

# ONE Minute Brief

20 April 2018

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## Economic and political news

The Department of Home Affairs revealed that it has incurred legal costs of around ZAR874,199 pertaining to Home Affairs Minister, Malusi Gigaba's defence in the Fireblade Aviation matter.

The High Court in Pretoria has dismissed an objection by the Gupta-owned Optimum Mine Rehabilitation Trust and Koorfontein Mine Rehabilitation Trust which aimed at preventing Organisation Undoing Tax Abuse from making submissions in the trustees' application to release attached assets.

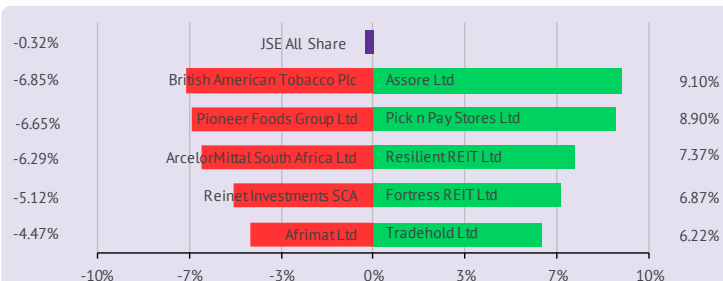
According to a senior Public Servants Association (PSA) official, South Africa's PSA has declared a dispute with government after wage hike talks stalled.

News reports indicated that South African prosecutors might charge former President, Jacob Zuma's son Duduzane with culpable homicide, as opposed to an earlier decision of not doing so.

## South Africa Market ▼

### South African markets closed lower

South African markets closed in the red yesterday, led by losses in industrial and retail sector stocks. The JSE All Share Index fell 0.3% to close at 57,526.79.



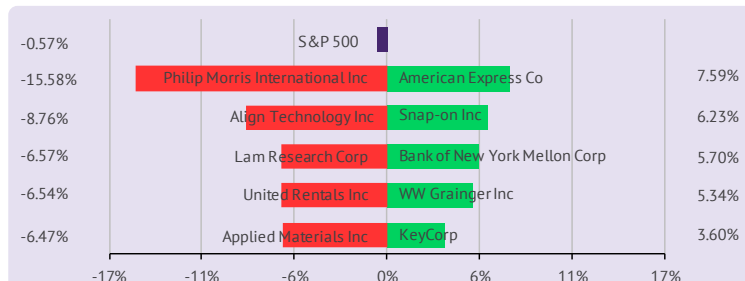
## Key indices

	Last close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	57526.79	▼	-186.50	-0.32	1.70	3.70	-4.89	-3.32
JSE Top 40	50729.19	▼	-296.61	-0.58	1.70	3.96	-5.04	-3.43
FTSE 100	7328.92	▲	11.58	0.16	0.89	3.86	-2.42	-4.67
DAX 30	12567.42	▼	-23.41	-0.19	1.00	3.89	-2.73	-2.71
CAC 40	5391.64	▲	11.47	0.21	1.44	4.34	-2.88	1.49
S&P 500	2693.13	▼	-15.51	-0.57	1.39	1.98	-2.69	0.73
Nasdaq Composite	7238.06	▼	-57.18	-0.78	1.85	2.47	-2.88	4.85
DJIA	24664.89	▼	-83.18	-0.34	1.25	2.33	-3.70	-0.22
MSCI Emerging Markets	1184.13	▲	7.98	0.68	1.20	1.13	-2.03	2.22
MSCI Developed World	2115.93	▼	-7.84	-0.37	1.29	2.37	-2.41	0.59

## US Market ▼

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

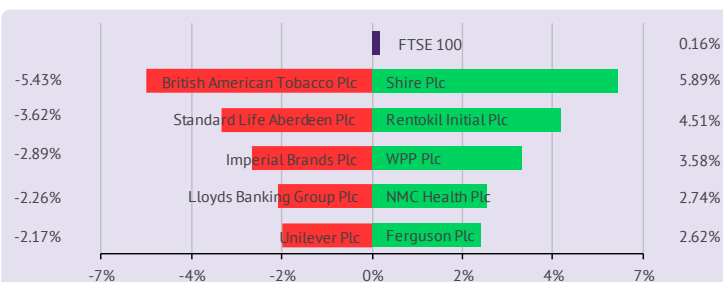
US markets closed lower yesterday, led by losses in technology and consumer staple sector stocks. Data indicated that the US initial jobless claims fell more-than-expected in the week ended 14 April 2018. The S&P 500 Index dropped 0.6% to close at 2,693.13.



