

ONE Minute Brief

31 March 2016

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Economic and Political News

South Africa registered a budget surplus of ZAR16.39bn in February, compared to a deficit of ZAR30.84bn in the previous month.

Finance Minister, Pravin Gordhan, replied to the 27 questions of the Directorate for Priority Crime Investigation (Hawks) on the "rogue unit" at the South African Revenue Service (SARS) despite insisting that the agency had no reason to investigate or question him. He reiterated that the unit, which was an essential part of the SARS' enforcement strategy, had been established lawfully and operated within the limits of the law.

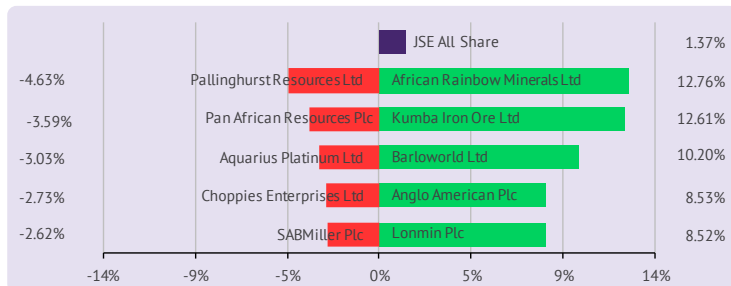
The Hawks confirmed that it was investigating the charges against President Jacob Zuma's son Duduzane and two members of the Gupta family, following allegations made by the Democratic Alliance (DA) that the family had some influence in ministerial appointments.

The World Bank's Multilateral Investment Guarantee Agency (Miga), indicated that it was providing guarantees of almost R11.9bn for loans by international commercial banks to Eskom to help reduce load-shedding.

South Africa Market ▲

South African markets closed higher

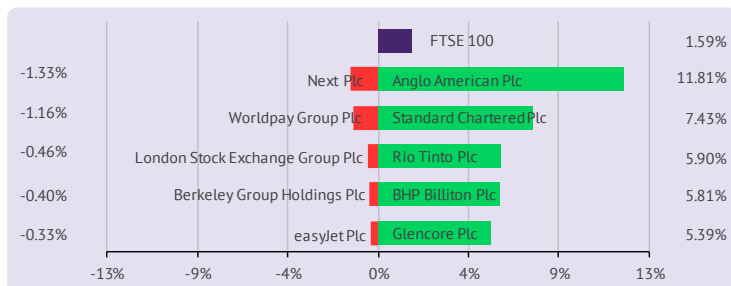
South African markets closed in the green yesterday, buoyed by gains in banking as well as platinum mining sector stocks. Data revealed that South Africa registered a budget surplus in February. The JSE All Share Index rose 1.4% to close at 52,495.46.



UK Market ▲

The FTSE 100 futures are trading in negative territory

UK markets finished higher yesterday, supported by a rebound in mining sector stocks. The FTSE 100 Index recorded its highest closing level this year by advancing 1.6% to close at 6,203.17.



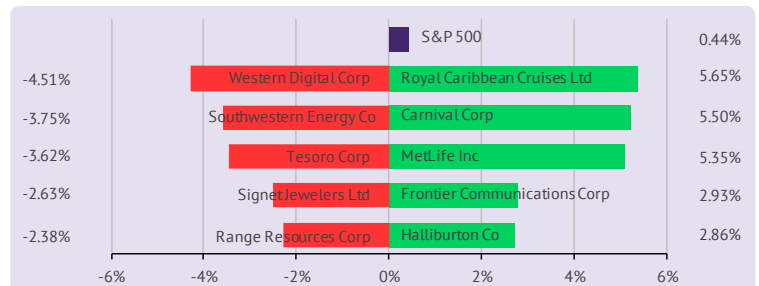
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	52495.46	▲	708.26	1.37%	0.33%	6.23%	0.56%	3.55%
JSE Top 40	46422.66	▲	603.38	1.32%	0.16%	5.98%	-0.60%	1.37%
FTSE 100	6203.17	▲	97.27	1.59%	1.58%	1.74%	0.22%	-0.63%
DAX 30	10046.61	▲	158.67	1.60%	1.98%	5.81%	-3.09%	-6.48%
CAC 40	4444.42	▲	77.75	1.78%	2.65%	2.09%	-1.44%	-4.15%
S&P 500	2063.95	▲	8.94	0.44%	1.38%	6.82%	-0.41%	0.98%
Nasdaq Composite	4869.29	▲	22.67	0.47%	2.01%	6.83%	-1.21%	-2.76%
DJIA	17716.66	▲	83.55	0.47%	1.15%	7.27%	0.30%	1.67%

