

ONE Minute Brief

27 March 2019

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Economic and political news

In South Africa (SA), non-farm payrolls rose 1.6% on a yearly basis in 4Q18, compared to a revised rise of 2.1% in 3Q18. The leading indicator unexpectedly fell to a level of 102.80 in January, compared to a revised level of 104.70 in the previous month.

National Assembly speaker, Baleka Mbete, has rejected Democratic Alliance's (DA) request to form an ad hoc committee to address the energy crisis in the country.

The Public Investment Corporation (PIC) has suspended its acting Chief Executive Officer (CEO), Matshepo More, with immediate effect. Meanwhile, the PIC board announced the appointment of Vuyani Hako as acting CEO, following Matshepo More's suspension.

DA leader, Mmusi Maimane, stated that DA mayors will seek permission from Energy Minister, Jeff Radebe, to procure electricity directly from independent power producers (IPPs).

Gauteng High Court Judge, Piet Meyer, dismissed the Coal Transporters Forum's (CTF) application to block Eskom's deals with IPPs.

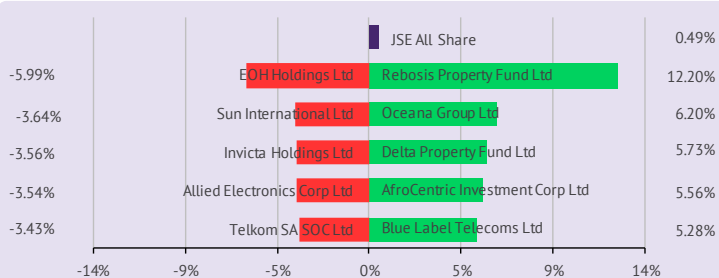
Energy Minister, Jeff Radebe, stated that SA will need to spend more than ZAR1tn in the next 11 years to grow the country's energy production capacity by 2030.

South Africa Market ▲

South African markets closed higher

South African markets closed in the green yesterday, boosted by gains in platinum mining and resources sector stocks. Data indicated that SA's non-farm payrolls rose more-than-expected in 4Q18. The JSE All Share Index rose 0.5% to close at 55,638.43.

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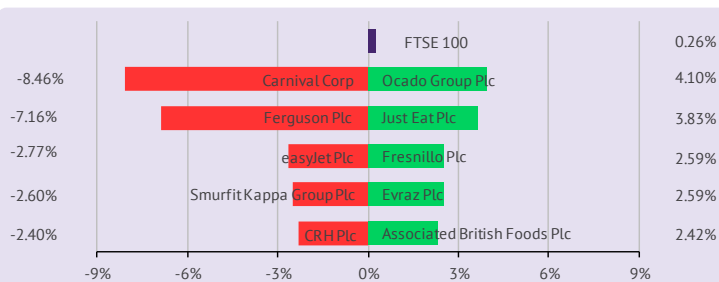


UK Market ▲

The FTSE 100 futures are trading in positive territory

UK markets finished higher yesterday, after the British lawmakers voted to take control of the Brexit process from the government. The FTSE 100 Index advanced 0.3% to close at 7,196.29.

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Key indices

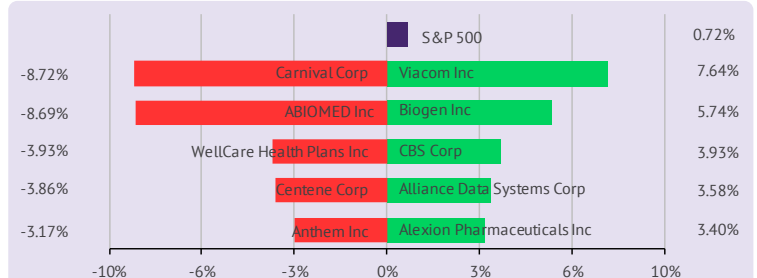
	As at 26 March 2019		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	55638.43	▲	271.32	0.49	-0.84	-0.65	3.41	5.50
JSE Top 40 (ZAR)	49372.21	▲	210.68	0.43	-0.84	-0.59	3.57	5.66
FTSE 100 (GBP)	7196.29	▲	18.71	0.26	-0.16	1.72	1.52	6.96
DAX 30 (EUR)	11419.48	▲	72.83	0.64	0.49	-0.84	3.07	8.15
CAC 40 (EUR)	5307.38	▲	46.74	0.89	0.71	1.28	4.96	12.19
S&P 500 (USD)	2818.46	▲	20.10	0.72	0.63	1.22	2.97	12.43
Nasdaq Composite (USD)	7691.52	▲	53.98	0.71	0.64	2.11	3.44	15.92
DJIA (USD)	25657.73	▲	140.90	0.55	0.61	-1.00	3.67	9.99
MSCI Emerging Markets (USD)	1050.45	▲	2.73	0.26	-0.87	-0.05	0.10	8.75
MSCI Developed World (USD)	2102.62	▲	15.56	0.75	0.37	0.80	2.83	11.61

