

ONE Minute Brief

9 March 2017

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Economic and Political News

In South Africa (SA), the business confidence index fell to a level of 95.50 in February, compared to a reading of 97.70 in the prior month.

The Transnet National Ports Authority revealed that the SA's export volumes surged by 18.6% on a yearly basis in February to 14.9mn tonnes, compared to a fall of 6.5% in January to 13.5mn tonnes.

The Passenger Rail Agency of South Africa's (PRASA) board has been dissolved by Transport Minister, Dipuo Peters, in Parliament, after a two-day briefing to the committee which discussed PRASA's governance issues and the recent dismissing of the former Acting Group CEO, who was supported by the Department of Transport. Further, the Parliament's portfolio committee on transport has asked for an investigation into governance challenges at PRASA. Moreover, PRASA's Board Chairman, Popo Molefe, stated that he was shocked by the decision of the parliament to dissolve PRASA and will ask the court to review the decision.

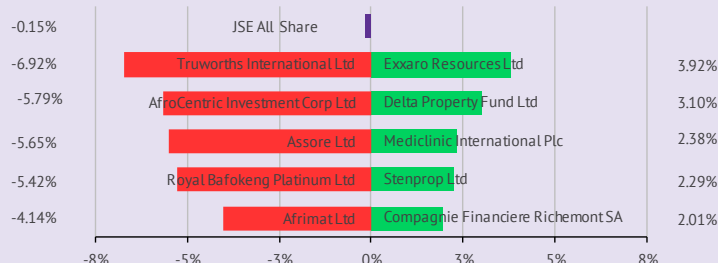
Members of Parliament's ad hoc portfolio committee finalised the list of five candidates who will serve on the interim board of the South African Broadcasting Corporation (SABC).

The power utility, Eskom, stated that no municipality will face electricity cut in the immediate future for not paying debts.

South Africa Market ▼

South African markets closed lower

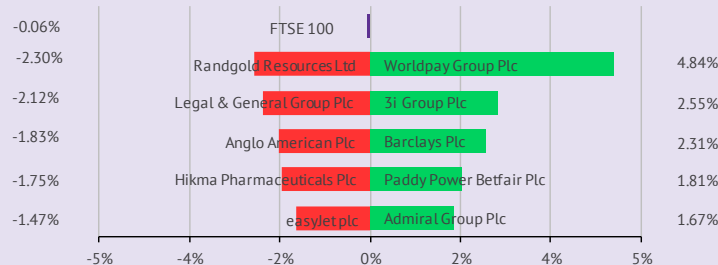
South African markets closed in the red yesterday, led by losses in platinum sector stocks. Data indicated that South Africa's SACCI business confidence index registered a drop in February, compared to prior reading. The JSE All Share Index fell 0.2% to close at 51,299.99.



UK Market ▼

The FTSE 100 futures are trading in negative territory

UK markets finished lower yesterday, led by decline in material and industrial sector stocks. Data showed that UK's RICS house price balance remained unchanged in February, compared to previous reading. The FTSE 100 Index declined 0.1% to close at 7,334.61.



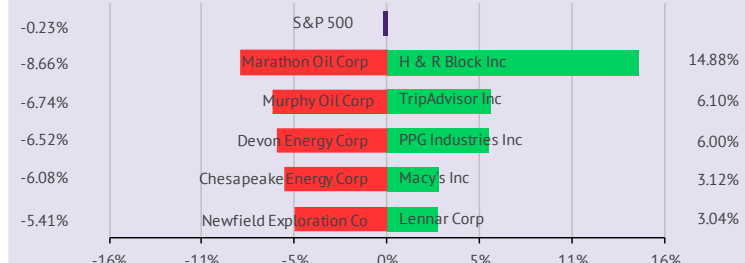
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	51299.99	▼	-77.79	-0.15%	-0.79%	0.30%	-3.11%	1.28%
JSE Top 40	44326.35	▼	-13.98	-0.03%	-0.69%	0.44%	-3.91%	0.97%
FTSE 100	7334.61	▼	-4.38	-0.06%	-0.54%	0.98%	2.31%	2.68%
DAX 30	11967.31	▲	1.17	0.01%	-0.50%	1.12%	2.59%	4.24%
CAC 40	4960.48	▲	5.48	0.11%	-0.69%	2.10%	2.31%	2.02%
S&P 500	2362.98	▼	-5.41	-0.23%	-0.85%	-0.03%	3.72%	5.55%
Nasdaq Composite	5837.55	▲	3.62	0.06%	-0.57%	0.21%	3.75%	8.44%
DJIA	20855.73	▼	-69.03	-0.33%	-0.71%	0.21%	4.77%	5.53%

