

# ONE Minute Brief

1 March 2017

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## Economic and Political News

In South Africa, the trade deficit stood more-than-expected at ZAR10.80bn in January, compared to a revised trade surplus of ZAR12.40bn in December. In January, South Africa's budget registered a deficit of ZAR38.70bn, compared to a surplus of ZAR22.70bn in December. Further, private sector credit rose more-than-expected by 5.56% YoY in January, compared to a rise of 5.11% in December.

The South African Broadcasting Corporation's (SABC) acting Chief Executive Officer, James Aguma, stated that SABC has registered a net loss of ZAR411mn in the 2015/16 financial year, a net asset position of ZAR2.7bn and a cash balance of ZAR881mn.

Members of Parliament's Communications Portfolio Committee have submitted 17 names to the SABC of possible candidates for the interim board.

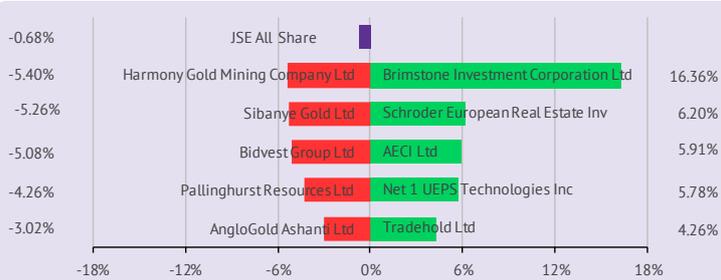
The Democratic Alliance (DA) indicated that the Public Enterprises Minister, Lynne Brown, has confirmed that Eskom and Transnet have given ZAR840,000 in sponsorships to the Progressive Professionals Forum (PPF) led by Mzwanele Manyi.

Johannesburg Mayor, Herman Mashaba, has asked the Department of Home Affairs to seal the borders of the nation and safeguard illegal entry in the country.

## South Africa Market ▼

### South African markets closed lower

South African markets closed in the red yesterday, amid a decline in gold mining sector stocks. Data revealed that South Africa's trade deficit widened more-than-expected in January. The JSE All Share Index fell 0.7% to close at 51,146.05.



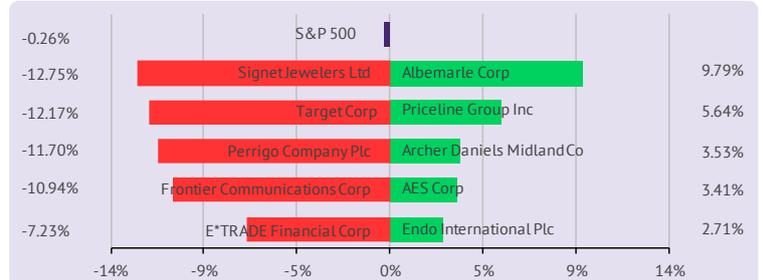
## Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	51146.05	▼ -351.11	-0.68%	-0.90%	NA	-3.11%	0.97%
JSE Top 40	44131.37	▼ -331.38	-0.75%	-1.01%	NA	-3.91%	0.52%
FTSE 100	7263.44	▲ 10.44	0.14%	0.27%	NA	2.31%	1.69%
DAX 30	11834.41	▲ 11.74	0.10%	0.26%	NA	2.59%	3.08%
CAC 40	4858.58	▲ 13.40	0.28%	0.28%	NA	2.31%	-0.08%
S&P 500	2363.64	▼ -6.11	-0.26%	-0.16%	NA	3.72%	5.57%
Nasdaq Composite	5825.44	▼ -36.46	-0.62%	-0.34%	NA	3.75%	8.22%
DJIA	20812.24	▼ -25.20	-0.12%	-0.05%	NA	4.77%	5.31%

## US Market ▼

### The S&P 500 futures are trading in the green

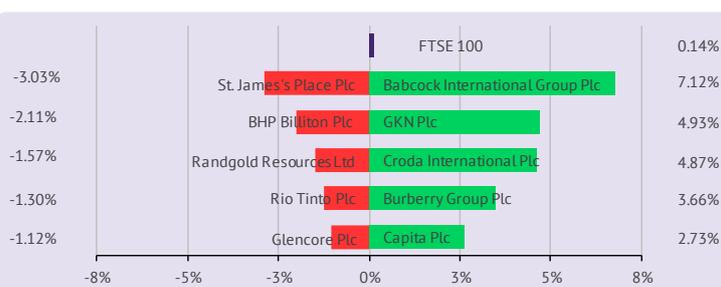
US markets closed lower yesterday, led by losses in consumer discretionary sector stocks. Data showed that US gross domestic product advanced at a slower-than-expected pace in 4Q16. The S&P 500 Index dropped 0.3% to close at 2,363.64.



