

ONE Minute Brief

19 April 2017

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Economic and Political News

The International Monetary Fund (IMF) has forecast a 0.8% growth for South Africa (SA) in 2017, led by a rebound in commodity prices, easing of the drought and increase in electricity capacity.

The Automobile Association (AA) has warned the people of SA that an increase in fuel prices will be the first major expense to the nation after the recent credit rating downgrade which has weakened the rand. The AA's mid-month data forecast indicates that petrol will rise 55c a litre in May, diesel will cost about 30c a litre more and illuminating paraffin will cost an estimated 41c a litre extra.

Business Leadership South Africa (BLSA) wants to meet President, Jacob Zuma, to improve relations and rebuild trust between businesses and the government.

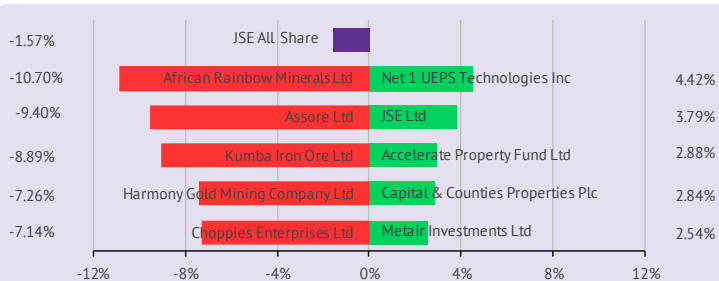
The Economic Freedom Fighters and the Inkatha Freedom Party have supported the Constitutional Court application by the United Democratic Movement for voting by secret ballot in the motion of no confidence in President, Jacob Zuma.

Democratic Alliance Leader, Mmusi Maimane, stated that South Africa will be in debt forever if the new Finance Minister, Malusi Gigaba, approves a proposed nuclear deal.

South Africa Market ▼

South African markets closed lower

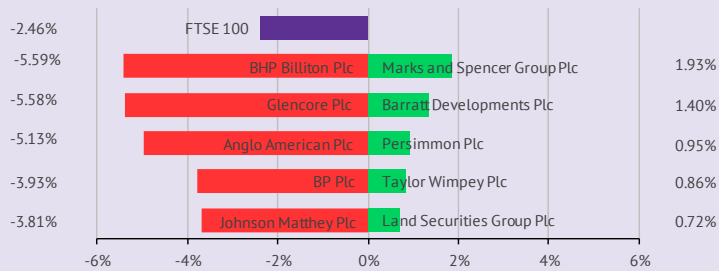
South African markets closed in the red yesterday, amid a decline in gold mining, resources and banking sector stocks. The JSE All Share Index fell 1.6% to close at 52,672.75.



UK Market ▼

The FTSE 100 futures are trading in negative territory

UK markets finished lower yesterday, to its lowest level in nearly 10 weeks, after UK's Prime Minister, Theresa May, called a general election on June 8, 2017, to strengthen the government's position ahead of Brexit. The FTSE 100 Index fell 2.5% to close at 7,147.50.



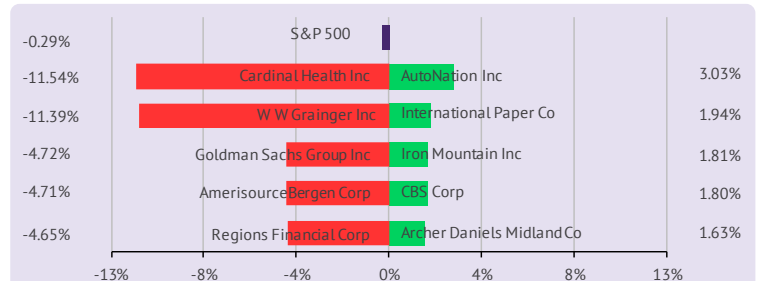
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	52672.75	▼ -837.47	-1.57%	-1.57%	1.18%	1.78%	3.99%
JSE Top 40	45873.22	▼ -771.27	-1.65%	-1.65%	1.56%	2.35%	4.49%
FTSE 100	7147.50	▼ -180.09	-2.46%	-2.46%	-2.40%	0.82%	0.07%
DAX 30	12000.44	▼ -108.56	-0.90%	-0.90%	-2.54%	4.04%	4.52%
CAC 40	4990.25	▼ -80.85	-1.59%	-1.59%	-2.58%	5.43%	2.63%
S&P 500	2342.19	▼ -6.82	-0.29%	0.57%	-0.87%	-0.04%	4.62%
Nasdaq Composite	5849.47	▼ -7.32	-0.12%	0.76%	-1.05%	1.48%	8.66%
DJIA	20523.28	▼ -113.64	-0.55%	0.34%	-0.68%	-0.72%	3.85%

