

ONE Minute Brief

8 April 2016

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Economic and Political News

In March, the SACCI business confidence index in South Africa rose to a level of 81.20, from a reading of 80.10 in the previous month.

On a monthly basis, South Africa's seasonally adjusted manufacturing production index recorded a rise of 1.3% in February, reversing market expectations for a fall of 0.2%. In the prior month, the index had fallen 1.8%.

South Africa's gross gold & forex reserve climbed to USD46.77bn in March, compared to a reading of USD45.75bn in the prior month. Additionally, the net gold & forex reserves registered a rise to USD41.18bn in March, compared to a reading of USD40.96bn in the prior month.

The public protector, Thuli Madonsela, presented her seventh and final strategic review plan in front of the Parliament's justice portfolio committee. Further, she requested a ZAR263.3mn budget for 2016-17 and the institution's strategic review plan for the period 2016 to 2021.

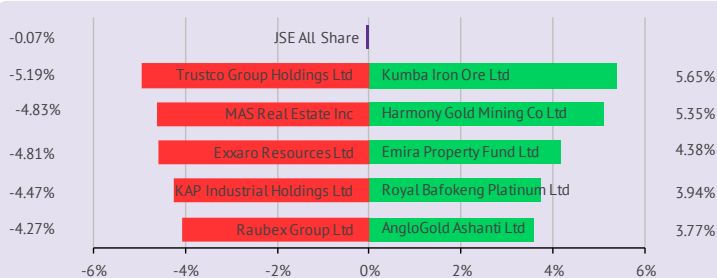
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	51146.82	▼	-37.50	-0.07%	-0.85%	-2.11%	5.74%	0.89%
JSE Top 40	45024.17	▼	-60.25	-0.13%	-1.01%	-2.42%	5.34%	-1.69%
FTSE 100	6136.89	▼	-24.74	-0.40%	-0.15%	-0.62%	1.28%	-1.69%
DAX 30	9530.62	▼	-93.89	-0.98%	-2.70%	-4.36%	4.95%	-11.29%
CAC 40	4245.91	▼	-38.73	-0.90%	-1.77%	-3.17%	0.72%	-8.44%
S&P 500	2041.91	▼	-24.75	-1.20%	-1.49%	-0.87%	6.60%	-0.10%
Nasdaq Composite	4848.37	▼	-72.35	-1.47%	-1.35%	-0.44%	6.84%	-3.18%
DJIA	17541.96	▼	-174.09	-0.98%	-1.41%	-0.81%	7.08%	0.67%

South Africa Market ▼

South African markets closed lower

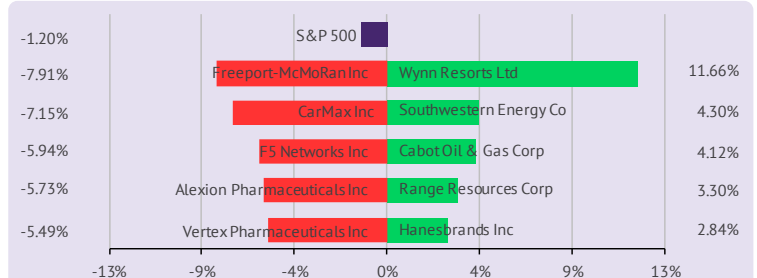
South African markets closed in the red yesterday, amid losses in banking and financial sector stocks. Data indicated that South Africa's SACCI business confidence advanced slightly in March. The JSE All Share Index fell 0.1% to close at 51,146.82.



US Market ▼

The S&P 500 futures are trading in the green

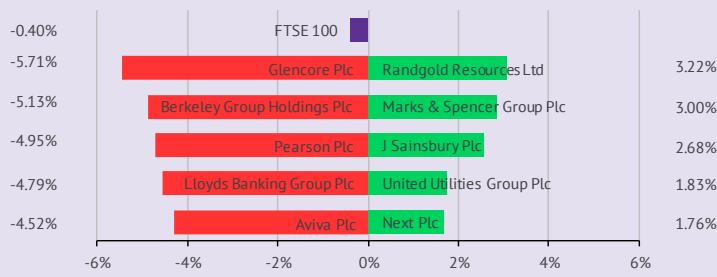
US markets closed lower yesterday, amid losses in financial sector stocks. Data revealed the US initial jobless claims registered a more than expected drop during the last week. The S&P 500 Index dropped 1.2% to close at 2,041.91.



