

ONE Minute Brief

13 April 2018

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Economic and Political News

In South Africa (SA), mining production advanced 3.1% on a yearly basis in February, compared to a revised rise of 2.9% in January. In February, gold production fell 7.1% on an annual basis, compared to a drop of 7.7% in the prior month, while platinum production eased 8.8% in February, compared to a revised fall of 9.5% in the previous month.

The Davis Tax Committee has concluded that a reduction in the corporate tax rate alone is not sustainable in the current economic climate. The Committee also stated that SA is not ready for a new wealth tax at the moment, even though the tax system needs to address the "disturbing levels of wealth inequality" in the country.

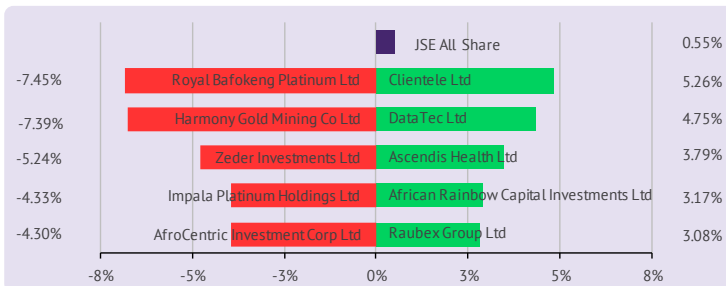
Eskom has confirmed that McKinsey and Trillian Capital Partners have agreed to repay the ZAR1.60bn they received from the company.

The Economic Freedom Fighters (EFF) stated that Deputy Chief Justice, Raymond Zondo, must reconsider his decision to appoint Terence Nombembe as the lead investigator in the commission of inquiry into state capture. However, Justice Raymond Zondo has dismissed the EFF objection.

South Africa Market ▲

South African markets closed higher

South African markets closed in the green yesterday, boosted by gains in banking and financial sector stocks. Data revealed that SA's annual mining production advanced in February. The JSE All Share Index rose 0.6% to close at 56,480.98.



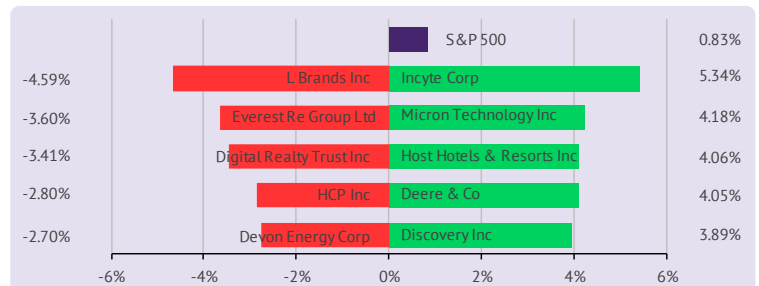
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	56480.98	▲	310.91	0.55%	1.08%	1.81%	-4.89%	-5.08%
JSE Top 40	49808.95	▲	336.05	0.68%	1.36%	2.08%	-5.04%	-5.19%
FTSE 100	7258.34	▲	1.20	0.02%	1.04%	2.86%	-2.42%	-5.59%
DAX 30	12415.01	▲	121.04	0.98%	1.42%	2.63%	-2.73%	-3.89%
CAC 40	5309.22	▲	31.28	0.59%	0.97%	2.75%	-2.88%	-0.06%
S&P 500	2663.99	▲	21.80	0.83%	2.29%	0.88%	-2.69%	-0.36%
Nasdaq Composite	7140.25	▲	71.22	1.01%	3.26%	1.09%	-2.88%	3.43%
DJIA	24483.05	▲	293.60	1.21%	2.30%	1.58%	-3.70%	-0.96%

US Market ▲

The S&P 500 futures are trading in the red

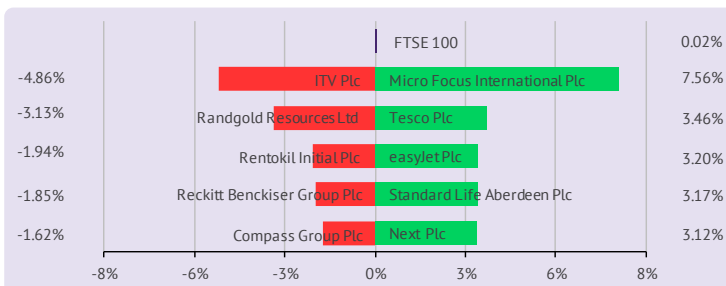
US markets closed higher yesterday, as geopolitical concerns faded and amid optimism over corporate earnings. The S&P 500 Index climbed 0.8% to close at 2,663.99.



