

# ONE Minute Brief

19 April 2018

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## Economic and political news

In South Africa (SA), the annual consumer price inflation slowed to 3.8% in March, its lowest rate since January 2011 and compared to a rate of 4.0% in February. On a yearly basis, retail sales rose 4.9% in February, more than market expectations and compared to a revised gain of 3.3% in the previous month.

President, Cyril Ramaphosa, has pledged to tackle corruption in the country and fix ailing state companies. However, he stated that the progress would take time.

News reports indicate that former President, Jacob Zuma, has asked lawyers to challenge judgment in the State Capture legal case which requires him to pay an estimated ZAR10.00mn in legal costs.

Eskom's acting Chief Financial Officer, Calib Cassim, warned that the company's irregular expenditure was expected to rise for the year ended March 2018 and highlighted that it would continue to face risks about its going-concern status in the current year.

The South African Revenue Service indicated that it would take legal action against taxpayers who failed to submit their tax returns.

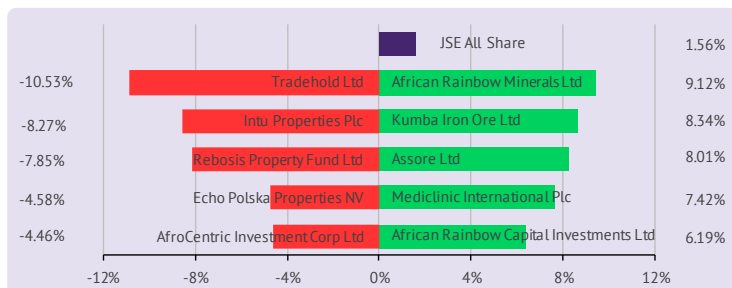
## Key indices

	Last close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	57713.29	▲	886.55	1.56	2.03	4.04	-4.89	-3.01
JSE Top 40	51025.80	▲	849.80	1.69	2.29	4.57	-5.04	-2.87
FTSE 100	7317.34	▲	91.29	1.26	0.73	3.69	-2.42	-4.82
DAX 30	12590.83	▲	5.26	0.04	1.19	4.08	-2.73	-2.53
CAC 40	5380.17	▲	26.63	0.50	1.23	4.12	-2.88	1.27
S&P 500	2708.64	▲	2.25	0.08	1.97	2.57	-2.69	1.31
Nasdaq Composite	7295.24	▲	14.14	0.19	2.65	3.28	-2.88	5.68
DIJA	24748.07	▼	-38.56	-0.16	1.59	2.68	-3.70	0.12
MSCI Emerging Markets	1176.14	▲	11.78	1.01	0.52	0.45	-2.03	1.53
MSCI Developed World	2123.77	▲	7.34	0.35	1.67	2.75	-2.41	0.97

## South Africa Market ▲

### South African markets closed higher

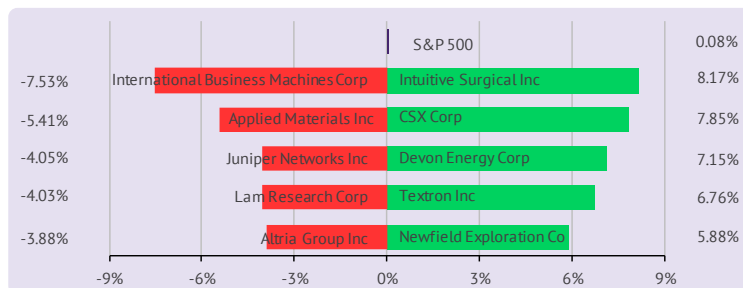
South African markets closed in the green yesterday, buoyed by gains in mining and banking sector stocks. Data indicated that SA's annual inflation slowed to a seven-year low level in March. The JSE All Share Index rose 1.6% to close at 57,713.29.



## US Market ▲

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

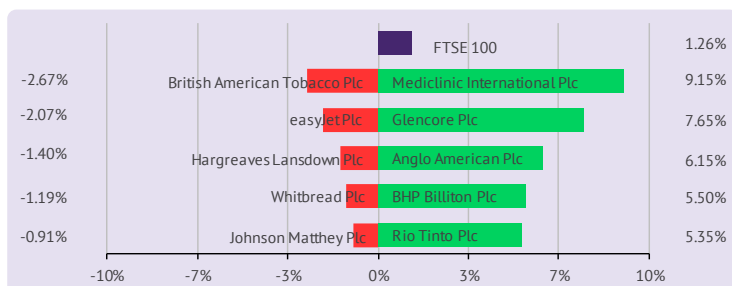
US markets closed higher yesterday, on the back of upbeat quarterly results and supported by gains in energy and transport sector stocks. Data revealed that the US weekly MBA mortgage applications rebounded last week. The S&P 500 Index climbed 0.1% to 2,708.64.



