

ONE Minute Brief

20 February 2019

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Economic and political news

The Association of Mineworkers and Construction Union has announced a secondary strike at Sibanye-Stillwater's platinum, gold and coal operations over job cuts and wages.

Yesterday, South African parliament approved the long-awaited Carbon Tax Bill in an effort to reduce harmful carbon emissions in the country.

Energy Minister, Jeff Radebe, stated that an updated version of the nation's long-term energy plan will be completed in March, following talks with business and labour leaders.

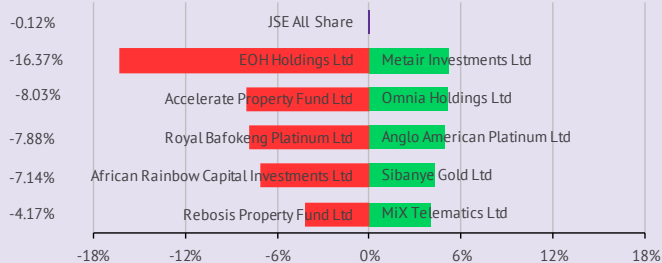
Cosatu spokesman Sizwe Pamla stated that a meeting between South African trade union federation Cosatu, President Cyril Ramaphosa and senior members of his cabinet failed to break the impasse over splitting Eskom.

Trade union Solidarity stated that it would interrogate Bosasa Chief Executive Officer, Gavin Watson, following the corruption allegations.

South Africa Market ▼

South African markets closed lower

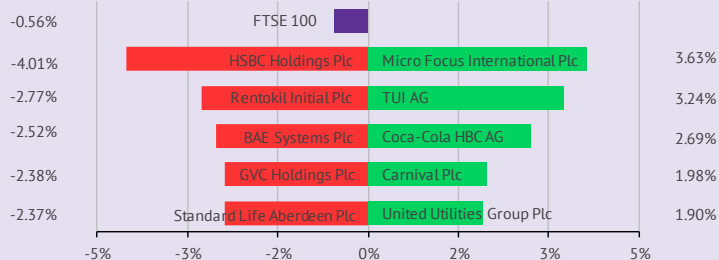
South African markets closed in the red yesterday, ahead of the budget policy statement and amid losses in banking and financial sector stocks. The JSE All Share Index fell 0.1% to close at 55,194.62.



UK Market ▼

The FTSE 100 futures are trading in negative territory

UK markets finished lower yesterday, following downbeat earnings report from HSBC Holdings Plc and led by strength in the British Pound. The FTSE 100 Index declined 0.6% to close at 7,179.17.



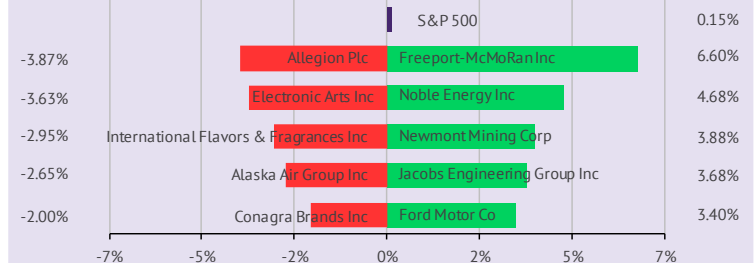
Key indices

	As at 19 Feb 2019		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	55194.62	▼	-65.36	-0.12	1.04	1.92	2.69	4.66
JSE Top 40 (ZAR)	48956.53	▼	-63.03	-0.13	1.05	2.09	2.63	4.77
FTSE 100 (GBP)	7179.17	▼	-40.30	-0.56	-0.79	3.02	3.58	6.70
DAX 30 (EUR)	11309.21	▲	10.01	0.09	0.08	1.22	5.82	7.11
CAC 40 (EUR)	5160.52	▼	-8.02	-0.16	0.14	3.36	5.54	9.09
S&P 500 (USD)	2779.76	▲	4.16	0.15	0.15	2.80	7.87	10.89
Nasdaq Composite (USD)	7486.77	▲	14.36	0.19	0.19	2.82	9.74	12.83
DJIA (USD)	25891.32	▲	8.07	0.03	0.03	3.57	7.17	10.99
MSCI Emerging Markets (USD)	1036.97	▲	0.24	0.02	0.61	-1.23	8.70	7.35
MSCI Developed World (USD)	2075.91	▲	3.29	0.16	0.45	2.34	7.67	10.19

US Market ▲

The S&P 500 futures are trading in the red

US markets closed higher yesterday, after the US President, Donald Trump, hinted that he may push back the key deadline on US-China trade deal and amid upbeat earnings update from Walmart. The S&P 500 Index climbed 0.2% to close at 2,779.76.



Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning, tracking overnight gains on Wall Street. The Nikkei 225 Index is trading 0.1% higher at 21,323.90.



USD ZAR ▼

USD trading lower against ZAR

At 06:00 SAST, the US Dollar dropped 0.1% against the South African Rand to trade at R14.0372, ahead of the FOMC meeting minutes due later today. Traders will keep a close watch on today's FOMC meeting minutes and the US MBA mortgage applications for further indication.

The US Dollar fell against the South African Rand yesterday, amid hopes of US-China trade deal. On the data front, the US NAHB housing market index climbed more than market expectations in February.

GBP ZAR ▼

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound declined 0.1% against the South African Rand to trade at R18.3351. Ahead in the day, traders will keep an eye on UK's CBI total trend orders for further cues.

The British Pound advanced against the South African Rand yesterday, amid optimism over progress on Brexit talks. On the macro front, UK's ILO unemployment rate recorded an unchanged reading at a 44-year low rate in December. Meanwhile, average weekly earnings recorded a less-than-anticipated advance in December.

EUR ZAR ▼

EUR trading lower against ZAR

At 06:00 SAST, the Euro is trading marginally weaker against the South African Rand at R15.9255. Going forward, market participants will keep a tab on the Eurozone's consumer confidence index and Germany's producer price index for further direction.

The Euro weakened against the South African Rand yesterday. Data indicated that the Eurozone's current account surplus narrowed in December. Additionally, construction output registered a decline on a monthly basis in December. In contrast, the region's ZEW survey economic sentiment index recorded a rise in February. Separately, Germany's ZEW survey current situation index dropped more than market forecast in February. Meanwhile, the ZEW survey expectations index climbed more than market expectations in February, marking its highest level in five months.

AUD ZAR ▼

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% lower against the South African Rand at R10.0572. Earlier in the session, Australia's Westpac leading index registered a decline on a monthly basis in January.

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	14.0372	▼	-0.50	-0.26	5.97	-7.61	-2.10
GBPZAR	18.3351	▼	0.54	1.11	5.58	-5.16	0.13
EURZAR	15.9255	▼	-0.27	0.20	4.99	-7.83	-3.23
AUDZAR	10.0572	▼	-0.03	0.25	4.41	-4.79	-0.58
EURUSD	1.1345	▲	0.27	0.40	-0.93	-0.17	-1.10
GBPUSD	1.3062	=	1.07	1.34	-0.36	2.78	2.41
Brent (\$/barrel)	66.5	▲	-0.08	0.30	9.22	13.09	23.51
Gold (\$/oz)	1347.1	▲	1.67	1.67	1.55	3.00	4.59
Platinum (\$/oz)	823.4	▲	1.75	1.75	-0.45	3.62	3.15
Copper (\$/MT)*	6344.0	▲	0.17	2.44	3.13	3.40	6.64

*As of previous close, #As on 06:00 SAST

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.5% higher to trade at \$1,347.10/oz.

Yesterday, gold prices rose 1.7% to close at \$1,340.10/oz, on global growth concerns and as the US Dollar weakened, boosting demand for the safe haven asset.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged 0.1% higher to trade at \$66.53/bl, amid supply cuts led by OPEC and the US sanctions on Iran and Venezuela.

Yesterday, Brent crude oil dropped 0.1% to settle at \$66.45/bl, amid concerns over global crude oil demand and uncertainty over the latest round of US-China trade talks. Further, the Energy Information Administration forecasted that crude-oil production from seven major US shale players will climb by 84,000bls a day to 8.398mn bls a day in March.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged 0.3% higher to trade at \$823.40/oz.

Yesterday, platinum prices climbed 1.8% to close at \$821.00/oz.

Major South African corporate news

AngloGold Ashanti Limited

In its 2H18 results, the company announced that its revenues decreased to ZAR1.94bn, compared to ZAR2.40bn posted in the corresponding period of the previous year. Its diluted EPS stood at 24.00c, compared to loss per share of 4.00c recorded in the corresponding period of the previous year. Further, the company declared a gross dividend of 95.00c per share.

Kumba Iron Ore Limited

In its FY18 results, the company announced that its revenues declined 1.4% to ZAR45.73bn, compared to the same period of the preceding year. Its diluted EPS stood at ZAR30.01, compared to ZAR38.60 recorded in the corresponding period of the previous year. Further, the company declared a final cash dividend of ZAR15.73 per share.

Murray & Roberts Holdings Limited

In its 1H19 trading statement, the company stated that it expects diluted EPS to be in the range of 43.00c to 48.00c, which is 59.0% to 78.0% higher compared to the same period of the previous year. Further, it expects diluted HEPS to be in the range of 42.00c to 47.00c, which is 50.0% to 68.0% higher compared to the corresponding period of the previous year.

