

ONE Minute Brief

26 April 2017

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Economic and Political News

The Reserve Bank's composite leading business cycle indicator for South Africa (SA) advanced by 1.1% on a monthly basis in February.

The Davis Tax Committee (DTC) has invited citizens to submit their views on whether the government should introduce additional forms of wealth taxes to decrease the inequality prevailing in SA.

President, Jacob Zuma, stated that SA was forging ahead with the radical transformation of its economy, and further asked the private sector to partner with the government in doing business.

The Democratic Alliance has filed an urgent application in the Pretoria High Court, demanding that President, Jacob Zuma, be asked to submit a written record of the reasons for reshuffling his Cabinet.

African National Congress (ANC) Member of Parliament, Pumzile Mnguni, stated that he believes that the Parliament will approve his draft land restitution bill in time to meet the Constitutional Court's deadline.

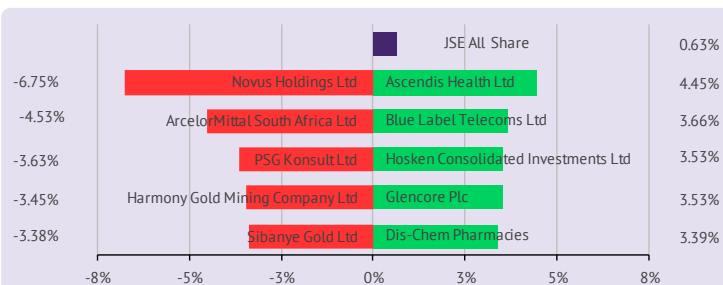
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	53257.44	▲	336.03	0.63%	2.04%	2.31%	1.78%	5.14%
JSE Top 40	46524.76	▲	336.83	0.73%	2.25%	3.01%	2.35%	5.97%
FTSE 100	7275.64	▲	10.96	0.15%	2.26%	-0.65%	0.82%	1.86%
DAX 30	12467.04	▲	12.06	0.10%	3.47%	1.25%	4.04%	8.59%
CAC 40	5277.88	▲	9.03	0.17%	4.32%	3.03%	5.43%	8.55%
S&P 500	2388.61	▲	14.46	0.61%	1.70%	1.10%	-0.04%	6.69%
Nasdaq Composite	6025.49	▲	41.67	0.70%	1.95%	1.92%	1.48%	11.93%
DJIA	20996.12	▲	232.23	1.12%	2.18%	1.61%	-0.72%	6.24%

South Africa Market ▲

South African markets closed higher

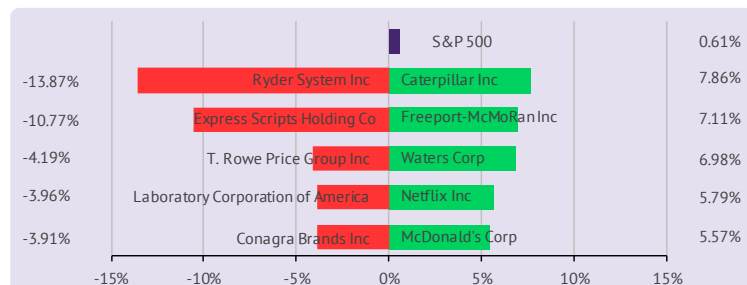
South African markets closed in the green yesterday, led by a rise in industrial and retail sector stocks. On the data front, South Africa's leading indicator advanced in February, compared to its prior reading. The JSE All Share Index rose 0.6% to close at 53,257.44.



US Market ▲

The S&P 500 futures are trading in the green

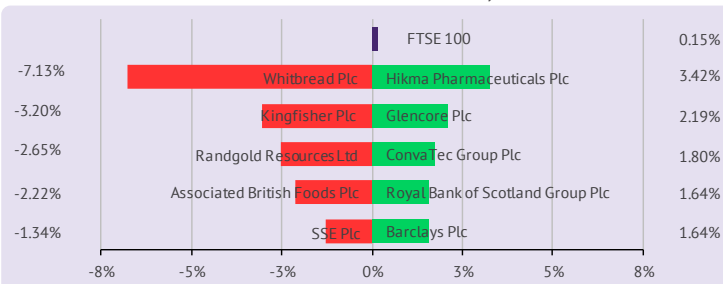
US markets closed higher yesterday, amid gains in material sector stocks. Data showed that US consumer confidence index dropped more-than-expected in April. The S&P 500 Index climbed 0.6% to close at 2,388.61.



