

ONE Minute Brief

13 March 2018

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Economic and Political News

South Africa's bulk export volumes rose 4.3% on an annual basis in February, to 15.5mn tons, compared to a revised 54.6% surge in January 2018 to a record 20.8mn tons.

Moody's has warned that Cape Town's water crisis will have a direct impact on city's budget and economy in 2018 and beyond. It stated that the water crisis will cause the city's borrowing to rise sharply and the provincial economy to shrink.

Court documents indicate that a group of almost 20 South African companies linked to the Gupta family lost a court bid that sought Bank of Baroda to maintain its operations in South Africa.

The Democratic Alliance has accused the Gupta brothers and former South African Airways chairperson, Dudu Myeni, of showing unacceptable disregard for Parliament.

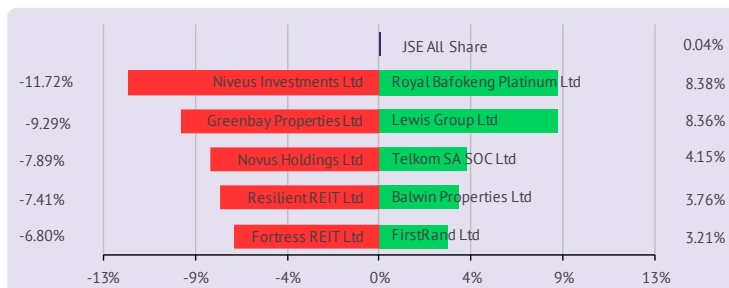
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	59194.45	▲	25.22	0.04%	0.04%	1.49%	-1.98%	-0.52%
JSE Top 40	52440.89	▲	92.32	0.18%	0.18%	2.06%	-2.34%	-0.18%
FTSE 100	7214.76	▼	-9.75	-0.13%	-0.13%	-0.24%	-4.00%	-6.15%
DAX 30	12418.39	▲	71.71	0.58%	0.58%	-0.14%	-5.71%	-3.86%
CAC 40	5276.71	▲	2.31	0.04%	0.04%	-0.82%	-2.94%	-0.67%
S&P 500	2783.02	▼	-3.55	-0.13%	-0.13%	2.55%	-3.89%	4.09%
Nasdaq Composite	7588.33	▲	27.51	0.36%	0.36%	4.34%	-1.87%	9.92%
DJIA	25178.61	▼	-157.13	-0.62%	-0.62%	0.60%	-4.28%	1.86%

South Africa Market ▲

South African markets closed higher

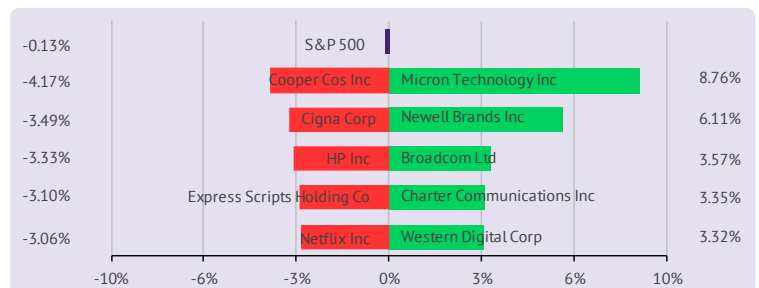
South African markets closed in the green yesterday, boosted by gains in banking, financial and retail sector stocks. The JSE All Share Index marginally rose to close at 59,194.45.



US Market ▼

The S&P 500 futures are trading in the green

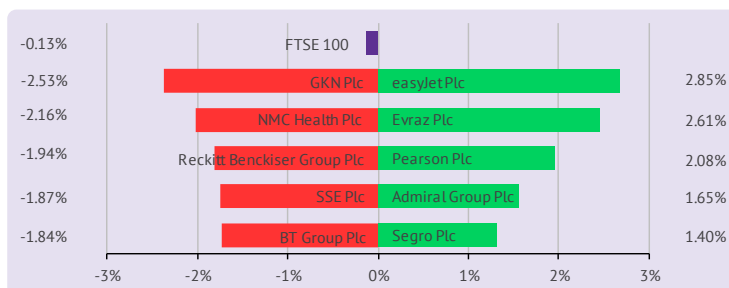
US markets closed mostly lower yesterday, weighed down by losses in industrial sector stocks. Data revealed that the US monthly budget deficit widened less-than-expected in February. The S&P 500 Index dropped 0.1% to close at 2,783.02.



