

ONE  
Minute Brief

2 May 2018

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## Economic and political news

In South Africa (SA), private sector credit rose more-than-expected 5.96% on a yearly basis in March, compared to an advance of 5.74% in February. M3 money supply advanced 6.42% on an annual basis in March, less than market expectations and compared to a rise of 6.89% in the prior month. The nation posted a trade surplus of ZAR9.50bn in March, compared to a revised trade deficit of ZAR0.60bn in the previous month.

President, Cyril Ramaphosa, has acknowledged that the proposed national minimum wage of ZAR20 per hour or ZAR3,000 monthly was not a normal living wage. Meanwhile, Ramaphosa has called for equal pay for men and women in the country.

In response to a news report, Eskom stated that it is not bailing out Gupta-linked, Optimum coal mine.

News reports indicated that the US has not granted SA an exemption on its increased steel and aluminium tariffs.

The African National Congress (ANC) wants the Congress of South African Trade Unions to reconsider its stance on the National Union of Metalworkers of SA and the SA Federation of Trade Unions.

## Key indices

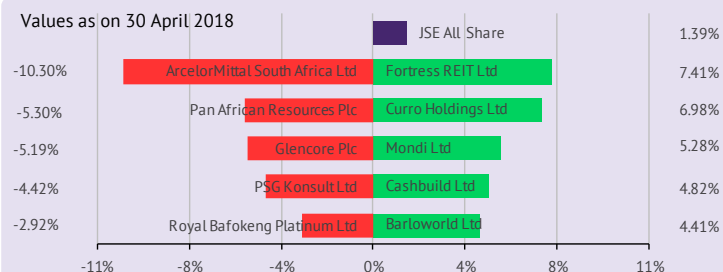
	Last close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share*	58252.12	▲	799.08	1.39	1.39	0.00	5.01	-2.10
JSE Top 40*	51419.22	▲	735.00	1.45	1.45	0.00	5.38	-2.12
FTSE 100	7520.36	▲	11.06	0.15	0.24	0.15	6.42	-2.18
DAX 30*	12612.11	▲	31.24	0.25	0.25	0.00	4.26	-2.37
CAC 40*	5520.50	▲	37.32	0.68	0.68	0.00	6.84	3.91
S&P 500	2654.80	▲	6.75	0.25	-0.57	0.25	0.27	-0.70
Nasdaq Composite	7130.70	▲	64.44	0.91	0.15	0.91	0.04	3.29
DJIA	24099.05	▼	-64.10	-0.27	-0.87	-0.27	0.25	-2.51
MSCI Emerging Markets	1162.48	▼	-1.95	-0.17	0.53	-0.17	-0.55	0.35
MSCI Developed World	2083.77	▼	-2.74	-0.13	-0.59	-0.13	0.95	-0.94

\*Values as on 30 April 2018

## South Africa Market ▲

## South African markets closed higher

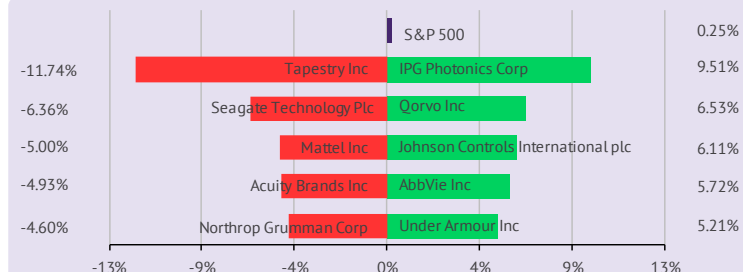
South African markets closed in the green on Monday, boosted by gains in banking, retail and property sector stocks. Data indicated that SA recorded a trade surplus in March. On Monday, the JSE All Share Index rose 1.4% to close at 58,252.12.



## US Market ▲

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

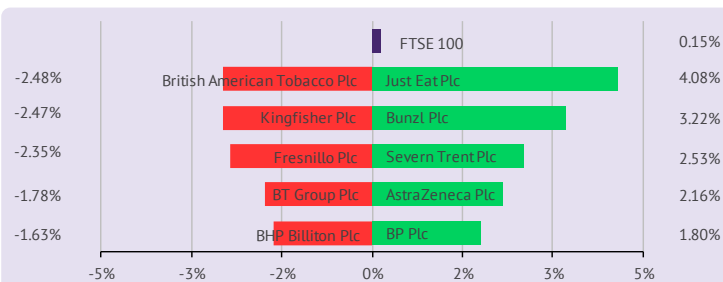
US markets closed mostly higher yesterday, buoyed by gains in technology sector stocks. Data revealed that the US Markit manufacturing PMI remained unchanged in April. The S&P 500 Index climbed 0.3% to close at 2,654.80.