## UK Market ▲

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

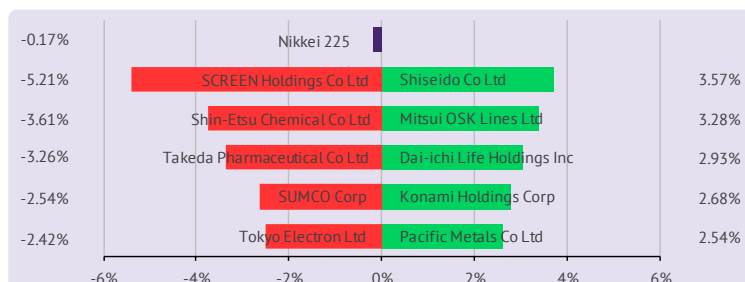
UK markets finished higher yesterday, as shares of Shire Plc jumped, amid bid talks and boosted by gains in commodity sector stocks. The FTSE 100 Index advanced 0.2% to close at 7,328.92.



## Asian Market ▼

### Trading lower

Asian markets are trading lower this morning. Data revealed that Japan's annual national consumer price index (CPI) rose with market forecast in March. The Nikkei 225 Index is trading 0.2% lower at 21,530.1.



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## USD ZAR ▲

### USD trading higher against ZAR

At 06:00 SAST, the US Dollar gained 0.1% against the South African Rand to trade at R11.9676. Amid no major economic news in the US, market sentiment will be determined by global macroeconomic news.

The US Dollar rose against the South African Rand yesterday. Data indicated that the US initial jobless claims dropped less than market expectations in the week ended 14 April 2018. Additionally, the Philadelphia Fed manufacturing survey unexpectedly climbed in April. Further, the nation's leading index advanced at par with market anticipations in March.

## GBP ZAR ▲

### GBP trading stronger against ZAR

At 06:00 SAST, the British Pound is trading slightly firmer against the South African Rand at R16.8500. With no major economic news in the UK today, investor sentiment will be determined by global macroeconomic news.

The British Pound declined against the South African Rand yesterday, following a disappointing reading on UK retail sales. Data showed that retail sales including auto fuel declined more than market expectations on a monthly basis in March.

## EUR ZAR ▲

### EUR trading firmer against ZAR

At 06:00 SAST, the Euro is trading marginally higher against the South African Rand at R14.7697. Going forward, market participants will keep a tab on the Eurozone's consumer confidence index and Germany's producer price index for further direction.

The Euro strengthened against the South African Rand yesterday. On the data front, Eurozone's seasonally adjusted current account surplus narrowed in February.

## AUD ZAR ▼

### AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar retreated 0.1% against the South African Rand to trade at R9.2332.

The Australian Dollar fell against the South African Rand yesterday. Data revealed that Australia's unemployment rate recorded a steady reading in March. Moreover, the NAB business confidence index remained unchanged in 1Q18.

## Key currencies & commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	11.9676	▲	0.24	-0.93	1.01	0.38	-3.41
GBPZAR	16.8500	▲	-0.58	-2.08	1.51	2.24	0.76
EURZAR	14.7697	▲	0.01	-0.82	1.16	1.50	-0.59
AUDZAR	9.2332	▼	-0.46	-1.46	1.69	-0.68	-4.33
EURUSD	1.2342	▼	-0.23	0.11	0.17	1.07	2.83
GBPUSD	1.4079	▼	-0.82	-1.06	0.51	1.85	4.25
Brent (\$/barrel)	73.8	=	0.41	1.65	6.40	7.12	10.33
Gold (\$/oz)	1345.6	▼	-0.33	0.15	1.81	0.37	2.86
Platinum (\$/oz)	933.7	=	-0.62	0.69	0.69	-6.15	-0.05
Copper (\$/MT)*	6941.5	▼	-0.56	2.13	3.93	-3.12	-3.68

\*As of previous close

## Gold ▼

### Trading in the red

At 06:00 SAST, gold prices fell 0.1% to trade at \$1,345.60/oz, as global political tensions subsided.

Yesterday, gold prices fell 0.3% to close at \$1,346.80/oz, amid strength in the US Dollar.

## Brent Crude Oil ▼

### Trading weaker

At 06:00 SAST, Brent crude oil prices are trading slightly lower at \$73.78/bl.

Yesterday, Brent crude oil advanced 0.4% to settle at \$73.78/bl.

## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices are trading marginally weaker at \$933.70/oz.

Yesterday, platinum prices declined 0.6% to close at \$933.70/oz.

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## Major South African corporate news

### Clicks Group Limited

In its 1H18 results, the company stated that its revenue increased to ZAR15.24bn compared to ZAR13.80bn posted in the corresponding period of the previous year. Its diluted EPS rose 15.1% compared to the same period of the prior year to 266.30c. The company declared an interim dividend of 102.50c per share.

