

ONE
Minute Brief

27 February 2018

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Economic and Political News

In a Cabinet reshuffle announced yesterday, David Mabuza, was appointed as the new Deputy President of South Africa, while Nhlanhla Nene was chosen to head the Finance Ministry. Among other key appointments are those of Pravin Gordhan as Public Enterprises Minister, Nkosazana Dlamini-Zuma as Minister in the Presidency, Lindiwe Sisulu as Foreign Affairs Minister, Gwede Mantashe as the Minerals Resources Minister, Jeff Radebe as the Energy Minister, Malusi Gigaba as Home Affairs Minister, Naledi Pandor as Higher Education and Training Minister and Derek Hanekom as the Tourism Minister.

The newly appointed Finance Minister, Nhlanhla Nene, stated that while it would take a great deal of work to stabilise the country's finances, he was quite confident that it could be done.

The Democratic Alliance has criticised the appointment of David Mabuza as the nation's Deputy President, terming it a danger to the country.

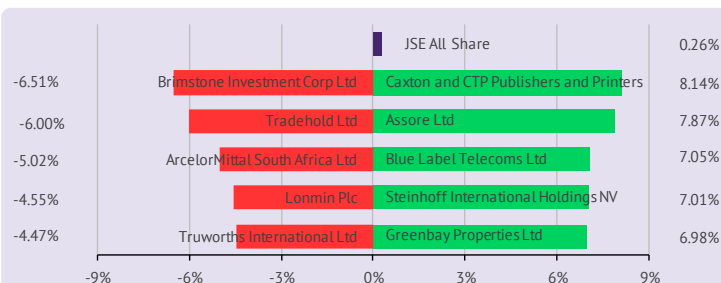
News reports indicate that state prosecutors would announce within two weeks whether they would reinstate corruption charges against former President Jacob Zuma.

The Automobile Association (AA) expects the country's petrol price to drop by up to 38 cents per litre and diesel by 47 cents per litre in March.

South Africa Market ▲

South African markets closed higher

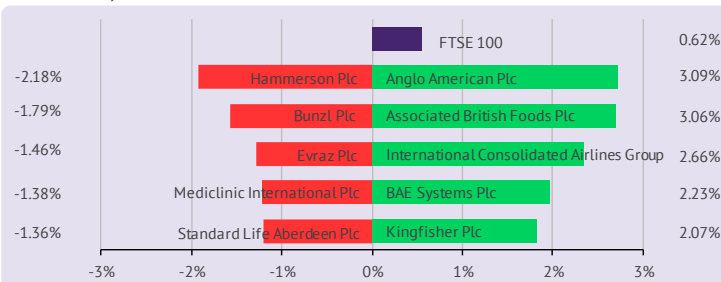
South African markets closed in the green yesterday, amid gains in resources, gold mining and property sector stocks. The JSE All Share Index rose 0.3% to close at 58,868.93.



UK Market ▲

The FTSE 100 futures are trading in negative territory

UK markets finished higher yesterday, supported by gains in mining sector stocks. Data showed that UK's BBA loans for house purchase rose more-than-expected in January. The FTSE 100 Index advanced 0.6% to close at 7,289.58.



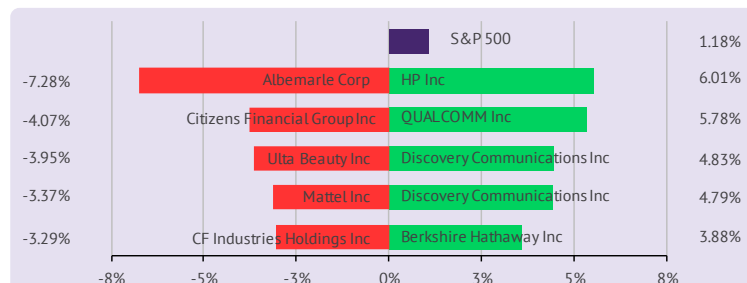
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	58868.93	▲	153.47	0.26%	0.26%	-1.07%	0.00%	-1.07%
JSE Top 40	51861.36	▲	114.21	0.22%	0.22%	-1.43%	0.16%	-1.28%
FTSE 100	7289.58	▲	45.17	0.62%	0.62%	-3.24%	-2.01%	-5.18%
DAX 30	12527.04	▲	43.25	0.35%	0.35%	-5.02%	2.10%	-3.02%
CAC 40	5344.26	▲	26.89	0.51%	0.51%	-2.51%	3.19%	0.60%
S&P 500	2779.60	▲	32.30	1.18%	1.18%	-1.57%	5.62%	3.96%
Nasdaq Composite	7421.46	▲	84.07	1.15%	1.15%	0.13%	7.36%	7.50%
DJIA	25709.27	▲	399.28	1.58%	1.58%	-1.68%	5.79%	4.01%