US Market ▼

The S&P 500 futures are trading in the green

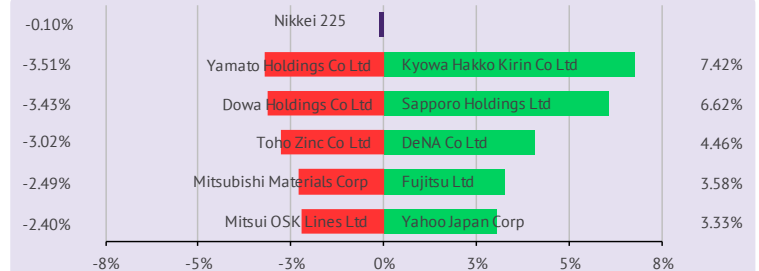
US markets closed lower yesterday, led by sharp losses in health care sector stocks. Data revealed that US manufacturing production surprisingly eased on a monthly basis in March, its lowest level since August 2016. The S&P 500 Index dropped 0.3% to close at 2,342.19.



Asian Market ▼

Trading lower

Asian markets are trading lower this morning, tracking overnight losses on Wall Street. The Nikkei 225 Index is trading 0.1% lower at 18,400.24.



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USDZAR ▲

USD trading stronger against ZAR

At 06:00 SAST, the US Dollar is trading 0.4% higher against the South African Rand at R13.3123. Later today, traders will keep a close watch on Fed's beige book and US MBA mortgage applications for further cues. Separately, South Africa's consumer price index will be on investors' radar.

The US Dollar fell against the South African Rand yesterday. On the macro front, US manufacturing production unexpectedly declined on a monthly basis in March, notching its weakest level in 7 months, driven by a decline in motor vehicles and parts production. Meanwhile, industrial production advanced at par with market forecasts on a monthly basis in the same month. Further, building permits rebounded more-than-anticipated on a monthly basis in March. Meanwhile, housing starts retreated more than market expectations on a monthly basis in the same month.

GBPZAR ▲

GBP trading higher against ZAR

At 06:00 SAST, the British Pound rose 0.2% against the South African Rand to trade at R17.0710.

The British Pound advanced against the South African Rand yesterday.

EURZAR ▲

EUR trading firmer against ZAR

At 06:00 SAST, the Euro advanced 0.1% against the South African Rand to trade at R14.2711. Going forward, market participants will keep a tab on Eurozone's consumer price index and trade balance data for further indication.

The Euro strengthened against the South African Rand yesterday.

AUDZAR ▼

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar retreated 0.2% against the South African Rand to trade at R10.0135. Earlier in the session, data showed that Australia's Westpac leading index bounced back into positive territory on a monthly basis in March. Meanwhile, ANZ-Roy Morgan weekly consumer confidence index dropped for the week ended April 16, 2017.

The Australian Dollar fell against the South African Rand yesterday. The Reserve Bank of Australia's April meeting minutes showed that the Australian economy made slight progress in 1Q17, although growth in housing credit continued to outpace growth in household incomes, signifying an increasing risk in housing market and household balance sheets. Further, the meeting showed that the economy added higher-than-anticipated jobs in March.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.3123	▲	-0.16%	-1.08%	-1.20%	2.32%	-3.44%
GBPZAR	17.0710	▲	2.01%	1.34%	1.18%	3.66%	0.62%
EURZAR	14.2711	▲	0.87%	0.18%	-0.32%	3.01%	-1.31%
AUDZAR	10.0135	▼	-0.41%	-1.15%	-1.99%	1.94%	1.27%
EURUSD	1.0719	▼	0.86%	1.16%	0.78%	0.70%	2.08%
GBPUSD	1.2825	▼	2.19%	2.51%	2.32%	1.33%	4.05%
Brent (\$/barrel)	54.8	▼	-0.85%	-1.79%	2.54%	-5.27%	-3.40%
Gold (\$/oz)	1288.5	▼	0.18%	0.45%	3.56%	-0.53%	12.16%
Platinum (\$/oz)	982.3	▲	-1.18%	0.22%	2.91%	-8.03%	8.23%
Copper (\$/MT)*	5539.0	▼	-2.14%	-2.14%	-4.76%	-2.52%	0.29%

*As of Previous Close

Gold ▼

Trading in the red

At 06:00 SAST, gold prices declined 0.2% to trade at \$1,288.50/oz.

