

ONE  
Minute Brief

6 March 2018


  
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## Economic and Political News

South Africa's (SA) Finance Minister, Nhlamhla Nene, stated that the National Treasury is likely to raise its forecast for economic growth in October's medium-term budget, following improved business and investor confidence. He stated that he had met ratings agency, Moody's, and discussed issues around growth and balance sheets of state firms. Separately, Nene stated that he believes that those involved in state capture will be prosecuted and confidence will be restored between people and the government.

The World Health Organisation stated that the listeria outbreak in SA is the largest ever recorded globally. A spokesperson of the Health Ministry stated that authorities struggled to confirm the cause of the listeria outbreak due to lack of co-operation from the meat processing industry. Meanwhile, Zambia widened its ban on processed meat imports from SA to include dairy products, vegetable and fruits, while Mozambique, Namibia, Malawi and Botswana decided to recall South African processed meat products. In a statement, Tiger Brands CEO claimed that there was no direct link between deaths and the company's products.

Eskom Chairman, Jabu Mabuza, indicated that a permanent Chief Executive would be appointed by the end of April.

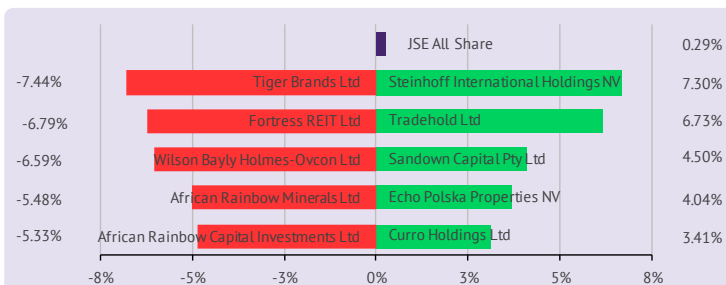
## Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	57912.40	▲	167.70	0.29%	0.29%	-0.71%	-1.98%	-2.68%
JSE Top 40	51021.75	▲	197.13	0.39%	0.39%	-0.70%	-2.34%	-2.88%
FTSE 100	7115.98	▲	46.08	0.65%	0.65%	-1.60%	-4.00%	-7.44%
DAX 30	12090.87	▲	177.16	1.49%	1.49%	-2.77%	-5.71%	-6.40%
CAC 40	5167.23	▲	30.65	0.60%	0.60%	-2.88%	-2.94%	-2.74%
S&P 500	2720.94	▲	29.69	1.10%	1.10%	0.26%	-3.89%	1.77%
Nasdaq Composite	7330.71	▲	72.84	1.00%	1.00%	0.79%	-1.87%	6.19%
DJIA	24874.76	▲	336.70	1.37%	1.37%	-0.62%	-4.28%	0.63%

## South Africa Market ▲

## South African markets closed higher

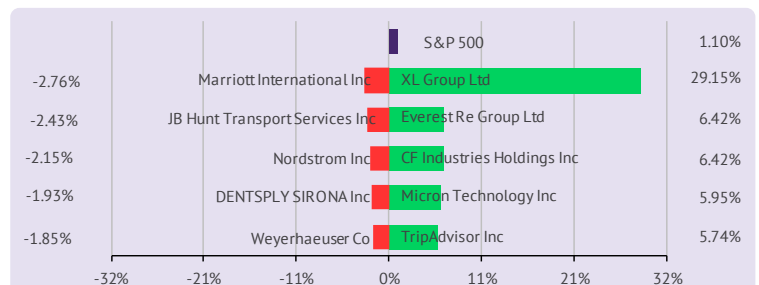
South African markets closed in the green yesterday, boosted by gains in retail, banking and industrial sector stocks. The JSE All Share Index rose 0.3% to close at 57,912.40.



## US Market ▲

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

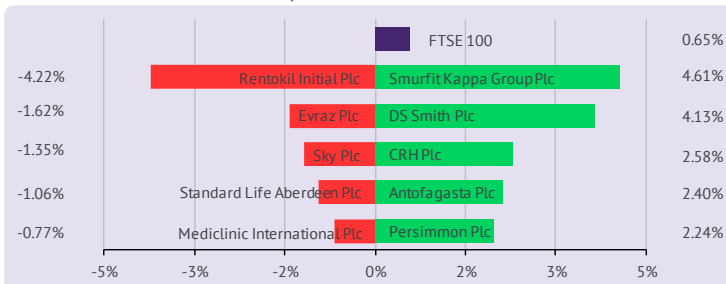
US markets closed higher yesterday, driven by gains in utility sector stocks. Data showed that the US Markit services PMI remained unchanged in February. The S&P 500 Index climbed 1.1% to close at 2,720.94.