US Market ▲

The S&P 500 futures are trading in the green

US markets closed higher yesterday, supported by gains in technology, financial and energy sector stocks. Data showed that the US monthly house price index rose more-than-expected in January. The S&P 500 Index climbed 0.7% to close at 2,818.46.

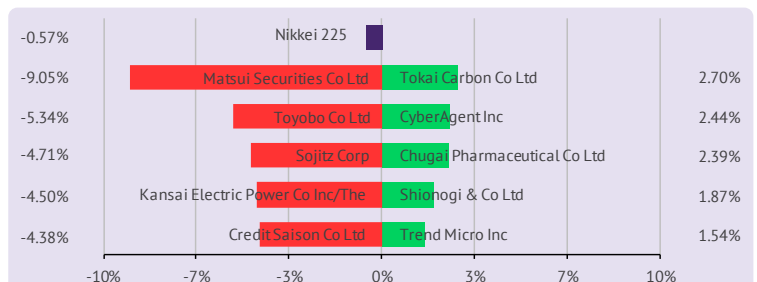
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Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning. The Nikkei 225 Index is trading 0.6% lower at 21,306.59.



USD ZAR ▲

USD trading higher against ZAR

At 06:00 SAST, the US Dollar is trading 0.3% firmer against the South African Rand at R14.4542. Later today, traders will keep a close watch on the US MBA mortgage applications, current account and trade balance data for further indication.

The US Dollar rose against the South African Rand yesterday, after the US Treasury yields rebounded from a 15-month low level. On the macro front, the US CB consumer confidence index unexpectedly declined in March. Additionally, housing starts recorded a more-than-anticipated drop on a monthly basis in February, marking its lowest level in 8 months. Moreover, monthly building permits eased in February. Further, the Richmond Fed manufacturing index fell in March. On the other hand, the nation's house price index climbed more than market anticipations on a monthly basis in January. Separately, in SA, the leading indicator unexpectedly declined in January. Meanwhile, the nation's non-farm payrolls climbed more than market expectations in the fourth quarter of 2018.

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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 R19.0498. 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, after Jacob Rees-Mogg commented that a no-deal Brexit is unlikely and hinted that he would back Theresa May's Brexit deal. Data indicated that UK's BBA loans for house purchase unexpectedly eased in February.

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EUR ZAR ▲

EUR trading higher against ZAR

At 06:00 SAST, the Euro climbed 0.1% against the South African Rand to trade at R16.2656. Going forward, market participants will keep a tab on the European Central Bank President, Mario Draghi's speech for further direction.

The Euro strengthened against the South African Rand yesterday. On the data front, Germany's GfK consumer confidence index registered an unexpected decline in April.

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 R10.2687.

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	14.4542	▲	0.76	-0.56	2.35	6.27	0.48
GBPZAR	19.0498	▲	0.75	-0.57	1.91	7.50	3.90
EURZAR	16.2656	▲	0.36	-0.90	1.41	5.58	-1.31
AUDZAR	10.2687	▼	1.01	0.20	2.95	3.66	1.61
EURUSD	1.1253	▼	-0.41	-0.32	-0.92	-0.67	-1.75
GBPUSD	1.3180	▼	0.13	0.02	-0.38	1.17	3.59
Brent (\$/barrel)	68.1	▲	1.13	1.40	2.50	8.99	26.34
Gold (\$/oz)	1322.2	▲	-0.57	0.21	-0.08	-0.27	2.63
Platinum (\$/oz)	861.7	▲	0.24	1.34	-1.76	6.12	8.03
Copper (\$/MT)*	6337.5	▲	0.01	0.36	-3.33	6.57	6.53

*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 \$1,322.20/oz.

