

ONE Minute Brief

4 March 2019

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Economic and political news

In South Africa (SA), the manufacturing PMI fell more-than-expected to a level of 46.20 in February, compared to a reading of 49.90 in the previous month. New vehicle sales eased 6.5% on a yearly basis in February, compared to a fall of 7.4% in the prior month.

Ratings agency, Standard & Poor, has revised Eskom's rating from 'negative' to 'stable', following a cash injection by the South African government.

President, Cyril Ramaphosa, has indicated that he will wait for the state-capture inquiry's final report before taking action against cabinet members implicated in corrupt dealings.

Deputy Chief Justice, Raymond Zondo, stated that Peter Pedlar will continue as acting Secretary of the Commission of Inquiry into allegations of state capture, until the end of March.

The Mineral Resources Ministry stated that death toll in SA's mines fell to 81 fatalities in 2018 from 90 in the previous year.

Key indices

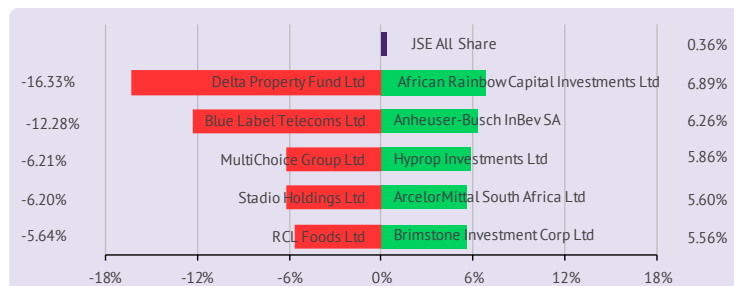
	As at 01 March 2019		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	56203.11	▲	201.03	0.36	NA	0.36	3.41	6.57
JSE Top 40 (ZAR)	49841.27	▲	174.17	0.35	NA	0.35	3.57	6.67
FTSE 100(GBP)	7106.73	▲	32.00	0.45	NA	0.45	1.52	5.63
DAX 30 (EUR)	11601.68	▲	86.04	0.75	NA	0.75	3.07	9.88
CAC 40 (EUR)	5265.19	▲	24.66	0.47	NA	0.47	4.96	11.30
S&P 500 (USD)	2803.69	▲	19.20	0.69	NA	0.69	2.97	11.84
Nasdaq Composite (USD)	7595.35	▲	62.82	0.83	NA	0.83	3.44	14.47
DJIA (USD)	26026.32	▲	110.32	0.43	NA	0.43	3.67	11.57
MSCI Emerging Markets (USD)	1051.54	▲	0.59	0.06	NA	0.06	0.10	8.86
MSCI Developed World (USD)	2096.35	▲	10.51	0.50	NA	0.50	2.83	11.28

South Africa Market ▲

South African markets closed higher

South African markets closed in the green on Friday, amid easing global trade tensions and boosted by gains in retail sector stocks. Data revealed that SA's manufacturing PMI eased more-than-anticipated in February. The JSE All Share Index rose 0.4% to close at 56,203.11.

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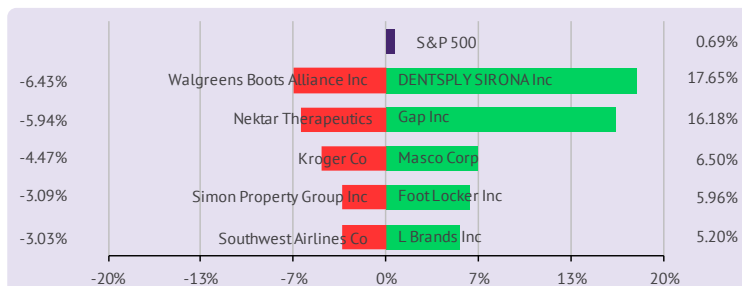


US Market ▲

The S&P 500 futures are trading in the green

US markets closed higher on Friday, amid news that the US and China were close to clinch a trade deal. Data indicated that the US Market manufacturing PMI fell more-than-expected in February. The S&P 500 Index climbed 0.7% to close at 2803.69.