UK Market ▲

The FTSE 100 futures are trading in positive territory

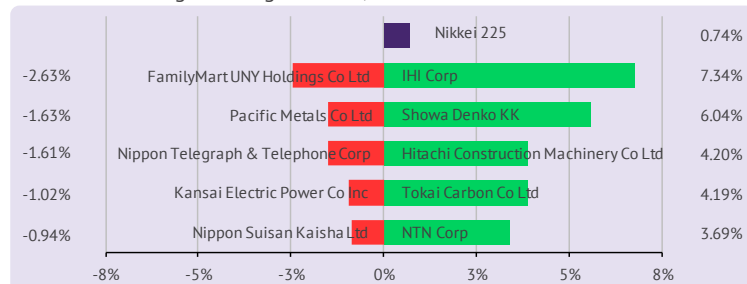
UK markets finished higher yesterday, supported by gains in financial, energy and healthcare sector stocks. Data revealed that UK's public sector net borrowings recorded a higher than expected deficit in March. The FTSE 100 Index advanced 0.2% to close at 7,275.64.



Asian Market ▲

Trading higher

Asian markets are trading higher this morning, tracking overnight gains on Wall Street. Data showed that Japan's all industry activity index grew more-than-expected on a monthly basis in February. The Nikkei 225 Index is trading 0.7% higher at 19,219.63.



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USDZAR ▲

USD trading stronger against ZAR

At 06:00 SAST, the US Dollar is trading 0.1% higher against the South African Rand at R13.0689. Later today, traders will keep a close watch on US MBA mortgage applications for further cues. Meanwhile, South Africa's producer price index will be on investors' radar.

The US Dollar rose against the South African Rand yesterday. Data indicated that US consumer confidence index declined more than market estimates in April. Meanwhile, new home sales surprisingly advanced on a monthly basis in March, notching its strongest level in 8 months. Further, house price index recorded a higher-than-anticipated rise on a monthly basis in February. Separately, South African leading indicator registered an increase in February, compared to its previous reading.

GBPZAR ▲

GBP trading firmer against ZAR

At 06:00 SAST, the British Pound gained 0.1% against the South African Rand to trade at R16.7752.

The British Pound advanced against the South African Rand yesterday. On the macro front, UK's public sector net borrowings registered a more-than-anticipated deficit in March.

EURZAR ▲

EUR trading higher against ZAR

At 06:00 SAST, the Euro climbed 0.2% against the South African Rand to trade at R14.2946.

The Euro strengthened against the South African Rand yesterday.

AUDZAR ▼

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% lower against the South African Rand at R9.8187. Earlier in the session, data revealed that Australia's consumer price inflation increased less-than-expected on an annual basis in 1Q17, albeit notching its highest level since 2014.

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	13.0689	▲	0.38%	-0.56%	-2.75%	2.32%	-4.96%
GBPZAR	16.7752	▲	0.67%	-0.30%	-0.46%	3.66%	-1.01%
EURZAR	14.2946	▲	0.87%	1.41%	-0.25%	3.01%	-1.24%
AUDZAR	9.8187	▼	-0.03%	-0.65%	-3.94%	1.94%	-0.74%
EURUSD	1.0936	▲	0.53%	1.86%	2.59%	0.70%	3.92%
GBPUSD	1.2834	▼	0.37%	0.22%	2.35%	1.33%	4.09%
Brent (\$/barrel)	52.0	▼	0.97%	0.27%	-2.67%	-5.27%	-8.31%
Gold (\$/oz)	1265.7	▲	-0.80%	-1.69%	1.47%	-0.53%	9.89%
Platinum (\$/oz)	952.5	▼	-0.27%	-2.04%	0.67%	-8.03%	5.88%
Copper (\$/MT)*	5677.5	▲	0.94%	1.49%	-2.38%	-2.52%	2.80%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices marginally rose to trade at \$1,265.70/oz.

