

ONE
Minute Brief

2 March 2018



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Economic and Political News

In South Africa (SA), the manufacturing PMI advanced to 50.80 in February, compared to a level of 49.90 in January. New vehicle sales dropped 3.8% YoY to 46,347 units in February.

President, Cyril Ramaphosa, stated that while he wants talks on the topic of land expropriation to avoid panic, he aims to resolve the issue of racial disparities in property ownership once and for all. ANC secretary general, Ace Magashule, stated that expropriating land without compensation should be done within the law and land grabbers should be arrested. However, AfriForum has warned that an amendment of the Constitution to allow land expropriation without compensation could unleash conflict in the country.

Communications Minister, Nomvula Mokonyane, stated that SA's cabinet is considering expanding the list of zero-rated foodstuffs under value-added tax (VAT). Meanwhile, trade union federation, Cosatu, criticised the VAT hike after its three-day central executive committee meeting.

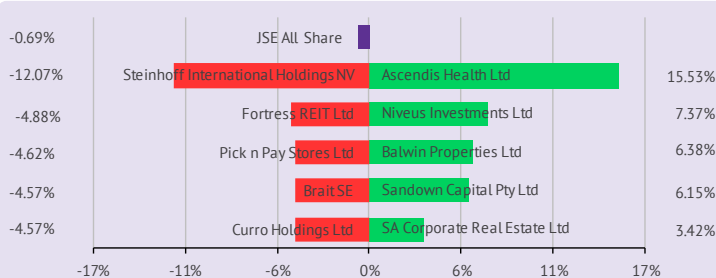
Former minister of public enterprises, Lynne Brown, has resigned as Member of Parliament.

Western Cape minister of economic opportunities, Alan Winde, has indicated that the impact of drought on the regional economy is worse than earlier anticipated.

South Africa Market ▼

South African markets closed lower

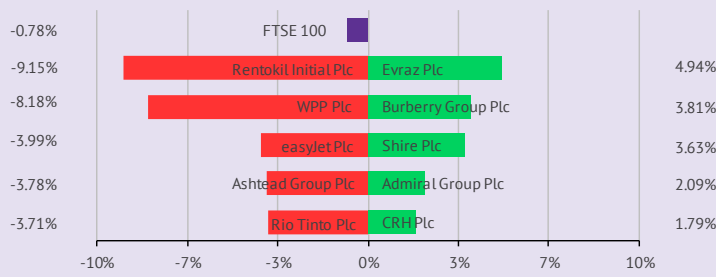
South African markets closed in the red yesterday, led by losses in resources and retail sector stocks. Data indicated that South Africa's manufacturing PMI registered a rise in February. The JSE All Share Index fell 0.7% to close at 57,923.16.



UK Market ▼

The FTSE 100 futures are trading in negative territory

UK markets finished lower yesterday, following downbeat financial results from Rentokil Initial and WPP. Meanwhile, data showed that UK's Nationwide monthly house price index unexpectedly declined in February. The FTSE 100 Index declined 0.8% to close at 7,175.64.



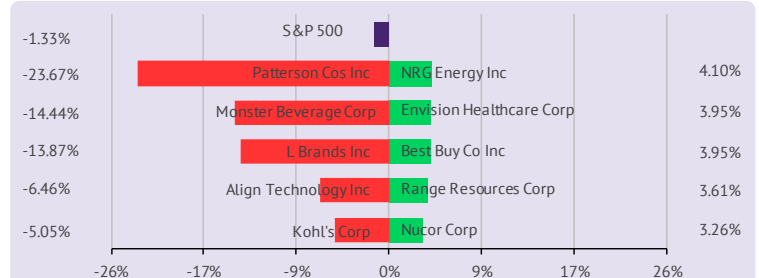
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	57923.16	▼ -401.93	-0.69%	-1.35%	-0.69%	-1.98%	-2.66%
JSE Top 40	51011.02	▼ -372.43	-0.72%	-1.42%	-0.72%	-2.34%	-2.90%
FTSE 100	7175.64	▼ -56.27	-0.78%	-0.95%	-0.78%	-4.00%	-6.66%
DAX 30	12190.94	▼ -244.91	-1.97%	-2.35%	-1.97%	-5.71%	-5.63%
CAC 40	5262.56	▼ -57.93	-1.09%	-1.03%	-1.09%	-2.94%	-0.94%
S&P 500	2677.67	▼ -36.16	-1.33%	-2.53%	-1.33%	-3.89%	0.15%
Nasdaq Composite	7180.56	▼ -92.45	-1.27%	-2.14%	-1.27%	-1.87%	4.02%
DJIA	24608.98	▼ -420.22	-1.68%	-2.77%	-1.68%	-4.28%	-0.45%

