

ONE Minute Brief

4 May 2018

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Economic and political news

In South Africa (SA), electricity consumption dropped 0.1% on a yearly basis in March, compared to an advance of 0.4% in February. Annual electricity production climbed 1.2% in March, compared to a rise of 2.0% in the prior month.

President, Cyril Ramaphosa, has assured that the Mining Charter will be completed "very soon".

Eskom stated that it would not resort to power cuts this year.

Transnet Chairwoman, Linda Mabaso, has resigned with immediate effect along with Non-Executive Directors, Vusi Nkonyane and Yasmin Forbes.

Cape Town Mayor, Patricia de Lille, has accused Democratic Alliance (DA) of delaying the court challenge she launched over the "Steenhuisen report".

Chief Justice, Mogoeng Mogoeng has urged South Africans to address racial divisions to protect the country's reputation.

Barclays Africa has fired its auditor KPMG, over Gupta connections.

The Gupatas have lost a court bid to keep their private jet.

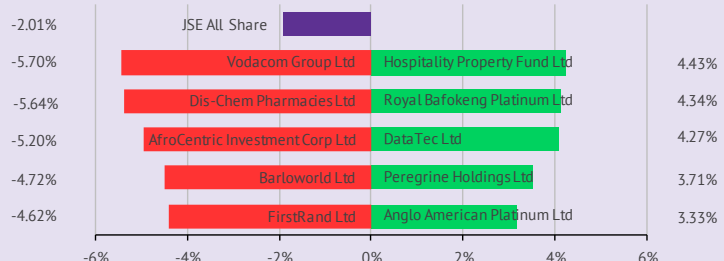
Key indices

	Last close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	57273.88	▼	-1176.56	-2.01	-0.31	-1.68	5.01	-3.75
JSE Top 40	50408.15	▼	-1145.71	-2.22	-0.54	-1.97	5.38	-4.04
FTSE 100	7502.69	▼	-40.51	-0.54	0.01	-0.09	6.42	-2.41
DAX 30	12690.15	▼	-112.10	-0.88	0.87	0.62	4.26	-1.76
CAC 40	5501.66	▼	-27.56	-0.50	0.34	-0.34	6.84	3.56
S&P 500	2629.73	▼	-5.94	-0.23	-1.50	-0.69	0.27	-1.64
Nasdaq Composite	7088.15	▼	-12.74	-0.18	-0.44	0.31	0.04	2.68
DJIA	23930.15	▲	5.17	0.02	-1.57	-0.96	0.25	-3.19
MSCI Emerging Markets	1137.85	▼	-13.59	-1.18	-1.60	-2.28	-0.55	-1.78
MSCI Developed World	2071.37	▼	-5.33	-0.26	-1.18	-0.73	0.95	-1.53

South Africa Market ▼

South African markets closed lower

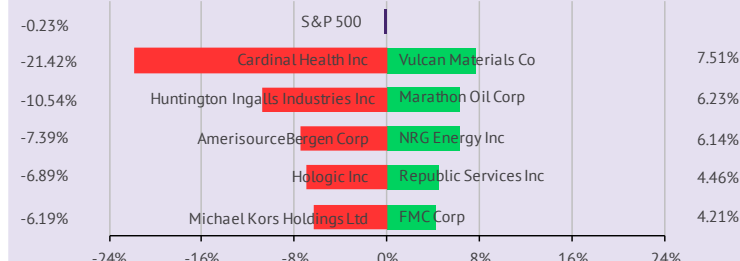
South African markets closed in the red yesterday, weighed down by losses in banking and industrial sector stocks. Data indicated that SA's annual electricity consumption declined in March. The JSE All Share Index fell 2.0% to close at 57,273.88.



US Market ▼

The S&P 500 futures are trading in the red

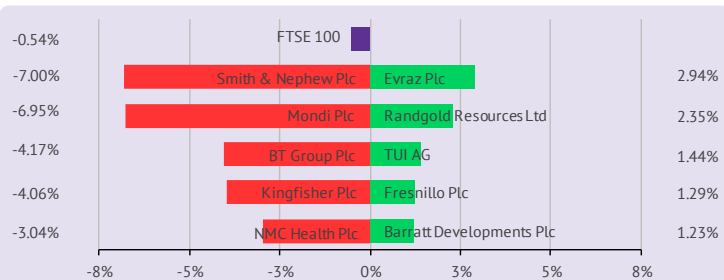
US markets closed mostly lower yesterday, amid uncertainty over US-China trade talks and dismal earnings report. Data showed that the US trade deficit narrowed more-than-expected in March. The S&P 500 Index dropped 0.2% to close at 2,629.73.



