

ONE  
Minute Brief

17 April 2018

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## Economic and political news

South Africa's (SA) President, Cyril Ramaphosa, has appointed a team of business and finance experts to revitalise relationship between business and the government that would enable the country to raise ZAR100.00bn worth of investment over five years.

The World Bank warned that low structural growth in SA would constrain the country's National Development Plan (NDP) which aims to eliminate poverty and reduce inequality by 2030.

The Democratic Alliance (DA) has called for sector specific minimum wages to limit job losses in marginal industries.

South African police have raided Guptas' Saxonwold compound and seized assets worth ZAR250.00mn, as a part of an investigation into theft, fraud and money laundering in the Estina dairy project case.

Eskom seeks to recover ZAR66.60bn of costs incurred over the past three years through an additional 2.0% tariff increase every year for the next five years.

Imperial Chief Executive Officer, Mark Lamberti, has resigned from the board of Business Leadership SA (BLSA). This follows his resignation from the Eskom board.

## South Africa Market ▲

## South African markets closed higher

South African markets closed in the green yesterday, boosted by gains in banking, industrial and retail sector stocks. The JSE All Share Index rose 0.3% to close at 56,733.47.



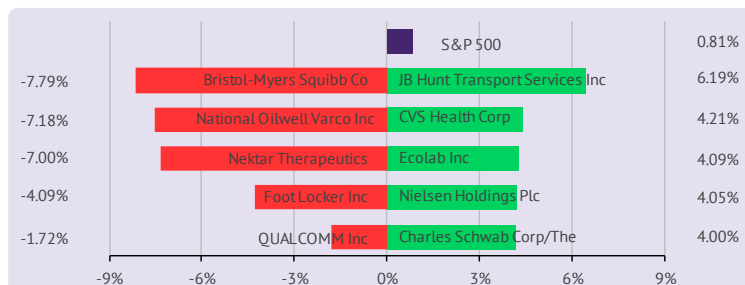
## Key indices

	Last close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	56733.47	▲	170.30	0.30	0.30	2.27	-4.89	-4.66
JSE Top 40	50121.20	▲	238.33	0.48	0.48	2.72	-5.04	-4.59
FTSE 100	7198.20	▼	-66.36	-0.91	-0.91	2.01	-2.42	-6.37
DAX 30	12391.41	▼	-50.99	-0.41	-0.41	2.44	-2.73	-4.07
CAC 40	5312.96	▼	-2.06	-0.04	-0.04	2.82	-2.88	0.01
S&P 500	2677.84	▲	21.54	0.81	0.81	1.40	-2.69	0.16
Nasdaq Composite	7156.29	▲	49.64	0.70	0.70	1.31	-2.88	3.66
DJIA	24573.04	▲	212.90	0.87	0.87	1.95	-3.70	-0.59
MSCI Emerging Markets	1163.25	▼	-6.84	-0.58	-0.58	-0.65	-2.03	0.41
MSCI Developed World	2099.82	▲	10.84	0.52	0.52	1.60	-2.41	-0.17

## US Market ▲

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

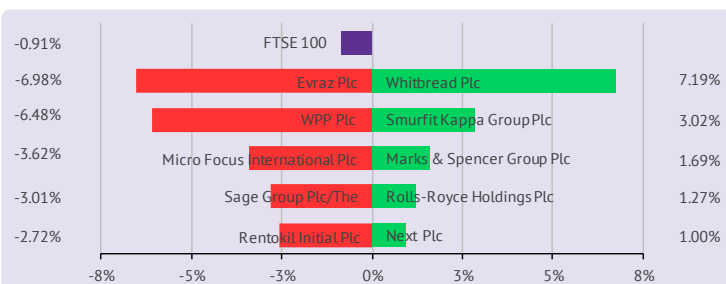
US markets closed higher yesterday, as worries over Syrian conflict receded and amid optimism over Q1 earnings reports. Data revealed that the US advance monthly retail sales rose more-than-expected in March. The S&P 500 Index climbed 0.8% to close at 2,677.84.



