

Week Ahead: Mining and retail sales data to provide guidance on Q1.14 GDP performance; risks remain weighted to the downside

9th May 2014



Key data releases in the week ahead

SA: Mining Production, Retail Sales

US: Retail Sales, PPI, CPI, Industrial Production, Housing Starts

Euro zone: Industrial Production, PPI, Final CPI, Preliminary GDP

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Figure 1: South African Monetary Policy Committee (MPC) meeting dates for 2014

Month	Date	Forecast
May 2014	20 th – 22 nd	5.50
July 2014	15 th – 17 th	6.00
September 2014	16 th – 18 th	6.00
November 2014	18 th – 20 th	6.00

Source: SA Reserve Bank, Investec

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Data calendar for the week ahead

Figure 2: Economic data releases for the week ahead

Date	Country	Indicator	Month	Forecast	Previous		
12/05/14	US	Monthly Budget Statement	Apr	\$112.5bn	\$112.9bn		
		Mortgage Delinquencies	Q1.14		6.4% q/q		
		MBA Mortgage Foreclosures	Q1.14		2.86% q/q		
13/05/14	SA	Mining Production	Mar		-4.8% y/y		
		Gold Production	Mar		-3.6% y/y		
13/05/14	US	NFIB Small Business Optimism	Apr	94.5	93.4		
		Retail Sales Advance	Apr	0.4% m/m	1.2% m/m		
		Retail Sales Ex Auto	Apr	0.6% m/m	0.7% m/m		
		Retail Sales Ex Auto and Gas	Apr	0.5% m/m	1.0% m/m		
		Retail Sales Control Group	Apr	0.5%	0.8%		
		Import Price Index	Apr	0.3% m/m	0.6% m/m		
	Euro-Zone	Business Inventories	Mar	0.4%	0.4%		
		ZEW Survey Expectations	May		61.2		
		14/05/14	SA	SACCI Business Confidence	Apr		92.7
				Retail Sales	Mar	1.4% y/y	2.2% y/y
		14/05/14	US	MBA Mortgage Applications	May 9		5.3%
PPI Final Demand	Apr			0.2% m/m	0.5% m/m		
PPI Ex Food and Energy	Apr			0.2% m/m	0.6% m/m		
14/05/14	Euro-Zone	Industrial Production	Mar	1.1% y/y	1.7% y/y		
		15/05/14	US	Empire Manufacturing	May	7.0	1.3
CPI	Apr			0.3% m/m	0.2% m/m		
CPI Ex Food and Energy	Apr			0.1% m/m	0.2% m/m		
Initial Jobless Claims	May 10				319m		
CPI Index	Apr			237.1	236.3		
Continuing Claims	May 3				2685k		
Net Long-term TIC Flows	Mar				\$85.7bn		
Total Net TIC Flows	Mar				\$167.7bn		
Industrial Production	Apr			0.0% m/m	0.7% m/m		
Capacity Utilization	Apr			79.1%	79.2%		
Manufacturing Production	Apr			0.3%	0.5%		
Bloomberg Consumer Comfort	May				37.1		
NAHB Housing Market Index	May			48	47		
Euro-Zone	ECB publishes Monthly Report						
	CPI			Apr	0.7% y/y	0.5% y/y	
	CPI Core	Apr		1.0% y/y			
15/05/14	US	GDP	Q1.14	1.1% q/q	0.5% q/q		
		16/05/14	US	US Releases Annual Manufacturing Revisions			
				US Releases Housing Starts Revisions			
				Housing Starts	Apr	3.9% m/m	2.8% m/m
		16/05/14	US	Building Permits	Apr	1.8%	-1.7%
				University of Michigan Confidence	May	84.5	84.1
		Euro-Zone	Euro-Zone	Trade Balance (seasonally adjusted)	Mar		€15.0bn