US Market ▲

The S&P 500 futures are trading in the red

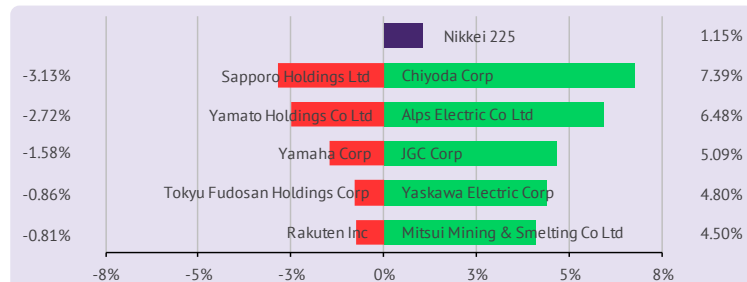
US markets closed higher yesterday, boosted by strength in technology and financial sector stocks. Data revealed that US Dallas Fed manufacturing index unexpectedly climbed in February. The S&P 500 Index climbed 1.2% to close at 2,779.60.



Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning. The Nikkei 225 Index is trading 1.2% higher at 22,409.30.



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USDZAR ▲

USD trading stronger against ZAR

At 06:00 SAST, the US Dollar rose 0.2% against the South African Rand to trade at R11.5726. Later today, traders will keep a close watch on the Federal Reserve Chief Powell's testimony for further direction. On the data front, the US advance goods trade balance, durable goods orders, house price index and consumer confidence index will be on investors radar.

The US Dollar marginally fell against the South African Rand yesterday. On the data front, monthly new home sales surprisingly fell in January, reaching its lowest level in 5 months. Meanwhile, the Dallas Fed manufacturing index unexpectedly advanced in February. The Rand advanced against the dollar, following the announcement of cabinet reshuffle by President, Ramaphosa.

GBPZAR ▲

GBP trading higher against ZAR

At 06:00 SAST, the British Pound climbed 0.1% against the South African Rand to trade at R16.1492. Amid no major economic news in the UK, investor sentiment will be determined by global macroeconomic factors.

The British Pound marginally declined against the South African Rand yesterday. Data revealed that UK's BBA loans for house purchase rose more-than-expected in January.

EURZAR ▲

EUR trading firmer against ZAR

At 06:00 SAST, the Euro advanced 0.2% against the South African Rand to trade at R14.2623. Going forward, market participants will keep a tab on Eurozone's business climate indicator, economic and consumer confidence along with Germany's consumer price index (CPI) for further cues.

The Euro strengthened against the South African Rand yesterday. The European Central Bank (ECB) President, Mario Draghi stated that slack in the Eurozone economy may be bigger than previously estimated, which could slowdown the rise of inflation.

AUDZAR ▼

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar is trading marginally weaker against the South African Rand at R9.0747. Earlier in the session, Australia's ANZ Roy Morgan weekly consumer confidence index advanced for the week ended February 25, 2018.

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	11.5726	▲	-0.04%	-0.04%	-2.51%	-4.29%	-6.69%
GBPZAR	16.1492	▲	-0.04%	-0.04%	-3.96%	0.50%	-3.48%
EURZAR	14.2623	▲	0.13%	0.13%	-3.24%	-0.98%	-4.19%
AUDZAR	9.0747	▼	0.20%	0.20%	-4.90%	-1.24%	-6.08%
EURUSD	1.2326	▲	0.18%	0.18%	-0.78%	3.41%	2.60%
GBPUSD	1.3958	▼	-0.02%	-0.02%	-1.57%	5.02%	3.37%
Brent (\$/barrel)	67.5	▼	0.28%	0.28%	-2.02%	3.02%	0.94%
Gold (\$/oz)	1334.8	▲	0.35%	0.35%	-0.46%	2.27%	1.79%
Platinum (\$/oz)	1002.5	▲	0.30%	0.30%	-0.25%	7.50%	7.24%
Copper (\$/MT)*	7077.8	▲	0.22%	0.22%	-0.01%	-1.78%	-1.79%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.2% higher to trade at \$1,334.80/oz.

Yesterday, gold prices rose 0.4% to close at \$1,332.80/oz, amid strength in the greenback and drop in US treasury yields.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 0.1% lower to trade at \$67.46/bl.

Yesterday, Brent crude oil advanced 0.3% to settle at \$67.50/bl, on the back of robust US demand and production cuts led by OPEC.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices rose 0.1% to trade at \$1,002.50/oz.

Yesterday, platinum prices climbed 0.3% to close at \$1001.80/oz.



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Major South Africa Corporate News

Anglo American Plc

The company announced that it has completed the sale of its 88.17% interest in the Drayton thermal coal mine and Drayton South project to Malabar Coal Limited.

