

# ONE Minute Brief

28 April 2017

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## Economic and Political News

In South Africa (SA), the producer price index advanced less-than-expected by 5.2% YoY in March, compared to a rise of 5.6% in February.

A Western Cape High Court has rejected government claims that the nuclear agreement between SA and Russia was just a bilateral international framework agreement for nuclear cooperation.

President, Jacob Zuma, stated that continued inequality and racism in SA has damaged the gains made since 1994 and that people should now unite and fight against racism.

SA's economic growth forecast for 2017 has been revised lower by Standard Bank from 1.2% to 1.1%, while Nedbank has changed its projection from 0.7% to 1.1%. Standard Bank expects growth to drop to 0.5% in 2018, while Nedbank predicts an improvement to 1.3% in 2018.

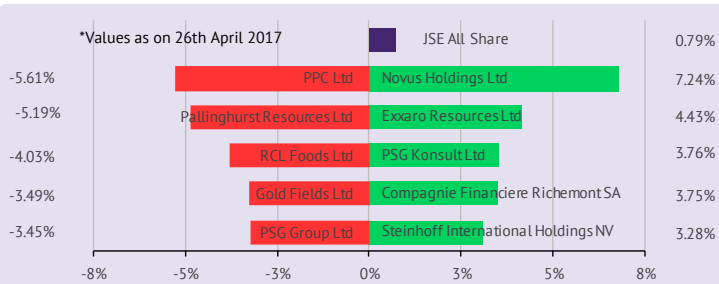
Democratic Alliance (DA) Leader, Mmusi Maimane, stated that South Africans should continue their protests to express their dissatisfaction with President, Jacob Zuma.

The United Democratic Movement's Bantu Holomisa indicated that he has faith in the judicial system and that he expects that his application for a secret ballot motion of no confidence against President, Jacob Zuma will be successful.

## South Africa Market ▲

### South African markets closed higher

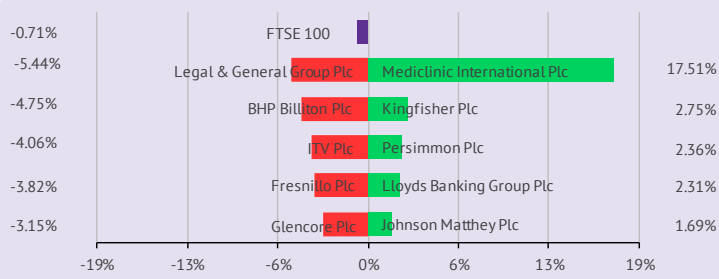
South African markets closed in the green on Wednesday, amid gains in resources sector stocks. Data revealed that South Africa's producer price index recorded a less-than-anticipated rise on a yearly basis in March. The JSE All Share Index rose 0.8% to close at 53,680.69.



## UK Market ▼

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

UK markets finished lower yesterday, led by losses in material sector stocks. Data showed that UK's CBI distributive trade survey's retail sales surprisingly rose at a faster pace on a monthly basis in April. The FTSE 100 Index declined 0.7% to close at 7,237.17.



## Key Indices

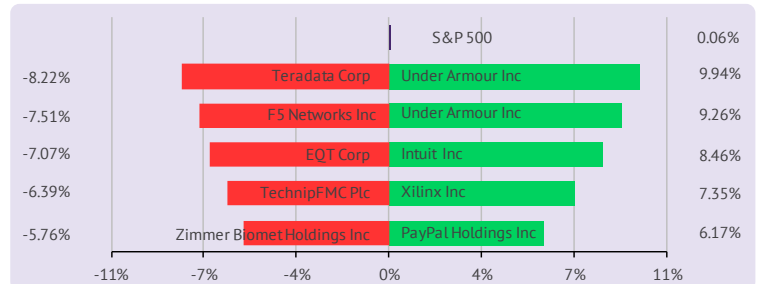
	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share*	53680.69	▲	423.25	0.79%	2.85%	3.12%	1.78%	5.98%
JSE Top 40*	46984.45	▲	459.69	0.99%	3.26%	4.02%	2.35%	7.02%
FTSE 100	7237.17	▼	-51.55	-0.71%	1.72%	-1.17%	0.82%	1.32%
DAX 30	12443.79	▼	-29.01	-0.23%	3.28%	1.06%	4.04%	8.39%
CAC 40	5271.70	▼	-16.18	-0.31%	4.20%	2.91%	5.43%	8.42%
S&P 500	2388.77	▲	1.32	0.06%	1.71%	1.10%	-0.04%	6.70%
Nasdaq Composite	6048.94	▲	23.71	0.39%	2.34%	2.32%	1.48%	12.37%
DJIA	20981.33	▲	6.24	0.03%	2.11%	1.54%	-0.72%	6.17%