## UK Market ▼

## The FTSE 100 futures are trading in positive territory

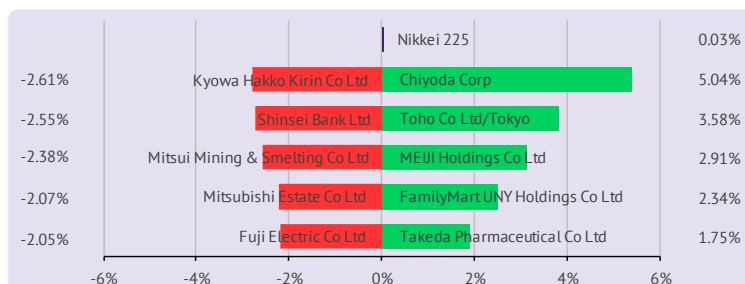
UK markets finished lower yesterday, weighed down by losses in shares of WPP Plc, following the resignation of its Chief Executive, Martin Sorrell. The FTSE 100 Index declined 0.9% to close at 7,198.20.



## Asian Market ◀▶

## Trading mixed

Asian markets are trading mixed this morning. Data showed that Japan's industrial production remained flat on a monthly basis in February. The Nikkei 225 Index is trading marginally higher at 21,841.44.



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## USD ZAR ▼

## USD trading lower against ZAR

At 06:00 SAST, the US Dollar fell 0.1% against the South African Rand to trade at R12.0457. Later today, traders will keep a close watch on the US industrial and manufacturing production along with the housing starts and building permits for further cues.

The US Dollar fell against the South African Rand yesterday. Data indicated that the US advance retail sales advanced more than market anticipations on a monthly basis in March. Further, business inventories remained unchanged in February. Meanwhile, the NY Empire State manufacturing index fell more-than-expected in April. Additionally, the nation's NAHB housing market index unexpectedly dropped in the same month.

## GBP ZAR ▼

## GBP trading weaker against ZAR

At 06:00 SAST, the British Pound is trading 0.1% lower against the South African Rand at R17.2689. Later today, traders will keep an eye on UK's claimant count rate, ILO unemployment rate and average weekly earnings for further direction.

The British Pound advanced against the South African Rand yesterday, ahead of the start of UK's post-Brexit trade negotiations with the EU.

## EUR ZAR ▼

## EUR trading lower against ZAR

At 06:00 SAST, the Euro is trading marginally weaker against the South African Rand at R14.9140. Going forward, market participants will keep a tab on Eurozone and Germany's ZEW survey indices for further indication.

The Euro strengthened against the South African Rand yesterday.

## AUD ZAR ▼

## AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar fell 0.3% against the South African Rand to trade at R9.3544. Earlier in the session, RBA April meeting minutes indicated no strong case for near-term rate hike. In economic news, Australia's ANZ Roy Morgan consumer confidence index recorded a rise in the week ended 15 April 2018. Meanwhile, in China, Australia's largest trading partner, gross domestic product (GDP) rose in line with market forecast on a yearly basis in 1Q18. Moreover, Chinese retail sales climbed higher than expected on a monthly basis in March, while industrial production on an annual basis advanced less than expected in the same month.

The Australian Dollar fell against the South African Rand yesterday.

## Key currencies &amp; commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	12.0457	▼	-0.17	-0.17	1.79	0.38	-2.67
GBPZAR	17.2689	▼	0.44	0.44	4.13	2.24	3.36
EURZAR	14.9140	▼	0.21	0.21	2.21	1.50	0.45
AUDZAR	9.3544	▼	-0.03	-0.03	3.16	-0.68	-2.94
EURUSD	1.2381	▲	0.40	0.40	0.45	1.07	3.12
GBPUSD	1.4336	▼	0.71	0.71	2.31	1.85	6.11
Brent (\$/barrel)	71.70	▲	-1.60	-1.60	3.00	7.12	6.80
Gold (\$/oz)	1347.50	=	0.20	0.20	1.87	0.37	2.92
Platinum (\$/oz)	925.70	=	-0.17	-0.17	-0.17	-6.15	-0.91
Copper (\$/MT)*	6876.30	▲	1.17	1.17	2.95	-3.12	-4.59

\*As of previous close

## Gold ▼

## Trading in the red

At 06:00 SAST, gold prices are trading marginally lower at \$1,347.50/oz.

Yesterday, gold prices rose 0.2% to close at \$1,347.50/oz, amid broad weakness in the US Dollar.

