

ONE Minute Brief

26 April 2018

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Economic and political news

In South Africa (SA), the consumer confidence index rose to a level of 26 in 1Q18, compared to a level of -8 in the prior quarter, recording its highest single quarterly increase since 1982.

The Democratic Alliance's caucus in the City of Cape Town has chosen to remove Patricia de Lille as mayor, after the caucus voted to support a vote of no confidence in her. De Lille responded by stating that she would continue her fight.

According to the South African Reserve Bank (SARB), the inability of state-owned companies to roll over debt was a risk to the nation's financial stability.

The Competition Commission indicated that court proceedings against 18 banks accused of rigging trading in the Rand are likely to start next year.

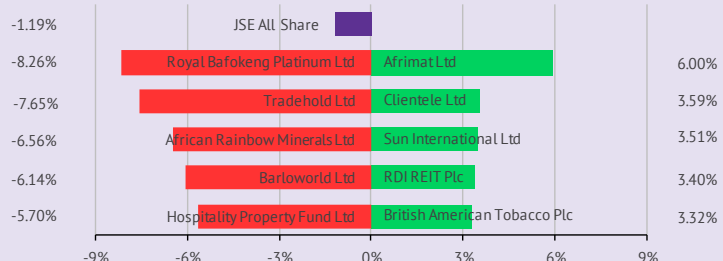
The Democratic Alliance (DA), has approached the Constitutional Court, to declare the appointment of Arthur Fraser as National Commissioner of correctional services invalid, with immediate effect.

The Automobile Association (AA) stated that fuel prices in SA could hit record levels in May.

South Africa Market ▼

South African markets closed lower

South African markets closed in the red yesterday, weighed down by losses in banking, mining and resources sector stocks. Data revealed that SA's consumer confidence rose to an all-time high level in the first quarter of 2018. The JSE All Share Index fell 1.2% to close at 56,987.19.



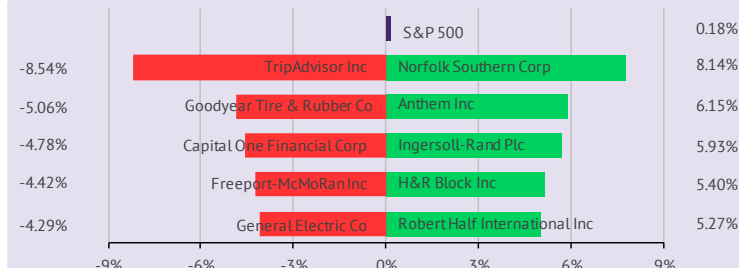
Key indices

	Last close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	56987.19	▼ -688.02	-1.19	-1.03	2.73	-4.89	-4.23
JSE Top 40	50234.85	▼ -636.17	-1.25	-1.05	2.95	-5.04	-4.37
FTSE 100	7379.32	▼ -46.08	-0.62	0.15	4.57	-2.42	-4.01
DAX 30	12422.30	▼ -128.52	-1.02	-0.94	2.69	-2.73	-3.83
CAC 40	5413.30	▼ -30.86	-0.57	0.01	4.76	-2.88	1.90
S&P 500	2639.40	▲ 4.84	0.18	-1.15	-0.06	-2.69	-1.28
Nasdaq Composite	7003.74	▼ -3.62	-0.05	-1.99	-0.85	-2.88	1.45
DJIA	24083.83	▲ 59.70	0.25	-1.55	-0.08	-3.70	-2.57
MSCI Emerging Markets	1140.27	▼ -13.93	-1.21	-2.39	-2.61	-2.03	-1.57
MSCI Developed World	2076.74	▼ -4.78	-0.23	-1.10	0.48	-2.41	-1.27

US Market ▲

The S&P 500 futures are trading in the green

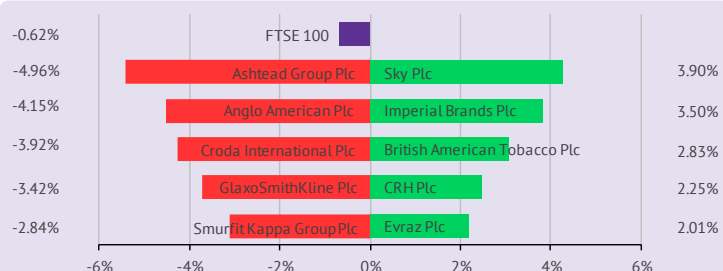
US markets closed mostly higher yesterday, boosted by gains in shares of Boeing, following strong earnings report. The S&P 500 Index climbed 0.2% to close at 2,639.40.



