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

Month	Date	Forecast
September 2017	19 <sup>th</sup> – 21 <sup>st</sup>	6.50
November 2017	21 <sup>st</sup> – 23 <sup>rd</sup>	6.50

Source: SA Reserve Bank, Investec

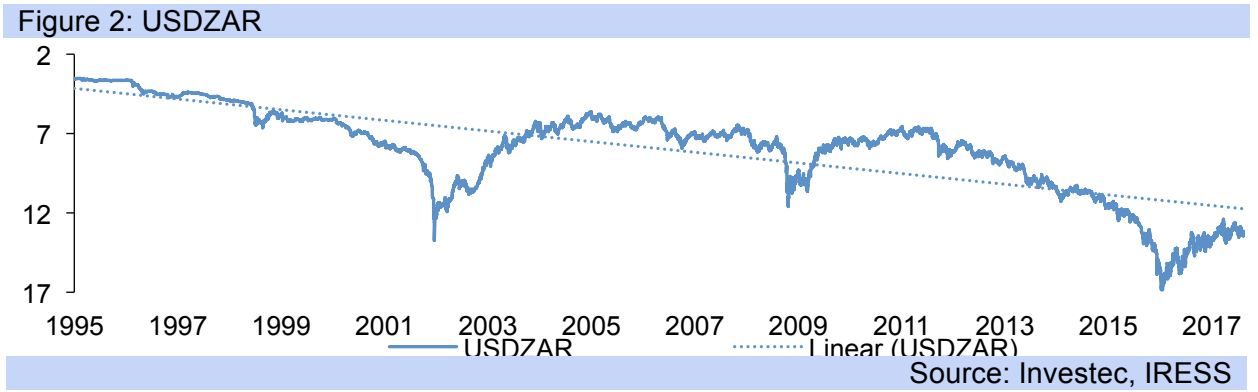
Week ahead written in conjunction with the international economic contributions from Philip Shaw (PS), Victoria Clarke (VC) and Ryan Djajasaputra (RD).



**Week Ahead: Economy is forecast to have lifted out of technical recession in Q2.17 on improved industrial and trade sector performances**

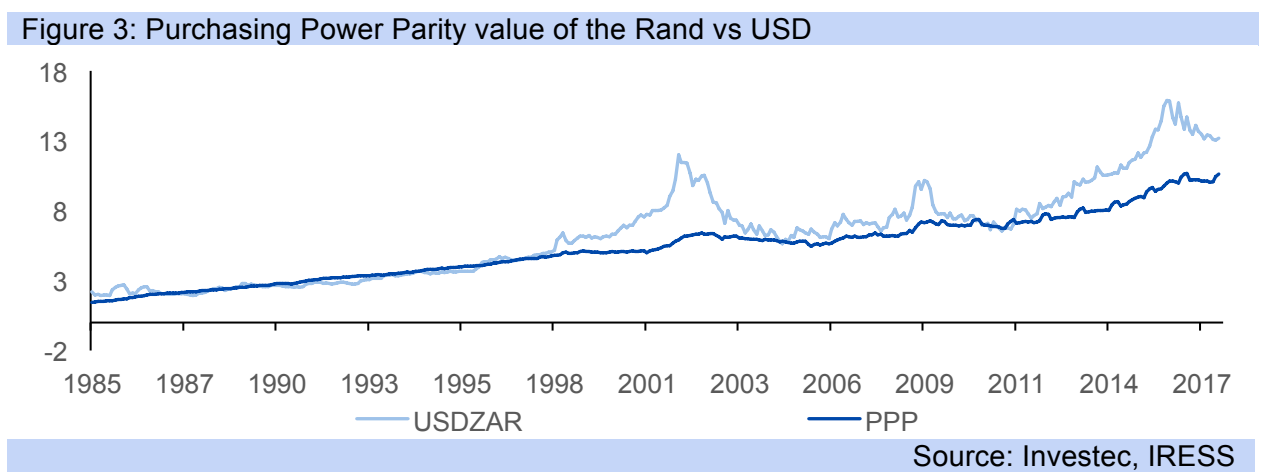
1<sup>st</sup> September 2017

**Rand, currency outlook for the week ahead and foreign flows:**



The rand is presently trading at 12.90/US\$ versus 13.07/US\$ at the start of the week. This appreciation has occurred despite the US\$ index trading stronger into the end of the week, after having reached the lowest level since January 2015 earlier in the week. Better than expected US GDP data strengthened expectations of a further interest rate hike by the Fed and therefore aided the recovery in the US\$ index. However worse than expected US employment data on Friday saw US\$ weakness, and hence rand strength against the greenback. Geopolitical tensions eased over the course of the week and commodity prices remained relatively resilient which will have aided the appetite for riskier assets and supported gains across most emerging market currencies.

The rand is expected to trade in a range of R13.40/USD – R12.40/USD, R15.90/EUR - R14.90/EUR and R17.20/GBP - R16.20/GBP, in the week ahead.