UK Market ▼

The FTSE 100 futures are trading in positive territory

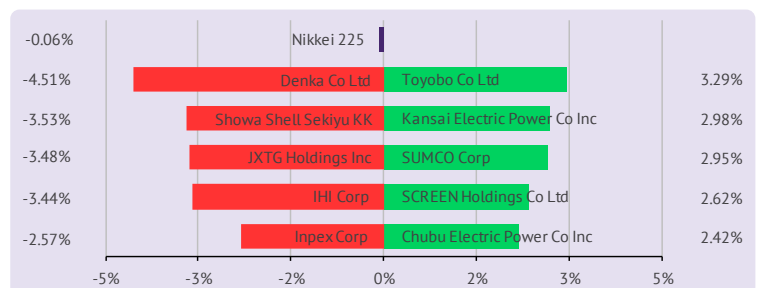
UK markets finished lower yesterday, driven by losses in energy sector stocks. The FTSE 100 Index declined 0.1% to close at 7,214.76.



Asian Market ▼

Trading mostly lower

Asian markets are trading mostly lower this morning. The Nikkei 225 Index is trading 0.1% lower at 21,810.07.



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USDZAR ▲

USD trading higher against ZAR

At 06:00 SAST, the US Dollar is trading marginally firmer against the South African Rand at R11.8265. Later today, traders will keep a close watch on the US consumer price index (CPI) for further direction.

The US Dollar rose against the South African Rand yesterday. On the macro front, the US monthly budget deficit widened less than expected in February.

GBPZAR ▼

GBP trading lower against ZAR

At 06:00 SAST, the British Pound is trading marginally weaker against the South African Rand at R16.4395. Market participants will keenly await UK's budget report, due later today, which will further determine the trading direction in the currency.

The British Pound advanced against the South African Rand yesterday. However, gains were kept in check amid concerns over progress in Brexit negotiations. Investors are worried that Britain and European Union officials would fall short of securing a transition arrangement at next week's summit as differences have grown in recent days.

EURZAR ▲

EUR trading firmer against ZAR

At 06:00 SAST, the Euro marginally rose against the South African Rand to trade at R14.5845. With no major economic news across the Eurozone today, investor sentiment will be determined by global macroeconomic news.

The Euro strengthened against the South African Rand yesterday.

AUDZAR ▲

AUD trading stronger against ZAR

At 06:00 SAST, the Australian Dollar is trading marginally higher against the South African Rand at R9.3140. Earlier in the session, Australia's NAB business conditions index recorded a rise 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	11.8265	▲	0.06%	0.06%	0.22%	-0.47%	-4.53%
GBPZAR	16.4395	▼	0.46%	0.46%	1.29%	-3.41%	-1.67%
EURZAR	14.5845	▲	0.30%	0.30%	1.40%	-2.22%	-1.82%
AUDZAR	9.3140	▲	0.41%	0.41%	1.70%	-4.08%	-3.66%
EURUSD	1.2331	▼	0.22%	0.22%	1.15%	-1.77%	2.74%
GBPUSD	1.3901	▼	0.40%	0.40%	1.06%	-3.04%	2.91%
Brent (\$/barrel)	64.8	▼	-0.82%	-0.82%	0.34%	-6.04%	-2.87%
Gold (\$/oz)	1321.3	▲	-0.24%	-0.24%	0.22%	-1.58%	0.88%
Platinum (\$/oz)	964.6	▲	-0.13%	-0.13%	-2.55%	-1.61%	3.07%
Copper (\$/MT)*	6876.0	▼	-0.89%	-0.89%	-0.27%	-2.60%	-4.59%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices marginally rose to trade at \$1,321.30/oz.

Yesterday, gold prices fell 0.2% to close at \$1,320.80/oz, as investor focus shifted away from geopolitical and economic risks and as Friday's upbeat US payrolls data took the sheen off the precious metal.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 0.2% lower to trade at \$64.81/bl.

