

ONE  
Minute Brief

15 March 2019

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## Economic and political news

In South Africa (SA), mining production fell 3.3% on an annual basis in January, compared to a revised drop of 4.1% in the prior month. Annual platinum production surged 28.1% in January, compared to a revised rise of 8.8% in December. Gold production plunged 22.5% on a yearly basis in January, compared to a drop of 31.0% in December. Manufacturing production advanced 0.3% on an annual basis in January, compared to a revised flat reading in the prior month.

Yesterday, Eskom implemented power cuts, after a breakdown at its Kusile power plant project, resulted in a shortfall of generating capacity. Separately, the Cabinet has asked Public Enterprises Minister, Pravin Gordhan, to produce a comprehensive recovery plan for Eskom's Medupi and Kusile power stations.

President, Cyril Ramaphosa, has authorised the Special Investigating Unit (SIU) to probe maladministration and unlawful conduct at the National Health Laboratory Service (NHLS) as well as alleged wrongdoing in the procurement of vehicles in Johannesburg in a tender valued at ZAR86.4mn.

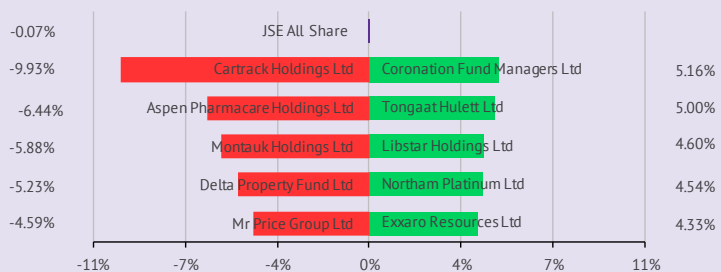
Parliament's Communications Portfolio Committee has finalised the list of proposed candidates to fill eight vacant board positions at the South African Broadcasting Corporation.

## South Africa Market ▼

## South African markets closed lower

South African markets closed in the red yesterday, following dismal local economic data and led by losses in retail, industrial and banking sector stocks. Data showed that SA's annual mining production dropped in January. The JSE All Share Index fell 0.1% to close at 55,789.45.

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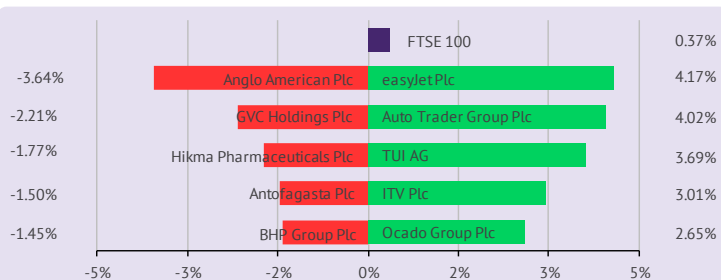


## UK Market ▲

## The FTSE 100 futures are trading in negative territory

UK markets finished higher yesterday, after the British lawmakers voted to reject a no-deal Brexit and buoyed by gains in energy sector stocks. The FTSE 100 Index advanced 0.4% to close at 7,185.43.

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## Key indices

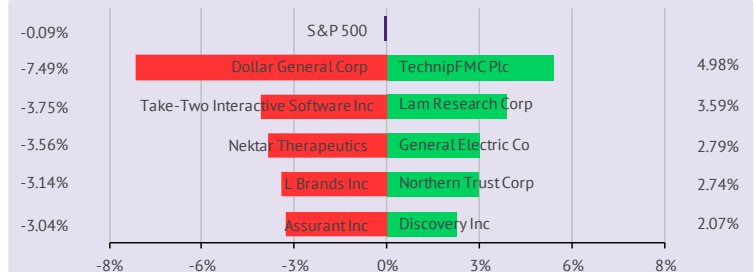
	As at 14 March 2019		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	55789.45	▼	-39.65	-0.07	0.54	-0.38	3.41	5.79
JSE Top 40 (ZAR)	49485.03	▼	-99.82	-0.20	0.51	-0.37	3.57	5.90
FTSE 100 (GBP)	7185.43	▲	26.24	0.37	1.14	1.56	1.52	6.80
DAX 30 (EUR)	11587.47	▲	15.06	0.13	1.13	0.62	3.07	9.74
CAC 40 (EUR)	5349.78	▲	43.40	0.82	2.27	2.08	4.96	13.09
S&P 500 (USD)	2808.48	▼	-2.44	-0.09	2.38	0.86	2.97	12.03
Nasdaq Composite (USD)	7630.91	▼	-12.49	-0.16	3.01	1.31	3.44	15.01
DJIA (USD)	25709.94	▲	7.05	0.03	1.02	-0.80	3.67	10.21
MSCI Emerging Markets (USD)	1048.20	▼	-2.26	-0.22	1.75	-0.26	0.10	8.52
MSCI Developed World (USD)	2096.33	▲	0.66	0.03	2.20	0.50	2.83	11.27