Source: Bloomberg

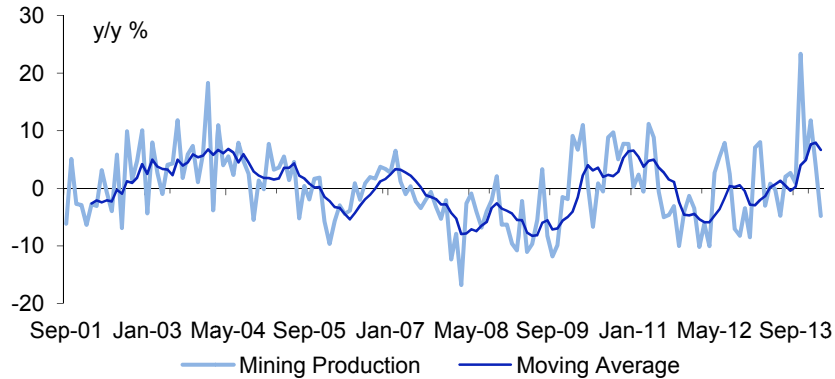


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South Africa

Figure 3: Growth in Total Mining Production

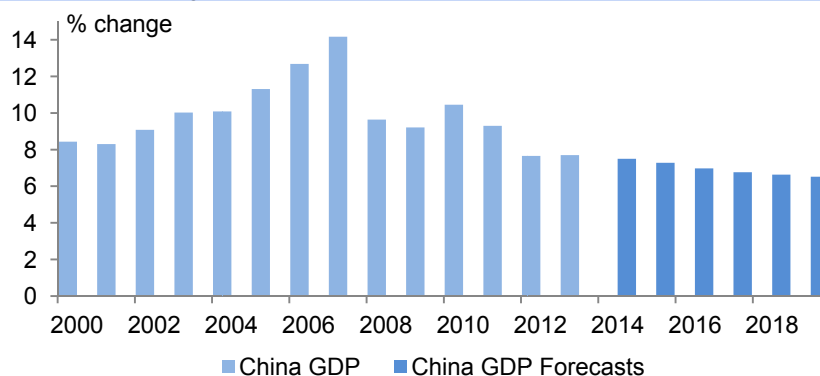


Source: Stats SA

The March mining production figures will conclude the sector’s data releases for the first quarter and so provide an indication of the extent to which the mining sector will detract from Q1.14 GDP. Partly weighing on the performance of the mining sector will have been lower gold production relative to Q4.13. In recent trading updates, specifically Harmony Gold and AngloAshnati, seasonal effects were cited and relate to the higher number of holidays and the post-festive season start-up process. The largest impact has however stemmed from the lost platinum production, resulting from the industrial strike action. It commenced on the 23rd January and is ongoing. Platinum group metals comprise nearly 25% of total mining production and so the effect on the overall production performance is considerable. Moreover, disruptions to platinum production will linger for some time after the strike officially ends, owing to required underground safety preparations and retraining processes.

Although the mining sector’s contribution to GDP is only in the region of 5%, the effects of the strike action are bound to spill over into other sectors. For instance, the allied manufacturing sector will experience reduced orders for the duration of the platinum mine closures. With striking workers not receiving an income, an estimated R7.6bn in accumulated lost wages has been incurred to date. This will impede retail purchases and the timeous servicing of debt in the case of the credit active individuals. In addition, with platinum exports comprising around 17% of total export revenues, the depletion of above ground platinum supplies during Q1.14 will start to materially affect South Africa’s international trade performance. This comes at a time when the magnitude of a trade deficit is a meaningful marker for international investors.

Figure 4 : China GDP growth and IMF forecasts



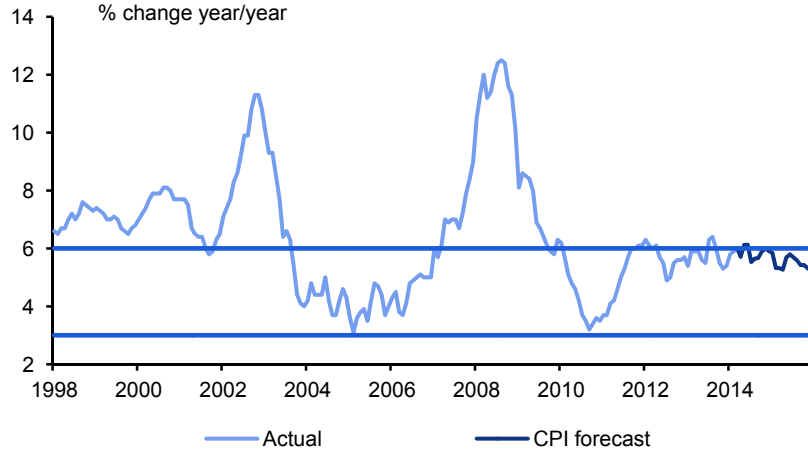
Source: IMF



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Figure 5: SA Consumer Inflation: History and Forecasts

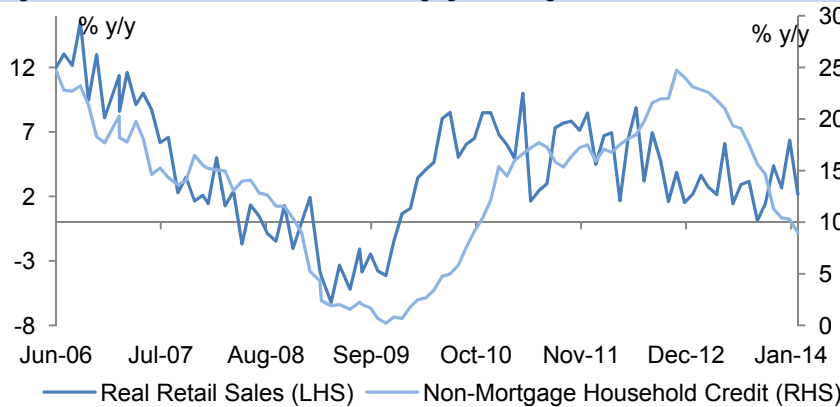


Sources: Stats SA, Investec

In terms of other considerations, the expected global economic growth climate is consistent with stable commodity prices this year. However, the risks to this outlook are closely tied to the growth prospects of China’s economy. GDP growth in China slowed to, 7.4% in Q1.14, from 7.7% in Q4.13. Amid structural and policy reforms, China’s economy may still fall short of the authorities’ target 7.5% target.

