

ONE Minute Brief

13 April 2016

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Economic and Political News

South Africa's BER consumer confidence index registered a rise to -9.00 in 1Q 2016, from a reading of -14.00 registered in the previous quarter.

The International Monetary Fund (IMF) slashed South Africa's economic growth forecast to 0.6% for the current year from a forecast of 0.7% made in January, amid low commodity prices, decline in oil prices, weaker exports, increasing political turmoil and rising interest rates. Further, the agency projected a growth of 1.2% in 2017, down from the previously announced 1.8% expansion estimated in January.

The African National Congress's (ANC) leaders in Gauteng stated that they have accepted President Jacob Zuma's apology over the Constitutional Court judgement, following his failure to repay taxpayers' money spent on his Nkandla home. Further, the provincial executive committee of ANC indicated that President Zuma should do the right thing to help solve the issues faced the ANC, as the mismanagement of Nkandla matter has damaged party's image.

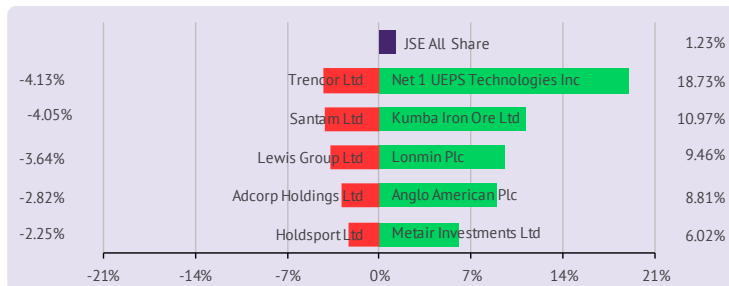
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	52059.76	▲	631.68	1.23%	1.24%	-0.36%	5.74%	2.69%
JSE Top 40	45751.08	▲	544.75	1.21%	1.10%	-0.84%	5.34%	-0.10%
FTSE 100	6242.39	▲	42.27	0.68%	0.61%	1.09%	1.28%	0.00%
DAX 30	9761.47	▲	78.48	0.81%	1.45%	-2.05%	4.95%	-9.14%
CAC 40	4345.91	▲	33.28	0.77%	0.99%	-0.89%	0.72%	-6.28%
S&P 500	2061.72	▲	19.73	0.97%	0.69%	0.10%	6.60%	0.87%
Nasdaq Composite	4872.09	▲	38.69	0.80%	0.44%	0.05%	6.84%	-2.70%
DJIA	17721.25	▲	164.84	0.94%	0.82%	0.20%	7.08%	1.70%

South Africa Market ▲

South African markets closed higher

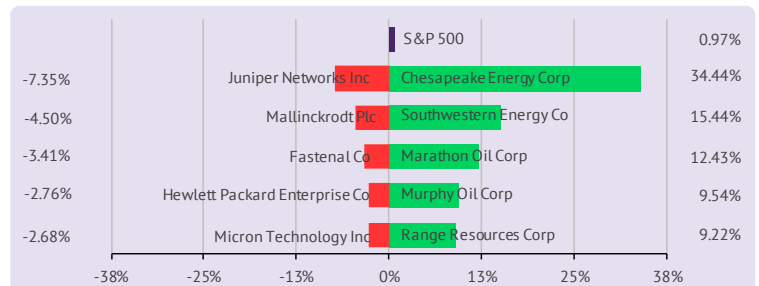
South African markets closed in the green yesterday, amid gains in resource and platinum mining sector stocks. South Africa's BER consumer confidence improved but remained in the negative territory in 1Q16. The JSE All Share Index rose 1.2% to close at 52,059.76.



US Market ▲

The S&P 500 futures are trading in the green

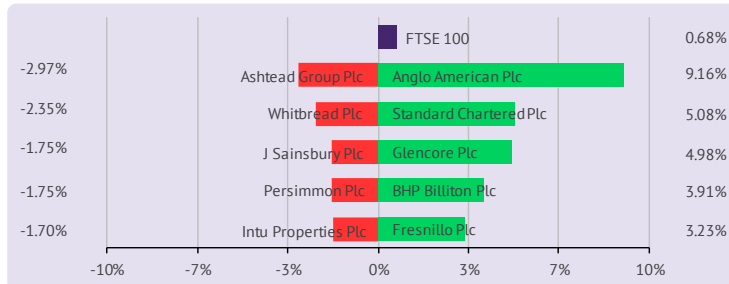
US markets closed higher yesterday, led by gains in energy sector stocks. Data showed that the US monthly budget deficit widened more-than-expected in March. The S&P 500 Index climbed 1.0% to close at 2,061.72.