US Market ▲

The S&P 500 futures are trading in the red

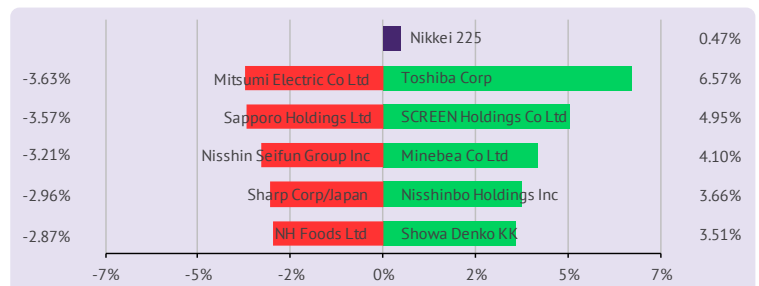
US markets closed higher yesterday, led by gains in technology sector stocks. Meanwhile, ADP reported that the US private sector added 200,000 jobs in March. The S&P 500 Index climbed 0.4% to close at 2,063.95.



Asian Market ◀▶

Trading mixed

Asian markets are trading mixed this morning. The Nikkei 225 Index is trading 0.5% higher at 16,957.85.



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USDZAR ▲

USD trading higher against ZAR

At 06:00 SAST, the US Dollar rose 0.1% against the South African Rand to trade at R14.9609. Later in the session, traders will focus on a report on US initial jobless claims as well as the Chicago Purchasing Managers' Index (PMI) for further clues. Additionally, South Africa's trade balance, money supply, private sector credit growth and producer price inflation data will be on investor's radar.

The US Dollar fell against the South African Rand yesterday, as comments by Federal Reserve Chair, Janet Yellen, continued to weigh on the Dollar. Meanwhile, private sector employment in the US recorded a more-than-expected rise in March. Elsewhere, South Africa posted a budget surplus in February.

GBPZAR ▼

GBP trading lower against ZAR

At 06:00 SAST, the British Pound dropped 0.2% against the South African Rand to trade at R21.4548. Earlier in the session, data showed that UK's GfK consumer confidence index remained steady at a reading of 0.00 in March over fears that Britain might vote to leave the European Union. Later today, investors will keep a close watch on the UK's Gross Domestic Product (GDP) along with a speech by the Governor of the Bank of England (BoE), Mark Carney. Separately, the trade balance and producer price inflation data of South Africa will attract market attention.

The British Pound declined against the South African Rand yesterday. Meanwhile, South Africa registered a budget surplus in February from a deficit in the previous month.

EURZAR ▼

EUR trading weaker against ZAR

At 06:00 SAST, the Euro declined 0.1% against the South African Rand to trade at R16.9323. Going forward, market participants will keep a tab on the Eurozone's consumer price inflation data along with unemployment change and retail sales data of Germany scheduled in a few hours for further direction.

The Euro weakened against the South African Rand yesterday, after Eurozone's consumer confidence declined in March adding to concerns about the ultra-low inflation in the economy. Additionally, economic sentiment in the region fell for the third consecutive month in March. Meanwhile, a preliminary estimate indicated that consumer price inflation in Germany nudged slightly higher in March.

AUDZAR ▼

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar declined marginally against the South African Rand to trade at R11.4537. Earlier in the session today, data revealed that the number of sales of new homes in Australia decreased in February while growth in private sector credit advanced more-than-expected in the same month.