Retail sales growth is likely to have slowed to 1.4% y/y in March, from 2.2% y/y in February and 6.4% y/y in January. For many households, comparatively higher prices of essential items, such as petrol and utilities at a time when the real growth in disposable income is slowing, have impaired consumer spending. Households remain highly indebted and a large portion of credit active consumers are struggling to service their existing debt. The consequent rise in impairments has manifested in a tightening of lending conditions towards households. Indeed, growth in non-mortgage credit extension has steadily moderated to 8.5% y/y in March, from rates in excess of 20.0% y/y at the start of 2013. Consumer spending on durable goods in particular should be suppressed by more difficult access to credit, and higher prices of imported big-ticket items resulting from past rand depreciation. Elevated unemployment and depressed consumer confidence will act as additional factors that will constrain growth in personal consumption. These various dynamics have already been reflected in the contraction in passenger vehicle sales, for the seventh consecutive month in April. Domestic demand is at risk of moderating further, dented by higher interest rates and the further erosion of real disposable incomes by rising state administered utility tariffs.

Figure 6: Real retail sales and non-mortgage credit growth



Sources: Stats SA, SARB

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Figure 7: Economic scenarios: rand and interest rate forecasts

		Q1.14	Q2.14	Q3.14	Q4.14	Q1.15	Q2.15	Q3.15	Q4.15
Scenario 1: Expected case 50%	Rand/USD	10.84	10.55	10.40	10.35	10.20	10.5	9.80	9.65
	Repo rate	5.50	5.50	6.00	6.00	6.50	6.50	6.50	6.50
<p>Rand weakens moderately on QE tapering in Q1.14, as the advent of tapering is mostly factored in. The rand then strengthens slowly on improving growth globally and domestically in 2014, returning to PPP end 2016.</p>									
Scenario 2: Down case 45%	Rand/USD	11.40	12.00	12.70	12.00	11.70	11.00	10.65	10.10
	Repo rate	6.50	8.00	9.00	9.00	8.00	7.00	5.50	5.00
<p>Domestic and global monetary policy errors, namely both rapid, sharp implementation of QE tapering and SA interest rate hikes. Escalating strike action, one credit rating downgrade and/or a marked global economic slowdown are also included in this scenario.</p>									
Scenario 3: Extreme down case 4%	Rand/USD	12.50	13.00	13.50	14.00	14.50	15.00	15.30	15.00
	Repo rate	5.50	5.50	6.00	6.50	6.00	5.50	5.50	5.00
<p>A failed state, recession. SA's credit rating drops to speculative grade (a downgrade of two notches) on ongoing fiscal problems as political infighting and dominance of populist policies of minor alliance members within the tripartite alliance result in a failed state.</p>									
Scenario 4: Up case 1%	Rand/USD	8.00	7.50	7.00	6.50	6.80	6.90	7.00	7.20
	Repo rate	5.00	5.00	5.00	4.75	4.50	4.50	4.50	4.50
<p>The return to the boom period before the 2008/2009 global recession.</p>									

Source: Investec

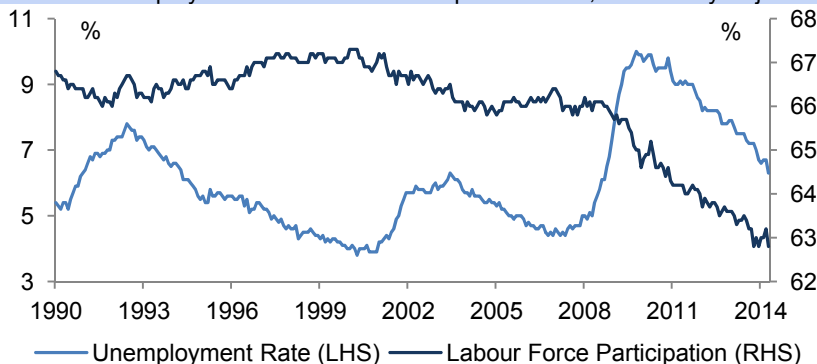


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International

Figure 8: US Unemployment and Labour Participation Rates, Seasonally Adjusted



Source: US Department of Labor

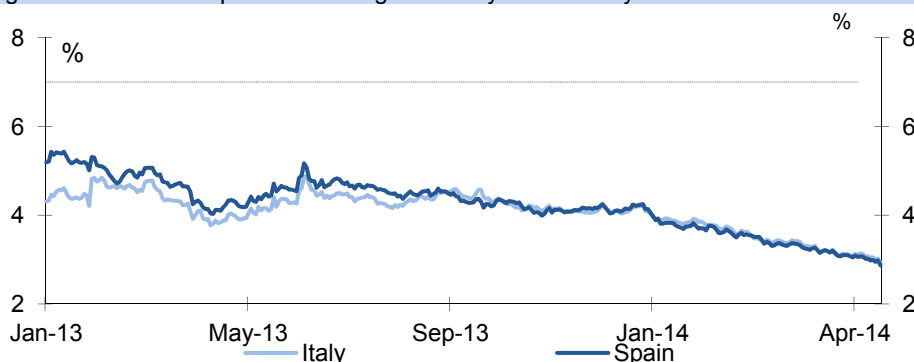
Following Fed Chairman Janet Yellen’s recent testimony to the Joint Economic Committee, her speech to the US Chamber of Commerce on the 16th should not yield any surprises. However housing starts, permits and the NAHB are likely to garner deeper interest, following Yellen’s testimony comments regarding weakness in the sector. At the same time the strength of a Q2 rebound will be assessed further with both the Philly Fed and Empire State Surveys due, in addition to April’s retail sales.