## Week Ahead: Economy is forecast to have lifted out of technical recession in Q2.17 on improved industrial and trade sector performances

1<sup>st</sup> September 2017



### Economic Scenarios

		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)	13.15	11.70	10.60	9.50	8.60	7.90	7.60	7.40
	Repo rate (end rate)	6.50	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 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. <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>10%</b>	Rand/USD (average)	13.15	12.60	12.20	11.80	11.50	11.20	10.50	10.55
	Repo rate (end rate)	6.50	6.50	6.50	6.25	6.25	6.00	5.50	5.50
	<b>Persistent economic growth of 3.0 – 5.0%</b> , with growing probability of extreme up case thereafter. <b>Better governance</b> , 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. <b>Strong global growth</b> and commodity cycle. <b>Stabilisation of credit ratings, with ultimately credit rating upgrades</b> .								
Base line case <b>35%</b>	Rand/USD (average)	13.15	13.45	13.60	13.40	13.05	12.80	12.45	12.10
	Repo rate (end rate)	6.50	6.50	6.25	6.25	6.25	6.50	6.50	6.50
	<b>Trend growth rate of 2.0% y/y, reached by 2023</b> . Recent downgrades subdue confidence and so growth somewhat. Rand structurally weaker so slower return to PPP (by 2020). <b>SA retains two investment grade (IG) ratings on its local currency (LC) long-term sovereign debt this year</b> . Sedate global monetary policy normalisation – avoid severe global risk-off environment, neutral to global risk-on. <b>Modestly strengthening global demand</b> .								
Down case <b>35%</b>	Rand/USD (average)	13.15	16.00	18.00	19.00	19.50	18.50	17.80	16.90
	Repo rate (end rate)	6.50	7.50	8.25	9.00	10.00	10.50	10.50	10.50
	<b>All three key agencies rate SA's foreign and local currency long-term debt sub-investment grade</b> , increased chance of further credit downgrades. Rand weakness (SA debt exits Citibank WGBI), <b>confidence and investment measures depressed</b> . Government's capacity for expenditure reduced, including social welfare grants. Commodity slump, <b>global sharp slowdown/recession (SA V shaped recession)</b> .								
Extreme down case <b>19%</b>	Rand/USD (average)	13.15	17.00	19.00	21.00	22.80	24.00	25.50	26.00
	Repo rate (end rate)	6.50	8.00	10.00	13.00	15.50	17.00	19.00	22.00
	State bankruptcy, and <b>so the path to a failed state</b> . <b>Credit ratings drop to junk</b> , 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. <b>SA economic depression, global economy falls into recession</b> .								

**Note:** Event risk begins Q4.17



## Week Ahead: Economy is forecast to have lifted out of technical recession in Q2.17 on improved industrial and trade sector performances

1<sup>st</sup> September 2017

Figure 5: Net foreign portfolio flows for SA assets

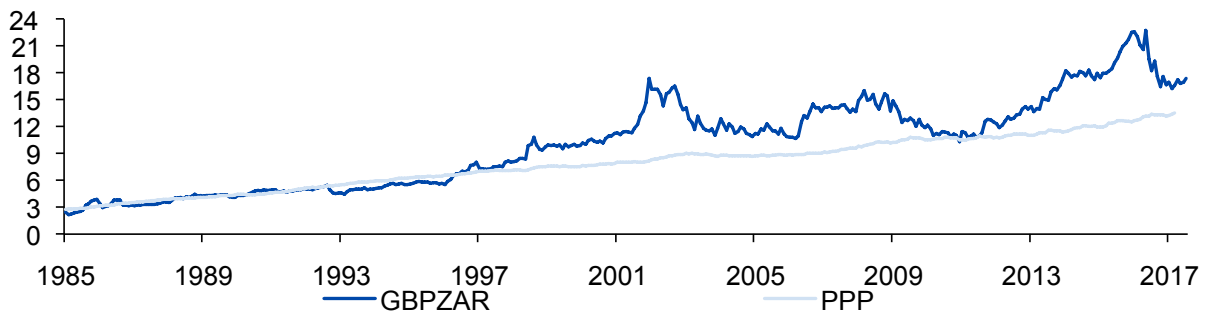
Week	Equities (Rbn)	Debt (Rbn)	Total (Rbn)
21 <sup>st</sup> – 25 <sup>th</sup> August 2017	1.3	1.2	2.5
14 <sup>th</sup> – 18 <sup>th</sup> August 2017	1.6	2.3	3.8
7 <sup>th</sup> – 11 <sup>th</sup> August 2017	-0.1	-3.1	-3.2
31 <sup>st</sup> July – 4 <sup>th</sup> August 2017	-2.8	-2.0	-4.8
24 <sup>th</sup> – 28 <sup>th</sup> July 2017	0.8	6.5	7.2
17 <sup>th</sup> – 21 <sup>st</sup> July 2017	1.8	4.7	6.4

Month	Equities (Rbn)	Debt (Rbn)	Total (Rbn)
August 2017			
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