UK Market ▼

The FTSE 100 futures are trading in positive territory

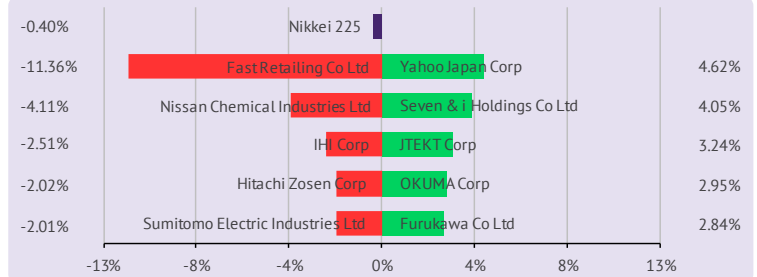
UK markets finished lower yesterday, reversing an earlier session rally, despite better than expected sales data from retail giant Marks & Spencer. Also, lower oil prices continued to weigh on the market sentiment. The FTSE 100 Index declined 0.4% to close at 6,136.89.



Asian Market ▼

Trading lower

Asian markets are trading lower this morning, tracking overnight losses on Wall Street. Earlier in the session, data indicated that Japan's trade surplus edged up on BOP basis in February. The Nikkei 225 Index is trading 0.4% lower at 15,686.49.



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USDZAR ▼

USD trading lower against ZAR

At 06:00 SAST, the US Dollar declined 0.8% against the South African Rand to trade at R15.1461. Later today, traders will keep a close watch on US wholesale inventories for further clues.

The US Dollar rose against the South African Rand yesterday, after Fed Chairwoman, Janet Yellen stated that the US economy was on a solid course with modest improvement in inflation and the economy would not hold back for much longer under the pressure of stronger dollar and lower oil prices. Further, she also indicated that a gradual rate increase will be apt for the economy. Moreover, the number of applicants in the US for new unemployment benefits fell last week, indicating a stronger labour market. Separately, South Africa SACCI business confidence registered a surprise rise in March and manufacturing production rose unexpectedly in February.

GBPZAR ▼

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound declined 0.7% against the South African Rand to trade at R21.3036. Later today, traders will keep an eye on UK's industrial & manufacturing production and total trade balance for further direction.

The British Pound advanced against the South African Rand yesterday, reversing previous session losses. Meanwhile, in South Africa, the SACCI business confidence index rose surprisingly in March and the gross and net forex reserves advanced for the same month. Moreover, manufacturing activity in the nation quickened unexpectedly in February.

EURZAR ▼

EUR trading lower against ZAR

At 06:00 SAST, the Euro dropped 0.9% against the South African Rand to trade at R17.2175. Going forward, market participants will keep a tab on German trade balance and current account balance data for February, scheduled in a few hours.

The Euro strengthened against the South African Rand yesterday, after the European Central Bank (ECB) President, Mario Draghi, indicated the central bank's willingness to provide excess stimulus if needed in the economy, to come up from dangerously low levels of inflation. He further stated that 2016 will be a challenging year as Eurozone is prone to global risks and challenges. Meanwhile, the minutes released indicated that the policymakers thought of the possibility of a sharper rate cut, but settled for a smaller one. Moreover, the policymakers did not rule out any further fresh interest rate cuts.

AUDZAR ▼

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.4% lower against the South African Rand at R11.4093. With no economic data in Australia today, investor sentiment will be decided by global macroeconomic news.

The Australian Dollar fell against the South African Rand yesterday, after Australia's AiG performance of construction index eased in March.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	15.1461	▼	1.18%	3.87%	3.35%	-6.98%	-1.37%
GBPZAR	21.3036	▼	0.65%	2.58%	1.17%	-4.01%	-5.93%
EURZAR	17.2175	▼	0.96%	3.75%	3.33%	-2.64%	3.33%
AUDZAR	11.4093	▼	-0.06%	1.53%	1.32%	-0.26%	0.84%
EURUSD	1.1367	▼	-0.20%	-0.16%	-0.03%	4.61%	4.70%
GBPUSD	1.4066	▲	-0.47%	-1.18%	-2.12%	3.17%	-4.65%
Brent (\$/barrel)	40.0	▲	-1.03%	1.97%	-2.23%	10.28%	5.77%
Gold (\$/oz)	1239.2	▲	1.12%	1.15%	0.16%	-0.02%	16.60%
Platinum (\$/oz)	954.5	▲	1.16%	0.02%	-2.33%	4.53%	6.96%
Copper (\$/MT)*	4665.5	▼	-2.89%	-4.00%	-4.41%	3.72%	-0.86%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.2% higher to trade at \$1,239.20/oz.