\*Values as on 26th April 2017

## US Market ▲

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

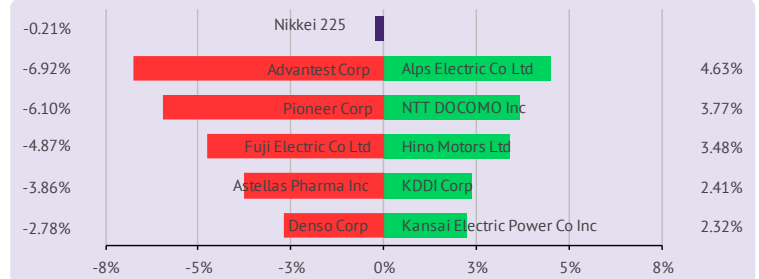
US markets closed higher yesterday, supported by a rise in consumer discretionary and information technology sector stocks. Data showed that US preliminary durable goods orders advanced less than market forecast in March. The S&P 500 Index climbed 0.1% to 2,388.77.



## Asian Market ▼

### Trading lower

Asian markets are trading lower this morning. Data revealed that Japan's national consumer price index grew at a slower-than-expected pace on an annual basis in March. The Nikkei 225 Index is trading 0.2% lower at 19,212.11.



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## USDZAR ▼

### USD trading lower against ZAR

At 06:00 SAST, the US Dollar marginally retreated against the South African Rand to trade at R13.3378. Later today, traders will keep a close watch on US annualized gross domestic product, Michigan consumer confidence index, personal consumption, employment cost index and Chicago purchasing manager index for further cues. Separately, South Africa's budget, private sector credit and trade balance will be on investors' radar.

The US Dollar rose against the South African Rand yesterday. On the macro front, the US advance goods trade deficit widened less than expected in March. Meanwhile, pending home sales dropped less-than-forecast on a monthly basis in March. On the other hand, the US preliminary durable goods orders posted a less-than-expected rise in March. Moreover, the number of Americans applying for unemployment benefits increased higher-than-expected for the week ended April 22, 2017. Separately, on Wednesday, in South Africa, producer price index rose less than market expectations on an annual basis in March.

## GBPZAR ▲

### GBP trading higher against ZAR

At 06:00 SAST, the British Pound marginally gained against the South African Rand to trade at R17.2253. On the data front, UK's GfK consumer confidence declined at par with market expectations in April. Later today, traders will keep an eye on UK's gross domestic product and BBA mortgage approvals for further direction.

The British Pound advanced against the South African Rand yesterday. Data revealed that UK's CBI distributive trade survey's retail sales unexpectedly grew on a monthly basis in April.

## EURZAR ▼

### EUR trading weaker against ZAR

At 06:00 SAST, the Euro retreated 0.1% against the South African Rand to trade at R14.4978. Going forward, market participants will keep a tab on Eurozone's consumer price index for further indication. Meanwhile, Germany's retail sales and import price index will be on investors' radar.

The Euro strengthened against the South African Rand yesterday. Data indicated that the ECB held its benchmark interest rate steady at 0.00%, at par with the market forecast. Further, Eurozone's final consumer confidence index rose in line with market expectations in April, remaining in negative territory. Moreover, economic confidence index advanced higher-than-expected in the same month. Additionally, business climate indicator surprisingly rose in April. Separately, Germany's preliminary consumer price index registered a stronger-than-expected rise on a yearly basis in April. Further, GfK consumer confidence increased more than market expectations in May.

## AUDZAR ▲

### AUD trading stronger against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% firmer against the South African Rand at R9.9687. Earlier in the session, data revealed that Australia's private sector credit rose less-than-expected on an annual basis in March.

The Australian Dollar rose against the South African Rand yesterday.

## Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.3378	▼	0.58%	1.68%	-0.57%	2.32%	-2.82%
GBPZAR	17.2253	▲	1.00%	2.48%	2.31%	3.66%	1.75%
EURZAR	14.4978	▼	0.27%	3.21%	1.53%	3.01%	0.52%
AUDZAR	9.9687	▲	0.43%	0.57%	-2.75%	1.94%	0.48%
EURUSD	1.0866	▼	-0.28%	1.36%	2.09%	0.70%	3.41%
GBPUSD	1.2914	▲	0.44%	0.70%	2.85%	1.33%	4.59%
Brent (\$/barrel)	51.8	▲	-0.73%	-1.00%	-3.90%	-5.27%	-9.47%
Gold (\$/oz)	1266.2	▲	0.13%	-1.67%	1.49%	-0.53%	9.92%
Platinum (\$/oz)	949.2	▲	0.03%	-2.64%	0.06%	-8.03%	5.24%
Copper (\$/MT)*	5668.8	▼	-0.36%	1.34%	-2.53%	-2.52%	2.64%

\*As of Previous Close

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices edged marginally higher to trade at \$1,266.20/oz.

Yesterday, gold prices rose 0.1% to close at \$1,265.90/oz, reversing its previous session gains.

## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil gained 0.8% to trade at \$51.84/bl.

Yesterday, Brent crude oil dropped 0.7% to settle at \$51.44/bl, after production restarted at Libya's Sharara and El Feel oilfields, which can produce approximately 400,000 bls per day.

## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices edged marginally higher to trade at \$949.20/oz.

Yesterday, platinum prices marginally climbed to close at \$948.80/oz.

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## Major South Africa Corporate News

### BHP Billiton Plc

In its operational review for the nine months ended March 31, 2017, the company stated that it achieved record production for the period at Western Australia Iron Ore and five Queensland Coal mines. Following 44 days of industrial action at Escondida, copper production guidance reduced to between 1.33mt and 1.36mt.

### Gold Fields Limited

In its 1Q17 operational update, the company announced that it had a slow start to 2017, with two fatalities at South Deep during the quarter and significant rain events which impacted open pit operations in Australia. Its gold production reduced to 497,000 oz from 515,000 oz reported in the same period last year.

### Impala Platinum Holdings Limited

In its 3Q17 production report, the company stated that gross refined platinum production for the period decreased by 6.2% to 331,000 platinum ounces, compared to 353,000 platinum ounces in the prior comparable period. Tonnes milled at Impala Rustenburg increased by 4.5% to 2.15mnt during the quarter compared with the previous comparable period.

### Redefine International Plc

In its 1H17 results, the company reported that its revenue advanced 21.9% from the same period of the preceding year to GBP50.60mn. Its diluted EPS stood at 2.30p, compared with 0.50p recorded in the corresponding period of the previous year. Its profit before tax substantially surged to GBP42.0mn from GBP8.40mn recorded in the similar period last year.

## Major Global Economic News

### Asia

In Australia, the private sector credit climbed 5.0% on an annual basis in March, compared to a similar rise in the previous month. Market anticipation was for the private sector credit to advance 5.1%.

In Australia, the producer price index climbed 0.5% on a quarterly basis in 1Q17. In the previous quarter, the index had registered a similar rise.

In Japan, the national consumer price index (CPI) registered a rise of 0.2% on a yearly basis in March, compared to an advance of 0.3% in the prior month. Market expectation was for the index to rise 0.3%.

In March, the unemployment rate remained unchanged at 2.8% in Japan. Market expectation was for the unemployment rate to rise to 2.9%.

In Japan, retail trade unexpectedly climbed 0.2% on a monthly basis in March, compared to a revised advance of 0.3% in the previous month. Markets were expecting retail trade to fall 0.3%.

In March, the preliminary industrial production slid 2.1% on a monthly basis in Japan, higher than market expectations for a drop of 0.8%. Industrial production had risen 3.2% in the prior month.

### US

In the US, the preliminary durable goods orders recorded a rise of 0.7% on a monthly basis in March, less than market expectations for a rise of 1.3%. Durable goods orders had risen 1.8% in the prior month.

In March, the advance goods trade deficit widened to USD64.80bn in the US, from a revised advance goods trade deficit of USD63.90bn in the prior month. Markets were expecting the nation to post an advance goods trade deficit of USD65.20bn.

In the US, the seasonally adjusted initial jobless claims advanced to 257.00K in the week ended April 22, 2017, higher than market expectations of a rise to a level of 245.00K. In the prior week, initial jobless claims had recorded a revised level of 243.00K.

