

# ONE Minute Brief

20 March 2018

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## Economic and Political News

President, Cyril Ramaphosa has suspended the head of the South African Revenue Service (SARS), Tom Moyane, with immediate effect, citing the deterioration in public confidence in the institution.

Tiger Brands has closed its factory in Pretoria where listeria was detected.

The CEO of South African Airways (SAA), Vuyani Jarana, has dismissed reports that SAA plans to fire at least 1,000 workers to cut costs.

The Democratic Alliance (DA) has dismissed Cape Town Mayor, Patricia de Lille's call for her disciplinary hearing to be conducted publicly.

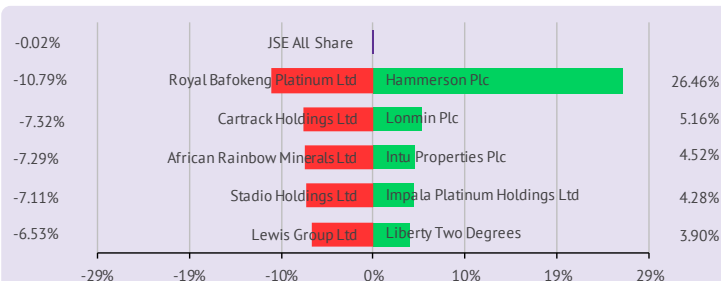
Retired Deputy Chief Justice, Dikgang Moseneke, has ordered the Gauteng provincial government to pay ZAR1.20mn for each victim of the Esidimeni tragedy.

Eskom whistle-blower, Suzanne Daniels, has called her fresh suspension by the utility as "victimisation and harassment".

## South Africa Market ▼

### South African markets closed lower

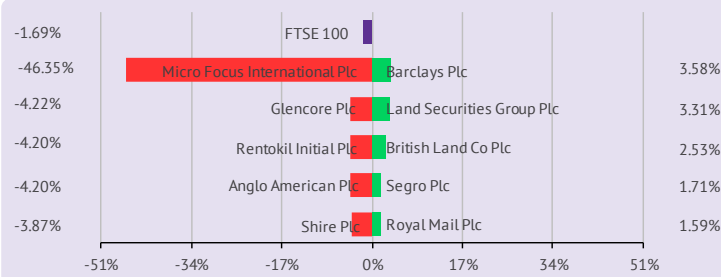
South African markets closed in the red yesterday, weighed down by losses in resources sector stocks. The JSE All Share Index fell marginally to close at 58,088.42.



## UK Market ▼

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

UK markets finished lower yesterday, as the British Pound strengthened, after Britain and the European Union agreed on a post-Brexit transition. The FTSE 100 Index declined 1.7% to close at 7,042.93.



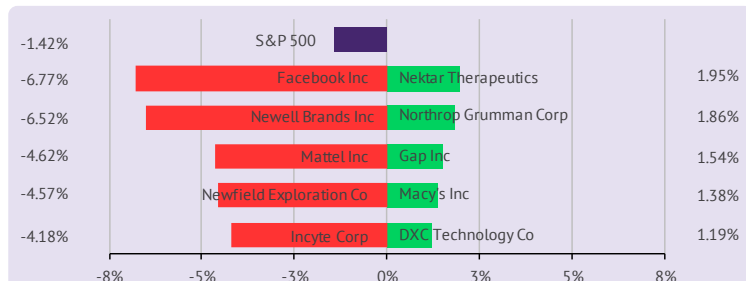
## Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	58088.42	▼	-12.60	-0.02%	-0.02%	-0.41%	-1.98%
JSE Top 40	51434.84	▲	13.20	0.03%	0.03%	0.10%	-2.34%
FTSE 100	7042.93	▼	-121.21	-1.69%	-1.69%	-2.61%	-4.00%
DAX 30	12217.02	▼	-172.56	-1.39%	-1.39%	-1.76%	-5.71%
CAC 40	5222.84	▼	-59.91	-1.13%	-1.13%	-1.84%	-2.94%
S&P 500	2712.92	▼	-39.09	-1.42%	-1.42%	-0.03%	-3.89%
Nasdaq Composite	7344.24	▼	-137.74	-1.84%	-1.84%	0.98%	-1.87%
DJIA	24610.91	▼	-335.60	-1.35%	-1.35%	-1.67%	-4.28%

