

ONE
Minute Brief

25 April 2018



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Economic and political news

In South Africa (SA), leading indicator rose to 108.30 in February, marking its highest level since June 2011 and compared to a revised level of 106.80 in January.

News reports indicated that President, Cyril Ramaphosa, has been given an ultimatum by disgruntled ANC members to either fire North West Premier, Supra Mahumapelo, until Wednesday or face a total shutdown of the province.

South African Airways' (SAA) Chief Executive Officer, Vuyani Jarana, stated that the company needs new capital injection to stay afloat and was in discussions with banks and the National Treasury for "an open credit line". Meanwhile, African National Congress (ANC) MP, Mnyamezeli Booie, expressed concern about the going-concern status of the airline.

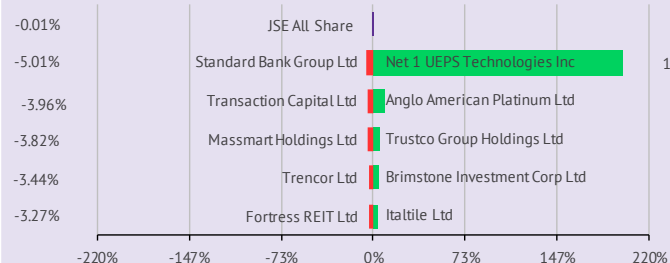
The National Treasury has informed Parliament that the Minister of Finance, Nhlanhla Nene, has not rejected amendments to the Public Investment Corporation Act that would ensure more transparency for the investments it makes.

The National Union of Metalworkers of South Africa (Numsa) has asked workers to strike against the proposed minimum wage of R20 per hour.

South Africa Market ▼

South African markets closed lower

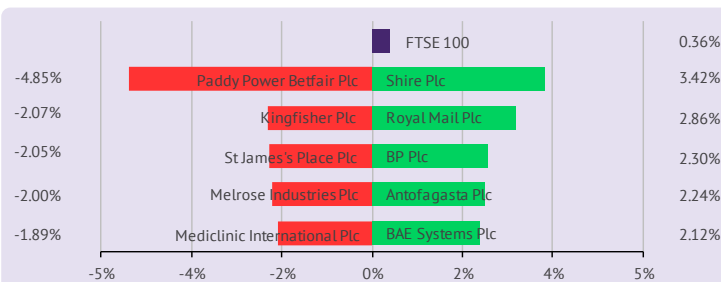
South African markets closed in the red yesterday, weighed down by losses in banking and retail sector stocks. On the data front, SA's leading index advanced in February. The JSE All Share Index fell marginally to close at 57,675.21.



UK Market ▲

The FTSE 100 futures are trading in negative territory

UK markets finished higher yesterday, boosted by gains in energy sector stocks. Data revealed that UK's public sector borrowing posted a surplus in March. The FTSE 100 Index advanced 0.4% to 7,425.40.



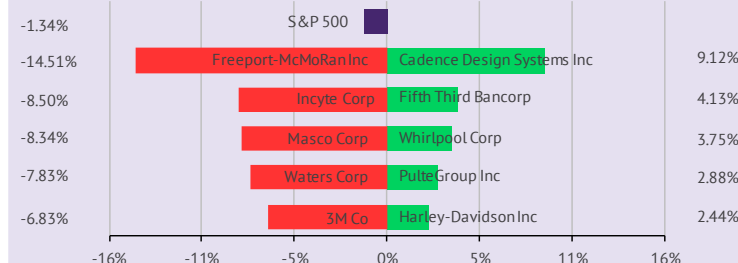
Key indices

| | Last close | | 1 Day Chg | 1 D % Chg | WTD % Chg | MTD % Chg | Prev. month % Chg | YTD % Chg |
|-----------------------|------------|---|-----------|-----------|-----------|-----------|-------------------|-----------|
| JSE All Share | 57675.21 | ▼ | -4.30 | -0.01 | 0.16 | 3.97 | -4.89 | -3.07 |
| JSE Top 40 | 50871.02 | ▼ | -6.96 | -0.01 | 0.21 | 4.26 | -5.04 | -3.16 |
| FTSE 100 | 7425.40 | ▲ | 26.53 | 0.36 | 0.78 | 5.23 | -2.42 | -3.41 |
| DAX 30 | 12550.82 | ▼ | -21.57 | -0.17 | 0.08 | 3.75 | -2.73 | -2.84 |
| CAC 40 | 5444.16 | ▲ | 5.61 | 0.10 | 0.58 | 5.36 | -2.88 | 2.48 |
| S&P 500 | 2634.56 | ▼ | -35.73 | -1.34 | -1.33 | -0.24 | -2.69 | -1.46 |
| Nasdaq Composite | 7007.35 | ▼ | -121.25 | -1.70 | -1.94 | -0.79 | -2.88 | 1.51 |
| DJIA | 24024.13 | ▼ | -424.56 | -1.74 | -1.79 | -0.33 | -3.70 | -2.81 |
| MSCI Emerging Markets | 1154.21 | ▼ | -4.06 | -0.35 | -1.20 | -1.42 | -2.03 | -0.37 |
| MSCI Developed World | 2081.52 | ▼ | -15.71 | -0.75 | -0.87 | 0.71 | -2.41 | -1.04 |