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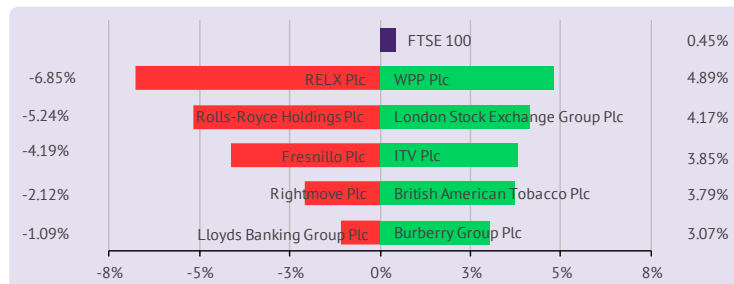


UK Market ▲

The FTSE 100 futures are trading in negative territory

UK markets finished higher on Friday, amid growing optimism over US-China trade deal. Data showed that UK's Market manufacturing PMI dropped as estimated in February. The FTSE 100 Index advanced 0.5% to close at 7,106.73.

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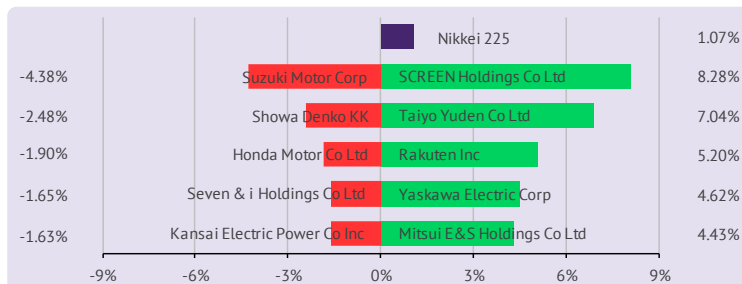


Asian Market ▲

Trading higher

Asian markets are trading higher this morning, on reports that China is considering lowering tariffs on certain US products. The Nikkei 225 Index is trading 1.1% higher at 21,834.07.

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USD ZAR ▼

USD trading weaker against ZAR

At 06:00 SAST, the US Dollar is trading 0.5% lower against the South African Rand at R14.1644. Later today, traders will keep a close watch on the US construction spending data for further cues.

The US Dollar rose against the South African Rand on Friday. On the macro front, the US Markit manufacturing PMI declined to an 18-month low level in February. Additionally, the ISM manufacturing PMI fell more than market forecast to its lowest point since 2016 in the same month. Further, the Michigan consumer sentiment index advanced less than market anticipations in February. Moreover, personal spending dropped more-than-expected in December. Also, personal income recorded an unexpected fall in January, recording its first drop since November 2015. Separately, in SA, the manufacturing PMI declined more-than-expected in February. Further, new vehicle sales dropped on an annual basis in February.

GBP ZAR ▼

GBP trading lower against ZAR

At 06:00 SAST, the British Pound dropped 0.2% against the South African Rand to trade at R18.7556. Ahead in the day, traders will keep an eye on the UK's Markit construction PMI for further indication.

The British Pound advanced against the South African Rand on Friday. On the data front, UK's Markit manufacturing PMI fell at par with market forecast in February, marking its lowest level in four months. In contrast, the nations, consumer credit climbed more-than-expected in January. Additionally, mortgage approvals surprised with a rise in January.

EUR ZAR ▼

EUR trading weaker against ZAR

At 06:00 SAST, the Euro is trading 0.4% lower against the South African Rand at R16.1014. Going forward, market participants will keep a tab on the Eurozone's produce price index and the Sentix investor confidence index for further direction.

The Euro strengthened against the South African Rand on Friday. Data indicated that the Eurozone's consumer price index (CPI) advanced in line with market expectations on an annual basis in February. Meanwhile, the region's Markit manufacturing PMI recorded a drop for the first time since June 2013 in February. Further, unemployment rate remained steady in January, recording its lowest rate since October 2008. Separately, Germany's Markit manufacturing PMI declined in line with market expectations in February. Further, unemployment rate recorded an unchanged reading in February. Meanwhile, the nation's retail sales rebounded on a monthly basis in January.

AUD ZAR ▼

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar dropped 0.2% against the South African Rand to trade at R10.0558. Earlier in the session, Australia's building approvals rose more than market expectations on a monthly basis in January.

The Australian Dollar rose against the South African Rand on Friday.

