economic growth will also have supported the rise in consumer sentiment.

Figure 15: Consumer Confidence



Source: Stats SA



**Figure 16: CPI forecast averages**

Date	Index Base 2010	Annual y/y	Monthly m/m	Quarterly y/y	Calendar year y/y	
Jan 2017	100.6	6.6	0.6			
Feb 2017	101.7	6.3	1.1			
Mar 2017	102.3	6.1	0.6	6.3		
Apr 2017	102.4	5.3	0.1			
May 2017	102.7	5.4	0.3			
Jun 2017	102.9	5.1	0.2	5.3		
Jul 2017	103.2	4.6	0.3			
Aug 2017	103.3	4.8	0.1			
Sep 2017	103.8	5.1	0.5	4.8		
Oct 2017	104.1	4.8	0.3			
Nov 2017	104.2	4.6	0.1			
Dec 2017	104.7	4.7	0.5	4.7	2017	5.3
Jan 2018	105.0	4.4	0.3			
Feb 2018	105.8	4.0	0.8			
Mar 2018	106.2	3.8	0.7	4.1		
Apr 2018	107.1	4.6	0.9			
May 2018	107.5	4.7	0.4			
Jun 2018	107.8	4.8	0.3	4.7		
Jul 2018	108.4	5.1	0.6			
Aug 2018	108.9	5.4	0.4			
Sep 2018	109.3	5.3	0.4	5.2		
Oct 2018	109.7	5.4	0.4			
Nov 2018	110.0	5.6	0.3			
Dec 2018	110.4	5.4	0.3	5.5	2018	4.9
Jan 2019	111.1	5.8	0.7			
Feb 2019	111.7	5.6	0.5			
Mar 2019	112.6	6.0	0.8	5.8		
Apr 2019	113.0	5.5	0.4			
May 2019	113.3	5.4	0.2			
Jun 2019	113.5	5.3	0.2	5.4		
Jul 2019	114.0	5.2	0.5			
Aug 2019	114.5	5.2	0.4			
Sep 2019	115.0	5.2	0.4	5.2		
Oct 2019	115.3	5.1	0.3			
Nov 2019	115.7	5.1	0.3			
Dec 2019	116.0	5.1	0.3	5.1	2019	5.4

Source: Stats SA, Investec



Figure 16: CPI forecast averages

Date	Index Base 2010	Annual y/y	Monthly m/m	Quarterly y/y	Calendar year y/y
Jan 2020	116.6	4.9	0.5		
Feb 2020	117.6	5.3	0.9		
Mar 2020	118.1	4.9	0.4	5.0	
Apr 2020	118.3	4.7	0.2		
May 2020	118.8	4.9	0.4		
Jun 2020	119.2	5.0	0.3	4.9	
Jul 2020	120.0	5.2	0.7		
Aug 2020	120.2	5.0	0.2		
Sep 2020	120.7	5.0	0.4	5.1	
Oct 2020	121.0	4.9	0.2		
Nov 2020	121.4	5.0	0.4		
Dec 2020	121.8	5.0	0.3	5.0	2020 5.0
Jan 2021	122.5	5.1	0.6		
Feb 2021	123.7	5.2	1.0		
Mar 2021	124.2	5.2	0.4	5.1	
Apr 2021	124.6	5.3	0.3		
May 2021	125.1	5.3	0.4		
Jun 2021	125.3	5.2	0.2	5.2	
Jul 2021	126.3	5.3	0.8		
Aug 2021	127.1	5.7	0.6		
Sep 2021	127.6	5.7	0.4	5.6	
Oct 2021	128.0	5.8	0.3		
Nov 2021	128.2	5.6	0.2		
Dec 2021	128.6	5.6	0.3	5.7	2021 5.4

