

# ONE Minute Brief

19 June 2018

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## Economic and political news

According to a news report, South Africa's (SA) National Union of Mineworkers (NUM) wants to delay wage talks with Eskom until next week. Meanwhile, reports indicated that the NUM has agreed to an inflation-linked pay rise instead of its initial demand for a 15% increase.

Eskom has warned that the power system continues to remain constrained and hence may undertake further load shedding.

Public Protector, Busisiwe Mkhwebane, has accused the Democratic Alliance of using an application to review the Vrede Dairy Farm report for her removal.

Minister of Mineral Resources, Gwede Mantashe, stated that the latest version of the Mining Charter would ensure mineworkers and mining communities received the benefits of mining companies' operations, while protecting companies from unnecessary volatility.

The African National Congress Secretary General, Ace Magashule stated that the party has decided to halt all regional conferences which were due to take place in Gauteng this weekend.

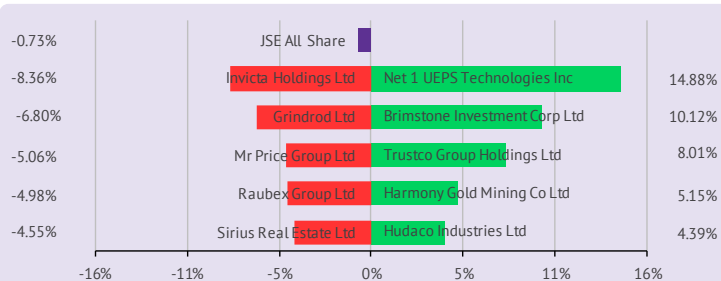
## Key indices

	Last close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	57236.84	▼	-423.66	-0.73	-0.73	1.92	-3.60	-3.81
JSE Top 40	51004.93	▼	-322.77	-0.63	-0.63	2.45	-3.18	-2.91
FTSE 100	7631.33	▼	-2.58	-0.03	-0.03	-0.61	2.25	-0.73
DAX 30	12834.11	▼	-176.44	-1.36	-1.36	1.82	-0.06	-0.65
CAC 40	5450.48	▼	-51.40	-0.93	-0.93	0.96	-2.21	2.60
S&P 500	2773.75	▼	-5.91	-0.21	-0.21	2.53	2.16	3.75
Nasdaq Composite	7747.03	▲	0.65	0.01	0.01	4.10	5.32	12.22
DJIA	24987.47	▼	-103.01	-0.41	-0.41	2.34	1.05	1.09
MSCI Emerging	1105.98	▼	-7.77	-0.70	-0.70	-1.31	-3.75	-4.53
MSCI Developed	2125.79	▼	-8.36	-0.39	-0.39	1.57	0.31	1.06

## South Africa Market ▼

### South African markets closed lower

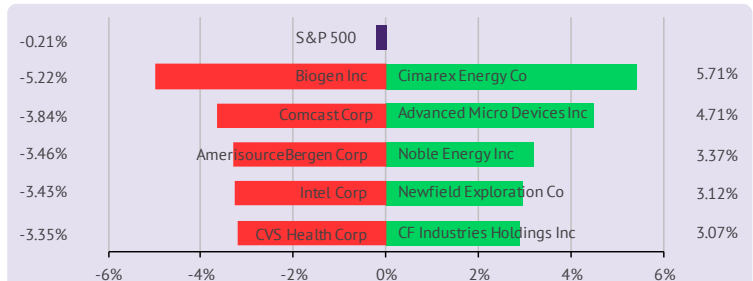
South African markets closed in the red yesterday, led by losses in banking, retail and financial sector stocks. The JSE All Share Index fell 0.7% to close at 57,236.84.



## US Market ▼

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

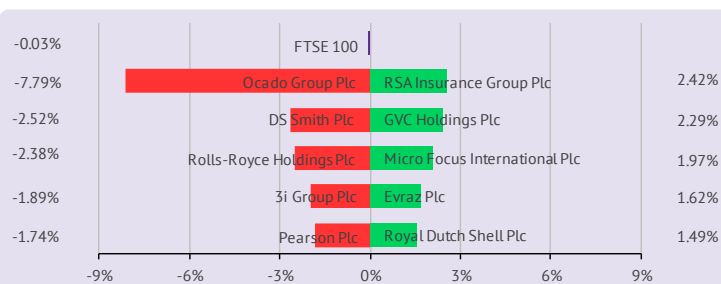
US markets closed mostly lower yesterday, amid fears of a potential trade war between the US and China. The S&P 500 Index dropped 0.2% to close at 2,773.75.