At this month’s ECB meeting President Draghi strongly hinted at the possibility of ECB easing in June when the latest staff forecasts will be available. Ahead of that, April’s final HICP will provide more details on inflation whilst the Euro area’s tentative recovery will also be in focus with the preliminary estimate of Q1.14 GDP due, where growth should show a slight pickup from Q4.13 and represent the fourth consecutive quarter of positive growth. Additionally, GDP figures are also due from Germany, France and Italy.

In the UK, the first Inflation Report (IR) (with press conference) under the Bank of England’s new forward guidance will be published next week, following the breach of the 7% unemployment threshold, the level which provided the benchmark for the old guidance’s expiration. The latest monetary policy debate and Report will have been drafted based on the new ‘spare capacity’ guidance - advice which explicitly means the stance of monetary policy is set in order to reduce the amount of economic spare capacity to zero by the end of the 2-3 year forecast horizon. Ahead of this Report, due 14 May, we highlight a few considerations.

Firstly, the complexity and challenge in measuring spare capacity has been widely reported. The MPC sees the degree of spare capacity being based principally within the labour market but with a number of jobs market metrics, and the thorny issue of productivity, tracked. Hence we expect to see evidence in next week’s accompanying IR

Figure 9: Italian and Spanish sovereign bonds: yields on 10-year debt



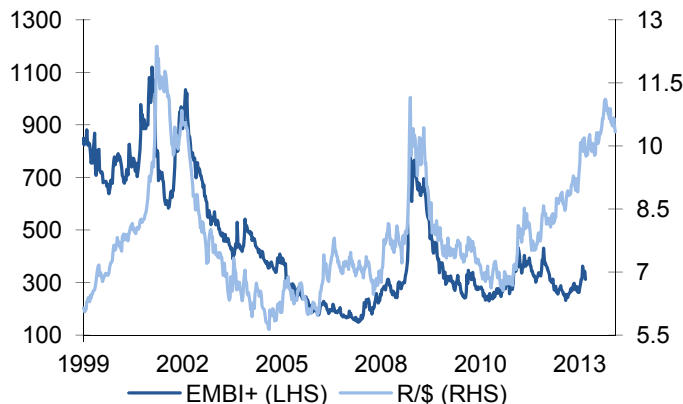
Source: I-Net



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Figure 10: EMBI+ and the rand: risk aversion levels drive rand



Source: I-Net

press conference of the policy debate having become more fractious as members vary in the weight and importance they pay to each metric, their assessment of its interaction with CPI inflation and - the bottom line for policy – the member’s own assessment of medium term inflation. As such the new guidance could leave the future path for rates looking less than guided.

In the midst of the Bank’s 2014 forecast of 3.4% growth, building economic recovery momentum and an improving labour market, it is easy to see why talk of rate rises has been building. But the Bank’s end game is still to meet the 2% inflation target over the medium-term. On this we would highlight that the Committee was forecasting below target inflation throughout the forecast horizon in its February IR. We see limited upside being built into its latest inflation forecasts. As such, a focus in on the likely inflation outlook would suggest no policy move until mid-2015.

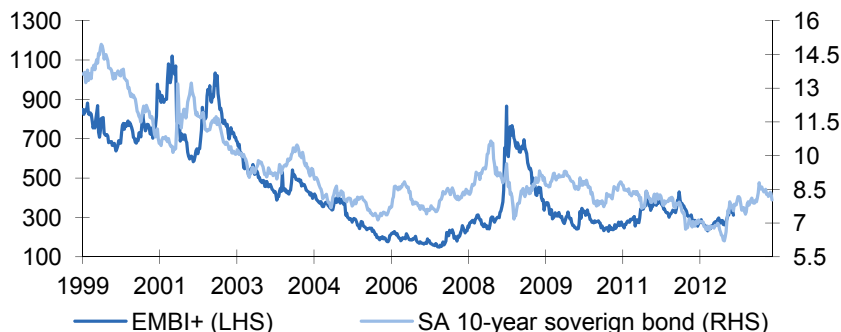
Finally, if the monetary policy debate wasn’t complicated enough, the Committee will have had to grapple with the renewed emphasis on the housing market and debate over whether the MPC should be taking action to limit the formation of a ‘bubble’. We expect the Governor to lean towards to use of macro prudential policy as a more targeted tool for the job. As such, we expect the MPC to defer to the Financial Policy Committee to tackle such issues.

The usual monthly run of Chinese data continues with April’s lending data as well as industrial production and investment figures set for publication.

Finally the regional referendums on secession from Ukraine on 11 May represent a key geopolitical risk. Neither Kiev nor the international community have recognised the separatist region or its referendum.

International section written in conjunction with Philip Shaw and Ryan Djajasupatra.