Yesterday, gold prices rose 1.1% to close at \$1,236.20/oz, amid a sharp fall in global equity markets and Fed's cautious approach on raising interest rates, increased demand for the precious metal.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil advanced 1.5% to trade at \$40.03/bl.

Yesterday, Brent crude oil dropped 1.0% to settle at \$39.43/bl, reversing previous session rally, as worries regarding the crude glut and outcome of the meeting by top oil producers resurfaced.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged 0.1% higher to trade at \$954.50/oz.

Yesterday, platinum prices climbed 1.2% to close at \$953.80/oz, reversing previous session losses.

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Major South Africa Corporate News

Mondi Limited

The company announced that it has launched a EUR500.00mn Eurobond, proceeds of which will be used for general corporate purposes and is due to close on April 14, 2016.

Major Global Economic News

Eurozone

In ECB's account of monetary policy meeting, the ECB President, Mario Draghi stated that the central bank was willing to do anything to lift the low levels of inflation, although stimulus was provided in the March meeting. He further discussed that governments should focus on growth in their economies and producing more demand for goods and services and raising inflation and employment levels. The minutes also showed possibilities of a sharper rate cut, but policymakers settled for smaller one, while also did not rule out further fresh interest rate cuts.

The current account deficit in France expanded to EUR3.90bn in February, from a revised current account deficit of EUR2.20bn in the prior month.

Asia

The adjusted (total) current account surplus in Japan widened to Yen1733.50bn in February, following an adjusted (total) current account surplus of Yen1492.40bn in the previous month. Market expectation was for the nation to post surplus of Yen1571.90bn.

Japan posted a trade surplus on a BOP basis of Yen425.20bn in February, from a deficit of Yen411.00bn in the prior month. Market expectation was for the nation to surplus of Yen429.70bn.

US

In the week ended April 02, the seasonally adjusted US initial jobless claims fell to a level of 267.00K in the US, compared to market expectations of a drop to 270.00K. In the prior week, initial jobless claims had recorded a reading of 276.00K.

In February, the consumer credit climbed to USD17.22bn in the US, more than market expectations for an advance of USD14.90bn. In the previous month, consumer credit had advanced by a revised USD14.90bn.

UK

In UK, the Halifax house price index recorded a rise of 2.6% on a monthly basis in March, higher than market expectations for an advance of 0.9%. In the previous month, the index had recorded a revised drop of 1.5%.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:50	Adjusted Current Account Total (Feb)	✓	Yen1733.50bn*	Yen1492.40bn	Monthly
Japan	01:50	Trade Balance - BOP Basis (Feb)	✓✓	Yen425.20bn*	-Yen411.00bn	Monthly
Japan	07:00	Consumer Confidence Index (Mar)	✓✓	40.50	40.10	Monthly
Switzerland	07:45	Unemployment Rate s.a. (Mar)	✓✓	3.50%	3.40%	Monthly
Japan	08:00	Eco Watchers Survey: Outlook (Mar)	✓✓	48.30	48.20	Monthly
Germany	08:00	Trade Balance s.a. (Feb)	✓✓	EUR18.00bn	EUR13.60bn	Monthly
Japan	08:00	Eco Watchers Survey: Current (Mar)	✓✓	45.50	44.60	Monthly
France	08:45	Budget Balance (Feb)	✓	-	-EUR9.20bn	Monthly
France	08:45	Industrial Production (MoM) (Feb)	✓✓	-0.40%	1.30%	Monthly
France	08:45	Manufacturing Production (MoM) (Feb)	✓✓	-0.30%	0.80%	Monthly
Switzerland	09:15	Consumer Price Index (MoM) (Mar)	✓✓	0.30%	0.20%	Monthly
UK	10:30	Industrial Production (MoM) (Feb)	✓	0.10%	0.30%	Monthly
UK	10:30	Manufacturing Production (MoM) (Feb)	✓	-0.20%	0.70%	Monthly
UK	10:30	Total Trade Balance (Feb)	✓✓	-GBP3.40bn	-GBP3.46bn	Monthly
UK	10:30	Visible Trade Balance (Feb)	✓✓	-GBP10.20bn	-GBP10.29bn	Monthly
Canada	14:15	Housing Starts s.a (Mar)	✓✓	190.00K	212.60K	Monthly
Canada	14:30	Full Time Employment Change (Mar)	✓✓	-	-51.80K	Monthly
Canada	14:30	Unemployment Rate (Mar)	✓✓✓	7.30%	7.30%	Monthly
UK	16:00	NIESR GDP Estimate (3M) (Mar)	✓✓✓	-	0.30%	Monthly
US	16:00	Wholesale Inventories (Feb)	✓	-0.20%	0.30%	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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