

# ONE Minute Brief

20 March 2019

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## Economic and political news

Public Enterprises Minister, Pravin Gordhan, stated that he could not provide a date when current power cuts, due to capacity shortages at Eskom, would end.

News reports indicate that President, Cyril Ramaphosa, is likely to sign a proclamation that will lead to the establishment of the National Prosecuting Authority's new investigative directorate.

The National Union of Mineworkers (NUM) has agreed to reconsider a shutdown at Eskom during the week of the May elections.

Financial Sector Conduct Authority has asked Steinhoff to share a copy of an investigation report into the accounting fraud at the firm.

Yesterday, the select committee of the National Council of Provinces (NCOP) adopted the Public Investment Corporation (PIC) Amendment Bill without amendments.

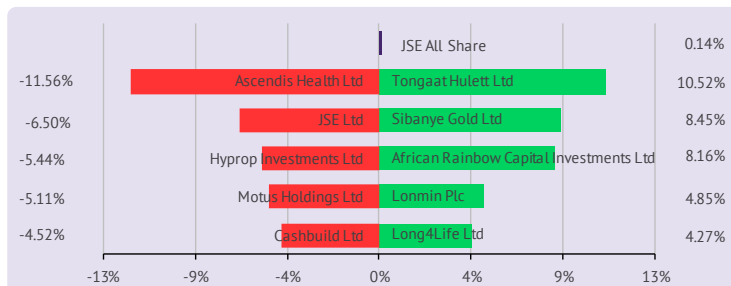
The National Assembly has accepted the appointment of eight new members on the board of South African Broadcasting Corporation (SABC).

## 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. The JSE All Share Index rose 0.1% to close at 56,849.67.

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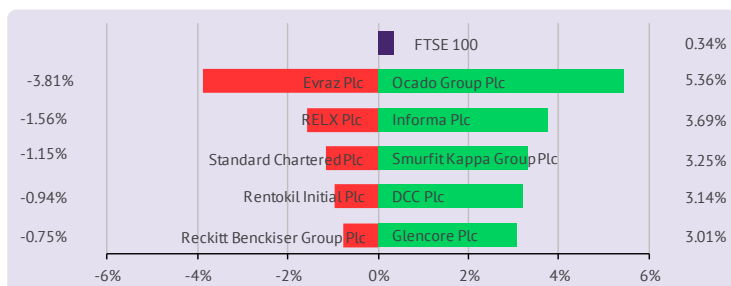


## UK Market ▲

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

UK markets finished higher yesterday, supported by gains in mining and energy sector stocks. Additionally, data showed that the UK's ILO unemployment rate unexpectedly fell in the November-January 2019 period. The FTSE 100 Index advanced 0.3% to close at 7,324.00.

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## Key indices

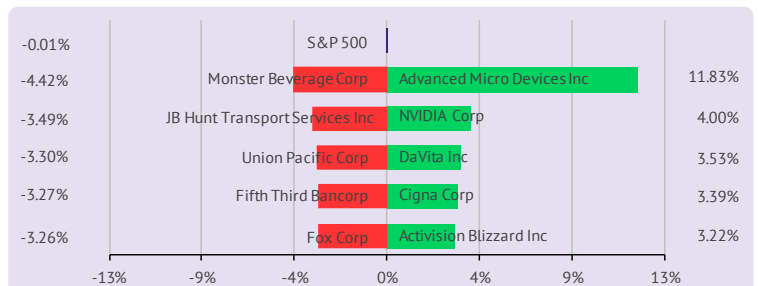
	As at 19 March 2019		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	56849.67	▲	79.81	0.14	1.44	1.51	3.41	7.80
JSE Top 40 (ZAR)	50475.11	▲	86.52	0.17	1.59	1.63	3.57	8.02
FTSE 100 (GBP)	7324.00	▲	24.81	0.34	1.32	3.52	1.52	8.86
DAX 30 (EUR)	11788.41	▲	131.35	1.13	0.88	2.37	3.07	11.64
CAC 40 (EUR)	5425.90	▲	13.07	0.24	0.38	3.54	4.96	14.70
S&P 500 (USD)	2832.57	▼	-0.37	-0.01	0.36	1.73	2.97	12.99
Nasdaq Composite (USD)	7723.95	▲	9.47	0.12	0.46	2.54	3.44	16.41
DJIA (USD)	25887.38	▼	-26.72	-0.10	0.15	-0.11	3.67	10.97
MSCI Emerging Markets (USD)	1070.95	▲	1.68	0.16	1.29	1.90	0.10	10.87
MSCI Developed World (USD)	2120.44	▲	2.45	0.12	0.55	1.66	2.83	12.55

## US Market ▼

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

US markets closed mostly lower yesterday, amid ongoing uncertainty over trade negotiations between the US and China. Data revealed that the US factory orders rose less-than-expected in January. The S&P 500 Index marginally dropped to close at 2,832.57.

