

ONE Minute Brief

11 April 2018

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Economic and Political News

In South Africa (SA), manufacturing production recorded a less-than-expected rise of 0.6% on an annual basis in February, compared to a rise of 2.5% in January.

The World Bank raised its growth forecasts for the South African economy to 1.4% this year, up from its earlier forecast of 1.1%, citing improved business and consumer confidence. However, the bank warned that growth potential would remain weak without effective policy implementation. Further, the bank forecasted a growth of 1.8% for 2019 and 1.9% for 2020. It also stated that SA could more than halve its number of poor people by 2030, if it addresses corruption, gets free higher education right and reduces policy uncertainty in its mining industry. Separately, the South African Reserve Bank (SARB) warned that meaningful reforms were necessary for growth to exceed 2% sustainably.

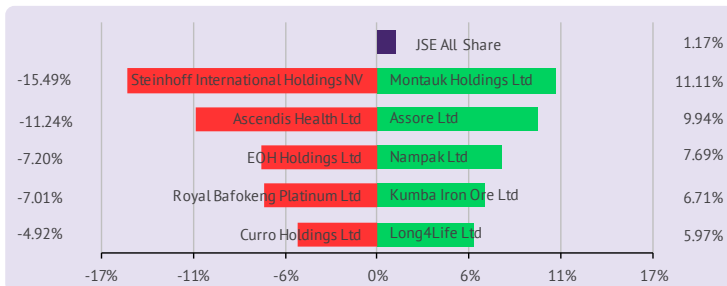
Mineral Resources Minister, Gwede Mantashe, expressed confidence that the third version of the mining charter would be finalised by May.

Eskom stated that Public Enterprises Minister, Pravin Gordhan, would decide on the appointment of a new board member, following Mark Lambert's resignation.

South Africa Market ▲

South African markets closed higher

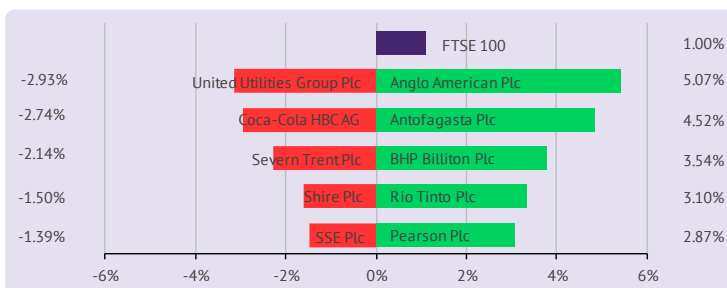
South African markets closed in the green yesterday, boosted by gains in resources, industrial and banking sector stocks. Data indicated that SA's annual manufacturing production rose less than market forecast in February. The JSE All Share Index rose 1.2% to close at 56,747.24.



UK Market ▲

The FTSE 100 futures are trading in negative territory

UK markets finished higher yesterday, buoyed by gains in mining sector stocks. The FTSE 100 Index advanced 1.0% to close at 7,266.75.



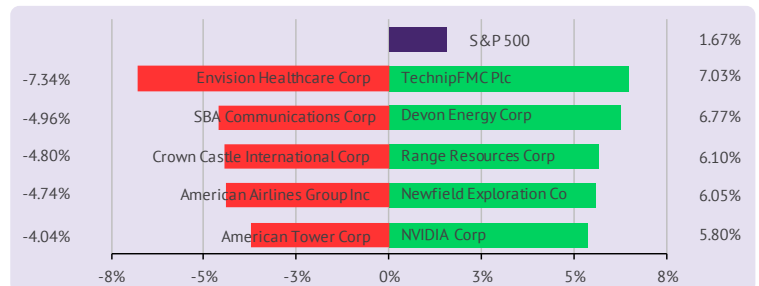
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	56747.24	▲	655.68	1.17%	1.55%	2.29%	-4.89%	-4.63%
JSE Top 40	50036.07	▲	644.71	1.31%	1.82%	2.54%	-5.04%	-4.75%
FTSE 100	7266.75	▲	72.00	1.00%	1.16%	2.98%	-2.42%	-5.48%
DAX 30	12397.32	▲	135.57	1.11%	1.27%	2.48%	-2.73%	-4.03%
CAC 40	5307.56	▲	44.17	0.84%	0.94%	2.71%	-2.88%	-0.09%
S&P 500	2656.87	▲	43.71	1.67%	2.01%	0.61%	-2.69%	-0.63%
Nasdaq Composite	7094.30	▲	143.96	2.07%	2.59%	0.44%	-2.88%	2.77%
DJIA	24408.00	▲	428.90	1.79%	1.99%	1.26%	-3.70%	-1.26%

