

ONE Minute Brief

24 April 2018

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Economic and political news

Former Western Cape Premier, Ebrahim Rasool, has been selected to head the election campaign of the African National Congress (ANC) in the province. Meanwhile, reports suggest that the ANC might extend the tenure of interim KwaZulu-Natal ANC leadership.

The Department of Mineral Resources has filed application against a high court ruling on the black-ownership principle in the Mining Charter.

The South African Property Association stated that the City of Joburg's proposal to compel private developers of residential complexes to reserve 20% of developments with more than ten units for "inclusionary housing" could prevent the private sector from developing residential units.

News reports indicated that audit firm Nkonki's largest office has applied for voluntary liquidation, following Auditor-General, Kimi Makwetu's decision to terminate its contracts with the company.

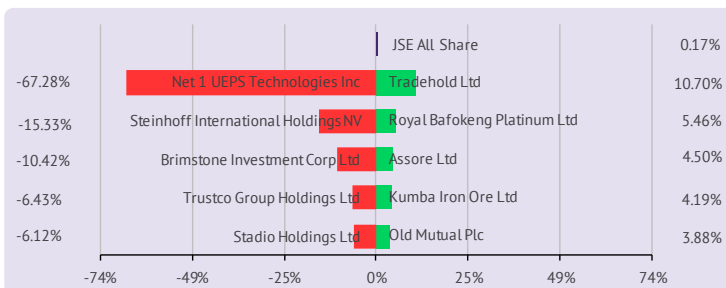
Key indices

	Last close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	57679.51	▲	97.78	0.17	0.17	3.97	-4.89	-3.07
JSE Top 40	50877.98	▲	112.10	0.22	0.22	4.27	-5.04	-3.15
FTSE 100	7398.87	▲	30.70	0.42	0.42	4.85	-2.42	-3.76
DAX 30	12572.39	▲	31.89	0.25	0.25	3.93	-2.73	-2.67
CAC 40	5438.55	▲	25.72	0.48	0.48	5.25	-2.88	2.37
S&P 500	2670.29	▲	0.15	0.01	0.01	1.11	-2.69	-0.12
Nasdaq Composite	7128.60	▼	-17.52	-0.25	-0.25	0.92	-2.88	3.26
DJIA	24448.69	▼	-14.25	-0.06	-0.06	1.43	-3.70	-1.09
MSCI Emerging Markets	1158.26	▼	-9.98	-0.85	-0.85	-1.08	-2.03	-0.02
MSCI Developed World	2097.22	▼	-2.51	-0.12	-0.12	1.47	-2.41	-0.30

South Africa Market ▲

South African markets closed higher

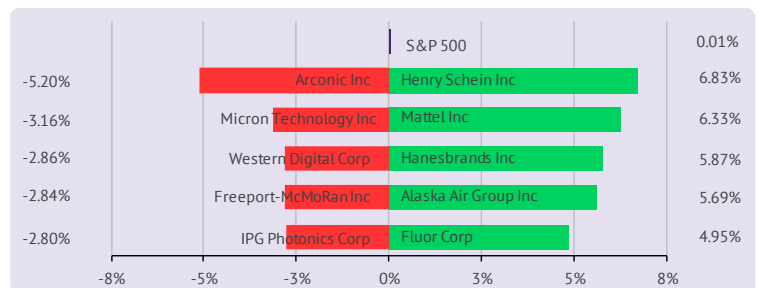
South African markets closed in the green yesterday, buoyed by gains in mining and resources sector stocks. The JSE All Share Index rose 0.2% to close at 57,679.51.



US Market ▲

The S&P 500 futures are trading in the green

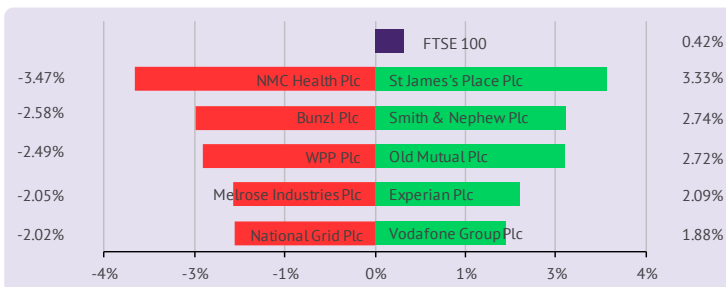
US markets closed mixed yesterday, as optimism over earnings reports outweighed concerns over rising US bond yields. Data showed that the Markit manufacturing PMI surprisingly rose in April. The S&P 500 Index climbed marginally to close at 2,670.29.