### Pioneer Food Group Limited

In its 1H18 trading statement, the company stated that it expects EPS to be in the range of 321.90c to 346.60c, which is 30.0% to 40.0% higher compared to the same period of the previous year. Further, it expects HEPS to be in the range of 305.50c to 329.90c, which is 25.0% to 35.0% higher compared to the corresponding period of the previous year.

### Pick N Pay Stores Limited

In its FY18 results, the company announced that its revenue increased to ZAR83.50bn compared to ZAR79.55bn posted in the corresponding period of the previous year. Its diluted HEPS rose 7.7% compared to the same period of the prior year to 271.61c. The company declared a final dividend of 155.40c per share.

## Major global economic news

### US

In the US, the seasonally adjusted initial jobless claims recorded a less-than-expected drop to 232.00K in the week ended 14 April 2018. In the previous week, initial jobless claims had recorded a level of 233.00K.

In the US, the Philadelphia Fed manufacturing index unexpectedly rose to a level of 23.20 in April. In the previous month, the index had recorded a reading of 22.30.

In the US, leading indicator registered a rise of 0.3% on a monthly basis in March, meeting market expectations. In the previous month, leading indicator had recorded a revised rise of 0.7%.

### UK

In the UK, retail sales slid 1.2% on a monthly basis in March, more than market forecast and compared to a rise of 0.8% in the prior month.

### Eurozone

In the Eurozone, the seasonally adjusted current account surplus narrowed to EUR35.10bn in February, compared to a revised surplus of EUR39.00bn in the prior month.

### Asia

In Japan, the CPI climbed 1.1% on an annual basis in March, in line with market anticipations. In the prior month, the CPI had risen 1.5%.

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## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
US	00:45	FOMC Member Mester speech	✓✓	-	-	As scheduled
Japan	01:30	National Consumer Price Index (YoY) (Mar)	✓✓✓	1.10%*	1.50%	Monthly
Japan	01:30	National CPI Ex-Fresh Food (YoY) (Mar)	✓✓✓	0.90%*	1.00%	Monthly
Japan	06:30	Tertiary Industry Index (MoM) (Feb)	✓✓	0.00%*	-0.60%	Monthly
Japan	07:30	Nationwide Department Store Sales (YoY) (Mar)	✓	-	-0.90%	Monthly
Japan	07:30	Tokyo Department Store Sales (YoY) (Mar)	✓	-	0.60%	Monthly
Germany	08:00	Producer Price Index (MoM) (Mar)	✓✓✓	0.20%	-0.10%	Monthly
Germany	08:00	Producer Price Index (YoY) (Mar)	✓✓✓	2.00%	1.80%	Monthly
Japan	09:00	Convenience Store Sales (YoY) (Mar)	✓	-	0.30%	Monthly
Spain	10:00	Trade Balance (Feb)	✓✓✓	-	-EUR3.94bn	Monthly
UK	11:30	BoE's Saunders speaks in Glasgow	✓✓	-	-	As scheduled
Germany	13:30	German Buba President Weidmann speech	✓✓	-	-	As scheduled
Canada	14:30	Consumer Price Index Core (MoM) (Mar)	✓✓	-	0.40%	Monthly
Canada	14:30	Consumer Price Index Core (YoY) (Mar)	✓✓	-	1.60%	Monthly
Canada	14:30	Consumer Price Index Core s.a. (MoM) (Mar)	✓✓	-	0.20%	Monthly
Canada	14:30	Consumer Price Index s.a. (MoM) (Mar)	✓✓✓	-	0.20%	Monthly
Canada	14:30	Retail Sales (MoM) (Feb)	✓✓	0.40%	0.30%	Monthly
Canada	14:30	Retail Sales ex Autos (MoM) (Feb)	✓	0.40%	0.90%	Monthly
Canada	14:30	Consumer Price Index (Mar)	✓✓	132.90	132.50	Monthly
Canada	14:30	Consumer Price Index n.s.a. (MoM) (Mar)	✓✓✓	0.40%	0.60%	Monthly
Canada	14:30	Consumer Price Index (YoY) (Mar)	✓✓✓	2.40%	2.20%	Monthly
US	15:40	Fed's Evans Speech	✓	-	-	As scheduled
Eurozone	16:00	Consumer Confidence (Apr) (P)	✓✓✓	-0.10	0.10	Monthly
US	17:15	FOMC Member Williams speech	✓✓	-	-	As scheduled
Eurozone	-	IMF Meeting	✓✓	-	-	As scheduled

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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