## UK Market ▲

### The FTSE 100 futures are trading in positive territory

UK markets finished higher yesterday, supported by gains in industrial and consumer discretionary sector stocks. The FTSE 100 Index advanced 0.1% to close at 7,263.44.



## Asian Market ▲

### Trading higher

Asian markets are trading higher this morning. Data indicated that China's NBS manufacturing PMI expanded at a faster pace, higher than market forecast in February. The Nikkei 225 Index is trading 1.11% higher at 19,331.29



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## USDZAR ▲

### USD trading higher against ZAR

At 06:00 SAST, the US Dollar is trading 0.2% firmer against the South African Rand at R13.1429. Later today, traders' will keep a close watch on the US ISM and Markit manufacturing PMI along with MBA mortgage applications, construction spending, personal spending and personal consumption expenditure for further direction.

The US Dollar rose against the South African Rand yesterday. The Federal Reserve (Fed) Bank of San Francisco President, John Williams, stated that he sees a March interest rate hike receiving "serious consideration" when he and the other US central bankers gather at the upcoming monetary policy meeting in Washington. Data revealed that US economy expanded at a slower pace, less than market expectations in 4Q16. Further, advance goods trade deficit widened more-than-expected in January. Moreover, consumer confidence index surprisingly rose in February, notching its strongest level since 2001. Further, personal consumption expenditure recorded a less-than-expected rise on a quarterly basis in 4Q16. Meanwhile, preliminary wholesale inventories unexpectedly declined in January. Separately, South Africa's trade deficit advanced at a faster-than-expected pace in January. Further, South Africa's budget recorded a deficit in January, compared to a surplus in the prior month. Additionally, private sector credit increased more-than-expected on an annual basis in the same month.

## GBPZAR ▲

### GBP trading stronger against ZAR

At 06:00 SAST, the British Pound advanced 0.1% against the South African Rand to trade at R16.2530. Later today, traders' will keep an eye on UK's Markit manufacturing PMI, Nationwide house prices, mortgage approvals and net consumer credit for further cues.

The British Pound advanced against the South African Rand yesterday.

## EURZAR ▼

### EUR trading lower against ZAR

At 06:00 SAST, the Euro is trading marginally weaker against the South African Rand at R13.8741. Going forward, market participants will keep a tab on Markit manufacturing PMI across the Eurozone for further indication. Meanwhile, Germany's unemployment rate and the consumer price index will be on inventors' radar.

The Euro strengthened against the South African Rand yesterday.

## AUDZAR ▲

### AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.3% higher against the South African Rand at R10.0714. Earlier in the session, data indicated that Australia's economy expanded at a faster-than-expected pace in 4Q16, boosted by increase in exports. Further, the AiG performance of manufacturing index recorded a rise in February, compared to previous reading. Meanwhile, in China, Australia's largest trading partner, data revealed that China's NBS manufacturing PMI advanced at a faster-than-expected pace in February. Additionally, the Caixin manufacturing PMI unexpectedly advanced in the same month.

