

# ONE Minute Brief

13 March 2019

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## Economic and political news

Yesterday, the Traditional Courts Bill was adopted by the National Assembly, after House Chairperson and African National Congress Member of Parliament, Grace Boroto, voted to create a quorum.

Parliament's portfolio committee on communications has urged for the immediate removal of Chairman of the Independent Communications Authority of South Africa, Manyaba Rubben Mohlaloga.

The Portfolio Committee on Home Affairs has requested the Home Affairs Minister, Siyabonga Cwele, to review the department's contract with VFS global.

Union federation, Cosatu has requested the National Council of Provinces (NCOP) select committee on finance not to delay the passage of the Public Investment Corporation (PIC) Amendment Bill. Separately, Finance Minister, Tito Mboweni, has urged the NCOP's select committee to halt the PIC Amendment Bill process.

The National Prosecuting Authority argued that former President, Jacob Zuma's application for a stay of prosecution should be dismissed.

## Key indices

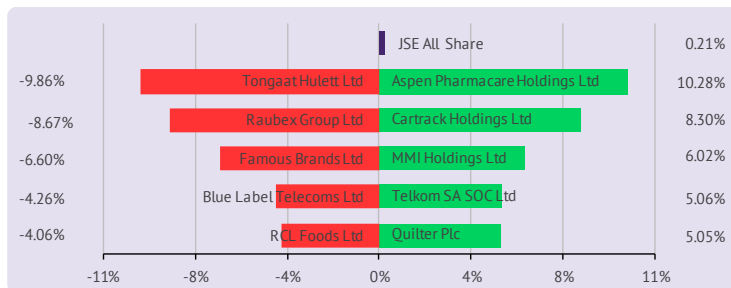
	As at 12 March 2019		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	55699.80	▲	119.15	0.21	0.38	-0.54	3.41	5.62
JSE Top 40 (ZAR)	49468.43	▲	81.12	0.16	0.48	-0.40	3.57	5.87
FTSE 100 (GBP)	7151.15	▲	20.53	0.29	0.66	1.08	1.52	6.29
DAX 30 (EUR)	11524.17	▼	-19.31	-0.17	0.58	0.07	3.07	9.14
CAC 40 (EUR)	5270.25	▲	4.29	0.08	0.75	0.57	4.96	11.41
S&P 500 (USD)	2791.52	▲	8.22	0.30	1.77	0.25	2.97	11.36
Nasdaq Composite (USD)	7591.03	▲	32.97	0.44	2.47	0.78	3.44	14.40
DJIA (USD)	25554.66	▼	-96.22	-0.38	0.41	-1.39	3.67	9.55
MSCI Emerging Markets (USD)	1051.52	▲	10.37	1.00	2.08	0.05	0.10	8.86
MSCI Developed World (USD)	2083.38	▲	8.73	0.42	1.57	-0.12	2.83	10.59

## South Africa Market ▲

### South African markets closed higher

South African markets closed in the green yesterday, boosted by gains in banking, gold mining and financial sector stocks. The JSE All Share Index rose 0.2% to close at 55,699.80.

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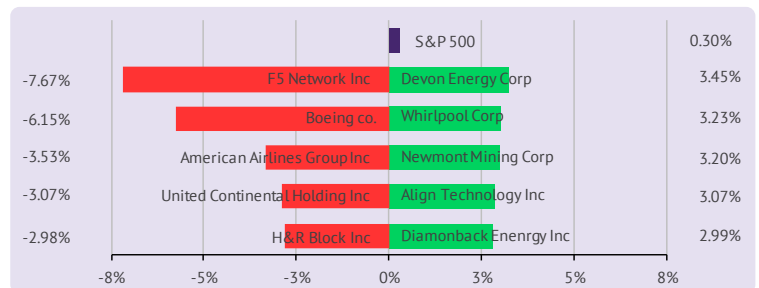


## US Market ▲

### The S&P 500 futures are trading in the red

US markets closed mostly higher yesterday, supported by gains in technology and healthcare sector stocks. Data revealed that the US consumer price index (CPI) advanced less-than-anticipated on an annual basis in February. The S&P 500 Index climbed 0.3% to close at 2,791.52.

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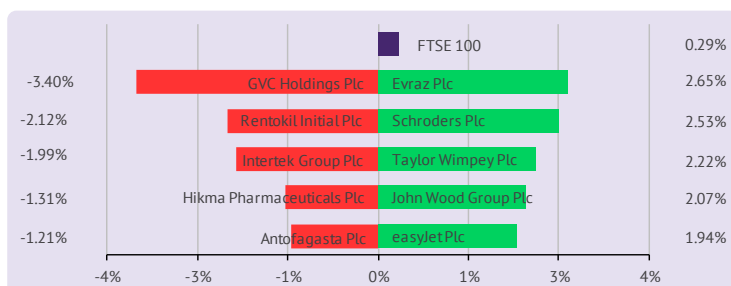


## UK Market ▲

### The FTSE 100 futures are trading in negative territory

UK markets finished higher yesterday, as the British pound weakened, after Britain's parliament rejected Theresa May's Brexit deal. Data showed that UK's gross domestic product (GDP) rose more-than-expected in January. The FTSE 100 Index advanced 0.3% to close at 7,151.15.

