

# ONE Minute Brief

7 March 2018

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## Economic and Political News

In South Africa (SA), the annualised gross domestic product (GDP) recorded a better-than-expected rise of 3.1% on a quarterly basis in 4Q17, compared to an advance of 2.0% in 3Q17, largely driven by a recovery in agriculture. On a YoY basis, growth was 1.5% in 4Q17.

Public Enterprises Minister, Pravin Gordhan, stated that SA will announce details of wide-ranging reforms at state-owned firms in the next four weeks.

The African National Congress (ANC) stated that it would "press on" with draft legislation on the nationalisation of the central bank, even as it withdrew a motion on its full public ownership, scheduled for debate yesterday.

Home Affairs Minister, Malusi Gigaba, stated that if the Guptas were convicted, their citizenship would be revoked and they would be deported after serving their sentences.

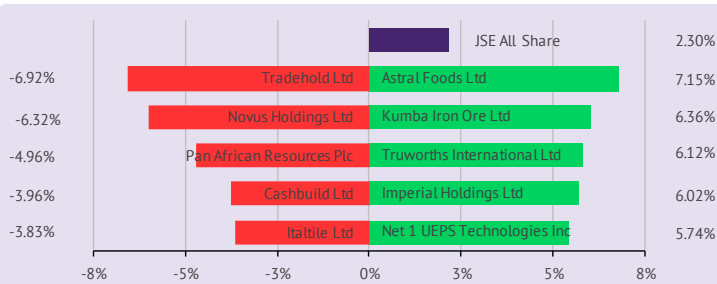
An ANC official stated that SA's plan to expropriate land without compensation would mainly target unused land.

Zimbabwe and Kenya announced ban on imports of processed meat products from SA.

## South Africa Market ▲

### South African markets closed higher

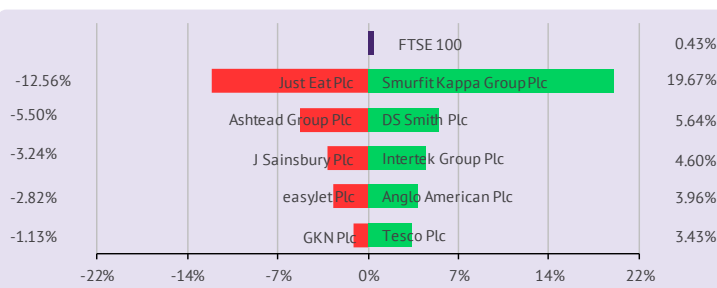
South African markets closed in the green yesterday, after South Africa's annualised GDP rose more-than-expected on a quarterly basis in 4Q17, lifting gains in resources and gold mining sector stocks. The JSE All Share Index rose 2.3% to close at 59,242.86.



## UK Market ▲

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

UK markets finished higher yesterday, boosted by gains in shares of Smurfit Kappa and Intertek Group. The FTSE 100 Index advanced 0.4% to close at 7,146.75.



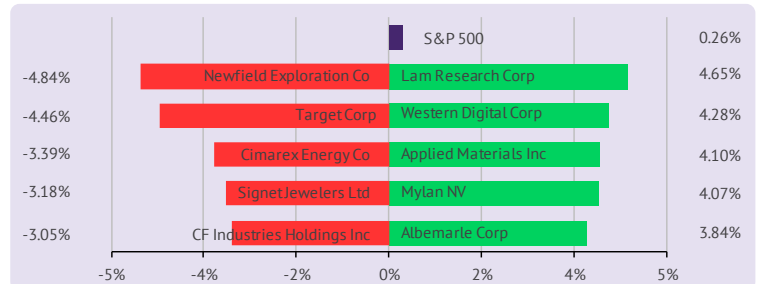
## Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	59242.86	▲	1330.46	2.30%	2.59%	1.57%	-1.98%	-0.44%
JSE Top 40	52257.99	▲	1236.24	2.42%	2.82%	1.70%	-2.34%	-0.52%
FTSE 100	7146.75	▲	30.77	0.43%	1.09%	-1.18%	-4.00%	-7.04%
DAX 30	12113.87	▲	23.00	0.19%	1.68%	-2.59%	-5.71%	-6.22%
CAC 40	5170.23	▲	3.00	0.06%	0.66%	-2.82%	-2.94%	-2.68%
S&P 500	2728.12	▲	7.18	0.26%	1.37%	0.53%	-3.89%	2.04%
Nasdaq Composite	7372.01	▲	41.30	0.56%	1.57%	1.36%	-1.87%	6.79%
DJIA	24884.12	▲	9.36	0.04%	1.41%	-0.58%	-4.28%	0.67%