## UK Market ▼

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

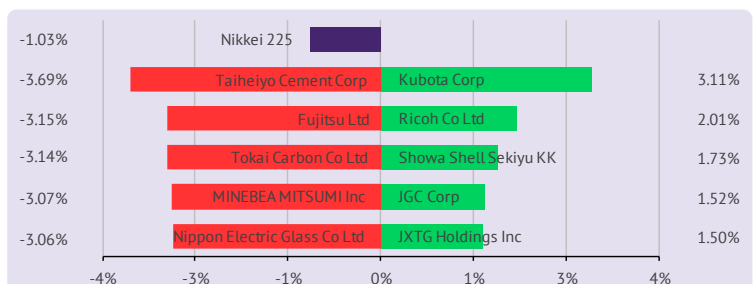
UK markets finished lower yesterday, on rising trade war fears. The FTSE 100 Index marginally declined to close at 7,631.33.



## Asian Market ▼

### Trading lower

Asian markets are trading lower this morning. The Nikkei 225 Index is trading 1.0% lower at 22,446.60.



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## USD ZAR ▲

### USD trading higher against ZAR

At 06:00 SAST, the US Dollar advanced 0.6% against the South African Rand to trade at R13.7232. Later today, traders will keep a close watch on the US housing starts and building permits for further indication.

The US Dollar rose against the South African Rand yesterday. Data indicated that the US NAHB housing market index recorded an unexpected decline in June.

## GBP ZAR ▲

### GBP trading firmer against ZAR

At 06:00 SAST, the British Pound advanced 0.8% against the South African Rand to trade at R18.2096. With no major economic news in the UK today, investor sentiment will be determined by global macroeconomic news.

The British Pound advanced against the South African Rand yesterday.

## EUR ZAR ▲

### EUR trading stronger against ZAR

At 06:00 SAST, the Euro is trading 0.7% firmer against the South African Rand at R15.9727. Going forward, market participants will keep a tab on the European Central Bank President, Mario Draghi's speech along with Eurozone's current account balance and construction output for further direction.

The Euro strengthened against the South African Rand yesterday.

## AUD ZAR ▲

### AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar advanced 0.4% against the South African Rand to trade at R10.1679. Earlier in the session, Australia's house price index fell less than market expectations on a quarterly basis in 1Q18. Additionally, the ANZ Roy Morgan weekly consumer confidence index registered a drop in the week ended 17 June 2018.

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	13.7232	▲	1.59	1.59	7.44	1.91	10.19
GBPZAR	18.2096	▲	1.37	1.37	7.00	-1.58	8.07
EURZAR	15.9727	▲	1.65	1.65	6.77	-1.31	6.74
AUDZAR	10.1679	▲	1.36	1.36	5.40	2.42	4.82
EURUSD	1.1640	▲	0.11	0.11	-0.60	-3.19	-3.18
GBPUSD	1.3270	▲	-0.25	-0.25	-0.40	-3.38	-1.98
Brent (\$/barrel)	74.9	▼	2.59	2.59	-2.86	3.84	12.67
Gold (\$/oz)	1285.9	▲	0.13	0.13	-1.84	-1.45	-2.53
Platinum (\$/oz)	883.1	▼	-0.44	-0.44	-2.88	0.63	-5.38
Copper (\$/MT)*	6971.0	▼	-0.68	-0.68	1.84	1.10	-3.27

\*As of previous close

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices edged 0.8% higher to trade at \$1,285.90/oz, as the US-China trade tensions escalated.

Yesterday, gold prices rose 0.1% to close at \$1,276.20/oz.

## Brent Crude Oil ▼

### Trading weaker

At 06:00 SAST, Brent crude oil edged 0.6% lower to trade at \$74.87/bl, on expectations that OPEC and Russia will gradually increase output.