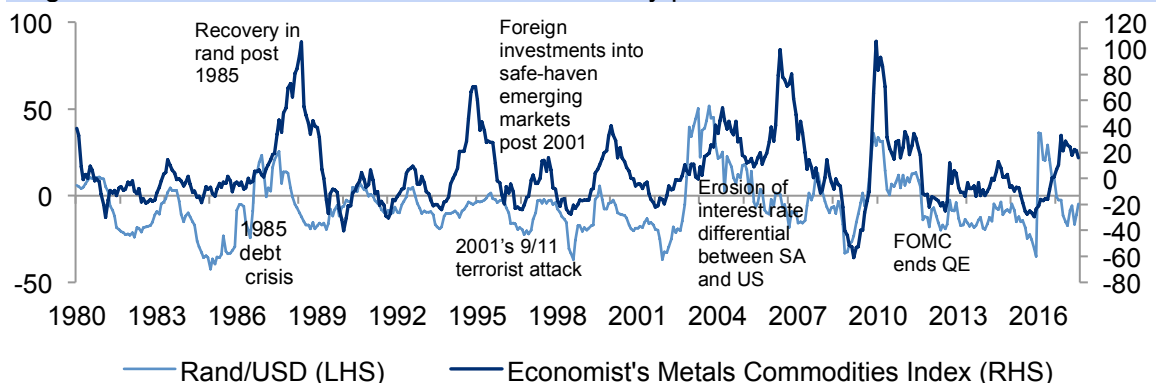
Source: IRESS. Note: data subject to frequent revisions

Figure 6: PPP value of the Rand vs GBP



Source: Investec, IRESS

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



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## Data releases in the week ahead

### Economic data releases for next week

Date	Country	Indicator	Month	Forecast	Previous
04/09/17	Eurozone	Sentix Investor Confidence	Sep	27.3	27.7
		PPI	Jul	0.0% m/m	-0.1% m/m
		PPI	Jul	2.1% y/y	2.5% y/y
05/09/17	SA	GDP Annualised	Q2.17	2.1% q/q	-0.7% q/q
		GDP	Q2.17		1.0% y/y
	US	Factory Orders	Jul	-3.2%	3.0%
		Factory Orders Ex Transport	Jul		-0.2%
		Durable Goods Orders	Jul		-6.8%
		Durable Goods Orders Ex Transport	Jul		0.5%
		Capital Goods Orders	Jul		0.4%
		Capital Goods Shipments	Jul		1.0%
	Eurozone	Eurozone Services PMI	Aug	54.9	54.9
		Eurozone Composite PMI	Aug	55.8	55.8
		Retail Sales	Jul	-0.5% m/m	0.5% m/m
		Retail Sales	Jul	2.0% y/y	3.1% y/y
		GDP SA	Q2.17	0.6% q/q	0.6% q/q
		GDP SA	Q2.17	2.2% y/y	2.2% y/y
06/09/17	SA	SACCI Business Confidence	Aug		95.3
	US	MBA Mortgage Applications	Sep 1		-2.3%
		Trade Balance	Jul	-\$44.5bn	-\$43.6bn
		ISM Non-Manufacturing Composite	Aug	55.1	53.9
		US Fed Beige Book			
	Eurozone	Eurozone Retail PMI	Aug		51.0
07/09/17	SA	Gross Reserves	Aug		\$46.75bn
		Net Reserves	Aug		\$42.40bn
		Mining Production	Jul		-2.6% m/m
		Mining Production	Jul	2.0% y/y	-0.8% y/y
		Manufacturing Production SA	Jul		0.0% m/m
		Manufacturing Production NSA	Jul	-0.5% y/y	-2.3% y/y
	US	Initial Jobless Claims	Sep 2		263k
		Continuing Claims	Aug 26		1942k
	Eurozone	ECB Main Refinancing Rate	Sep 7	0.000%	0.000%
		ECB Marginal Lending Facility Rate	Sep 7	0.250%	0.250%
		ECB Deposit Facility Rate	Sep 7	-0.400%	-0.400%
ECB Asset Purchase Target		Sep	EU60bn	EU60bn	
08/09/17	US	Wholesale Inventories	Jul	0.4% m/m	0.4% m/m
		Wholesale Trade Sales	Jul		0.7% m/m



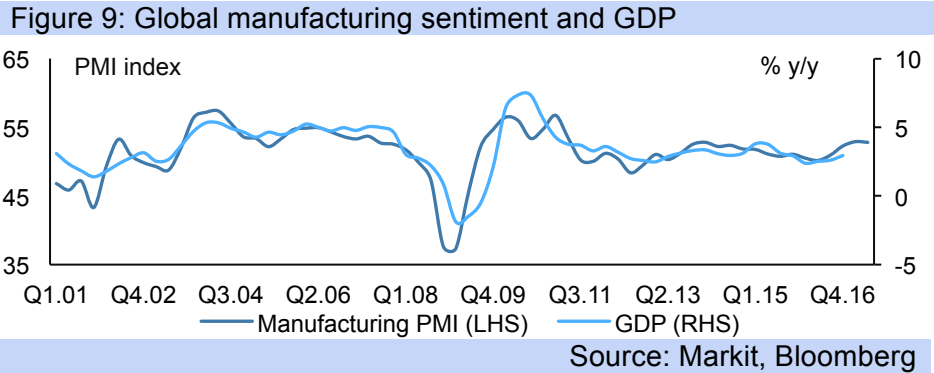
**Week Ahead: Economy is forecast to have lifted out of technical recession in Q2.17 on improved industrial and trade sector performances**

1<sup>st</sup> September 2017

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

Source: Bloomberg

**International**



(VC) As we move into September, we expect the run of data releases to continue to point to the global economy maintaining decent momentum through the second half of the year. What is less clear is the extent to which political tensions muscle in on the global growth party. Next week will see British politicians return to Parliament after the summer recess and US Congress return after its break too. As such, and especially if the immediate crisis handling of Hurricane Harvey settles down, we can expect to see a ramping up in political manoeuvring.

