

# ONE Minute Brief

18 April 2017

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## Economic and Political News

In South Africa, gold production fell 16.8% YoY in February, compared to a flat reading in January. Mining production recorded a higher-than-expected rise of 4.6% YoY in February, compared to a revised rise of 1.4% in January. Platinum production rose 47.2% YoY in February, compared to an increase of 3.6% in January.

Minister of Police, Fikile Mbalula, has ordered former Hawks boss, Berning Ntlemenza, to vacate the office immediately after the high court decided to remove him from the office. However, Berning is planning to come back to work ignoring the high court decision, and if he does so legal action is expected. Further, the Minister of Police has appointed Yolisa Matakata, as the acting Hawks head.

New Finance Minister, Malusi Gigaba, stated that he will meet the rating agency Moody's to convince them that the nation would stay on the path of fiscal discipline, in order to avoid a third credit rating downgrade.

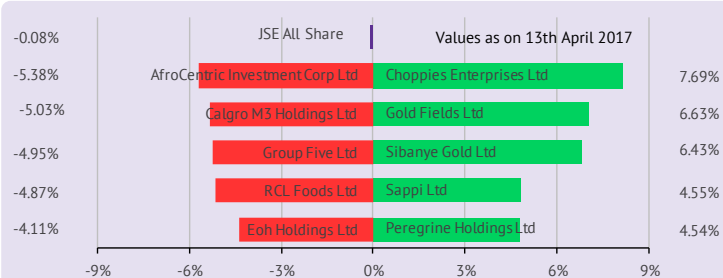
President, Jacob Zuma, has filed an affidavit opposing the UDM's application of using a secret ballot in the motion of no confidence in Zuma, stating that voting by way of an open ballot vote is not unconstitutional, as claimed by the UDM.

The DA stated that it will write an application to the Public Protector, Busisiwe Mkhwebane, requesting her to investigate an alleged ZAR30mn pension paid to former Eskom Chief Executive Officer, Brian Molefe.

## South Africa Market ▼

### South African markets closed lower

Markets in South Africa were closed on Friday and Monday on account of public holidays. The JSE All Share Index fell 0.1% on Thursday to close at 53,510.22, led by a decline in resources and industrial sector stocks.



## Key Indices

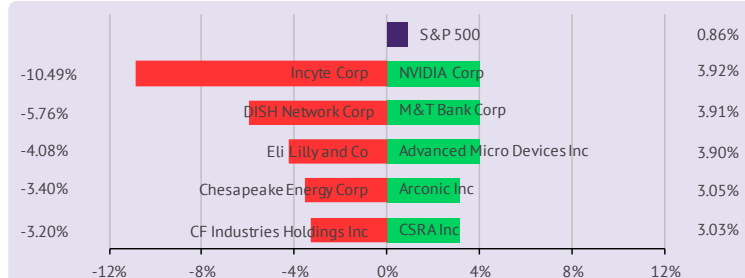
	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share*	53510.22	▼	41.09	0.08%	0.00%	2.79%	1.78%	5.64%
JSE Top 40*	46644.49	▼	102.70	0.22%	0.00%	3.27%	2.35%	6.25%
FTSE 100*	7327.59	▼	21.40	0.29%	0.00%	0.06%	0.82%	2.59%
DAX 30*	12109.00	▼	45.70	0.38%	0.00%	-1.66%	4.04%	5.47%
CAC 40*	5071.10	▼	30.01	0.59%	0.00%	-1.00%	5.43%	4.29%
S&P 500	2349.01	▲	20.06	0.86%	0.86%	-0.58%	-0.04%	4.92%
Nasdaq Composite	5856.79	▲	51.64	0.89%	0.89%	-0.93%	1.48%	8.80%
DJIA	20636.92	▲	183.67	0.90%	0.90%	-0.13%	-0.72%	4.42%

