

ONE Minute Brief

3 April 2017

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Economic and Political News

South African Revenue Service has reported that trade surplus in South Africa recorded a reading of ZAR5.20bn in February, compared to a trade deficit of ZAR10.80bn in the previous month.

National Assembly Speaker, Baleka Mbete, stated that she will start the process of consultation on the motion of no confidence in President, Jacob Zuma.

The new Finance Minister, Malusi Gigaba, has stated that it is necessary to transform the South African economy and has pledged to maintain fiscal stability. Further, he also indicated that he will protect South Africa's investment-grade credit ratings, which analysts fear could be downgraded after the removal of his predecessor Pravin Gordhan.

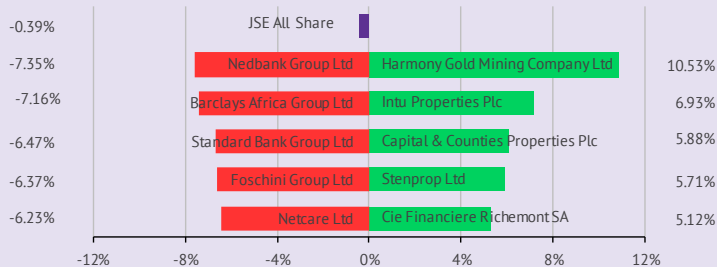
Credit rating agency Fitch has warned that the removal of Finance Minister, Pravin Gordhan, has raised the possibility of a credit downgrade. It added that the Cabinet reshuffle may result in a change in policy direction and would raise political tensions, potentially weakening public finances and standards of governance.

Former Finance Minister, Pravin Gordhan, has called for mass mobilisation against President Jacob Zuma's cabinet reshuffle and said that he would take up the matter with the party's national executive committee.

South Africa Market ▼

South African markets closed lower

South African markets closed in the red on Friday, as uncertainty rose of a credit rating downgrade after Finance Minister, Pravin Gordhan was fired. Data showed that South Africa's trade balance recorded a surplus in February. The JSE All Share Index fell 0.4% to close at 52,056.06.



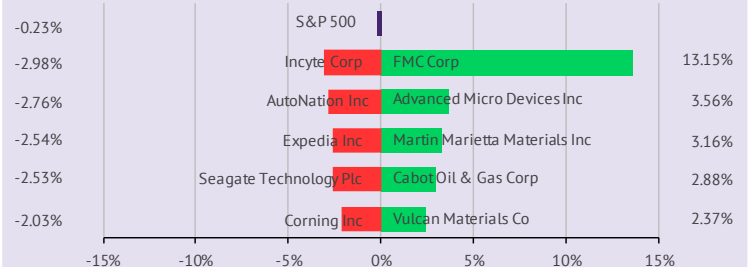
Key Indices

| | Last Close | 1 Day Chg | 1 D % Chg | WTD % Chg | MTD % Chg | Prev. Month % Chg | YTD % Chg |
|------------------|------------|-----------|-----------|-----------|-----------|-------------------|-----------|
| JSE All Share | 52056.06 | ▼ | -205.12 | -0.39% | NA | 1.78% | 2.77% |
| JSE Top 40 | 45167.15 | ▼ | -53.24 | -0.12% | NA | 2.35% | 2.88% |
| FTSE 100 | 7322.92 | ▼ | -46.60 | -0.63% | NA | 0.82% | 2.52% |
| DAX 30 | 12312.87 | ▲ | 56.44 | 0.46% | NA | 4.04% | 7.25% |
| CAC 40 | 5122.51 | ▲ | 32.87 | 0.65% | NA | 5.43% | 5.35% |
| S&P 500 | 2362.72 | ▼ | -5.34 | -0.23% | NA | -0.04% | 5.53% |
| Nasdaq Composite | 5911.74 | ▼ | -2.61 | -0.04% | NA | 1.48% | 9.82% |
| DJIA | 20663.22 | ▼ | -65.27 | -0.31% | NA | -0.72% | 4.56% |

