

ONE Minute Brief

5 April 2016

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Economic and Political News

The South African Reserve Bank (Sarb), in its monetary policy review, warned that a ratings downgrade would affect the currency and the short-term interest rate. Governor, Lesetja Kganyago, stated that the inflation target rate of 3 - 6% would not be altered and also indicated that the central bank will continue to raise the interest rate in order to keep inflation in check.

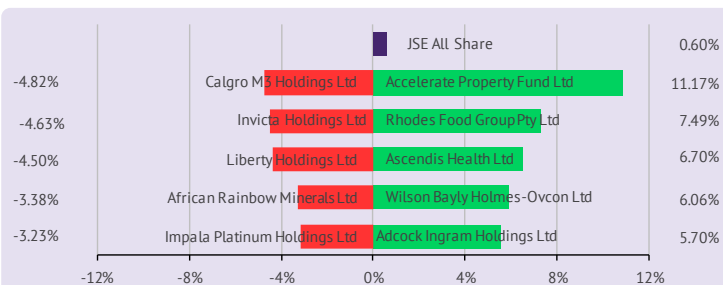
Sibanye Gold Limited reaffirmed that it received a strike notice from the Association of Mineworkers and Construction Union (Amcu). The union members are to embark on a protected industrial action from the afternoon shift on Wednesday in respect of the 2015 wage negotiations.

The South African Revenue Service (Sars) will investigate the Panama Papers that show evidence of offshore accounts belonging to President Jacob Zuma's nephew, Khulubuse Zuma, as well as Fidentia's Graham Maddock and Steven Goodwin. Sars indicated that it would analyse the information as it becomes available and would act in a responsible and appropriate manner.

South Africa Market ▲

South African markets closed higher

South African markets closed in the green yesterday, led by gains in food and drug retail sector stocks. The JSE All Share Index rose 0.6% to close at 51,895.14.



UK Market ▲

The FTSE 100 futures are trading in negative territory

UK markets finished higher yesterday, supported by gains in pharmaceutical sector stocks. Data revealed that activity in the UK's construction sector continued its expansion, but remained unchanged at 54.20 in March. The FTSE 100 Index advanced 0.3% to close at 6,164.72.



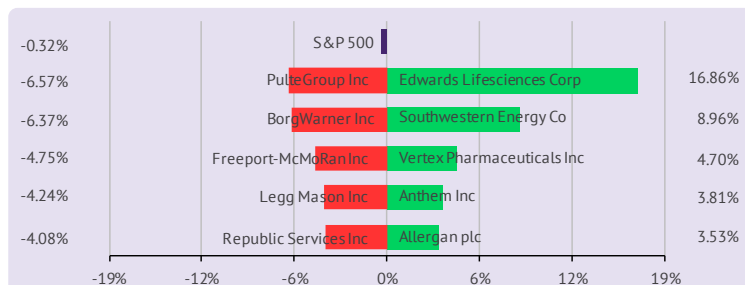
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	51895.14	▲	311.01	0.60%	0.60%	-0.68%	5.74%	2.37%
JSE Top 40	45772.49	▲	287.19	0.63%	0.63%	-0.80%	5.34%	-0.05%
FTSE 100	6164.72	▲	18.67	0.30%	0.30%	-0.16%	1.28%	-1.24%
DAX 30	9822.08	▲	27.44	0.28%	0.28%	-1.44%	4.95%	-8.57%
CAC 40	4345.22	▲	22.98	0.53%	0.53%	-0.91%	0.72%	-6.29%
S&P 500	2066.13	▼	-6.65	-0.32%	-0.32%	0.31%	6.60%	1.09%
Nasdaq Composite	4891.80	▼	-22.75	-0.46%	-0.46%	0.45%	6.84%	-2.31%
DJIA	17737.00	▼	-55.75	-0.31%	-0.31%	0.29%	7.08%	1.79%

US Market ▼

The S&P 500 futures are trading in the red

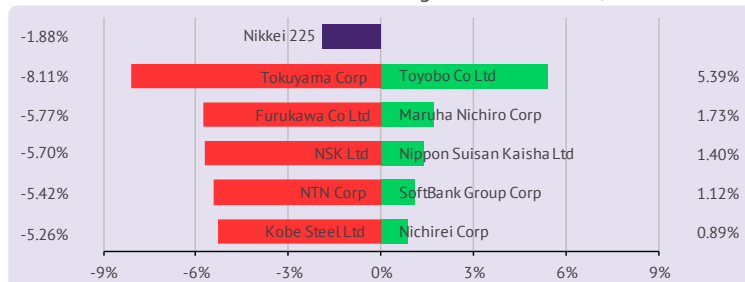
US markets closed lower yesterday, as a decline in oil prices and losses in materials sector stocks offset gains in health care sectors stocks. Data indicated a decline in factory as well as durable goods orders in February. The S&P 500 Index dropped 0.3% to close at 2,066.13.