US Market ▼

The S&P 500 futures are trading in the red

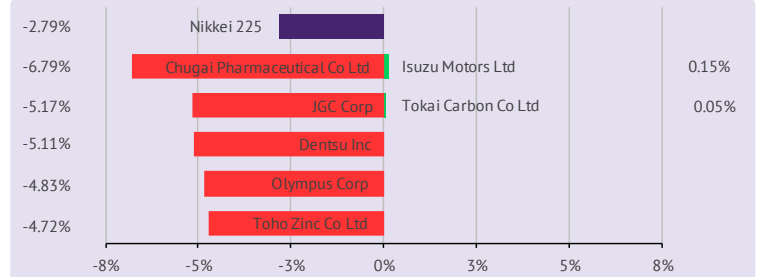
US markets closed lower yesterday, after the US President, Donald Trump, stated that the US will implement tariffs on steel and aluminum imports next week and led by losses in industrial sector stocks. The S&P 500 Index dropped 1.3% to close at 2,677.67.



Asian Market ▼

Trading lower

Asian markets are trading lower this morning, amid losses in steel producers and automaker sector stocks, following US President's comments. The Nikkei 225 Index is trading 2.8% lower at 21,118.53.



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USDZAR ▼

USD trading weaker against ZAR

At 06:00 SAST, the US Dollar is trading 0.2% lower against the South African Rand at R11.8726. Later today, traders will keep a close watch on the US Michigan sentiment index for further indication.

The US Dollar rose against the South African Rand yesterday, after initial jobless claims unexpectedly dropped to its lowest level since December 1969. Additionally, ISM manufacturing PMI surprised with a rise in February, notching its highest level since May 2004. Meanwhile, the US final Markit manufacturing PMI unexpectedly fell in February. Further, the nation's construction spending data showed a flat reading on a monthly basis in January. The Rand came under pressure following downbeat trade data from South Africa. Separately, the manufacturing PMI in South Africa recorded a rise in February.

GBPZAR ▼

GBP trading lower against ZAR

At 06:00 SAST, the British Pound retreated 0.1% against the South African Rand to trade at R16.3689. Later today, traders will keep an eye on the UK's Markit construction PMI for further cues.

The British Pound advanced against the South African Rand yesterday. On the macro front, UK's Nationwide house price index surprisingly declined on a monthly basis in February, marking its first decline in six months. Further, Markit manufacturing PMI eased more than market forecast in February, reaching to its lowest level in eight months. Moreover, net consumer credit recorded a less-than-expected rise January. Meanwhile, mortgage approvals advanced more than market anticipation, notching its highest level since July 2017.

EURZAR ▲

EUR trading stronger against ZAR

At 06:00 SAST, the Euro marginally advanced against the South African Rand to trade at R14.5843. Going forward, market participants will keep a tab on Eurozone's producer price index (PPI) and Germany's retail sales for further direction.

The Euro strengthened against the South African Rand yesterday, on the back of robust Eurozone unemployment figures for January. Data revealed that Eurozone's final Markit manufacturing PMI dropped more than market forecast in February. Meanwhile, Germany's final Markit manufacturing PMI recorded a more-than-anticipated drop in February.