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	13.1429	▲	0.88%	1.23%	NA	-2.56%	-4.49%
GBPZAR	16.2530	▲	0.44%	0.70%	NA	-4.15%	-4.06%
EURZAR	13.8741	▼	0.89%	1.49%	NA	-4.52%	-3.89%
AUDZAR	10.0714	▲	0.68%	1.08%	NA	-1.61%	1.36%
EURUSD	1.0559	▼	-0.09%	0.14%	NA	-2.04%	0.59%
GBPUSD	1.2369	▼	-0.50%	-0.68%	NA	-1.57%	0.36%
Brent (\$/barrel)	56.7	▲	1.04%	0.93%	NA	1.67%	-0.55%
Gold (\$/oz)	1243.3	▼	-0.39%	-0.35%	NA	3.75%	8.87%
Platinum (\$/oz)	1024.9	▼	-0.76%	0.22%	NA	3.46%	14.35%
Copper (\$/MT)*	5966.5	▲	0.72%	0.87%	NA	-0.46%	8.03%

\*As of Previous Close

## Gold ▼

### Trading in the red

At 06:00 SAST, gold prices edged 0.8% lower to trade at \$1,243.30/oz.

Yesterday, gold prices fell 0.4% to close at \$1,253.90/oz, as greenback strengthened ahead of the US President, Donald Trump's, speech to Congress regarding government spending and tax policies.

## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil rose 0.2% to trade at \$56.65/bl.

Yesterday, Brent crude oil advanced 1.0% to settle at \$56.51/bl, despite the American Petroleum Institute (API) reporting that US crude oil inventories increased by 2.5mn bls for the week ended February 24, 2017.

## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices dropped 0.6% to trade at \$1,024.90/oz.

Yesterday, platinum prices declined 0.8% to close at \$1031.00/oz.

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## Major South Africa Corporate News

### Blue Label Telecoms Limited

In its 1H17 results, the company revealed that its revenue advanced 2.9% from the same period of the preceding year to ZAR13.24bn. Its diluted headline EPS stood at 81.12c, compared with 52.71c recorded in the corresponding period previous year. Its profit before tax rose to ZAR753.03mn from ZAR536.43mn posted in the similar period last year.

### Cashbuild Limited

In its 1H17 results, the company indicated that its revenue rose to ZAR5.17bn from ZAR4.51bn recorded in the corresponding period of the previous year. Its diluted EPS increased significantly from the same period of the preceding year to 1,188.30c. Its profit before tax advanced to ZAR383.15mn from ZAR298.91mn posted in the similar period last year.

### Curro Holdings Limited

In its FY16 results, the company reported that its revenue advanced 27.0% from the preceding year to ZAR1.76bn. Its diluted headline EPS stood at 43.70c, compared with 27.90c recorded in the previous year. Its profit before tax increased to ZAR216.00mn from ZAR115.00mn posted in the prior year.

### Nedbank Group Limited

In its FY16 results, the company stated that its net interest income increased to ZAR26.43bn from ZAR23.88bn recorded in the previous year. Its diluted headline EPS rose 4.8% from the preceding year to 2,350.00c. Its profit before tax declined slightly to ZAR14.61bn from the prior year.

### Royal Bafokeng Platinum Limited

In its FY16 results, the company stated that its revenue increased to ZAR3.34bn from ZAR3.04bn recorded in the previous year. Its diluted headline earnings stood at a profit of 86.60c/share from a loss of 83.20c/share recorded in the preceding year.

## Major Global Economic News

### Asia

In Australia, the seasonally adjusted gross domestic product (GDP) registered a rise of 2.4% on an annual basis in 4Q16, more than market expectations for an advance of 2.0%. In the prior quarter, GDP had advanced by a revised 1.9%.

In February, the AIG performance of manufacturing index advanced to 59.30 in Australia, compared to a level of 51.20 in the previous month.

In China, the NBS manufacturing PMI unexpectedly rose to a level of 51.60 in February, higher than market expectations of a fall to a level of 51.20. In the previous month, the NBS manufacturing PMI had registered a level of 51.30.

In February, the Caixin/Markit manufacturing PMI index recorded an unexpected rise to 51.70 in China, higher than market expectations of a drop to 50.80. Caixin/Markit manufacturing PMI index had registered a level of 51.00 in the previous month.

In Japan, the final manufacturing PMI rose to a level of 53.30 in February. In the prior month, manufacturing PMI had recorded a level of 52.70. The preliminary figures had indicated an advance to 53.50.

### US

The Federal Reserve (Fed) Bank of San Francisco President, John Williams, stated that he sees a March interest rate hike receiving "serious consideration" when he and the other US central bankers gather at the upcoming monetary policy meeting in Washington.