UK Market ▲

The FTSE 100 futures are trading in positive territory

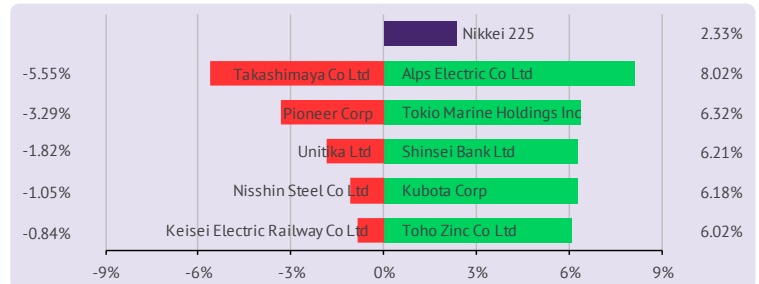
UK markets finished higher yesterday, due to a rally in mining sector stocks and a jump in oil prices. Data indicated that UK's consumer price index rose more-than-expected in March. The FTSE 100 Index advanced 0.7% to close at 6,242.39.



Asian Market ▲

Trading higher

Asian markets are trading higher this morning, tracking overnight gains on Wall Street. Earlier in the session, China's trade balance posted a surplus led by a surge in exports in March. The Nikkei 225 Index is trading 2.3% higher at 16,299.93.



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USDZAR ▼

USD trading lower against ZAR

At 06:00 SAST, the US Dollar retreated 0.1% against the South African Rand to trade at R14.6849. Later today, traders will keep a close watch on US advance retail sales and producer price index for further direction. Moreover, business inventories and the Fed's Beige book will also grab market attention. Additionally, South Africa's retail sales will grab investors' eye-balls.

The US Dollar fell against the South African Rand yesterday, after monthly budget deficit in the US expanded in March, increasing more than twice the amount from the same period last year, indicating a turnaround after six years in improving fiscal scenario. Additionally, import prices edged upwards on a monthly in March. Separately, the South African BER consumer confidence index improved marginally in the first quarter, but remained in the negative territory due to rising inflation, interest rates, and food and electricity costs.

GBPZAR ▼

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound dropped 0.2% against the South African Rand to trade at R20.9489. Later today, traders will eye BoE's credit conditions survey and UK's CB leading economic index for further direction. Additionally, retail sales in South Africa will be on investors' radar.

The British Pound marginally advanced against the South African Rand yesterday, after UK's consumer prices rose 0.5% in March on an annual basis, and reached its highest level since December 2014, led by rise in cost of air travel over the holiday period. Separately, in South Africa, the BER consumer confidence index improved in the 1Q 2016.

EURZAR ▼

EUR trading lower against ZAR

At 06:00 SAST, the Euro is trading 0.2% lower against the South African Rand at R16.6981. Going forward, market participants will keep a tab on Eurozone's industrial production, scheduled to release in a few hours.

The Euro weakened against the South African Rand yesterday. Data indicated that in Germany, consumer prices advanced on a monthly basis in March, at par with market expectations, but remained below the ECB's desired 2% target.

AUDZAR ▲

AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar gained 0.1% against the South African Rand to trade at R11.3020. Earlier in the session, Australia's Westpac consumer confidence index fell in April. Elsewhere, China, Australia's key trading partner, posted a trade surplus in March, due to a surge in the nation's exports, showing signs that world's second largest economy is not as badly affected as expected.

The Australian Dollar rose against the South African Rand yesterday. Data showed that China's consumer price index rose less than market expectations on an annual basis in March.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	14.6849	▼	-0.22%	-1.84%	-0.42%	-6.98%	-4.97%
GBPZAR	20.9489	▼	0.01%	-0.82%	-1.01%	-4.01%	-7.95%
EURZAR	16.6981	▼	-0.43%	-1.95%	-0.41%	-2.64%	-0.41%
AUDZAR	11.3020	▲	0.93%	-0.17%	-0.09%	-0.26%	-0.57%
EURUSD	1.1370	▼	-0.20%	-0.10%	0.05%	4.61%	4.78%
GBPUSD	1.4266	▼	0.25%	1.04%	-0.60%	3.17%	-3.17%
Brent (\$/barrel)	44.4	▼	4.34%	6.56%	10.81%	10.28%	19.88%
Gold (\$/oz)	1254.8	▼	0.21%	1.36%	2.04%	-0.02%	18.79%
Platinum (\$/oz)	1002.6	▲	0.92%	3.20%	2.24%	4.53%	11.98%
Copper (\$/MT)*	4788.5	▲	2.35%	2.67%	-1.89%	3.72%	1.76%

*As of Previous Close

Gold ▼

Trading in the red

At 06:00 SAST, gold prices retreated 0.4% to trade at \$1,254.80/oz.

Yesterday, gold prices rose 0.2% to close at \$1,259.40/oz, following a broad rally in commodity prices, and a bleak global growth forecast by the IMF coupled with dovish comments over the rise in interest rates by the Fed, increased demand for the precious yellow metal.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 0.6% lower to trade at \$44.44/bL

Yesterday, Brent crude oil advanced 4.3% to settle at \$44.69/bL, on reports that Saudi Arabia and Russia reached an agreement on an oil-production freeze, ahead of a meeting taking place on Sunday in Qatar between major oil producers. Separately, the American Petroleum Institute (API) reported that crude oil inventories advanced by 6.20mn bls last week.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices climbed 0.4% to trade at \$1,002.60/oz.