UK Market ▲

The FTSE 100 futures are trading in negative territory

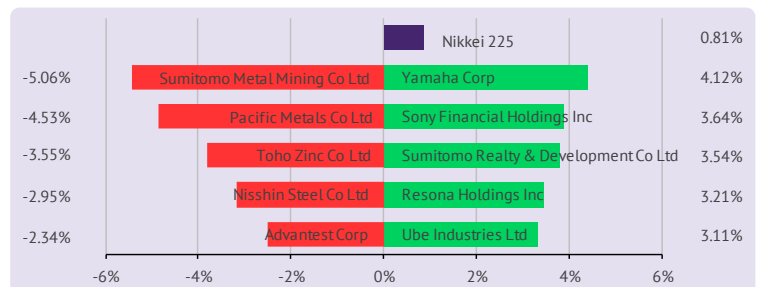
UK markets finished higher yesterday, boosted by gains in financial sector stocks, amid a rise in the UK bond yields. The FTSE 100 Index advanced 0.4% to close at 7,398.87.



Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning. The Nikkei 225 Index is trading 0.8% higher at 22,265.87.



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USD ZAR ▼

USD trading weaker against ZAR

At 06:00 SAST, the US Dollar dropped 0.1% against the South African Rand to trade at R12.3315. Later today, traders will keep a close watch on the US Richmond Fed manufacturing index, consumer confidence index, house price index and new home sales data for further cues.

The US Dollar rose against the South African Rand yesterday, as the US 10-year Treasury yield climbed toward the psychologically key 3.0% level. Adding to the positive sentiment, data indicated that the US Markit manufacturing surprised with a rise to a three-and-a-half-year high level in April. Additionally, Markit services PMI advanced more than market forecast in the same month. Moreover, existing home sales rose more than market expectations on a monthly basis in March. However, the Chicago Fed national activity index recorded a more-than-anticipated drop in March.

GBP ZAR ▼

GBP trading lower against ZAR

At 06:00 SAST, the British Pound is trading 0.1% weaker against the South African Rand at R17.1991. Later today, traders will keep an eye on the UK's public sector borrowing and CBI total trend orders for further indication.

The British Pound advanced against the South African Rand yesterday.

EUR ZAR ▼

EUR trading weaker against ZAR

At 06:00 SAST, the Euro is trading 0.1% lower against the South African Rand at R15.0598. Going forward, market participants will keep a tab on Germany's Ifo survey indices for further direction.

The Euro strengthened against the South African Rand yesterday. Data revealed that Eurozone's Markit manufacturing PMI recorded a more-than-expected drop in April, reaching its lowest level in seventeen months. Meanwhile, Markit services PMI surprisingly advanced in the same month. Separately, Germany's Markit manufacturing dropped less than market forecast in April. On the contrary, the nation's Markit services PMI surprised with a rise in April.

AUD ZAR ▼

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% weaker against the South African Rand at R9.3852. Earlier in the session, Australia's consumer price index (CPI) recorded a less-than-expected rise on an annual basis in 1Q18. Meanwhile, the ANZ Roy Morgan weekly consumer confidence index advanced in the week ended 22 April 2018.

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	12.3315	▼	2.00	2.00	4.30	0.38	-0.26
GBPZAR	17.1991	▼	1.57	1.57	3.73	2.24	2.96
EURZAR	15.0598	▼	1.35	1.35	3.29	1.50	1.51
AUDZAR	9.3852	▼	1.19	1.19	3.34	-0.68	-2.77
EURUSD	1.2213	▲	-0.64	-0.64	-0.93	1.07	1.70
GBPUSD	1.3948	▲	-0.43	-0.43	-0.54	1.85	3.16
Brent (\$/barrel)	74.9	▲	0.88	0.88	7.74	7.12	11.72
Gold (\$/oz)	1328.6	▲	-1.06	-1.06	-0.02	0.37	1.01
Platinum (\$/oz)	916.3	=	-1.00	-1.00	-1.19	-6.15	-1.92
Copper (\$/MT)*	6898.5	▼	-0.76	-0.76	3.28	-3.12	-4.28

*As of previous close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.5% higher to trade at \$1,328.60/oz.