In the US, the White House will be looking to progress efforts to raise the debt ceiling and agree a budget resolution. One question is whether President Trump continues to try to tie any budget deal/debt ceiling uplift in with border wall funding. It now seems likely that Federal funding requirements for Hurricane Harvey aid could ease the path to a deal, especially with the White House recognising the risk of forcing a government shutdown to get its border wall paid for, amidst such a high-profile natural disaster. As such, next week should provide a clearer line of sight over whether Washington’s political battles could roil market sentiment through September.

In the UK, the return to Westminster, might mean we see PM Theresa May face renewed questioning and even a more open challenge to her leadership, in the run up to the Tory party conference spanning 1-4 October. This is particularly so after stating her intent to fight the next election as Prime Minister in recent days.

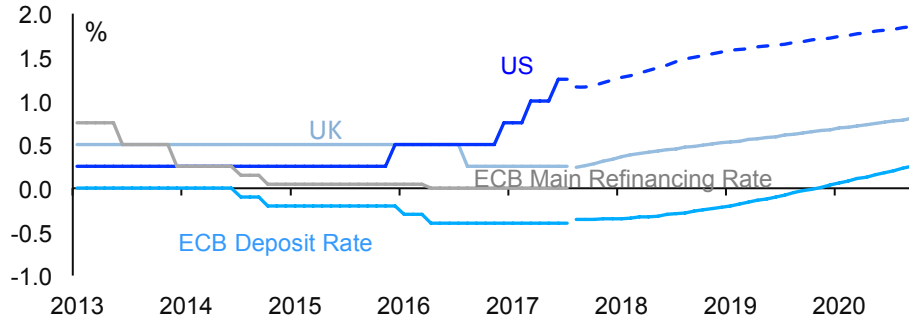
In broader global politics, we will still be watching out for any further escalation in tensions on the Korean peninsula following North Korea’s 29 August ballistic missile firing, over northern Japan. With the US and South Korea having since concluded their military drills, seen as provocative by the North Korean administration, it may be that

**Figure 10: Market implies interest rate paths**



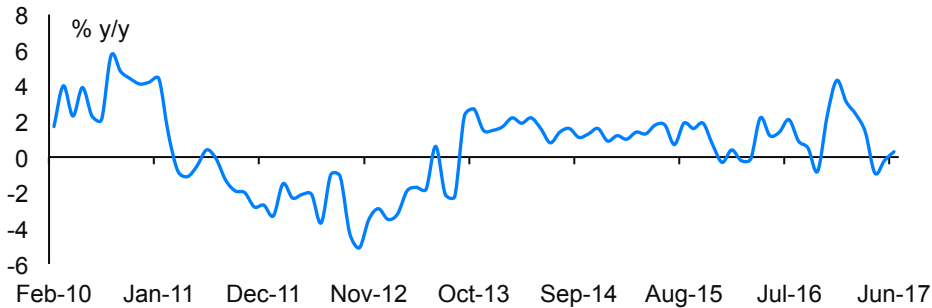
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1<sup>st</sup> September 2017



Source: Bloomberg, BoE

**Figure 11: UK industrial production**



Source: Bloomberg

we move into a quieter period, allowing tensions to settle back.

In economic events, next week will see the ECB announce its first monetary policy decision of the autumn term. The ECB’s key interest rates are expected to remain firmly on hold with the refi rate maintained at zero and the deposit rate at -0.40%. The more pertinent question is whether the ECB announces or moves closer to announcing a tapering in its asset purchase programme. We suspect it will hold fire on any taper announcement but might take a minor step towards it with a change in its policy guidance wording. Furthermore, given recent rises in the Euro and the downward pressure that implies for Euro area inflation ahead, we suspect a tapering at the 26 October ECB Governing Council meeting is also becoming a closer call.

In economic data releases, UK publications will provide further colour on how the third quarter is shaping up. In particular the British Retail Consortium’s August retail sales figures will provide an update on consumer spending momentum amidst the ongoing household cash squeeze. Later in the week, the first official estimates of output for the start of Q3.17 will be published; July’s industrial output and construction figures will shape expectations for the Q3.17 GDP growth figures.

