

ONE
Minute Brief

29 March 2019

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Economic and political news

In South Africa (SA), the producer price index (PPI) rose 4.7% on an annual basis in February, compared to a rise of 4.1% in the previous month.

The South African Reserve Bank (SARB) kept its benchmark interest rate unchanged at 6.75%, stating that the risks to the inflation outlook were "more or less evenly balanced". Meanwhile, the central bank slashed its growth forecast for 2019 to 1.3% from 1.7% and for 2020 to 1.8% from 2.0%, projected earlier. However, the bank maintained its inflation forecasts for this year at 4.8%.

The Independent Regulatory Board for Auditors (IRBA) has removed former KPMG auditor, Jacques Wessels' name, from its register, after he was found guilty of misconduct.

The Public Servants Association (PSA) stated that a strike by the South African Revenue Service (Sars) members was legal and would continue.

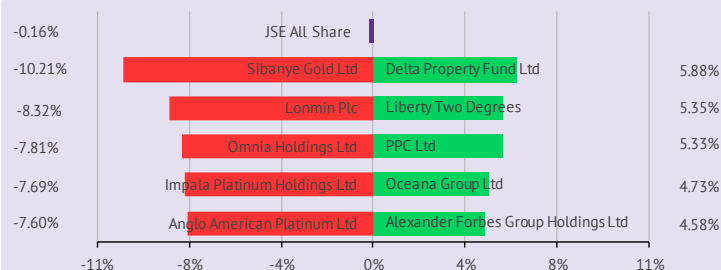
The Parliament has rejected an appeal calling for the amendment of the Constitution to allow for the direct election of the president by the voters.

South Africa Market ▼

South African markets closed lower

South African markets closed in the red yesterday, weighed down by losses in precious metal sector stocks. Data showed that SA's yearly PPI rose more-than-expected in February. The JSE All Share Index fell 0.2% to close at 56,059.50.

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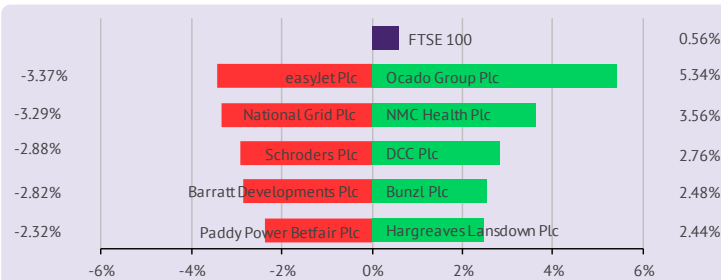


UK Market ▲

The FTSE 100 futures are trading in positive territory

UK markets finished higher yesterday, as the British Pound weakened, amid persistent concerns over Brexit uncertainty. The FTSE 100 Index advanced 0.6% to close at 7,234.33.

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Key indices

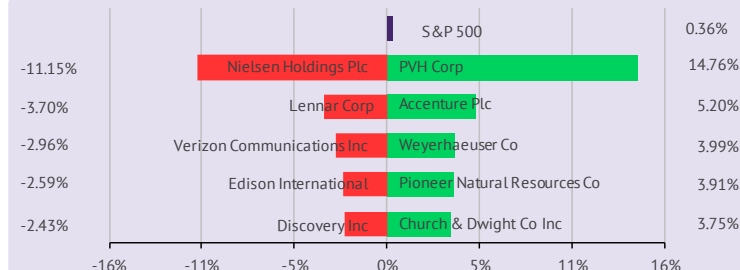
	As at 28 March 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	56059.50	▼	-89.80	-0.16	-0.09	0.10	3.41
JSE Top 40 (ZAR)	49903.31	▲	5.99	0.01	0.22	0.48	3.57
FTSE 100 (GBP)	7234.33	▲	40.14	0.56	0.37	2.26	1.52
DAX 30 (EUR)	11428.16	▲	9.12	0.08	0.56	-0.76	3.07
CAC 40 (EUR)	5296.54	▼	-4.70	-0.09	0.51	1.07	4.96
S&P 500 (USD)	2815.44	▲	10.07	0.36	0.53	1.11	2.97
Nasdaq Composite (USD)	7669.17	▲	25.79	0.34	0.35	1.81	3.44
DJIA (USD)	25717.46	▲	91.87	0.36	0.84	-0.77	3.67
MSCI Emerging Markets (USD)	1045.22	▲	1.12	0.11	-1.36	-0.55	0.10
MSCI Developed World (USD)	2095.18	▲	1.16	0.06	0.02	0.45	2.83

US Market ▲

The S&P 500 futures are trading in the green

US markets closed higher yesterday, amid renewed optimism over progress in US-China trade deal. Data revealed that US economic growth slowed in 4Q18. The S&P 500 Index climbed 0.4% to close at 2,815.44.