## US Market ▼

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

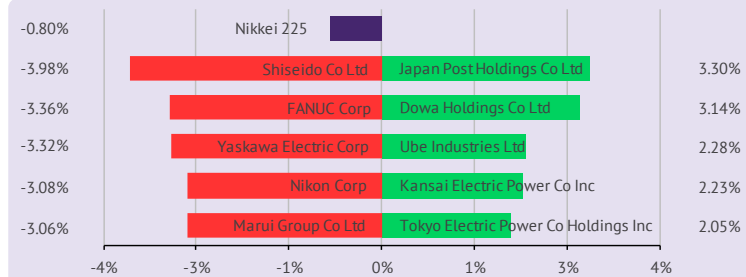
US markets closed lower yesterday, led by losses in technology sector stocks, amid news that social media company, Facebook's user information was misused. The S&P 500 Index dropped 1.4% to close at 2,712.92.



## Asian Market ▼

### Trading lower

Asian markets are trading lower this morning, tracking overnight losses on Wall Street. The Nikkei 225 Index is trading 0.8% lower at 21,308.39.



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## USDZAR ▼

### USD trading lower against ZAR

At 06:00 SAST, the US Dollar marginally declined against the South African Rand to trade at R12.0154. Amid no major economic news in the US, investor sentiment will be determined by global macroeconomic news.

The US Dollar rose against the South African Rand yesterday, amid expectations that the US Federal Reserve would hike interest rates this week.

## GBPZAR ▲

### GBP trading stronger against ZAR

At 06:00 SAST, the British Pound is trading 0.1% higher against the South African Rand at R16.8684. Later today, traders will keep an eye on UK's consumer price index (CPI), producer price index (PPI), retail price index and house price index for further indication.

The British Pound advanced against the South African Rand yesterday, following news that UK and the European Union agreed a 21-month Brexit transition deal.

## EURZAR ▲

### EUR trading firmer against ZAR

At 06:00 SAST, the Euro is trading 0.1% higher against the South African Rand at R14.8346. Going forward, market participants would keep a tab on Eurozone's consumer confidence and ZEW economic sentiment survey along with Germany's PPI, ZEW current situation, expectations index and economic sentiment index for further direction.

The Euro strengthened against the South African Rand yesterday. On the macro front, Eurozone's trade surplus recorded a drop in January. Additionally, construction output registered a decline on a monthly basis in January.

## AUDZAR ▼

### AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar fell 0.1% against the South African Rand to trade at R9.2617.

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	12.0154	▼	0.35%	0.35%	1.88%	-0.47%	-2.95%
GBPZAR	16.8684	▲	0.98%	0.98%	3.82%	-3.41%	0.79%
EURZAR	14.8346	▲	0.74%	0.74%	3.08%	-2.22%	-0.20%
AUDZAR	9.2617	▼	0.34%	0.34%	1.32%	-4.08%	-4.02%
EURUSD	1.2346	▲	0.37%	0.37%	1.16%	-1.77%	2.75%
GBPUSD	1.4038	▲	0.59%	0.59%	1.92%	-3.04%	3.78%
Brent (\$/barrel)	66.3	▲	-0.24%	-0.24%	2.04%	-6.04%	-1.23%
Gold (\$/oz)	1316.0	▼	0.42%	0.42%	-0.01%	-1.58%	0.65%
Platinum (\$/oz)	954.5	▲	0.44%	0.44%	-3.41%	-1.61%	2.16%
Copper (\$/MT)*	6819.5	▼	-0.65%	-0.65%	-1.09%	-2.60%	-5.38%

\*As of Previous Close

## Gold ▼

### Trading in the red

At 06:00 SAST, gold prices edged lower 0.1% to trade at \$1,316.00/oz, as the dollar strengthened, amid expectations that the US Federal Reserve would raise interest rates this week.

