

ONE Minute Brief

10 March 2017

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Economic and Political News

Deputy President, Cyril Ramaphosa, has stated that the government will find a solution to the South African Social Security Agency (SASSA) crisis before the end of March and that it is working to ensure the payment of social grants on time in April. He also indicated that he had full trust in the Constitutional Court to map a way out of the welfare grant crisis facing the nation.

Transport Minister, Dipuo Peters, indicated that she will appoint an interim board that will manage the affairs at the Passenger Rail Agency of South Africa (PRASA) until July 2017, when a new board is scheduled to be appointed.

The African National Congress's (ANC) spokesman, Zizi Kodwa, indicated that the ANC will accelerate the transfer of land to the black majority so as to decrease inequality and prevent future protests.

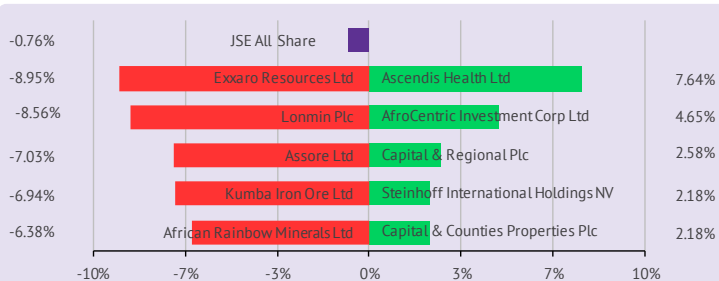
Oxfam South Africa has called on the government to regulate the informal mining sector, which would help in putting an end to frequent deaths of illegal miners.

The Home Affairs Department spokesperson Mayihlome Tshwete has hinted at tightening work visa rules and indicated that the department will ensure that work visas are granted to foreign nationals whose skills were needed.

South Africa Market ▼

South African markets closed lower

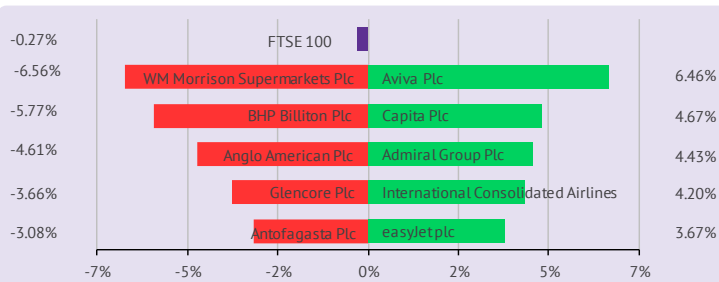
South African markets closed in the red yesterday, led by sharp losses in platinum and resources sector stocks. The JSE All Share Index fell 0.8% to close at 50,910.71.



UK Market ▼

The FTSE 100 futures are trading in positive territory

UK markets finished lower yesterday, amid decline in material sector stocks. The FTSE 100 Index declined 0.3% to close at 7,314.96.



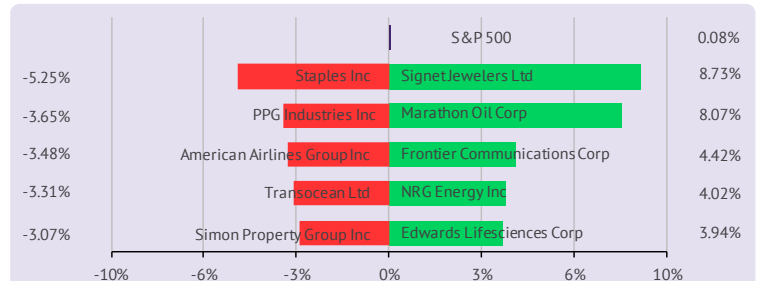
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	50910.71	▼	-389.28	-0.76%	-1.54%	-0.46%	-3.11%	0.51%
JSE Top 40	43953.15	▼	-373.20	-0.84%	-1.53%	-0.40%	-3.91%	0.12%
FTSE 100	7314.96	▼	-19.65	-0.27%	-0.80%	0.71%	2.31%	2.41%
DAX 30	11978.39	▲	11.08	0.09%	-0.41%	1.22%	2.59%	4.33%
CAC 40	4981.51	▲	21.03	0.42%	-0.27%	2.53%	2.31%	2.45%
S&P 500	2364.87	▲	1.89	0.08%	-0.77%	0.05%	3.72%	5.63%
Nasdaq Composite	5838.81	▲	1.26	0.02%	-0.54%	0.23%	3.75%	8.47%
DJIA	20858.19	▲	2.46	0.01%	-0.70%	0.22%	4.77%	5.54%

US Market ▲

The S&P 500 futures are trading in the green

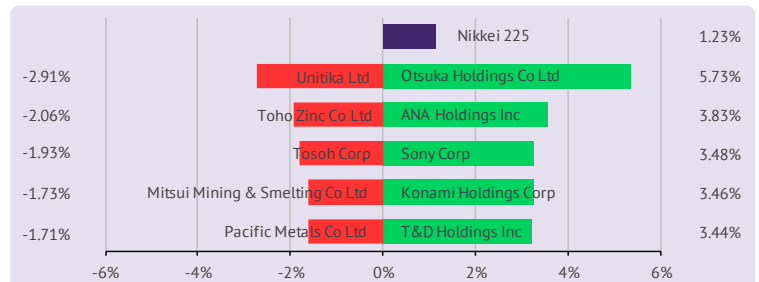
US markets closed higher yesterday, supported by gains in health care sector stocks. Data indicated that US initial jobless claims advanced more-than-expected for the week ended March 4, 2017. The S&P 500 Index climbed 0.1% to close at 2,364.87.