Yesterday, platinum prices climbed 0.9% to close at \$998.50/oz, extending gains from previous sessions.

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Major South Africa Corporate News

Anglo American Plc

The company announced that the value of rough diamond sales for De Beers' third sales cycle of 2016 continued its positive trend to increase to USD660.00mn, compared with USD617.00mn reported in the second sales cycle of 2016.

Lonmin Plc

The company announced that its Chief Financial Officer and Director, Simon Scott is expected to resign from his position following the company's interim results in May 2016.

Harmony Gold Mining Company Limited

The firm announced with regret that a rock drill operator was injured in a fall of ground accident at its Phakisa mine near Welkom. The company notifies that drilling and blasting operations at the mine are halted until further investigation into the matter is carried out.

Net 1 UEPS Technologies Inc

The company announced that it has entered into an agreement with International Finance Corporation and certain funds managed by IFC asset management company, under which IFC will subscribe 9.98mn shares of the company's common stock at a subscription price of USD10.79/share for a total proceed of USD107.70mn.

Major Global Economic News

US

In March, the US import price index advanced 0.2% on a monthly basis, lower than market expectations for a rise of 1.0%. The index had registered a revised drop of 0.4% in the previous month.

In the US, the monthly budget deficit was reported at USD108.00bn in March, more than a consensus estimate deficit of USD104.0bn and following a deficit of USD193.00bn in the previous month.

In the US, the small business optimism index fell unexpectedly to 92.60 in March, compared to market expectations of an advance to a level of 93.50. In the prior month, the index had recorded a level of 92.90.

Asia

China's trade balance posted a surplus of USD29.86bn in March, from a surplus of USD32.59bn posted in the previous month, albeit markets expected it to expand to a level of USD34.95bn.

In February, Chinese exports rebounded 11.5% on an annual basis, after registering a drop of 25.4% in the previous month. Markets were expecting it to advance 10.0%.

In Australia, the Westpac consumer confidence index fell 4.0%, on monthly basis, to a level of 95.10 in April, compared to a level of 99.10 in the prior month.

UK

In March, UK's CPI recorded a rise of 0.4% on a monthly basis, compared to an advance of 0.2% in the previous month. Market expectation was for the index to rise 0.3%.

In the UK, the core CPI rose 1.5% on an annual basis in March, compared to a rise of 1.2% in the previous month. Markets were anticipating the core CPI to advance 1.3%.

Eurozone

In March, on a monthly basis, the final CPI registered a rise of 0.8% in Germany, at par with market expectations. The consumer price index had risen 0.4% in the prior month and the preliminary figure had also recorded an advance of 0.8%.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:50	Domestic Corporate Goods Price Index (MoM) (Mar)	✓	-0.10%*	-0.30%	Monthly
Japan	01:50	Domestic Corporate Goods Price Index (YoY) (Mar)	✓	-3.80%*	-3.40%	Monthly
Japan	01:50	Money Supply M3 (YoY) (Mar)	✓	2.60%*	2.60%	Monthly
China	04:00	Exports (YoY) (Mar)	✓✓	11.50%*	-25.40%	Monthly
China	04:00	Imports (YoY) (Mar)	✓✓	-7.60%*	-13.80%	Monthly
China	04:00	Trade Balance (Mar)	✓✓	USD29.86bn*	USD32.59bn	Monthly
Eurozone	10:00	ECB's Knot in Dutch Parliament to Discuss ECB Monetary Policy	✓	-	-	As scheduled
UK	10:30	Bank of England Credit Conditions & Bank Liabilities Surveys	✓	-	-	As scheduled
Eurozone	11:00	Industrial Production s.a. (MoM) (Feb)	✓	-0.70%	2.10%	Monthly
US	13:00	MBA Mortgage Applications (08-Apr)	✓	-	2.70%	Weekly
South Africa	13:00	Retail Sales (MoM) (Feb)	✓✓	-	-0.30%	Monthly
Canada	14:30	Teranet/National Bank HPI (MoM) (Mar)	✓	-	0.60%	Monthly
US	14:30	Advance Retail Sales (MoM) (Mar)	✓✓✓	0.10%	-0.10%	Monthly
US	14:30	Producer Price Index (YoY) (Mar)	✓✓	0.30%	0.00%	Monthly
US	14:30	Producer Price Index (MoM) (Mar)	✓	0.20%	-0.20%	Monthly
US	15:30	Producer Prices (Mar)	✓	-	189.40	Monthly
Canada	16:00	Bank of Canada Interest Rate Decision	✓✓✓	0.50%	0.50%	As scheduled
Canada	16:00	Bank of Canada Releases Monetary Policy Report	✓	-	-	As scheduled
Canada	16:00	BOC Rate Statement	✓✓✓	-	-	As scheduled
US	16:00	Business Inventories (Feb)	✓	-0.10%	0.10%	Monthly
Canada	17:15	BoC Press Conference	✓	-	-	As scheduled
Eurozone	18:35	ECB's Nowotny Gives Keynote at Event in New York	✓	-	-	As scheduled
US	20:00	Fed's Beige Book	✓✓✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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