

# ONE Minute Brief

20 April 2017

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## Economic and Political News

In South Africa (SA), the consumer price index recorded a less-than-expected rise of 6.1% YoY in March, compared to a rise of 6.3% in February. SA's annual food and beverages inflation fell to 8.7% YoY in March, notching its weakest level in 14 months, compared to a reading of 9.9% in February 2017.

Finance Minister, Malusi Gigaba, stated that he will hold a meeting with his German counterpart, Wolfgang Schäuble, to discuss the G20 group of countries' programme on their investment in Africa. Further, in a meeting with Moody's, he is expected to assure the ratings agency of continued structural reforms and no major changes in policy.

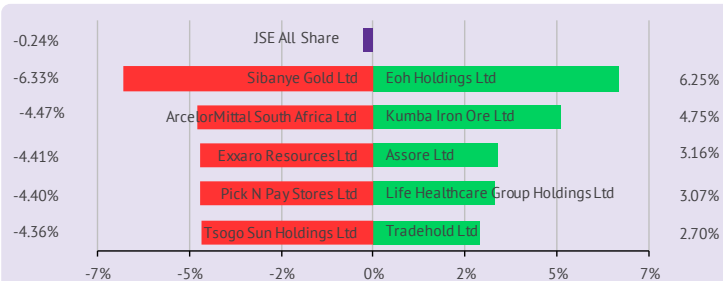
S&P has indicated that the recent dismissal of the Finance Minister, Pravin Gordhan, and his Deputy Minister, Mcebisi Jonas, had damaged the relationship between business and the government. Further, S&P warned that if political uncertainty interferes with reforms needed for the growth of the economy, the credit rating of the nation could be downgraded further.

The Democratic Alliance, African Christian Democratic Party and the Inkatha Freedom Party have warned President, Jacob Zuma, not to further delay the signing of the Financial Intelligence Centre Amendment Bill.

## South Africa Market ▼

### South African markets closed lower

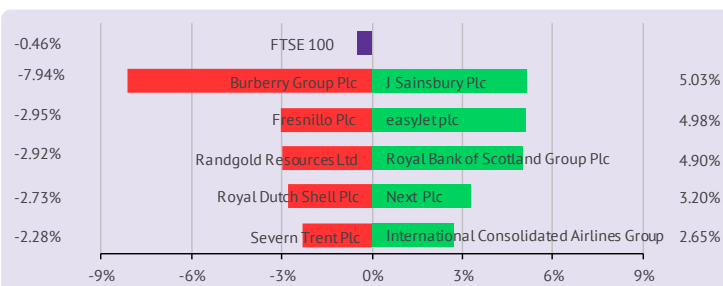
South African markets closed in the red yesterday, amid losses in gold mining and property sector stocks. On the data front, South Africa's consumer price index advanced less-than-expected on a yearly basis in March. The JSE All Share Index fell 0.2% to close at 52,545.12.



## UK Market ▼

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

UK markets finished lower yesterday, led by a decline in material sector stocks. The FTSE 100 Index declined 0.5% to close at 7,114.36.



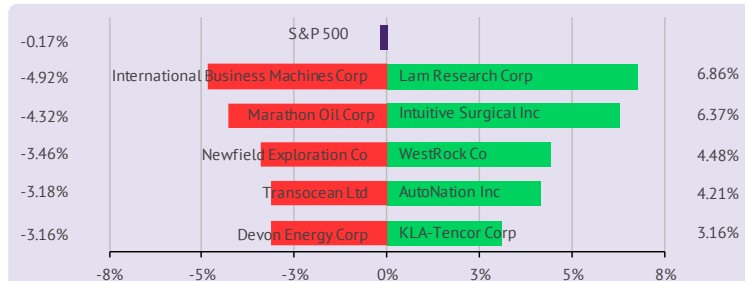
## Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	52545.12	▼ -127.63	-0.24%	-1.80%	0.94%	1.78%	3.73%
JSE Top 40	45771.96	▼ -101.26	-0.22%	-1.87%	1.34%	2.35%	4.26%
FTSE 100	7114.36	▼ -33.14	-0.46%	-2.91%	-2.85%	0.82%	-0.40%
DAX 30	12016.45	▲ 16.01	0.13%	-0.76%	-2.41%	4.04%	4.66%
CAC 40	5003.73	▲ 13.48	0.27%	-1.33%	-2.32%	5.43%	2.91%
S&P 500	2338.17	▼ -4.02	-0.17%	0.40%	-1.04%	-0.04%	4.44%
Nasdaq Composite	5863.03	▲ 13.56	0.23%	1.00%	-0.82%	1.48%	8.92%
DJIA	20404.49	▼ -118.79	-0.58%	-0.24%	-1.25%	-0.72%	3.25%