UK Market ▲

The FTSE 100 futures are trading in negative territory

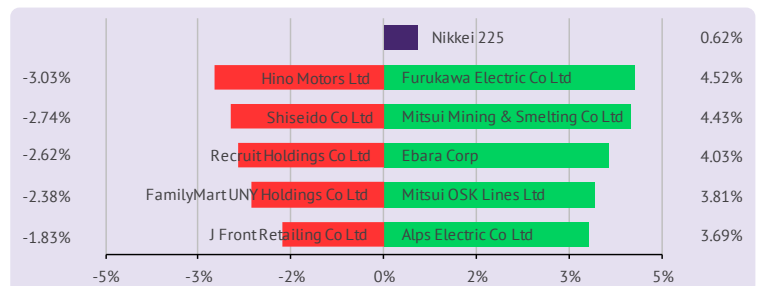
UK markets finished slightly higher yesterday, supported by gains in financial sector stocks and amid wave of M&A activity deals. The FTSE 100 Index advanced marginally to close at 7,258.34.



Asian Market ◀▶

Trading mixed

Asian markets are trading mixed this morning. The Nikkei 225 Index is trading 0.6% higher at 21,795.47.



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USDZAR ▼

USD trading lower against ZAR

At 06:00 SAST, the US Dollar is trading 0.1% weaker against the South African Rand at R12.0547. Later today, traders will keep a close watch on the US Michigan consumer sentiment index and JOLTS job openings for further indication.

The US Dollar rose against the South African Rand yesterday. On the macro front, the US initial jobless claims recorded a decline for the week ended 7 April 2018. Separately, in SA, mining production recorded a rise on an annual basis in February. Meanwhile, the nation's annual gold and platinum production dropped in February.

GBPZAR ▼

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound fell marginally against the South African Rand to trade at R17.1596. With no major economic news in UK today, investor sentiment will be determined by global macroeconomic news.

The British Pound advanced against the South African Rand yesterday.

EURZAR ▼

EUR trading lower against ZAR

At 06:00 SAST, the Euro is trading marginally weaker against the South African Rand at R14.8633. Going forward, market participants will keep a tab on Eurozone's trade balance and Germany's consumer price index for further direction.

The Euro strengthened against the South African Rand yesterday. Data indicated that Eurozone's industrial production recorded an unexpected drop on a monthly basis in February, marking its largest decline since the end of 2016.

AUDZAR ▲

AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar climbed 0.2% against the South African Rand to trade at R9.3697.

The Australian Dollar rose against the South African Rand yesterday. On the data front, Australia's consumer inflation expectations registered a decline in April. Further, monthly home loans approvals fell more than market forecast in February.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	12.0547	▼	1.00%	0.23%	1.86%	0.38%	-2.60%
GBPZAR	17.1596	▼	1.35%	1.23%	3.39%	2.24%	2.62%
EURZAR	14.8633	▼	0.66%	0.61%	1.85%	1.50%	0.09%
AUDZAR	9.3697	▲	0.98%	1.29%	2.87%	-0.68%	-3.21%
EURUSD	1.2330	▲	-0.32%	0.37%	0.02%	1.07%	2.68%
GBPU\$	1.4235	▲	0.36%	0.97%	1.52%	1.85%	5.29%
Brent (\$/barrel)	71.8	▼	-0.06%	7.32%	3.87%	7.12%	7.70%
Gold (\$/oz)	1343.2	▲	-1.33%	0.49%	1.18%	0.37%	2.22%
Platinum (\$/oz)	929.0	=	0.02%	1.86%	0.18%	-6.15%	-0.56%
Copper (\$/MT)*	6787.3	▼	-1.81%	0.86%	1.62%	-3.12%	-5.82%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.4% higher to trade at \$1,343.20/oz, on growing concerns over tensions in Syria.