UK Market ▼

The FTSE 100 futures are trading in negative territory

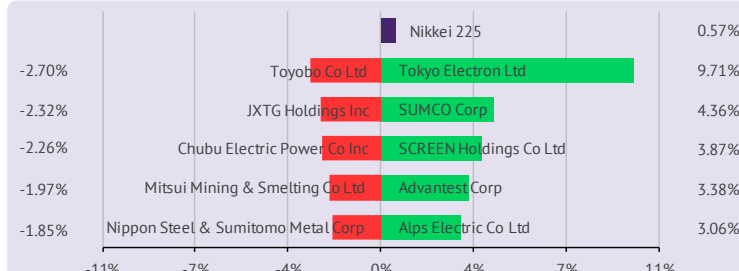
UK markets finished lower yesterday, amid concerns over rising US bond yields. The FTSE 100 Index declined 0.6% to close at 7,379.32.



Asian Market ◀▶

Trading mixed

Asian markets are trading mixed this morning. The Nikkei 225 Index is trading 0.6% higher at 22,341.45.



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USD ZAR ▼

USD trading lower against ZAR

At 06:00 SAST, the US Dollar is trading marginally weaker against the South African Rand at R12.4338. Later today, traders will keep a close watch on the US initial jobless claims, advance goods trade balance and durable goods orders for further cues.

The US Dollar rose against the South African Rand yesterday. On the macro front, the US MBA mortgage applications registered a decline on a weekly basis in the week ended 20 April 2018. Separately, the South African Rand weakened against the dollar, on uncertainty over the Mining Charter and a public-sector strike in the country. Meanwhile, data showed that, in SA, consumer confidence index climbed in 1Q18, marking its highest quarterly advance since 1982.

GBP ZAR ▲

GBP trading stronger against ZAR

At 06:00 SAST, the British Pound is trading 0.1% higher against the South African Rand at R17.3416. Later today, traders will keep an eye on UK's BBA loans for house purchase for further direction.

The British Pound advanced against the South African Rand yesterday.

EUR ZAR ▲

EUR trading firmer against ZAR

At 06:00 SAST, the Euro climbed 0.1% against the South African Rand to trade at R15.1431. Going forward, market participants will keep a tab on the European Central Bank's (ECB) interest rate decision along with ECB President, Draghi's speech. Also, Germany's GfK consumer confidence index will attract significant market attention.

The Euro strengthened against the South African Rand yesterday.

AUD ZAR ▲

AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% firmer against the South African Rand at R9.4181.

The Australian Dollar rose against the South African Rand yesterday. On the data front, Australia's import price index climbed more than market forecast on a quarterly basis in 1Q18. Additionally, the quarterly export price index increased more-than-expected in 1Q18.

Key currencies & commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	12.4338	▼	0.92	2.75	5.06	0.38	0.46
GBPZAR	17.3416	▲	0.59	2.25	4.42	2.24	3.65
EURZAR	15.1431	▲	0.34	1.71	3.65	1.50	1.86
AUDZAR	9.4181	▲	0.33	1.34	3.50	-0.68	-2.62
EURUSD	1.2176	▲	-0.59	-1.03	-1.32	1.07	1.30
GBPUSD	1.3946	▲	-0.33	-0.49	-0.59	1.85	3.10
Brent (\$/barrel)	74.4	▲	0.19	-0.08	6.72	7.12	10.66
Gold (\$/oz)	1324.8	▲	-0.77	-1.16	-0.12	0.37	0.91
Platinum (\$/oz)	906.6	=	-2.40	-2.05	-2.23	-6.15	-2.95
Copper (\$/MT)*	6969.8	▼	0.00	0.27	4.35	-3.12	-3.29

*As of previous close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.3% higher to trade at \$1,324.80/oz.