## UK Market ▲

## The FTSE 100 futures are trading in negative territory

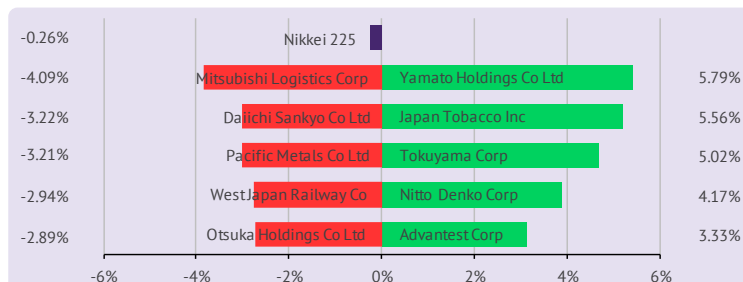
UK markets finished higher yesterday, as the British Pound weakened, after UK's Markit manufacturing PMI dropped to a seventeen-month low in April. The FTSE 100 Index advanced 0.2% to close at 7,520.36.



## Asian Market ▼

## Trading lower

Asian markets are trading lower this morning. Data revealed that Japan's Nikkei services PMI advanced in April. The Nikkei 225 Index is trading 0.3% lower at 22,449.42.



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## USD ZAR ▼

### USD trading weaker against ZAR

At 06:00 SAST, the US Dollar is trading marginally lower against the South African Rand at R12.6519. Later today, traders will keep a close watch on the FOMC interest rate decision along with the US MBA mortgage applications and ADP employment change data for further direction.

The US Dollar rose against the South African Rand yesterday, ahead of the US Federal Reserve rate decision. Data indicated the US Markit manufacturing PMI recorded a steady reading in April. Meanwhile, the ISM manufacturing index slid more market expectations in April. Moreover, the ISM employment dropped in the same month. Separately, in SA, the private sector credit rose more-than-anticipated on an annual basis in March. Further, the nation recorded a more-than-expected trade surplus in March. Meanwhile, M3 money supply advanced less than market forecast on a yearly basis in the same month.

## GBP ZAR ▲

### GBP trading higher against ZAR

At 06:00 SAST, the British Pound is trading marginally firmer against the South African Rand at R17.2248. Later today, traders will keep an eye on UK's construction PMI for further direction.

The British Pound advanced against the South African Rand yesterday. Data showed that UK's Markit manufacturing PMI fell to a seventeen-month low level in April. Further, mortgage approvals registered a more-than-expected decline in March. Meanwhile, net consumer credit rose less than market forecast in March.

## EUR ZAR ▲

### EUR trading firmer against ZAR

At 06:00 SAST, the Euro gained 0.1% against the South African Rand to trade at R15.1887. Going forward, market participants will keep a tab on Eurozone's gross domestic product, unemployment rate and Markit manufacturing PMI along with Germany's Markit manufacturing PMI for further cues.

The Euro strengthened against the South African Rand yesterday.

## AUD ZAR ▲

### AUD trading stronger against ZAR

At 06:00 SAST, the Australian Dollar rose 0.2% against the South African Rand to trade at R9.4934. Separately, in China, Australia's largest trading partner, Caixin manufacturing PMI recorded an unexpected rise in April.

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	12.6519	▼	1.54	2.62	1.54	5.24	2.18
GBPZAR	17.2248	▲	0.36	1.32	0.36	3.38	2.99
EURZAR	15.1887	▲	0.84	1.45	0.84	3.08	2.15
AUDZAR	9.4934	▲	0.99	1.38	0.99	3.20	-1.94
EURUSD	1.2005	▲	-0.70	-1.13	-0.70	-2.00	-0.10
GBPUSD	1.3614	-	-1.08	-1.21	-1.08	-1.80	0.75
Brent (\$/barrel)	73.3	▲	-2.09	-2.02	-2.09	7.72	9.36
Gold (\$/oz)	1311.6	▲	-0.94	-1.25	-0.94	-0.27	-0.19
Platinum (\$/oz)	899.8	▲	-1.13	-2.42	-1.13	-2.47	-4.28
Copper (\$/MT)*	6707.3	▼	-0.93	-0.76	-0.93	1.36	-6.93

\*As of previous close

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices gained 0.4% to trade at \$1,311.60/oz, reversing its previous session losses.

Yesterday, gold prices fell 0.9% to close at \$1,306.80/oz, as strength in the US Dollar and rise in the US Treasury yields, lowered demand for the precious yellow metal.

## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil is trading 0.2% higher at \$73.27/bl, amid concerns that the US might re-impose sanctions on Iran.

Yesterday, Brent crude oil dropped 2.1% to settle at \$73.13/bl, after the American Petroleum Institute (API) reported that crude oil inventories advanced by 3.4mn bls in the week ended 27 April 2018.

## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices advanced 0.6% to trade at \$899.80/oz.

Yesterday, platinum prices declined 1.1% to close at \$894.20/oz.

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## Major South African corporate news

### Life Healthcare Group Holdings Limited

In its 1H18 trading update, the company stated that it expects HEPS to be in the range of 52.10c to 54.80c, which is significantly higher compared to the corresponding period of the previous year. Further, it expects revenue to be in the range of ZAR11.23bn to ZAR11.42bn, which is 16.5% to 18.5% higher, compared to the same period of the previous year.