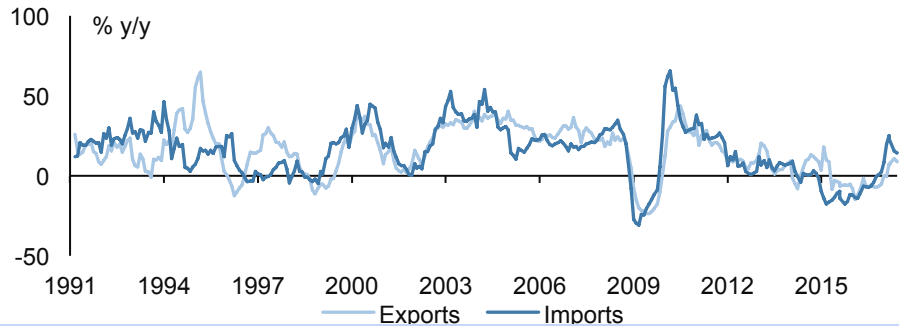
In the States, it will be a shortened week due to Monday’s Labor Day holiday. When the week opens the focus will likely be on the ISM for the non-manufacturing sector (August), the July trade figures and the Fed’s Beige Book, all set for release on Wednesday. In the Euro area the final August PMIs are due out. In amongst the list of wider global releases, the August Chinese trade figures, Chinese CPI data and the second estimate of Japan’s Q2.17 GDP reading, will be the most closely watched.

**Figure 12: China import and export growth, 3 month moving average**



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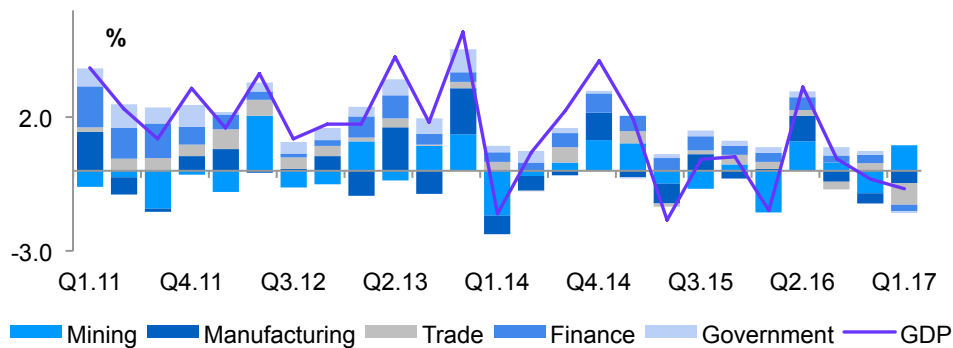
1<sup>st</sup> September 2017



Source: Bloomberg

### South Africa

Figure 13: Contributions to GDP growth (production approach)



Source: Stats SA

SA's Q2.17 GDP publication is likely to confirm that the economy lifted out of the technical recession, with (production side) growth forecast at 2.1% quarter on quarter seasonally adjusted annualised (qqsa) versus -0.7% qqsa in Q1.17. High frequency data signalled an improved performance of the industrial sector, with support derived from buoyant commodity prices and a continued strengthening in global demand and trade. In particular, the manufacturing sector is forecast to have recovered from three consecutive quarters of contraction. Similarly, wholesale and retail trade momentum rebounded from a significant contraction in Q1.17. The risks to our forecast stem mainly from the finance sector which comprises over 20% of the economy. In Q1.17, the sector experienced its first contraction in activity since the 2008/09 recession. With little in the way of high-frequency data to provide more timely indications of the performance of the sector it is difficult to ascertain whether, and to what extent, the sector managed to recover in Q2.17.

The rebound in GDP in Q2.17 will partly be a function of low statistical base factors, with underlying activity still relatively suppressed. For the year as a whole GDP is forecast to average only 0.5% y/y compared to 0.3% y/y in 2016. Economic activity will remain constrained by depressed business and consumer confidence levels that have been linked to perceived heightened policy uncertainty. Although the SARB has commenced an easing cycle, albeit likely a shallow one, the effect on activity is likely to be tempered by tighter credit conditions, higher taxes, deleveraging and elevated unemployment.

Figure 14: Confidence and policy uncertainty





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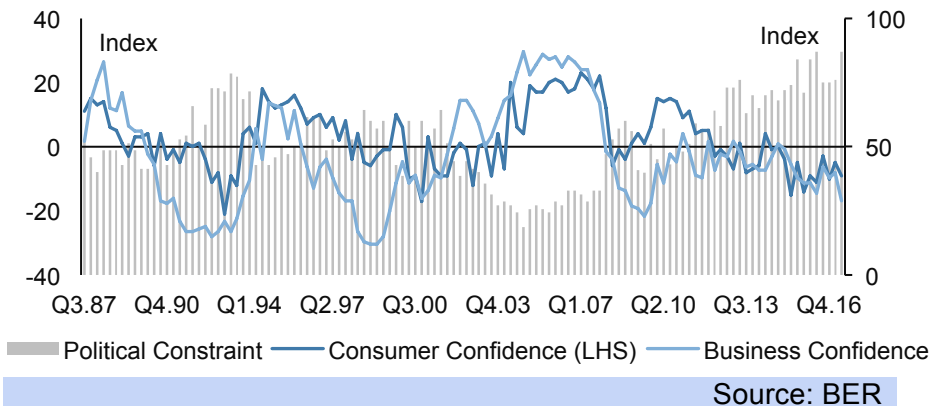
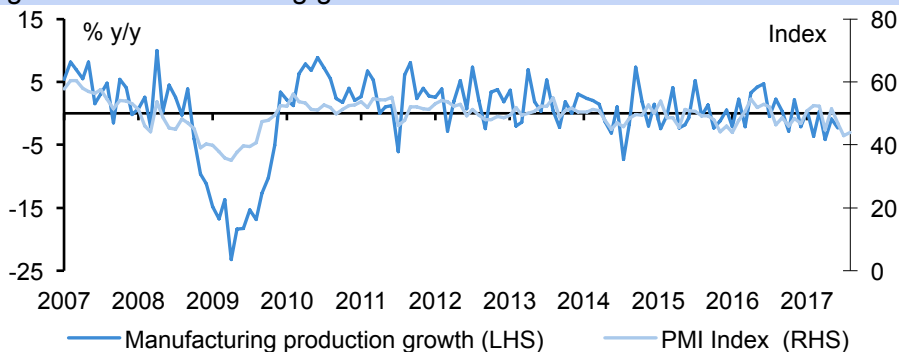