Source: Stats SA, Investec



Figure 17: Interest rate forecast end rates

Date	Prime forecast	Prime less Inflation	Repo	Repo less Inflation
Jan 2017	10.50	3.9	7.00	0.4
Feb 2017	10.50	4.2	7.00	0.7
Mar 2017	10.50	4.4	7.00	0.9
Apr 2017	10.50	5.2	7.00	1.7
May 2017	10.50	5.1	7.00	1.6
Jun 2017	10.50	5.4	7.00	1.9
Jul 2017	10.25	5.7	6.75	2.2
Aug 2017	10.25	5.5	6.75	2.0
Sep 2017	10.25	5.2	6.75	1.7
Oct 2017	10.25	5.4	6.75	1.9
Nov 2017	10.25	5.6	6.75	2.1
Dec 2017	10.25	5.6	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	6.2	6.50	2.7
Apr 2018	10.00	5.4	6.50	1.9
May 2018	10.00	5.3	6.50	1.8
Jun 2018	10.00	5.2	6.50	1.7
Jul 2018	10.00	4.9	6.50	1.4
Aug 2018	10.00	4.6	6.50	1.1
Sep 2018	10.00	4.7	6.50	1.2
Oct 2018	10.00	4.6	6.50	1.1
Nov 2018	10.00	4.4	6.50	0.9
Dec 2018	10.00	4.6	6.50	1.1
Jan 2019	10.00	4.2	6.50	0.7
Feb 2019	10.00	4.4	6.50	0.9
Mar 2019	10.00	4.0	6.50	0.5
Apr 2019	10.00	4.5	6.50	1.0
May 2019	10.00	4.6	6.50	1.1
Jun 2019	10.00	4.7	6.50	1.2
Jul 2019	10.00	4.8	6.50	1.3
Aug 2019	10.00	4.8	6.50	1.3
Sep 2019	10.00	4.8	6.50	1.3
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 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	1.22	1.26	1.26	1.25	1.25	1.25
<b>EURGBP</b>	0.73	0.82	0.88	0.87	0.88	0.90	0.90	0.90	0.89
<b>GBPEUR</b>	1.38	1.22	1.14	1.14	1.14	1.12	1.12	1.12	1.12
<b>GBPUSD</b>	1.53	1.36	1.29	1.39	1.43	1.41	1.39	1.39	1.40
<b>USDJPY</b>	115	114	112	107	104	105	106	107	107
<b>EURJPY</b>	128	127	127	130	131	132	133	133	134
<b>GBPJPY</b>	176	155	145	149	149	148	148	149	150
<b>EURCHF</b>	1.09	1.07	1.11	1.17	1.20	1.22	1.21	1.21	1.19
<b>USDCHF</b>	0.98	0.97	0.98	0.96	0.96	0.96	0.96	0.95	0.95
<b>GBPCHF</b>	1.49	1.31	1.27	1.34	1.37	1.36	1.34	1.32	1.33
<b>AUDUSD</b>	0.75	0.75	0.77	0.79	0.78	0.76	0.79	0.78	0.78
<b>EURAUD</b>	1.49	1.49	1.47	1.55	1.61	1.66	1.59	1.60	1.60
<b>AUDJPY</b>	86	85	86	84	81	80	83	83	83
<b>GBPAUD</b>	2.05	1.82	1.68	1.77	1.83	1.86	1.78	1.79	1.79
<b>ZARUSD</b>	12.76	14.68	13.30	11.74	11.46	11.18	10.96	11.30	11.73
<b>ZARGBP</b>	19.48	19.92	17.13	16.33	16.41	15.76	15.29	15.76	16.42
<b>ZAREUR</b>	14.15	16.26	15.03	14.28	14.44	14.12	13.70	14.13	14.66
<b>JPYZAR</b>	9.48	7.33	8.39	9.11	9.08	9.38	9.67	9.45	9.13
<b>ZARCHF</b>	13.26	14.93	13.51	12.24	12.00	11.60	11.42	11.89	12.34
<b>ZARAUD</b>	9.58	10.93	10.20	9.23	8.97	8.49	8.61	8.81	9.15