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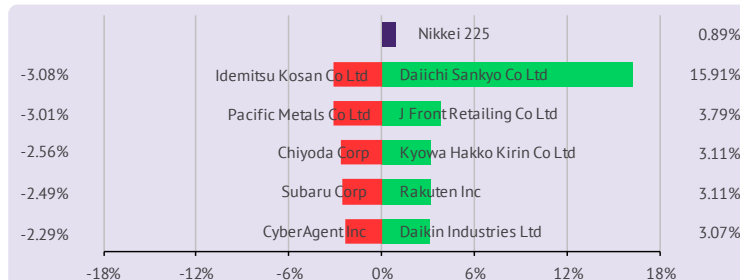


Asian Market ▲

Trading higher

Asian markets are trading higher this morning, as US-China trade hopes resurfaced. Data indicated that Japan's annual consumer price index (CPI) climbed as expected in March. The Nikkei 225 Index is trading 0.9% higher at 21,220.68.

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USD ZAR ▼

USD trading lower against ZAR

At 06:00 SAST, the US Dollar declined 0.1% against the South African Rand to trade at R14.5951. Later today, traders will keep a close watch on the US new home sales, the Chicago purchasing managers' index (PMI) and the Michigan consumer sentiment index for further indication.

The US Dollar rose against the South African Rand yesterday, amid dovish signals from other central banks. Data showed that the US initial jobless claims registered an unexpected decline in the week ended 23 March 2019. Meanwhile, the nation's GDP rose at a slower-than-expected pace on a quarterly basis in the fourth quarter of 2018. Additionally, monthly pending home sales unexpectedly dropped in February. Separately, in SA, the PPI climbed more than market forecast on an annual basis in February.

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GBP ZAR ▲

GBP trading stronger against ZAR

At 06:00 SAST, the British Pound is trading 0.1% higher against the South African Rand at R19.0763. Ahead in the day, traders will keep an eye on the UK's GDP, consumer credit, mortgage approvals, current account balance and the Nationwide house price index for further direction. Data indicated that the UK's GfK consumer confidence index recorded an unchanged reading in March.

The British Pound declined against the South African Rand yesterday, amid news that the British government ruled out a meaningful vote on Friday.

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EUR ZAR ▼

EUR trading weaker against ZAR

At 06:00 SAST, the Euro slightly dropped against the South African Rand to trade at R16.3881. Going forward, market participants will keep a tab on Germany's retail sales and unemployment rate for further cues.

The Euro weakened against the South African Rand yesterday. On the macro front, the Eurozone's business climate indicator declined more than market anticipations in March. Additionally, the economic confidence index fell more-than-expected for a ninth consecutive month in March, marking its lowest level since 2016. Meanwhile, the region's consumer confidence index advanced at par with market forecast in the same month. Separately, Germany's consumer price index (CPI) advanced less-than-anticipated on a yearly basis in March.

AUD ZAR ▲

AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% firmer against the South African Rand at R10.3417. Earlier in the session, Australia's private sector credit demand climbed more than market forecast on a monthly basis in February.

The Australian Dollar fell against the South African Rand yesterday.

Key currencies & commodities

	Current [#]		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	14.5951	▼	0.06	0.76	3.71	6.27	1.82
GBPZAR	19.0763	▲	-1.08	-0.50	1.98	7.50	3.97
EURZAR	16.3881	▼	-0.14	0.02	2.35	5.58	-0.39
AUDZAR	10.3417	▲	-0.08	0.67	3.43	3.66	2.09
EURUSD	1.1228	▲	-0.20	-0.72	-1.32	-0.67	-2.15
GBPUSD	1.3070	▲	-1.10	-1.25	-1.65	1.17	2.27
Brent (\$/barrel)	68.1	▲	-0.01	1.18	2.28	8.99	26.06
Gold (\$/oz)	1293.8	▲	-1.57	-1.71	-2.00	-0.27	0.66
Platinum (\$/oz)	842.8	▲	-2.14	-1.20	-4.23	6.12	5.31
Copper (\$/MT)*	6360.0	▲	0.38	0.72	-2.98	6.57	6.91

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

Gold ▲

Trading in the green

At 06:00 SAST, gold prices climbed 0.3% to trade at \$1,293.80/oz.

Yesterday, gold prices fell 1.6% to close at \$1,289.80/oz, as strength in the US Dollar lowered demand for the precious yellow metal.

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Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged 0.5% higher to trade at \$68.13/bl, amid ongoing supply cuts led by the Organization of the Petroleum Exporting Countries (OPEC) and the US sanctions against Iran and Venezuela.

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Yesterday, Brent crude oil marginally dropped to settle at \$67.82/bl, after the US President, Donald Trump, asked OPEC to raise crude oil output amid concerns over demand outlook.

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Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged 0.5% higher to trade at \$842.80/oz.

Yesterday, platinum prices declined 2.1% to close at \$838.20/oz.

Major South African corporate news

Capitec Bank Holdings Limited

In its FY19 results, the company stated that its net income increased to ZAR14.57bn from ZAR12.52bn posted in the corresponding period of the previous year. Its diluted EPS rose to 4,562.00c from 3,843.00c recorded in the same period of the prior year. The company has declared a total dividend of 1,750.00c per share.

