

ONE Minute Brief

3 April 2018

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Economic and Political News

In South Africa (SA), trade surplus stood at ZAR431.00mn in February, compared to a shortfall of ZAR27.00bn in January. The nation's producer price index (PPI) advanced 4.2% YoY in February, compared to a rise of 5.1% in the prior month. Private sector credit recorded a more-than-expected rise of 5.74% YoY in February, from a 5.54% rise recorded last month. On an annual basis, M3 money supply rose 6.89% in February, more than market forecast and compared to a rise of 5.83% in January.

Anti-apartheid campaigner and former first lady, Winnie Madikizela-Mandela, has expired. President Ramaphosa announced that she will receive a state funeral in just under two weeks' time.

On Thursday, a class action lawsuit was filed against Tiger Brands, as one of the company's food factories was linked to the listeria outbreak.

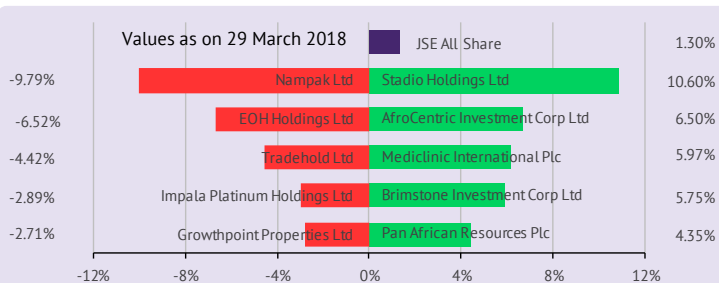
An energy ministry spokeswoman stated that the Pretoria court has dismissed an attempt to block renewable power contracts worth USD4.7bn.

Citing huge growth potential, SA's tourism minister, Derek Hanekom indicated that SA will accelerate visa processes and host major conferences in a bid to boost foreign arrivals by 40.0% by 2021.

South Africa Market ▲

South African markets closed higher

South African markets ended firmer on Thursday, boosted by gains in resources, banking and financial sector stocks. On Thursday, the JSE All Share Index rose 1.3% to close at 55,474.52.



Key Indices

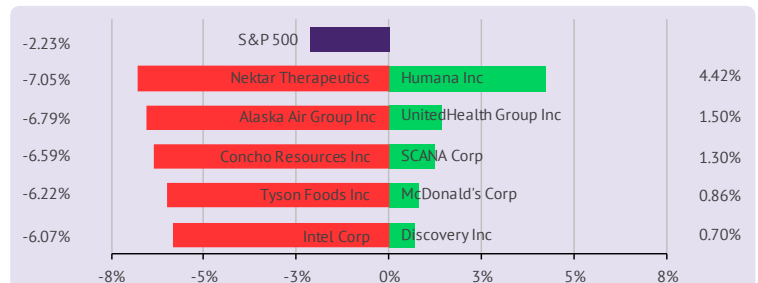
	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share*	55474.52	▲	710.55	1.30%	0.00%	0.00%	-4.89%	-6.77%
JSE Top 40*	48794.50	▲	654.72	1.36%	0.00%	0.00%	-5.04%	-7.12%
FTSE 100*	7056.61	▲	11.87	0.17%	0.00%	0.00%	-2.42%	-8.21%
DAX 30*	12096.73	▲	156.02	1.31%	0.00%	0.00%	-2.73%	-6.35%
CAC 40*	5167.30	▲	36.86	0.72%	0.00%	0.00%	-2.88%	-2.73%
S&P 500	2581.88	▼	-58.99	-2.23%	-2.23%	-2.23%	-2.69%	-3.43%
Nasdaq Composite	6870.12	▼	-193.33	-2.74%	-2.74%	-2.74%	-2.88%	-0.48%
DJIA	23644.19	▼	-458.92	-1.90%	-1.90%	-1.90%	-3.70%	-4.35%

*Values as on 29 March 2018

US Market ▼

The S&P 500 futures are trading in the green

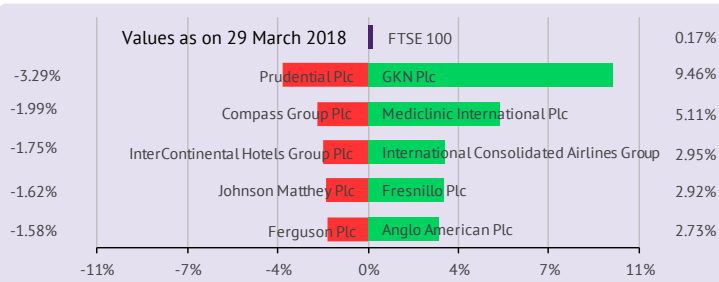
US markets closed lower yesterday, amid concerns over a potential trade war between the US and China and fears of regulatory crackdown on technology sector stocks. The S&P 500 Index dropped 2.2% to close at 2,581.88.



