

Week Ahead: Trade balance to have remained in surplus in July on persistently subdued domestic consumption and investment activity

25th August 2017



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

Month	Date	Forecast
September 2017	19 th – 21 st	6.50
November 2017	21 st – 23 rd	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).

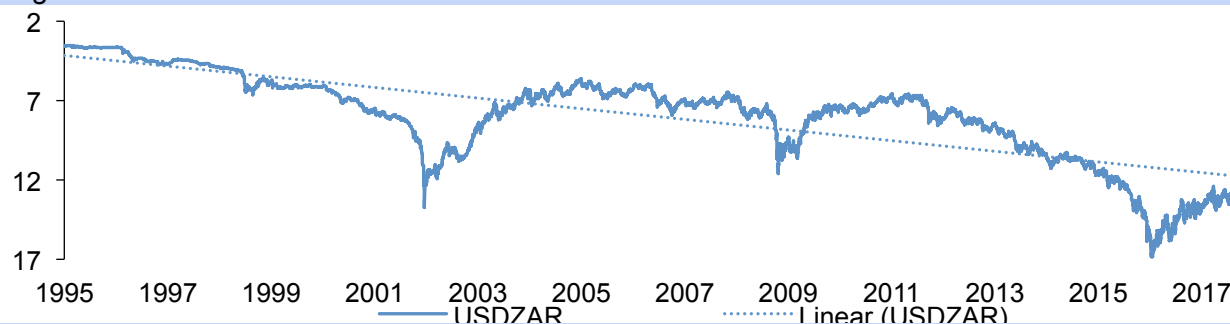
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Rand, currency outlook for the week ahead and foreign flows:

Figure 2: USDZAR



Source: Investec, IRESS

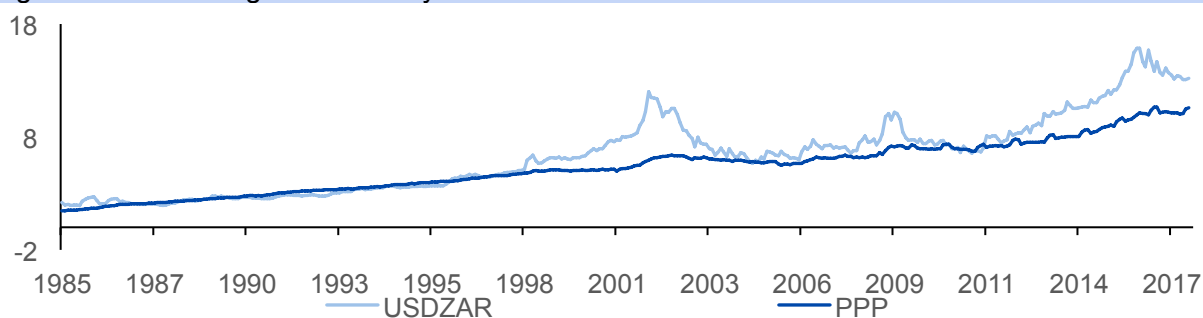
The rand strengthened at the start of this week to 13.15/US\$ versus Friday's level of 13.27/US\$, and has steadied at 13.16/US\$ into the end of the week. The rand has derived support from a commodity price lift and some US\$ weakness. Political concerns relating to the possibility of a government shutdown have weighed on the US\$.

The annual Jackson Hole symposium has also held focus this week. Fed Chair Yellen is scheduled to speak on financial stability today and is not expected to provide much steer on the course of monetary policy. Although the Fed could announce its balance sheet reduction plan as soon as September, the pace of change in liquidity conditions is expected to be very gradual. Moreover, with inflation remaining benign, aggressive policy normalisation is not expected. Presently, futures market pricing suggests only a 40% probability of one more US interest rate hike this year, and potentially only one more hike through to 2019.

The continuation of broadly favourable financing conditions, coupled with the positive momentum in global growth and trade, has underpinned emerging market portfolio flows, particularly into bonds. Barring only a few emerging market currencies, like the Turkish lira, most have gained on a real trade-weighted basis. This currency strength has been a contributing factor to the either stable or decelerating inflation profiles in most emerging market countries, which in turn has allowed for more accommodative monetary policy stances.