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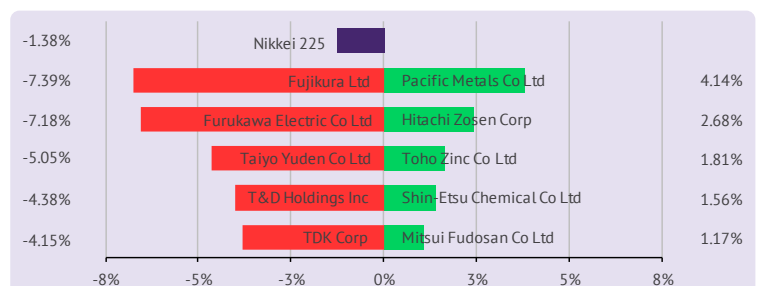


## Asian Market ▼

### Trading lower

Asian markets are trading lower this morning, amid renewed concerns over Brexit. The Nikkei 225 Index is trading 1.4% lower at 21,206.15.

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## USD ZAR ▲

### USD trading higher against ZAR

At 06:00 SAST, the US Dollar rose 0.2% against the South African Rand to trade at R14.3861. Later today, traders will keep a close watch on the US producer price index, the MBA mortgage applications, durable goods orders and construction spending data for further direction.

The US Dollar rose against the South African Rand yesterday. Data indicated that the US yearly average weekly earnings climbed in February. Meanwhile, the nation's CPI rose at its slowest pace since September 2016 on an annual basis in February. Further, the NFIB small business optimism index advanced less than market forecast in February.

## GBP ZAR ▲

### GBP trading stronger against ZAR

At 06:00 SAST, the British Pound is trading 0.3% firmer against the South African Rand at R18.8231. 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. On the data front, UK's GDP accelerated more than market forecast on a monthly basis in January. Additionally, monthly manufacturing production recorded a more-than-expected rise in January. Moreover, industrial production climbed more than market anticipations on a monthly basis in January. Further, monthly construction output jumped more-than-expected in January. Meanwhile, the nation's trade deficit widened more than market forecast in January.

## EUR ZAR ▲

### EUR trading firmer against ZAR

At 06:00 SAST, the Euro advanced 0.2% against the South African Rand to trade at R16.2324. Going forward, market participants will keep a tab on the Eurozone's industrial production for further indication.

The Euro strengthened against the South African Rand yesterday.

## AUD ZAR ▼

### AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar retreated 0.1% against the South African Rand to trade at R10.1515. Earlier in the session, Australia's Westpac consumer confidence index declined in March.

The Australian Dollar rose against the South African Rand yesterday.

## Key currencies & commodities

	Current <sup>#</sup>		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	14.3861	▲	0.09	-0.60	1.90	6.27	0.04
GBPZAR	18.8231	▲	-0.52	-0.17	0.44	7.50	2.40
EURZAR	16.2324	▲	0.46	-0.12	1.15	5.58	-1.56
AUDZAR	10.1515	▼	0.24	-0.12	1.71	3.66	0.39
EURUSD	1.1284	▼	0.38	0.47	-0.73	-0.67	-1.56
GBPUSD	1.3084	▲	-0.57	0.46	-1.42	1.17	2.52
Brent (\$/barrel)	66.8	▲	0.14	1.41	0.54	8.99	23.92
Gold (\$/oz)	1304.7	▲	0.54	-0.09	-1.37	-0.27	1.31
Platinum (\$/oz)	836.4	▲	1.85	1.75	-4.95	6.12	4.52
Copper (\$/MT)*	6498.0	▲	0.98	1.17	-0.88	6.57	9.23

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

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices climbed 0.5% to trade at \$1,304.70/oz, as the ongoing Brexit crisis boosted demand for the safe haven asset.

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Yesterday, gold prices rose 0.5% to close at \$1,298.10/oz, as the US Dollar weakened, amid less-than-expected growth in US inflation.

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## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil gained 0.3% to trade at \$66.84/bl, after the American Petroleum Institute reported that crude oil inventories declined by 2.6mn bls in the week ended 8 March 2019.

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Yesterday, Brent crude oil advanced 0.1% to settle at \$66.67/bl, buoyed by Saudi Arabia's planned cuts in oil exports and after the Energy Information Administration slashed its forecast for domestic crude output growth.