US Market ▼

The S&P 500 futures are trading in the red

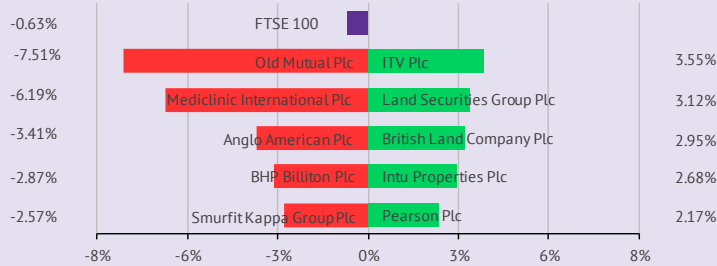
US markets closed lower on Friday, weighed down by losses in financial sector stocks. Data indicated that the US Reuters/Michigan final consumer confidence index advanced less-than-expected in March. The S&P 500 Index dropped 0.2% to close at 2,362.72.



UK Market ▼

The FTSE 100 futures are trading in negative territory

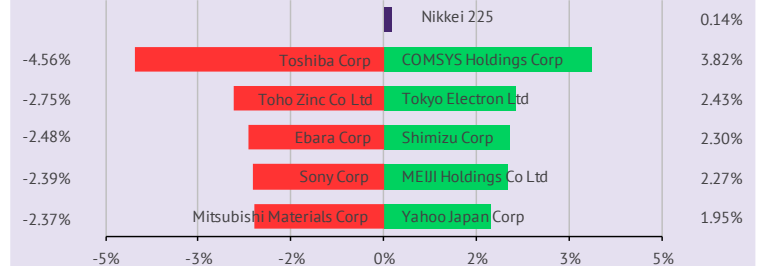
UK markets finished lower on Friday, amid a decline in material sector stocks. On the data front, UK's final gross domestic product advanced in line with market forecast on a quarterly basis in 4Q16. The FTSE 100 Index declined 0.6% to close at 7,322.92.



Asian Market ▲

Trading higher

Asian markets are trading higher this morning. Data revealed that Japan's Nikkei final manufacturing PMI declined in March, compared to its prior reading. Markets in China are closed on account of a public holiday. The Nikkei 225 Index is trading 0.1% higher at 18,936.10.



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USDZAR ▼

USD trading lower against ZAR

At 06:00 SAST, the US Dollar dropped 0.1% against the South African Rand to trade at R13.4070. Later today, traders will keep a close watch on the US ISM manufacturing PMI, the Markit manufacturing PMI and construction spending for further indication. Separately, South Africa's manufacturing PMI will be on investors' radar.

The US Dollar rose against the South African Rand on Friday. Data revealed that US Reuters/Michigan final consumer confidence index rose weaker than market anticipations in March. Further, personal consumption expenditure remained unchanged on a yearly basis in February. Moreover, personal spending increased less-than-expected in the same month. Separately, South Africa's trade balance registered a surplus in February, compared to a deficit in the previous month.

GBPZAR ▼

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound fell 0.1% against the South African Rand to trade at R16.8230. Later today, traders will keep an eye on UK's Markit manufacturing PMI for further direction.

The British Pound advanced against the South African Rand on Friday. Data revealed that UK's final gross domestic product recorded a rise on a quarterly basis in 4Q16, at par with market forecast. Meanwhile, the Nationwide house price index unexpectedly eased on a monthly basis in March.

EURZAR ▼

EUR trading lower against ZAR

At 06:00 SAST, the Euro is trading 0.1% weaker against the South African Rand at R14.2814. Going forward, market participants will keep a tab on Eurozone's Markit manufacturing PMI, producer price index and unemployment rate for further cues. Moreover, Germany's Markit manufacturing PMI will be on investors' radar.

The Euro strengthened against the South African Rand on Friday. On the macro front, Eurozone's annual consumer price inflation estimate advanced less-than-anticipated in March. Meanwhile, Germany's unemployment rate surprisingly dropped in the same month. Moreover, retail sales rebounded more-than-forecast on a monthly basis in February, while it unexpectedly declined on a yearly basis.