The rand is expected to trade in a range of R13.65/USD – R12.65/USD, R16.00/EUR - R15.00/EUR and R17.40/GBP - R16.40/GBP.

Figure 3: Purchasing Power Parity value of the Rand vs USD



Source: Investec, IRESS

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Figure 4: Economic Scenarios

		Q3.17	Q4.17	Q1.18	Q2.18	Q3.18	Q4.18	Q1.19	Q2.19
Extreme up Case 1%	Rand/USD (average)	13.00	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 economic growth of 5.0 – 7.0% y/y plus . SA sees change in political will that structurally lifts private sector investor confidence and so fixed investment, growth creating economic reforms in line with global norms. Global growth boom (including commodities) and SA export boom that substantially lifts employment and incomes, eventually eliminating poverty. Fiscal consolidation, credit rating upgrades with potential for A grade ultimately , interest rate cuts.								
Up case 10%	Rand/USD (average)	13.00	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
	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 35%	Rand/USD (average)	13.00	13.30	13.65	13.45	13.10	12.75	12.40	12.10
	Repo rate (end rate)	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50
	Trend growth rate of 2.0% y/y, reached by 2023 . Recent downgrades subdue confidence and so growth somewhat. Rand structurally weaker so slower return to PPP (by 2020). SA retains two investment grade (IG) ratings on its local currency (LC) 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 35%	Rand/USD (average)	13.00	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
	All three key agencies rate SA's foreign and local currency long-term debt sub-investment grade , increased chance of further credit downgrades. Rand weakness (SA debt exits Citibank WGBI), confidence and investment measures depressed . Government's capacity for expenditure reduced, including social welfare grants. Commodity slump, global sharp slowdown/recession (SA V shaped recession) .								
Extreme down case 19%	Rand/USD (average)	13.00	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 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, civil unrest/war, persistent government services outages. Partial loss of commercial private sector property rights under state custodianship. SA economic depression, global economy falls into recession .								

Note: Event risk begins Q4.17

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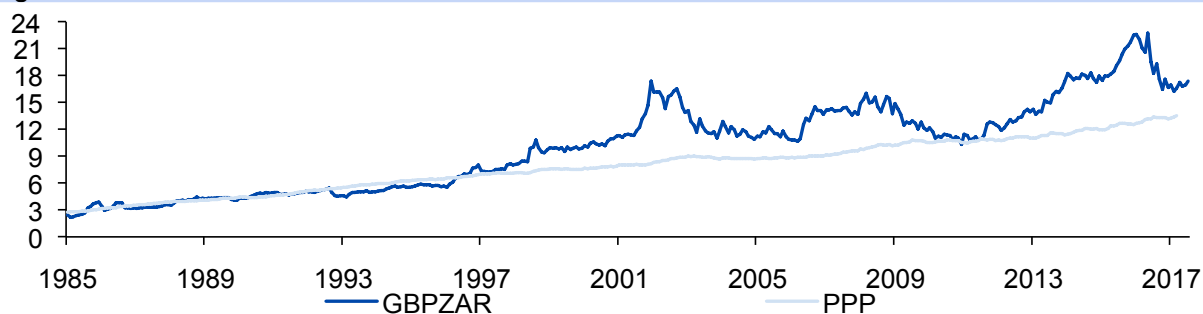


Figure 5: Net foreign portfolio flows for SA assets

Week	Equities (Rbn)	Debt (Rbn)	Total (Rbn)
14 th – 18 th August 2017	1.6	2.3	3.8
7 th – 11 th August 2017	-0.1	-3.1	-3.2
31 st July – 4 th August 2017	-2.8	-2.0	-4.8
24 th – 28 th July 2017	0.8	6.5	7.2
17 th – 21 st July 2017	1.8	4.7	6.4
10 th – 14 th July 2017	5.1	2.8	7.8
3 rd – 7 th July 2017	3.6	-4.8	-1.2
Month			
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