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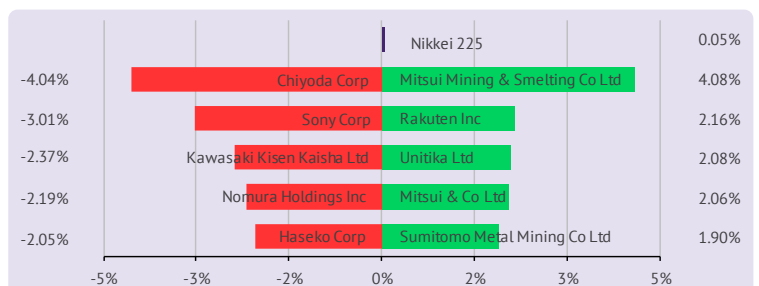


## Asian Market ▼

### Trading mostly lower

Asian markets are trading mostly lower this morning, amid ongoing US-China trade tensions. The Nikkei 225 Index is trading 0.1% higher at 21,578.66.

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## USD ZAR ▲

### USD trading higher against ZAR

At 06:00 SAST, the US Dollar slightly gained against the South African Rand to trade at R14.5118. Later today, traders will keep a close watch on the FOMC interest rate decision and the US MBA mortgage applications for further cues.

The US Dollar rose against the South African Rand yesterday. On the macro front, the US factory orders advanced less than market forecast in January. Additionally, durable goods orders registered a less-than-expected rise in January.

## GBP ZAR ▼

### GBP trading lower against ZAR

At 06:00 SAST, the British Pound marginally dropped against the South African Rand to trade at R19.2407. Ahead in the day, traders will keep an eye on the UK's house price index, CBI total trend orders, the consumer and producer price indices for further indication.

The British Pound advanced against the South African Rand yesterday. Data indicated that the UK's ILO unemployment rate registered an unexpected decline to a 44-year low in the November-January 2019 period. Meanwhile, average weekly earnings climbed more than market forecast on an annual basis in the November-January 2019 period.

## EUR ZAR ▲

### EUR trading firmer against ZAR

At 06:00 SAST, the Euro marginally advanced against the South African Rand to trade at R16.4702. Going forward, market participants will keep a tab on Germany's producer price inflation for further direction.

The Euro strengthened against the South African Rand yesterday. On the data front, the Eurozone's ZEW survey economic sentiment index recorded a rise in March. Meanwhile, the region's construction output declined on a monthly basis in January. In Germany, the ZEW survey current situation index fell more than market anticipations in March, while the nation's ZEW survey expectations index recorded a rise in the same month, notching its highest level in one year.

## AUD ZAR ▼

### AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar dropped 0.1% against the South African Rand to trade at R10.2665. Earlier in the session, Australia's Westpac leading index recorded a flat reading on a monthly basis in February.

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	14.5118	▲	0.39	0.73	2.99	6.27	1.11
GBPZAR	19.2407	▼	0.55	0.48	3.02	7.50	5.03
EURZAR	16.4702	▲	0.56	0.95	2.83	5.58	0.07
AUDZAR	10.2665	▼	0.22	0.75	2.91	3.66	1.57
EURUSD	1.1347	▼	0.13	0.23	-0.17	-0.67	-1.00
GBPUSD	1.3258	▼	0.10	-0.17	0.04	1.17	4.03
Brent (\$/barrel)	67.6	▼	0.10	0.67	1.96	8.99	25.67
Gold (\$/oz)	1304.5	▼	0.38	0.28	-0.73	-0.27	1.97
Platinum (\$/oz)	858.3	▲	2.23	2.50	-2.58	6.12	7.12
Copper (\$/MT)*	6469.0	▲	0.17	0.36	-1.32	6.57	8.74

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

## Gold ▼

### Trading in the red

At 06:00 SAST, gold prices fell 0.2% to trade at \$1,304.50/oz.

Yesterday, gold prices rose 0.4% to close at \$1,306.50/oz, ahead of the Federal Reserve's interest rate decision.

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## Brent Crude Oil ▼

### Trading weaker

At 06:00 SAST, Brent crude oil edged 0.1% lower to trade at \$67.57/bl. Meanwhile, the American Petroleum Institute reported that crude oil inventories declined by 2.1mn bls in the week ended 15 March 2019.

Yesterday, Brent crude oil advanced 0.1% to settle at \$67.61/bl, as the Organisation of the Petroleum Exporting Countries and the other oil producing countries are likely to continue their crude production cuts until June.

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## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices edged 0.7% higher to trade at \$858.30/oz.

Yesterday, platinum prices climbed 2.2% to close at \$852.60/oz.

## Major South African corporate news

### Curro Holdings Limited

The company announced that Barend Petersen, an independent Non-Executive Director, will not stand for re-election at the forthcoming annual general meeting of shareholders and has resigned in his capacity as Director with effect from 1 May 2019. Further, Tsholofelo Molefe will be appointed as an independent Non-Executive Director. Moreover, Hendrik Gideon Louw, an Executive Director from his position. All the board changes are effective from 1 May 2019.