\*Values as on 13th April 2017

## US Market ▲

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

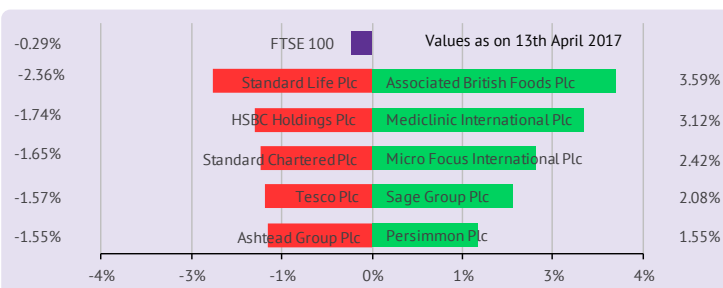
US markets closed higher yesterday, amid gains in financials sector stocks. Data indicated that the US NAHB housing market index declined more-than-expected in April. The S&P 500 Index climbed 0.9% to close at 2,349.01.



## UK Market ▼

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

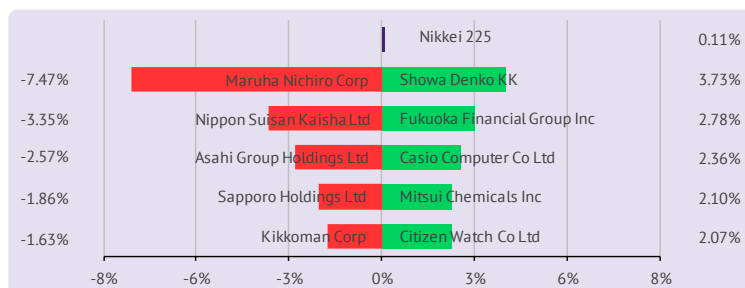
UK markets were closed on Friday and Monday on account of public holidays. The FTSE 100 Index declined 0.3% on Thursday to close at 7,327.59, weighed down by losses in banking sector stocks.



## Asian Market ▼

### Trading mostly lower

Asian markets are trading mostly lower this morning. The Nikkei 225 Index is trading 0.1% higher at 18,375.45.



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## USDZAR ▲

### USD trading firmer against ZAR

At 06:00 SAST, the US Dollar is trading 0.4% higher against the South African Rand at R13.3325. Later today, traders will keep a close watch on US manufacturing production, housing starts, building permits and industrial production data for further direction.

The US Dollar fell against the South African Rand yesterday. On the macro front, the US NAHB housing market index recorded a more-than-expected drop in April.

## GBPZAR ▲

### GBP trading stronger against ZAR

At 06:00 SAST, the British Pound is trading 0.4% higher against the South African Rand at R16.7590.

The British Pound declined against the South African Rand yesterday.

## EURZAR ▲

### EUR trading higher against ZAR

At 06:00 SAST, the Euro rose 0.5% against the South African Rand to trade at R14.1924.

The Euro weakened against the South African Rand yesterday. Data released on Thursday indicated that Germany's final consumer price inflation rose at par with market forecast on a monthly basis in March.

## AUDZAR ▼

### AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar is trading marginally lower against the South African Rand at R10.0740. Earlier in the session, Reserve Bank of Australia's April meeting minutes revealed that the Australian economy made a slight progress in 1Q17, although growth in housing credit continued to outpace growth in household incomes, signifying a rising risk in housing market and household balance sheets. Further, the meeting showed that the economy added more-than-expected jobs in March.

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	13.3325	▲	-0.93%	-0.93%	-1.04%	2.32%	-3.29%
GBPZAR	16.7590	▲	-0.65%	-0.65%	-0.81%	3.66%	-1.36%
EURZAR	14.1924	▲	-0.69%	-0.69%	-1.18%	3.01%	-2.17%
AUDZAR	10.0740	▼	-0.74%	-0.74%	-1.59%	1.94%	1.69%
EURUSD	1.0647	▲	0.29%	0.29%	-0.08%	0.70%	1.21%
GBPUSD	1.2562	▲	0.31%	0.31%	0.13%	1.33%	1.82%
Brent (\$/barrel)	55.3	▼	-0.95%	-0.95%	3.42%	-5.27%	-2.57%
Gold (\$/oz)	1285.2	▼	0.27%	0.27%	3.38%	-0.53%	11.96%
Platinum (\$/oz)	987.5	▼	1.42%	1.42%	4.14%	-8.03%	9.53%
Copper (\$/MT)*	5660.0	=	0.00%	NA	-2.68%	-2.52%	2.48%

\*As of Previous Close

## Gold ▼

### Trading in the red

At 06:00 SAST, gold prices edged 0.3% lower to trade at \$1,285.20/oz.