Figure 11: JP Morgan EMBI+ vs. SA 10-year sovereign bond



Source: I-Net



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Figure 12: CPI history and forecast: averages

Date	Index Base 2000	Annual y/y	Monthly m/m	Quarterly y/y	Calendar y/y	y/y
Jan 2012	95.2	6.3	0.6			
Feb 2012	95.7	6.1	0.5			
Mar 2012	96.8	6.0	1.1	6.1		Mar 2011/12 5.6
Apr 2012	97.2	6.1	0.4			
May 2012	97.2	5.7	0.0			
Jun 2012	97.5	5.5	0.3	5.8		
Jul 2012	97.8	4.9	0.3			
Aug 2012	98.0	5.0	0.2			
Sep 2012	98.9	5.5	0.9	5.1		
Oct 2012	99.5	5.6	0.6			
Nov 2012	99.8	5.6	0.3			
Dec 2012	100.0	5.7	0.2	5.6	2012 5.7	
Jan 2013	100.3	5.4	0.3			
Feb 2013	101.3	5.9	1.0			
Mar 2013	102.5	5.9	1.2	5.7		Mar 2012/13 5.6
Apr 2013	102.9	5.9	0.4			
May 2013	102.6	5.6	-0.3			
Jun 2013	102.9	5.5	0.3	5.7		
Jul 2013	104.0	6.3	1.1			
Aug 2013	104.3	6.4	0.3			
Sep 2013	104.8	6.0	0.5	6.2		
Oct 2013	105.0	5.5	0.2			
Nov 2013	105.1	5.3	0.1			
Dec 2013	105.4	5.4	0.3	5.4	2013 5.8	



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Figure 12: CPI forecast continued: averages

New CPI begins	Date	Index Base 2008	Annual y/y	Monthly m/m	Quarterly y/y	Calendar year y/y		
	Jan 2014	106.1	5.8	0.7				
	Feb 2014	107.3	5.9	1.1				
	Mar 2014	108.7	6.0	1.3	5.9		Mar 2013/14	6.3
Forecasts begin	Apr 2014	109.0	6.0	0.3				
	May 2014	109.1	6.4	0.1				
	Jun 2014	109.5	6.4	0.3	6.2			
	Jul 2014	110.0	5.8	0.5				
	Aug 2014	110.4	5.9	0.4				
	Sep 2014	111.0	5.9	0.5	5.9			
	Oct 2014	111.4	6.1	0.4				
	Nov 2014	111.7	6.3	0.2				
	Dec 2014	111.9	6.2	0.2	6.2	2014	6.1	
	Jan 2015	112.6	6.1	0.6				
	Feb 2015	113.2	5.5	0.6				
	Mar 2015	114.4	5.2	1.0	5.6		Mar 2014/15	5.9
	Apr 2015	114.8	5.3	0.4				
	May 2015	115.3	5.7	0.5				
	Jun 2015	115.8	5.8	0.4	5.6			
	Jul 2015	116.3	5.7	0.4				
	Aug 2015	116.6	5.6	0.3				
	Sep 2015	117.0	5.4	0.4	5.6			
	Oct 2015	117.5	5.4	0.4				
	Nov 2015	117.6	5.3	0.1				
	Dec 2015	117.7	5.2	0.1	5.3	2015	5.5	
	Jan 2016	118.4	5.2	0.6				
	Feb 2016	119.1	5.2	0.6				
	Mar 2016	120.3	5.2	1.0	5.2		Mar 2015/16	5.4
	Apr 2016	120.8	5.2	0.4				
	May 2016	121.2	5.1	0.4				
	Jun 2016	122.0	5.3	0.6	5.2			
	Jul 2016	122.7	5.5	0.6				
	Aug 2016	123.2	5.6	0.4				
	Sep 2016	123.6	5.6	0.4	5.6			
	Oct 2016	124.0	5.5	0.3				
	Nov 2016	124.2	5.6	0.2				
	Dec 2016	124.5	5.7	0.2	5.6	2016	5.4	

PTO



Figure 13: Interest rate history and forecast: end rates

Date	Prime forecast	Prime less Inflation	Repo	Repo less Inflation
Jan 2012	9.0	2.7	5.5	-0.8
Feb 2012	9.0	2.9	5.5	-0.6
Mar 2012	9.0	3.0	5.5	-0.5
Apr 2012	9.0	2.9	5.5	-0.6
May 2012	9.0	3.3	5.5	-0.2
Jun 2012	9.0	3.5	5.5	0.0
Jul 2012	8.5	3.6	5.0	0.1
Aug 2012	8.5	3.5	5.0	0.0
Sep 2012	8.5	3.0	5.0	-0.5
Oct 2012	8.5	2.9	5.0	-0.6
Nov 2012	8.5	2.9	5.0	-0.6
Dec 2012	8.5	2.8	5.0	-0.7
Jan 2013	8.5	3.1	5.0	-0.4
Feb 2013	8.5	2.6	5.0	-0.9
Mar 2013	8.5	2.6	5.0	-0.9
Apr 2013	8.5	2.6	5.0	-0.9
May 2013	8.5	2.9	5.0	-0.6
Jun 2013	8.5	3.0	5.0	-0.5
Jul 2013	8.5	2.2	5.0	-1.3
Aug 2013	8.5	2.1	5.0	-1.4
Sep 2013	8.5	2.5	5.0	-1.0
Oct 2013	8.5	3.0	5.0	-0.5
Nov 2013	8.5	3.2	5.0	-0.3
Dec 2013	8.5	3.1	5.0	-0.4

