

ONE
Minute Brief

11 March 2019



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Economic and political news

Yesterday, the National Union of Metalworkers of South Africa (NUMSA) rejected the National Energy Regulator of South Africa's (Nersa) decision to grant Eskom a tariff increase over the next three years.

The Democratic Alliance has urged for the immediate suspension from public service of all those implicated in the State Security Agency (SSA) probe report.

The Public Investment Corporation (PIC) stated that it has requested the North Gauteng High Court to set aside the compliance notice it received from the Companies and Intellectual Property Commission (CIPC) demanding it to recover the ZAR4.3bn it invested in Ayo Technologies.

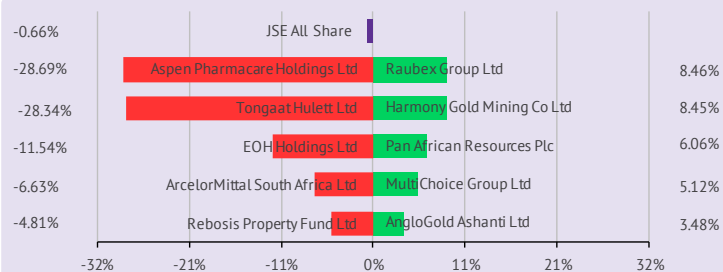
President, Cyril Ramaphosa, stated that the South African government is working hard to ensure that land claims by communities forcefully removed from their property are settled quickly and the claimants receive compensation. Further, Cyril Ramaphosa has handed over title deeds for 10 land claims in Gauteng that were lodged before 31 December 1998.

South Africa Market ▼

South African markets closed lower

South African markets closed in the red on Friday, amid concerns over global economic growth and led by losses in industrial and resources sector stocks. The JSE All Share Index fell 0.7% to close at 55,488.79.

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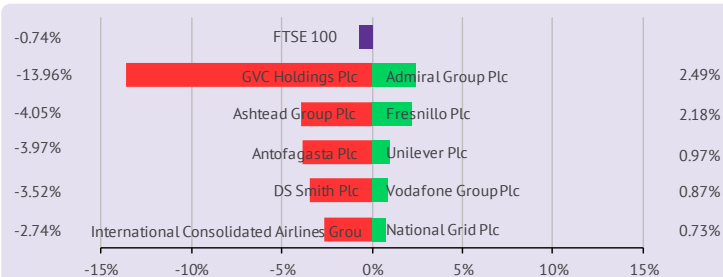


UK Market ▼

The FTSE 100 futures are trading in negative territory

UK markets finished lower on Friday, amid renewed worries over global economic slowdown and led by losses energy sector stocks. The FTSE 100 Index declined 0.7% to close at 7,104.31.

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Key indices

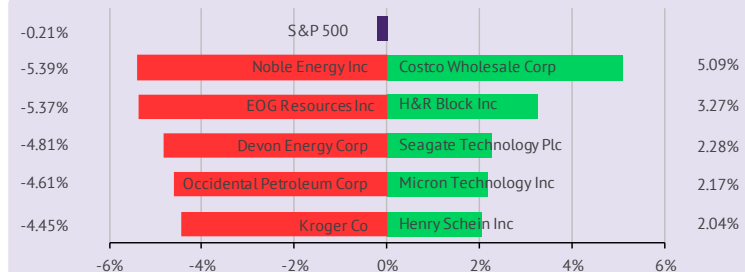
	As at 08 March 2019		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	55488.79	▼	-369.10	-0.66	NA	-0.92	3.41	5.22
JSE Top 40 (ZAR)	49233.13	▼	-432.42	-0.87	NA	-0.87	3.57	5.36
FTSE 100(GBP)	7104.31	▼	-53.24	-0.74	NA	0.42	1.52	5.59
DAX 30 (EUR)	11457.84	▼	-59.96	-0.52	NA	-0.50	3.07	8.51
CAC 40 (EUR)	5231.22	▼	-36.70	-0.70	NA	-0.18	4.96	10.58
S&P 500 (USD)	2743.07	▼	-5.86	-0.21	NA	-1.49	2.97	9.42
Nasdaq Composite (USD)	7408.14	▼	-13.32	-0.18	NA	-1.65	3.44	11.65
DJIA (USD)	25450.24	▼	-22.99	-0.09	NA	-1.80	3.67	9.10
MSCI Emerging Markets (USD)	1030.13	▼	-13.43	-1.29	NA	-1.98	0.10	6.65
MSCI Developed World (USD)	2051.12	▼	-10.29	-0.50	NA	-1.66	2.83	8.87