Figure 15: Manufacturing growth vs Absa PMI\*



\*seasonally adjusted, Source: BER, Stats SA

The mining and manufacturing production updates for July are also scheduled for release, and will provide insight into the momentum of activity in these sectors at the start of the third quarter. Advance indications provided by the manufacturing PMI signalled a deterioration in levels of manufacturing activity in July, in a particularly weak domestic demand environment that has been insufficiently countered by the strengthening global demand. Manufacturing production is forecast to have declined at a rate of 0.5% y/y in July versus a decline of 2.3% y/y in June. In contrast, mining production is projected to have risen 2.0% y/y in July following a decline of 0.8% y/y in June. Although the magnitude of the rebound in commodity prices seen in H2.16 has faded somewhat, commodity prices have broadly remained resilient which should continue lending support to the mining sector.

Figure 16: Industrial commodity price index



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1<sup>st</sup> September 2017



Source: Bloomberg

Figure 17: 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	103.4	4.9	0.2		
Sep 2017	103.7	5.0	0.3	4.8	
Oct 2017	104.0	4.8	0.3		
Nov 2017	104.2	4.7	0.2		
Dec 2017	104.4	4.4	0.2	4.6	2017
Jan 2018	105.2	4.5	0.7		5.2
Feb 2018	105.6	3.8	0.4		
Mar 2018	106.9	4.5	1.2	4.3	
Apr 2018	107.3	4.8	0.4		
May 2018	107.6	4.8	0.3		
Jun 2018	107.9	4.9	0.3	4.8	
Jul 2018	108.7	5.3	0.7		



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1<sup>st</sup> September 2017

Date	Index	Annual	Monthly	Quarterly	Calendar year
	Base 2010	y/y	m/m	y/y	y/y
Aug 2018	109.1	5.5	0.4		
Sep 2018	109.5	5.5	0.3	5.5	
Oct 2018	109.9	5.6	0.4		
Nov 2018	110.2	5.7	0.3		
Dec 2018	110.6	5.8	0.3	5.7	2018 5.1
Jan 2019	111.3	5.8	0.7		
Feb 2019	111.5	5.6	0.2		
Mar 2019	112.7	5.4	1.0	5.6	
Apr 2019	112.9	5.2	0.2		
May 2019	113.1	5.1	0.2		
Jun 2019	113.3	5.0	0.2	5.1	
Jul 2019	114.2	5.1	0.8		
Aug 2019	114.9	5.3	0.6		
Sep 2019	115.3	5.3	0.3	5.3	
Oct 2019	115.9	5.4	0.5		
Nov 2019	116.2	5.4	0.3		
Dec 2019	116.6	5.4	0.3	5.4	2019 5.4

Source: Stats SA, Investec

Figure 17: CPI forecast averages

Date	Index Base 2010	Annual y/y	Monthly m/m	Quarterly y/y	Calendar year y/y
Jan 2020	117.4	5.4	0.7		
Feb 2020	117.5	5.3	0.1		
Mar 2020	119.1	5.7	1.4	5.5	
Apr 2020	119.1	5.5	0.0		
May 2020	119.2	5.4	0.1		
Jun 2020	119.6	5.5	0.3	5.5	
Jul 2020	120.8	5.7	1.0		
Aug 2020	121.4	5.6	0.5		
Sep 2020	121.9	5.7	0.4	5.7	
Oct 2020	122.1	5.4	0.2		
Nov 2020	122.7	5.6	0.5		
Dec 2020	122.9	5.4	0.1	5.5	2020 5.5
Jan 2021	124.1	5.7	1.0		
Feb 2021	124.3	5.8	0.2		
Mar 2021	125.7	5.5	1.1	5.7	
Apr 2021	125.7	5.5	0.0		
May 2021	125.8	5.5	0.1		



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1<sup>st</sup> September 2017