The Australian Dollar fell against the South African Rand yesterday.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	14.9609	▲	-1.45%	-3.30%	-5.85%	-0.10%	-3.41%
GBPZAR	21.4548	▼	-1.54%	-1.65%	-2.69%	-2.43%	-5.74%
EURZAR	16.9323	▼	-1.07%	-1.83%	-1.85%	0.31%	0.82%
AUDZAR	11.4537	▼	-1.01%	-1.24%	1.07%	0.74%	0.85%
EURUSD	1.1318	▼	0.43%	1.52%	4.23%	0.42%	4.35%
GBPUSD	1.4339	▼	-0.05%	1.71%	3.30%	-2.33%	-2.47%
Brent (\$/barrel)	38.9	▼	0.31%	-2.92%	7.36%	5.27%	5.31%
Gold (\$/oz)	1229.2	▲	-0.72%	0.43%	-0.61%	10.57%	15.72%
Platinum (\$/oz)	964.0	▼	-0.09%	1.25%	3.21%	6.86%	8.14%
Copper (\$/MT)*	4903.0	▼	-0.32%	-1.49%	4.20%	2.96%	4.19%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.2% higher to trade at \$1,229.20/oz.

Yesterday, gold prices fell 0.7% to close at \$1,226.90/oz, erasing some of its gains from the previous session.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 0.9% lower to trade at \$38.92/bl.

Yesterday, Brent crude oil advanced 0.3% to settle at \$39.26/bl. A monthly Reuter's survey indicated that crude output from the Organization of the Petroleum Exporting Countries (OPEC) rose by 100,000 bpd in March. Meanwhile, the US Energy Department reported that crude oil inventories rose by 2.3mn bls last week to 534.8mn bls.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged marginally lower to trade at \$964.00/oz.

Yesterday, platinum prices declined 0.1% to close at \$964.30/oz.



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Major South Africa Corporate News

Capitec Bank Holdings Limited

In its FY16 results, the company, indicated that its interest income increased to R12.48bn from R10.78bn posted in the previous year. Its headline diluted EPS advanced 26.1% from the preceding year to R27.81. The company stated that its profits jumped from a year ago as loan and transaction fee income rose and it added more than 1.00mn new active clients. Furthermore, it expects difficult economic conditions to persist, however the bank sees this as an opportunity to gain more clients as they look for value.

Howden Africa Holdings Limited

In its FY15 results, the company, stated that its revenue fell 6.6% from the prior year to R1.48bn. Its headline basic and diluted EPS declined to 329.62c from 410.22c posted in the preceding year as a result of decrease in revenue partially mitigated by improved net finance income. For FY16, the company expects its capital project spend within power generation, mining and general industry to remain subdued.

Pallinghurst Resources Limited

In its FY15 results, the company, revealed that its net loss from operations was USD141.45mn, compared with net income from operations of USD61.59mn reported in the previous year. Its net loss before tax stood at USD149.13mn, compared with net profit before tax of USD55.40mn recorded in the prior year. The company reported a basic and diluted loss of USD0.20/share, compared with basic and diluted EPS of USD0.07 posted in the preceding year.

PPC Limited

The company announced that following the retirement of its Chairman, Bheki Sibiya, it has appointed Peter Nelson as an interim Chairman, until a new Chairman is appointed.

Major Global Economic News

Eurozone

In March, the final consumer confidence index recorded a drop to -9.70 in the Eurozone, from a level of -8.80 in the prior month. The preliminary figure had also indicated a decline to -9.70.

The economic sentiment indicator in the Eurozone eased more-than-expected to a level of 103.00 in March, following a revised reading of 103.90 in the previous month.

The business climate indicator in the Eurozone recorded an unexpected rise to 0.11 in March, against a revised level of 0.09 in the prior month.

In the Eurozone, the services sentiment indicator eased unexpectedly to 9.60 in March, following a revised level of 10.80 in February.

The preliminary consumer price index in Germany, climbed 0.8% on a monthly basis in March, more than market expectations for an advance of 0.6%. In the prior month, the index had recorded a rise of 0.4%.