Asian Market ▼

Trading mostly lower

Asian markets are trading mostly lower this morning, mirroring overnight losses on Wall Street and amid a slump in oil prices. Data revealed that services sector activity in Japan expanded at a slower pace in March. The Nikkei 225 Index is trading 1.9% lower at 15,820.00.



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USDZAR ▲

USD trading firmer against ZAR

At 06:00 SAST, the US Dollar climbed 0.5% against the South African Rand to trade at R14.8640. Later in the session, traders will look forward to US trade balance and economic optimism data as well as the ISM non-manufacturing and Markit services Purchasing Managers' Indices (PMI) for further clues. Additionally, South Africa's Standard Bank PMI will also attract market attention.

The US Dollar rose against the South African Rand yesterday, despite a drop in US factory orders in February, for the third time in the past four months. Meanwhile, US durable goods orders declined more-than-expected in the same month. On the other hand, the pace of expansion in business activity in the New York City region, unexpectedly slowed to its weakest level in March since last September.

GBPZAR ▲

GBP trading stronger against ZAR

At 06:00 SAST, the British Pound is trading 0.5% higher against the South African Rand at R21.1983. Later today, investors will keep a tab on the UK's Markit services PMI along with the South African PMI for further direction.

The British Pound advanced against the South African Rand yesterday. Data showed that growth in UK's construction activity remained steady at a 10-month low level in March.

EURZAR ▲

EUR trading higher against ZAR

At 06:00 SAST, the Euro is trading 0.4% firmer against the South African Rand at R16.9334. Going forward, market participants will focus on the Eurozone and German Markit services PMI's for further clues. Additionally, Eurozone's retail sales and Germany's factory orders data will be on traders' radar.

The Euro strengthened against the South African Rand yesterday, after unemployment rate in the Eurozone dropped to its lowest level since August 2011 in February, thus fuelling optimism over the health of the region's economy. Meanwhile, Eurozone's producer price index (PPI) fell more-than-expected on a monthly basis in February. On the contrary, investor sentiment in the region improved in April.

AUDZAR ▲

AUD trading stronger against ZAR

At 06:00 SAST, the Australian Dollar gained 0.1% against the South African Rand to trade at R11.2579. Earlier in the session today, the Reserve Bank of Australia (RBA) held the key interest rate unchanged at 2.0%, but noted that new information should allow a better assessment of the labour market. Meanwhile, data revealed that Australia's trade deficit unexpectedly widened in February. Separately, growth in Australia's service sector activity contracted in March.

The Australian Dollar fell against the South African Rand yesterday, after Australia's retail sales unexpectedly recorded flat level in February, missing expectations for a growth of 0.4%.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	14.8640	▲	0.64%	0.64%	0.13%	-6.98%	-4.44%
GBPZAR	21.1983	▲	0.88%	0.88%	-0.50%	-4.01%	-7.48%
EURZAR	16.9334	▲	0.75%	0.75%	0.34%	-2.64%	0.35%
AUDZAR	11.2579	▲	-0.35%	-0.35%	-0.55%	-0.26%	-1.03%
EURUSD	1.1393	▲	-0.04%	-0.04%	0.09%	4.61%	4.83%
GBPUSD	1.4265	▲	0.27%	0.27%	-0.67%	3.17%	-3.25%
Brent (\$/barrel)	37.6	▼	-2.53%	-2.53%	-6.55%	10.28%	1.10%
Gold (\$/oz)	1227.0	▲	-0.34%	-0.34%	-1.31%	-0.02%	14.88%
Platinum (\$/oz)	948.3	▲	-1.16%	-1.16%	-3.49%	4.53%	5.70%
Copper (\$/MT)*	4779.3	▼	-1.66%	-1.66%	-2.07%	3.72%	1.56%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.7% higher to trade at \$1,227.00/oz.

Yesterday, gold prices fell 0.3% to close at \$1,218.00/oz, after Boston's Federal Reserve President, Eric Rosengren, indicated that the Fed could raise the interest rate earlier than expected, if the US economy continues to show moderate recovery.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil fell 0.2% to trade at \$37.61/bl.

Yesterday, Brent crude oil dropped 2.5% to settle at \$37.69/bl, amid continued doubts over a deal by top oil producers to help reduce the global supply glut. Additionally, a Bloomberg survey indicated that crude oil inventories rose by 2.85mn bls last week.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged 0.6% higher to trade at \$948.30/oz.