### Eurozone

The ECB left key interest rates at historic lows and the mass bond-buying programme unchanged. The bank's statement repeated past wording that the ECB stands ready to increase stimulus if the outlook for growth and inflation in the Eurozone worsens. The ECB President, Mario Draghi highlighted the overall economic improvement in the Eurozone but stated that inflation pressures in the region remain subdued and are yet to show a convincing upward trend.

In April, the final consumer confidence index advanced to -3.60 in the Eurozone, compared to a reading of -5.00 in March. In the Eurozone, the economic sentiment indicator climbed more-than-expected to 109.60 in April, compared to a revised reading of 108.00 in March. In April, the business climate indicator unexpectedly advanced to 1.09, compared to a revised level of 0.83 in March.

In April, the preliminary consumer price index advanced 2.0% on an annual basis in Germany, higher than market expectations for a rise of 1.9%. The index had registered a rise of 1.6% in the previous month.

In Germany, the GfK consumer confidence index registered a rise to 10.20 in May, compared to a reading of 9.80 in the prior month. Markets were expecting the index to advance to a level of 9.90.

### UK

In the UK, the GfK consumer confidence fell to a level of -7.00 in April, compared to a reading of -6.00 in the prior month.

In April, the CBI distributive trade survey's retail sales balance unexpectedly climbed to a level of 38.0% in the UK, higher than market expectations of a fall to 6.0%. The CBI distributive trade survey's retail sales balance had recorded a level of 9.0% in the prior month.

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## Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
UK	01:01	GfK Consumer Confidence (Apr)	✓✓	-7.00*	-6.00	Monthly
UK	01:01	Lloyds Business Barometer (Apr)	✓	47.00%*	35.00%	Monthly
Japan	01:30	Unemployment Rate (Mar)	✓✓	2.80%*	2.80%	Monthly
Japan	01:30	Household Spending (YoY) (Mar)	✓✓	-1.30%*	-3.80%	Monthly
Japan	01:30	National Consumer Price Index (YoY) (Mar)	✓✓	0.20%*	0.30%	Monthly
Japan	01:50	Industrial Production (MoM) (Mar) (P)	✓	-2.10%*	3.20%	Monthly
Japan	01:50	Retail Trade s.a. (MoM) (Mar)	✓	0.20%*	0.30%	Monthly
Japan	01:50	Industrial Production (YoY) (Mar) (P)	✓✓	3.30%*	4.70%	Monthly
Germany	07:30	Short-Term Interest Rate (Mar)	✓	-	-0.33%	Monthly
Germany	08:00	Retail Sales (MoM) (Mar)	✓✓	0.00%	1.80%	Monthly
Germany	08:00	Import Price Index s.a. (MoM) (Mar)	✓	-0.10%	0.70%	Monthly
UK	08:00	Nationwide House Prices s.a. (MoM) (Apr)	✓	0.10%	-0.30%	Monthly
South Africa	08:00	M3 Money Supply (YoY) (Mar)	✓	6.50%	6.63%	Monthly
South Africa	08:00	Private Sector Credit (YoY) (Mar)	✓✓✓	5.20%	5.26%	Monthly
UK	10:30	BBA Mortgage Approvals (Mar)	✓✓	-	42.61 K	Monthly
UK	10:30	Gross Domestic Product s.a. (QoQ) (Q1) (P)	✓✓✓	0.40%	0.70%	Quarterly
UK	10:30	Gross Domestic Product s.a. (YoY) (Q1) (P)	✓✓	2.20%	1.90%	Quarterly
Eurozone	11:00	Consumer Price Index (YoY) (Apr) (F)	✓✓	1.80%	1.50%**	Monthly
South Africa	14:00	Trade Balance (Mar)	✓✓✓	-	ZAR5.20bn	Monthly
US	14:30	Personal Consumption Expenditure Core (QoQ) (Q1) (P)	✓	-	1.30%	Quarterly
US	14:30	Employment Cost Index (QoQ) (Q1)	✓✓	0.60%	0.50%	Quarterly
US	14:30	Gross Domestic Product Annualised (QoQ) (Q1) (P)	✓✓✓	1.00%	2.10%	Quarterly
US	14:30	Personal Consumption (QoQ) (Q1) (P)	✓✓	0.90%	3.50%	Quarterly
US	15:45	Chicago PMI (Apr)	✓✓✓	56.20	57.70	Monthly
US	16:00	Reuters/Michigan Consumer Sentiment Index (Apr) (F)	✓✓✓	98.00	98.00**	Monthly

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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