AUDZAR ▼

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar dropped 0.3% against the South African Rand to trade at R10.2054. Earlier in the session, data showed that Australia's AiG performance of manufacturing index dropped in March, compared to its prior reading. Further, retail sales retreated on a monthly basis in February. Moreover, building approvals unexpectedly increased on a monthly basis in the same month.

The Australian Dollar rose against the South African Rand on Friday. Data indicated that Australia's private sector credit grew less-than-anticipated on a monthly basis in February. Meanwhile, in China, Australia's largest trading partner the manufacturing PMI advanced more than market expectations in March.

Key Currencies & Commodities

| | Current | | 1 D % Chg | WTD % Chg | MTD % Chg | Prev. Month % Chg | YTD % Chg |
|-------------------|---------|---|-----------|-----------|-----------|-------------------|-----------|
| USDZAR | 13.4070 | ▼ | 0.98% | NA | NA | 2.32% | -2.27% |
| GBPZAR | 16.8230 | ▼ | 1.66% | NA | NA | 3.66% | -0.55% |
| EURZAR | 14.2814 | ▼ | 0.86% | NA | NA | 3.01% | -0.99% |
| AUDZAR | 10.2054 | ▼ | 0.82% | NA | NA | 1.94% | 3.33% |
| EURUSD | 1.0678 | ▲ | -0.23% | NA | NA | 0.70% | 1.29% |
| GBPUSD | 1.2540 | ▼ | 0.64% | NA | NA | 1.33% | 1.69% |
| Brent (\$/barrel) | 53.4 | ▼ | 1.08% | NA | NA | -5.27% | -5.79% |
| Gold (\$/oz) | 1250.8 | ▲ | 0.18% | NA | NA | -0.53% | 8.30% |
| Platinum (\$/oz) | 955.4 | ▲ | -0.36% | NA | NA | -8.03% | 5.17% |
| Copper (\$/MT)* | 5816.0 | ▼ | -2.05% | NA | NA | -2.52% | 5.31% |

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.3% higher to trade at \$1,250.80/oz.

On Friday, gold prices rose 0.2% to close at \$1,247.30/oz, as weakness in the US Dollar increased demand for the safe haven yellow metal.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil fell 0.2% to trade at \$53.40/bl.

On Friday, Brent crude oil advanced 1.1% to settle at \$53.53/bl, despite Baker Hughes reporting that US oil rig count rose by 10 to 662 last week.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged 0.8% higher to trade at \$955.40/oz.

On Friday, platinum prices declined 0.4% to close at \$948.20/oz.



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Major South Africa Corporate News

Net 1 UEPS Technologies Inc.

The company reported that its South African subsidiary, Cash Paymaster Services Ltd, has signed an addendum to its contract with the South African Social Security Agency, which extends the existing contract for a period of 12 months to March 31, 2018. Moreover, it confirmed that payment of the April grants to 10.50mn grant recipients is on track.

Major Global Economic News

Asia

In Australia, the AIG performance of manufacturing index registered a drop to 57.50 in March, compared to a reading of 59.30 in the prior month.

In February, the seasonally adjusted retail sales unexpectedly fell 0.1% on a monthly basis in Australia, lower than market expectations for a rise of 0.3%. Retail sales had advanced 0.4% in the previous month.

In Australia, the seasonally adjusted building approvals recorded an unexpected rise of 8.3% on a monthly basis in February, higher than market expectations for a drop of 1.0%. Building approvals had recorded a revised rise of 2.2% in the previous month.

In March, the final manufacturing PMI registered a drop to 52.40 in Japan, compared to a level of 53.30 in the prior month. The preliminary figures had indicated a fall to 52.60.

Eurozone

In the Eurozone, the preliminary consumer price index advanced 1.5% on a yearly basis in March, lower than market expectations for an advance of 1.8%. In the prior month, the consumer price index had risen 2.0%.

In March, the seasonally adjusted unemployment rate unexpectedly fell to a level of 5.8% in Germany, compared to market expectations of an unchanged reading. In the previous month, unemployment rate had registered a reading of 5.9%.