### Oceana Group Limited

The company announced that Ms Lesego Sennelo has been appointed as an independent Non-Executive Director to the Board of Directors with effect from 18 March 2019.

### Remgro Limited

The company, in its 1H19 results, announced that its sales jumped to ZAR30.32bn, compared to ZAR14.05bn in the same period prior year. The company diluted EPS rose to 744.20c from 722.00c in the previous year. The company declared an interim gross dividend of 215.00c for the period.

## Major global economic news

### Eurozone

In the Eurozone, the ZEW economic sentiment index advanced to -2.50 in March. In the prior month, the economic sentiment index had recorded a level of -16.60.

In the Eurozone, the seasonally adjusted construction output fell 1.4% on a monthly basis in January. Construction output had risen by a revised 1.1% in the prior month.

In Germany, the ZEW current situation index dropped more-than-expected to 11.10 in March, compared to a level of 15.00 in the prior month.

In Germany, the ZEW economic sentiment index climbed to -3.60 in March, more than market expectations. The index had recorded a level of -13.40 in the previous month.

### UK

In the UK, the ILO unemployment rate unexpectedly eased to 3.9% in the November-January 2019 period. In the October-December 2018 period, the ILO unemployment rate stood at 4.0%.

In the UK, average earnings including bonus recorded a more-than-anticipated rise of 3.4% on a yearly basis in the November-January 2019 period. Average earnings including bonus had recorded a revised rise of 3.5% in the October-December 2018 period.

### US

In the US, factory orders registered a less-than-anticipated rise of 0.1% on a monthly basis in January, compared to a similar rise in the previous month.

In the US, final durable goods orders advanced 0.3% on a monthly basis in January, less than market forecast and compared to a rise of 1.2% in the previous month. The preliminary figures had indicated a rise of 0.4%.

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus	Previous/ **Previous est.	Frequency
Japan	1:50	BoJ Monetary Policy Meeting Minutes	✓✓✓	-	-	As scheduled
Japan	8:00	Machine Tool Orders (YoY) (Feb) (F)	✓✓✓	-	-29.30%**	Monthly
Germany	9:00	Producer Price Index (MoM) (Feb)	✓✓✓	0.20%	0.40%	Monthly
Germany	9:00	Producer Price Index (YoY) (Feb)	✓✓✓	2.90%	2.60%	Monthly
South Africa	10:00	Consumer Price Index (YoY) (Feb)	✓✓	4.10%	4.00%	Monthly
Eurozone	10:00	Non-Monetary Policy ECB Meeting	✓	-	-	As scheduled
South Africa	10:00	Consumer Price Index (MoM) (Feb)	✓✓	0.90%	-0.20%	Monthly
UK	11:30	Producer Price Index - Input n.s.a. (MoM) (Feb)	✓	0.60%	-0.10%	Monthly
UK	11:30	Producer Price Index - Output n.s.a. (MoM) (Feb)	✓	0.10%	0.00%	Monthly
UK	11:30	Producer Price Index - Output n.s.a. (YoY) (Feb)	✓✓	2.20%	2.10%	Monthly
UK	11:30	Retail Price Index (MoM) (Feb)	✓✓✓	0.70%	-0.90%	Monthly
UK	11:30	Retail Price Index (YoY) (Feb)	✓✓	2.50%	2.50%	Monthly
UK	11:30	Retail Price Index (Feb)	✓	285.10	283.00	Monthly
UK	11:30	Consumer Price Index (MoM) (Feb)	✓✓✓	0.40%	-0.80%	Monthly
UK	11:30	Consumer Price Index (YoY) (Feb)	✓✓✓	1.80%	1.80%	Monthly
UK	11:30	Producer Output Prices (Feb)	✓	-	114.80	Monthly
UK	13:00	CBI Trends Selling Prices (Mar)	✓✓	-	22.00	Monthly
US	13:00	MBA Mortgage Applications (15-Mar)	✓	-	2.30%	Weekly
UK	13:00	CBI Industrial Trends Survey - Orders (Mar)	✓	5.00	6.00	Monthly
South Africa	13:00	Retail Sales (MoM) (Jan)	✓✓	0.40%	-4.80%	Monthly
South Africa	13:00	Retail Sales (YoY) (Jan)	✓✓	1.40%	-1.40%	Monthly
US	20:00	Fed Interest Rate Decision	✓✓✓	2.50%	2.50%	As scheduled
US	20:00	Fed's Monetary Policy Statement	✓✓✓	-	-	As scheduled
US	20:00	FOMC Economic Projections	✓✓✓	-	-	As scheduled
US	20:30	FOMC Press Conference	✓✓✓	-	-	As scheduled

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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