Yesterday, gold prices rose 0.4% to close at \$1,317.80/oz, reversing its previous session losses, amid weakness in the US Dollar.

## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil rose 0.3% to trade at \$66.28/bl, amid tensions between Saudi Arabia and Iran as well as concerns over Venezuelan crude production.

Yesterday, Brent crude oil dropped 0.2% to settle at \$66.05/bl, amid growing concerns over rise in the US crude supply.

## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices are trading marginally higher at \$954.50/oz.

Yesterday, platinum prices climbed 0.4% to close at \$954.40/oz.



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## Major South Africa Corporate News

### Advtech Limited

In its FY17 results, the company stated that its revenue increased to ZAR4.09bn compared to ZAR3.35bn posted in the corresponding period of the previous year. Its diluted HEPS fell 2.7% compared to the same period of the prior year to 69.10c. The company declared a final gross dividend of 19.00c per share.

### Netcare Limited

The company announced that the proposed acquisition of Akeso Clinics, a group of 12 dedicated mental healthcare facilities, comprising 811 beds and located in various parts of South Africa has received approval from the Tribunal for the merger, and the transaction would be implemented. Additionally, the company stated that the consideration for the transaction totalled to ZAR1.30bn.

### Tiger Brands Limited

The company announced that it has taken decision to extend the recall to include all products manufactured at value added meat products's Pretoria facility. Further, the production at its Polokwane, Germiston, Pretoria and Clayville sites would be suspended and estimated cost including the cost of destruction of the affected products, raw materials and work in progress, would range between ZAR337.00mn and ZAR377.00mn on a pre-tax basis.

### Sun International Limited

In its FY17 reviewed results, the company stated that its revenue increased to ZAR15.61bn compared to ZAR13.88bn posted in the corresponding period of the previous year. Its diluted loss per share significantly fell compared to the same period of the prior year to 248.00c.

## Major Global Economic News

### Eurozone

In Eurozone, the non-seasonally adjusted trade surplus narrowed to EUR3.30bn in January, compared to a revised surplus of EUR25.40bn in the previous month.

In the Eurozone, the seasonally adjusted construction output eased 2.2% on a monthly basis in January. In the prior month, construction output had recorded a revised rise of 0.7%.

### Asia

According to the Reserve Bank of Australia's (RBA) latest meeting minutes, officials remained optimistic on the outlook for Australian economy, citing a robust improvement in global economy. However, the central bank expressed uncertainty over the outlook for household consumption and weak wage growth.

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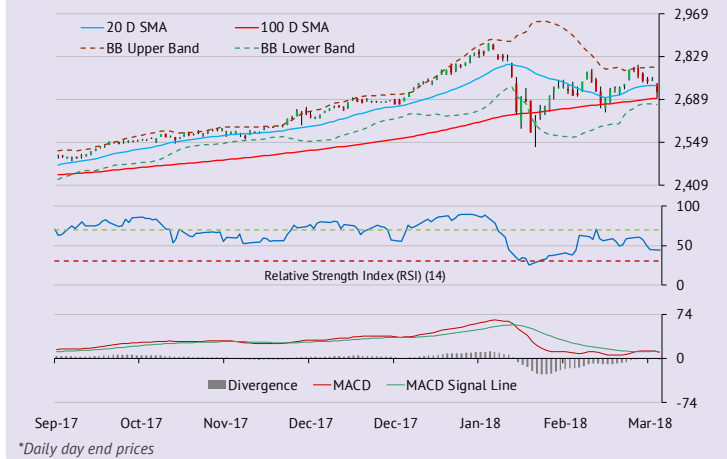
## Technical Snapshot

### JSE All Share



The JSE All Share index is expected to find support at 57,474.25, and a fall through could take it to the next support level of 56,860.09. The index is expected to find its first resistance at 59,003.12, and a rise through could take it to the next resistance level of 59,917.83.