Jun 2021	126.2	5.5	0.3	5.5	
Jul 2021	127.5	5.5	1.0		
Aug 2021	128.1	5.5	0.5		
Sep 2021	128.6	5.5	0.4	5.5	
Oct 2021	128.9	5.5	0.2		
Nov 2021	129.5	5.5	0.5		
Dec 2021	129.7	5.5	0.1	5.5	
					2021 5.6

Source: Stats SA, Investec



**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	5.4	6.75	1.9
Sep 2017	10.00	5.0	6.50	1.5
Oct 2017	10.00	5.2	6.50	1.7
Nov 2017	10.00	5.3	6.50	1.8
Dec 2017	10.00	5.6	6.50	2.1
Jan 2018	9.75	5.2	6.25	1.7
Feb 2018	9.75	5.9	6.25	2.4
Mar 2018	9.75	5.3	6.25	1.8
Apr 2018	9.75	5.0	6.25	1.5
May 2018	9.75	5.0	6.25	1.5
Jun 2018	9.75	4.9	6.25	1.4
Jul 2018	9.75	4.4	6.25	0.9
Aug 2018	9.75	4.2	6.25	0.7
Sep 2018	9.75	4.2	6.25	0.7
Oct 2018	10.00	4.4	6.50	0.9
Nov 2018	10.00	4.3	6.50	0.8
Dec 2018	10.00	4.2	6.50	0.7
Jan 2019	10.00	4.2	6.50	0.7
Feb 2019	10.00	4.4	6.50	0.9
Mar 2019	10.00	4.6	6.50	1.1
Apr 2019	10.00	4.8	6.50	1.3
May 2019	10.00	4.9	6.50	1.4
Jun 2019	10.00	5.0	6.50	1.5
Jul 2019	10.00	4.9	6.50	1.4
Aug 2019	10.00	4.7	6.50	1.2
Sep 2019	10.00	4.7	6.50	1.2
Oct 2019	10.00	4.6	6.50	1.1
Nov 2019	10.00	4.6	6.50	1.1
Dec 2019	10.00	4.6	6.50	1.1

Source: IRESS, Investec



Figure 19: Exchange rate history and forecast, annual averages

	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>EURUSD</b>	1.39	1.29	1.33	1.33	1.11	1.11	1.11	1.16	1.18
<b>EURGBP</b>	0.87	0.81	0.85	0.81	0.73	0.82	0.87	0.89	0.86
<b>GBPEUR</b>	1.14	1.23	1.18	1.24	1.38	1.22	1.15	1.13	1.16
<b>GBPUSD</b>	1.60	1.58	1.56	1.65	1.53	1.36	1.28	1.31	1.37
<b>USDJPY</b>	80	80	98	106	121	109	111	106	105
<b>EURJPY</b>	111	103	130	140	134	120	124	123	124
<b>GBPJPY</b>	128	126	153	174	185	147	142	138	144
<b>EURCHF</b>	1.23	1.21	1.23	1.21	1.07	1.09	1.09	1.13	1.14
<b>USDCHF</b>	0.89	0.94	0.93	0.91	0.96	0.98	0.98	0.98	0.96
<b>GBPCHF</b>	1.42	1.49	1.45	1.50	1.47	1.33	1.25	1.27	1.32
<b>AUDUSD</b>	1.03	1.04	0.97	0.90	0.75	0.75	0.77	0.79	0.79
<b>EURAUD</b>	1.35	1.24	1.38	1.48	1.49	1.49	1.45	1.47	1.50
<b>AUDJPY</b>	82	83	94	95	90	81	85	84	83
<b>GBPAUD</b>	1.55	1.53	1.63	1.83	2.05	1.82	1.67	1.66	1.74
<b>ZARUSD</b>	7.25	8.20	9.64	10.84	12.76	14.68	13.18	13.21	12.27
<b>ZARGBP</b>	11.62	13.01	15.10	17.85	19.48	19.92	16.80	17.24	16.85
<b>ZAREUR</b>	10.07	10.54	12.80	14.39	14.15	16.26	14.65	15.28	14.50
<b>JPYZAR</b>	11.07	9.75	10.15	9.74	9.48	7.33	8.42	8.02	8.56
<b>ZARCHF</b>	8.21	8.75	10.42	11.86	13.26	14.93	13.41	13.54	12.73
<b>ZARAUD</b>	7.49	8.46	9.32	9.78	9.58	10.93	10.10	10.42	9.69

Source: IRESS, Investec

## Week Ahead: Economy is forecast to have lifted out of technical recession in Q2.17 on improved industrial and trade sector performances