Yesterday, gold prices rose 0.3% to close at \$1,289.40/oz, as weakness in the greenback increased demand for the safe haven asset.

## Brent Crude Oil ▼

### Trading weaker

At 06:00 SAST, Brent crude oil dropped 0.1% to trade at \$55.28/bl.

Yesterday, Brent crude oil dropped 1.0% to settle at \$55.36/bl, after a monthly report by the energy information administration forecasted a rise in crude oil production by 124,000 bls per day in May to 5.2mn bls per day. On Thursday, Baker Hughes reported that US oil rig count rose by 11 to 683 last week.

## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices edged marginally lower to trade at \$987.50/oz.

Yesterday, platinum prices climbed 1.4% to close at \$987.50/oz.



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## Major South Africa Corporate News

### Standard Bank Group Limited

The company announced that ratings agency, Fitch, has downgraded the Long-Term Issuer Default Ratings (IDRs) of the group to BB+ from BBB-. The Short-Term IDRs have been downgraded to B from F3. At the same time, the long-term and short-term national ratings of the group were affirmed as F1+(ZAF) and AA(ZAF) respectively, with a stable outlook.

## Major Global Economic News

### Asia

RBA's April meeting minutes showed that the Australian economy made a slight progress in 1Q17, although growth in housing credit continued to outpace growth in household incomes, signifying a rising risk in housing market and household balance sheets. Further, the meeting showed that the economy added more-than-expected jobs in March.

### Eurozone

In Germany, the final consumer price index climbed 0.2% on a monthly basis in March, in line with market expectations. The consumer price index had registered a rise of 0.6% in the previous month. The preliminary figures had also indicated an advance of 0.2%.

### US

In the US, the NAHB housing market index dropped to 68.00 in April, compared to market expectations of a drop to 70.00. In the previous month, the housing market index had registered a reading of 71.00.

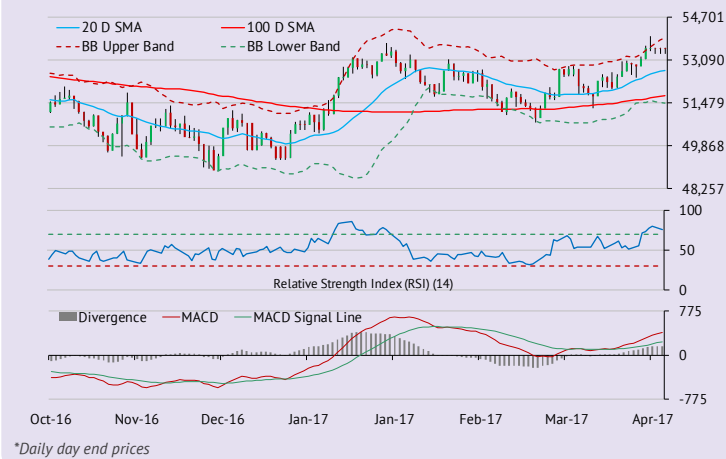
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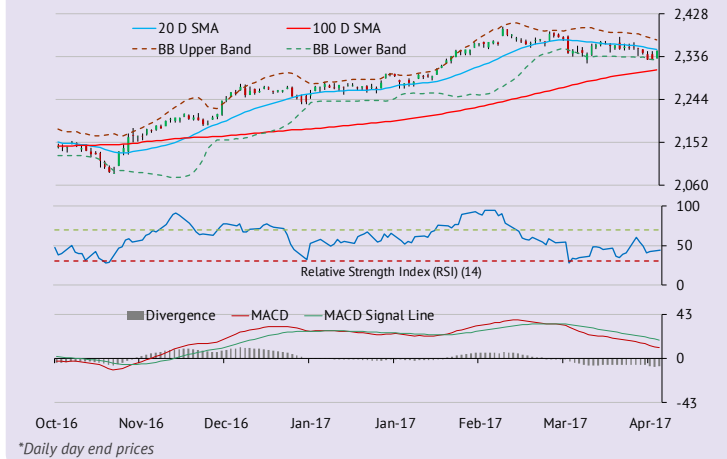
## Technical Snapshot