US Market ▼

The S&P 500 futures are trading in the green

US markets closed lower for the fifth consecutive session on Friday, on the back of disappointing US jobs data and global growth concerns. Data revealed that the US unemployment rate dropped more-than-anticipated in February. The S&P 500 Index dropped 0.2% to close at 2,743.07.

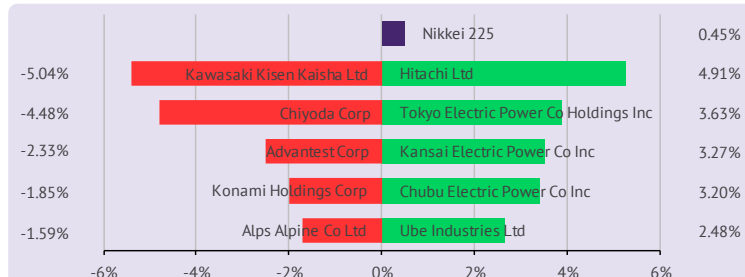
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Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning. The Nikkei 225 Index is trading 0.5% higher at 21,121.18.



USD ZAR ▼

USD trading lower against ZAR

At 06:00 SAST, the US Dollar is trading 0.1% weaker against the South African Rand at R14.4313. Later today, traders will keep a close watch on the US advance retail sales and business inventories for further indication.

The US Dollar fell against the South African Rand on Friday, following weaker-than-expected US jobs report. On the macro front, the US non-farm payrolls rose less than market expectations in February, registering its smallest gain since September 2017. On the flipside, the nation's unemployment rate fell more than market forecast in February. Moreover, housing starts recorded a rise on a monthly basis in January. Further, monthly building permits registered an unexpected advance in January. Also, average hourly earnings jumped on a monthly basis in February.

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GBP ZAR ▼

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound fell 0.4% against the South African Rand to trade at R18.7209. With no major economic news in the UK today, investor sentiment will be determined by global macroeconomic news.

The British Pound declined against the South African Rand on Friday, after the British Prime Minister, Theresa May, warned that UK could face crisis, if MPs rejected her Brexit deal next week.

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EUR ZAR ▼

EUR trading lower against ZAR

At 06:00 SAST, the Euro is trading 0.1% weaker against the South African Rand at R16.2093. Going forward, market participants will keep a tab on Germany's industrial production, current account and trade balance for further direction.

The Euro weakened against the South African Rand on Friday. On the data front, Germany's monthly factory orders unexpectedly dropped at its fastest pace in seven months in January.

AUD ZAR ▼

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar retreated 0.2% against the South African Rand to trade at R10.1564. Meanwhile, in China, Australia's largest trading partner, the consumer price index (CPI) climbed in line with market expectations on a yearly basis in February. Meanwhile, the annual producer price index (PPI) recorded a less-than-anticipated rise in the same month.

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

Key currencies & commodities

	Current#		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	14.4313	▼	-0.44	NA	2.51	6.27	0.64
GBPZAR	18.7209	▼	-1.00	NA	0.61	7.50	2.57
EURZAR	16.2093	▼	-0.09	NA	1.27	5.58	-1.45
AUDZAR	10.1564	▼	0.00	NA	1.83	3.66	0.51
EURUSD	1.1233	▼	0.38	NA	-1.20	-0.67	-2.02
GBPUSD	1.2974	▼	-0.53	NA	-1.87	1.17	2.05
Brent (\$/barrel)	66.0	▲	-0.84	NA	-0.86	8.99	22.19
Gold (\$/oz)	1297.1	▼	1.03	NA	-1.28	-0.27	1.40
Platinum (\$/oz)	815.1	▼	0.06	NA	-6.58	6.12	2.73
Copper (\$/MT)*	6423.0	▼	-0.57	NA	-2.02	6.57	7.97

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

Gold ▼

Trading in the red

At 06:00 SAST, gold prices edged 0.2% lower to trade at \$1,297.10/oz.