Yesterday, gold prices fell 1.1% to close at \$1,322.50/oz, as strength in the greenback, following a rise in the US Treasury yields, dampened demand for the precious yellow metal.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil rose 0.3% to trade at \$74.93/bl, amid fears over renewed US sanctions against Iran and as the OPEC continued with its supply cuts.

Yesterday, Brent crude oil advanced 0.9% to settle at \$74.71/bl, as tensions in the Middle East resurfaced raising concerns over potential supply disruptions.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices are trading marginally lower at \$916.30/oz.

Yesterday, platinum prices climbed 1.0% to close at \$916.30/oz.

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Major South African corporate news

Octodec Investments Limited

In its 1H18 results, the company stated that its revenue increased to ZAR930.92mn compared to ZAR897.19mn posted in the corresponding period of the previous year. Its diluted EPS fell 27.8% compared to the same period of the prior year to 123.80c. Further, the company declared a dividend of 101.70c per share.

Major global economic news

US

In the US, the flash Markit manufacturing PMI registered an unexpected rise to 56.50 in April. In the previous month, the Markit manufacturing PMI had registered a level of 55.60.

In the US, the preliminary Markit services PMI rose more than market forecast to a level of 54.40 in April. Markit services PMI had registered a level of 54.00 in the prior month.

In March, monthly existing home sales recorded a more-than-expected rise of 1.1% to a level of 5.60mn in the US. In the previous month, existing home sales had registered a reading of 5.54mn.

In the US, the Chicago Fed national activity index eased to 0.10 in March, lower than market expectations. In the previous month, the index had recorded a revised reading of 0.98.

Eurozone

In the Eurozone, the flash manufacturing PMI registered a more-than-expected drop to 56.00 in April. In the prior month, the manufacturing PMI had recorded a level of 56.60.

In the Eurozone, the preliminary services PMI registered an unexpected rise to 55.00 in April. In the previous month, services PMI had recorded a level of 54.90.

In Germany, the flash manufacturing PMI fell to a level of 58.10 in April, less than market expectations. In the previous month, manufacturing PMI had registered a level of 58.20.

In Germany, the flash services PMI unexpectedly advanced to 54.10 in April, compared to a reading of 53.90 in the prior month.

Asia

In Australia, the CPI recorded a rise of 1.9% on an annual basis in 1Q18, less than market expectations. In the prior quarter, the CPI had registered a similar rise.

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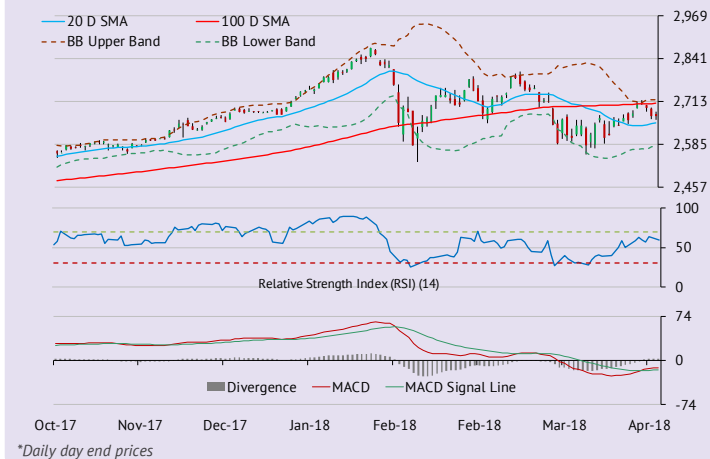
Technical snapshot

JSE All Share



The JSE All Share index is expected to find support at 56,631.40, and a fall through could take it to the next support level of 55,583.30. The index is expected to find its first resistance at 58,449.99, and a rise through could take it to the next resistance level of 59,220.48.