US Market ▲

The S&P 500 futures are trading in the red

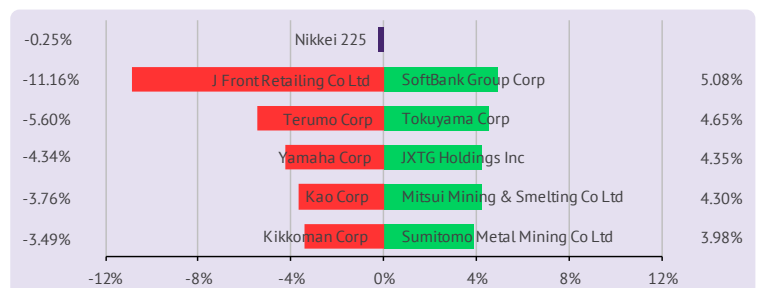
US markets closed higher yesterday, after China's President, Xi Jinping promised to cut import tariffs, thereby easing concerns over rising US-China trade tensions. The S&P 500 Index climbed 1.7% to close at 2,656.87.



Asian Market ▲▶

Trading mixed

Asian markets are trading mixed this morning. Data revealed that Japan's machine orders surprisingly rose on a monthly basis in February. The Nikkei 225 Index is trading 0.3% lower at 21,739.12.



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USDZAR ▲

USD trading stronger against ZAR

At 06:00 SAST, the US Dollar is trading marginally higher against the South African Rand at R12.0420. Later today, traders will keep a close watch on the FOMC meeting minutes along with the US consumer price index (CPI), monthly budget statement, MBA mortgage applications and average hourly earnings for further cues.

The US Dollar fell against the South African Rand yesterday, as worries over US-China trade tensions subsided, following Chinese President, Xi Jinping's comments. Data indicated that the US producer price index (PPI) advanced more than market expectations on a yearly basis in March. Meanwhile, the nation's NFIB small business optimism index recorded a more-than-anticipated drop in March. Separately, in SA, manufacturing production climbed less than market expectations on an annual basis in February.

GBPZAR ▲

GBP trading higher against ZAR

At 06:00 SAST, the British Pound is trading 0.1% firmer against the South African Rand at R17.0794. Later today, traders will keep an eye on UK's NIESR gross domestic product estimate and trade balance along with industrial and manufacturing production for further indication.

The British Pound declined against the South African Rand yesterday.

EURZAR ▲

EUR trading stronger against ZAR

At 06:00 SAST, the Euro is trading 0.1% firmer against the South African Rand at R14.8878. Going forward, market participants will keep a tab on the European Central Bank (ECB) President, Mario Draghi's speech for further direction.

The Euro weakened against the South African Rand yesterday.

AUDZAR ▼

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar fell marginally against the South African Rand to trade at R9.3422. Earlier in the session, Australia's Westpac consumer confidence index registered a decline in April. Meanwhile, in China, Australia's largest trading partner, CPI rose less than market anticipations on an annual basis in March.

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	12.0420	▲	-0.50%	0.03%	1.65%	0.38%	-2.80%
GBPZAR	17.0794	▲	-0.17%	0.65%	2.80%	2.24%	2.04%
EURZAR	14.8878	▲	-0.20%	0.65%	1.89%	1.50%	0.13%
AUDZAR	9.3422	▼	0.34%	1.17%	2.76%	-0.68%	-3.32%
EURUSD	1.2363	▲	0.28%	0.61%	0.26%	1.07%	2.92%
GBPUUSD	1.4182	▲	0.32%	0.60%	1.15%	1.85%	4.91%
Brent (\$/barrel)	70.8	▼	3.48%	5.86%	2.45%	7.12%	6.24%
Gold (\$/oz)	1344.9	▲	0.43%	0.76%	1.45%	0.37%	2.50%
Platinum (\$/oz)	927.6	=	-0.67%	1.71%	0.03%	-6.15%	-0.71%
Copper (\$/MT)*	6908.3	▲	1.74%	2.66%	3.43%	-3.12%	-4.15%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices advanced 0.2% to trade at \$1,344.90/oz.