BHP Group

In its 1H19 results, the company stated that its revenues rose to USD20.74bn, compared to USD20.53bn posted in the corresponding period of the previous year. Its diluted EPS stood at 76.40c, compared with 35.00c recorded in the corresponding period of the previous year. Moreover, the company declared a interim dividend of 55.00c per share.

Metair Investments Limited

In its FY18 trading statement, the company indicated that it expects HEPS to be in the range of 320.00c to 330.00c, representing an increase of 14.0% to 17.0% compared to the corresponding period of the preceding year. Further, the company expects EPS to be between 320.00c and 340.00c, which is 14.0% to 21.0% higher compared to the same period of the previous year.

Major global economic news

Eurozone

In the Eurozone, seasonally adjusted current account surplus narrowed to EUR16.20bn in January, compared to a revised surplus of EUR22.60bn in the previous month.

In the Eurozone, seasonally adjusted construction output eased 0.4% on a monthly basis in December. In the prior month, construction output had risen by a revised 0.3%.

In the Eurozone, the ZEW survey economic sentiment index rose to a level of -16.60 in February, compared to a level of -20.90 in the previous month.

In Germany, the ZEW survey economic sentiment index advanced more-than-expected to -13.40 in February, compared to a reading of -15.00 in the prior month.

In Germany, the ZEW survey current situation index fell to a level of 15.00 in February, more than market expectations. The index had registered a level of 27.60 in the previous month.

UK

In the UK, the ILO unemployment rate remained unchanged at 4.0% in the October-December 2018 period.

In the UK, average earnings including bonus rose 3.4% on a yearly basis in the October-December 2018 period, less than market forecast and compared to a similar rise in the September-November 2018 period.

Asia

In Australia, the Westpac leading index eased 0.01% on a monthly basis in January. The index had recorded a revised drop of 0.26% in the previous month.

In Japan, merchandise trade deficit widened more-than-anticipated to JPY1452.20bn in January, compared to a revised deficit of JPY56.70bn in the previous month.

US

In the US, the NAHB housing market index advanced more-than-expected to 62.00 in February, compared to a level of 58.00 in the prior month.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	01:50	Adjusted Merchandise Trade Balance (Jan)	✓✓✓	JPY370.00bn*	-JPY183.60bn	Monthly
Japan	01:50	Merchandise Trade Balance Total (Jan)	✓✓✓	-JPY1452.20bn*	-JPY55.30bn	Monthly
Japan	01:50	Exports (YoY) (Jan)	✓✓	-8.40%*	-3.80%	Monthly
Japan	01:50	Imports (YoY) (Jan)	✓✓	-0.60%*	1.90%	Monthly
Japan	09:00	Convenience Store Sales (YoY) (Jan)	✓	-	1.20%	Monthly
Germany	09:00	Producer Price Index (MoM) (Jan)	✓✓✓	-0.10%	-0.40%	Monthly
Germany	09:00	Producer Price Index (YoY) (Jan)	✓✓✓	2.20%	2.70%	Monthly
Eurozone	09:00	ECB's Praet Speaks in Frankfurt	✓	-	-	As scheduled
South Africa	10:00	Consumer Price Index (MoM) (Jan)	✓✓	0.10%	-0.20%	Monthly
South Africa	10:00	Consumer Price Index (YoY) (Jan)	✓✓	4.30%	4.50%	Monthly
UK	13:00	CBI Trends Selling Prices (Feb)	✓✓	16.00	18.00	Monthly
UK	13:00	CBI Industrial Trends Survey - Orders (Feb)	✓	-5.00	-1.00	Monthly
US	14:00	MBA Mortgage Applications (15-Feb)	✓	-	-3.70%	Weekly
US	15:55	Redbook Index (YoY) (15-Feb)	✓	-	4.60%	Weekly
US	15:55	Redbook Index s.a. (MoM) (15-Feb)	✓	-	-1.80%	Weekly
Eurozone	17:00	Consumer Confidence (Feb) (P)	✓✓✓	-7.70	-7.90	Monthly
US	20:10	Fed's Kaplan to Speak in Q&A in Houston, Texas	✓	-	-	As scheduled
US	20:30	Fed's Bullard Takes Part Monetary Policy Forum in New York	✓	-	-	As scheduled
US	21:00	Fed Releases Minutes of FOMC Meeting	✓✓✓	-	-	As scheduled
Spain	-	Current Account Balance (Dec)	✓	-	EUR1.80bn	Monthly
Japan	-	Supermarket Sales (YoY) (Jan)	✓	-	-0.70%	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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