PTO



Figure 13: Interest rate forecast continued: end rates

	Date	Prime forecast	Prime less Inflation	Repo	Repo less Inflation
	Jan 2014	9.0	3.2	5.5	-0.3
	Feb 2014	9.0	3.1	5.5	-0.4
	Mar 2014	9.0	3.0	5.5	-0.5
Forecasts begin	Apr 2014	9.0	3.0	5.5	-0.5
	May 2014	9.0	2.6	5.5	-0.9
	Jun 2014	9.0	2.6	5.5	-0.9
	Jul 2014	9.5	3.7	6.0	0.2
	Aug 2014	9.5	3.6	6.0	0.1
	Sep 2014	9.5	3.6	6.0	0.1
	Oct 2014	9.5	3.4	6.0	-0.1
	Nov 2014	9.5	3.2	6.0	-0.3
	Dec 2014	9.5	3.3	6.0	-0.2
	Jan 2015	10.0	3.9	6.5	0.4
	Feb 2015	10.0	4.5	6.5	1.0
	Mar 2015	10.0	4.8	6.5	1.3
	Apr 2015	10.0	4.7	6.5	1.2
	May 2015	10.0	4.3	6.5	0.8
	Jun 2015	10.0	4.2	6.5	0.7
	Jul 2015	10.0	4.3	6.5	0.8
	Aug 2015	10.0	4.4	6.5	0.9
	Sep 2015	10.0	4.6	6.5	1.1
	Oct 2015	10.0	4.6	6.5	1.1
	Nov 2015	10.0	4.7	6.5	1.2
	Dec 2015	10.0	4.8	6.5	1.3
	Jan 2016	10.0	4.8	6.5	1.3
	Feb 2016	10.0	4.8	6.5	1.3
	Mar 2016	10.0	4.8	6.5	1.3
	Apr 2016	10.0	4.8	6.5	1.3
	May 2016	10.0	4.9	6.5	1.4
	Jun 2016	10.5	5.2	7.0	1.7
	Jul 2016	10.5	5.0	7.0	1.5
	Aug 2016	10.5	4.9	7.0	1.4
	Sep 2016	10.5	4.9	7.0	1.4
	Oct 2016	10.5	5.0	7.0	1.5
	Nov 2016	10.5	4.9	7.0	1.4
	Dec 2016	10.5	4.8	7.0	1.3

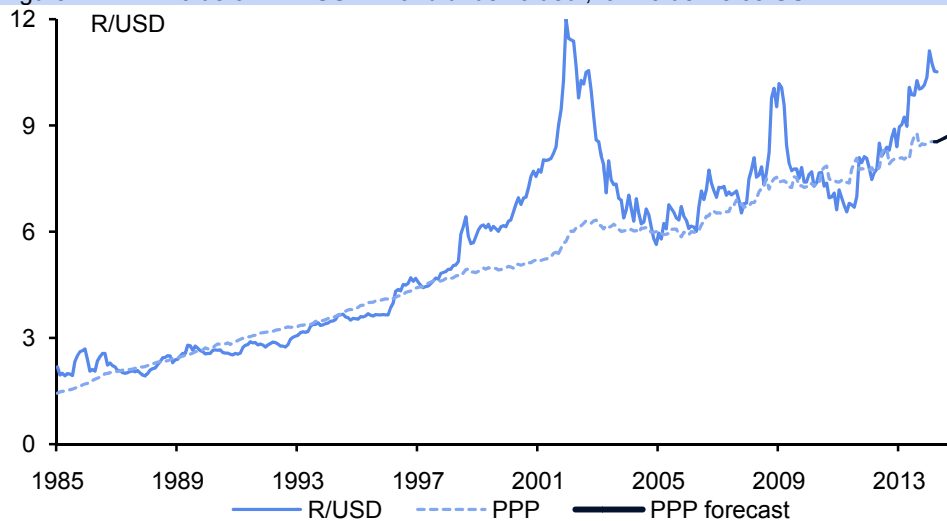


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Exchange rates and outlook for rand:

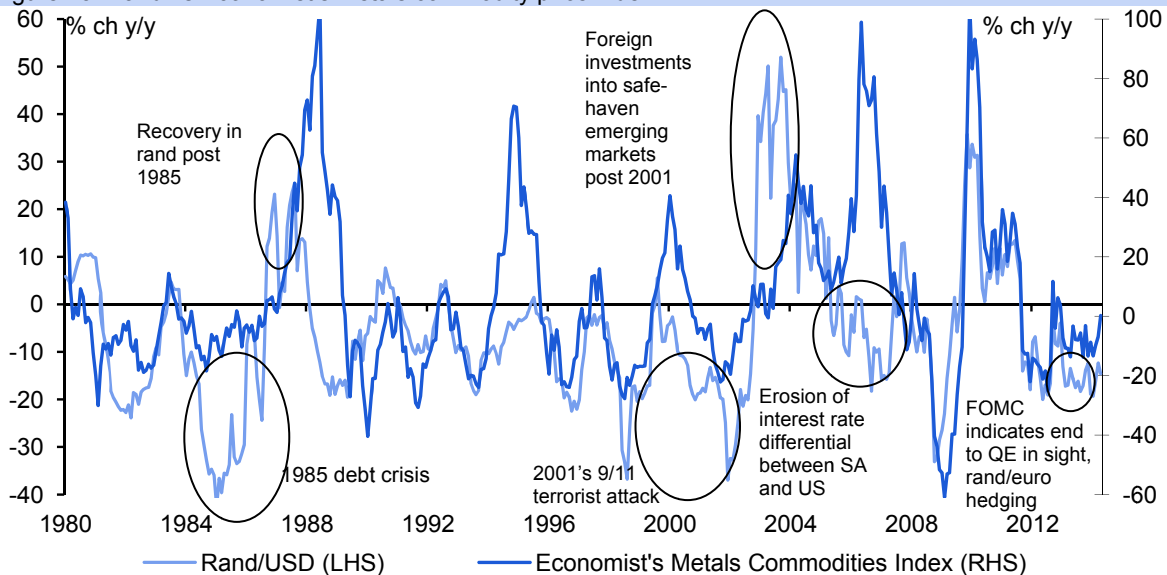
Figure 14: PPP value of ZAR/USD – rand undervalued , fair value R8.55/USD