In February, retail sales advanced 1.8% on a monthly basis in Germany, more than market expectations for an advance of 0.7%. In the prior month, retail sales had dropped by a revised 1.0%.

US

In March, the final Reuters/Michigan consumer sentiment index climbed to 96.90 in the US, compared to a reading of 96.30 in the previous month. The preliminary figures had recorded an advance to 97.60. Markets were anticipating the index to rise to a level of 97.60.

In the US, core personal consumption expenditure climbed 1.8% on a yearly basis in February, compared to a revised similar rise in the prior month. Markets were anticipating core personal consumption expenditure to climb 1.7%.

In February, personal spending advanced 0.1% on a monthly basis in the US, lower than market expectations for a rise of 0.2%. In the prior month, personal spending had recorded a rise of 0.2%.

UK

In the UK, the final gross domestic product (GDP) advanced 0.7% on a quarterly basis in 4Q 2016, at par with market expectations. GDP had risen 0.6% in the prior quarter. The preliminary figures had also indicated a rise of 0.7%.

In March, the seasonally adjusted house prices registered an unexpected drop of 0.3% on a monthly basis in the UK, less than market expectations for an advance of 0.3%. House prices had advanced 0.6% in the previous month.



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40 Best Performers on the All Share Index

| Company Name | Last Close | 1 Week % Change | MTD % Change | YTD % Change |
|--------------------------------------|--------------|-----------------|--------------|--------------|
| Trencor Ltd | 40 | 4.41% | NA | 39.65% |
| Murray & Roberts Holdings Ltd | 15 | 2.67% | NA | 33.68% |
| Exxaro Resources Ltd | 118 | -0.77% | NA | 31.72% |
| Adcock Ingram Holdings Ltd | 62 | -3.86% | NA | 29.02% |
| Kumba Iron Ore Ltd | 203 | 1.49% | NA | 27.62% |
| Northam Platinum Ltd | 51 | 2.70% | NA | 26.89% |
| Hudaco Industries Ltd | 144 | -1.14% | NA | 26.36% |
| Astral Foods Ltd | 157 | -4.79% | NA | 21.39% |
| Brimstone Investment Corporation Ltd | 14 | -0.69% | NA | 20.00% |
| KAP Industrial Holdings Ltd | 9 | -5.20% | NA | 19.52% |
| RCL Foods Ltd | 15 | -6.25% | NA | 18.11% |
| PPC Ltd | 7 | -2.84% | NA | 17.72% |
| Compagnie Financiere Richemont SA | 106 | 7.46% | NA | 16.84% |
| Advtech Ltd | 20 | -2.49% | NA | 16.48% |
| Anglo American Platinum Ltd | 306 | 8.47% | NA | 15.76% |
| Mondi Plc | 322 | 7.05% | NA | 15.51% |
| Metair Investments Ltd | 25 | 1.40% | NA | 15.23% |
| Naspers Ltd | 2315 | 3.86% | NA | 14.94% |
| Pioneer Food Group Ltd | 177 | -5.91% | NA | 14.70% |
| Mondi Ltd | 321 | 6.75% | NA | 14.48% |
| Delta Property Fund Ltd | 9 | -4.52% | NA | 13.85% |
| AECI Ltd | 115 | 1.49% | NA | 13.75% |
| British American Tobacco PLC | 881 | 8.85% | NA | 13.21% |
| Sibanye Gold Ltd | 29 | 4.06% | NA | 13.04% |
| PSG Group Ltd | 247 | -8.82% | NA | 13.01% |
| Shoprite Holdings Ltd | 194 | -6.47% | NA | 12.91% |
| Glencore Plc | 53 | 4.54% | NA | 12.55% |
| Discovery Ltd | 129 | -4.98% | NA | 12.41% |
| Clicks Group Ltd | 128 | -3.36% | NA | 10.91% |
| Zeder Investments Ltd | 8 | -3.13% | NA | 9.93% |
| Capitec Bank Holdings Ltd | 761 | -5.33% | NA | 9.55% |
| Mpact Ltd | 31 | 1.08% | NA | 9.49% |
| Rebosis Property Fund Ltd | 13 | 0.40% | NA | 9.43% |
| Niveus Investments Ltd | 40 | -0.05% | NA | 9.26% |
| Octodec Investments Ltd | 24 | -4.49% | NA | 8.93% |
| Cashbuild Ltd | 374 | 0.83% | NA | 8.81% |
| Reinet Investments SCA | 29 | 6.62% | NA | 8.81% |
| Santam Ltd | 255 | 0.60% | NA | 8.79% |
| Truworths International Ltd | 87 | -6.15% | NA | 8.71% |
| Equites Property Fund Ltd | 17 | -1.89% | NA | 8.54% |
| JSE All Share Index | 52056 | 0.46% | NA | 2.77% |

