

ONE
Minute Brief

7 April 2016

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Economic and Political News

Standard and Poor rating agency reduced South Africa's growth forecast for 2016 by half to 0.8%, at par with that of the central bank, from 1.6% in November. Further, it also slashed the 2017 estimate to 1.8% from 2.1%, led by a drop in commodity prices, weaker rand, drought conditions and weakening confidence primarily due to the removal of Nhlanelahle Nene as the Finance Minister. Moreover, the agency also warned that pressure on the nation's sovereign credit rating is because of political turmoil and slow rate of economic expansion in the nation.

President Jacob Zuma, announced that the local government elections will take place on 03 August 2016. Further, President Zuma has urged all South Africans to go ahead and register for the local elections during the final voter registration drive this weekend.

African Union Commission head, Nkosazana Dlamini-Zuma, who is a leading candidate to be taking over the leadership of South Africa's current ruling party, African National Congress, has decided to step down from her four-year term in July.

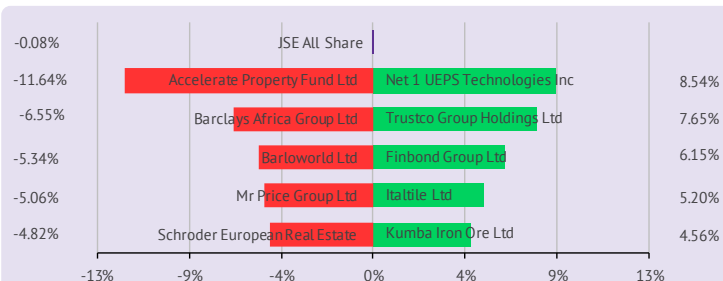
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	51184.32	▼	-41.77	-0.08%	-0.78%	-2.04%	5.74%
JSE Top 40	45084.42	▼	-28.55	-0.06%	-0.88%	-2.29%	5.34%
FTSE 100	6161.63	▲	70.40	1.16%	0.25%	-0.21%	1.28%
DAX 30	9624.51	▲	61.15	0.64%	-1.74%	-3.42%	4.95%
CAC 40	4284.64	▲	34.36	0.81%	-0.87%	-2.29%	0.72%
S&P 500	2066.66	▲	21.49	1.05%	-0.30%	0.34%	6.60%
Nasdaq Composite	4920.72	▲	76.78	1.59%	0.13%	1.04%	6.84%
DJIA	17716.05	▲	112.73	0.64%	-0.43%	0.18%	7.08%

South Africa Market ▼

South African markets closed lower

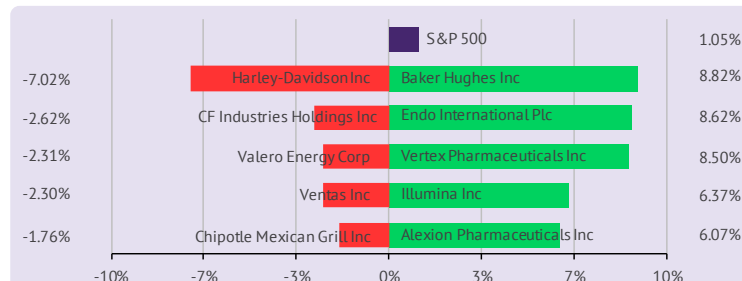
South African markets closed in the red yesterday, amid losses in banking and financial sector stocks. The JSE All Share Index fell 0.1% to close at 51,184.32.



US Market ▲

The S&P 500 futures are trading in the red

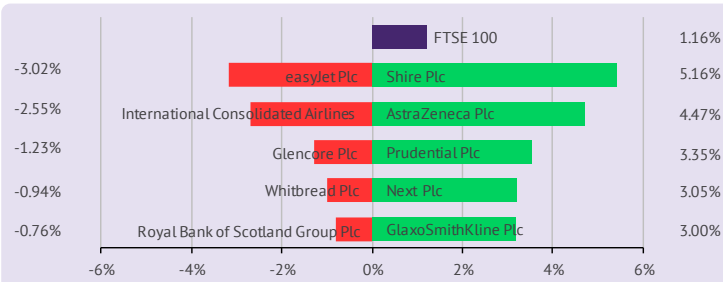
US markets closed higher yesterday, due to gains in health-care stocks. Separately, the minutes of the Fed's March monetary policy meeting indicated that a rate hike in April seemed doubtful and will proceed carefully. The S&P 500 Index climbed 1.1% to close at 2,066.66.