Key currencies & commodities

	Current#		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	14.1644	▼	1.03	NA	1.03	6.27	-0.82
GBPZAR	18.7556	▼	0.60	NA	0.60	7.50	2.57
EURZAR	16.1014	▼	0.98	NA	0.98	5.58	-1.73
AUDZAR	10.0558	▼	0.80	NA	0.80	3.66	-0.51
EURUSD	1.1367	▲	-0.05	NA	-0.05	-0.67	-0.89
GBPUSD	1.3240	▲	-0.46	NA	-0.46	1.17	3.51
Brent (\$/barrel)	65.4	▲	-1.87	NA	-1.87	8.99	20.95
Gold (\$/oz)	1297.7	▼	-1.28	NA	-1.28	-0.27	1.40
Platinum (\$/oz)	864.7	▲	-1.31	NA	-1.31	6.12	8.52
Copper (\$/MT)*	6525.0	▼	-0.47	NA	-0.47	6.57	9.68

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

Gold ▼

Trading in the red

At 06:00 SAST, gold prices fell 0.1% to trade at \$1,297.70/oz.

On Friday, gold prices fell 1.3% to close at \$1,299.20/oz, as strength in the US Dollar dampened demand for the precious yellow metal.

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Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil rose 0.5% to trade at \$65.37/bl, amid tighter crude oil supplies following output cuts by the Organisation of the Petroleum Exporting Countries (OPEC).

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On Friday, Brent crude oil dropped 1.9% to settle at \$65.07/bl, amid concerns over the demand for the commodity. Meanwhile, Baker Hughes reported that the US oil rig count fell for a second consecutive week by 10 to 843 last week.

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Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices gained 0.1% to trade at \$864.70/oz.

On Friday, platinum prices declined 1.3% to close at \$863.70/oz.

Major South African corporate news

African Rainbow Minerals Limited

In its 1H19 results, the company revealed that its revenues declined to ZAR4.52bn, compared to ZAR4.79bn posted in the same period of the preceding year. Its diluted EPS from continuing operations stood at 667.00c, down from 990.00c recorded in the corresponding period of the previous year. Further, the company has declared an interim dividend of 400.00c per share.

Hyprop Investments Limited

In its 1H19 results, the company indicated that its revenues rose to ZAR1.63bn, compared to ZAR1.54bn, while diluted EPS decreased to 71.20c from 574.40c recorded in the same period of the prior year. The company has declared an interim dividend of 385.60c per share.

Major global economic news

Eurozone

In the Eurozone, the flash CPI climbed 1.5% on an annual basis in February, meeting market expectations. The CPI had registered a rise of 1.4% in the prior month.

In the Eurozone, the final manufacturing PMI fell to a level of 49.30 in February, compared to a reading of 50.50 in the prior month. The preliminary figures had recorded a fall to 49.20.

In the Eurozone, unemployment rate remained unchanged at 7.8% in January.

In Germany, seasonally adjusted unemployment rate remained steady at 5.0% in February, in line with market expectations.

In Germany, the final manufacturing PMI recorded a drop to 47.60 in February, at par with market expectations. In the prior month, manufacturing PMI had recorded a reading of 49.70. The preliminary figures had also recorded a fall to 47.60.

In Germany, retail sales climbed 3.3% on a monthly basis in January, more than market expectations. In the prior month, retail sales had fallen 4.3%.

US

In the US, the final Markit manufacturing PMI eased to 53.00 in February, more than market forecast and compared to a revised level of 54.90 in the previous month. The preliminary figures had indicated a drop to 53.70.

In February, the ISM manufacturing activity index recorded a more-than-expected drop to 54.20 in the US. In the previous month, the index had recorded a reading of 56.60.

In the US, the final Michigan consumer sentiment index recorded a less-than-anticipated rise to 93.80 in February, compared to a level of 91.20 in the previous month. The preliminary figures had indicated an advance to 95.50.

In the US, personal spending eased 0.5% on a monthly basis in December, more than market expectations. Personal spending had climbed 0.4% in the previous month.

In the US, personal income unexpectedly dropped 0.1% on a monthly basis in January. In the prior month, personal income had registered rise of 1.0%

UK

In the UK, the manufacturing PMI registered a drop to 52.00 in February, at par with market expectations and compared to a revised reading of 52.60 in January.