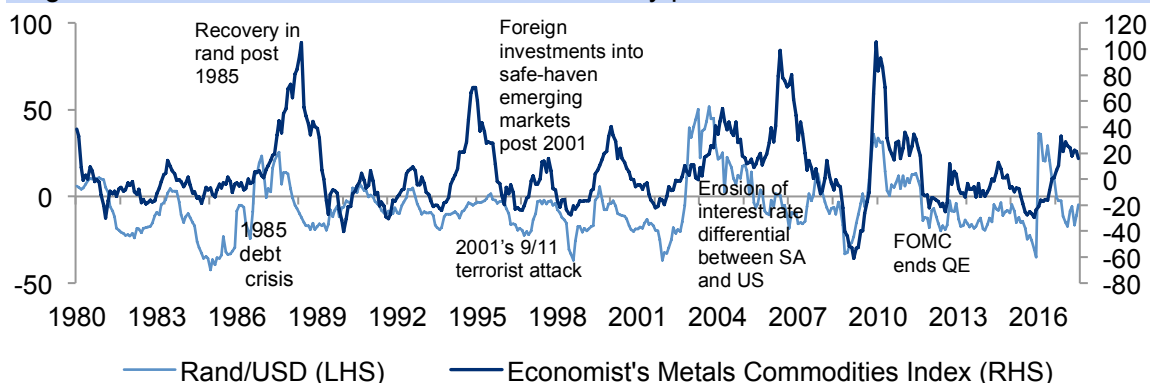
Source: IRESS. Note: data subject to frequent revisions

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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Source: IRESS, Investec

Data releases in the week ahead

Economic data releases for next week

Date	Country	Indicator	Month	Forecast	Previous
28/08/17	US	Preliminary Wholesale Inventories	Jul	0.3% m/m	0.7% m/m
		Preliminary Retail Inventories	Jul		0.6% m/m
		Advance Goods Trade Balance	Jul	-\$64.6bn	-\$64.0bn
	Eurozone	M3 Money Supply	Jul	4.9% y/y	5.0% y/y
29/08/17	US	Conf Board Consumer Confidence	Aug	120.0	121.1
30/08/17	SA	M3 Money Supply	Jul		5.96% y/y
		Private Sector Credit	Jul	6.40% y/y	6.16% y/y
		Budget	Jul		15.4bn
	US	MBA Mortgage Applications	Aug 25		-0.5%
		ADP Employment Change	Aug	185k	178k
		GDP Annualised (Second Reading)	Q2.17	2.7% q/q	2.6% q/q
		Core PCE (Second Reading)	Q2.17		0.9% q/q
	Eurozone	Economic Confidence	Aug	111.3	111.2
31/08/17	SA	PPI	Jul	0.3% m/m	-0.3% m/m
		PPI	Jul	3.3% y/y	4.0% y/y
		Electricity Production	Jul		1.6% y/y
		Electricity Consumption	Jul		1.6% y/y
		Trade Balance	Jul	R7.0bn	R10.7bn
25/08/17	US	Initial Jobless Claims	Aug 26		234k
		Continuing Claims	Aug 19		1954k
		Personal Income	Jul	0.3%	0.0%
		Personal Spending	Jul	0.4%	0.1%
	Eurozone	PCE Deflator	Jul	1.4% y/y	1.4% y/y
		Core PCE	Jul	1.5% y/y	1.5% y/y
		Unemployment Rate	Jul	9.1%	9.1%
		Advance CPI	Aug	1.4% y/y	1.3% y/y
		Advance Core CPI	Aug	1.2% y/y	1.2% y/y
01/09/17	SA	Manufacturing PMI	Aug	45.0	42.9
		Vehicle Sales	Aug		4.1% y/y
	US	Change in Nonfarm Payrolls	Aug	180k	209k
		Unemployment Rate	Aug	4.3%	4.3%
		Labour Force Participation Rate	Aug		62.9%
		Average Hourly Earnings	Aug	2.6% y/y	2.5% y/y
		ISM Manufacturing PMI	Aug	56.4	56.3
		Wards Total Vehicle Sales	Aug	16.65mn	16.69mn
	Eurozone	Final Manufacturing PMI	Aug	57.4	57.4