On Friday, gold prices rose 1.0% to close at \$1,299.30/oz, after the US Dollar weakened, amid dismal US jobs data.

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Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged 0.5% higher to trade at \$66.04/bl, after Saudi's Oil Minister, Khalid al-Falih stated that OPEC-led supply cuts would continue and was unlikely to end before June.

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On Friday, Brent crude oil dropped 0.8% to settle at \$65.74/bl, amid growing worries over global economic growth and energy demand. Meanwhile, Baker Hughes reported that US oil rig count fell by 9 to 834 last week, recording its third consecutive drop.

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Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged 0.3% lower to trade at \$815.10/oz.

On Friday, platinum prices climbed 0.1% to close at \$817.60/oz.

Major South African corporate news

Ascendis Health Limited

In its 1H19 trading statement, the company indicated that it expects HEPS to be between 40.10c and 42.20c, which is 20.0% to 24.0% lower compared to HEPS of 52.90c posted in the same period of the previous year. Further, the company expects EPS to be in the range of 44.30c to 46.60c, which is 11.0% to 15.0% lower compared to an EPS of 52.30c recorded in the corresponding period of the preceding year. Separately, the firm announced that it intends to dispose of the Efekto, Marltons and Afrikelp businesses and stated that negotiations for the sale are well advanced. Further, the company announced that it has completed the sale of the Isando manufacturing facility for a total cash consideration of ZAR130.00mn.

MMI Holdings Limited

In its 1H19 results, the company announced that its net income decreased to ZAR18.71bn from ZAR46.98bn posted in the same period last year. Its diluted EPS stood at 82.20c, compared to 79.40c recorded in the prior year. The company has declared a gross interim dividend of 35.00c per share.

Major global economic news

US

In the US, unemployment rate fell more-than-expected to 3.8% in February. Unemployment rate had registered a reading of 4.0% in the previous month.

In the US, non-farm payrolls registered a rise of 20.00K in February, following a revised increase of 311.00K in the prior month.

In the US, housing starts surged by 18.6% to an annual rate of 1230.00K on monthly basis in January. Housing starts had recorded a revised level of 1037.00K in the previous month.

In January, building permits unexpectedly climbed by 1.4% to an annual rate of 1345.00K on a monthly basis in the US. In the prior month, building permits had recorded a reading of 1326.00K.

In the US, average hourly earnings of all employees rose 0.4% on a monthly basis in February, more than market expectations. Average hourly earnings had advanced 0.1% in the previous month.

Asia

In China, the CPI registered a rise of 1.5% on an annual basis in February, meeting market forecast and compared to an advance of 1.7% in the previous month.

In China, the PPI rose 0.1% on an annual basis in February, less-than-expected and compared to a similar rise in the previous month.

Eurozone

In Germany, seasonally adjusted factory orders unexpectedly dropped 2.6% on a monthly basis in January, compared to a drop of 1.6% in the prior month.

