

ONE  
Minute Brief

26 April 2016

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## Economic and Political News

South Africa's ANC, has announced that they would sue Economic Freedom Fighters (EFF) leader, Julius Malema, following his threats of removing President Jacob Zuma's government with the "barrel of a gun".

The Director-general of the Department of Home Affairs, Mkuseli Apleni, described the allegations made against the department that Gupta family is linked to its outsourced visa issuing service, Visa Facilitation Service (VFS), as "wild and baseless". The claims were made by opposition party, Democratic Alliance (DA) that Gupta's were involved in the department's affairs.

Former President, Thabo Mbeki, stated that the outcome of the Seriti Commission of Inquiry into the arms deal was expected as no proof of corruption was presented to it during investigation. Further, he challenged those making claims that the purchase of weapons was a corrupt process should provide evidence in court.

DA mentioned that they have refused to meet the CEO, Nazeem Howa of Oakbay investments, which is owned by the controversial Gupta Family.

## South Africa Market ▲

## South African markets closed higher

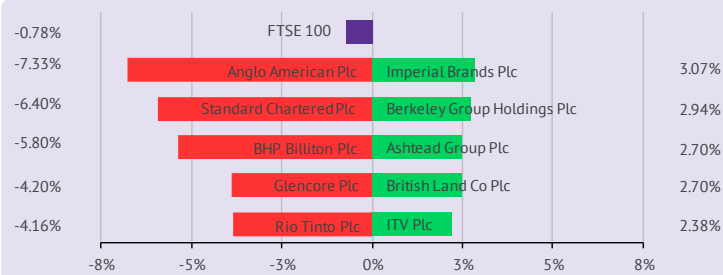
South African markets closed in the green yesterday, amid gains in retail and industrial sector stocks. The JSE All Share Index rose 0.1% to close at 52,985.31.



## UK Market ▼

## The FTSE 100 futures are trading in negative territory

UK markets finished lower yesterday, dragged down by losses in mining sector stocks. Data revealed that UK's CBI total trend order book rose unexpectedly in April. The FTSE 100 Index declined 0.8% to close at 6,260.92.



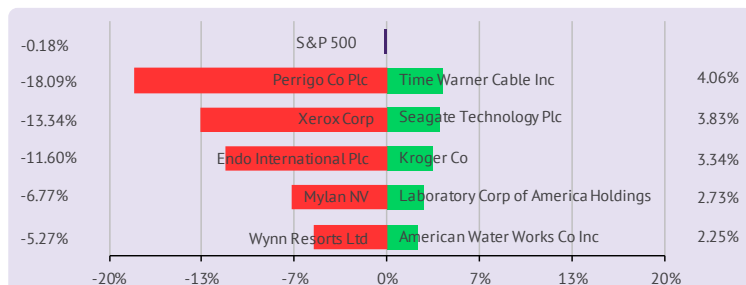
## Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	52985.31	▲	59.56	0.11%	0.11%	1.41%	5.74%	4.52%
JSE Top 40	46582.73	▲	77.25	0.17%	0.17%	0.96%	5.34%	1.72%
FTSE 100	6260.92	▼	-49.52	-0.78%	-0.78%	1.39%	1.28%	0.30%
DAX 30	10294.35	▼	-79.14	-0.76%	-0.76%	3.30%	4.95%	-4.18%
CAC 40	4546.12	▼	-23.54	-0.52%	-0.52%	3.67%	0.72%	-1.96%
S&P 500	2087.79	▼	-3.79	-0.18%	-0.18%	1.36%	6.60%	2.15%
Nasdaq Composite	4895.79	▼	-10.44	-0.21%	-0.21%	0.53%	6.84%	-2.23%
DJIA	17977.24	▼	-26.51	-0.15%	-0.15%	1.65%	7.08%	3.17%

## US Market ▼

## The S&amp;P 500 futures are trading in the red

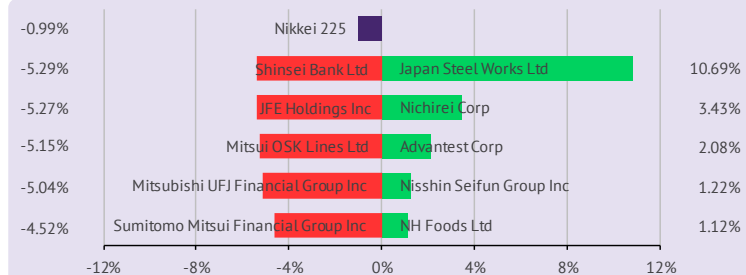
US markets closed lower yesterday, led by losses in energy sector stocks due to weaker oil prices. Data indicated that the Dallas Fed manufacturing activity index declined surprisingly in April. The S&P 500 Index dropped 0.2% to close at 2,087.79.