Yesterday, Brent crude oil advanced 2.6% to settle at \$75.34/bl, amid trade war worries. Meanwhile, the Energy Information Administration reported that crude-oil production from seven major US shale plays is expected to rise 141,000bls a day to 7.339mn barrels a day in July.

## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices edged 0.1% lower to trade at \$883.10/oz.

Yesterday, platinum prices declined 0.4% to close at \$883.90/oz.



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## Major South African corporate news

### Invicta Holdings Limited

In its preliminary audited summarised consolidated results for FY18, the company indicated that the firm's profit before taxation from continuing operations decreased by 15.0% to ZAR760.00mn. Further, the HEPS before specific tax provision dropped 23.0% to 464.00c.

### PPC Limited

In its audited provisional summarised consolidated financial statements for FY18, the company announced that the group's revenues increased 7.0% to ZAR10.30bn and basic EPS rose 25.0% to 10.00c.

### Murray & Roberts Holdings Limited

The company announced that ATON's preliminary application to dismiss the company's application due to lack of urgency was dismissed. Additionally, although the Competition Tribunal denied the full relief sought by the Board, it has interdicted and restrained ATON and their agents from voting, or otherwise exercising any voting rights attached to, any shares in the ordinary issued share capital of Murray & Roberts.

### Raubex Group Limited

In its 1H18 results, the company announced that the firm expects its EPS and HEPS to be at least 20.0% lower than that achieved in the previous corresponding period.

### Niveus Investments Limited

The company advised shareholders that it has transferred the entire share capital of Niveus Invest, to Tsogo Sun Holdings Limited's wholly owned subsidiary, Gameco on 15 June 2018, in accordance with the terms announced.

## Major global economic news

### Asia

According to minutes of the Reserve Bank of Australia's (RBA) June meeting, policymakers expect a rise in economic activity. Further, the interest rates are expected to remain at the current low levels, in the wake of high household debt and weak wage growth. Also, officials expect a gradual improvement in unemployment and inflation. Meanwhile, the RBA warned that rise in the local currency could lead to slowdown in economic growth and inflation.

In Australia, the house price index slid 0.7% on a quarterly basis in 1Q18, more than market expectations. In the previous quarter, the index had advanced 1.0%.

### US

In the US, the NAHB housing market index unexpectedly fell to 68.00 in June, compared to a level of 70.00 in the previous month.

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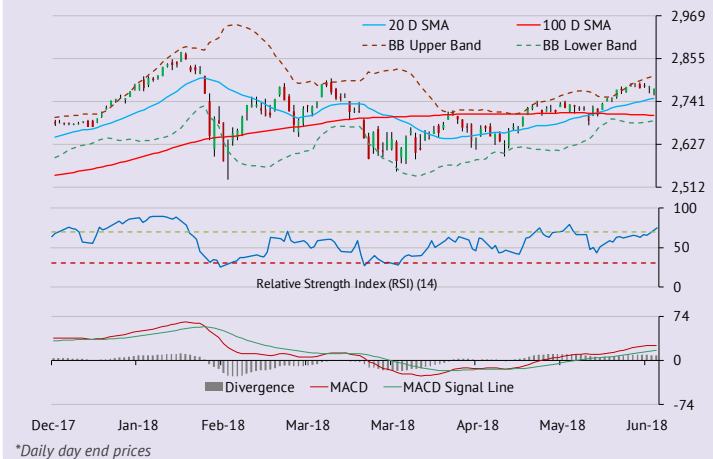
## Technical snapshot

### JSE All Share



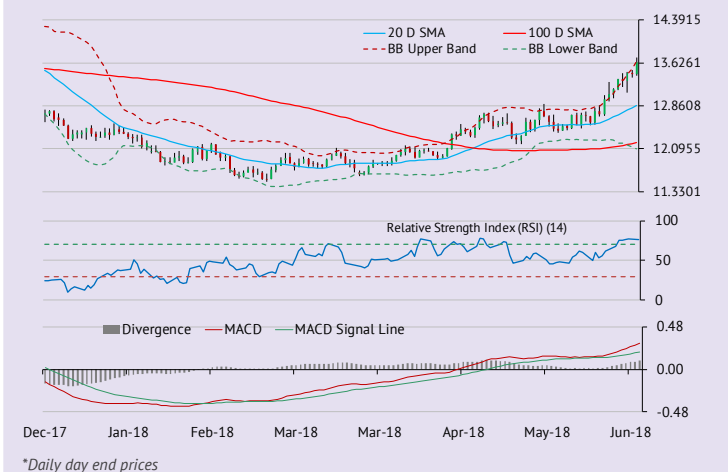
The JSE All Share index is expected to find support at 56,466.60, and a fall through could take it to the next support level of 55,696.37. The index is expected to find its first resistance at 58,400.53, and a rise through could take it to the next resistance level of 59,564.23.