Bidvest Group Limited

In its 1H18 results, the company stated that its revenue increased to ZAR39.91bn from ZAR36.04bn posted in the corresponding period of the previous year. Its diluted EPS fell 5.1% compared to the same period of the prior year to 557.10c. Further, the company announced an interim dividend of 255.00c per share. Separately, it announced the appointment of Mark Steyn as CFO and Executive Director of the company with effect from March 1, 2018.

RCL Foods Limited

In its 1H18 unaudited results, the company revealed that its revenue declined 2.4% compared to the same period of the preceding year to ZAR12.77bn. Its diluted EPS stood at 75.60c, compared to 37.10c recorded in the corresponding period of the previous year. Further, the company declared an interim dividend of 15.00c per share.

Sasol Limited

In its 1H18 results, the company reported that its turnover advanced 3.8% compared to the same period of the preceding year to ZAR88.15bn. Its diluted EPS stood at ZAR11.25, compared to ZAR14.20 recorded in the corresponding period of the previous year. Further, it declared an interim dividend of ZAR5.00 per share.

Shoprite Holdings Limited

In its 1H18 results, the company revealed that its revenue rose 6.3% compared to the same period of the preceding year to ZAR75.82bn. Its diluted EPS stood at 520.90c, compared to 452.60c recorded in the corresponding period of the previous year. Further, the company declared an interim dividend of 205.00c per share.

Major Global Economic News

Eurozone

The ECB President, Mario Draghi stated that slack in the Eurozone economy may be bigger than previously estimated, which could slowdown the rise of inflation. He added that he expects headline inflation to resume its gradual upward adjustment, supported by the bank's monetary policy measures.

Asia

In Japan, the final leading economic index dropped to 107.40 in December. In the prior month, the leading economic index had registered a revised level of 108.20. The preliminary figures had recorded a drop to 107.90.

US

In the US, the Dallas Fed manufacturing business index unexpectedly advanced to a level of 37.20 in February, compared to a reading of 33.40 in the previous month.

In the US, new home sales registered an unexpected drop of 7.8% to a level of 593.00K on a monthly basis in January. New home sales had registered a revised reading of 643K in the prior month.

UK

In the UK, BBA mortgage approvals recorded a more-than-expected rise to 40.12K in January. In the previous month, BBA mortgage approvals had recorded a revised reading of 36.09K.

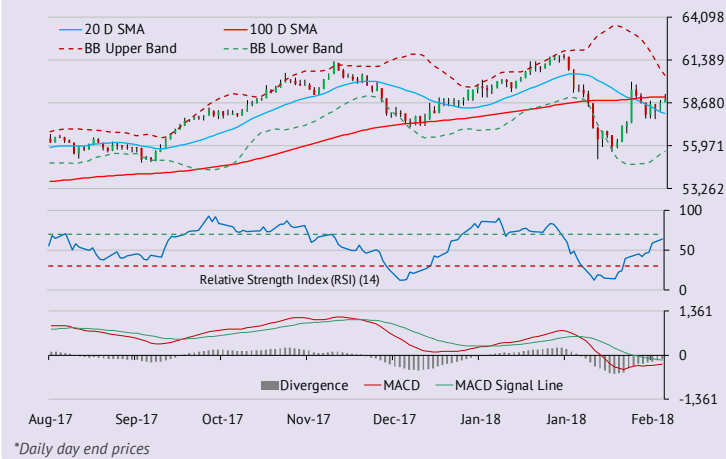
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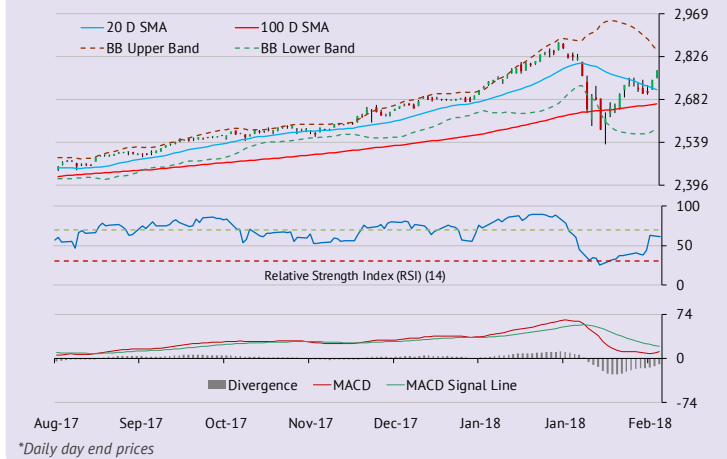
Technical Snapshot

JSE All Share



The JSE All Share index is expected to find support at 57,922.45, and a fall through could take it to the next support level of 56,975.96. The index is expected to find its first resistance at 59,524.36, and a rise through could take it to the next resistance level of 60,179.78.