## Asian Market ▼

## Trading lower

Asian markets are trading lower this morning, tracking overnight losses on Wall Street. The Nikkei 225 Index is trading 1.0% lower at 17,267.31. Meanwhile, market participants are also cautious as the US and Japanese central banks meet this week.



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## USDZAR ▼

### USD trading lower against ZAR

At 06:00 SAST, the US Dollar dropped 0.1% against the South African Rand to trade at R14.4435. Later today, traders will keep a close watch on US durable goods orders and the consumer confidence index for further direction. Moreover, the US Markit services PMI and the Richmond Fed manufacturing index will grab market attention. Elsewhere, in South Africa, the leading indicator for February will be on investors' radar.

The US Dollar rose against the South African Rand yesterday. Data indicated that the sales for the newly built houses in the US fell surprisingly in March, declining for a third straight month, thus indicating trouble for the nation's housing market. Moreover, the US Dallas Fed manufacturing index slid, marking its sixteenth consecutive monthly decline in April.

## GBPZAR ▲

### GBP trading higher against ZAR

At 06:00 SAST, the British Pound gained marginally against the South African Rand to trade at R20.9364. Later today, traders will keep an eye on UK's BBA home loan purchases for further clues. Meanwhile, South Africa's, leading indicator for February will also attract market attention.

The British Pound advanced against the South African Rand yesterday, after UK's CBI indicated that manufacturers' total order books rose in April, indicating a strong performance since last July. Meanwhile, the CBI's business optimism survey for 2Q16 indicated that manufacturers remained pessimistic about their business prospects for the next six months.

## EURZAR ▼

### EUR trading lower against ZAR

At 06:00 SAST, the Euro declined marginally against the South African Rand to trade at R16.2768. With no economic releases in the Eurozone today, traders will keep a watch on the region's consumer price index and unemployment rate scheduled later in the week.

The Euro strengthened against the South African Rand yesterday, despite dismal economic data in Germany. Data showed that the German Ifo business confidence index declined surprisingly in April, as businesses were unhappy about their current business conditions. Meanwhile, the business climate index fell in April and the current assessment of business index dropped for the same month.

## AUDZAR ▼

### AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% lower against the South African Rand at R11.1380. With no economic releases in Australia today, traders will keep an eye on the nation's consumer price index, scheduled to release in the early hours tomorrow.

The Australian Dollar rose against the South African Rand yesterday.

## Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	14.4435	▼	0.36%	0.36%	-2.13%	-6.98%	-6.59%
GBPZAR	20.9364	▲	0.84%	0.84%	-1.28%	-4.01%	-8.21%
EURZAR	16.2768	▼	0.74%	0.74%	-3.12%	-2.64%	-3.11%
AUDZAR	11.1380	▼	0.36%	0.36%	-1.42%	-0.26%	-1.89%
EURUSD	1.1269	▲	0.39%	0.39%	-0.98%	4.61%	3.70%
GBPUSD	1.4492	▲	0.55%	0.55%	0.85%	3.17%	-1.76%
Brent (\$/barrel)	44.8	▲	-1.40%	-1.40%	10.29%	10.28%	19.31%
Gold (\$/oz)	1237.4	▼	0.83%	0.83%	0.38%	-0.02%	16.86%
Platinum (\$/oz)	1015.9	▼	0.66%	0.66%	4.11%	4.53%	14.02%
Copper (\$/MT)*	5006.3	▼	-0.73%	-0.73%	2.58%	3.72%	6.39%

\*As of Previous Close

## Gold ▼

### Trading in the red

At 06:00 SAST, gold prices declined 0.1% to trade at \$1,237.40/oz.

Yesterday, gold prices rose 0.8% to close at \$1,238.90/oz, amid a broad weakness in the US Dollar, ahead of the Federal Reserve's critical interest rate decision due later in the week.

## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil climbed 0.6% to trade at \$44.76/bl.