Asian Market ◀▶

Trading mixed

Asian markets are trading mixed this morning. The Nikkei 225 Index is trading 1.2% higher at 19,557.04.



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USDZAR ▼

USD trading weaker against ZAR

At 06:00 SAST, the US Dollar is trading 0.3% lower against the South African Rand at R13.2864. Later today, traders will keep a close watch on US change in non-farm payrolls, unemployment rate and average weekly earnings for further direction.

The US Dollar rose against the South African Rand yesterday. Data revealed that the number of Americans applying for unemployment benefits rose more than market forecast for the week ended March 4, 2017. Further, import price index registered a more than expected rise on a monthly basis in February.

GBPZAR ▼

GBP trading lower against ZAR

At 06:00 SAST, the British Pound dropped 0.4% against the South African Rand to trade at R16.1520. Later today, traders will keep an eye on UK's NIESR gross domestic product estimate, industrial production and manufacturing production along with construction output and trade balance for further cues.

The British Pound advanced against the South African Rand yesterday.

EURZAR ▼

EUR trading weaker against ZAR

At 06:00 SAST, the Euro is trading 0.1% lower against the South African Rand at R14.0758. Going forward, market participants will keep a tab on Germany's trade balance and wholesale price index, scheduled in few hours.

The Euro strengthened against the South African Rand yesterday, following mildly hawkish comments from ECB President Mario Draghi. The European Central Bank (ECB) kept benchmark interest rate and deposit facility rates unchanged, at par with market anticipations. Further, the central bank pledged to keep its aggressive stimulus policy in place at least until the end of the year, but signalled a diminishing urgency for more policy action in the Eurozone.

AUDZAR ▼

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar retreated 0.1% against the South African Rand to trade at R9.9874. Earlier in the session, data indicated that Australia's home loans surprisingly grew in January.

The Australian Dollar rose against the South African Rand yesterday. Meanwhile, in China, Australia's largest trading partner, consumer price index rose less-than-anticipated on an annual basis in February. However, producer price index jumped to its highest level since September 2008, in February, more than market expectations.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.2864	▼	1.51%	2.45%	1.63%	-2.56%	-2.93%
GBPZAR	16.1520	▼	1.53%	1.35%	-0.17%	-4.15%	-4.23%
EURZAR	14.0758	▼	1.93%	2.04%	1.51%	-4.52%	-2.44%
AUDZAR	9.9874	▼	1.21%	1.23%	-0.40%	-1.61%	0.95%
EURUSD	1.0594	▲	0.34%	-0.42%	0.00%	-2.04%	0.59%
GBPUSD	1.2159	▼	-0.02%	-1.01%	-1.73%	-1.57%	-1.38%
Brent (\$/barrel)	52.5	▲	-1.73%	-6.64%	-7.64%	1.67%	-8.15%
Gold (\$/oz)	1198.1	▼	-0.51%	-1.90%	-4.04%	3.75%	4.47%
Platinum (\$/oz)	937.7	▲	-1.30%	-5.72%	-9.10%	3.46%	3.95%
Copper (\$/MT)*	5672.5	▼	-1.30%	-3.95%	-4.93%	-0.46%	2.71%

*As of Previous Close

Gold ▼

Trading in the red

At 06:00 SAST, gold prices edged 0.4% lower to trade at \$1,198.10/oz.

Yesterday, gold prices fell 0.5% to close at \$1,203.20/oz, as strength in the US Dollar dented the demand for the safe haven asset.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil climbed 0.5% to trade at \$52.47/bl.

Yesterday, Brent crude oil dropped 1.7% to settle at \$52.19/bl, extending its previous session losses, as investors grew worrisome about the increasing US oil supplies which may destabilise the balance between global supply and demand.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged 0.1% higher to trade at \$937.70/oz.

Yesterday, platinum prices declined 1.3% to close at \$937.20/oz.



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Major South Africa Corporate News

Aspen Pharmacare Holdings Limited

In its 1H17 results, the company reported that its revenue advanced 13.0% from the same period of the preceding year to ZAR19.80bn. However, its profit before tax fell to ZAR3.40bn from ZAR4.50bn recorded in the similar period of the preceding year. Its diluted EPS stood at 618.60c, compared with 726.90c recorded in the corresponding period of the previous year.

Exxaro Resources Limited

In its FY16 results, the company indicated that its revenue rose to ZAR20.90bn from ZAR18.33bn recorded in the previous year. Its diluted headline EPS from continuing operations increased substantially from the preceding year to 1,334.00c. Its profit before tax advanced to ZAR6.33bn from ZAR1.66bn reported last year.