AUDZAR ▲

AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar is trading marginally firmer against the South African Rand at R9.2086.

The Australian Dollar rose against the South African Rand yesterday. On the data front, Australia's AIG performance of manufacturing index dropped in February.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	11.8726	▼	0.81%	2.88%	0.81%	-0.47%	-3.97%
GBPZAR	16.3689	▼	0.92%	1.46%	0.92%	-3.41%	-2.03%
EURZAR	14.5843	▲	1.38%	2.58%	1.38%	-2.22%	-1.84%
AUDZAR	9.2086	▲	0.58%	1.65%	0.58%	-4.08%	-4.72%
EURUSD	1.2285	▲	0.60%	-0.23%	0.60%	-1.77%	2.18%
GBPUSD	1.3788	▲	0.12%	-1.40%	0.12%	-3.04%	1.95%
Brent (\$/barrel)	63.9	▲	-1.39%	-5.17%	-1.39%	-6.04%	-4.55%
Gold (\$/oz)	1317.9	▲	-0.96%	-1.73%	-0.96%	-1.58%	-0.31%
Platinum (\$/oz)	968.5	▲	-3.07%	-4.10%	-3.07%	-1.61%	2.53%
Copper (\$/MT)*	6886.5	▼	-0.12%	-2.49%	-0.12%	-2.60%	-4.45%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 1.0% higher to trade at \$1,317.90/oz.

Yesterday, gold prices fell 1.0% to close at \$1,305.20/oz, as the US dollar gained following mostly upbeat domestic economic data.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil gained 0.1% to trade at \$63.89/bl.

Yesterday, Brent crude oil dropped 1.4% to settle at \$63.83/bl, amid growing concerns over surging US crude output.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged 1.1% higher to trade at \$968.50/oz.

Yesterday, platinum prices declined 3.1% to close at \$957.80/oz.

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Major South Africa Corporate News

Ascendis Health Limited

In its 1H18 interim results, the company indicated that its revenue rose to ZAR3.96bn compared to ZAR3.11bn posted in the corresponding period of the previous year. Its diluted EPS increased 11.2% compared to the same period of the prior year to 46.60c.

Anglo American Plc

The company announced that it has completed the sale of its Eskom-tied domestic thermal coal operations in South Africa to Seriti for consideration of ZAR2.30bn.

Barclays Africa Group Limited

In its FY17 results, the company stated that its income increased to ZAR73.31bn compared to ZAR72.39bn posted in the corresponding period of the previous year. Its diluted HEPS rose 4.1% compared to the same period of the prior year to 1,807.80c. The company has declared a dividend of 1,070.00c per share.

Blue Label Telecoms Limited

The company announced that it has completed the acquisition of 3G Mobile Proprietary Limited for a consideration of ZAR1.90bn.

Curro Holdings Limited

The company announced the resignation of Ms Ronell van Rensburg as its company secretary effective from May 1, 2018.

Impala Platinum Holdings Limited

In its 1H18 interim results, the company stated that its revenue decreased to ZAR17.28bn compared to ZAR18.48bn posted in the corresponding period of the previous year. Its diluted EPS significantly fell compared to the same period of the prior year to 23.00c.

Major Global Economic News

UK

In the UK, the seasonally adjusted house prices unexpectedly fell 0.3% on a monthly basis, in February. In the previous month, house prices had climbed 0.6%.

In the UK, the manufacturing PMI dropped more than market expectations to 55.20 in February. The manufacturing PMI had registered a reading of 55.30 in the prior month.

In January, net consumer credit climbed GBP1.36bn in the UK, lower than market expectations. In the previous month, net consumer credit had registered a revised rise of GBP1.58bn.

In the UK, number of mortgage approvals for house purchases climbed more than market forecast to 67.50K in January. In the prior month, number of mortgage approvals for house purchases had registered a revised reading of 61.70K.