## UK Market ▲

## The FTSE 100 futures are trading in negative territory

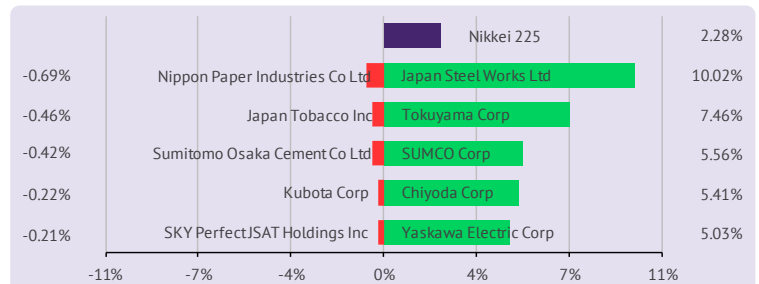
UK markets finished higher yesterday, amid gains in mining and commodity sector stocks. Data indicated that the UK's Markit services PMI rose more-than-expected in February. The FTSE 100 Index advanced 0.7% to close at 7,115.98.



## Asian Market ▲

## Trading higher

Asian markets are trading higher this morning. The Nikkei 225 Index is trading 2.3% higher at 21,522.71.



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## USDZAR ▼

### USD trading weaker against ZAR

At 06:00 SAST, the US Dollar is trading marginally lower against the South African Rand at R11.8281. Later today, traders will keep a close watch on the US factory orders and durable goods orders for further indication.

The US Dollar fell against the South African Rand yesterday. Data indicated that the US Markit services PMI showed a steady reading in February. Meanwhile, the ISM non-manufacturing index dropped in February.

## GBPZAR ▼

### GBP trading lower against ZAR

At 06:00 SAST, the British Pound dropped 0.1% against the South African Rand to trade at R16.3723. Amid no major economic news scheduled in the UK later today, investor sentiment will be determined by global macroeconomic factors.

The British Pound declined against the South African Rand yesterday. On the data front, the UK's Markit services PMI advanced more than anticipated in February, notching its highest level in four months.

## EURZAR ▲

### EUR trading stronger against ZAR

At 06:00 SAST, the Euro advanced 0.1% against the South African Rand to trade at R14.6061. Going forward, market participants will keep a tab on Germany's Markit construction PMI for further direction.

The Euro weakened against the South African Rand yesterday, after the Eurozone's Markit services PMI unexpectedly dropped in February. Additionally, investor confidence index fell more than market forecast in March. Moreover, the region's retail sales dropped in line with market expectations on a monthly basis in January. Meanwhile, Germany's Markit services PMI showed a steady reading in February.

## AUDZAR ▲

### AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% firmer against the South African Rand at R9.2015. The Reserve Bank of Australia (RBA), at its March monetary policy meeting, opted to keep the official cash rate on hold at 1.50%, citing weak wage growth and stubbornly low inflation. Earlier in the session, Australia's current account deficit widened more than market expectations in 4Q17. Further, the nation's retail sales advanced at a slower-than-expected pace on a monthly basis in January.

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	11.8281	▼	-0.77%	-0.77%	0.30%	-0.47%	-4.45%
GBPZAR	16.3723	▼	-0.45%	-0.45%	0.93%	-3.41%	-2.02%
EURZAR	14.6061	▲	-0.63%	-0.63%	1.48%	-2.22%	-1.75%
AUDZAR	9.2015	▲	-0.71%	-0.71%	0.37%	-4.08%	-4.92%
EURUSD	1.2350	▲	0.15%	0.15%	1.16%	-1.77%	2.76%
GBPUSD	1.3844	▼	0.34%	0.34%	0.65%	-3.04%	2.49%
Brent (\$/barrel)	65.7	▲	1.82%	1.82%	1.25%	-6.04%	-1.99%
Gold (\$/oz)	1323.2	▲	-0.26%	-0.26%	0.15%	-1.58%	0.81%
Platinum (\$/oz)	964.8	▲	-0.31%	-0.31%	-2.63%	-1.61%	2.99%
Copper (\$/MT)*	6874.3	▲	0.16%	0.16%	-0.29%	-2.60%	-4.62%

\*As of Previous Close

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices edged 0.3% higher to trade at \$1,323.20/oz.

Yesterday, gold prices fell 0.3% to close at \$1,319.90/oz, as strength in the US Dollar weakened demand for the precious yellow metal.

## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil edged 0.2% higher to trade at \$65.66/bl.

Yesterday, Brent crude oil advanced 1.8% to settle at \$65.54/bl, after a reported drop in crude stocks at the US storage hub in Cushing, Oklahoma. Meanwhile, the International Energy Agency (IEA) emphasized the need for more investment in the market to avoid a supply shortage after 2020.

## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices advanced 0.3% to trade at \$964.80/oz.

Yesterday, platinum prices declined 0.3% to close at \$962.10/oz.