Yesterday, gold prices fell 0.6% to close at \$1,315.00/oz, as the US dollar strengthened following a rebound in the US Treasury yields.

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Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil gained 0.2% to trade at \$68.11/bl. Meanwhile, the American Petroleum Institute reported that crude oil inventories advanced by 1.9mn bls in the week ended 22 March 2019.

Yesterday, Brent crude oil advanced 1.1% to settle at \$67.97/bl, amid declines in global production led by the Organization of the Petroleum Exporting Countries and supply reductions brought on by the US sanctions on Iran and Venezuela.

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Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices gained 0.2% to trade at \$861.70/oz.

Yesterday, platinum prices climbed 0.2% to close at \$859.80/oz.

Major South African corporate news

Delta Property Fund Limited

The company announced that it has renewed an additional 7 leases with the Department of Public Works (DPW) for a total gross lettable area of 23,167.00sqm at an average rental of ZAR109.00 per sqm for a period of five years at an annual contractual escalation of 6.5%. The DPW intends to renew a sizeable portion of the leases by 31 March 2019.

Major global economic news

US

In the US, housing starts eased 8.7% to an annual rate of 1162.00K on monthly basis in February, more-than-expected and compared to a revised level of 1273.00K in the previous month.

In February, building permits fell 1.6% to an annual rate of 1296.00K on a monthly basis in the US, more than market forecast and compared to a revised level of 1317.00K in the previous month.

In the US, the housing price index advanced 0.6% on a monthly basis in January, more than market expectations. The index had registered a rise of 0.3% in the previous month.

In the US, the CB consumer confidence index unexpectedly dropped to 124.10 in March. The index had registered a reading of 131.40 in the prior month.

In the US, the Richmond Fed manufacturing index dropped to 10.00 in March. The index had registered a level of 16.00 in the prior month.

















UK

In the UK, the BBA mortgage approvals registered an unexpected drop to 35.30K in February. In the previous month, the BBA mortgage approvals had recorded a revised level of 39.56K.

Eurozone

In Germany, the GfK consumer confidence index unexpectedly fell to a level of 10.40 in April. In the previous month, the index had registered a revised reading of 10.70.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
 China	03:30	Industrial Profits (YoY) (Feb)	✓✓	-14.00%*	-1.90%	Monthly
 France	09:45	Producer Price Index (MoM) (Feb)	✓✓	-	0.10%	Monthly
 France	09:45	Producer Price Index (Feb)	✓	-	103.40	Monthly
 France	09:45	Consumer Confidence (Mar)	✓✓✓	96.00	95.00	Monthly
 Spain	10:00	Total Mortgage Lending (YoY) (Jan)	✓	-	23.10%	Monthly
 Spain	10:00	House Mortgage Approvals (YoY) (Jan)	✓	-	0.90%	Monthly
 Eurozone	10:00	ECB's Nowotny Speaks in Vienna	✓	-	-	As scheduled
 Eurozone	10:00	ECB President Mario Draghi Speaks in Frankfurt	✓✓✓	-	-	As scheduled
 Eurozone	10:00	ECB's Nowotny, Lautenschlaeger at Central Bank Conference	✓	-	-	As scheduled
 Eurozone	10:45	ECB Chief Economist Praet Speaks in Frankfurt	✓	-	-	As scheduled
 Eurozone	12:00	ECB's Lautenschlaeger Participates in Panel in Vienna	✓	-	-	As scheduled
 Eurozone	12:45	ECB Vice President de Guindos Speaks in Frankfurt	✓	-	-	As scheduled
 US	13:00	MBA Mortgage Applications (22-Mar)	✓	-	1.60%	Weekly
 UK	13:00	CBI Distributive Trades Survey - Realised (Mar)	✓✓	4.00%	0.00%	Monthly
 US	14:30	Trade Balance (Jan)	✓✓✓	-USD57.00bn	-USD59.80bn	Monthly
 Eurozone	15:30	ECB Executive Board member Mersch Speaks in Frankfurt	✓	-	-	As scheduled
 US	16:00	Current Account Balance (Q4)	✓✓	-USD130.40bn	-USD124.80bn	Quarterly
 Eurozone	19:30	ECB's Villeroy de Galhau Speaks in Geneva	✓	-	-	As scheduled
 US	23:30	Fed's George Speaks to Money Marketmakers of New York	✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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