## US Market ▲

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

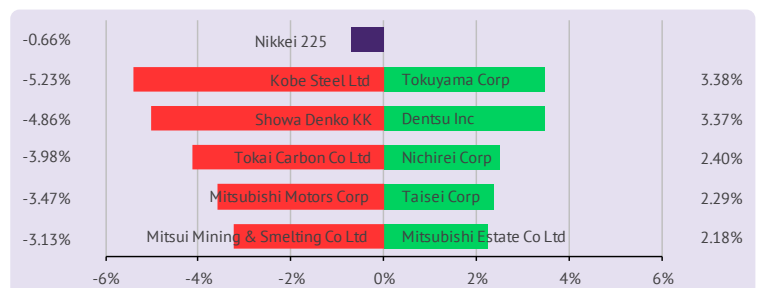
US markets closed higher yesterday, after oscillating between gains and losses, amid ongoing debate over import tariffs. Data showed that the US factory orders declined in line with market forecast in January. The S&P 500 Index climbed 0.3% to close at 2,728.12.



## Asian Market ◀▶

### Trading mixed

Asian markets are trading mixed this morning. The Nikkei 225 Index is trading 0.7% lower at 21,276.11.



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## USDZAR ▲

### USD trading stronger against ZAR

At 06:00 SAST, the US Dollar advanced 0.5% against the South African Rand to trade at R11.8278. Later today, traders will keep a close watch on the US Federal Reserve's Beige Book report, trade balance and MBA mortgage applications along with the US consumer credit and ADP employment change data for further cues.

The US Dollar fell against the South African Rand yesterday, amid ongoing tariff debates in the US. On the data front, US factory orders recorded a drop in January, marking its biggest decline in six months. Additionally, final durable goods orders fell at par with market forecast in the same month. Meanwhile in South Africa, the annualised GDP surpassed market expectations on a quarterly basis in 4Q17.

## GBPZAR ▲

### GBP trading higher against ZAR

At 06:00 SAST, the British Pound is trading 0.5% firmer against the South African Rand at R16.4366. Later today, traders will keep an eye on UK's Halifax house price index for further direction.

The British Pound declined against the South African Rand yesterday.

## EURZAR ▲

### EUR trading firmer against ZAR

At 06:00 SAST, the Euro is trading 0.6% higher against the South African Rand at R14.6896. Going forward, market participants will keep a tab on Eurozone's GDP for further direction.

The Euro strengthened against the South African Rand yesterday. On the macro front, Germany's Markit construction PMI recorded a drop in February.

## AUDZAR ▲

### AUD trading stronger against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% higher against the South African Rand at R9.2307. Earlier in the session, Australia's GDP rose at a slower-than-expected pace on a quarterly basis in 4Q17. Further, AiG performance of construction index advanced in February.

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	11.8278	▲	-0.49%	-1.26%	-0.19%	-0.47%	-4.92%
GBPZAR	16.4366	▲	-0.15%	-0.59%	0.78%	-3.41%	-2.16%
EURZAR	14.6896	▲	0.08%	-0.55%	1.56%	-2.22%	-1.67%
AUDZAR	9.2307	▲	0.38%	-0.33%	0.75%	-4.08%	-4.56%
EURUSD	1.2420	▲	0.55%	0.71%	1.72%	-1.77%	3.32%
GBPUSD	1.3895	▲	0.28%	0.62%	0.93%	-3.04%	2.78%
Brent (\$/barrel)	65.3	▼	0.38%	2.21%	1.64%	-6.04%	-1.62%
Gold (\$/oz)	1336.6	▲	1.16%	0.89%	1.31%	-1.58%	1.98%
Platinum (\$/oz)	968.9	▼	0.88%	0.57%	-1.77%	-1.61%	3.90%
Copper (\$/MT)*	6965.8	▲	1.33%	1.49%	1.03%	-2.60%	-3.35%

\*As of Previous Close

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices advanced 0.1% to trade at \$1,336.60/oz.

Yesterday, gold prices rose 1.2% to close at \$1,335.20/oz, as the US Dollar weakened amid concerns over a global trade war.

## Brent Crude Oil ▼

### Trading weaker

At 06:00 SAST, Brent crude oil dropped 0.8% to trade at \$65.27/bl.

Yesterday, Brent crude oil advanced 0.4% to settle at \$65.79/bl, led by weakness in the US Dollar and amid continued declines in OPEC production by 70,000 barrels a day to 32.39mn bls. Meanwhile, the American Petroleum Institute reported that crude oil inventories advanced 5.7mn bls for the week ended 2 March 2018. Further, the EIA raised its 2018 domestic crude production forecast by 1.0% to 10.70mn bls per day.

## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices edged 0.2% lower to trade at \$968.90/oz.

Yesterday, platinum prices climbed 0.9% to close at \$970.60/oz.