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## Major South Africa Corporate News

### Astral Foods Limited

The company announced that results for 1H18 will show an improvement compared to the corresponding period of the previous year. Further, the company announced that both EPS and HEPS are expected to be significantly up compared to the same period of the previous year.

### Brimstone Investment Corporation Limited

In its FY17 trading update, the company stated that it expects basic EPS to be in the range of 17.40c to 20.80c, which is a decline of 71.0% to 75.0% compared to the previous year. Further, it expects HEPS to be in the range of 10.20c to 12.20c, which is a decrease of 75.0% to 79.0% compared to the prior period.

### Capitec Bank Holdings Limited

In its FY18 voluntary trading statement, the company stated that it expects HEPS to be in the range of 3.81c and 3.90c, which is an increase of 16.0% to 19.0%, compared to the corresponding period of the previous year.

### Raubex Group Limited

In its FY18 operational update, the company stated that it has continued to explore opportunities, both locally and internationally, to supplement its revenue streams while current local conditions remain under control. The company also made good progress during the second half of the year, driven by international expansion opportunities and replacement of the construction order book.

### Tiger Brands Limited

The company informed that the Enterprise Foods, a division of the company, has been issued with an order by the National Consumer Commission to conduct a recall of its products, Enterprise Polony, Enterprise Frankfurters and Enterprise Smoked Russians.

## Major Global Economic News

### Asia

The RBA, at its March monetary policy meeting, opted to keep the official cash rate unchanged at 1.50%, citing weak wage growth and stubbornly low inflation. In a post-meeting statement, the central bank stated that its officials now expect the Australian economy to grow faster in 2018 than last year, while inflation is forecasted to remain low for some time.

In Australia, the seasonally adjusted current account deficit widened more-than-expected to AUD14.00bn in 4Q17, compared to a current account deficit of AUD9.10bn in the previous quarter.

In Australia, the seasonally adjusted retail sales advanced 0.1% on a monthly basis in January, less than market forecast and compared to a drop of 0.5% in the previous month.

### US

In the US, the final Markit services PMI climbed at par with market expectations to 55.90 in February. Markit services PMI had registered a level of 53.30 in the prior month. The preliminary figures had also recorded a rise to 55.90.

### Eurozone

In the Eurozone, the final services PMI dropped more than market forecast to 56.20 in February. Services PMI had registered a reading of 58.00 in the prior month. The preliminary figures had indicated a fall to 56.70.

In the Eurozone, the investor confidence index fell more than market expectations to a level of 24.00 in March. In the prior month, the index had registered a level of 31.90.

In the Eurozone, the seasonally adjusted retail sales eased 0.1% on a monthly basis in January, in line with market expectations. Retail sales had registered a revised drop of 1.0% in the prior month.

In Germany, the final services PMI dropped to 55.30 in February, at par with anticipated and compared to a reading of 57.30 in the prior month. The preliminary figures had also recorded a drop to 55.30.

### UK

In the UK, the services PMI recorded a more-than-anticipated rise to 54.50 in February, compared to a reading of 53.00 in the previous month.

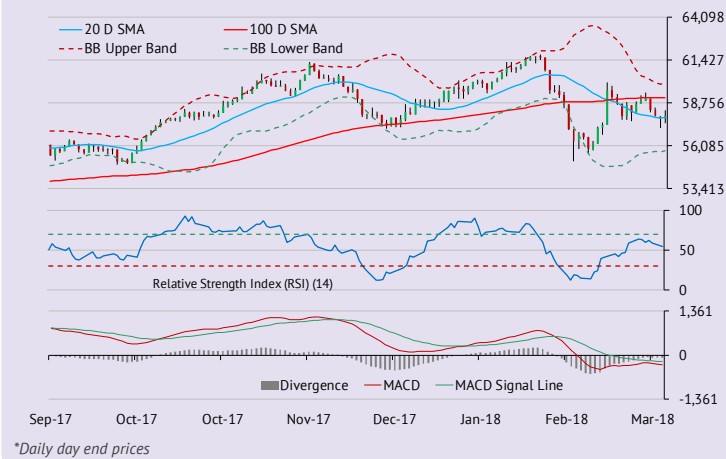
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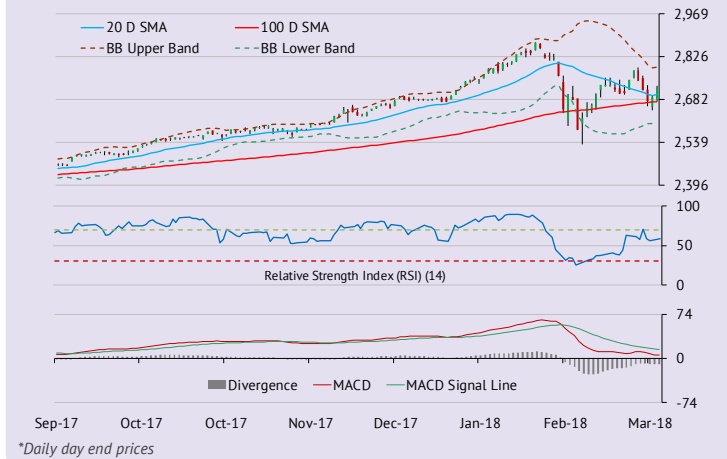
## Technical Snapshot