## Brent Crude Oil ▲

## Trading stronger

At 06:00 SAST, Brent crude oil edged 0.3% higher to trade at \$71.66/bl, amid fears of potential supply disruptions in the Middle East.

Yesterday, Brent crude oil dropped 1.6% to settle at \$71.42/bl, as worries over geopolitical tensions in Syria faded.

## Platinum ▼

## Trading in negative territory

At 06:00 SAST, platinum prices are trading marginally weaker at \$925.70/oz.

Yesterday, platinum prices declined 0.2% to close at \$925.70/oz.

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## Major South African corporate news

### AngloGold Ashanti Limited

The company announced that Srinivasan Venkatakrishnan has resigned from the role of Chief Executive Officer with effect from 30 August 2018.

### Niveus Investments Limited

The company announced that all conditions precedent to the Niveus Unbundling have been fulfilled and that it would be implemented on 30 April 2018.

## Major global economic news

### Asia

The Reserve Bank of Australia's (RBA) April monetary policy meeting minutes reported that policymakers are in no rush for a near-term move in monetary policy, as inflation is likely to remain subdued in the face of sluggish wage growth. Nevertheless, the minutes indicated that next move in interest rates was more likely to be up, as officials expect the Australian economic growth to "exceed potential" in the near-term.

In China, GDP climbed 6.8% on a yearly basis in 1Q18, in line with market forecast and compared to a similar rise in the previous quarter.

In China, retail sales advanced 10.1% on a yearly basis in March, more-than-expected and compared to an advance of 9.4% in the prior month.

In China, industrial production recorded a less-than-anticipated rise of 6.0% on an annual basis in March. Industrial production had risen 6.2% in the previous month.

In Japan, the final industrial production remained steady on a monthly basis, in February. In the previous month, industrial production had recorded a drop of 6.8%. The preliminary figures had indicated an advance of 4.1%.

### US

In the US, advance retail sales rose 0.6% on a monthly basis in March, more than market expectations. In the prior month, advance retail sales had recorded a drop of 0.1%.

In February, business inventories rose 0.6% on a monthly basis, in the US, compared to a similar rise in the prior month.

In the US, the NY Empire State manufacturing index recorded a more-than-expected drop to 15.80 in April. The index had registered a reading of 22.50 in the previous month.

In the US, the NAHB housing market index recorded an unexpected drop to 69.00 in April, compared to a reading of 70.00 in the previous month.

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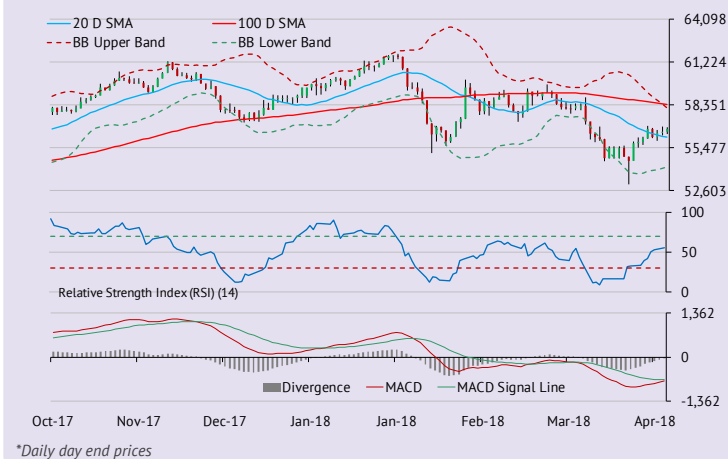
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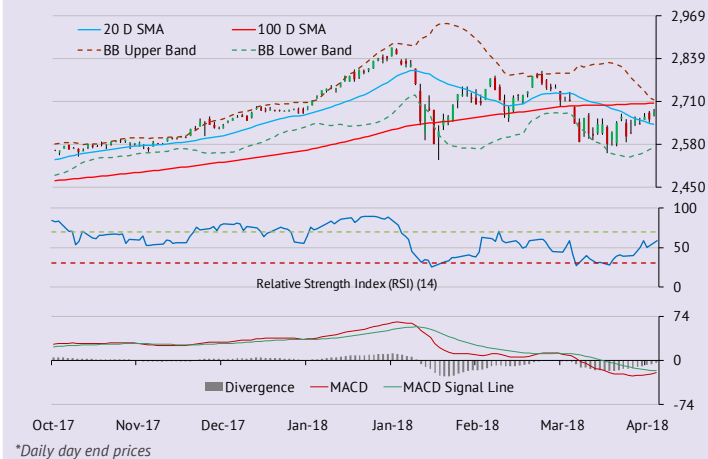
## Technical snapshot

### JSE All Share



The JSE All Share index is expected to find support at 54,012.60, and a fall through could take it to the next support level of 51,933.63. The index is expected to find its first resistance at 57,185.31, and a rise through could take it to the next resistance level of 58,279.05.