## US Market ▼

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

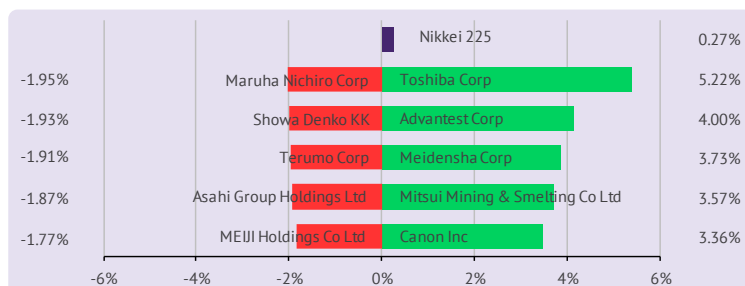
US markets closed lower yesterday, weighed down by weakness in energy sector stocks. Data revealed that US MBA mortgage applications dropped for the week ended April 14, 2017, compared to a rise in the prior week. The S&P 500 Index dropped 0.2% to close at 2,338.17.



## Asian Market ▲

### Trading mostly higher

Asian markets are trading mostly higher this morning. Data indicated that Japan's Merchandise trade surplus contracted less-than-expected in March. The Nikkei 225 Index is trading 0.3% higher at 18,481.13.



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## USDZAR ▲

### USD trading higher against ZAR

At 06:00 SAST, the US Dollar marginally advanced against the South African Rand to trade at R13.2716. Later today, traders will keep a close watch on US initial jobless claims and leading indicators for further cues.

The US Dollar rose against the South African Rand yesterday. The Federal Reserve's (Fed) Beige Book report indicated that the US economy expanded at a modest-to-moderate pace between mid-February and the end of March and that tight labour markets are broadening out wage gains, but inflation pressures remained in check. Moreover, a large number of firms reported high turnover rates and challenges in retaining staff. On the data front, US MBA mortgage applications registered a decline for the week ended April 14, 2017, compared to an advance in the previous week. Separately, in South Africa, consumer price index registered a less-than-anticipated rise on an annual basis in March.

## GBPZAR ▲

### GBP trading stronger against ZAR

At 06:00 SAST, the British Pound is trading 0.1% higher against the South African Rand at R16.9748.

The British Pound declined against the South African Rand yesterday.

## EURZAR ▲

### EUR trading firmer against ZAR

At 06:00 SAST, the Euro marginally gained against the South African Rand to trade at R14.2281. Going forward, market participants will keep a tab on Eurozone's consumer confidence and construction output for further direction. Meanwhile, Germany's producer price index will be on investors' radar.

The Euro weakened against the South African Rand yesterday. On the macro front, Eurozone's final consumer price inflation advanced in line with market anticipations on an annual basis in March. Moreover, seasonally adjusted trade surplus widened more-than-expected in February.

## AUDZAR ▲

### AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar rose 0.1% against the South African Rand to trade at R9.9564. Earlier in the session, data showed that Australia's NAB business confidence index remained steady in 1Q17.

The Australian Dollar fell against the South African Rand yesterday. Data indicated that Australia's Westpac leading index rebounded on a monthly basis in March. Meanwhile, ANZ-Roy Morgan weekly consumer confidence index registered a decline for the week ended April 16, 2017.

## Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.2716	▲	0.08%	-1.00%	-1.12%	2.32%	-3.36%
GBPZAR	16.9748	▲	-0.44%	0.90%	0.73%	3.66%	0.18%
EURZAR	14.2281	▲	-0.21%	-0.04%	-0.54%	3.01%	-1.52%
AUDZAR	9.9564	▲	-0.88%	-2.02%	-2.85%	1.94%	0.38%
EURUSD	1.0720	▲	-0.21%	0.94%	0.56%	0.70%	1.86%
GBPUSD	1.2789	▲	-0.46%	2.04%	1.85%	1.33%	3.57%
Brent (\$/barrel)	53.3	▲	-3.57%	-5.30%	-1.12%	-5.27%	-6.85%
Gold (\$/oz)	1281.1	▼	-0.80%	-0.35%	2.73%	-0.53%	11.26%
Platinum (\$/oz)	967.5	▼	-0.85%	-0.64%	2.04%	-8.03%	7.31%
Copper (\$/MT)*	5523.3	▼	-0.28%	-2.42%	-5.03%	-2.52%	0.00%

\*As of Previous Close

## Gold ▼

### Trading in the red

At 06:00 SAST, gold prices edged marginally lower to trade at \$1,281.10/oz.

Yesterday, gold prices fell 0.8% to close at \$1,281.40/oz, as strength in the greenback dented demand for the safe haven yellow metal.

## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil climbed 0.7% to trade at \$53.31/bl.