US

In the US, the final Markit manufacturing PMI unexpectedly eased to 55.30 in February. In the previous month, the Markit manufacturing PMI had registered a level of 55.50. The preliminary figures had indicated an advance to 55.90.

In the US, the ISM manufacturing activity index surprisingly rose to 60.80 in February. The index had registered a level of 59.10 in the prior month.

In the US, the seasonally adjusted initial jobless claims registered an unexpected drop to 210.00K for the week ended 24 February 2018. In the previous week, initial jobless claims had registered a revised level of 220.00K.

In the US, construction spending remained steady on a monthly basis in January, compared to a revised rise of 0.8% in the previous month.

Eurozone

In the Eurozone, the final manufacturing PMI registered a more-than-anticipated drop to 58.60 in February. The manufacturing PMI had registered a level of 59.60 in the prior month. The preliminary figures had recorded a fall to 58.50.

In the Eurozone, the unemployment rate remained steady at 8.6% in January, at par with market expectations.

In Germany, the final manufacturing PMI recorded a drop to 60.60 in February, more than market expectations and compared to a level of 61.10 in the previous month. The preliminary figures had recorded a fall to 60.30.

Asia

In Japan, Tokyo CPI advanced 1.4% on an annual basis in February, at par with market expectations and compared to an advance of 1.3% in the previous month.

In Japan, unemployment rate unexpectedly eased to 2.4% in January, compared to a rate of 2.8% reported in the previous month.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:30	Job-To-Applicant Ratio (Jan)	✓	1.59*	1.59	Monthly
Japan	01:30	Unemployment Rate (Jan)	✓✓	2.40%*	2.80%	Monthly
Japan	01:30	Household Spending (YoY) (Jan)	✓✓	-0.40%	-0.10%	Monthly
Japan	01:30	Tokyo Consumer Price Index (YoY) (Feb)	✓✓✓	1.40%*	1.30%	Monthly
Japan	01:30	Tokyo CPI ex Fresh Food (YoY) (Feb)	✓✓✓	0.90%*	0.70%	Monthly
Japan	01:50	Monetary Base (YoY) (Feb)	✓	9.40%*	9.70%	Monthly
Japan	01:50	Monetary Base (Feb)	✓✓✓	JPY475.2tn*	JPY476.70tn	Monthly
Germany	09:00	Short-Term Interest Rate (Jan)	✓	-	-0.33%	Monthly
Germany	09:00	Export price index (Jan)	✓	-	106.10	Monthly
Germany	09:00	Import Price Index (Jan)	✓	-	101.60	Monthly
Germany	09:00	Import Price Index s.a. (MoM) (Jan)	✓✓	0.40%	0.30%	Monthly
Germany	09:00	Import Price Index n.s.a. (YoY) (Jan)	✓✓	0.70%	1.10%	Monthly
Germany	09:00	Retail Sales (MoM) (Jan)	✓✓✓	0.70%	-1.90%	Monthly
Germany	09:00	Retail Sales (YoY) (Jan)	✓✓✓	3.00%	-1.90%	Monthly
Eurozone	10:10	ECB's Mersch speech	✓✓	-	-	As scheduled
UK	11:30	Markit Construction PMI (Feb)	✓✓✓	50.50	50.20	Monthly
Eurozone	12:00	Producer Price Index (YoY) (Jan)	✓✓✓	1.60%	2.20%	Monthly
Eurozone	12:00	Producer Price Index (MoM) (Jan)	✓✓✓	0.40%	0.20%	Monthly
UK	12:00	BoE's Governor Carney speech	✓✓✓	-	-	As scheduled
US	17:00	Reuters/Michigan Consumer Sentiment Index (Feb) (F)	✓✓✓	99.50	99.90**	Monthly
UK	-	UK Prime Minister Theresa May speech	✓✓✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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