US Market ▼

The S&P 500 futures are trading in the red

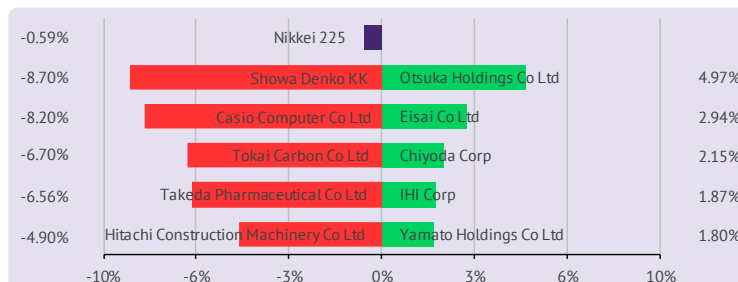
US markets closed lower yesterday, amid concerns over rising bond yields and disappointing corporate earnings. Data indicated that consumer confidence index surprisingly advanced in April. The S&P 500 Index dropped 1.3% to close at 2,634.56.



Asian Market ▼

Trading lower

Asian markets are trading lower this morning, tracking overnight losses on Wall Street. The Nikkei 225 Index is trading 0.6% lower at 22,146.14.



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USD ZAR ▲

USD trading higher against ZAR

At 06:00 SAST, the US Dollar advanced 0.2% against the South African Rand to trade at R12.3526. Later today, traders will keep a close watch on the US MBA mortgage applications for further indication.

The US Dollar fell against the South African Rand yesterday, on the back of rising government bond yields. On the data front, the US Richmond Fed manufacturing index unexpectedly plunged in April. Meanwhile, the consumer confidence index surprisingly advanced in April. Further, the house price index rose in line with market expectations on a monthly basis in February, while monthly new home sales climbed at a faster-than-expected pace in March. Separately, in SA, the leading index recorded an advance in February.

GBP ZAR ▲

GBP trading stronger against ZAR

At 06:00 SAST, the British Pound advanced 0.2% against the South African Rand to trade at R17.2717. With no major economic news in the UK today, investor sentiment will be determined by global macroeconomic news.

The British Pound advanced against the South African Rand yesterday. Data indicated that UK's public sector borrowing posted a surplus in March. Further, the CBI total trend orders remained unchanged in April.

EUR ZAR ▲

EUR trading firmer against ZAR

At 06:00 SAST, the Euro rose 0.1% against the South African Rand to trade at R15.1007. Amid no major economic news across the Eurozone, market sentiment will be determined by global macroeconomic factors.

The Euro strengthened against the South African Rand yesterday. Data revealed that Germany's Ifo business climate index recorded a more-than-expected drop in April, marking its fifth straight monthly decline. Additionally, the Ifo expectations index fell more than market forecast in April. Moreover, the Ifo current assessment index declined more than market expectations in the same month.

AUD ZAR ▼

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% lower against the South African Rand at R9.3693.

The Australian Dollar fell against the South African Rand yesterday. On the macro front, Australia's consumer price index (CPI) advanced less-than-expected on a yearly basis in 1Q18. Meanwhile, the ANZ Roy Morgan weekly consumer confidence index recorded a rise in the week ended 22 April 2018.

Key currencies & commodities

| | Current | | 1 D % Chg | WTD % Chg | MTD % Chg | Prev. month % Chg | YTD % Chg |
|-------------------|---------|---|-----------|-----------|-----------|-------------------|-----------|
| USDZAR | 12.3526 | ▲ | -0.19 | 1.81 | 4.10 | 0.38 | -0.46 |
| GBPZAR | 17.2717 | ▲ | 0.08 | 1.65 | 3.81 | 2.24 | 3.04 |
| EURZAR | 15.1007 | ▲ | 0.01 | 1.36 | 3.30 | 1.50 | 1.52 |
| AUDZAR | 9.3693 | ▼ | -0.18 | 1.00 | 3.16 | -0.68 | -2.95 |
| EURUSD | 1.2222 | ▼ | 0.20 | -0.45 | -0.74 | 1.07 | 1.90 |
| GBPUSD | 1.3981 | ▲ | 0.27 | -0.16 | -0.26 | 1.85 | 3.44 |
| Brent (\$/barrel) | 73.9 | ▲ | -1.14 | -0.27 | 6.52 | 7.12 | 10.45 |
| Gold (\$/oz) | 1330.5 | ▼ | 0.67 | -0.40 | 0.65 | 0.37 | 1.69 |
| Platinum (\$/oz) | 928.9 | = | 1.38 | 0.36 | 0.17 | -6.15 | -0.57 |
| Copper (\$/MT)* | 6970.0 | ▲ | 1.04 | 0.27 | 4.35 | -3.12 | -3.29 |

*As of previous close

Gold ▼

Trading in the red

At 06:00 SAST, gold prices dropped 0.1% to trade at \$1,330.50/oz.