Yesterday, Brent crude oil dropped 1.4% to settle at \$44.48/bl, amid concerns over the rising global crude glut. Moreover, a report indicated that stockpiles at the Cushing, Oklahoma delivery point increased by over 1.5mn bls in the week ending April 22.

## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices edged lower 0.1% to trade at \$1,015.90/oz.

Yesterday, platinum prices climbed 0.7% to close at \$1016.70/oz.



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## Major South Africa Corporate News

### Famous Brands Limited

The company announced that it has acquired a 51.0% stake in Lupa Osteria, an authentic Italian restaurant business for a consideration to be settled from their cash reserves. The transaction is anticipated to be completed effective May 1, 2016.

### Sibanye Gold Limited

In its trading statement for six months ended 30 June 2016, the firm revealed that its EPS is expected to be at least 150.0% higher from the same period of the prior year. Its headline EPS is anticipated to increase at least 158.0% from the corresponding period of the preceding year, due to rise in the average rand gold price. Further, in its operating update for three months ended March 31, 2016, the company stated that its total gold production rose to 360.80koz from 315.30koz posted in the same period of the previous year.

### Sun International Limited

The company announced that its previous notification in which the company along with Grand Parade Investments Limited had intended to dispose 10.0% interest each in SunWest International Proprietary Limited and a 10.0% interest each in Worcester Casino Proprietary Limited to Tsogo Sun Gaming Proprietary Limited for a total consideration of about R675.00mn, is to be paid in 18 monthly instalments of R37.50mn each.

### Trencor Limited

In its FY15 results, the company indicated that its revenue rose to R9.28bn from R8.06bn posted in the previous year. Its diluted loss stood at 82.70c/share, compared with diluted EPS of 543.20c recorded in the preceding year. Its profit before tax dropped substantially from the prior year to R12.70mn.

## Major Global Economic News

### Eurozone

In Germany, the IFO business expectations index recorded a rise to 100.40 in April, compared to a level of 100.00 in the previous month. Market expectation was for the index to rise to 100.90.

In April, the IFO business climate index fell unexpectedly to a level of 106.60 in Germany, compared to a level of 106.70 in the prior month. Markets were anticipating for the index to climb to a level of 107.10.

The Ifo current assessment index in Germany recorded an unexpected drop to a level of 113.20 in April, lower than market expectations of an unchanged reading. In the previous month, the index had recorded a level of 113.80.

### US

In April, the Dallas Fed manufacturing business index fell unexpectedly to a level of -13.90 in the US, from a level of -13.60 in the previous month. Markets were expecting the index to record a rise to a level of -10.00.

The new home sales in the US registered an unexpected drop of 1.5%, on monthly basis, to a level of 511.00K in March, following a revised level of 519.00K in the prior month. Market anticipation was for it to advance to a level of 520.00K.

### UK

The CBI total order book above normal in the UK advanced unexpectedly to -11.00 in April, compared to market expectations of a drop to a level of -17.00. In the previous month, total order book above normal had registered a level of -14.00.

The CBI's business optimism survey indicated that pessimism among London businesses for the next six months has risen, with a net 5.0% of firms showing pessimism about their business prospects in 2Q16, as compared to a net 4.0% of firms that showed pessimism in the previous quarter.

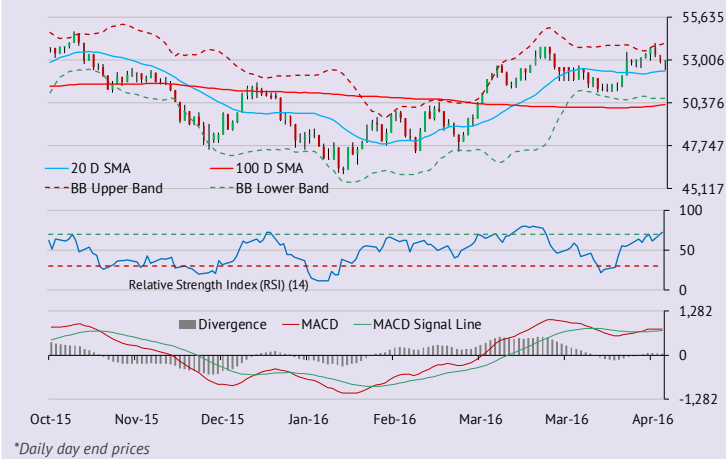
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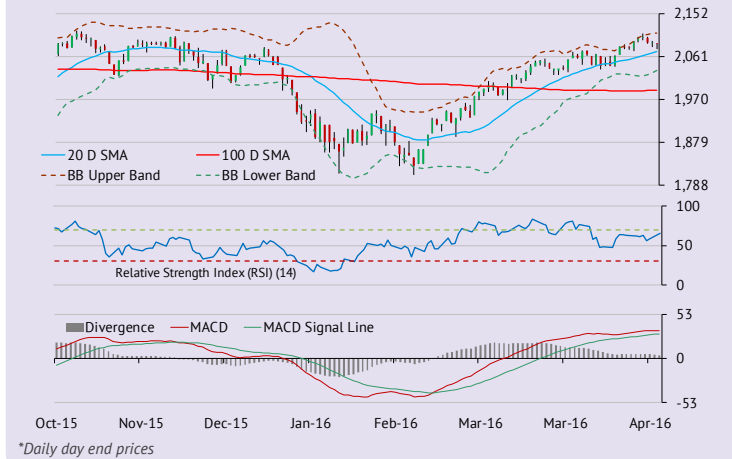
## Technical Snapshot