Major global economic news

Asia

In Japan, the Tokyo CPI registered a rise of 0.9% on an annual basis in March, in line with market expectations. Tokyo CPI advanced 0.6% in the previous month.

In Japan, jobless rate fell to 2.3% in February, compared to a rate of 2.5% in the previous month.

In Japan, preliminary industrial production advanced 1.4% on a monthly basis in February, meeting market expectations and compared to a drop of 3.4% in the prior month.

In Japan, retail trade recorded a rise of 0.2% on a monthly basis in February, less-than-anticipated and compared to a revised drop of 1.8% in the previous month.

In Australia, private sector credit demand rose 0.3% on a monthly basis in February, more than market expectations. In the previous month, private sector credit demand had risen 0.2%.

US

In the US, final annualised GDP registered a rise of 2.2% on a quarterly basis in 4Q18, less than market expectations. The annualised GDP had registered a rise of 3.4% in the previous quarter. The preliminary figures had recorded an advance of 2.6%.

In February, pending home sales unexpectedly fell 1.0% on a monthly basis in the US. Pending home sales had advanced by a revised 4.3% in the prior month.

In the US, seasonally adjusted initial jobless claims unexpectedly dropped to a level of 211.00K in the week ended 23 March 2019. In the previous week, initial jobless claims had recorded a revised reading of 216.00K.

Eurozone

In the Eurozone, the business climate indicator fell more-than-expected to a level of 0.53 in March. The business climate indicator had recorded a reading of 0.69 in the previous month.

In the Eurozone, the economic sentiment indicator eased to 105.50 in March, more than market forecast and compared to a revised reading of 106.20 in the previous month.

In March, the final consumer confidence index rose to a level of -7.20, in line with market expectations. In the prior month, the index had registered a reading of -7.40. The preliminary figures had also recorded an advance to -7.20.

In Germany, the preliminary CPI recorded a rise of 1.3% on an annual basis in March, less than market expectations. The CPI had advanced 1.5% in the prior month.

UK

In the UK, the GfK consumer confidence remained unchanged at -13.00 in March.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
Japan	01:30	Unemployment Rate (Feb)	✓✓	2.30%*	2.50%	Monthly
Japan	01:30	Tokyo Consumer Price Index (YoY) (Mar)	✓✓✓	0.90%*	0.60%	Monthly
Japan	01:30	Job-To-ApPLICANT Ratio (Feb)	✓	1.63*	1.63	Monthly
Japan	01:50	Retail Trade s.a. (MoM) (Feb)	✓✓✓	0.20%*	-2.30%	Monthly
Japan	01:50	Industrial Production (MoM) (Feb) (P)	✓✓✓	1.40%*	-3.40%	Monthly
UK	02:01	GfK Consumer Confidence (Mar)	✓✓✓	-13.00*	-13.00	Monthly
Japan	07:00	Housing Starts (YoY) (Feb)	✓	-0.10%	1.10%	Monthly
South Africa	08:00	M3 Money Supply (YoY) (Feb)	✓	5.20%	5.09%	Monthly
South Africa	08:00	Private Sector Credit (YoY) (Feb)	✓	6.30%	6.51%	Monthly
Germany	09:00	Retail Sales (MoM) (Feb)	✓✓✓	-1.00%	3.30%	Monthly
Germany	09:00	Retail Sales (YoY) (Feb)	✓✓✓	2.10%	2.60%	Monthly
UK	09:00	Nationwide House Prices s.a. (MoM) (Mar)	✓✓✓	0.00%	-0.10%	Monthly
Germany	10:55	Unemployment Rate s.a. (Mar)	✓✓✓	4.90%	5.00%	Monthly
Germany	10:55	Unemployment Change (Mar)	✓✓✓	-10.00K	-21.00K	Monthly
UK	11:30	Gross Domestic Product s.a. (QoQ) (Q4) (F)	✓✓✓	0.20%	0.60%**	Quarterly
UK	11:30	Net Consumer Credit (Feb)	✓✓	GBP0.90bn	GBP1.10bn	Monthly
UK	11:30	Mortgage Approvals (Feb)	✓✓✓	65.00K	66.80K	Monthly
UK	11:30	Current Account (Q4)	✓✓	-GBP22.90bn	-GBP26.50bn	Quarterly
UK	11:30	Gross Domestic Product s.a. (YoY) (Q4) (F)	✓✓✓	1.30%	1.30%**	Quarterly
Eurozone	12:00	Consumer Price Index (YoY) (Mar) (P)	✓✓✓	-	1.50%	Monthly
South Africa	14:00	Trade Balance (Feb)	✓✓	ZAR3.30bn	-ZAR13.10bn	Monthly
US	15:45	Chicago PMI (Mar)	✓✓✓	61.00	64.70	Monthly
US	16:00	Reuters/Michigan Consumer Sentiment Index (Mar) (F)	✓✓✓	97.80	95.50**	Monthly
US	16:00	New Home Sales (Feb)	✓✓✓	620.00K	607.00K	Monthly
US	16:00	New Home Sales (MoM) (Feb)	✓✓✓	2.10%	-6.90%	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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