UK Market ▼

The FTSE 100 futures are trading in negative territory

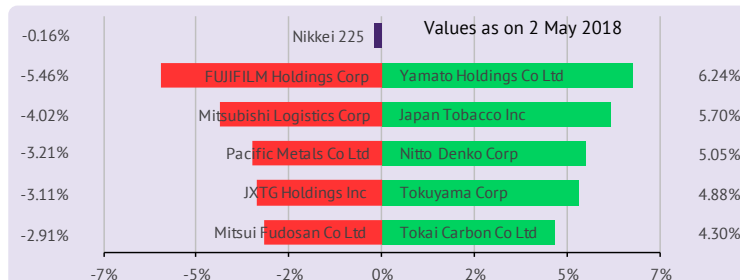
UK markets finished lower yesterday, led by losses in shares of Smith & Nephew and amid weakness in financial and healthcare stocks. The FTSE 100 Index declined 0.5% to close at 7,502.69.



Asian Market ▼

Trading lower

Asian markets are trading lower this morning. Markets in Japan are closed today on account of a public holiday. On Wednesday, the Nikkei 225 Index ended 0.2% lower at 22,472.78.



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USD ZAR ▲

USD trading higher against ZAR

At 06:00 SAST, the US Dollar marginally rose against the South African Rand to trade at R12.5894. Later today, traders will keep a close watch on the US unemployment rate, change in non-farm payrolls and average hourly earnings for further direction.

The US Dollar fell against the South African Rand yesterday. Data indicated that the US trade deficit narrowed sharply in March, reaching its lowest level since September. Additionally, the Markit services PMI recorded a more-than-anticipated rise in April. Further, initial jobless claims advanced less than market forecast in the week ended 28 April 2018. Moreover, durable goods orders remained unchanged in March. Furthermore, factory orders climbed higher than market anticipations in the same month. Separately, in SA, electricity consumption dropped on an annual basis in March, while yearly electricity production registered a rise in March.

GBP ZAR ▲

GBP trading stronger against ZAR

At 06:00 SAST, the British Pound is trading 0.1% higher against the South African Rand at R17.1032. With no major economic news in the UK today, investor sentiment will be determined by global macroeconomic news.

The British Pound declined against the South African Rand yesterday. On the data front, UK's Markit services PMI recorded a less-than-anticipated rise in April.

EUR ZAR ▲

EUR trading higher against ZAR

At 06:00 SAST, the Euro rose 0.1% against the South African Rand to trade at R15.0971. Going forward, market participants will keep a tab on Markit services PMI across the Eurozone and Eurozone's retail sales data for further indication.

The Euro weakened against the South African Rand yesterday. Data revealed that Eurozone's consumer price index (CPI) advanced less than market expectations on an annual basis in April. Meanwhile, yearly producer price index (PPI) climbed in line with market forecast in March.

AUD ZAR ▲

AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.3% higher against the South African Rand at R9.5107. Meanwhile, in China, Australia's largest trading partner, the Caixin services PMI surprised with a rise in April.

The Australian Dollar fell against the South African Rand yesterday. On the macro front, Australia's trade surplus unexpectedly widened in March. Additionally, building approvals jumped more than market forecast on a monthly basis in March.

Key currencies & commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	12.5894	▲	-0.95	2.08	1.01	5.24	1.64
GBPZAR	17.1032	▲	-0.93	0.54	-0.41	3.38	2.19
EURZAR	15.0971	▲	-0.66	0.87	0.26	3.08	1.56
AUDZAR	9.5107	▲	-0.42	1.42	1.04	3.20	-1.90
EURUSD	1.1992	▲	0.31	-1.17	-0.75	-2.00	-0.14
GBPUSD	1.3581	▲	-0.01	-1.49	-1.37	-1.80	0.46
Brent (\$/barrel)	73.6	▼	0.35	-1.37	-1.43	7.72	10.09
Gold (\$/oz)	1314.1	▲	0.54	-0.81	-0.49	-0.27	0.26
Platinum (\$/oz)	904.0	=	1.14	-1.35	-0.04	-2.47	-3.23
Copper (\$/MT)*	6791.8	▲	0.11	0.49	0.32	1.36	-5.76

*As of previous close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices is trading 0.1% higher at \$1,314.10/oz.

Yesterday, gold prices rose 0.5% to close at \$1,312.70/oz, as weakness in the US Dollar and geopolitical tensions increased demand for the precious yellow metal.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 0.1% lower to trade at \$73.56/bl.

Yesterday, Brent crude oil advanced 0.4% to settle at \$73.62/bl, buoyed by OPEC production cuts and amid concerns over the potential US sanctions against Iran.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices are trading marginally lower at \$904.00/oz.

Yesterday, platinum prices climbed 0.1% to close at \$904.00/oz.