Yesterday, gold prices fell 0.8% to close at \$1,321.20/oz, as strength in the US Dollar dented demand for the safe haven asset.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil climbed 0.6% to trade at \$74.42/bl, amid expectations that the US would re-impose sanctions against Iran and drop in Venezuelan output.

Yesterday, Brent crude oil advanced 0.2% to settle at \$74.00/bl, amid rising tensions surrounding Iran. Separately, the US Energy Information Administration reported that crude oil inventories unexpectedly advanced by 2.2mn bls in the week ended 20 April 2018.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices are trading marginally lower at \$906.60/oz.

Yesterday, platinum prices declined 2.4% to close at \$906.60oz.

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Major South African corporate news

Barloworld Limited

The company announced that its UK subsidiary, Barloworld UK Limited would sell 100.0% of the issued shares in Barloworld International, the holding company of the Iberian businesses, to Tesa, for a consideration of approximately EUR160.00mn (ZAR2,416mn).

Gold Fields Limited

In its 1Q18 operational update, the company stated that its revenue increased to USD1,316.00/oz compared to USD1,216.00/oz posted in the corresponding period of the previous year. Further, the gold produced decreased by 1.4% to \$490,000.00oz, compared to USD497,000.00oz in the corresponding period of the previous year.

Major global economic news

Asia

In Australia, the import price index advanced 2.1% on a quarterly basis in 1Q18, more than market expectations. In the prior quarter, the import price index had climbed 2.0%.

In Australia, the export price index recorded a more-than-anticipated rise of 4.9% on a quarterly basis in 1Q18. In the prior quarter, the export price index had risen 2.8%.

US

In the US, the MBA mortgage applications fell 0.2% on a weekly basis in the week ended 20 April 2018. In the previous week, mortgage applications had advanced 4.9%.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus	Previous	Frequency
Canada	01:15	BoC Governor Poloz Speech	✓✓✓	-	-	As scheduled
Germany	08:00	GfK Consumer Confidence Survey (May)	✓✓✓	10.80	10.90	Monthly
UK	10:30	BBA Mortgage Approvals (Mar)	✓✓	-	38.12K	Monthly
UK	10:30	BoE's Alex Brazier Speaks in London	✓	-	-	As scheduled
South Africa	11:30	Producer Price Index (YoY) (Mar)	✓✓	4.00%	4.20%	Monthly
South Africa	11:30	Producer Price Index (MoM) (Mar)	✓✓	0.30%	-0.30%	Monthly
UK	12:00	CBI Distributive Trades Survey - Realised (Apr)	✓✓	-3.00%	-8.00%	Monthly
Eurozone	13:45	ECB Interest Rate Decision	✓✓✓	0.00%	0.00%	As scheduled
Eurozone	14:30	ECB President Draghi's Media Briefing After Policy Decision	✓	-	-	As scheduled
Eurozone	14:30	ECB Monetary policy statement and press conference	✓✓✓	-	-	As scheduled
US	14:30	Continuing Jobless Claims (14-Apr)	✓✓✓	1850.00K	1863.00K	Weekly
US	14:30	Initial Jobless Claims (21-Apr)	✓✓✓	230.00K	232.00K	Weekly
US	14:30	Durable Goods Orders (Mar) (P)	✓✓✓	1.60%	3.00%	Monthly
US	14:30	Durable Goods Orders ex Transportation (Mar) (P)	✓✓	0.50%	1.00%	Monthly
US	14:30	Wholesale Inventories (MoM) (Mar) (P)	✓✓✓	0.70%	1.00%	Monthly
US	17:00	Kansas City Fed Manufacturing Activity (Apr)	✓✓✓	17.00	17.00	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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