

# ONE Minute Brief

28 May 2018

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## Economic and political news

S&P Global Ratings has affirmed South Africa's (SA) rand debt at "BB+" and kept its foreign-currency debt unchanged at "BB", with a stable outlook, as expected. However, the agency warned that the country's improved economic growth remained tentative and the fiscal position was still weak. Meanwhile, the Treasury stated that restoring the country's investment grade credit rating remained a top priority.

News reports revealed that the Democratic Alliance (DA) has dismissed reports that the party was about to split.

News reports indicated that the African National Congress (ANC) has not yet decided on who should replace North West Premier, Supra Mahumapelo. Meanwhile, a news report indicated that Mahumapelo's political future would be decided at ANC National Executive Committee meeting this week.

According to a news report, President, Cyril Ramaphosa, has authorised an investigation into allegations of irregularities and unlawful conduct at several government departments.

The DA has called for a statutory "fiscal rule" aimed at stabilising national debt and debt service costs in SA.

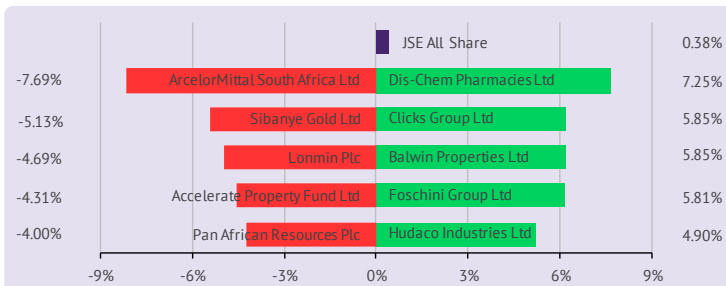
## Key indices

	Last close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	56916.97	▲	217.77	0.38	NA	-2.29	5.01	-4.35
JSE Top 40	50541.99	▲	196.49	0.39	NA	-1.71	5.38	-3.79
FTSE 100	7730.28	▲	13.54	0.18	NA	2.94	6.42	0.55
DAX 30	12938.01	▲	82.92	0.65	NA	2.58	4.26	0.16
CAC 40	5542.55	▼	-5.90	-0.11	NA	0.40	6.84	4.33
S&P 500	2721.33	▼	-6.43	-0.24	NA	2.77	0.27	1.78
Nasdaq Composite	7433.85	▲	9.43	0.13	NA	5.20	0.04	7.68
DJIA	24753.09	▼	-58.67	-0.24	NA	2.44	0.25	0.14
MSCI Emerging Markets	1136.62	▲	1.56	0.14	NA	-2.39	-0.55	-1.88
MSCI Developed World	2110.80	▼	-6.93	-0.33	NA	1.16	0.95	0.35

## South Africa Market ▲

### South African markets closed higher

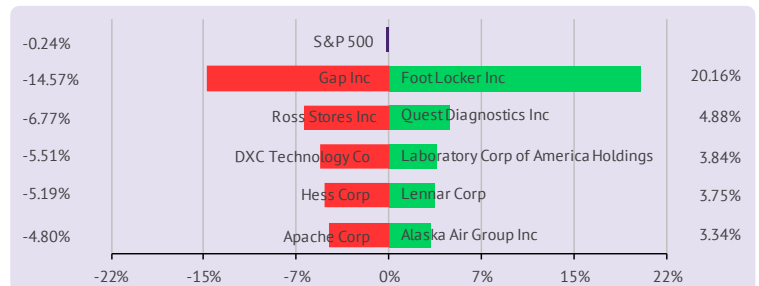
South African markets closed in the green on Friday, boosted by gains in retail, banking and financial sector stocks. The JSE All Share Index rose 0.4% to close at 56,916.97.



## US Market ▼

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

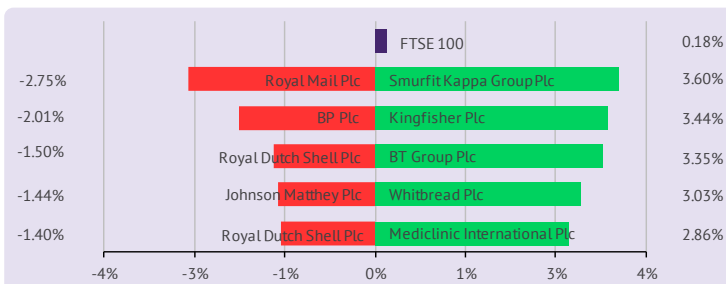
US markets ended mostly lower on Friday, weighed down by losses in energy sector stocks. Data indicated that the US durable goods orders fell more-than-expected in April. The S&P 500 Index dropped 0.2% to close at 2,721.33.