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Economic Calendar

| Country | SAST | Economic Indicator | Relevance | Consensus/ *Actual | Previous/ **Previous Est. | Frequency |
|--------------|-------|--|-----------|-----------------------|------------------------------|--------------|
| Japan | 01:30 | Nomura/ JIMMA Manufacturing PMI (Mar) (F) | ✓✓✓ | 52.40* | 52.60** | Monthly |
| Japan | 01:50 | Tankan Large Manufacturing Index (Q1) | ✓✓ | 12.00* | 10.00 | Quarterly |
| Japan | 01:50 | Tankan Large Manufacturing Outlook (Q1) | ✓✓ | 11.00* | 8.00 | Quarterly |
| Japan | 01:50 | Tankan Non - Manufacturing Index (Q1) | ✓✓ | 20.00* | 18.00 | Quarterly |
| Japan | 01:50 | Tankan Non - Manufacturing Outlook (Q1) | ✓✓ | 16.00* | 16.00 | Quarterly |
| Japan | 01:50 | Tankan Large ALL Industry Capex (Q1) | ✓✓ | 0.60%* | 5.50% | Quarterly |
| Germany | 09:55 | Markit Manufacturing PMI (Mar) (F) | ✓✓✓ | 58.30 | 58.30** | Monthly |
| Eurozone | 10:00 | Markit Manufacturing PMI (Mar) (F) | ✓✓✓ | 56.20 | 56.20** | Monthly |
| UK | 10:30 | Markit Manufacturing PMI (Mar) | ✓✓✓ | 55.00 | 54.60 | Monthly |
| South Africa | 11:00 | PMI Manufacturing (Mar) | ✓✓✓ | - | 52.50 | Monthly |
| Eurozone | 11:00 | Unemployment Rate (Feb) | ✓✓ | 9.50% | 9.60% | Monthly |
| Eurozone | 11:00 | Producer Price Index (MoM) (Feb) | ✓ | 0.30% | 0.70% | Monthly |
| Eurozone | 11:00 | Producer Price Index (YoY) (Feb) | ✓✓ | 4.40% | 3.50% | Monthly |
| US | 15:45 | Markit Composite PMI (Mar) (F) | ✓✓ | - | 53.20** | Monthly |
| US | 15:45 | Markit Manufacturing PMI (Mar) (F) | ✓✓✓ | - | 53.40** | Monthly |
| US | 16:00 | ISM Inventories (Mar) | ✓ | - | 51.50 | Monthly |
| US | 16:00 | ISM Production (Mar) | ✓ | - | 62.90 | Monthly |
| US | 16:00 | ISM New Orders (Mar) | ✓ | - | 65.10 | Monthly |
| US | 16:00 | ISM Employment (Mar) | ✓ | - | 54.20 | Monthly |
| US | 16:00 | ISM Manufacturing PMI (Mar) | ✓✓ | 57.00 | 57.70 | Monthly |
| US | 16:00 | Construction Spending (MoM) (Feb) | ✓✓ | 1.20% | -1.00% | Monthly |
| US | 21:00 | Fed's Harker Speaks in Philadelphia on Fintech | ✓ | - | - | As scheduled |
| US | 23:00 | Fed's Lacker Speaks in Lexington, Virginia | ✓ | - | - | As scheduled |
| South Africa | - | Naamsa Vehicle Sales (YoY) (Mar) | ✓✓ | - | -0.10% | Monthly |

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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