Yesterday, platinum prices declined 1.2% to close at \$942.50/oz.



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Major South Africa Corporate News

Anglo American Plc

The company announced that it has entered into a sale and purchase agreement under which the company will sell its 70.0% stake in the Foxleigh metallurgical coal mine in Queensland, Australia.

Impala Platinum Holdings Limited

The firm announced that Royal Bafokeng Holdings Pty Limited has disposed 5.0% of its stake in the company such that its total interest now stands at 6.3% of the issued ordinary share capital of the company.

Mondi Limited

The company announced that it has not yet received any notification from the Federal Antimonopoly Service of the Russian Federation in regards with the investigation into Mondi Syktyvkar for violation of the antimonopoly law in respect of the pricing of offset paper.

Net 1 UEPS Technologies Incorporation

The company announced that it has acquired 60.0% controlling interest in the Masterpayment, a specialist payment services processor based in Munich, Germany and signed a strategic co-operation agreement with Bank Frick.

Pan African Resources Plc

The firm announced that it has completed the acquisition of Uitkomst Colliery on April 01, 2016 for a revised consideration of R176.00mn in cash.

Trencor Limited

In its trading statement for year ended 31 December 2015, the company, indicated that its headline EPS is expected to decline between 5.0% and 10.0%, i.e. from 493.00c to 521.00c, compared with the previous year. Its adjusted headline EPS is also anticipated to fall in the range of 12.0% to 17.0% from the prior year.

Major Global Economic News

Asia

The RBA in its latest monetary policy meeting, left the benchmark interest rate steady at 2.0%. Governor, Glenn Stevens, stated that a rising Australian Dollar and inflation could force the central bank to cut the interest rate in May.

In March, the AiG performance of services index in Australia dropped to a level of 49.50, from a reading of 51.80 in the prior month.

Australia registered a seasonally adjusted trade deficit of AUD3410.00mn in February, following a revised deficit of AUD3156.00mn in January. Markets were anticipating a deficit of AUD2500.00mn.

The Nikkei services PMI in Japan, dropped to a level of 50.00 in March, following a reading of 51.20 in February.

US

Factory orders in the US fell 1.7% on a monthly basis in February, meeting market expectations. In the prior month, factory orders had recorded a revised rise of 1.2%.

On a monthly basis, in February, final durable goods orders in the US fell 3.0%, higher than market expectations for a drop of 2.8%. The preliminary figure had recorded a decline of 2.8%. In the previous month, durable goods orders had recorded a revised rise of 4.2%.

In March, the ISM New York City current business conditions index fell unexpectedly to a level of 50.40 in the US, compared to market expectations of an advance to 54.10. The index had recorded a level of 53.60 in the prior month.

Eurozone

Eurozone's unemployment rate fell to a level of 10.3% in February, meeting market expectations and compared to a revised reading of 10.4% in the prior month.

In February, the PPI in the Eurozone fell 0.7% on a monthly basis, more than market expectations for a decline of 0.5%. In January, the index had registered a revised drop of 1.1%.

In the Eurozone, the Sentix investor confidence index rose to a level of 5.70 in April, from a reading of 5.50 in March. Market anticipation was for the index to advance to 7.00.

UK

In March, the Markit construction PMI in the UK remained steady at 54.20, compared to market expectations of a fall to 54.10.

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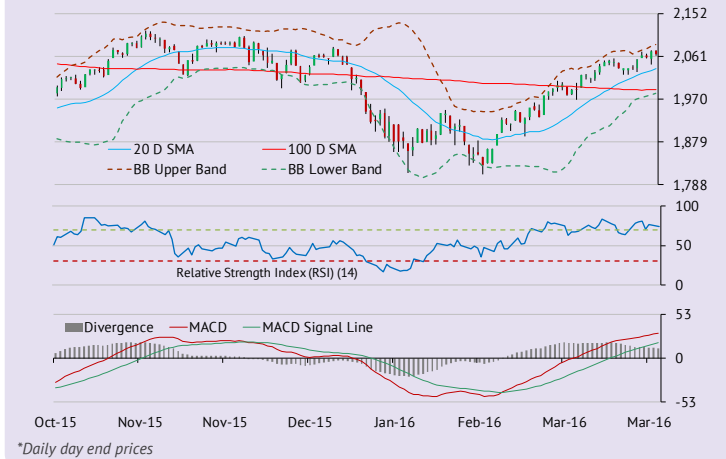
Technical Snapshot

JSE All Share



The JSE All Share index is expected to find support at 51,237.21, and a fall through could take it to the next support level of 50,579.29. The index is expected to find its first resistance at 52,606.35, and a rise through could take it to the next resistance level of 53,317.57.