US Market ▼

The S&P 500 futures are trading in the red

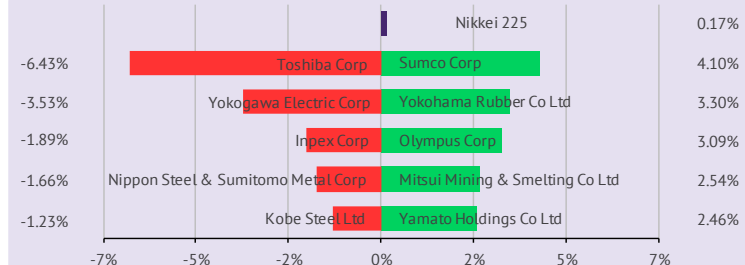
US markets closed lower yesterday, amid losses in energy sector stocks. Data revealed that US ADP employment change advanced more-than-expected in February. The S&P 500 Index dropped 0.2% to close at 2,362.98.



Asian Market ▼

Trading mostly lower

Asian markets are trading mostly lower this morning. Data showed that China's consumer price index rose at a slower-than-expected pace on an annual basis in February. The Nikkei 225 Index is trading 0.2% higher at 19,287.39.



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USDZAR ▲

USD trading firmer against ZAR

At 06:00 SAST, the US Dollar is trading 0.1% higher against the South African Rand at R13.1449. Later today, traders will keep a close watch on US initial jobless claims and import price index for further direction.

The US Dollar rose against the South African Rand yesterday after ADP data indicated a stronger-than-expected US private-sector jobs figures in February. Further, MBA mortgage applications increased on a weekly basis for the week ended March 3, 2017, less than previous reading. Moreover, final wholesale inventories dropped more-than-expected in January. Separately, In South Africa, SACCI business confidence index declined in February, compared to previous reading, weighed down by lower trade volumes and drop in retail sales.

GBPZAR ▲

GBP trading higher against ZAR

At 06:00 SAST, the British Pound marginally climbed against the South African Rand to trade at R15.9708. Data revealed that UK's RICS house price balance remained steady in February, compared to prior reading.

The British Pound advanced against the South African Rand yesterday.

EURZAR ▲

EUR trading stronger against ZAR

At 06:00 SAST, the Euro is trading 0.1% firmer against the South African Rand at R13.8426. Going forward, market participants will keep a tab on European Central Bank interest rate decision for further cues.

The Euro strengthened against the South African Rand yesterday. Meanwhile, data showed that Germany's industrial production rebounded more-than-expected on a monthly basis in January.

AUDZAR ▼

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% weaker against the South African Rand at R9.8758. Earlier in the session, in China, Australia's largest trading partner, consumer price index advanced less than market expectations on a yearly basis in February. However, producer price index recorded a more-than-expected rise on an annual basis in the same month, its strongest rise since September 2008.

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	13.1449	▲	1.24%	0.92%	0.12%	-2.56%	-4.38%
GBPZAR	15.9708	▲	0.95%	-0.17%	-1.67%	-4.15%	-5.67%
EURZAR	13.8426	▲	0.85%	0.11%	-0.41%	-4.52%	-4.28%
AUDZAR	9.8758	▼	0.46%	0.02%	-1.60%	-1.61%	-0.26%
EURUSD	1.0530	▼	-0.25%	-0.76%	-0.34%	-2.04%	0.25%
GBPUSD	1.2158	▼	-0.25%	-0.99%	-1.71%	-1.57%	-1.36%
Brent (\$/barrel)	53.6	▲	-5.03%	-4.99%	-6.02%	1.67%	-6.53%
Gold (\$/oz)	1206.4	▼	-0.55%	-1.39%	-3.55%	3.75%	5.01%
Platinum (\$/oz)	948.8	▼	-1.21%	-4.49%	-7.90%	3.46%	5.31%
Copper (\$/MT)*	5747.3	▼	-0.13%	-2.68%	-3.67%	-0.46%	4.06%

*As of Previous Close

Gold ▼

Trading in the red

At 06:00 SAST, gold prices edged 0.2% lower to trade at \$1,206.40/oz.

Yesterday, gold prices fell 0.6% to close at \$1,209.40/oz, as a strength in the greenback, lowered the demand for the precious yellow metal as an alternative investment.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil rose 0.9% to trade at \$53.57/bl.

Yesterday, Brent crude oil plunged 5.0% to settle at \$53.11/bl, after the US Energy Department reported that crude oil inventories rose by 8.2mn bls for the week ended March 3, 2017. Further, the Energy Information Administration raised its forecast for crude oil output which it expects now at an average of 9.21mn bls per day in 2017, compared to previous forecast of 8.98mn bls per day.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged 0.1% lower to trade at \$948.80/oz.