Asia

In Australia, HIA new home sales registered a drop of 5.3%, on a monthly basis in February. In the prior month, new home sales had recorded a revised climb of 0.6%.

Private sector credit in Australia advanced 0.6% on a monthly basis in February, more than market expectations for a climb of 0.5%. The private sector credit had registered a rise of 0.5% in January.

US

In the US, ADP private sector employment climbed by 200.00K in March, compared to a revised increase of 205.00K in February. Markets were expecting the private sector employment to rise 195.00K.

MBA mortgage applications in the US, slid 1.0% on a weekly basis, in the week ended March 25, 2016. In the prior week, mortgage applications had dropped 3.3%.

UK

The GfK consumer confidence index in the UK remained flat at a level of 0.00 in March, compared to market expectations of a fall to -1.00.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
UK	01:01	Lloyds Business Barometer (Mar)	✓	43.00*	28.00	Monthly
UK	01:05	Gfk Consumer Confidence (Mar)	✓✓	0.00*	0.00	Monthly
Japan	07:00	Construction Orders (YoY) (Feb)	✓	-	-13.80%	Monthly
Japan	07:00	Annualised Housing Starts (Feb)	✓✓	0.88mn units	0.87mn units	Monthly
Germany	08:00	Retail Sales (MoM) (Feb)	✓✓	0.40%	0.70%	Monthly
South Africa	08:00	M3 Money Supply (YoY) (Feb)	✓✓	9.84%	10.28%	Monthly
South Africa	08:00	Private Sector Credit (YoY) (Feb)	✓✓	8.49%	8.54%	Monthly
France	08:45	Consumer Price Index (EU norm) (MoM) (Mar) (P)	✓	0.80%	0.30%	Monthly
France	09:00	IMF's Lagarde, PBOC's Zhou speak at French Treasury seminar.	✓	-	-	As scheduled
Spain	09:00	Retail Sales (YoY) (Feb)	✓	4.00%	3.30%	Monthly
Spain	09:00	Consumer Price Index (MoM) (Mar) (P)	✓	0.70%	-0.40%	Monthly
UK	09:00	BOE's Governor Carney speech	✓	-	-	As scheduled
Germany	09:55	Unemployment Rate s.a. (Mar)	✓✓	6.20%	6.20%	Monthly
Germany	09:55	Unemployment Change (Mar)	✓✓✓	-6.00K	-10.00K	Monthly
UK	10:30	Gross Domestic Product (QoQ) (Q4) (F)	✓✓	0.50%	0.50%**	Quarterly
UK	10:30	Net Consumer Credit (Feb)	✓✓	GBP1.30bn	GBP1.60bn	Monthly
UK	10:30	Mortgage Approvals (Feb)	✓✓	73.50K	74.60K	Monthly
UK	10:30	Current Account (Q4)	✓✓	-GBP21.20bn	-GBP17.50bn	Quarterly
Eurozone	11:00	Consumer Price Index - Core (YoY) (Mar) (P)	✓✓✓	0.90%	0.80%	Monthly
Italy	11:00	Consumer Price Index (MoM) (Mar) (P)	✓	0.10%	-0.20%	Monthly
South Africa	11:30	Producer Price Index (MoM) (Feb)	✓✓	1.10%	1.60%	Monthly
South Africa	13:00	Electricity Consumption (YoY) (Feb)	✓✓	-	-3.20%	Monthly
South Africa	13:00	Electricity Production (YoY) (Feb)	✓✓	-	-2.20%	Monthly
Eurozone	13:30	ECB Monetary Policy Meeting Accounts	✓	-	-	As scheduled
South Africa	14:00	Trade Balance (Feb)	✓✓	-ZAR4.30bn	-ZAR17.90bn	Monthly
Canada	14:30	Gross Domestic Product (MoM) (Jan)	✓✓	0.30%	0.20%	Monthly
US	14:30	Initial Jobless Claims (26-Mar)	✓✓	265.00K	265.00K	Weekly
US	15:45	Chicago PMI (Mar)	✓	50.70	47.60	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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