In the US, the second estimate of annualised gross domestic product climbed 1.9% on a quarterly basis in 4Q16, compared to an advance of 3.5% in the prior quarter. The preliminary figures had also recorded an advance of 1.9%. Market expectation was for the annualised GDP to advance 2.1%.

In February, the CB consumer confidence index unexpectedly climbed to 114.80 in the US, compared to market expectations of a drop to 111.00. In the prior month, the CB consumer confidence index had recorded a revised level of 111.60.

In January, the seasonally adjusted flash wholesale inventories unexpectedly fell 0.1% on a monthly basis in the US, lower than market expectations for a rise of 0.4%. The wholesale inventories had climbed 1.0% in the previous month.

In the US, the second estimate of core personal consumption expenditure climbed 1.2% on a quarterly basis in 4Q16, less than market expectations for an advance of 1.3%. The preliminary figures had recorded a rise of 1.3%. In the prior quarter, core personal consumption expenditure had recorded a rise of 1.7%.

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## Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:50	Capital Spending (Q4)	✓✓	3.80%*	-1.30%	Quarterly
US	01:50	Fed's Bullard Speaks in Washington	✓	-	-	As scheduled
UK	02:01	BRC Shop Price Index (YoY) (Feb)	✓	-1.00%*	-1.70%	Monthly
Japan	02:30	Nomura/ JMMA Manufacturing PMI (Feb) (F)	✓✓✓	53.30*	53.50**	Monthly
China	03:00	NBS Non-manufacturing PMI (Feb)	✓	54.20*	54.60	Monthly
China	03:00	NBS Manufacturing PMI (Feb)	✓✓	51.60*	51.30	Monthly
China	03:45	Caixin/Markit Manufacturing PMI (Feb)	✓✓	51.70*	51.00	Monthly
UK	09:00	Nationwide House Prices s.a. (MoM) (Feb)	✓	0.20%	0.20%	Monthly
Germany	10:55	Unemployment Rate s.a. (Feb)	✓✓	5.90%	5.90%	Monthly
Germany	10:55	Markit Manufacturing PMI (Feb) (F)	✓✓✓	57.00	57.00**	Monthly
Germany	10:55	Unemployment Change (Feb)	✓✓✓	-10.00K	-26.00K	Monthly
Eurozone	11:00	Markit Manufacturing PMI (Feb) (F)	✓✓✓	55.50	55.50**	Monthly
South Africa	11:00	PMI Manufacturing (Feb)	✓✓✓	-	46.70	Monthly
UK	11:30	Markit Manufacturing PMI (Feb)	✓✓✓	55.80	55.90	Monthly
UK	11:30	Net Consumer Credit (Jan)	✓✓	GBP1.40bn	GBP1.00bn	Monthly
UK	11:30	Mortgage Approvals (Jan)	✓✓	68.70 K	67.90 K	Monthly
US	14:00	MBA Mortgage Applications (24-Feb)	✓	-	-2.00%	Weekly
Germany	15:00	Consumer Price Index (MoM) (Feb) (P)	✓✓✓	0.60%	-0.60%	Monthly
Germany	15:00	Consumer Price Index (YoY) (Feb) (P)	✓✓	2.10%	1.90%	Monthly
US	15:30	Personal Income (MoM) (Jan)	✓✓	0.30%	0.30%	Monthly
US	15:30	Personal Spending (Jan)	✓✓	0.30%	0.50%	Monthly
US	15:30	Personal Consumption Expenditure Core (MoM) (Jan)	✓✓	0.30%	0.10%	Monthly
US	16:45	Markit Manufacturing PMI (Feb) (F)	✓✓✓	54.50	54.30**	Monthly
US	17:00	ISM Manufacturing PMI (Feb)	✓✓	56.00	56.00	Monthly
US	17:00	Construction Spending (MoM) (Jan)	✓✓	0.60%	-0.20%	Monthly
US	21:00	Fed's Beige Book	✓✓✓	-	-	As scheduled
South Africa	-	Naamsa Vehicle Sales (YoY) (Feb)	✓	-	3.70%	Monthly

Note: ✓✓✓High    ✓✓Medium    ✓Low

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