## US Market ▼

## The S&amp;P 500 futures are trading in the green

US markets closed mostly lower yesterday, amid uncertainty over US-China trade deal and concerns over slowing economic growth. Data revealed that US monthly new home sales unexpectedly fell in January. The S&P 500 Index dropped 0.1% to close at 2,808.48.

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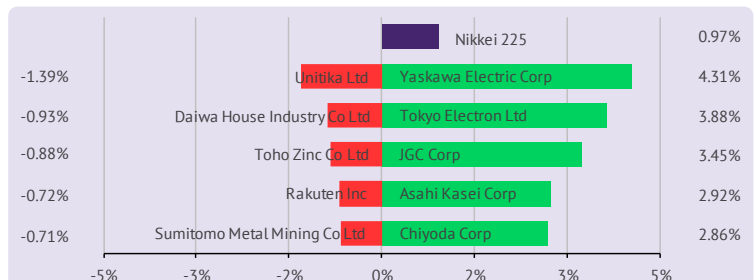


## Asian Market ▲

## Trading higher

Asian markets are trading higher this morning, amid improved global sentiment. The Nikkei 225 Index is trading 1.0% higher at 21,493.67.

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## USD ZAR ▼

### USD trading weaker against ZAR

At 06:00 SAST, the US Dollar is trading 0.3% lower against the South African Rand at R14.5009. Later today, traders will keep a close watch on the US JOLTS job openings, the Empire State manufacturing index, the Michigan consumer sentiment index, manufacturing and industrial production for further indication.

The US Dollar rose against the South African Rand yesterday. On the data front, the US initial jobless claims climbed more than market forecast in the week ended 9 March 2019. Additionally, new home sales registered an unexpected decline on a monthly basis in January. Separately, the South African Rand declined against the US dollar, following weak economic data. Data showed that, in SA, manufacturing production rose less than market expectations on a yearly basis in January. Further, gold production registered a decline on an annual basis in the same month. Additionally, annual mining production dropped for the sixth time in eight months in January. Meanwhile, the nation's yearly platinum production recorded a rise in January.

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## GBP ZAR ▼

### GBP trading lower against ZAR

At 06:00 SAST, the British Pound retreated 0.2% against the South African Rand to trade at R19.2068. 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.

## EUR ZAR ▼

### EUR trading weaker against ZAR

At 06:00 SAST, the Euro is trading 0.1% lower against the South African Rand at R16.4137. Going forward, market participants will keep a tab on the Eurozone's consumer price index (CPI) for further direction.

The Euro strengthened against the South African Rand yesterday. On the macro front, Germany's CPI rose at a slower-than-expected pace on an annual basis in February, recording an advance for the first time in four months.

## AUD ZAR ▼

### AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar is trading marginally weaker against the South African Rand at R10.2696.

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	14.5009	▼	0.80	0.68	3.22	6.27	1.33
GBPZAR	19.2068	▼	0.08	2.44	3.06	7.50	5.07
EURZAR	16.4137	▼	0.58	1.32	2.60	5.58	-0.15
AUDZAR	10.2696	▼	0.38	0.94	2.78	3.66	1.45
EURUSD	1.1318	▲	-0.20	0.61	-0.59	-0.67	-1.42
GBPUSD	1.3245	▲	-0.72	1.74	-0.16	1.17	3.83
Brent (\$/barrel)	67.2	▲	-0.47	2.27	1.39	8.99	24.96
Gold (\$/oz)	1297.7	▲	-1.08	-0.32	-1.60	-0.27	1.08
Platinum (\$/oz)	829.3	▲	-1.73	1.16	-5.50	6.12	3.92
Copper (\$/MT)*	6416.0	▼	-1.32	-0.11	-2.13	6.57	7.85

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

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices gained 0.2% to trade at \$1,297.70/oz.

Yesterday, gold prices fell 1.1% to close at \$1,295.10/oz, as strength in the US Dollar dented demand for the safe haven asset.

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## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil edged slightly higher to trade at \$67.24/bl.