Yesterday, gold prices rose 0.7% to close at \$1,331.40/oz, as weakness in the US Dollar and drop in the US equity markets increased demand for the precious yellow metal.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil is trading marginally higher at \$73.88/bl.

Yesterday, Brent crude oil dropped 1.1% to settle at \$73.86/bl, after the US President, Donald Trump indicated that the US and France are nearing an agreement to preserve the Iran nuclear deal. Further, the American Petroleum Institute (API) reported that crude oil inventories advanced 1.1mn bls for the week ended 20 April 2018.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices are trading marginally lower at \$928.90/oz.

Yesterday, platinum prices climbed 1.4% to close at \$928.90/oz.

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Major South African corporate news

Anglo American Platinum Limited

In its 1Q18 production report, the company stated that the total PGM production increased by 8.0% to 1,289,200.00 ounces, including platinum production that rose up to 7.0% to 613,800.00 ounces and palladium production increased to 9.0% to 407,400.00 ounces due to improved operational performances across the portfolio.

Kumba Iron Ore Limited

In its 1Q18 production and sales report, the company stated that total production increased by 4.0% compared with the same period of the previous year and waste stripping rose 24.0% at Sishen and by 32.0% at Kolomela compared with the corresponding period of the previous year. Further, the export sales decreased marginally to 9.90Mt in comparison to the previous year, while domestic sales increased by 6.0%.

Standard Bank Group Limited

In its 1Q18 operational performance update, the company announced that the slight improvement in business and consumer confidence in the South African market has failed to translate into stronger asset growth. Further, in Africa regions, the positive momentum in the retail customer franchise continued with good growth in non-interest revenue and higher trading revenues, but it was partially offset by slow net interest income growth.

Royal Bafokeng Platinum Limited

The company announced that the final step in securing the plant assets for the Bafokeng Rasimone Platinum Mine Joint Venture has been completed.

Major global economic news

US

In the US, the Richmond Fed manufacturing index unexpectedly fell to a level of -3.00 in April, compared to a reading of 15.00 in the previous month.

In the US, the consumer confidence index recorded an unexpected rise to 128.70 in April, compared to a revised reading of 127.00 in the prior month.

In February, the monthly housing price index rose 0.6% in the US, at par with market anticipations and compared to a revised advance of 0.9% in the previous month.

In the US, new home sales registered an unexpected rise of 4.0% to a level of 694.00K on monthly basis in March, compared to a revised reading of 667.00K in the previous month.

UK

In the UK, the public-sector net borrowing has posted a surplus of GBP0.30bn in March, compared to a revised surplus of GBP0.40bn in the previous month.

In the UK, the balance of firms reporting total order book above normal remained unchanged at a level of 4.00 in April, meeting market expectations.

Eurozone

In Germany, the Ifo business climate index recorded a drop to 102.10 in April, more than market expectations. In the prior month, the Ifo business climate index had registered a revised level of 103.30.

In April, the Ifo business expectations index registered a more-than-expected decline to 98.70 in Germany, compared to a revised level of 100.00 in the prior month.

In Germany, the Ifo current assessment index fell to a level of 105.70 in April, more than market forecast. In the prior month, the Ifo current assessment index had recorded a revised level of 106.60.

Asia

In Japan, the all industry activity index advanced 0.4% on a monthly basis in February, lower than market expectations. In the prior month, the all industry activity index had registered a revised drop of 1.1%.

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Economic calendar

| Country | SAST | Economic indicator | Relevance | Consensus/ | Previous/ | Frequency |
|--------------|-------|-------------------------------------------|-----------|------------|-----------|--------------|
| Japan | 06:30 | All Industry Activity Index (MoM) (Feb) | ✓✓✓ | 0.40%* | -1.10% | Monthly |
| France | 08:45 | Consumer Confidence (Apr) | ✓✓✓ | 100.00 | 100.00 | Monthly |
| Spain | 09:00 | Producer Price Index (MoM) (Mar) | ✓ | - | 0.10% | Monthly |
| Spain | 09:00 | Producer Price Index (YoY) (Mar) | ✓ | - | 1.30% | Monthly |
| Eurozone | 09:00 | ECB's Villeroy, Knot, Lane Speak in Paris | ✓ | - | - | As scheduled |
| Switzerland | 10:00 | ZEW Survey - Expectations (Apr) | ✓✓ | - | 16.70 | Monthly |
| US | 13:00 | MBA Mortgage Applications (20-Apr) | ✓ | - | 4.90% | Weekly |
| South Africa | 13:00 | BER Consumer Confidence (Q1) | ✓ | - | -8.00 | Quarterly |

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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