Source: Bloomberg

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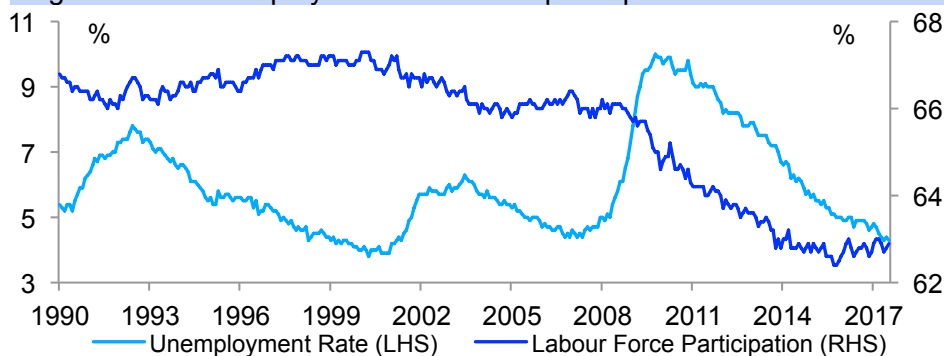


Note: sa – seasonally adjusted, nsa – not seasonally adjusted



International

Figure 9: US unemployment and labour participation rates



Source: US Department of Labour

(RD) This week is set to end with the Kansas City Fed Symposium, or as it is more widely known, Jackson Hole. Both Fed Chair Janet Yellen and ECB President Mario Draghi are due to speak today. Given media reports have suggested that Draghi will not deliver a new policy signal and that Yellen is set to speak on financial stability there may not be any major monetary policy clues. However any surprises could set the tone for asset markets next week.

This week has been pretty quiet in terms of major economic data. However that is set to change next week. The main highlight, as ever at the start of a new month, will be the US non-farm payroll report. Throughout this year jobs growth has remained robust and we expect this to have continued in August, with our expectation being for another 200k in jobs gains. We also expect the unemployment rate to remain steady at 4.3%. Whilst the payrolls will be the highlight of the US data calendar, there are several other key releases to be aware of, including the ISM index, Q2.17 GDP (2nd estimate), PCE inflation figures and both major consumer confidence indices. Lastly developments surrounding President Trump have been an influence on market sentiment in the last two weeks and will likely remain a wildcard next week.

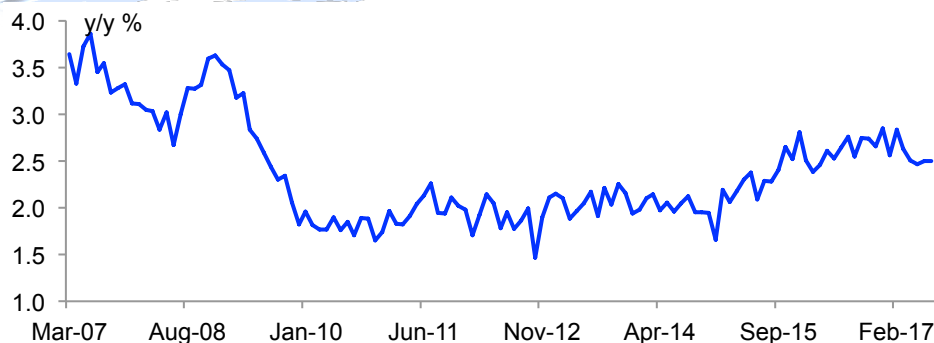
The UK is set to enjoy a holiday shortened week given Monday's summer bank holiday. Tuesday's return to the working week will however kick off with the third round of Brexit negotiations in Brussels. This follows this week's publication of a number of UK position papers, which should certainly provide some points of discussion between