### Nedbank Group Limited

The company announced that its performance for 1Q18 was in line with management expectations. Further, the company announced that it would provide a performance update at its AGM on 10 May 2018.

### Mondi Limited

The company announced that it has signed an agreement to acquire all the outstanding shares in National Company for Paper Products and Import & Export S.A.E, which is a privately owned industrial bags producer and operating one plant in Giza near Cairo. Further, the total consideration of the transaction stood at EUR23.70mn on a debt and cash free-basis.

### Reinet Investments SCA

The company announced that its FY18 net asset value of the fund decreased by EUR567.00mn compared to the same period of the prior year to EUR5.13bn due to the decrease in value of the fund's investment in British American Tobacco Plc during the period.

## Major global economic news

### UK

In the UK, net consumer credit advanced GBP0.25bn in March, lower than market expectations and compared to a revised rise of GBP1.70bn in the prior month.

In the UK, number of mortgage approvals for house purchases fell more-than-anticipated to a level of 62.90K in March. Number of mortgage approvals for house purchases had recorded a revised reading of 63.80K in the previous month.

In the UK, the manufacturing PMI registered a drop to 53.90 in April, more than market forecast and compared to a revised level of 54.90 in the prior month.

In April, the BRC shop price index recorded a drop of 1.0% on a yearly basis in the UK. The BRC shop price index had registered a revised similar rise in the previous month.

### US

In the US, the final Markit manufacturing PMI registered a rise to 56.50 in April, meeting market expectations. The preliminary figures had also recorded a rise to 56.50. In the prior month, the Markit manufacturing PMI had registered a reading of 55.60.

In April, the ISM manufacturing activity index registered a more-than-expected drop to 57.30 in the US. In the previous month, the ISM manufacturing activity index had registered a reading of 59.30.

In the US, construction spending registered an unexpected drop of 1.7% in March, compared to a revised advance of 1.0% in the previous month.

### Asia

In Japan, the Nikkei services PMI rose to a level of 52.50 in April, compared to a level of 50.9 in March.

In China, the Markit manufacturing PMI index surprisingly rose to a level of 51.10 in April, compared to a level of 51.00 in the previous month.

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## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
UK	01:01	BRC Shop Price Index (YoY) (Apr)	✓✓✓	-1.00%*	-1.00%	Monthly
Japan	01:50	Monetary Base (YoY) (Apr)	✓	7.80%*	9.10%	Monthly
Japan	01:50	Monetary Base (Apr)	✓✓✓	Yen498.30tn*	Yen487.00tn	Monthly
Japan	02:30	Nikkei Japan Services PMI (Apr)	✓✓	52.50*	50.90	Monthly
Japan	02:30	Nikkei Japan Composite PMI (Apr)	✓✓✓	53.10*	51.30	Monthly
China	03:45	Caixin/Markit Manufacturing PMI (Apr)	✓✓✓	51.10*	51.00	Monthly
Japan	07:00	Consumer Confidence Index (Apr)	✓✓	44.50	44.30	Monthly
Eurozone	09:00	Non-monetary policy's ECB meeting	✓✓	-	-	As scheduled
Germany	09:55	Markit Manufacturing PMI (Apr) (F)	✓✓✓	58.10	58.10**	Monthly
Eurozone	10:00	Markit Manufacturing PMI (Apr) (F)	✓✓✓	56.00	56.00**	Monthly
Greece	10:00	Manufacturing PMI (Apr)	✓	-	55.00	Monthly
UK	10:30	Markit Construction PMI (Apr)	✓✓✓	50.50	47.00	Monthly
Eurozone	11:00	Unemployment Rate (Mar)	✓✓✓	8.50%	8.50%	Monthly
South Africa	11:00	PMI Manufacturing (Apr)	✓✓	48.00	46.90	Monthly
Eurozone	11:00	Gross Domestic Product s.a. (QoQ) (Q1) (P)	✓✓✓	2.50%	2.70%	Quarterly
Eurozone	11:00	Gross Domestic Product s.a. (YoY) (Q1) (P)	✓✓	0.40%	0.60%	Quarterly
US	13:00	MBA Mortgage Applications (27-Apr)	✓	-	-0.20%	Weekly
US	14:15	ADP Employment Change (Apr)	✓✓✓	198.00K	241.00K	Monthly
US	14:55	Redbook Index (YoY) (27-Apr)	✓	-	2.60%	Weekly
US	14:55	Redbook Index s.a. (MoM) (27-Apr)	✓	-	0.30%	Weekly
Germany	17:30	German Buba President Weidmann speech	✓✓	-	-	As scheduled
US	20:00	Fed Interest Rate Decision	✓✓✓	1.75%	1.75%	As scheduled
US	20:00	Fed's Monetary Policy Statement	✓✓✓	-	-	As scheduled
South Africa	-	Naamsa Vehicle Sales (YoY) (Apr)	✓	2.00%	1.10%	Monthly

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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