Yesterday, Brent crude oil dropped 3.6% to settle at \$52.93/bl, after data showed that gasoline stockpiles unexpectedly rose last week. Meanwhile, the US Energy Department reported that crude oil inventories fell by 1.0mn bls for the week ended April 14, 2017.

## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices edged marginally lower to trade at \$967.50/oz.

Yesterday, platinum prices declined 0.9% to close at \$967.50/oz.



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## Major South Africa Corporate News

### Pick n Pay Stores Limited

In its FY17 results, the company revealed that its revenue advanced 7.7% from the preceding year to ZAR79.12bn. Its diluted headline EPS stood at 257.69c, compared with 219.90c recorded in the previous year. Its profit before tax rose to ZAR1.71bn from ZAR1.47bn reported last year.

### PSG Group Limited

In its FY17 results, the company stated that its revenue from the sale of goods increased to ZAR14.43bn from ZAR12.96bn posted in the previous year. Its diluted EPS significantly rose from the prior year to ZAR9.79. Its profit before tax advanced to ZAR3.89bn from ZAR2.79bn posted last year.

## Major Global Economic News

### US

The Fed's Beige Book report stated that the US economy expanded at a modest-to-moderate pace between mid-February and the end of March and that tight labour markets are broadening out wage gains, but inflation pressures remained in check. Moreover, a large number of firms reported high turnover rates and challenges in retaining staff.

In the US, MBA mortgage applications dropped 1.8% on a weekly basis in the week ended April 14, 2017. Mortgage applications had registered a rise of 1.5% in the prior week.

### Eurozone

In the Eurozone, the final consumer price index climbed 1.5% on a yearly basis in March, in line with market expectations. In the previous month, the consumer price index had recorded a rise of 2.0%. The preliminary figures had also recorded an advance of 1.5%.

The Eurozone has posted the seasonally adjusted trade surplus of EUR19.20bn in February, from a trade surplus of EUR15.70bn in the previous month. Market expectation was for the region to post a trade surplus of EUR18.00bn.

### Asia

In Australia, the NAB business confidence index remained unchanged at 6.00 in 1Q17.

In Japan, merchandise (total) trade surplus dropped to JPY614.70bn in March, following a revised trade surplus of JPY813.50bn in the previous month. Market expectation was for the nation's trade surplus to narrow to JPY608.00bn.

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## Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	01:50	Adjusted Merchandise Trade Balance (Mar)	✓	JPY172.20bn*	JPY609.00bn	Monthly
Japan	01:50	Exports (YoY) (Mar)	✓✓	12.00%*	11.30%	Monthly
Japan	01:50	Imports (YoY) (Mar)	✓	15.80%*	1.20%	Monthly
Japan	01:50	Merchandise Trade Balance Total (Mar)	✓✓	JPY614.70bn*	JPY813.50bn	Monthly
Japan	07:30	Nationwide Department Store Sales (YoY) (Mar)	✓	-	-1.70%	Monthly
Japan	07:30	Tokyo Department Store Sales (YoY) (Mar)	✓	-	-3.10%	Monthly
Germany	08:00	Producer Price Index (MoM) (Mar)	✓✓	0.20%	0.20%	Monthly
Germany	08:00	Producer Price Index (YoY) (Mar)	✓✓	3.20%	3.10%	Monthly
Japan	09:00	Convenience Store Sales (YoY) (Mar)	✓	-	-1.70%	Monthly
Eurozone	11:00	Construction Output s.a. (MoM) (Feb)	✓	-	-2.30%	Monthly
Eurozone	11:00	Construction Output w.d.a. (YoY) (Feb)	✓	-	-6.20%	Monthly
UK	12:30	BOE's Carney Speaks at IIF in Washington	✓✓✓	-	-	As scheduled
UK	13:30	BOE's Carney Speaks at Bank of France Event, Washington	✓✓✓	-	-	As scheduled
US	14:30	Philadelphia Fed Manufacturing Survey (Apr)	✓✓	25.50	32.80	Monthly
US	14:30	Continuing Jobless Claims (08-Apr)	✓	2024.00K	2028.00K	Weekly
US	14:30	Initial Jobless Claims (15-Apr)	✓✓✓	240.00K	234.00K	Weekly
Eurozone	16:00	Consumer Confidence (Apr) (P)	✓✓	-	-5.00	Monthly
US	16:00	Leading Indicator (MoM) (Mar)	✓✓	0.20%	0.60%	Monthly
Eurozone	19:00	Bundesbank's Dombret Speaks in New York	✓	-	-	As scheduled
UK	-	CBI Industrial Trends Survey - Orders (Apr)	✓	-	8.00	Monthly
Japan	-	Supermarket Sales (YoY) (Mar)	✓	-	-3.30%	Monthly
UK	-	CBI Trends Selling Prices (Apr)	✓✓	-	29.00	Monthly
UK	-	CBI Business Optimism (4/)	✓	-	15.00	Quarterly

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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