Yesterday, gold prices fell 1.3% to close at \$1,338.40/oz, as strength in the US Dollar dented demand for the safe haven asset.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil retreated 0.3% to trade at \$71.80/bl.

Yesterday, Brent crude oil dropped 0.1% to settle at \$72.02/bl. The Organisation of the Petroleum Exporting Countries' total crude output fell by 201,000bbls a day in March to average 31.96mn bls a day.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices are trading marginally lower at \$929.00/oz.

Yesterday, platinum prices climbed slightly to close at \$929.00/oz.

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Major South Africa Corporate News

Allied Electronics Corporation Limited

In its FY18 trading update, the company announced that it expects HEPS from continuing operations to be in the range of 132.00c to 137.00c, which is 14.0% to 19.0% higher compared to the previous year.

Group Five Limited

In its 1H18 results, the company stated that its revenue decreased to ZAR4.98bn compared to ZAR5.83bn posted in the corresponding period of the previous year. Its diluted loss per share significantly rose compared to the same period of the prior year to 773.00c.

Steinhoff International Holdings NV

The company announced that it has successfully placed up to 200.0mn ordinary shares in Steinhoff Africa Retail Limited at a price of ZAR18.75 per placing share and raised total gross proceeds of ZAR3.75bn.

Sun International Limited

The company announced that all the conditions related to the acquisition of certain Peruvian companies that operate four gambling operations in Peru has been completed and that the transaction has become unconditional.

Major Global Economic News

Eurozone

According to the European Central Bank's (ECB) March meeting minutes, officials expressed deep concerns over a full-blown trade war with the US and fretted over its potential impact on the global as well as the Eurozone economy. Further, the Governing Council noted lack of evidence to describe inflation as durable and self-sustaining. Additionally, the meeting minutes highlighted the central bank's concern about the impact of a stronger Euro on the region's inflation growth and the broader economy.

In the Eurozone, the seasonally adjusted industrial production registered an unexpected drop of 0.8% on a monthly basis in February, compared to a revised fall of 0.6% in the previous month.

US

In the US, the seasonally adjusted initial jobless claims eased to 233.00K in the week ended April 7, 2018. Initial jobless claims had recorded a level of 242.00K in the prior week.

Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
China	05:10	Trade Balance (Mar)	✓✓	-USD4.98bn*	USD33.74bn	Monthly
Germany	06:00	Consumer Price Index (MoM) (Mar) (F)	✓✓✓	0.40%	0.40%**	Monthly
Germany	06:00	Consumer Price Index (YoY) (Mar) (F)	✓✓✓	1.60%	1.60%**	Monthly
Germany	06:00	Harmonised Index of Consumer Prices (HICP) (MoM) (Mar) (F)	✓✓✓	0.40%	0.40%**	Monthly
Germany	06:00	Harmonised Index of Consumer Prices (HICP) (YoY) (Mar) (F)	✓✓✓	1.50%	1.50%**	Monthly
Spain	07:00	Consumer Price Index (MoM) (Mar) (F)	✓✓✓	0.10%	0.10%**	Monthly
Spain	07:00	Consumer Price Index (YoY) (Mar) (F)	✓✓✓	1.20%	1.20%**	Monthly
Eurozone	09:00	Trade Balance n.s.a. (Feb)	✓✓	-	EUR3.30bn	Monthly
Eurozone	09:00	Trade Balance s.a. (Feb)	✓✓✓	EUR20.20bn	EUR19.90bn	Monthly
US	12:00	Fed's Rosengren Speaks on Economic Outlook	✓	-	-	As scheduled
US	13:00	Fed's Bullard speech	✓✓	-	-	As scheduled
US	14:00	Reuters/Michigan Consumer Sentiment Index (Apr) (P)	✓✓✓	100.50	101.40	Monthly
US	14:00	JOLTs Job Openings (Feb)	✓	6024.00K	6312.00K	Monthly
US	17:00	Fed's Kaplan Speaks in Odessa	✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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