Yesterday, gold prices rose 0.4% to close at \$1,342.00/oz, as weakness in the US Dollar and geopolitical tensions, boosted demand for the safe haven asset.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil retreated 0.4% to trade at \$70.77/bl.

Yesterday, Brent crude oil advanced 3.5% to settle at \$71.04/bl, as tensions over Syria increased the potential for disruptions to Middle East crude output. Separately, the American Petroleum Institute (API) reported that crude oil inventories advanced by 1.8mn bls for the week ended April 6, 2018.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices are trading marginally lower at \$927.60/oz.

Yesterday, platinum prices declined 0.7% to close at \$927.60/oz.

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Major South Africa Corporate News

Oceana Group Limited

In its 1H18 trading statement, the company announced that it expects HEPS to be in the range of 300.40c to 319.80c, which is 55.0% to 65.0% higher compared to the corresponding period of the previous year.

Major Global Economic News

Asia

In Australia, the Westpac consumer confidence index registered a drop of 0.6% on monthly basis to a level of 102.40 in April. In the previous month, the index had recorded a reading of 103.00.

In China, the PPI recorded a less-than-expected rise of 3.1% on a yearly basis in March, compared to a rise of 3.7% in the prior month.

In China, the CPI recorded a rise of 2.1% on an annual basis in March, lower than market expectations, compared to a rise of 2.9% last month.

In Japan, machinery orders unexpectedly advanced 2.1% on a monthly basis in February, compared to a rise of 8.2% last month.

US

In the US, PPI registered a more-than-anticipated rise of 3.0% on an annual basis in March, compared to an advance of 2.8% in the previous month.

In the US, the NFIB small business optimism index registered a drop to 104.70 in March, more than market forecast and compared to a level of 107.60 in the prior month.

Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	01:50	Domestic Corporate Goods Price Index (MoM) (Mar)	✓	-0.10%*	0.10%	Monthly
Japan	01:50	Machinery Orders (MoM) (Feb)	✓	2.10%*	8.20%	Monthly
Japan	01:50	Machinery Orders (YoY) (Feb)	✓✓	2.40%*	2.90%	Monthly
China	03:30	Consumer Price Index (YoY) (Mar)	✓✓✓	2.10%*	2.90%	Monthly
China	03:30	Producer Price Index (YoY) (Mar)	✓✓✓	3.10%*	3.70%	Monthly
UK	10:30	Trade Balance; non-EU (Feb)	✓✓✓	-	-GBP3.87bn	Monthly
UK	10:30	Manufacturing Production (YoY) (Feb)	✓✓✓	3.30%	2.70%	Monthly
UK	10:30	Construction Output s.a. (YoY) (Feb)	✓	-2.50%	-3.90%	Monthly
UK	10:30	Industrial Production (YoY) (Feb)	✓✓✓	2.90%	1.60%	Monthly
UK	10:30	Total Trade Balance (Feb)	✓✓✓	-GBP2.60bn	-GBP3.07bn	Monthly
UK	10:30	Visible Trade Balance (Feb)	✓✓✓	-GBP11.90bn	-GBP12.33bn	Monthly
US	13:00	MBA Mortgage Applications (06-Apr)	✓	-	-3.30%	Weekly
UK	13:00	NIESR GDP Estimate (3M) (Mar)	✓✓✓	0.30%	0.30%	Monthly
US	14:30	Consumer Price Index (MoM) (Mar)	✓✓✓	0.00%	0.20%	Monthly
US	14:30	Consumer Price Index (YoY) (Mar)	✓✓✓	2.40%	2.20%	Monthly
US	20:00	Fed Releases Minutes of FOMC Meeting	✓✓✓	-	-	As scheduled
US	20:00	Monthly Budget Statement (Mar)	✓✓✓	-USD186.00bn	-USD215.20bn	Monthly
China	-	New Yuan Loans (Mar)	✓✓	CNY1151.00bn	CNY839.30bn	Monthly
China	-	Aggregate Financing (Mar)	✓	CNY1850.00bn	CNY1170.00bn	Monthly
South Africa	-	BER Consumer Confidence (Q1)	✓	-	-8.00	Quarterly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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