

ONE Minute Brief

27 June 2018

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Economic and political news

In South Africa (SA), leading index fell to 105.90 in April, compared to a revised level of 106.20 in March. Non-farm payrolls rose 0.8% YoY in 1Q18, compared to a revised flat reading in 4Q17.

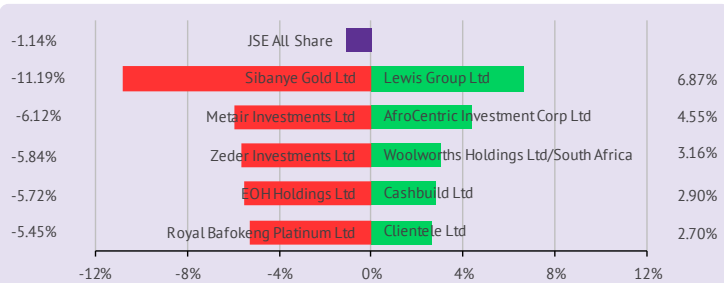
Moody's warned that SA's economic growth prospects will be limited, due to weak business confidence and uncertainty surrounding land and mining reforms. Moreover, the agency forecasted the nation's growth to accelerate to 1.6% in 2018 and 2.1% in 2019.

The Cape Town High Court will hold a hearing today to decide whether Mayor, Patricia de Lille, will retain her Democratic Alliance membership. SA has started an inquiry into tax administration and governance yesterday, after allegations of misconduct by the suspended head of the South African Revenue Service (SARS), Tom Moyane and the agency's failure to collect as much tax as expected. Meanwhile, Public Enterprises Minister, Pravin Gordhan, strongly denied that the SARS was "in a mess" that necessitated the review of its structure and operations.

South Africa Market ▼

South African markets closed lower

South African markets closed in the red yesterday, led by losses in gold mining and property sector stocks. Data indicated that SA's leading index dropped for the second consecutive month in April. The JSE All Share Index fell 1.1% to close at 55,254.67.



UK Market ▲

The FTSE 100 futures are trading in positive territory

UK markets finished higher yesterday, amid weakness in the British Pound and supported by gains in commodity sector stocks. The FTSE 100 Index advanced 0.4% to close at 7,537.92.



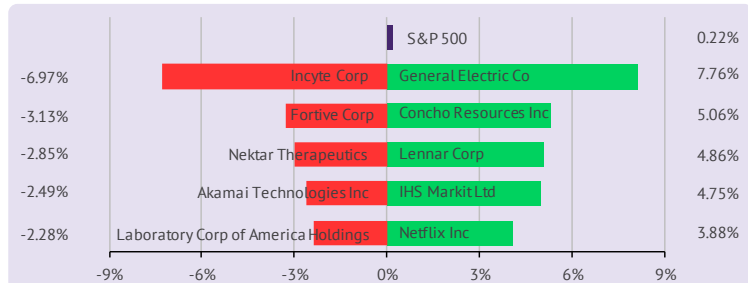
Key indices

	Last close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	55254.67	▼ -634.59	-1.14	-2.82	-1.61	-3.60	-7.14
JSE Top 40	49138.59	▼ -569.11	-1.14	-2.93	-1.30	-3.18	-6.46
FTSE 100	7537.92	▲ 28.08	0.37	-1.88	-1.83	2.25	-1.95
DAX 30	12234.34	▼ -35.99	-0.29	-2.75	-2.94	-0.06	-5.29
CAC 40	5281.29	▼ -2.57	-0.05	-1.97	-2.17	-2.21	-0.59
S&P 500	2723.06	▲ 5.99	0.22	-1.16	0.66	2.16	1.85
Nasdaq Composite	7561.63	▲ 29.62	0.39	-1.71	1.61	5.32	9.53
DJIA	24283.11	▲ 30.31	0.12	-1.21	-0.54	1.05	-1.76
MSCI Emerging Markets	1067.75	▼ -3.31	-0.31	-1.86	-4.73	-3.75	-7.83
MSCI Developed World	2088.41	▲ 2.82	0.14	-1.25	-0.22	0.31	-0.72

US Market ▲

The S&P 500 futures are trading in the red

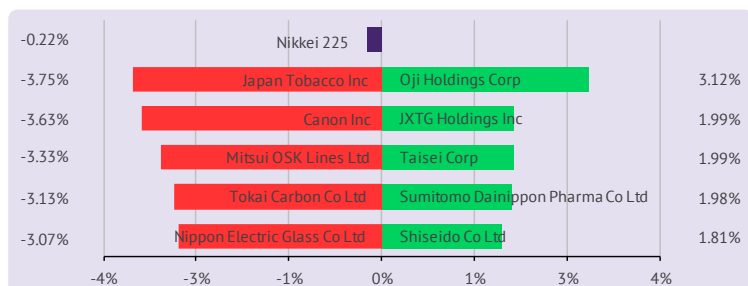
US markets closed higher yesterday, boosted by gains in technology and energy sector stocks. Data revealed that the US consumer confidence index dropped more-than-expected in June. The S&P 500 Index climbed 0.2% to close at 2,723.06.



Asian Market ▼

Trading lower

Asian markets are trading lower this morning. The Nikkei 225 Index is trading 0.2% lower at 22,291.96.



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USD ZAR ▼

USD trading lower against ZAR

At 06:00 SAST, the US Dollar marginally fell against the South African Rand to trade at R13.5374. Later today, traders will keep a close watch on the US MBA mortgage applications, advance goods trade balance, pending home sales and durable goods orders for further indications.