### JSE All Share



The JSE All Share index is expected to find support at 53,089.54, and a fall through could take it to the next support level of 52,668.87. The index is expected to find its first resistance at 53,966.92, and a rise through could take it to the next resistance level of 54,423.63.

### S&P 500



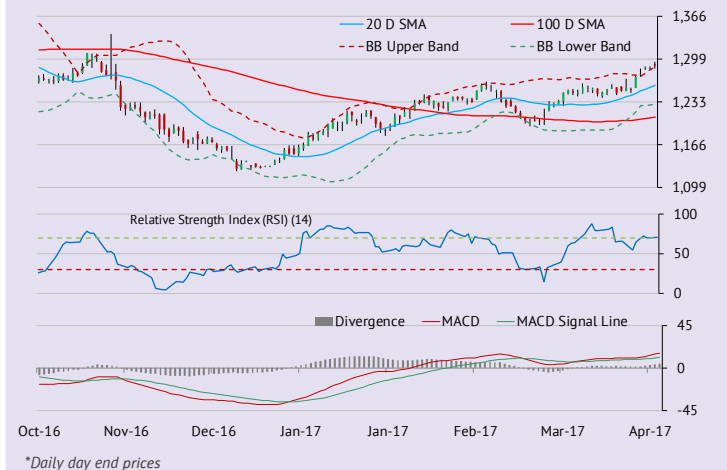
The S&P 500 index is expected to find support at 2,333.57, and a fall through could take it to the next support level of 2,318.12. The index is expected to find its first resistance at 2,359.84, and a rise through could take it to the next resistance level of 2,370.66.

### USDZAR



The pair is expected to find support at 13.0457, and a fall through could take it to the next support level of 12.8117. The pair is expected to find its first resistance at 13.7325, and a rise through could take it to the next resistance level of 14.1853.

### XAU/USD



Gold is expected to find support at \$1,264.33/oz, and a fall through could take it to the next support level of \$1,239.27/oz. The precious metal is expected to find its first resistance at \$1,304.63/oz, and a rise through could take it to the next resistance level of \$1,319.87/oz.

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## Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus	Previous	Frequency
China	04:00	Real Gross Domestic Product YTD (YoY) (Q1)	✓✓✓	-	6.70%	Quarterly
Canada	14:30	Foreign Portfolio Investment in Canadian Securities (Feb)	✓	-	CAD6.20bn	Monthly
US	14:30	Building Permits (Mar)	✓✓	1250.00K	1213.00K	Monthly
US	14:30	Housing Starts (Mar)	✓✓✓	1250.00K	1288.00K	Monthly
US	14:30	Housing Starts (MoM) (Mar)	✓✓	-3.00%	3.00%	Monthly
US	14:30	Building Permits (MoM) (Mar)	✓✓	2.80%	-6.20%	Monthly
US	14:55	Redbook Index (YoY) (14-Apr)	✓	-	1.60%	Weekly
US	14:55	Redbook Index s.a. (MoM) (14-Apr)	✓	-	0.90%	Weekly
Canada	15:00	Existing Home Sales (MoM) (Mar)	✓	-	5.20%	Monthly
US	15:00	Fed's George Speaks at Bard College Conference	✓	-	-	As scheduled
US	15:15	Capacity Utilisation (Mar)	✓	76.10%	75.40%	Monthly
US	15:15	Industrial Production (MoM) (Mar)	✓✓	0.40%	0.00%	Monthly
US	15:15	Manufacturing (SIC) Production (MoM) (Mar)	✓✓	0.10%	0.50%	Monthly
Eurozone	-	ECB Survey of Professional Forecasters	✓	-	-	As scheduled

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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