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## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices edged 0.5% higher to trade at \$836.40/oz.

Yesterday, platinum prices climbed 1.9% to close at \$831.90/oz.

## Major South African corporate news

### FirstRand Limited

In its 1H19 results, the company announced that its net income from operations jumped 26% to ZAR21.81bn from ZAR17.36bn posted in the corresponding period of the previous year. Its diluted EPS stood at 280.50c, up from 227.30c reported in the same period of the prior year. Further, the company stated that it has declared a gross cash dividend of 139.00c per share for the period.

## Major global economic news

### UK

In the UK, GDP advanced 0.5% on a monthly basis in January, more than market expectations. The GDP had fallen 0.4% in the previous month.

In the UK, manufacturing production rose 0.8% on a monthly basis in January, more than market forecast. Manufacturing production had fallen 0.7% in the prior month.

In the UK, industrial production recorded a more-than-anticipated rise of 0.6% on a monthly basis in January. Industrial production had registered a drop of 0.5% in the prior month.

In the UK, total trade deficit widened more-than-expected to GBP3.83bn in January, compared to a revised deficit of GBP3.45bn in the previous month.

In the UK, construction output advanced 2.8% on a monthly basis in January, more-than-expected and compared to a fall of 2.8% in the previous month.

### Asia

In Australia, the Westpac consumer confidence index dropped 4.8% to 98.80 on a monthly basis in March. The index had recorded a reading of 103.80 in the prior month.

### US

In the US, the CPI recorded a rise of 1.5% on a yearly basis in February, less than market expectations. In the prior month, the CPI had advanced 1.6%.

In the US, average weekly earnings advanced 1.6% on an annual basis in February, compared to a rise of 1.9% in the previous month.

In the US, the NFIB small business optimism index rose less-than-expected to 101.70 in February, compared to a level of 101.20 in the previous month.

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	01:50	Domestic Corporate Goods Price Index (MoM) (Feb)	✓	0.20%*	-0.60%	Monthly
Japan	01:50	Domestic Corporate Goods Price Index (YoY) (Feb)	✓	0.80%*	0.60%	Monthly
Japan	01:50	Machinery Orders (MoM) (Jan)	✓	-5.40%*	-0.10%	Monthly
Japan	01:50	Machinery Orders (YoY) (Jan)	✓✓	-2.90%*	0.90%	Monthly
Japan	06:30	Tertiary Industry Index (MoM) (Jan)	✓✓	-0.30%	-0.30%	Monthly
Eurozone	10:30	ECB's Mersch speech	✓✓	-	-	As scheduled
Eurozone	12:00	Industrial Production w.d.a. (YoY) (Jan)	✓✓✓	-2.10%	-4.20%	Monthly
Eurozone	12:00	Industrial Production s.a. (MoM) (Jan)	✓✓✓	1.00%	-0.90%	Monthly
South Africa	12:00	BER Business Confidence Index (Q1)	✓	32.00	31.00	Quarterly
US	13:00	MBA Mortgage Applications (08-Mar)	✓	-	-2.50%	Weekly
US	14:30	Producer Prices (Feb)	✓	-	117.10	Monthly
US	14:30	Producer Price Index (MoM) (Feb)	✓✓✓	0.20%	-0.10%	Monthly
US	14:30	Producer Price Index (YoY) (Feb)	✓✓✓	1.90%	2.00%	Monthly
US	14:30	Producer Price Index ex Food & Energy (MoM) (Feb)	✓✓	0.20%	0.30%	Monthly
US	14:30	Producer Price Index ex Food & Energy (YoY) (Feb)	✓✓	2.60%	2.60%	Monthly
US	14:30	Cap Goods Orders Nondef Ex Air (Jan) (P)	✓	0.20%	-1.00%	Monthly
US	14:30	Cap Goods Ship Nondef Ex Air (Jan) (P)	✓	-0.20%	0.00%	Monthly
US	14:30	Durable Goods Orders (Jan) (P)	✓✓✓	-0.50%	1.20%	Monthly
US	14:30	Durable Goods Orders ex Transportation (Jan) (P)	✓✓	0.10%	0.10%	Monthly
US	16:00	Construction Spending (MoM) (Jan)	✓✓	0.50%	-0.60%	Monthly
Eurozone	19:00	ECB's Coeure Speaks in Milan	✓	-	-	As scheduled
Germany	-	Wholesale Price Index (MoM) (Feb)	✓	-	-0.70%	Monthly
Germany	-	Wholesale Price Index (YoY) (Feb)	✓	-	1.10%	Monthly
UK	-	Budget Report	✓✓✓	-	-	As scheduled

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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