Source: IRESS, Investec



Figure 18: **Exchange rate history and forecast: annual averages**

	2017				2018				2019			
	Q1.17	Q2.17	Q3.17	Q4.17	Q1.18	Q2.18	Q3.18	Q4.18	Q1.19	Q2.19	Q3.19	Q4.19
<b>EURUSD</b>	1.07	1.10	1.18	1.18	1.23	1.22	1.21	1.22	1.23	1.25	1.27	1.29
<b>EURGBP</b>	0.86	0.86	0.90	0.89	0.88	0.87	0.87	0.87	0.88	0.88	0.88	0.89
<b>GBPEUR</b>	1.16	1.16	1.11	1.13	1.13	1.14	1.15	1.15	1.14	1.14	1.14	1.13
<b>GBPUSD</b>	1.24	1.28	1.31	1.33	1.39	1.39	1.39	1.40	1.41	1.42	1.44	1.46
<b>USDJPY</b>	114	111	111	113	108	107	107	106	105	104	104	104
<b>EURJPY</b>	121	122	131	133	133	130	129	128	129	130	132	134
<b>GBPJPY</b>	141	142	145	150	150	149	148	147	147	148	150	152
<b>EURCHF</b>	1.07	1.08	1.14	1.16	1.17	1.17	1.17	1.18	1.19	1.21	1.21	1.21
<b>USDCHF</b>	1.00	0.98	0.96	0.99	0.95	0.96	0.97	0.97	0.97	0.96	0.95	0.94
<b>GBPCHF</b>	1.24	1.26	1.26	1.31	1.32	1.34	1.34	1.35	1.36	1.37	1.38	1.37
<b>AUDUSD</b>	0.76	0.75	0.79	0.77	0.79	0.78	0.79	0.79	0.79	0.79	0.78	0.78
<b>EURAUD</b>	1.41	1.47	1.49	1.53	1.56	1.56	1.53	1.54	1.56	1.59	1.63	1.66
<b>AUDJPY</b>	86	83	88	87	85	83	85	83	83	82	81	81
<b>GBPAUD</b>	1.64	1.70	1.66	1.73	1.77	1.78	1.75	1.77	1.78	1.81	1.85	1.88
<b>ZARUSD</b>	13.22	13.19	13.18	13.62	11.96	11.70	11.70	11.60	11.55	11.40	11.45	11.45
<b>ZARGBP</b>	16.35	16.85	17.22	18.08	16.65	16.27	16.21	16.20	16.24	16.19	16.52	16.69
<b>ZAREUR</b>	14.08	14.52	15.49	16.05	14.70	14.23	14.10	14.09	14.21	14.25	14.54	14.77
<b>JPYZAR</b>	8.54	8.39	8.36	8.27	9.06	9.15	9.15	9.09	9.05	9.12	9.08	9.08
<b>ZARCHF</b>	13.16	13.40	13.69	13.81	12.61	12.14	12.10	11.99	11.94	11.83	12.02	12.21
<b>ZARAUD</b>	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 18: **Exchange rate history and forecast: annual averages**

	2020				2021				2022			
	Q1.20	Q2.20	Q3.20	Q4.20	Q1.21	Q2.21	Q3.21	Q4.21	Q1.22	Q2.22	Q3.22	Q4.22
<b>EURUSD</b>	1.28	1.26	1.26	1.26	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
<b>EURGBP</b>	0.89	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90
<b>GBPEUR</b>	1.12	1.12	1.11	1.11	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.12
<b>GBPUSD</b>	1.44	1.41	1.40	1.39	1.39	1.39	1.39	1.39	1.39	1.39	1.39	1.39
<b>USDJPY</b>	104	105	105	105	106	106	106	106	106	107	107	107
<b>EURJPY</b>	133	132	132	132	133	133	133	133	133	134	134	134
<b>GBPJPY</b>	150	148	147	146	148	148	148	148	148	149	149	149
<b>EURCHF</b>	1.21	1.22	1.22	1.23	1.22	1.20	1.20	1.20	1.21	1.21	1.21	1.21
<b>USDCHF</b>	0.95	0.96	0.97	0.98	0.96	0.96	0.96	0.96	0.95	0.95	0.95	0.95
<b>GBPCHF</b>	1.36	1.36	1.36	1.36	1.34	1.34	1.34	1.34	1.32	1.32	1.32	1.32
<b>AUDUSD</b>	0.77	0.77	0.76	0.75	0.79	0.79	0.78	0.78	0.78	0.78	0.78	0.78
<b>EURAUD</b>	1.66	1.65	1.67	1.67	1.58	1.58	1.60	1.60	1.60	1.60	1.60	1.60
<b>AUDJPY</b>	80	80	79	79	84	84	83	83	83	83	83	83
<b>GBPAUD</b>	1.87	1.84	1.85	1.86	1.77	1.77	1.79	1.79	1.79	1.79	1.79	1.79
<b>ZARUSD</b>	11.35	11.25	11.05	10.85	10.75	10.85	11.00	11.05	11.05	11.25	11.35	11.35
<b>ZARGBP</b>	16.32	15.84	15.47	15.13	14.99	15.13	15.34	15.41	15.41	15.69	15.83	15.83
<b>ZAREUR</b>	14.53	14.18	13.92	13.62	13.44	13.56	13.75	13.81	13.81	14.06	14.19	14.19
<b>JPYZAR</b>	9.16	9.33	9.50	9.68	9.86	9.77	9.64	9.59	9.59	9.51	9.43	9.43
<b>ZARCHF</b>	12.01	11.67	11.41	11.12	11.20	11.30	11.46	11.51	11.63	11.84	11.95	11.95
<b>ZARAUD</b>	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: We expect consumer confidence for Q1.18 to lift markedly and PPI to moderate to 4.0% y/y in March

23<sup>rd</sup> April 2018



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