Figure 10: US average hourly earnings

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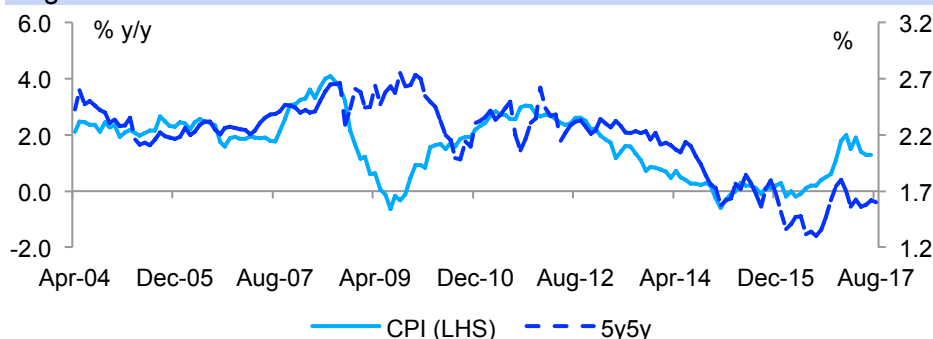
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Source: US Department of Labour

Figure 11: Euro zone CPI inflation and EU 5Y5Y inflation forwards



Source: Eurostat, Bloomberg

the UK and EU negotiating teams. The UK government is hoping that enough progress is made on the separation agreement between now and October's EU leaders' summit to begin talks on the UK's future arrangements with the EU.

In terms of UK data there are several areas of interest. Housing market figures will dominate the start of the week with Nationwide house prices and mortgage approvals, where we anticipate a small rise in July to 65.5k. Figures through the rest of the week will provide an update on consumer confidence, where we anticipate a small improvement to -10. Friday will see the publication of the manufacturing PMI where we suspect the positive global growth backdrop will support August's survey: we forecast the PMI remaining in expansionary territory, holding steady at 55.1.

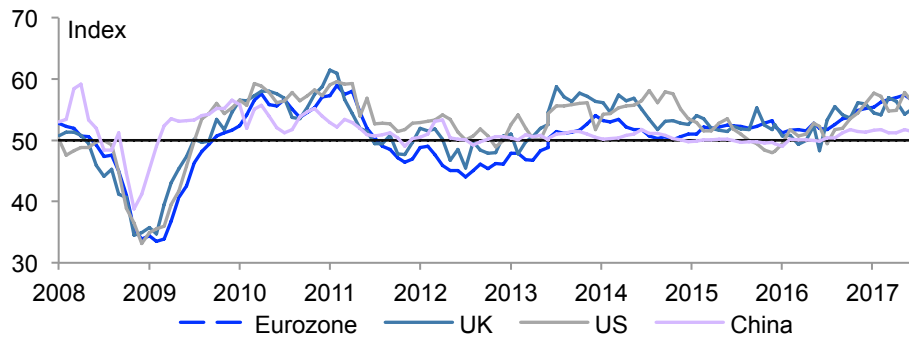
Ahead of the 7th September ECB Governing Council meeting markets are set to remain watchful of any eurozone data and especially next week's August Euro area 'flash' HICP estimate. Despite eurozone economic growth strengthening this year inflation has remained subdued, leading the ECB to take a very cautious approach to policy. We continue to favour October's ECB meeting for a tapering announcement rather than September's. Nonetheless markets and particularly the euro, may be volatile in the wake of Thursday's inflation data as investors assess the probability of a September ECB taper decision.

Chinese data will also be prevalent during the week, with both manufacturing and non-manufacturing PMIs for August due. The official surveys are due Thursday whilst the Caixin manufacturing PMI will be published on Friday. The latest PMIs will provide an insight into the strength of H2.17 after the economy put in a resilient showing in the first half of 2017.

Figure 12: International manufacturing PMIs

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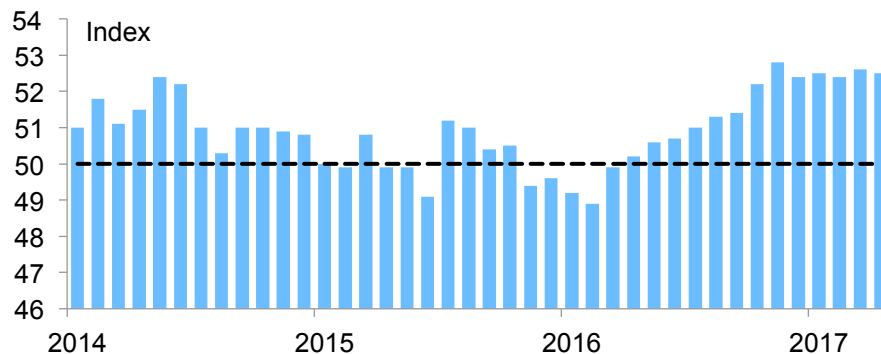
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Source: National Bureau of Statistics of China, ISM, Markit