Yesterday, gold prices fell 0.8% to close at \$1,265.60/oz, as strength in the global equity markets decreased demand for the precious yellow metal, recording its lowest level in more than 2 weeks.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 0.2% lower to trade at \$52.02/bL.

Yesterday, Brent crude oil advanced 1.0% to settle at \$52.10/bL, despite the American Petroleum Institute (API) reporting that crude oil inventories rose by 897,000 bls for the week ended April 21, 2017.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices retreated 0.2% to trade at \$952.50/oz.

Yesterday, platinum prices declined 0.3% to close at \$954.60/oz.

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Major South Africa Corporate News

Afrimat Limited

In its FY17 trading statement, the company stated that it expects its headline EPS to be between 191.10c and 198.90c, reflecting an increase of between 22.0% and 27.0% over the previous year. Separately, its financial results will be released on or about May 18, 2017.

Major Global Economic News

US

In the US, the CB consumer confidence index fell to a level of 120.30 in April, compared to a revised level of 124.90 in the prior month. Market anticipation was for the index to fall to 122.50.

In March, new home sales registered an unexpected rise of 5.8% to a level of 621.00K on a monthly basis in the US, compared to a revised level of 587.00K in the prior month. Markets were expecting new home sales to ease to 584.00K.

In the US, the housing price index recorded a rise of 0.8% on a monthly basis in February, compared to a revised rise of 0.2% in the previous month. Markets were expecting the index to advance 0.4%.

UK

In the UK, the public sector net borrowing has posted a deficit of GBP4.40bn in March, from a revised surplus of GBP0.70bn in the previous month. Markets were expecting public sector net borrowing to announce a deficit of GBP1.50bn.

Asia

In Australia, the consumer price index advanced 2.1% on an annual basis in 1Q17, compared to an advance of 1.5% in the prior quarter. Markets were anticipating the index to advance 2.2%.

In Japan, the all industry activity index rose 0.7% on a monthly basis in February, compared to an advance of 0.1% in the prior month. Markets were expecting the index to rise 0.6%.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	06:30	All Industry Activity Index (MoM) (Feb)	✓✓	0.70%*	0.10%	Monthly
Japan	07:00	Small Business Confidence (Apr)	✓	49.40	50.50	Monthly
Switzerland	08:00	UBS Consumption Indicator (Mar)	✓✓	-	1.50	Monthly
Japan	08:00	Machine Tool Orders (YoY) (Mar) (F)	✓✓	-	9.10%**	Monthly
France	08:45	Consumer Confidence (Apr)	✓✓✓	100.00	100.00	Monthly
Spain	09:00	Total Mortgage Lending (YoY) (Feb)	✓	-	14.40%	Monthly
Spain	09:00	House Mortgage Approvals (YoY) (Feb)	✓	-	16.90%	Monthly
Switzerland	10:00	ZEW Survey - Expectations (Apr)	✓✓	-	29.60	Monthly
South Africa	11:30	Producer Price Index (MoM) (Mar)	✓✓✓	0.60%	0.60%	Monthly
South Africa	11:30	Producer Price Index (YoY) (Mar)	✓✓✓	5.50%	5.60%	Monthly
US	13:00	MBA Mortgage Applications (21-Apr)	✓	-	-1.80%	Weekly
Canada	14:30	Retail Sales (MoM) (Feb)	✓✓	0.00%	2.20%	Monthly
Canada	14:30	Retail Sales ex Autos (MoM) (Feb)	✓	-0.30%	1.70%	Monthly
US	16:30	DOE Cushing OK Crude Inventory (Barrels) (21-Apr)	✓	-	-778.00K	Weekly
US	16:30	DOE Distillate Inventory (Barrels) (21-Apr)	✓	-	-1.96K	Weekly
US	16:30	DOE Gasoline Inventories (Barrels) (21-Apr)	✓	-	1542.00K	Weekly
US	16:30	EIA Crude Oil Stocks Change (Barrels) (21-Apr)	✓✓✓	-	-1.03mn	Weekly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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