Yesterday, Brent crude oil dropped 0.5% to settle at \$67.23/bl, amid a slowdown in crude output cuts by the Organisation of the Petroleum Exporting Countries and delay in US-China trade discussions.

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## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices edged 0.3% higher to trade at \$829.30/oz.

Yesterday, platinum prices declined 1.7% to close at \$827.10/oz.

## Major South African corporate news

### Allied Electronics Corporation Limited

The company announced the appointment of Mr.Cedric Miller as Chief Financial Officer and Executive Director of Altron, with effect from 1 May 2019.

### Metair Investments Limited

In its FY18 results, the company announced that revenues stood at ZAR10.28bn, compared to ZAR9.52bn in the corresponding period of the previous year. Its diluted EPS rose to 336.00c from 279.00c in the prior year. The company has declared a gross cash dividend of 100.00c per share for the period.

### Exxaro Resources Limited

In its FY18 results, the company announced that revenues increased 12.0% to ZAR25.49mn from ZAR22.81mn posted in the corresponding period of the previous year. Its diluted EPS stood at 2,156.00c, up from 786.00c reported in the prior year. The company has declared a final cash dividend of 555.00c per share.

### RMB Holdings Limited

In its 1H19 results, the company announced that its net income rose to ZAR5.54bn from ZAR4.21bn posted in the corresponding period of the previous year. Its diluted EPS increased to 379.50c from 290.40c in the prior year. The company has declared an interim dividend of 178.00c per share.

## Major global economic news

### US

In the US, seasonally adjusted initial jobless claims recorded a more-than-anticipated rise to 229.00K in the week ended 9 March 2019. In the prior week, initial jobless claims had recorded a reading of 223.00K.

In the US, new home sales unexpectedly dropped 6.9% to a level of 607.00K on a monthly basis in January. New home sales had recorded a revised reading of 652.00K in the previous month.

### Eurozone

In Germany, the final CPI climbed 1.5% on a yearly basis in February, less than market expectations. In the previous month, the CPI had climbed 1.4%. The preliminary figures had indicated an advance of 1.6%.

### Asia

The Bank of Japan (BoJ), in its latest monetary policy decision, kept its benchmark interest rate unchanged at -0.1%, as widely expected. The BoJ indicated that the growth in exports and factory output will decline further weighing on the country's economic recovery.

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus	Previous/ **Previous est.	Frequency
Japan	04:00	BoJ Monetary Policy Statement	✓✓✓	-	-	As scheduled
Japan	06:00	Composite leading indicator (Jan)	✓	-	99.84	Monthly
Germany	09:00	Wholesale Price Index (MoM) (Feb)	✓	-	-0.70%	Monthly
Germany	09:00	Wholesale Price Index (YoY) (Feb)	✓	-	1.10%	Monthly
Eurozone	09:00	EU 27 New Car Registrations (YoY) (Feb)	✓	-	-4.60%	Monthly
Eurozone	11:00	ECB's Rehn Speaks at Helsinki Press Conference on Mon. Policy	✓	-	-	As scheduled
Italy	12:00	Consumer Price Index (YoY) (Feb) (F)	✓✓✓	-	1.10%**	Monthly
Eurozone	12:00	Consumer Price Index (MoM) (Feb)	✓✓✓	0.30%	-1.00%	Monthly
Eurozone	12:00	Consumer Price Index (YoY) (Feb) (F)	✓✓✓	1.50%	1.40%**	Monthly
US	14:30	NY Empire State Manufacturing Index (Mar)	✓✓	10.00	8.80	Monthly
US	15:15	Capacity Utilisation (Feb)	✓	78.50%	78.20%	Monthly
US	15:15	Industrial Production (MoM) (Feb)	✓✓✓	0.40%	-0.60%	Monthly
US	15:15	Manufacturing (SIC) Production (MoM) (Feb)	✓✓✓	0.10%	-0.90%	Monthly
US	16:00	JOLTs Job Openings (Jan)	✓	7225.00K	7335.00K	Monthly
US	16:00	Reuters/Michigan Consumer Sentiment Index (Mar) (P)	✓✓✓	95.70	93.80	Monthly
US	22:00	Net Long-Term TIC Flows (Jan)	✓✓	-	-USD48.30bn	Monthly
US	22:00	Total Net TIC Flows (Jan)	✓	-	-USD33.10bn	Monthly
Japan	-	BoJ's Governor Kuroda speech	✓✓✓	-	-	As scheduled
Japan	-	BoJ Press Conference	✓✓✓	-	-	As scheduled

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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