UK Market ▼

The FTSE 100 futures are trading in negative territory

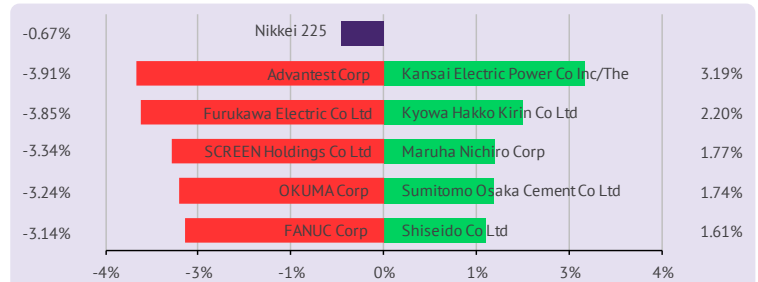
UK markets settled higher on Thursday, supported by a rally in GKN shares, after the company agreed to a buyout offer from Melrose Industries. On Thursday, the FTSE 100 Index advanced 0.2% to close at 7,056.61.



Asian Market ▼

Trading lower

Asian markets are trading lower this morning, tracking overnight losses on Wall Street. The Nikkei 225 Index is trading 0.7% lower at 21,245.53.



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USDZAR ▼

USD trading weaker against ZAR

At 06:00 SAST, the US Dollar is trading 0.2% lower against the South African Rand at R11.8263, amid growing trade tensions between the US and China. With no major economic news in the US today, investor sentiment will be determined by global macroeconomic news.

The US Dollar rose against the South African Rand yesterday. On the data front, the US final Markit manufacturing PMI unexpectedly dropped in March. Additionally, ISM manufacturing index fell more than market expectations in March. Further, the nations' construction spending rose at a slower-than-anticipated pace on a monthly basis in February. Separately, in SA, private sector credit advanced more than market expectations on an annual basis in February. Meanwhile, the nation's PPI rose less-than-expected on an annual basis in February.

GBPZAR ▼

GBP trading lower against ZAR

At 06:00 SAST, the British Pound is trading 0.1% weaker against the South African Rand at R16.6216. Later today, traders will keep an eye on UK's Markit manufacturing PMI for further indication.

The British Pound advanced against the South African Rand yesterday. On Thursday, data revealed that UK's gross domestic product (GDP) remained unchanged on a quarterly basis in 4Q17. Further, net consumer credit rose more than market forecast in February. Furthermore, current account deficit unexpectedly narrowed in 4Q17. Meanwhile, the nation's mortgage approvals recorded a more-than-expected drop in February. Additionally, Nationwide house price index unexpectedly dropped on a monthly basis in March.

EURZAR ▼

EUR trading weaker against ZAR

At 06:00 SAST, the Euro is trading 0.2% lower against the South African Rand at R14.5519. Going forward, market participants will keep a tab on the Markit manufacturing PMIs across the Eurozone for further direction.

The Euro strengthened against the South African Rand yesterday. Data indicated that Germany's consumer price index (CPI) rose lower than market anticipation on an annual basis in March. Further, unemployment rate fell in line with market expectations in March.

AUDZAR ▲

AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar rose 0.1% against the South African Rand to trade at R9.0861. Earlier in the session, Australia's AiG performance of manufacturing index recorded a rise in March.