UK Market ▲

The FTSE 100 futures are trading in negative territory

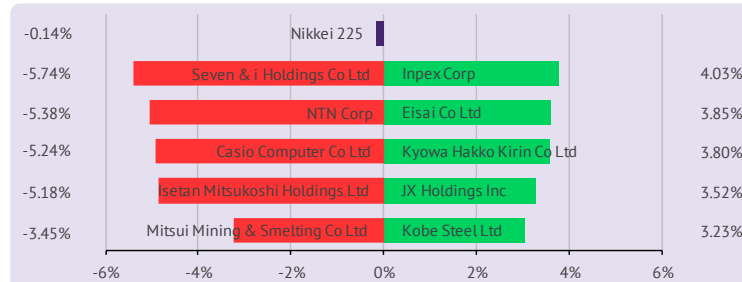
UK markets finished higher yesterday, rebounding from the previous session losses, following gains in the pharmaceuticals sector stocks and a rise in the oil price propped up investor sentiment. The FTSE 100 Index advanced 1.2% to close at 6,161.63.



Asian Market ▼

Trading lower

Asian markets are trading lower this morning, despite overnight gains on Wall Street. The BoJ Governor, Haruhiko Kuroda, indicated that the central bank was ready to provide stimulus measures, if required. The Nikkei 225 Index is trading 0.1% lower at 15,693.11.



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USDZAR ▲

USD trading firmer against ZAR

At 06:00 SAST, the US Dollar is trading 0.2% higher against the South African Rand at R15.1130. Later today, traders will keep a close watch on US initial jobless claims and consumer credit data for further clues. Additionally, South Africa's gross & net reserves, SACCI business confidence and manufacturing production will attract market attention.

The US Dollar fell against the South African Rand yesterday, after the FOMC minutes. The minutes of March meeting indicated that an interest rate hike in April looked doubtful. Also, a majority of Fed officials expected the economic headwinds to lessen and did not want to rush into raising interest rates. Separately, US mortgage applications rebounded last week, rising for the first time in four weeks.

GBPZAR ▲

GBP trading stronger against ZAR

At 06:00 SAST, the British Pound rose 0.1% against the South African Rand to trade at R21.3303. With no major economic releases in the UK today, investors will eye UK's manufacturing and industrial production and total trade balance, scheduled to release tomorrow. Additionally, South Africa's gross & net reserves, SACCI business confidence and manufacturing production data will be on traders' radar.

The British Pound declined against the South African Rand yesterday, reversing previous session gains.

EURZAR ▲

EUR trading higher against ZAR

At 06:00 SAST, the Euro is trading 0.1% firmer against the South African Rand at R17.2258. Going forward, market participants will keep a tab on Eurozone's current account balance and the ECB's account of monetary policy meeting. Moreover, the ECB Governor, Mario Draghi's speech will attract market attention.

The Euro strengthened against the South African Rand yesterday. Data showed that in Germany, industrial production fell lower than market expectations in February, weighed down by a weakening activity in manufacturing and energy sectors. Meanwhile, the construction activity expanded at a solid pace, marking a fourteenth consecutive monthly rise in March.

AUDZAR ▲

AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar climbed 0.2% against the South African Rand to trade at R11.4825. Overnight data showed that the Australia's AiG performance of construction activity contracted in March.

The Australian Dollar rose against the South African Rand yesterday. Elsewhere, in China, Australia's key trading partner, the service sector expanded at a faster pace in March from February.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	15.1130	▲	-0.09%	2.66%	2.14%	-6.98%	-2.52%
GBPZAR	21.3303	▲	-0.34%	1.92%	0.52%	-4.01%	-6.54%
EURZAR	17.2258	▲	0.10%	2.76%	2.34%	-2.64%	2.35%
AUDZAR	11.4825	▲	0.69%	1.59%	1.38%	-0.26%	0.90%
EURUSD	1.1398	▼	0.13%	0.04%	0.17%	4.61%	4.90%
GBPUSD	1.4114	▼	-0.28%	-0.72%	-1.65%	3.17%	-4.20%
Brent (\$/barrel)	40.2	▲	5.20%	3.03%	-1.21%	10.28%	6.87%
Gold (\$/oz)	1227.3	▲	-0.48%	0.02%	-0.95%	-0.02%	15.31%
Platinum (\$/oz)	949.0	▲	-0.75%	-1.12%	-3.45%	4.53%	5.74%
Copper (\$/MT)*	4804.5	▲	0.25%	-1.14%	-1.56%	3.72%	2.10%

*As of Previous Close

Gold ▲

Trading in the green

Gold prices edged 0.4% higher at 06:00 SAST, to trade at \$1,227.30/oz, reversing previous session losses.

Yesterday, gold prices fell 0.5% to close at \$1,222.50/oz, reversing previous session gains, as a rally in global equity markets, reduced demand for the precious metal.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged higher 0.8% to trade at \$40.17/bl.