### S&P 500



The S&P 500 index is expected to find support at 2,567.15, and a fall through could take it to the next support level of 2,521.15. The index is expected to find its first resistance at 2,665.62, and a rise through could take it to the next resistance level of 2,718.09.

### USD ZAR



The pair is expected to find support at 11.8724, and a fall through could take it to the next support level of 11.6480. The pair is expected to find its first resistance at 12.2392, and a rise through could take it to the next resistance level of 12.3816.

### XAU USD



Gold is expected to find support at \$1,321.10/oz, and a fall through could take it to the next support level of \$1,305.90/oz. The precious metal is expected to find its first resistance at \$1,349.40/oz, and a rise through could take it to the next resistance level of \$1,362.50/oz.

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## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/	Previous/	Frequency
China	04:00	Gross Domestic Product (QoQ) (Q1)	✓✓✓	1.40%*	1.60%	Quarterly
China	04:00	Gross Domestic Product (YoY) (Q1)	✓✓✓	6.80%*	6.80%	Quarterly
China	04:00	Industrial Production YTD (YoY) (Mar)	✓✓	6.80%*	7.20%	Monthly
China	04:00	Retail Sales (YoY) (Mar)	✓✓✓	10.10%*	9.40%	Monthly
China	04:00	Retail Sales YTD (YoY) (Mar)	✓	9.80%*	9.70%	Monthly
China	04:00	NBS Press Conference	✓✓	-	-	As scheduled
China	04:00	Industrial Production (YoY) (Mar)	✓✓	6.00%*	6.20%	Monthly
Japan	06:30	Industrial Production (MoM) (Feb) (F)	✓✓✓	0.00%*	4.10%**	Monthly
Japan	06:30	Industrial Production (YoY) (Feb) (F)	✓✓✓	1.60%*	1.40%**	Monthly
UK	10:30	Claimant Count Change (Mar)	✓✓✓	-	9.20 K	Monthly
UK	10:30	Claimant Count Rate s.a. (Mar)	✓✓	-	2.40%	Monthly
UK	10:30	Average Earnings Excluding Bonus (3Mo/Yr) (Feb)	✓	2.80%	2.60%	Monthly
UK	10:30	ILO Unemployment Rate (3M) (Feb)	✓✓✓	4.30%	4.30%	Monthly
UK	10:30	Average Earnings Including Bonus (3Mo/Yr) (Feb)	✓✓	3.00%	2.80%	Monthly
UK	10:30	Employment Change (3M/3M) (Feb)	✓✓✓	55.00K	168.00K	Monthly
Eurozone	11:00	ZEW Survey - Economic Sentiment (Apr)	✓✓	-	13.40	Monthly
Germany	11:00	ZEW Survey - Current Situation (Apr)	✓✓	88.00	90.70	Monthly
Germany	11:00	ZEW Survey - Economic Sentiment (Apr)	✓✓✓	-1.00	5.10	Monthly
US	14:30	Building Permits (Mar)	✓✓✓	1321.00K	1298.00K	Monthly
US	14:30	Housing Starts (Mar)	✓✓✓	1267.00K	1236.00K	Monthly
US	14:30	Housing Starts (MoM) (Mar)	✓✓✓	2.50%	-7.00%	Monthly
US	14:30	Building Permits (MoM) (Mar)	✓✓✓	0.00%	-5.70%	Monthly
US	15:15	Manufacturing (SIC) Production (MoM) (Mar)	✓✓✓	0.10%	1.20%	Monthly
US	15:15	FOMC Member Williams speech	✓	-	-	As scheduled
US	15:15	Industrial Production (MoM) (Mar)	✓✓✓	0.30%	1.10%	Monthly
US	16:00	Fed's Quarles speech	✓✓	-	-	As scheduled

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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