The US Dollar fell against the South African Rand yesterday. On the macro front, the US consumer confidence index declined more than market forecast in June. Meanwhile, the Richmond Fed manufacturing index surprisingly advanced in the same month. Separately, in SA, leading index registered a decline for the second straight month in April. Meanwhile, the nation's non-farm payrolls advanced on an annual basis in the first quarter of 2018.

GBP ZAR ▲

GBP trading stronger against ZAR

At 06:00 SAST, the British Pound is trading slightly higher against the South African Rand at R17.9080. Going forward, traders will keep an eye on the Bank of England Governor, Mark Carney's speech for further direction.

The British Pound declined against the South African Rand yesterday. Data indicated that UK's BBA loans for house purchase surprisingly climbed to a 4-month high level in May.

EUR ZAR ▲

EUR trading stronger against ZAR

At 06:00 SAST, the Euro is trading 0.1% higher against the South African Rand at R15.7833. Amid lack of major economic news across the Eurozone, market sentiment will be determined by global macroeconomic news.

The Euro weakened against the South African Rand yesterday.

AUD ZAR ▼

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.2% lower against the South African Rand at R9.9924.

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	13.5374	▼	-0.03	0.75	6.61	1.91	9.33
GBPZAR	17.9080	▲	-0.52	0.41	6.00	-1.58	7.06
EURZAR	15.7833	▲	-0.53	0.69	6.18	-1.31	6.15
AUDZAR	9.9924	▼	-0.36	0.05	4.13	2.42	3.56
EURUSD	1.1660	▲	-0.48	-0.03	-0.38	-3.19	-2.97
GBPUSD	1.3229	▲	-0.42	-0.27	-0.55	-3.38	-2.13
Brent (\$/barrel)	76.6	▲	2.11	1.01	-1.61	3.84	14.12
Gold (\$/oz)	1257.3	▲	-0.71	-0.85	-3.35	-1.45	-4.03
Platinum (\$/oz)	865.2	▼	0.29	-0.23	-4.26	0.63	-6.73
Copper (\$/MT)*	6715.5	▼	-0.49	-1.12	-1.89	1.10	-6.82

*As of previous close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.1% higher to trade at \$1,257.30/oz.

Yesterday, gold prices fell 0.7% to close at \$1,256.60/oz, amid strength in the US dollar and expectations of further interest rate hikes by the US Federal Reserve.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged 0.3% higher to trade at \$76.57/bl.

Yesterday, Brent crude oil advanced 2.1% to settle at \$76.31/bl, after a news emerged that the US is urging countries to cut Iran oil imports to zero by November and amid uncertainty over Libyan crude exports. Additionally, the American Petroleum Institute reported that the US crude supplies fell by 9.2mn bls for the week ended 22 June 2018.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices dropped 0.7% to trade at \$865.20/oz.

Yesterday, platinum prices climbed 0.3% to close at \$871.30/oz.

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Major South African corporate news

Omnia Holdings Limited

In its audited results for FY18, the company stated that its revenues increased to ZAR17.37bn, compared to ZAR16.27bn posted in the corresponding period of the previous year. Its diluted EPS rose 13.0% to 927.00c, compared to the same period of the prior year. Further, the company declared a final dividend of 150.00c per share.

Major global economic news

US

In the US, the consumer confidence index eased more-than-anticipated to 126.40 in June. The consumer confidence index had registered a revised level of 128.80 in the previous month.

UK

In the UK, the number of mortgage approvals increased to 39,244 in May, compared to a level of 38,327 in April.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
China	03:30	Industrial Profits (YoY) (May)	✓✓	21.10%*	21.90%	Monthly
UK	08:00	Nationwide House Prices s.a. (MoM) (Jun)	✓✓✓	0.20%	-0.20%	Monthly
Eurozone	09:00	Non-monetary policy's ECB meeting	✓✓	-	-	As scheduled
Eurozone	10:00	Private Loans (YoY) (May)	✓	-	2.90%	Monthly
Eurozone	10:00	Economic Bulletin	✓✓	-	-	As scheduled
Eurozone	10:00	M3 Money Supply (YoY) (May)	✓	3.80%	3.90%	Monthly
UK	10:30	Financial Stability Report	✓✓	-	-	As scheduled
UK	11:30	FPC Statement	✓	-	-	As scheduled
UK	12:00	BoE's Carney Speaks About Financial Stability Report	✓✓✓	-	-	As scheduled
US	13:00	MBA Mortgage Applications (22-Jun)	✓	-	5.10%	Weekly
US	14:30	Durable Goods Orders (May) (P)	✓✓✓	-1.00%	-1.60%	Monthly
US	14:30	Durable Goods Orders ex Transportation (May) (P)	✓✓	0.50%	0.90%	Monthly
US	14:30	Wholesale Inventories (MoM) (May) (P)	✓✓✓	0.20%	0.10%	Monthly
US	14:30	Cap Goods Orders Nondef Ex Air (May) (P)	✓	0.50%	1.00%	Monthly
US	16:00	Pending Home Sales (MoM) (May)	✓✓	0.50%	-1.30%	Monthly
US	17:00	Quarles Speaks at Bank Regulation Conference in Idaho	✓	-	-	As scheduled
US	18:15	Fed's Rosengren Speaks on Ethics and Economics	✓	-	-	As scheduled
US	18:45	Federal Reserve Bank of Boston President Rosengren Speech	✓✓	-	-	As scheduled

Note: ✓✓✓High ✓✓Medium ✓Low

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