Yesterday, Brent crude oil advanced 5.2% to settle at \$39.84/bl, after the US Energy Department reported that US crude oil inventories unexpectedly fell by 4.9mn bls during the last week to a total of 529.9mn bls. Investors had expected an expansion of 3.2mn bls.

Platinum ▲

Trading in positive territory

Platinum prices advanced 0.6% at 06:00 SAST, to trade at \$949.00/oz, reversing previous session losses.

Yesterday, platinum prices declined 0.8% to close at \$942.90/oz.



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Major South Africa Corporate News

Adcock Ingram Holdings Limited

The company announced that Samara Capital Partners Fund II Limited will dispose its 100.0% shareholding in Adcock Healthcare, subject to fulfilment of conditions precedent for a total enterprise value of about ZAR336.00mn to be settled in cash.

Impala Platinum Holdings Limited

The company announced that Investec Asset Management Holdings Proprietary Limited, on behalf of its clients, has acquired stake in the company and its total interest now stands to 10.0005% of the issued ordinary share capital of the company.

Sibanye Gold Limited

The firm announced that it has entered into discussions with leadership of the Association of Mineworkers and Construction Union (AMCU), in which the AMCU has agreed to suspend any industrial action at the company's operations.

Major Global Economic News

US

The minutes released from the Federal open market committee indicated that was uncertainty amongst members about possibility for a rate hike in April. A majority of the Fed officials expected economic turmoil to subside slowly and did not feel the need to be in a rush to push interest rates higher. The central bank had signalled at the end of the meeting that they anticipated to raise rates twice, but a rate hike in April seemed unlikely.

The St. Louis Fed President James Bullard, indicated that US needed long-term economic plan including tax and education reforms to revive growth and development and should not depend on the more monetary or fiscal stimulus for boost.

On a weekly basis, mortgage applications in the US registered a rise of 2.7% in the week ended 01 April 2016, compared to the drop of 1.0% in the prior week.

Asia

In March, the AiG performance of construction index in Australia recorded a drop to a reading of 45.20. The index had registered a level of 46.10 in the prior month.

Foreign exchange reserves in Japan rose to a level of USD1262.10bn in March, from a level of USD1254.10bn in the prior month.

Eurozone

In February, on a monthly basis, the seasonally adjusted industrial production in Germany dropped 0.5%, lower than market expectations for a drop of 1.8%. In the prior month, industrial production had registered a revised rise of 2.3%.

In March, the construction Purchasing Managers' Index in Germany recorded a fall to the level of 55.80, from a level of 59.60 recorded in the previous month.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
US	00:30	Fed's Bullard to Make Welcoming Remarks at St.Louis Lecture	✓	-	-	As scheduled
Japan	01:50	Japan Foreign Reserves (Mar)	✓	USD1262.10bn*	USD1254.10bn	Monthly
Japan	02:30	Kuroda Speaks at BOJ's Branch Managers' Meeting	✓	-	-	As scheduled
Japan	04:00	Tokyo Average Office Vacancies (Mar)	✓	4.34%*	4.04%	Monthly
South Africa	08:00	Net Gold & Forex Reserve (Mar)	✓✓	USD41.20bn	USD40.96bn	Monthly
South Africa	08:00	Gross Gold & Forex Reserve (Mar)	✓✓	USD45.95bn	USD45.75bn	Monthly
France	08:45	Current Account (Feb)	✓	-	-EUR1.40bn	Monthly
France	08:45	Trade Balance (Feb)	✓	-EUR3.70bn	-EUR3.71bn	Monthly
Switzerland	09:00	Foreign Currency Reserves (Mar)	✓	-	CHF571.10bn	Monthly
Eurozone	09:00	ECB's Constancio Speaks at EU Parliament Committee in Brussels	✓	-	-	As scheduled
UK	09:30	Halifax House Prices (MoM) (Mar)	✓	0.90%	-1.40%	Monthly
South Africa	11:30	SACCI Business Confidence Index (Mar)	✓✓	-	80.10	Monthly
South Africa	13:00	Manufacturing Production s.a. (MoM) (Feb)	✓✓	-0.20%	-1.80%	Monthly
Eurozone	13:30	ECB account of the monetary policy meeting	✓	-	-	As scheduled
Canada	14:30	Building Permits (MoM) (Feb)	✓	4.00%	-9.80%	Monthly
US	14:30	Initial Jobless Claims (02-Apr)	✓✓	270.00K	276.00K	Weekly
Eurozone	16:00	ECB's Draghi Attends Meeting of Portuguese President's Council	✓	-	-	As scheduled
US	21:00	Consumer Credit Change (Feb)	✓✓	USD14.90bn	USD10.54bn	Monthly
US	23:30	Fed's Yellen in New York, with Greenspan, Bernanke and Volcker	✓	-	-	As scheduled

Note: ✓✓✓High ✓✓Medium ✓Low

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