In the UK, net consumer credit registered a more-than-expected rise of GBP1.10bn in January, compared to a revised rise of GBP0.69bn in the prior month.

In January, number of mortgage approvals for house purchases unexpectedly advanced to 66.80K in the UK, compared to a revised level of 64.50K in the prior month.

Asia

In Australia, seasonally adjusted building approvals advanced 2.5% on a monthly basis in January. Building approvals had dropped 8.4% in the prior month.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
 Japan	01:50	Monetary Base (YoY) (Feb)	✓	4.60%*	4.70%	Monthly
 Japan	01:50	Monetary Base (Feb)	✓✓✓	JPY497.30tn*	JPY500.20tn	Monthly
 Eurozone	11:30	Sentix Investor Confidence (Mar)	✓✓✓	-3.10	-3.70	Monthly
 UK	11:30	Markit Construction PMI (Feb)	✓✓✓	50.50	50.60	Monthly
 Eurozone	12:00	Producer Price Index (MoM) (Jan)	✓✓✓	0.30%	-0.80%	Monthly
 Eurozone	12:00	Producer Price Index (YoY) (Jan)	✓✓✓	2.90%	3.00%	Monthly
 US	17:00	Construction Spending (MoM) (Dec)	✓✓	0.20%	0.80%	Monthly
 US	-	Wholesale Inventories (MoM) (Jan) (P)	✓✓✓	-	1.10%	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

40 best performers on the All Share Index

Company name	Last close	1 Week % change	MTD % change	YTD % change
Lonmin Plc	1355	8.05	1.80	61.50
Impala Platinum Holdings Ltd	5732	10.44	-4.78	56.27
Sibanye Gold Ltd	1558	3.87	1.30	55.49
Ascendis Health Ltd	588	1.73	1.73	41.35
Anglo American Platinum Ltd	75635	2.90	-1.34	40.60
Grindrod Ltd	830	1.22	0.00	34.96
Northam Platinum Ltd	5713	10.18	3.33	32.06
Kumba Iron Ore Ltd	36670	-5.25	-1.78	29.55
MiX Telematics Ltd	1077	4.97	2.57	27.06
Assore Ltd	36399	-0.77	3.72	25.51
Royal Bafokeng Platinum Ltd	3266	2.54	0.49	23.34
Steinhoff International Holdings NV	210	12.90	1.94	22.09
Tradehold Ltd	1220	20.79	-2.40	21.39
Clover Industries Ltd	2201	7.42	-1.52	21.00
AECI Ltd	10102	13.53	3.19	20.97
African Rainbow Minerals Ltd	17100	2.36	1.93	20.13
Stenprop Ltd	2110	2.78	0.91	19.44
Hammerson Plc	7257	7.61	3.11	19.32
Investec Ltd	9328	3.75	1.88	18.08
Octodec Investments Ltd	2014	0.70	-0.98	17.64
Cie Financiere Richemont SA	11000	5.96	2.79	17.46
Anglo American PLC	37781	1.10	1.38	17.23
Harmony Gold Mining Co Ltd	2949	2.04	-0.37	17.02
Investec Plc	9319	4.01	1.77	16.98
Capitec Bank Holdings Ltd	130000	2.36	-0.48	16.28
Distell Group Holdings Ltd	12452	3.77	3.77	15.94
DataTec Ltd	3135	5.70	-0.48	14.58
Gold Fields Ltd	5650	-1.34	-1.76	14.51
Capital & Counties Properties Plc	4839	4.90	2.50	14.26
Barloworld Ltd	12795	1.78	1.46	14.26
British American Tobacco Plc	53604	2.49	4.73	14.22
Investec Property Fund Ltd	1561	-0.26	0.71	13.53
BHP Group Plc	32851	-1.00	0.47	13.49
Hospitality Property Fund Ltd	993	4.53	3.44	13.49
Pan African Resources Plc	180	-4.26	0.00	12.50
Telkom SA SOC Ltd	7110	3.46	1.54	12.34
Mpact Ltd	2360	-1.26	-1.63	12.33
South32 Ltd	3840	0.76	-0.90	12.28
Net 1 UEPS Technologies Inc	5632	0.00	0.00	12.08
Quilter Plc	2456	6.41	1.36	12.04
JSE All Share Index	56203	0.38	0.36	6.57

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