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## Major South Africa Corporate News

### Brimstone Investment Corporation Limited

In its FY17 results, the company stated that its revenue increased to ZAR2.78bn compared to ZAR2.69bn posted in the corresponding period of the previous year. Its diluted EPS significantly fell compared to the same period of the prior year to 18.60c. The company has declared a final cash dividend of 42.00c per share.

### Cashbuild Limited

In its 1H18 results, the company indicated that its revenue increased to ZAR5.40bn, compared to ZAR5.17bn posted in the corresponding period of the previous year. Its diluted EPS fell 8.1% compared to the same period of the prior year to 1091.60c. The company has declared an interim dividend of 496.00c per share.

### Clover Industries Limited

In its 1H18 results, the company revealed that its revenue fell 17.8% compared to the same period of the preceding year to ZAR4.21bn. Its diluted HEPS rose 18.9% compared to the same period of the prior year to 116.9c. The company has declared an interim dividend of 26.56c per share.

### Exxaro Resources Limited

In its FY17 revised trading statement, the company announced that it expects HEPS to be in the range of 452.00c to 532.00c, compared to HEPS of 1,302.00c recorded in the previous year.

### FirstRand Limited

In its 1H18 results, the company stated that its income from operations increased to ZAR41.07bn compared to ZAR37.97bn posted in the corresponding period of the previous year. Its diluted HEPS rose 6.0% compared to the same period of the prior year to 224.20c. The company has declared a cash dividend of 130.00c per share.

### Royal Bafokeng Platinum Limited

In its FY17 results, the company indicated that its revenue increased to ZAR3.50bn, compared to ZAR3.34bn posted in the corresponding period of the previous year. Its diluted loss per share significantly fell to 390.60c from the prior year.

## Major Global Economic News

### Asia

In Australia, the seasonally adjusted GDP climbed 0.4% on a quarterly basis, in 4Q17, lower than market expectations. In the previous quarter, GDP had recorded a rise of 0.6%.

In Australia, the AiG performance of construction index registered a rise to 56.00 in February. In the previous month, the index had registered a level of 54.30.

### US

In the US, factory orders dropped 1.4% on a monthly basis in January, in line with market expectations. In the prior month, factory orders had recorded a revised rise of 1.8%.

In the US, the final durable goods orders fell 3.6% on a monthly basis in January meeting market expectations. The preliminary figures had indicated a fall of 3.7%. In the previous month, durable goods orders had recorded a revised rise of 2.6%.

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## Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus	Previous/ **Previous Est.	Frequency
US	03:30	Fed's Kaplan Speaks at Energy Conference	✓	-	-	As scheduled
Japan	07:00	Leading Economic Index (Jan) (P)	✓✓✓	106.50	107.40	Monthly
South Africa	08:00	Gross Gold & Forex Reserve (Feb)	✓	-	USD50.50bn	Monthly
South Africa	08:00	Net Gold & Forex Reserve (Feb)	✓	USD43.63bn	USD43.59bn	Monthly
UK	10:30	Halifax House Prices (3m/YoY) (Feb)	✓	1.60%	2.20%	Monthly
UK	10:30	Halifax House Prices (MoM) (Feb)	✓	0.40%	-0.60%	Monthly
South Africa	11:30	SACCI Business Confidence Index (Feb)	✓	-	99.70	Monthly
Eurozone	12:00	Gross Domestic Product s.a. (QoQ) (Q4) (F)	✓✓✓	0.60%	0.60%**	Quarterly
Eurozone	12:00	Gross Domestic Product s.a. (YoY) (Q4) (F)	✓✓	2.70%	2.70%**	Quarterly
Eurozone	12:00	Household Consumption (QoQ) (Q4)	✓	0.30%	0.30%	Quarterly
Eurozone	12:00	Gross Fixed Capital (QoQ) (Q4)	✓	1.10%	1.10%	Quarterly
Eurozone	12:00	Government Expenditure (QoQ) (Q4)	✓	0.30%	0.20%	Quarterly
US	14:00	MBA Mortgage Applications (02-Mar)	✓	-	2.70%	Weekly
US	15:00	Fed's Dudley Speaks in Puerto Rico	✓	-	-	As scheduled
US	15:00	Fed's Bostic Speaks on the Economic Outlook	✓	-	-	As scheduled
US	15:15	ADP Employment Change (Feb)	✓✓✓	200.00K	234.00K	Monthly
Eurozone	15:30	ECB's Draghi Holds Press Conference Following Monetary Policy Announcement	✓	-	-	As scheduled
US	15:30	Trade Balance (Jan)	✓✓✓	-USD55.00bn	-USD53.10bn	Monthly
US	21:00	Fed's Beige Book	✓✓✓	-	-	As scheduled
US	22:00	Consumer Credit Change (Jan)	✓✓	USD17.65bn	USD18.45bn	Monthly
US	-	Fed's Brainard to Speak in New York	✓✓	-	-	As scheduled

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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