Yesterday, gold prices rose 0.2% to close at \$1,291.70/oz, as weakness in the US Dollar increased demand for the precious yellow metal.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil dropped 0.2% to trade at \$54.76/bl.

Yesterday, Brent crude oil dropped 0.9% to settle at \$54.89/bl, despite the American Petroleum Institute (API) reporting that crude oil inventories declined by 840,000 bls for the week ended April 14, 2017.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices climbed 0.7% to trade at \$982.30/oz.

Yesterday, platinum prices declined 1.2% to close at \$975.80/oz.



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Major South Africa Corporate News

Sibanye Gold Limited

The company stated that on April 14, 2017 it received unconditional approval from the Committee on Foreign Investment into the United States, with respect to the proposed acquisition of Stillwater Mining Company, which was announced on December 9, 2016.

Major Global Economic News

US

In the US, housing starts recorded a drop of 6.8% on a monthly basis, to an annual rate of 1215.00K in March, compared to market expectations of 1250.00K. In the prior month, housing starts had registered a revised level of 1303.00K.

In March, building permits rose 3.6% on a monthly basis to an annual rate of 1260.00K in the US, higher than market expectations of 1250.00K. In the prior month, building permits had recorded a revised reading of 1216.00K.

In the US, industrial production rose 0.5% on a monthly basis in March, compared to a revised rise of 0.1% in the prior month. Markets were expecting industrial production to rise 0.5%.

In March, manufacturing production registered an unexpected drop of 0.4% on a monthly basis in the US, less than market expectations for an unchanged reading. In the previous month, manufacturing production had climbed 0.5%.

Asia

In Australia, the Westpac leading index registered a rise of 0.08% on a monthly basis in March. The Westpac leading index had recorded a drop of 0.07% in the previous month.

In Australia, ANZ Roy Morgan weekly consumer confidence index dropped to 112.6 for the week ended April 16, 2017, compared to a reading of 114.8 in the prior week.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus	Previous/ **Previous Est.	Frequency
Eurozone	08:00	EU 28 New Car Registrations (YoY) (Mar)	✓	-	2.20%	Monthly
Italy	10:00	Trade Balance (Feb)	✓	-	-EUR574.00mn	Monthly
Italy	10:00	Trade Balance EU (Feb)	✓	-	EUR0.32bn	Monthly
Italy	10:00	Trade Balance Non-EU (Feb)	✓	-	-EUR0.89bn	Monthly
Italy	10:00	Exports (Feb)	✓	-	EUR31691.00mn	Monthly
Italy	10:00	Imports (Feb)	✓	-	EUR32264.00mn	Monthly
South Africa	10:00	Consumer Price Index (MoM) (Mar)	✓✓✓	0.90%	1.10%	Monthly
South Africa	10:00	Consumer Price Index (YoY) (Mar)	✓✓✓	6.40%	6.30%	Monthly
Eurozone	11:00	Consumer Price Index - Core (YoY) (Mar) (F)	✓✓✓	0.70%	0.70%**	Monthly
Eurozone	11:00	Consumer Price Index (MoM) (Mar)	✓✓✓	0.80%	0.40%	Monthly
Eurozone	11:00	Consumer Price Index (YoY) (Mar) (F)	✓✓	1.50%	1.50%**	Monthly
Eurozone	11:00	Trade Balance n.s.a. (Feb)	✓	EUR16.20bn	-EUR0.60bn	Monthly
Eurozone	11:00	Trade Balance s.a. (Feb)	✓	EUR18.00bn	EUR15.70bn	Monthly
US	13:00	MBA Mortgage Applications (14-Apr)	✓	-	1.50%	Weekly
Eurozone	14:00	ECB Executive Board member Benoit Coeure speaks in New York	✓	-	-	As scheduled
Eurozone	16:30	ECB Executive Board member Peter Praet speaks in New York	✓	-	-	As scheduled
US	18:00	Fed's Rosengren Speaks at Bard College Conference	✓	-	-	As scheduled
US	20:00	Fed's Beige Book	✓✓✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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