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	11.8263	▼	0.07%	0.07%	0.07%	0.38%	-4.31%
GBPZAR	16.6216	▼	0.26%	0.26%	0.26%	2.24%	-0.49%
EURZAR	14.5519	▼	-0.16%	-0.16%	-0.16%	1.50%	-1.88%
AUDZAR	9.0861	▲	-0.15%	-0.15%	-0.15%	-0.68%	-6.06%
EURUSD	1.2305	▲	-0.18%	-0.18%	-0.18%	1.07%	2.47%
GBPU\$	1.4055	▲	0.21%	0.21%	0.21%	1.85%	3.93%
Brent (\$/barrel)	67.8	▲	-2.45%	-2.45%	-2.45%	7.12%	1.15%
Gold (\$/oz)	1342.7	▲	1.46%	1.46%	1.46%	0.37%	2.51%
Platinum (\$/oz)	931.6	▲	0.37%	0.37%	0.37%	-6.15%	-0.37%
Copper (\$/MT)*	6679.3	-	0.00%	NA	0.00%	-3.12%	-7.32%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices marginally climbed to trade at \$1,342.70/oz.

Yesterday, gold prices rose 1.5% to close at \$1,342.10/oz, as the US Dollar weakened against its major counterparts amid rising trade tensions between the US and China after China imposed additional tariffs on US imports.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil advanced 0.3% to trade at \$67.82/bl.

Yesterday, Brent crude oil dropped 2.5% to settle at \$67.64/bl, as a surprise rise in crude stockpiles at Cushing, Oklahoma and escalating fears over a potential trade war between the US and China weighed on demand outlook of the commodity. On Thursday, Baker Hughes reported that US oil rig count fell by 7 to 797 last week.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices advanced 0.1% to trade at \$931.60/oz.

Yesterday, platinum prices climbed 0.4% to close at \$930.70/oz.

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Major South Africa Corporate News

AngloGold Ashanti Limited

The company announced that representatives of the mining industry in the Democratic Republic of Congo have submitted a formal proposal to the country's Ministry of Mines regarding the recently revised mining code as well as the government's revenue needs.

Gold Fields Limited

The company announced that it has entered into a definitive agreement through a wholly-owned subsidiary with Canada's Asanko Gold Inc to form a 50:50 joint venture with a subsidiary of Asanko, being Asanko Gold Ghana Limited (AGG). Further, the company's subsidiary has agreed to acquire a 50.0% stake in AGG's 90.0% interest in the Asanko Gold Mine, associated properties and exploration rights in Ghana for a purchase consideration which comprises of an upfront payment of USD165.00mn on closing of the transaction and a deferred payment of USD20.00mn.

Lewis Group Limited

The company announced that it has appointed Jacques Bestbier as the Chief Financial Officer and Executive Director of the company with effect from April 1, 2018.

Mediclinic International Plc

The company announced that Dr Ronnie van der Merwe will succeed Danie Meintjes as the CEO of the company from June 1, 2018 and will be appointed as an Executive Director of the company with effect from that date.

Naspers Limited

The company announced that it has acquired 22.36mn shares of Delivery Hero AG from Rocket Internet SE for EUR660.00mn at a price of EUR29.50 per share. Further, the acquisition takes the company's stake in Delivery Hero AG to 22.8% and positions the company as the largest shareholder in Delivery Hero AG.

Major Global Economic News

UK

In the UK, the final GDP recorded a rise of 0.4% on a quarterly basis in 4Q17, compared to a similar rise in the prior quarter. The preliminary figures had also indicated an advance of 0.4%.

In the UK, net consumer credit recorded a more-than-expected rise of GBP1.60bn in February, compared to a revised rise of GBP1.30bn in the previous month.

In the UK, number of mortgage approvals for house purchases eased more-than-anticipated to 63.90K in February, from a revised level of 67.10K in the prior month.

In January, index of services rose 0.2% on a monthly basis in the UK, meeting market expectations and compared to a revised 0.1% rise in the prior month.

Current account deficit in the UK narrowed to GBP18.40bn in 4Q17, compared to a revised shortfall of GBP19.20bn in the previous quarter.

In the UK, the seasonally adjusted Nationwide house prices unexpectedly eased 0.2% on a monthly basis in March, from a revised drop of 0.4% in the prior month.

Eurozone

In Germany, the preliminary CPI advanced 1.6% on an annual basis in March, lower than market anticipations. In the prior month, the CPI had risen 1.4%.

In Germany, the seasonally adjusted unemployment rate dropped to 5.3% in March, at par with market expectations and compared to a rate of 5.4% recorded in the previous month.

US

In the US, the final Markit manufacturing PMI unexpectedly fell to a level of 55.60 in March, compared to a reading of 55.30 in the prior month. The preliminary figures had recorded a rise to 55.70.

In March, the ISM manufacturing activity index recorded a more-than-expected drop to 59.30 in the US. The index had registered a level of 60.80 in the prior month.