1<sup>st</sup> September 2017



Figure 19: 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	1.14	1.14	1.15	1.16	1.16	1.17	1.18	1.18	1.18	1.19
<b>EURGBP</b>	0.86	0.86	0.88	0.88	0.88	0.89	0.89	0.89	0.88	0.86	0.86	0.85
<b>GBPEUR</b>	1.16	1.16	1.13	1.13	1.13	1.13	1.13	1.12	1.14	1.16	1.17	1.18
<b>GBPUSD</b>	1.24	1.28	1.29	1.29	1.30	1.31	1.31	1.31	1.34	1.37	1.38	1.39
<b>USDJPY</b>	114	111	111	109	107	106	106	105	105	105	105	105
<b>EURJPY</b>	121	122	127	124	123	122	122	123	124	124	124	124
<b>GBPJPY</b>	141	142	144	141	139	138	138	138	141	144	145	146
<b>EURCHF</b>	1.07	1.08	1.10	1.12	1.13	1.13	1.13	1.13	1.14	1.14	1.14	1.14
<b>USDCHF</b>	1.00	0.98	0.97	0.98	0.98	0.98	0.97	0.97	0.96	0.97	0.97	0.96
<b>GBPCHF</b>	1.24	1.26	1.25	1.26	1.27	1.28	1.27	1.27	1.29	1.33	1.33	1.34
<b>AUDUSD</b>	0.76	0.75	0.77	0.78	0.79	0.79	0.79	0.79	0.79	0.79	0.79	0.79
<b>EURAUD</b>	1.41	1.47	1.47	1.46	1.46	1.46	1.47	1.48	1.49	1.49	1.49	1.50
<b>AUDJPY</b>		86	83	86	85	84	84	83	83	83	83	83
<b>GBPAUD</b>	1.64	1.70	1.67	1.66	1.65	1.65	1.66	1.66	1.66	1.70	1.74	1.75
<b>ZARUSD</b>	13.22	13.19	13.15	13.45	13.60	13.40	13.05	12.80	12.45	12.10	12.21	12.21
<b>ZARGBP</b>	16.35	16.85	17.01	17.37	17.65	17.49	17.08	16.80	16.74	16.60	16.80	16.80
<b>ZAREUR</b>	14.08	14.52	15.00	15.33	15.57	15.48	15.14	14.98	14.69	14.28	14.41	14.41
<b>JPYZAR</b>	8.54	8.39	8.45	8.10	7.87	7.91	8.08	8.20	8.43	8.68	8.61	8.61
<b>ZARCHF</b>	13.18	13.41	13.61	13.75	13.84	13.70	13.40	13.25	12.94	12.52	12.60	12.60
<b>ZARAUD</b>	10.03	9.92	10.17	10.49	10.68	10.59	10.31	10.11	9.84	9.56	9.64	9.64

Source: IRES



Figure 19: 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>	1.19	1.19	1.20	1.20	1.21	1.22	1.23	1.23	1.24	1.24	1.24	1.24
<b>EURGBP</b>	0.86	0.86	0.86	0.86	0.86	0.87	0.87	0.87	0.87	0.87	0.87	0.87
<b>GBPEUR</b>	1.17	1.17	1.17	1.17	1.17	1.16	1.15	1.15	1.15	1.15	1.15	1.15
<b>GBPUSD</b>	1.39	1.39	1.40	1.40	1.41	1.41	1.41	1.41	1.42	1.42	1.42	1.42
<b>USDJPY</b>	106	106	106	106	107	107	107	107	107	107	107	107
<b>EURJPY</b>	126	126	126	127	128	129	131	132	132	133	133	133
<b>GBPJPY</b>	147	147	147	148	150	151	151	151	151	152	152	152
<b>EURCHF</b>	1.15	1.15	1.15	1.16	1.16	1.16	1.17	1.17	1.17	1.17	1.17	1.15
<b>USDCHF</b>	0.97	0.97	0.97	0.97	0.97	0.96	0.96	0.95	0.95	0.94	0.94	0.93
<b>GBPCHF</b>	1.34	1.35	1.35	1.36	1.36	1.35	1.35	1.34	1.34	1.33	1.33	1.32
<b>AUDUSD</b>	0.80	0.80	0.80	0.80	0.80	0.81	0.81	0.81	0.80	0.80	0.81	0.81
<b>EURAUD</b>	1.49	1.49	1.49	1.50	1.50	1.49	1.51	1.52	1.54	1.55	1.53	1.53
<b>AUDJPY</b>	85	85	85	85	86	87	87	87	86	86	87	87
<b>GBPAUD</b>	1.74	1.74	1.74	1.75	1.75	1.74	1.74	1.74	1.76	1.78	1.75	1.75
<b>ZARUSD</b>	12.00	11.80	11.80	11.65	11.45	11.65	11.85	12.00	11.95	12.00	12.20	12.40
<b>ZARGBP</b>	16.68	16.40	16.40	16.31	16.03	16.43	16.71	16.92	16.85	17.04	17.32	17.61
<b>ZAREUR</b>	14.28	14.04	14.04	13.98	13.74	14.10	14.46	14.76	14.70	14.88	15.13	15.38
<b>JPYZAR</b>	8.83	8.98	8.98	9.10	9.34	9.18	9.03	8.92	8.95	8.92	8.77	8.63
<b>ZARCHF</b>	12.42	12.16	12.16	12.01	11.80	12.14	12.34	12.63	12.58	12.77	12.98	13.33
<b>ZARAUD</b>	9.60	9.44	9.44	9.32	9.16	9.44	9.60	9.72	9.56	9.60	9.88	10.04

Source: IRES





## Week Ahead: Economy is forecast to have lifted out of technical recession in Q2.17 on improved industrial and trade sector performances

1<sup>st</sup> September 2017

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