S&P 500



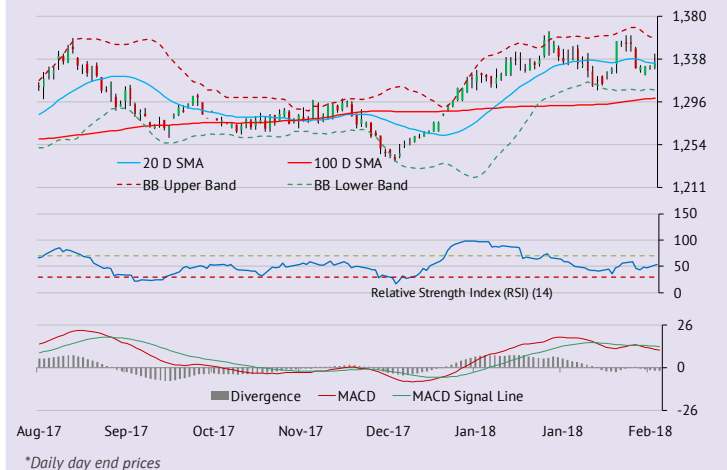
The S&P 500 index is expected to find support at 2,724.70, and a fall through could take it to the next support level of 2,669.80. The index is expected to find its first resistance at 2,807.57, and a rise through could take it to the next resistance level of 2,835.54.

USDZAR



The pair is expected to find support at 11.4472, and a fall through could take it to the next support level of 11.3401. The pair is expected to find its first resistance at 11.7219, and a rise through could take it to the next resistance level of 11.8895.

XAU/USD


























Gold is expected to find support at \$1,319.80/oz, and a fall through could take it to the next support level of \$1,306.80/oz. The precious metal is expected to find its first resistance at \$1,348.00/oz, and a rise through could take it to the next resistance level of \$1,363.20/oz.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus	Previous/ **Previous Est.	Frequency
 Eurozone	10:40	ECB's Mersch speaks in Brussels	✓	-	-	As scheduled
 UK	11:00	BoE's Sam Woods speaks in London	✓	-	-	As scheduled
 Eurozone	12:00	Consumer Confidence (Feb) (F)	✓✓✓	0.10	0.10**	Monthly
 Eurozone	12:00	Economic Sentiment Indicator (Feb)	✓	114.00	114.70	Monthly
 Eurozone	12:00	Industrial Confidence (Feb)	✓	8.00	8.80	Monthly
 Eurozone	12:00	Business Climate Indicator (Feb)	✓✓	1.47	1.54	Monthly
 Eurozone	12:00	Services Sentiment Indicator (Feb)	✓	16.30	16.70	Monthly
 Germany	12:00	Bundesbank's Weidmann Presents Institution's Annual Report	✓	-	-	As scheduled
 Germany	15:00	Consumer Price Index (MoM) (Feb) (P)	✓✓✓	0.50%	-0.70%	Monthly
 Germany	15:00	Consumer Price Index (YoY) (Feb) (P)	✓✓✓	1.50%	1.60%	Monthly
 Germany	15:00	Harmonised Index of Consumer Prices (HICP) (MoM) (Feb) (P)	✓✓✓	0.60%	-1.00%	Monthly
 Germany	15:00	Harmonised Index of Consumer Prices (HICP) (YoY) (Feb) (P)	✓✓✓	1.30%	1.40%	Monthly
 US	15:30	Durable Goods Orders (Jan) (P)	✓✓✓	-2.00%	2.80%	Monthly
 US	15:30	Durable Goods Orders ex Transportation (Jan) (P)	✓✓	0.40%	0.70%	Monthly
 US	15:30	Wholesale Inventories (MoM) (Jan) (P)	✓✓✓	0.40%	0.40%	Monthly
 US	15:30	Fed's Powell's Congressional Testimony	✓✓✓	-	-	As scheduled
 US	16:00	Housing Price Index (MoM) (Dec)	✓	0.40%	0.40%	Monthly
 US	16:00	S&P/Case-Shiller 20 City s.a. (MoM) (Dec)	✓✓✓	0.60%	0.75%	Monthly
 US	16:00	House Price Purchase Index (QoQ) (Q4)	✓✓	-	1.40%	Quarterly
 US	16:00	S&P/Case-Shiller Composite-20 (YoY) (Dec)	✓✓	6.35%	6.41%	Monthly
 US	17:00	Richmond Fed Manufacturing Index (Feb)	✓	15.00	14.00	Monthly
 US	17:00	Fed's Powell Testifies to House Financial Services Committee	✓✓✓	-	-	As scheduled
 US	17:00	Consumer Confidence (Feb)	✓✓✓	126.50	125.40	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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