Source: I-Net, Investec

We expect the rand to trade in a range of R10.65/USD – R10.05/USD, R14.60/EUR – R14.00/EUR and R17.80/GBP – R17.20/GBP in the week ahead.

Figure 15: Rand vs Economist's metals commodity price index



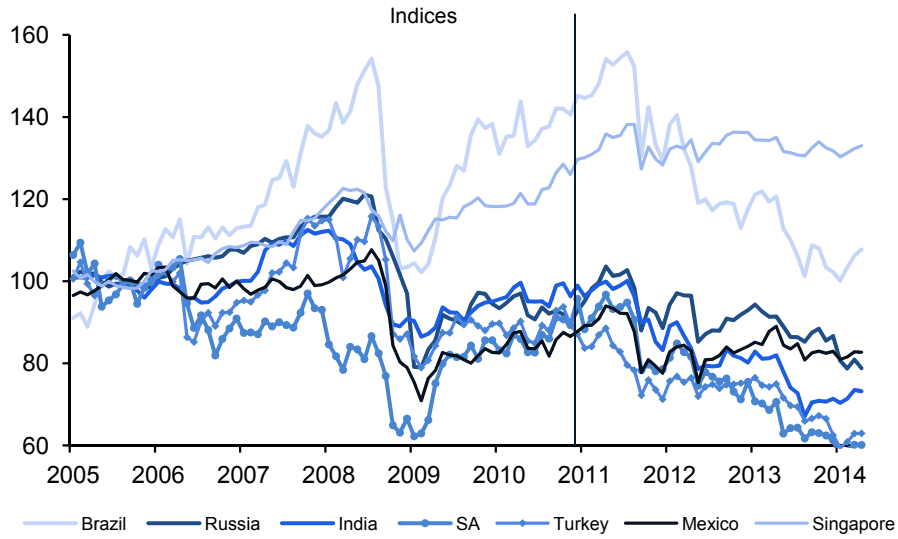
Source: I-Net

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Figure 16: Emerging market currencies, indexed (2005 base year)



Sources: I-Net, Investec



Figure 17: Exchange rate history and forecast: annual averages

	2011	2012	2013	2014	2015	2016	2017	2018	2019
EURUSD	1.39	1.29	1.33	1.31	1.25	1.24	1.22	1.22	1.22
EURGBP	0.87	0.81	0.85	0.81	0.80	0.81	0.81	0.81	0.81
GBPEUR	1.14	1.23	1.18	1.24	1.25	1.24	1.24	1.24	1.24
GBPUSD	1.60	1.58	1.57	1.63	1.56	1.51	1.51	1.51	1.51
USDJPY	80	80	98	105	108	110	110	110	110
EURJPY	111	103	130	138	135	134	134	134	134
GBPJPY	128	126	153	170	169	166	166	166	166
EURCHF	1.23	1.21	1.23	1.25	1.29	1.27	1.27	1.27	1.27
USDCHF	0.89	0.94	0.92	0.95	1.03	1.04	1.04	1.04	1.04
GBPCHF	1.42	1.49	1.45	1.55	1.61	1.57	1.57	1.57	1.57
AUDUSD	1.03	1.04	0.97	0.88	0.85	0.88	0.88	0.88	0.88
EURAUD	1.35	1.24	1.38	1.50	1.48	1.39	1.39	1.39	1.39
AUDJPY	82	83	94	92	92	97	97	97	97
GBPAUD	1.55	1.53	1.63	1.86	1.84	1.72	1.72	1.72	1.72
ZARUSD	7.25	8.20	9.62	10.54	9.93	9.55	9.83	10.20	10.60
ZARGBP	11.62	13.00	15.10	17.14	15.51	14.43	14.84	15.41	16.01
ZAREUR	10.04	10.54	12.80	13.86	12.43	11.84	11.99	12.44	12.93
JPYZAR	11.07	9.76	10.15	9.91	10.90	11.52	11.20	10.79	10.38
ZARCHF	8.21	8.75	10.42	11.10	9.64	9.21	9.48	9.84	10.22
ZARAUD	7.49	8.46	9.32	9.24	8.41	8.40	8.65	8.98	9.33