South Africa

Figure 13: Global manufacturing PMI: new export orders



Source: Markit

The trade surplus is projected at R7.0bn in July versus the R10.7bn surplus in June. Based on the available data for the first six months of the year, the cumulative surplus totalled R27.7bn compared to a deficit of R5.0bn in the same period of 2016. The surplus has been generated through export growth of nearly 5% y/y whilst imports have contracted by 1.4% y/y. Import compression reflects subdued domestic demand amid depressed business and consumer confidence. Export growth has been aided by the lift in global in activity. Leading indicators continue to signal sustained growth momentum for global trade. In particular, industrial activity has remained buoyant across most regions which should be reflected in ongoing trade growth. Moreover, the global PMI for new export orders increased in July for the 12th consecutive month and the World Trade Organisation's World Trade Outlook Indicator suggests that global merchandise trade growth will continue to strengthen in Q3.17.

The performance of SA's manufacturing sector has diverged from the global trend this year. Indications provided by the global PMIs in July reinforce the firming global growth narrative and the improvement in international trade flows. SA's manufacturing PMI suggested a deepening deterioration with the gauge falling to 42.9 from 46.7 in June. In August, the PMI is likely to have remained below the 50 mark that separates expansion from contraction, at 45.0. The underperformance of the manufacturing sector can be linked to weak domestic demand.

Figure 14: Global manufacturing sentiment and GDP

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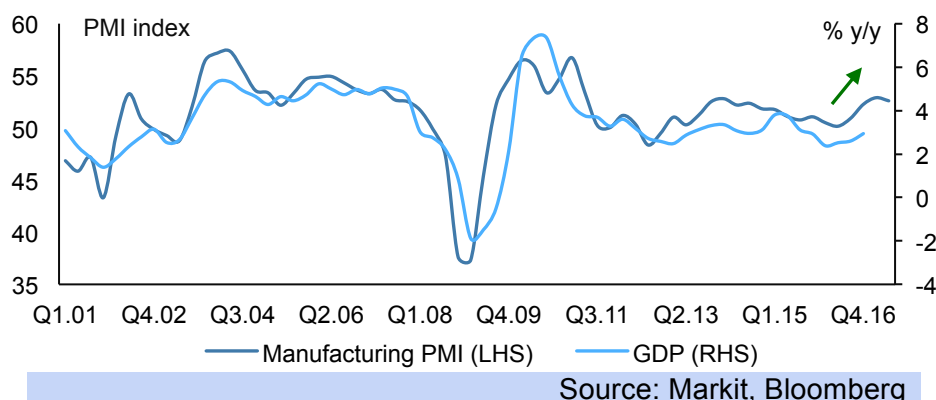
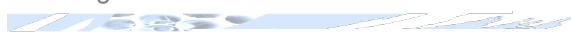
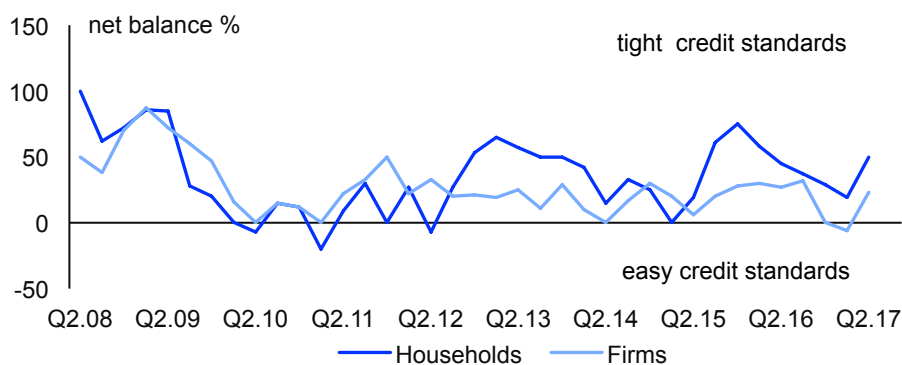


Figure 15: Credit standards for approving loans



Weak domestic consumption and investment activity will likely also be reflected in the car sales update for August. The year-on-year comparison showed growth in June and July and low statistical base factors could see these outcomes further improve in the coming months. The underlying performance is however expected to remain subdued with National Association of Automobile Manufacturers of South Africa projecting domestic new vehicle sales remaining, flat at best, this year.