S&P 500



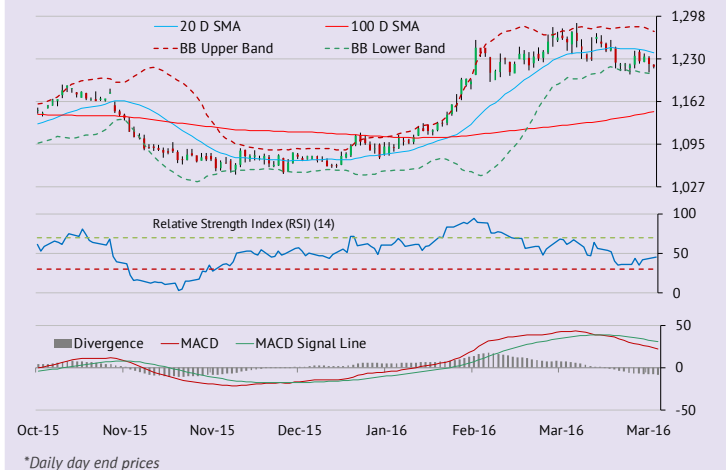
The S&P 500 index is expected to find support at 2,037.94, and a fall through could take it to the next support level of 2,009.74. The index is expected to find its first resistance at 2,084.70, and a rise through could take it to the next resistance level of 2,103.26.

USDZAR



The pair is expected to find support at 14.4067, and a fall through could take it to the next support level of 14.0276. The pair is expected to find its first resistance at 15.3612, and a rise through could take it to the next resistance level of 15.9366.

XAU/USD



Gold is expected to find support at \$1,203.13/oz, and a fall through could take it to the next support level of \$1,188.27/oz. The precious metal is expected to find its first resistance at \$1,238.93/oz, and a rise through could take it to the next resistance level of \$1,259.87/oz.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
US	01:00	Fed's Kashkari Holds Town Hall on Too Big to Fail	✓	-	-	As scheduled
Japan	02:00	Labour Cash Earnings (YoY) (Feb)	✓✓	0.90%*	0.00%	Monthly
Japan	04:00	Markit Japan Services PMI (Mar)	✓✓	50.00*	51.20	Monthly
Japan	04:00	Markit/JMMA Composite PMI (Mar)	✓✓	49.90*	51.00	Monthly
US	07:00	Fed's Evans Speaks on Economy and Policy in Hong Kong	✓	-	-	As scheduled
Germany	08:00	Factory Orders s.a. (MoM) (Feb)	✓✓	0.30%	-0.10%	Monthly
South Africa	09:15	Standard Bank South Africa PMI (Mar)	✓✓	49.50	49.10	Monthly
Spain	09:15	Markit Services PMI (Mar)	✓✓✓	54.50	54.10	Monthly
Italy	09:45	Markit Services PMI (Mar)	✓	53.90	53.80	Monthly
France	09:50	Markit Services PMI (Mar) (F)	✓	51.20	51.20**	Monthly
Germany	09:55	Markit Services PMI (Mar) (F)	✓✓	55.50	55.50**	Monthly
Eurozone	10:00	Markit Composite PMI (Mar) (F)	✓✓✓	53.70	53.70**	Monthly
Eurozone	10:00	Markit Services PMI (Mar) (F)	✓✓✓	54.00	54.00**	Monthly
UK	10:30	Official Reserves (Changes) (Mar)	✓✓	-	USD1362.00mn	Monthly
UK	10:30	BOE's Financial Policy Committee Record of March 23 Meeting	✓	-	-	As scheduled
UK	10:30	Markit Services PMI (Mar)	✓✓	53.50	52.70	Monthly
Eurozone	11:00	Retail Sales (YoY) (Feb)	✓✓✓	1.90%	2.00%	Monthly
Eurozone	11:00	Retail Sales (MoM) (Feb)	✓✓	0.00%	0.40%	Monthly
US	14:30	Trade Balance (Feb)	✓✓	-USD46.20bn	-USD45.68bn	Monthly
Canada	14:30	International Merchandise Trade (Feb)	✓	-CAD0.90bn	-CAD0.66bn	Monthly
US	15:45	Markit Composite PMI (Mar) (F)	✓✓	-	51.10**	Monthly
US	15:45	Markit Services PMI (Mar) (F)	✓✓	51.20	51.00**	Monthly
US	16:00	ISM Non-Manufacturing PMI (Mar)	✓✓	54.20	53.40	Monthly
US	16:00	IBD/TIPP Economic Optimism (MoM) (Apr)	✓	47.00	46.80	Monthly
Canada	20:45	Bank of Canada's Wilkins speaks in Vancouver	✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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