Figure 18: Exchange rate history and forecast: quarterly averages

	2011				2012				2013			
	Q1.11	Q2.11	Q3.11	Q4.11	Q1.12	Q2.12	Q3.12	Q4.12	Q1.13	Q2.13	Q3.13	Q4.13
EURUSD	1.37	1.44	1.41	1.35	1.31	1.28	1.25	1.30	1.32	1.31	1.32	1.37
EURGBP	0.85	0.88	0.88	0.86	0.83	0.81	0.79	0.81	0.85	0.85	0.85	0.84
GBPEUR	1.13	1.11	1.14	1.17	1.20	1.23	1.26	1.24	1.18	1.18	1.17	1.19
GBPUSD	1.60	1.63	1.61	1.57	1.57	1.58	1.58	1.61	1.55	1.54	1.55	1.63
USDJPY	82	82	78	77	79	80	79	81	92	99	99	101
EURJPY	113	117	110	104	104	103	98	105	122	129	131	138
GBPJPY	132	133	125	122	125	127	124	130	143	152	153	164
EURCHF	1.29	1.25	1.16	1.23	1.21	1.20	1.20	1.21	1.23	1.23	1.23	1.22
USDCHF	0.94	0.87	0.82	0.91	0.92	0.94	0.96	0.93	0.93	0.94	0.93	0.89
GBPCHF	1.51	1.42	1.33	1.43	1.45	1.48	1.52	1.50	1.44	1.45	1.44	1.45
AUDUSD	1.01	1.06	1.05	1.01	1.06	1.01	1.04	1.04	1.04	0.99	0.92	0.91
EURAUD	1.36	1.35	1.35	1.33	1.24	1.27	1.20	1.25	1.27	1.32	1.45	1.50
AUDJPY	83	87	82	78	84	81	82	84	96	98	91	92
GBPAUD	1.59	1.53	1.53	1.55	1.49	1.57	1.52	1.55	1.49	1.55	1.69	1.79
ZARUSD	6.99	6.78	7.15	8.09	7.74	8.12	8.25	8.68	8.94	9.47	9.98	10.10
ZARGBP	11.20	11.05	11.49	12.72	12.16	12.84	13.03	13.96	13.89	14.54	15.47	16.49
ZAREUR	9.57	9.76	9.93	10.89	10.15	10.41	10.33	11.27	11.80	12.37	13.21	13.82
JPYZAR	11.78	12.04	10.91	9.56	10.26	9.88	9.53	9.36	10.31	10.46	9.91	9.92
ZARCHF	7.45	7.81	8.69	8.88	8.42	8.68	8.57	9.33	9.62	10.06	10.73	11.25
ZARAUD	7.04	7.22	7.50	8.20	8.18	8.20	8.53	8.93	9.30	9.39	9.15	9.42

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Figure 18: Exchange rate history and forecast continued: quarterly averages

	2014				2015				2016			
	Q1.14	Q2.14	Q3.14	Q4.14	Q1.15	Q2.15	Q3.15	Q4.15	Q1.16	Q2.16	Q3.16	Q4.16
EURUSD	1.36	1.33	1.29	1.28	1.26	1.25	1.25	1.25	1.24	1.24	1.24	1.24
EURGBP	0.83	0.81	0.80	0.81	0.81	0.80	0.80	0.80	0.81	0.81	0.81	0.81
GBPEUR	1.21	1.24	1.26	1.24	1.24	1.25	1.25	1.25	1.24	1.24	1.24	1.24
GBPUSD	1.65	1.65	1.62	1.58	1.57	1.56	1.56	1.56	1.51	1.51	1.51	1.51
USDJPY	105	104	105	106	107	108	109	110	110	110	110	110
EURJPY	143	138	135	135	135	134	136	137	134	134	134	134
GBPJPY	173	171	170	168	167	168	170	171	166	166	166	166
EURCHF	1.23	1.25	1.26	1.27	1.28	1.29	1.30	1.31	1.27	1.27	1.27	1.27
USDCHF	0.90	0.94	0.98	0.99	1.01	1.03	1.04	1.04	1.04	1.04	1.04	1.04
GBPCHF	1.49	1.55	1.58	1.57	1.58	1.61	1.62	1.63	1.57	1.57	1.57	1.57
AUDUSD	0.90	0.89	0.87	0.86	0.86	0.85	0.85	0.84	0.88	0.88	0.88	0.88
EURAUD	1.52	1.50	1.49	1.48	1.47	1.47	1.48	1.49	1.39	1.39	1.39	1.39
AUDJPY	94	92	90	91	91	91	92	92	97	97	97	97
GBPAUD	1.84	1.86	1.88	1.84	1.83	1.84	1.85	1.86	1.72	1.72	1.72	1.72
ZARUSD	10.84	10.55	10.40	10.35	10.20	10.05	9.80	9.65	9.45	9.50	9.65	9.60
ZARGBP	17.94	17.36	16.88	16.39	15.97	15.70	15.31	15.08	14.28	14.35	14.58	14.50
ZAREUR	14.86	13.98	13.42	13.20	12.85	12.56	12.25	12.06	11.72	11.78	11.97	11.90
JPYZAR	9.49	9.86	10.05	10.24	10.49	10.70	11.07	11.35	11.64	11.58	11.40	11.46
ZARCHF	12.15	11.18	10.65	10.43	10.08	9.78	9.46	9.24	9.11	9.16	9.31	9.26
ZARAUD	9.73	9.34	9.00	8.90	8.72	8.54	8.28	8.11	8.32	8.36	8.49	8.45

Week Ahead: Mining and retail sales data to provide guidance on Q1.14 GDP performance; risks remain weighted to the downside

9th May 2014



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