In the US, construction spending registered a rise of 0.1% on a monthly basis in February, lower than market expectations. In the previous month, construction spending had recorded a flat reading.

Asia

The AIG performance of manufacturing index in Australia advanced to 63.10 in March, compared to a reading of 57.50 in the previous month.

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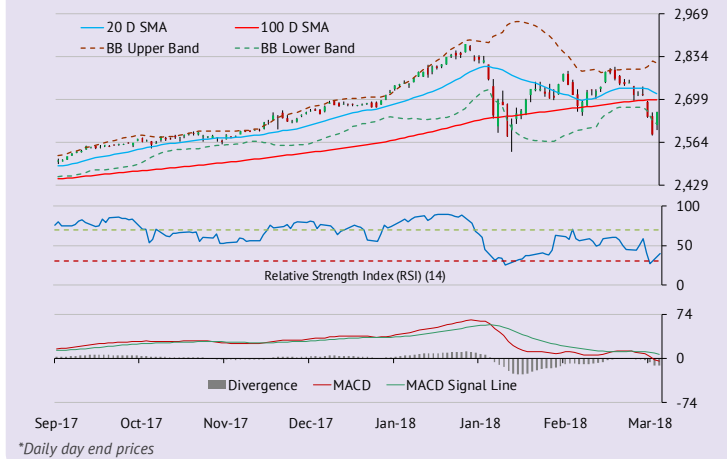
Technical Snapshot

JSE All Share



The JSE All Share index is expected to find support at 55,050.66, and a fall through could take it to the next support level of 53,924.90. The index is expected to find its first resistance at 58,072.92, and a rise through could take it to the next resistance level of 59,969.42.

S&P 500



The S&P 500 index is expected to find support at 2,583.25, and a fall through could take it to the next support level of 2,507.94. The index is expected to find its first resistance at 2,736.50, and a rise through could take it to the next resistance level of 2,814.44.

USDZAR



The pair is expected to find support at 11.4762, and a fall through could take it to the next support level of 11.3187. The pair is expected to find its first resistance at 11.9195, and a rise through could take it to the next resistance level of 12.2053.

XAU/USD



Gold is expected to find support at \$1,322.40/oz, and a fall through could take it to the next support level of \$1,289.80/oz. The precious metal is expected to find its first resistance at \$1,371.80/oz, and a rise through could take it to the next resistance level of \$1,388.60/oz.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:50	Monetary Base (YoY) (Mar)	✓	9.10%*	9.40%	Monthly
Japan	01:50	Monetary Base (Mar)	✓✓✓	JPY487.00tn*	JPY475.20tn	Monthly
Germany	08:00	Retail Sales (MoM) (Feb)	✓✓✓	0.70%	-0.70%	Monthly
Germany	08:00	Retail Sales (YoY) (Feb)	✓✓✓	2.40%	2.30%	Monthly
Spain	09:00	Unemployment Change (Mar)	✓✓✓	-47.50K	-6.30K	Monthly
Switzerland	09:15	Real Retail Sales (YoY) (Feb)	✓✓	-	-1.40%	Monthly
Spain	09:15	Markit Manufacturing PMI (Mar)	✓	54.70	56.00	Monthly
Switzerland	09:30	SVME - PMI (Mar)	✓✓	64.30	65.50	Monthly
Italy	09:45	Markit Manufacturing PMI (Mar)	✓✓✓	55.50	56.80	Monthly
France	09:50	Markit Manufacturing PMI (Mar) (F)	✓✓✓	53.60	53.60**	Monthly
Germany	09:55	Markit Manufacturing PMI (Mar) (F)	✓✓✓	58.40	58.40**	Monthly
Eurozone	10:00	Markit Manufacturing PMI (Mar) (F)	✓✓✓	56.60	56.60**	Monthly
UK	10:30	Markit Manufacturing PMI (Mar)	✓✓✓	54.70	55.20	Monthly
South Africa	11:00	PMI Manufacturing (Mar)	✓✓	-	50.80	Monthly
US	15:30	Fed's Kashkari Speaks at Regional Economic Forum	✓	-	-	As scheduled
US	22:30	Fed's Brainard Speaks on Financial Stability	✓	-	-	As scheduled
South Africa	-	Naamsa Vehicle Sales (YoY) (Mar)	✓	-	-3.80%	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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