Yesterday, Brent crude oil dropped 0.8% to settle at \$64.95/bl, amid concerns over rising US oil output. The Energy Information Administration reported that US shale crude oil production is expected to record a rise of 131,000 bls a day in April to 6.95mn bls a day.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged 0.2% higher to trade at \$964.60/oz.

Yesterday, platinum prices declined 0.1% to close at \$962.90/oz.



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Major South Africa Corporate News

AVI Limited

In its 1H18 results, the company revealed that its revenue rose 2.3% compared to the same period of the preceding year to ZAR7.30bn. Its diluted HEPS stood at 323.60c, compared to 300.40c recorded in the corresponding period of the previous year. The company declared an interim dividend of 175.00c per share.

Grand Parade Investments Limited

In its 1H18 trading statement, the company announced that basic EPS to be in the range of 2.21c to 3.63c, which is 49.0% to 69.0% lower compared to the same period of the prior year. Further, HEPS is expected to be in the range of 3.12c to 3.28c, which is a significant increase compared to the same period of the prior year.

Major Global Economic News

US

In the US, monthly budget recorded a less-than-expected deficit of USD215.20bn in February, compared to a surplus of USD49.20bn in the prior month.

Asia

In Australia, NAB business confidence index recorded a drop to 9.00 in February. In the previous month, the index had recorded a revised reading of 11.00.

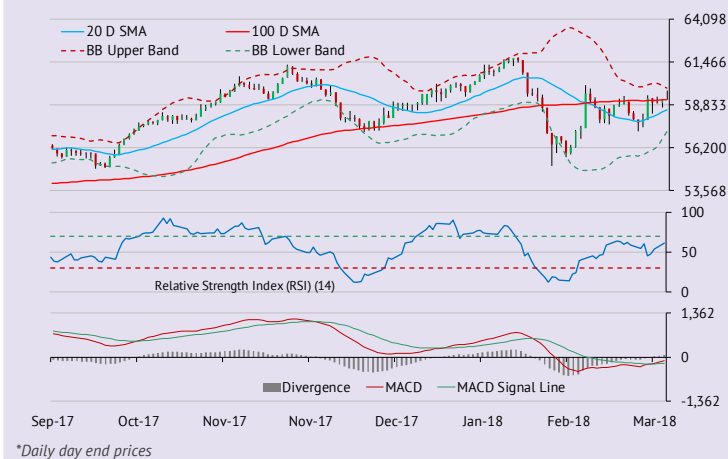
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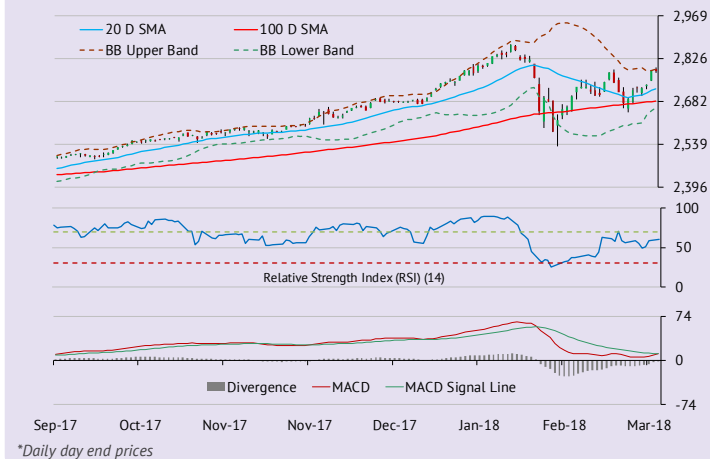
Technical Snapshot

JSE All Share



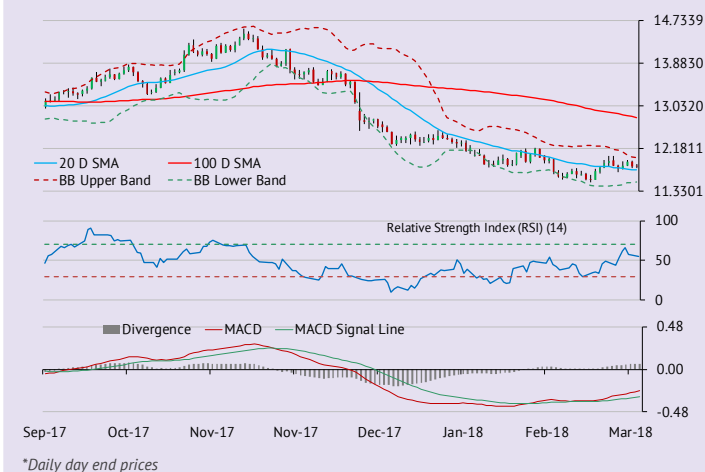
The JSE All Share index is expected to find support at 58,169.51, and a fall through could take it to the next support level of 57,144.58. The index is expected to find its first resistance at 59,962.27, and a rise through could take it to the next resistance level of 60,730.10.