S&P 500



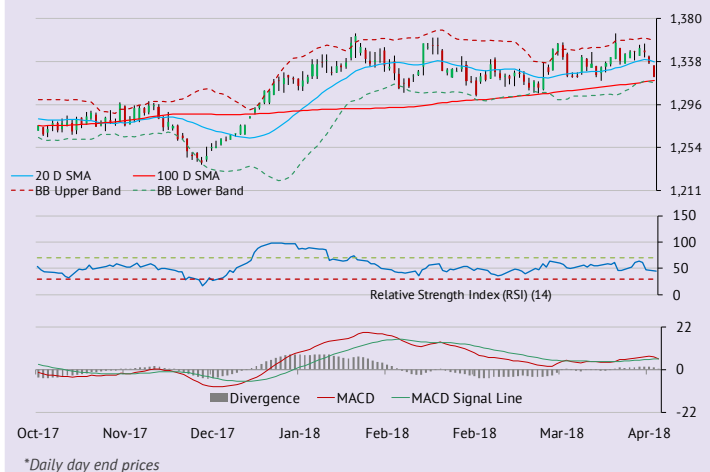
The S&P 500 index is expected to find support at 2,646.36, and a fall through could take it to the next support level of 2,622.42. The index is expected to find its first resistance at 2,705.86, and a rise through could take it to the next resistance level of 2,741.42.

USD ZAR



The pair is expected to find support at 12.0535, and a fall through could take it to the next support level of 11.7569. The pair is expected to find its first resistance at 12.5049, and a rise through could take it to the next resistance level of 12.6597.

XAU USD



Gold is expected to find support at \$1,312.27/oz, and a fall through could take it to the next support level of \$1,302.03/oz. The precious metal is expected to find its first resistance at \$1,343.97/oz, and a rise through could take it to the next resistance level of \$1,365.43/oz.

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Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
Japan	01:50	Corporate Service Price (YoY) (Mar)	✓	0.50%*	0.70%	Monthly
Japan	07:00	Leading Economic Index (Feb) (F)	✓✓✓	-	105.80**	Monthly
Japan	08:00	Machine Tool Orders (YoY) (Mar) (F)	✓✓✓	-	28.10%**	Monthly
South Africa	09:00	Leading Indicator (Feb)	✓	-	106.10	Monthly
UK	09:00	BoE's Woods Speaks at Breakfast Briefing	✓	-	-	As scheduled
Germany	10:00	Ifo - Business Climate (Apr)	✓✓✓	102.80	103.20	Monthly
Germany	10:00	Ifo - Current Assessment (Apr)	✓✓	106.00	106.50	Monthly
Germany	10:00	Ifo - Expectations (Apr)	✓✓	99.50	100.10	Monthly
UK	10:20	BoE's Andrew Hauser speaks on panel in London	✓	-	-	As scheduled
UK	10:30	Total Government Receipts (Mar)	✓✓	-	GBP46205.00mn	Monthly
UK	10:30	Total Outlays (Mar)	✓✓	-	GBP45666.00mn	Monthly
UK	10:30	Public Sector Net Cash Requirement (Mar)	✓✓	-	GBP18.60bn	Monthly
UK	10:30	Public Sector Net Borrowing (Mar)	✓✓	GBP1.30bn	-GBP0.30bn	Monthly
France	11:30	ECB's Villeroy Speaks in London	✓	-	-	As scheduled
UK	12:00	CBI Trends Selling Prices (Apr)	✓✓	-	18.00	Monthly
UK	12:00	CBI Business Optimism (4/)	✓	-	13.00	Quarterly
UK	12:00	CBI Industrial Trends Survey - Orders (Apr)	✓	4.00	4.00	Monthly
UK	12:35	BoE Chief Cashier Cleland Moderates Panel on Cash	✓	-	-	As scheduled
US	15:00	Housing Price Index (MoM) (Feb)	✓	0.60%	0.80%	Monthly
US	15:00	S&P/Case-Shiller 20 City s.a. (MoM) (Feb)	✓✓✓	0.68%	0.75%	Monthly
US	15:00	S&P/Case-Shiller Composite-20 (YoY) (Feb)	✓✓	6.35%	6.40%	Monthly
UK	15:50	BoE's Woods Speaks on Global Regulation in London	✓	-	-	As scheduled
US	16:00	Consumer Confidence (Apr)	✓✓✓	126.00	127.70	Monthly
US	16:00	Richmond Fed Manufacturing Index (Apr)	✓	16.00	15.00	Monthly
US	16:00	New Home Sales (Mar)	✓✓✓	630.00K	618.00K	Monthly
US	16:00	New Home Sales (MoM) (Mar)	✓✓✓	1.90%	-0.60%	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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