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Major South African corporate news

Harmony Gold Mining Company Limited

The company announced that the Occupational Lung Disease Working Group which includes the company itself, African Rainbow Minerals, Anglo American SA, AngloGold Ashanti, Gold Fields and Sibanye-Stillwater have concluded agreement with lawyers representing claimants in the silicosis class action litigation.

Invicta Holdings Limited

The company announced that through its subsidiary, Invicta South Africa Holdings (Pty) Ltd, has entered into an agreement to acquire the business assets of the Forge Industrial Group. The acquisition would be complete after the fulfilment of certain conditions precedent, including Competition Commission approval.

MTN Group Limited

In its 1Q18 update, the company announced that its subscribers increased by 1.9% compared to 4Q17, with net addition of 4.10mn. Further, the company's active Mobile Money customers increased by 3.9% to 22.70mn compared to 4Q17 and its data revenue rose by 26.9%, compared to the corresponding period of the previous year.

Sibanye Gold Limited

In its 1Q18 operating update, the company stated that its adjusted EBITDA increased by 30.0% to ZAR1.58bn compared to the same period of the preceding year. Further, the company's operation in the US has improved strongly and contributes 60.0% of its adjusted EBITDA.

Major global economic news

US

In the US, trade deficit narrowed more than market forecast to USD49.00bn in March, compared to a revised deficit of USD57.70bn in the prior month.

In the US, the final Markit services PMI registered a rise to 54.60 in April, more than market expectations and compared to a level of 54.00 in the previous month. The preliminary figures had indicated a rise to 54.40.

In the US, seasonally adjusted initial jobless claims rose to a level of 211.00K in the week ended 28 April 2018, lower than market expectations. In the previous week, initial jobless claims had recorded a level of 209.00K.

In March, final durable goods orders recorded a rise of 2.6% on a monthly basis in the US. In the previous month, durable goods orders had registered a revised rise of 3.5%. The preliminary figures had also indicated a rise of 2.6%.

In the US, factory orders registered a more-than-expected rise of 1.6% on a monthly basis in March, compared to a revised similar rise in the previous month.

UK

In the UK, the services PMI recorded a rise to 52.80 in April, less than market expectations. In the prior month, the services PMI had recorded a level of 51.70.

Eurozone

In the Eurozone, the preliminary annual CPI rose 1.2% in April, less-than-anticipated and compared to an advance of 1.3% in the prior month.

In the Eurozone, the PPI climbed 2.1% on a yearly basis in March, meeting market expectations. The PPI had registered a rise of 1.6% in the previous month.

Asia

In China, the Caixin services PMI index recorded an unexpected rise to 52.90 in April. The Markit services PMI index had registered a level of 52.30 in the previous month.

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Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
China	03:45	Caixin/Markit Services PMI (Apr)	✓✓✓	52.90*	52.30	Monthly
China	03:45	HSBC China Composite PMI (Apr)	✓✓✓	52.30*	51.80	Monthly
Germany	09:55	Markit Services PMI (Apr) (F)	✓✓✓	54.10	54.10**	Monthly
Eurozone	10:00	Markit Composite PMI (Apr) (F)	✓✓✓	55.20	55.20**	Monthly
Eurozone	10:00	Markit Services PMI (Apr) (F)	✓✓✓	55.00	55.00**	Monthly
UK	10:00	New Car Registrations (YoY) (Apr)	✓	-	-15.70%	Monthly
Eurozone	11:00	Retail Sales (Mar)	✓✓	-	104.40	Monthly
Eurozone	11:00	Retail Sales (MoM) (Mar)	✓✓✓	0.50%	0.10%	Monthly
Eurozone	11:00	Retail Sales (YoY) (Mar)	✓✓✓	1.90%	1.80%	Monthly
US	14:30	Average Hourly Earnings All Employees (MoM) (Apr)	✓✓	0.20%	0.30%	Monthly
US	14:30	Average Hourly Earnings All Employees (YoY) (Apr)	✓✓	2.70%	2.70%	Monthly
US	14:30	Average Weekly Hours All Employees (Apr)	✓	34.50	34.50	Monthly
US	14:30	Unemployment Rate (Apr)	✓✓✓	4.00%	4.10%	Monthly
US	14:30	Underemployment Rate (Apr)	✓✓	-	8.00%	Monthly
US	14:30	Change in Manufacturing Payrolls (Apr)	✓	20.00K	22.00K	Monthly
US	14:30	Change in Non-farm Payrolls (Apr)	✓✓✓	192.00K	103.00K	Monthly
US	14:30	Change in Private Payrolls (Apr)	✓✓	190.00K	102.00K	Monthly
US	18:00	Fed's William Dudley speech	✓✓	-	-	As scheduled
US	21:00	FOMC Member Williams speech	✓✓	-	-	As scheduled
US	23:30	Fed's Quarles speech	✓✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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