40 best performers on the All Share Index

Company name	Last close	1 Week % change	MTD % change	YTD % change
Impala Platinum Holdings Ltd	5940	3.63	-1.33	61.94
Lonmin Plc	1311	-3.25	-1.5	56.26
Sibanye Gold Ltd	1477	-5.20	-3.97	47.41
Anglo American Platinum Ltd	75139	0.36	-0.99	41.11
Grindrod Ltd	848	2.17	2.17	37.89
Northam Platinum Ltd	5822	1.91	5.30	34.58
Kumba Iron Ore Ltd	37200	1.45	-0.36	31.43
Assore Ltd	36358	-0.11	3.60	25.37
Raubex Group Ltd	2115	12.44	13.71	24.41
Clover Industries Ltd	2258	2.59	1.03	24.13
MiX Telematics Ltd	1050	-2.51	0.00	23.88
Distell Group Holdings Ltd	13249	6.40	10.41	23.36
British American Tobacco Plc	57833	7.89	13.00	23.23
Stenprop Ltd	2157	2.23	3.16	22.10
Ascendis Health Ltd	501	-14.80	-13.32	20.43
AECI Ltd	10050	-0.51	2.66	20.34
Hammerson Plc	7200	-0.79	2.30	18.38
Royal Bafokeng Platinum Ltd	3130	-4.16	-3.69	18.20
DataTec Ltd	3210	2.39	1.90	17.32
Telkom SA SOC Ltd	7400	4.08	5.68	16.92
Investec Property Fund Ltd	1595	2.18	2.90	16.00
Anglo American Plc	37378	-1.07	0.30	15.98
Steinhoff International Holdings NV	198	-5.71	-3.88	15.12
Octodec Investments Ltd	1970	-2.18	-3.15	15.07
BHP Group Plc	32222	0.48	0.96	14.04
Harmony Gold Mining Co Ltd	2861	-2.98	-3.34	13.53
South32 Ltd	3776	0.85	-0.06	13.23
Quilter Plc	2469	0.53	1.90	12.64
Capital & Counties Properties Plc	4770	-1.43	1.04	12.63
ArcelorMittal South Africa Ltd	380	6.15	12.09	12.09
Tradehold Ltd	1126	-7.70	-9.92	12.04
Mpact Ltd	2350	-0.42	-2.04	11.85
Reinet Investments SCA	24365	6.09	9.72	11.54
Capitec Bank Holdings Ltd	123300	-5.15	-5.60	10.29
Bid Corp Ltd	29199	-1.41	-0.91	10.18
Cie Financiere Richemont SA	10303	-6.34	-3.72	10.02
Gold Fields Ltd	5415	-4.16	-5.84	9.75
Investec Ltd	8670	-7.05	-5.31	9.75
Hospitality Property Fund Ltd	960	-3.32	0.00	9.71
Naspers Ltd	307159	0.54	0.86	9.52
JSE All Share Index	55489	-1.27	-0.92	5.22

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	1:50	Money Supply M3 (YoY) (Feb)	✓	2.10%*	2.10%	Monthly
Japan	1:50	Money Supply M2+CD (YoY) (Feb)	✓	2.40%*	2.30%	Monthly
Japan	8:00	Machine Tool Orders (YoY) (Feb) (P)	✓✓✓	-	-18.80%	Monthly
Germany	9:00	Labour Costs s.a. (QoQ) (Q4)	✓✓	-	1.00%	Quarterly
Germany	9:00	Labour Costs w.d.a. (YoY) (Q4)	✓	-	2.70%	Quarterly
Germany	9:00	Current Account n.s.a. (Jan)	✓	EUR18.00bn	EUR21.00bn	Monthly
Germany	9:00	Imports s.a. (MoM) (Jan)	✓	-0.10%	1.20%	Monthly
Germany	9:00	Trade Balance n.s.a. (Jan)	✓✓✓	EUR15.20bn	EUR13.90bn	Monthly
Germany	9:00	Industrial Production n.s.a. and w.d.a. (YoY) (Jan)	✓✓✓	-3.30%	-3.90%	Monthly
Germany	9:00	Industrial Production s.a. (MoM) (Jan)	✓✓✓	0.50%	-0.40%	Monthly
Germany	9:00	Exports s.a. (MoM) (Jan)	✓	-0.50%	1.50%	Monthly
US	14:30	Advance Retail Sales (MoM) (Jan)	✓✓✓	0.00%	-1.20%	Monthly
US	14:30	Retail Sales Ex Auto & Gas (Jan)	✓✓✓	0.60%	-1.40%	Monthly
US	14:30	Retail Sales "Control Group" (MoM) (Jan)	✓✓	0.60%	-1.70%	Monthly
US	14:30	Retail Sales ex Autos (MoM) (Jan)	✓✓✓	0.30%	-1.80%	Monthly
UK	15:00	BoE's Haskel Speaks in Birmingham	✓	-	-	As scheduled
US	15:30	Trade Balance (Jan)	✓✓✓	-	-USD59.80bn	Monthly
US	16:00	Business Inventories (Dec)	✓	0.60%	-0.10%	Monthly
Eurozone	-	Eurogroup meeting	✓✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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