Yesterday, platinum prices declined 1.2% to close at \$949.50/oz.



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Major South Africa Corporate News

Ascendis Health Limited

In its 1H17 results, the company stated that its revenue increased to ZAR3.11bn from ZAR1.87bn recorded in the corresponding period of the previous year. Its diluted headline EPS fell 14.7% from the same period of the preceding year to 41.39c. Separately, the company stated that it has entered into two separate agreements to acquire the core business assets of Sunwave Pharma SRL for a total consideration of EUR16.35mn from Sunwave and 100.0% of the intellectual property of NHP Natural Health Pharma Limited for a total consideration of between EUR26.10mn and EUR49.10mn, depending on the financial performance of the business over the next three years.

Capevin Holdings Limited

In its 1H17 results, the company revealed that its profit before tax declined 3.7% from the same period of the preceding year to ZAR298.39mn. Its diluted headline EPS stood at 35.70c, compared with 35.30c recorded in the corresponding period of the previous year.

Major Global Economic News

US

In February, the ADP private sector employment advanced by 298.00K in the US, higher than market anticipations of an advance of 187.00K. The private sector employment had recorded a gain of 246.00K in the previous month.

In the US, mortgage applications climbed 3.3% on a weekly basis in the US, in the week ended March 3, 2017. Mortgage applications had risen 5.8% in the previous week.

In January, the seasonally adjusted final wholesale inventories registered a drop of 0.2% on a monthly basis in the US, higher than market expectations for a drop of 0.1%. In the previous month, the wholesale inventories had registered a revised rise of 0.9%. The preliminary figures had indicated a drop of 0.1%.

Eurozone

In January, the seasonally adjusted industrial production advanced 2.8% on a monthly basis in Germany, higher than market expectations for a rise of 2.7%. In the prior month, industrial production had registered a revised drop of 2.4%.

Asia

In February, the consumer price index advanced 0.8% on an annual basis in China, lower than market expectations for a rise of 1.7%. The consumer price index had climbed 2.5% in the previous month.

In China, the producer price index recorded a rise of 7.8% on a yearly basis in February, more than market expectations for an advance of 7.7%. In the previous month, the producer price index had advanced 6.9%.

UK

In February, the RICS house price balance remained steady at 24.0% in the UK, compared to market expectations of a fall to a level of 23.0%.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
UK	02:01	RICS Housing Price Balance (Feb)	✓✓	24.00%*	24.00%	Monthly
China	03:30	Consumer Price Index (YoY) (Feb)	✓✓✓	0.80%*	2.50%	Monthly
China	03:30	Producer Price Index (YoY) (Feb)	✓✓✓	7.80%*	6.90%	Monthly
Japan	04:00	Tokyo Average Office Vacancies (Feb)	✓	3.70%*	3.74%	Monthly
Japan	08:00	Machine Tool Orders (YoY) (Feb) (P)	✓✓	-	3.50%	Monthly
Switzerland	08:45	Unemployment Rate s.a. (Feb)	✓✓	3.30%	3.30%	Monthly
Eurozone	12:00	OECD Economic Outlook	✓✓	-	-	As scheduled
China	13:00	Composite leading indicator (Jan)	✓	-	99.40	Monthly
Japan	13:00	Composite leading indicator (Jan)	✓	-	100.10	Monthly
US	14:30	Challenger Job Cuts (YoY) (Feb)	✓	-	-38.80%	Monthly
Eurozone	14:45	ECB Interest Rate Decision	✓✓✓	0.00%	0.00%	As scheduled
US	15:30	Export Price Index (MoM) (Feb)	✓	-	0.10%	Monthly
US	15:30	Export Price Index (YoY) (Feb)	✓	-	2.30%	Monthly
US	15:30	Export Price Index (Feb)	✓	-	121.40	Monthly
US	15:30	Import Price Index (Feb)	✓	-	122.20	Monthly
US	15:30	Import Price Index (MoM) (Feb)	✓	0.10%	0.40%	Monthly
US	15:30	Continuing Jobless Claims (25-Feb)	✓	2062.00K	2066.00K	Weekly
US	15:30	Initial Jobless Claims (04-Mar)	✓✓✓	238.00K	223.00K	Weekly
US	15:30	Import Price Index (YoY) (Feb)	✓	4.40%	3.70%	Monthly
US	17:30	EIA Natural Gas Storage Change (03-Mar)	✓	-	7.00Bcf	Weekly
US	19:00	Household Change in Net Worth (Q4)	✓	-	USD1593.00bn	Quarterly
Japan	-	Labour Cash Earnings (YoY) (Jan)	✓✓	0.50%*	0.50%	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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