Private sector credit extension is projected to have lifted to 6.4% y/y in August from 6.2% y/y in July. Rates of credit extension are likely to remain modest this year in line with subdued economic activity and relatively tight credit criteria, particularly the criteria applied to households.

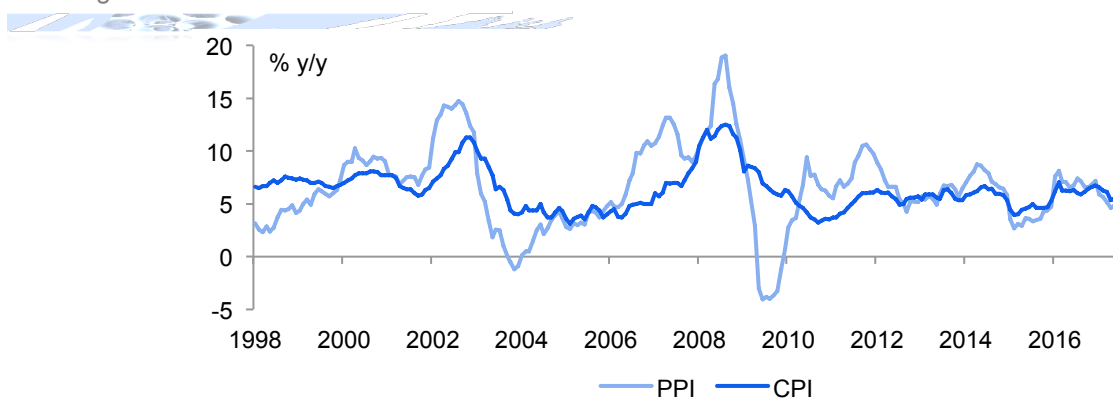
Producer price inflation is forecast to have decelerated to 3.3% y/y in July from 4.0% y/y in June, mainly on account of the food and fuel price dynamics, with these categories holding the largest weightings in the PPI basket. Manufactured food price inflation is expected to continue moderating on deflation at the early stages of the domestic pricing chain. The contribution from the petroleum category is also expected to have further receded in view of the cumulative petrol and diesel price cuts of 93c/litre and 83c/litre in June and July.

Figure 16: Producer and consumer price inflation



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Source: Stats SA

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		
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



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Date	Index	Annual	Monthly	Quarterly	Calendar
	Base	y/y	m/m	y/y	year
	2010				y/y
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	Annual	Monthly	Quarterly	Calendar
	Base	y/y	m/m	y/y	year
	2010				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		
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		

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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