## UK Market ▲

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

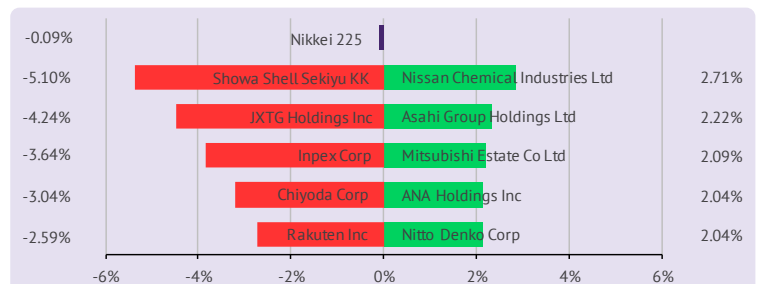
UK markets finished higher on Friday, as the British Pound weakened, amid Brexit uncertainty. The FTSE 100 Index advanced 0.2% to close at 7,730.28.



## Asian Market ▲

### Trading mostly higher

Asian markets are trading mostly higher this morning. The Nikkei 225 Index is trading 0.1% lower at 22,429.81.



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## USD ZAR ▼

### USD trading weaker against ZAR

At 06:00 SAST, the US Dollar is trading 0.2% lower against the South African Rand at R12.4816. 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 on Friday, as geopolitical tensions subsided. On the macro front, the US durable goods orders recorded a more-than-expected drop in April. Additionally, the Michigan consumer sentiment index unexpectedly dropped in May.

## GBP ZAR ▲

### GBP trading higher against ZAR

At 06:00 SAST, the British Pound is trading marginally higher against the South African Rand at R16.6367. Amid no major economic news in the UK today, investor sentiment will be determined by macroeconomic factors.

The British Pound advanced against the South African Rand on Friday. On the data front, UK's GDP advanced at par with market expectations on a quarterly basis in 1Q18, marking its weakest growth since end of 2012. Further, the BBA loan approvals for house purchase recorded a rise in April.

## EUR ZAR ▲

### EUR trading firmer against ZAR

At 06:00 SAST, the Euro gained 0.4% against the South African Rand to trade at R14.6222. Amid lack of major economic news across the Eurozone, market sentiment will be determined by global macroeconomic news.

The Euro strengthened against the South African Rand on Friday. Data indicated that Germany's Ifo business climate index surprised with a rise in May. Moreover, Ifo current assessment index unexpectedly climbed in the same month. Meanwhile, Ifo expectations index slid in line with market forecast in May.

## AUD ZAR ▲

### AUD trading stronger against ZAR

At 06:00 SAST, the Australian Dollar gained 0.1% against the South African Rand to trade at R9.4546.

The Australian Dollar rose against the South African Rand on Friday.

## Key currencies & commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	12.4816	▼	0.64	NA	0.33	5.24	0.96
GBPZAR	16.6367	▲	0.08	NA	-3.07	3.38	-0.53
EURZAR	14.6222	▲	0.04	NA	-3.22	3.08	-1.96
AUDZAR	9.4546	▲	0.34	NA	0.65	3.20	-2.27
EURUSD	1.1716	▲	-0.59	NA	-3.54	-2.00	-2.95
GBPUSD	1.3331	▲	-0.53	NA	-3.30	-1.80	-1.51
Brent (\$/barrel)	75.0	▼	-2.98	NA	2.34	7.72	14.31
Gold (\$/oz)	1303.7	=	-0.05	NA	-1.17	-0.27	-0.43
Platinum (\$/oz)	903.0	▲	-1.24	NA	-0.34	-2.47	-3.52
Copper (\$/MT)*	6865.3	▲	0.11	NA	1.41	1.36	-4.74

\*As of previous close

## Gold ▼

### Trading in the red

At 06:00 SAST, gold prices edged marginally lower to trade at \$1,303.70/oz, after the US President, Donald Trump, renewed hopes of a nuclear summit with North Korea.

On Friday, gold prices fell 0.1% to close at \$1,303.70/oz, as strength in the US Dollar, dented demand for the safe haven asset.

## Brent Crude Oil ▼

### Trading weaker

At 06:00 SAST, Brent crude oil edged 1.9% lower to trade at \$74.96/bl.

On Friday, Brent crude oil dropped 3.0% to settle at \$76.44/bl, amid reports that the Organization of the Petroleum Exporting Countries (OPEC) and Russia might increase production by as much as 1.00mn bls a day to meet the shortfall in supply from Iran and Venezuela. Moreover, Baker Hughes reported that US oil rig count rose by 15 to 859 last week.

## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices gained 0.2% to trade at \$903.00/oz.

On Friday, platinum prices declined 1.2% to close at \$901.30/oz.

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## Major South African corporate news

### Massmart Holdings Limited

The company announced that Ms. Olufunke Ighodaro has been appointed as a Non-Executive Director of the company and a member of the Massmart Audit and Risk Committees with effect from 25 May 2018.