### S&P 500



The S&P 500 index is expected to find support at 2,671.04, and a fall through could take it to the next support level of 2,629.16. The index is expected to find its first resistance at 2,778.35, and a rise through could take it to the next resistance level of 2,843.78.

### USDZAR



The pair is expected to find support at 11.8010, and a fall through could take it to the next support level of 11.5844. The pair is expected to find its first resistance at 12.1720, and a rise through could take it to the next resistance level of 12.3264.

### XAU/USD



Gold is expected to find support at \$1,306.63/oz, and a fall through could take it to the next support level of \$1,295.47/oz. The precious metal is expected to find its first resistance at \$1,329.73/oz, and a rise through could take it to the next resistance level of \$1,341.67/oz.

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## Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus	Previous/ **Previous Est.	Frequency
Japan	07:00	Leading Economic Index (Jan) (F)	✓✓✓	-	104.80**	Monthly
Japan	08:00	Machine Tool Orders (YoY) (Feb) (F)	✓✓✓	-	39.50%**	Monthly
South Africa	09:00	Leading Indicator (Jan)	✓	-	104.60	Monthly
Germany	09:00	Producer Price Index (YoY) (Feb)	✓✓✓	2.00%	2.10%	Monthly
Germany	09:00	Producer Price Index (MoM) (Feb)	✓✓✓	0.10%	0.50%	Monthly
South Africa	10:00	Consumer Price Index (MoM) (Feb)	✓✓	0.90%	0.30%	Monthly
South Africa	10:00	Consumer Price Index (YoY) (Feb)	✓✓	4.10%	4.40%	Monthly
South Africa	10:00	Current Account to GDP (Q4)	✓✓	-2.00%	-2.30%	Quarterly
South Africa	10:00	Current Account Balance (Q4)	✓	-ZAR106.00bn	-ZAR109.00bn	Quarterly
UK	11:30	Consumer Price Index (MoM) (Feb)	✓✓✓	0.50%	-0.50%	Monthly
UK	11:30	Consumer Price Index (YoY) (Feb)	✓✓✓	2.80%	3.00%	Monthly
UK	11:30	Consumer Price Index Core (YoY) (Feb)	✓✓✓	2.50%	2.70%	Monthly
UK	11:30	PPI Core Output n.s.a. (YoY) (Feb)	✓✓	2.40%	2.20%	Monthly
UK	11:30	Producer Price Index - Input n.s.a. (YoY) (Feb)	✓	3.80%	4.70%	Monthly
UK	11:30	Producer Price Index - Output n.s.a. (MoM) (Feb)	✓	0.10%	0.10%	Monthly
UK	11:30	Producer Price Index - Output n.s.a. (YoY) (Feb)	✓✓	2.70%	2.80%	Monthly
UK	11:30	Retail Price Index (MoM) (Feb)	✓✓✓	0.80%	-0.80%	Monthly
UK	11:30	Retail Price Index (YoY) (Feb)	✓✓	3.70%	4.00%	Monthly
UK	11:30	Retail Price Index Ex Mort Int.Payments (YoY) (Feb)	✓✓	3.60%	4.00%	Monthly
Eurozone	12:00	ZEW Survey - Economic Sentiment (Mar)	✓✓	-	29.30	Monthly
Germany	12:00	ZEW Survey - Current Situation (Mar)	✓✓	90.00	92.30	Monthly
Germany	12:00	ZEW Survey - Economic Sentiment (Mar)	✓✓✓	13.00	17.80	Monthly
Eurozone	16:00	Consolidated Financial Statement of the Eurosystem	✓	-	-	As scheduled
Eurozone	17:00	Consumer Confidence (Mar) (P)	✓✓✓	0.00	0.10	Monthly
Eurozone	-	G20 Finance Ministers, Central Bank Governors Meet in Buenos Aires	✓	-	-	As scheduled
Eurozone	-	ECB's Draghi, Coeure Participate in G20 FinMin & C.Bank Governors Meeting	✓	-	-	As scheduled

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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