### JSE All Share



The JSE All Share index is expected to find support at 56,945.51, and a fall through could take it to the next support level of 55,978.62. The index is expected to find its first resistance at 59,130.78, and a rise through could take it to the next resistance level of 60,349.16.

### S&P 500



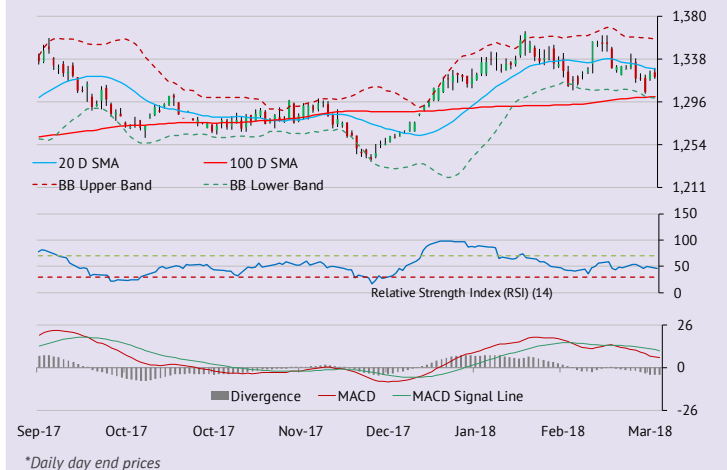
The S&P 500 index is expected to find support at 2,649.12, and a fall through could take it to the next support level of 2,577.31. The index is expected to find its first resistance at 2,790.95, and a rise through could take it to the next resistance level of 2,860.97.

### USDZAR



The pair is expected to find support at 11.5788, and a fall through could take it to the next support level of 11.3260. The pair is expected to find its first resistance at 12.0553, and a rise through could take it to the next resistance level of 12.2790.

### XAU/USD



Gold is expected to find support at \$1,302.87/oz, and a fall through could take it to the next support level of \$1,285.83/oz. The precious metal is expected to find its first resistance at \$1,337.67/oz, and a rise through could take it to the next resistance level of \$1,355.43/oz.

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## Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ Actual*	Previous/ **Previous Est.	Frequency
UK	02:01	BRC Sales Like-For-Like (YoY) (Feb)	✓✓✓	0.60%*	0.60%	Monthly
Switzerland	10:15	Harmonised Index of Consumer Prices (HICP) (MoM) (Feb)	✓✓	-	-0.50%	Monthly
Switzerland	10:15	Harmonised Index of Consumer Prices (HICP) (YoY) (Feb)	✓✓	-	0.80%	Monthly
Switzerland	10:15	Consumer Price Index (MoM) (Feb)	✓✓	0.30%	-0.10%	Monthly
Switzerland	10:15	Consumer Price Index (YoY) (Feb)	✓✓	0.60%	0.70%	Monthly
South Africa	11:30	Gross Domestic Product (QoQ) (Q4)	✓✓	1.80%	2.00%	Quarterly
South Africa	11:30	Gross Domestic Product (YoY) (Q4)	✓	1.30%	0.80%	Quarterly
US	14:30	Fed's Dudley Speaks at US Virgin Islands	✓	-	-	As scheduled
Canada	17:00	Ivey PMI n.s.a. (Feb)	✓✓	-	51.30	Monthly
Canada	17:00	Ivey PMI s.a. (Feb)	✓✓✓	-	55.20	Monthly
US	17:00	Cap Goods Orders Nondef Ex Air (Jan) (F)	✓	-	-0.20%**	Monthly
US	17:00	Cap Goods Ship Nondef Ex Air (Jan) (F)	✓	-	0.10%**	Monthly
US	17:00	Durable Goods Orders ex Transportation (Jan) (F)	✓✓	-	-0.30%**	Monthly
US	17:00	Durable Goods Orders (Jan) (F)	✓✓✓	-3.60%	-3.70%**	Monthly
US	17:00	Factory Orders (MoM) (Jan)	✓✓✓	-1.40%	1.70%	Monthly
UK	20:15	BoE's Haldane Speaks at Event in London	✓✓	-	-	As scheduled
US	20:51	FOMC Member Brainard Speech	✓✓	-	-	As scheduled

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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