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

Source: IRESS, Investec

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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
EURUSD	1.07	1.10	1.14	1.14	1.15	1.16	1.16	1.17	1.18	1.18	1.18	1.19
EURGBP	0.86	0.86	0.88	0.88	0.88	0.89	0.89	0.89	0.88	0.86	0.86	0.85
GBPEUR	1.16	1.16	1.13	1.13	1.13	1.13	1.13	1.12	1.14	1.16	1.17	1.18
GBPUSD	1.24	1.28	1.29	1.29	1.30	1.31	1.31	1.31	1.34	1.37	1.38	1.39
USDJPY	114	114	111	111	109	107	106	106	105	105	105	105
EURJPY	121	121	122	127	124	123	122	122	123	124	124	124
GBPJPY	141	141	142	144	141	139	138	138	138	141	144	145
EURCHF	1.07	1.07	1.08	1.10	1.12	1.13	1.13	1.13	1.13	1.14	1.14	1.14
USDCHF	1.00	1.00	0.98	0.97	0.98	0.98	0.98	0.97	0.97	0.96	0.97	0.97
GBPCHF	1.24	1.24	1.26	1.25	1.26	1.27	1.28	1.27	1.27	1.29	1.33	1.33
AUDUSD	0.76	0.76	0.75	0.77	0.78	0.79	0.79	0.79	0.79	0.79	0.79	0.79
EURAUD	1.41	1.41	1.47	1.47	1.46	1.46	1.46	1.47	1.48	1.49	1.49	1.49
AUDJPY	86	86	83	86	85	84	84	83	83	83	83	83
GBPAUD	1.64	1.64	1.70	1.67	1.66	1.65	1.65	1.66	1.66	1.70	1.74	1.75
ZARUSD	13.22	13.22	13.19	13.00	13.30	13.60	13.42	13.06	12.74	12.42	12.09	12.2
ZARGBP	16.35	16.35	16.85	16.82	17.18	17.65	17.52	17.08	16.72	16.70	16.59	16.8
ZAREUR	14.08	14.08	14.52	14.82	15.16	15.57	15.50	15.15	14.91	14.66	14.27	14.4
JPYZAR	8.54	8.54	8.39	8.55	8.20	7.87	7.90	8.08	8.24	8.45	8.68	8.60
ZARCHF	13.18	13.18	13.41	13.46	13.60	13.84	13.72	13.40	13.19	12.91	12.52	12.6
ZARAUD	10.03	10.03	9.92	10.06	10.37	10.68	10.60	10.31	10.06	9.81	9.55	9.64

Source: IRES

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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
EURUSD	1.19	1.19	1.20	1.20	1.21	1.22	1.23	1.23	1.24	1.24	1.24	1.24
EURGBP	0.86	0.86	0.86	0.86	0.86	0.87	0.87	0.87	0.87	0.87	0.87	0.87
GBPEUR	1.17	1.17	1.17	1.17	1.17	1.16	1.15	1.15	1.15	1.15	1.15	1.15
GBPUSD	1.39	1.39	1.40	1.40	1.41	1.41	1.41	1.41	1.42	1.42	1.42	1.42
USDJPY	106	106	106	106	107	107	107	107	107	107	107	107
EURJPY	126	126	126	127	128	129	131	132	132	133	133	133
GBPJPY	147	147	147	148	150	151	151	151	151	152	152	152
EURCHF	1.15	1.15	1.15	1.16	1.16	1.16	1.17	1.17	1.17	1.17	1.17	1.15
USDCHF	0.97	0.97	0.97	0.97	0.97	0.96	0.96	0.95	0.95	0.94	0.94	0.93
GBPCHF	1.34	1.35	1.35	1.36	1.36	1.35	1.35	1.34	1.34	1.33	1.33	1.32
AUDUSD	0.80	0.80	0.80	0.80	0.80	0.81	0.81	0.81	0.80	0.80	0.81	0.81
EURAUD	1.49	1.49	1.50	1.50	1.49	1.49	1.51	1.52	1.54	1.55	1.53	1.53
AUDJPY	85	85	85	85	86	87	87	87	86	86	87	87
GBPAUD	1.74	1.74	1.75	1.75	1.74	1.74	1.74	1.74	1.76	1.78	1.75	1.75
ZARUSD	11.98	11.84	11.65	11.46	11.76	11.86	11.90	11.93	12.02	12.20	12.36	12.36
ZARGBP	16.65	16.46	16.31	16.05	16.59	16.72	16.78	16.83	17.06	17.33	17.59	17.59
ZAREUR	14.26	14.09	13.98	13.76	14.23	14.47	14.63	14.68	14.90	15.13	15.36	15.36
JPYZAR	8.85	8.95	9.10	9.33	9.10	9.02	8.99	8.97	8.90	8.77	8.64	8.64
ZARCHF	12.41	12.21	12.01	11.82	12.25	12.36	12.52	12.56	12.78	12.98	13.32	13.32
ZARAUD	9.58	9.47	9.32	9.17	9.53	9.61	9.64	9.55	9.61	9.88	10.03	10.03

Source: IRES



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