FirstRand Limited

In its 1H17 results, the group stated that its net interest income increased to ZAR22.20bn from ZAR20.02bn recorded in the corresponding period of the previous year. Its diluted headline EPS rose 14.0% from the same period of the preceding year to 211.50c. Its profit before tax advanced to ZAR16.16bn from ZAR14.63bn posted in the similar period last year.

Mtn Group Limited

The company reported that Rob Shuter has been appointed as an Executive Director on the Board of Directors of the company, with effect from March 13, 2017.

Murray & Roberts Holdings Limited

The company announced the appointment of Mr Daniël Grobler as Group Financial Director, with effect from April 1, 2017.

Sanlam Limited

In its FY16 results, the company revealed that its net income advanced 1.6% from the preceding year to ZAR86.69bn. Its diluted EPS stood at 476.40c, compared with 464.00c recorded in the previous year. However, its profit before tax fell to ZAR13.60bn from ZAR14.77bn posted in the prior year.

Major Global Economic News

US

In the US, the seasonally adjusted initial jobless claims climbed to 243.00K in the week ended March 4, 2017, compared to a reading of 223.00K in the previous week. Market anticipation was for initial jobless claims to advance to a level of 238.00K.

In February, the import price index recorded a rise of 0.2% on a monthly basis in the US, higher than market expectations for an advance of 0.1%. The import price index had risen by a revised 0.6% in the previous month.

In the US, the export price index rose 0.3% on a monthly basis in February. The export price index had risen by a revised 0.2% in the prior month.

Asia

In Australia, the seasonally adjusted home loan approvals registered an unexpected rise of 0.5% on a monthly basis in January, more than market expectations for a fall of 1.0%. In the previous month, home loan approvals had registered a revised rise of 0.2%.

Eurozone

The ECB left the key interest rate and deposit facility rates steady, in line with market expectations. Further, the central bank pledged to keep its aggressive stimulus policy in place at least until the end of the year, but signaled a diminishing urgency for more policy action in the Eurozone.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	01:50	BSI Large Manufacturing (QoQ) (Q1)	✓✓	1.10%*	7.50%	Quarterly
Germany	09:00	Exports (Jan)	✓	-	EUR97.40bn	Monthly
Germany	09:00	Imports (Jan)	✓	-	EUR78.70bn	Monthly
Germany	09:00	Labour Costs s.a. (QoQ) (Q4)	✓	-	0.80%	Quarterly
Germany	09:00	Exports s.a. (MoM) (Jan)	✓	2.00%	-3.30%	Monthly
Germany	09:00	Current Account n.s.a. (Jan)	✓	EUR15.50bn	EUR24.00bn	Monthly
Germany	09:00	Imports s.a. (MoM) (Jan)	✓	0.50%	0.00%	Monthly
Germany	09:00	Trade Balance n.s.a. (Jan)	✓✓	EUR18.00bn	EUR18.70bn	Monthly
UK	11:30	Industrial Production (Jan)	✓	-	106.00	Monthly
UK	11:30	Manufacturing Production (Jan)	✓	-	106.30	Monthly
UK	11:30	Industrial Production (MoM) (Jan)	✓	-0.50%	1.10%	Monthly
UK	11:30	Manufacturing Production (MoM) (Jan)	✓	-0.70%	2.10%	Monthly
UK	11:30	Industrial Production (YoY) (Jan)	✓✓	3.20%	4.30%	Monthly
UK	11:30	Construction Output s.a. (YoY) (Jan)	✓	0.30%	0.60%	Monthly
UK	11:30	Total Trade Balance (Jan)	✓✓	-GBP3.10bn	-GBP3.30bn	Monthly
UK	11:30	Visible Trade Balance (Jan)	✓✓	-GBP11.10bn	-GBP10.89bn	Monthly
US	15:30	Average Hourly Earnings All Employees (MoM) (Feb)	✓✓	0.30%	0.10%	Monthly
US	15:30	Unemployment Rate (Feb)	✓✓✓	4.70%	4.80%	Monthly
US	15:30	Underemployment Rate (Feb)	✓✓	-	9.40%	Monthly
US	15:30	Average Weekly Hours All Employees (Feb)	✓	34.40	34.40	Monthly
US	15:30	Change in Non-farm Payrolls (Feb)	✓✓✓	200.00K	227.00K	Monthly
US	15:30	Average Hourly Earnings All Employees (YoY) (Feb)	✓✓	2.80%	2.50%	Monthly
US	15:30	Change in Manufacturing Payrolls (Feb)	✓	10.00K	5.00K	Monthly
US	15:30	Change in Private Payrolls (Feb)	✓✓	215.00K	237.00K	Monthly
UK	17:00	NIESR GDP Estimate (3M) (Feb)	✓✓✓	0.60%	0.70%	Monthly
US	21:00	Monthly Budget Statement (Feb)	✓✓	-USD190.00bn	USD51.26bn	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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