### JSE All Share



The JSE All Share index is expected to find support at 52,444.52, and a fall through could take it to the next support level of 51,503.74. The index is expected to find its first resistance at 53,882.63, and a rise through could take it to the next resistance level of 54,779.96.

### S&P 500



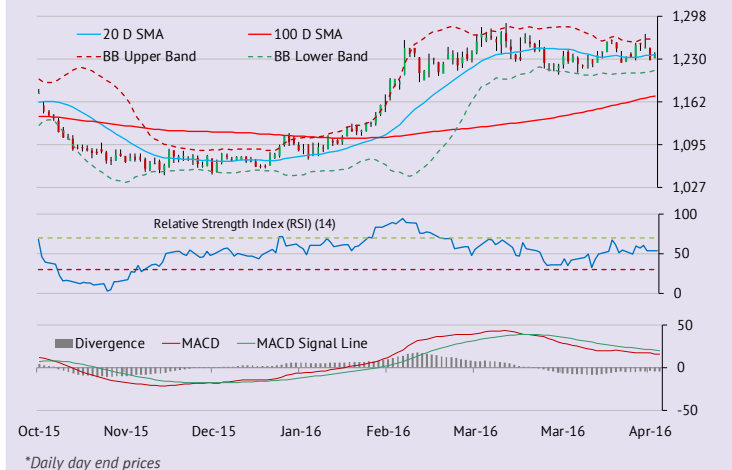
The S&P 500 index is expected to find support at 2,073.19, and a fall through could take it to the next support level of 2,058.59. The index is expected to find its first resistance at 2,106.72, and a rise through could take it to the next resistance level of 2,125.65.

### USDZAR



The pair is expected to find support at 14.2233, and a fall through could take it to the next support level of 13.9942. The pair is expected to find its first resistance at 14.6199, and a rise through could take it to the next resistance level of 14.7874.

### XAU/USD



Gold is expected to find support at \$1,221.07/oz, and a fall through could take it to the next support level of \$1,203.23/oz. The precious metal is expected to find its first resistance at \$1,263.67/oz, and a rise through could take it to the next resistance level of \$1,288.43/oz.

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## Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
South Africa	09:00	Leading Indicator (Feb)	✓✓	-	92.20	Monthly
Eurozone	09:00	ECB Vice President Constancio Speaks in Frankfurt	✓	-	-	As scheduled
Italy	10:00	Trade Balance Non-EU (Mar)	✓	-	EUR2.62bn	Monthly
UK	10:30	BBA Mortgage Approvals (Mar)	✓✓	46.50K	45.89K	Monthly
US	14:30	Durable Goods Orders (Mar) (P)	✓✓✓	1.90%	-3.00%	Monthly
Canada	14:40	Bank of Canada's Poloz Speaks in New York	✓✓	-	-	As scheduled
US	14:55	Redbook Index s.a. (MoM) (22-Apr)	✓	-	-3.10%	Weekly
US	15:45	Markit Composite PMI (Apr) (P)	✓✓	-	51.30	Monthly
US	15:45	Markit Services PMI (Apr) (P)	✓✓	52.00	51.30	Monthly
US	16:00	Richmond Fed Manufacturing Index (Apr)	✓	12.00	22.00	Monthly
US	16:00	Consumer Confidence (Apr)	✓✓✓	95.80	96.20	Monthly

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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