## Major global economic news

### Eurozone

In Germany, the Ifo business climate index unexpectedly rose to 102.20 in May, compared to a level of 102.10 in the previous month.

In May, the Ifo business expectations index recorded a drop to 98.50 in Germany, in line with market expectations. The index had recorded a reading of 98.70 in the prior month.

In Germany, the Ifo current assessment index unexpectedly climbed to 106.00 in May. In the previous month, the index had registered a reading of 105.70.

### US

In the US, the preliminary durable goods orders slid 1.7% on a monthly basis in April, more than market expectations. In the previous month, durable goods orders had climbed 2.6%.

In the US, the final Michigan consumer sentiment index unexpectedly fell to 98.00 in May. In the previous month, the index had recorded a reading of 98.80.

### UK

In the UK, the second estimate of GDP advanced 0.1% on a quarterly basis in 1Q18, in line with market expectations. The preliminary figures had also recorded an advance of 0.1%. In the previous quarter, GDP had registered a rise of 0.4%.

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	01:50	Corporate Service Price (YoY) (Apr)	✓	0.90%*	0.50%	Monthly
France	09:00	Villeroy Speaks in Paris	✓	-	-	As scheduled
Italy	10:00	Producer Price Index (MoM) (Apr)	✓✓	-	0.40%	Monthly
Italy	10:00	Producer Price Index (YoY) (Apr)	✓	-	2.40%	Monthly
Italy	10:00	Producer Price Index (Apr)	✓	-	102.10	Monthly
UK	-	Nationwide House Prices n.s.a. (YoY) (May)	✓✓	3.00%	2.60%	Monthly
UK	-	Nationwide House Prices s.a. (MoM) (May)	✓✓✓	0.20%	0.20%	Monthly

Note: ✓✓✓High    ✓✓Medium    ✓Low

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## 40 best performers on the All Share Index

Company name	Last close	1 Week % change	MTD % change	YTD % change
Murray & Roberts Holdings Ltd	1720	7.43	10.47	42.03
Clover Industries Ltd	1823	-3.54	-5.05	41.43
Lewis Group Ltd	3450	-15.85	-26.52	35.21
JSE Ltd	18832	-2.25	-3.68	26.61
Netcare Ltd	3017	2.79	-2.65	22.68
PPC Ltd	852	-2.07	-2.63	22.24
Emira Property Fund Ltd	1555	1.77	-2.93	20.87
Anglo American Plc	29748	-7.04	0.44	19.04
Clicks Group Ltd	21275	0.26	-0.44	18.98
Reunert Ltd	8071	-0.93	3.47	17.67
Octodec Investments Ltd	2105	-4.75	0.66	17.21
Santam Ltd	30554	-0.47	-4.52	16.63
Sun International Ltd	6781	-2.43	23.52	15.66
BHP Billiton Plc	28176	-5.28	5.79	15.54
Mondi Plc	34574	-2.60	5.91	15.37
Raubex Group Ltd	2300	2.72	11.11	15.35
Mondi Ltd	34500	-2.54	5.65	14.70
RCL Foods Ltd	1726	-1.99	-5.16	14.46
Echo Polska Properties NV	1850	-1.07	-2.63	13.92
Hudaco Industries Ltd	15997	8.82	-0.63	13.81
Nedbank Group Ltd	28345	-2.08	-4.71	13.36
AECI Ltd	10955	-3.68	-7.03	12.96
Adcock Ingram Holdings Ltd	6484	-1.38	-4.65	12.55
Telkom SA SOC Ltd	5363	-0.39	-5.61	11.45
PSG Konsult Ltd	960	-3.03	7.11	11.27
Investec Plc	9872	2.30	-0.90	9.98
Old Mutual Plc	4110	-2.14	-5.30	9.80
Sasol Ltd	46401	-4.13	3.58	9.70
Investec Ltd	9800	2.73	-0.48	9.23
Mpact Ltd	2616	-0.38	-8.85	8.75
Redefine Properties Ltd	1115	1.56	-2.93	8.68
Pick n Pay Stores Ltd	7555	-0.59	-6.07	8.61
City Lodge Hotels Ltd	15400	-2.22	-6.10	8.33
Standard Bank Group Ltd	20684	4.47	-3.49	8.27
Accelerate Property Fund Ltd	555	-4.31	-7.50	7.77
Balwin Properties Ltd	543	-4.74	-7.97	6.47
Mr Price Group Ltd	26050	4.85	-4.92	6.38
Hammerson Plc	9300	-1.36	-1.06	5.97
Transaction Capital Ltd	1766	-3.50	0.80	5.75
South32 Ltd	3497	-6.92	1.07	5.74
<b>JSE All Share Index</b>	<b>56917</b>	<b>-1.54</b>	<b>-2.29</b>	<b>-4.35</b>

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