S&P 500



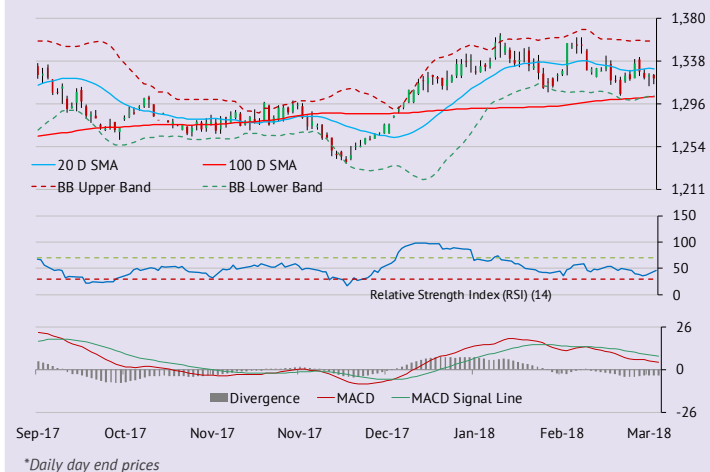
The S&P 500 index is expected to find support at 2,724.18, and a fall through could take it to the next support level of 2,665.34. The index is expected to find its first resistance at 2,819.42, and a rise through could take it to the next resistance level of 2,855.82.

USDZAR



The pair is expected to find support at 11.7057, and a fall through could take it to the next support level of 11.5892. The pair is expected to find its first resistance at 11.9438, and a rise through could take it to the next resistance level of 12.0654.

XAU/USD



Gold is expected to find support at \$1,308.67/oz, and a fall through could take it to the next support level of \$1,296.53/oz. The precious metal is expected to find its first resistance at \$1,337.47/oz, and a rise through could take it to the next resistance level of \$1,354.13/oz.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	01:50	Domestic Corporate Goods Price Index (MoM) (Feb)	✓	0.00%*	0.30%	Monthly
Japan	01:50	Domestic Corporate Goods Price Index (YoY) (Feb)	✓	2.50%*	2.70%	Monthly
China	02:01	Manpower Survey (Q2)	✓	8.00%*	8.00%	Quarterly
Japan	02:01	Manpower Survey (Q2)	✓	24.00%*	24.00%	Quarterly
Germany	02:01	Germany Second Quarter Manpower Employment Outlook	✓	-	-	As scheduled
Japan	06:30	Tertiary Industry Index (MoM) (Jan)	✓✓	-0.60%*	-0.20%	Monthly
US	12:00	NFIB Small Business Optimism (Feb)	✓	107.10	106.90	Monthly
South Africa	13:00	Manufacturing Production Index (YoY) (Jan)	✓✓	2.50%	2.00%	Monthly
South Africa	13:00	Manufacturing Production s.a. (MoM) (Jan)	✓✓	0.30%	1.10%	Monthly
UK	13:30	Budget Report	✓✓✓	-	-	As scheduled
US	14:30	Consumer Price Index (MoM) (Feb)	✓✓✓	0.20%	0.50%	Monthly
US	14:30	Consumer Price Index (YoY) (Feb)	✓✓✓	2.20%	2.10%	Monthly
US	14:30	Consumer Price Index Ex Food & Energy (MoM) (Feb)	✓✓✓	0.20%	0.30%	Monthly
US	14:30	Consumer Price Index Ex Food & Energy (YoY) (Feb)	✓✓✓	1.80%	1.80%	Monthly
US	14:30	Consumer Price Index n.s.a. (Feb)	✓	248.93	247.87	Monthly
US	14:30	Consumer Price Index Core s.a. (Feb)	✓	255.80	255.29	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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