### S&P 500



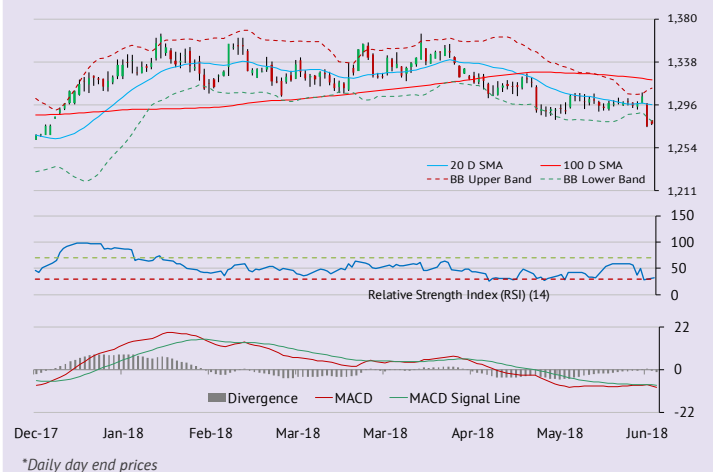
The S&P 500 index is expected to find support at 2,756.76, and a fall through could take it to the next support level of 2,739.76. The index is expected to find its first resistance at 2,791.11, and a rise through could take it to the next resistance level of 2,808.46.

### USD ZAR



The pair is expected to find support at 13.2537, and a fall through could take it to the next support level of 12.8634. The pair is expected to find its first resistance at 13.8819, and a rise through could take it to the next resistance level of 14.1198.

### XAU USD


















Gold is expected to find support at \$1,264.77/oz, and a fall through could take it to the next support level of \$1,252.53/oz. The precious metal is expected to find its first resistance at \$1,298.47/oz, and a rise through could take it to the next resistance level of \$1,319.93/oz.

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## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus	Previous	Frequency
 Eurozone	10:00	Current Account n.s.a. (Apr)	✓	-	EUR40.60bn	Monthly
 Eurozone	10:00	Current Account s.a. (Apr)	✓✓✓	-	EUR32.00bn	Monthly
 Italy	10:00	Current Account (Apr)	✓	-	EUR3.41bn	Monthly
 Eurozone	10:00	ECB President Draghi speaks in Sintra, Portugal	✓✓✓	-	-	As scheduled
 Eurozone	10:30	ECB's Peter Praet is chairing a panel in Sintra, Portugal	✓	-	-	As scheduled
 Eurozone	11:00	Construction Output s.a. (MoM) (Apr)	✓✓✓	-	-0.30%	Monthly
 Eurozone	11:00	Construction Output w.d.a. (YoY) (Apr)	✓	-	0.80%	Monthly
 US	13:00	Fed's Bullard speech	✓✓	-	-	As scheduled
 Eurozone	13:00	ECB's Praet Speech	✓✓	-	-	As scheduled
 US	14:30	Housing Starts (MoM) (May)	✓✓✓	1.90%	-3.70%	Monthly
 US	14:30	Building Permits (MoM) (May)	✓✓✓	-1.00%	-1.80%	Monthly
 US	14:30	Building Permits (May)	✓✓✓	1350.00K	1352.00K	Monthly
 US	14:30	Housing Starts (May)	✓✓✓	1311.00K	1287.00K	Monthly
 US	14:55	Redbook Index (YoY) (15-Jun)	✓	-	4.30%	Weekly
 US	14:55	Redbook Index s.a. (MoM) (15-Jun)	✓	-	-0.20%	Weekly

Note: ✓✓✓ High

✓✓ Medium

✓ Low

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