## UK Market ▲

### The FTSE 100 futures are trading in positive territory

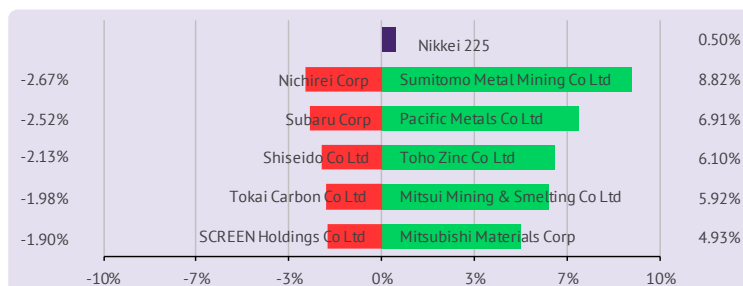
UK markets finished higher yesterday, boosted by gains in mining sector stocks and amid weakness in the British Pound. The FTSE 100 Index advanced 1.3% to close at 7,317.34.



## Asian Market ▲

### Trading higher

Asian markets are trading higher this morning, tracking overnight gains on Wall Street. The Nikkei 225 Index is trading 0.5% higher at 22,268.94.



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## USD ZAR ▼

### USD trading lower against ZAR

At 06:00 SAST, the US Dollar is trading 0.1% weaker against the South African Rand at R11.9249. Later today, traders will keep a close watch on the US initial jobless claims, Philadelphia Fed manufacturing survey and leading index for further direction.

The US Dollar fell against the South African Rand yesterday. On the data front, the US MBA mortgage applications recorded a rise for the week ended 13 April 2018. According to the Federal Reserve's (Fed) Beige Book report, economic activity in the US expanded at a 'modest to moderate' pace in March and early April. Separately, the South African Rand rallied against the dollar, after better than expected inflation and retail sales data boosted investor sentiment.

## GBP ZAR ▼

### GBP trading weaker against ZAR

At 06:00 SAST, the British Pound retreated 0.1% against the South African Rand to trade at R16.9263. Later today, traders will keep an eye on UK's retail sales for further cues.

The British Pound declined against the South African Rand yesterday, after data indicated that UK's Consumer Price Index (CPI) eased on a yearly basis in March, reaching to its lowest level in one year. Additionally, the house price index recorded a less-than-expected rise on an annual basis in February. On the contrary, annual producer price index (PPI) advanced higher than market anticipations in March.

## EUR ZAR ▼

### EUR trading lower against ZAR

At 06:00 SAST, the Euro is trading marginally weaker against the South African Rand at R14.7607. Going forward, market participants will keep a tab on Eurozone's current account balance for further indication.

The Euro weakened against the South African Rand yesterday. On the macroeconomic front, Eurozone's final CPI climbed less than market forecast on an annual basis in February. Further, the monthly construction output registered a decline in February.

## 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 R9.2974. Earlier in the session, Australia's unemployment rate recorded a steady reading in March. Additionally, the NAB business confidence index remained unchanged in 1Q18.

The Australian Dollar fell against the South African Rand yesterday.

## Key currencies & commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	11.9249	▼	-0.46	-1.17	0.77	0.38	-3.64
GBPZAR	16.9263	▼	-1.03	-1.51	2.11	2.24	1.35
EURZAR	14.7607	▼	-0.41	-0.84	1.15	1.50	-0.60
AUDZAR	9.2974	▲	-0.23	-1.01	2.16	-0.68	-3.89
EURUSD	1.2378	▲	0.03	0.35	0.41	1.07	3.07
GBPUSD	1.4196	▼	-0.59	-0.25	1.34	1.85	5.11
Brent (\$/barrel)	73.9	▲	2.65	1.24	5.97	7.12	9.88
Gold (\$/oz)	1355.0	▲	0.30	0.48	2.15	0.37	3.20
Platinum (\$/oz)	939.5	=	0.60	1.32	1.32	-6.15	0.57
Copper (\$/MT)*	6980.3	▲	2.23	2.70	4.51	-3.12	-3.15

\*As of previous close

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices edged 0.3% higher to trade at \$1,355.00/oz.

Yesterday, gold prices rose 0.3% to close at \$1,351.20/oz.

## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil rose 0.6% to trade at \$73.91/bl, after a news report indicated that Saudi Arabia seeks to hike crude prices to as high as USD80.00 to USD100.00 per bls.

Yesterday, Brent crude oil advanced 2.7% to settle at \$73.48/bl, after the US Energy Information Administration (EIA) reported that crude oil inventories dropped by 1.1mn bls for the week ended 13 April 2018 and on expectations that major oil producers would stay committed towards global production cuts.

## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices are trading marginally lower at \$939.50/oz.

Yesterday, platinum prices climbed 0.6% to close at \$939.50/oz.

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## Major South African corporate news

### Intu Properties Plc

The company, in response to Hammerson Plc's withdrawal of recommendation in respect of acquisition of the company, announced that the explanations given by the Board of Hammerson were unsatisfactory and was confident of the company's commercial future and prospects.

### Massmart Holdings Limited

In its 12 weeks ended 25 March 2018 sales update, the company announced that total sales growth was slightly positive while comparable sales growth was slightly negative, with product deflation of -0.4%. Further, the food sales growth remained low due to ongoing deflation in commodities.

### Pallinghurst Resources Limited

The announced that it has received, net of associated sales costs amounting to AUD83.10mn from the Jupiter IPO process.

### Rebosis Property Fund Limited

The company announced the resignation of CEO, Mr Andile Mazwai with immediate effect due to personal reasons. Further, the company has decided to postpone the 1H18 results presentation date from 23 April 2018 to 8 May 2018.

### Steinhoff International Holdings NV

The company announced that Johan van Zyl has decided to withdraw his candidacy for re-election to the company's Supervisory Board and has resigned from his position as Supervisory Board member of the company with immediate effect.

## Major global economic news

### US

The Fed's Beige Book reported that economic activity in the US expanded at a 'modest to moderate' pace in March and early April. However, businesses expressed concerns over widening global trade disputes and newly introduced trade tariffs. Further, firms reported solid business borrowing, continued robust job growth as well as rising consumer spending in the US economy.

In the US, the MBA mortgage applications rose 4.9% on a weekly basis in the week ended 13 April 2018. In the prior week, mortgage applications had dropped 1.9%.

### Eurozone

In Eurozone, the final CPI recorded a less-than-anticipated rise of 1.3% on a yearly basis in March. The preliminary figures had indicated a rise of 1.4%. The CPI had recorded a rise of 1.1% in the prior month.

In Eurozone, the seasonally adjusted construction output slid 0.5% on a monthly basis in February. Construction output had recorded a revised drop of 0.8% in the prior month.

### UK

In the UK, the CPI advanced 2.5% on an annual basis in March, lower than market expectations. The CPI had risen 2.7% in the previous month.

In the UK, the non-seasonally adjusted output PPI registered a more-than-expected rise of 2.4% on an annual basis in March, compared to a rise of 2.6% in the prior month.

In February, the yearly house price index climbed 4.4% in the UK, less than market expectations. In the previous month, the house price index had climbed by a revised 4.7%.

### Asia

In Australia, the seasonally adjusted unemployment rate remained flat at 5.5% in March.

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## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus	Previous	Frequency
 Eurozone	10:00	Current Account n.s.a. (Feb)	✓	-	EUR12.80 bn	Monthly
 Eurozone	10:00	Current Account s.a (Feb)	✓✓✓	-	EUR37.60bn	Monthly
 Italy	10:00	Current Account (Feb)	✓	-	-EUR1.27bn	Monthly
 UK	10:30	Retail Sales ex-Fuel (YoY) (Mar)	✓✓✓	1.40%	1.10%	Monthly
 UK	10:30	Retail Sales (MoM) (Mar)	✓✓✓	-0.60%	0.80%	Monthly
 UK	10:30	Retail Sales (YoY) (Mar)	✓✓✓	1.90%	1.50%	Monthly
 UK	10:30	Retail Sales ex-Fuel (MoM) (Mar)	✓✓✓	-0.40%	0.60%	Monthly
 UK	12:10	BoE FPC's Brazier speaks in London	✓	-	-	As scheduled
 US	14:00	Fed's Brainard Speaks on Regulatory Reform	✓	-	-	As scheduled
 US	14:30	Philadelphia Fed Manufacturing Survey (Apr)	✓✓	21.00	22.30	Monthly
 Canada	14:30	ADP Publishes March Payrolls Report	✓	-	-	As scheduled
 US	14:30	Continuing Jobless Claims (07-Apr)	✓✓✓	1845.00K	1871.00K	Weekly
 US	14:30	Initial Jobless Claims (14-Apr)	✓✓✓	230.00K	233.00K	Weekly
 US	15:10	Fed's Quarles speech	✓✓	-	-	As scheduled
 US	16:00	Leading Indicator (MoM) (Mar)	✓✓✓	0.30%	0.60%	Monthly
 US	16:30	EIA Natural Gas Storage Change (13-Apr)	✓✓✓	-	-19.00Bcf	Weekly
 UK	18:30	MPC Member Cunliffe Speech	✓✓	-	-	As scheduled
 Eurozone	-	EcoFin Meeting	✓✓	-	-	As scheduled

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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