

ONE
Minute Brief

30 April 2019

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Economic and political news

Eskom's Chief Operating Officer, Jan Oberholzer, stated that the utility reduced the amount of unplanned plant failures by more than half over the Easter weekend.

President, Cyril Ramaphosa, stated that South Africa would never witness chaotic land grabs and pledged to act against those responsible for state capture.

The Department of Trade and Industry has gazetted a revised draft of the chartered accountancy profession sector code in a bid to increase the number of black chartered accountants, particularly women, in ownership and management of chartered accounting companies.

Chief Justice, Mogoeng Mogoeng, stated that the judiciary will never be captured and opined that the executive should not play a role in the appointment of judges and other court officials nor interfere with the running of the courts.

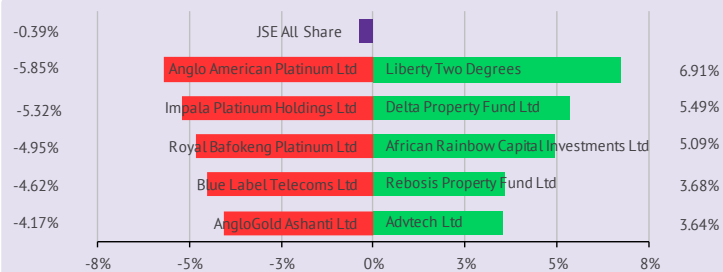
An opinion poll, conducted by Ipsos, has indicated that the ruling African National Congress is likely to dominate the national election on May 8.

South Africa Market ▼

South African markets closed lower

South African markets closed in the red yesterday, led by losses in mining sector stocks. The JSE All Share Index fell 0.4% to close at 58,662.68.

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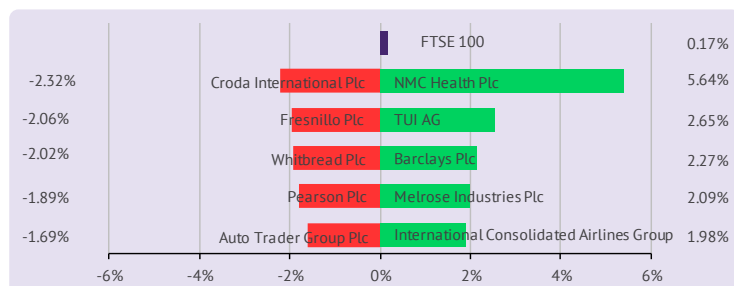


UK Market ▲

UK markets closed higher

UK markets finished higher yesterday, as travel companies gained amid rise in demand for holidays. The FTSE 100 Index advanced 0.2% to close at 7,440.66. Today, the FTSE 100 futures are trading in the positive territory.

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Key indices

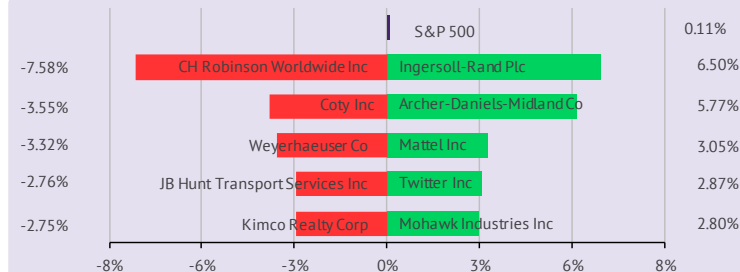
	As at 29 April 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	58662.68	▼ -231.51	-0.39	-0.39	3.90	0.82	11.24
JSE Top 40 (ZAR)	52385.68	▼ -186.36	-0.35	-0.35	4.20	1.22	12.11
FTSE 100 (GBP)	7440.66	▲ 12.47	0.17	0.17	2.22	2.89	10.59
DAX 30 (EUR)	12328.02	▲ 12.84	0.10	0.10	6.96	0.09	16.75
CAC 40 (EUR)	5580.98	▲ 11.62	0.21	0.21	4.31	2.10	17.97
S&P 500 (USD)	2943.03	▲ 3.15	0.11	0.11	3.83	1.79	17.40
Nasdaq Composite (USD)	8161.85	▲ 15.46	0.19	0.19	5.60	2.61	23.01
DJIA (USD)	26554.39	▲ 11.06	0.04	0.04	2.41	0.05	13.83
MSCI Emerging Markets (USD)	1082.91	▲ 4.85	0.45	0.45	2.34	0.68	12.11
MSCI Developed World (USD)	2175.59	▲ 1.77	0.08	0.08	3.22	1.05	15.48

US Market ▲

US markets closed higher

US markets closed higher yesterday, ahead of the Federal Reserve's meeting and following upbeat first-quarter results. The S&P 500 Index climbed 0.1% to close at 2,943.03. Today, the S&P 500 futures are trading in the red.

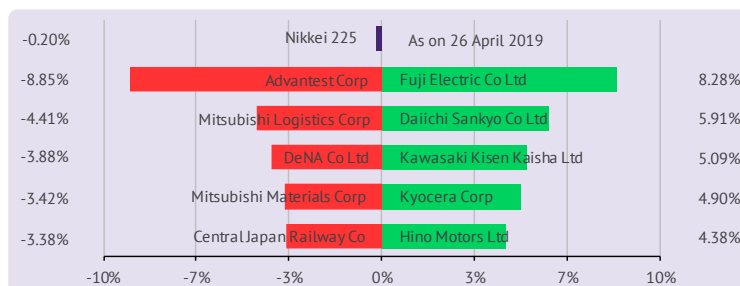
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Asian Market ▼

Trading lower

Asian markets are trading lower this morning. Markets in Japan are closed today on account of public holiday.



USD ZAR ▼

USD trading firmer against ZAR

At 06:00 SAST, the US Dollar is trading 0.2% higher against the South African Rand at R14.3438. Later today, traders will keep a close watch on the US consumer confidence index, the Chicago Purchasing Managers' Index (PMI) and pending home sales data for further direction.

The US Dollar fell against the South African Rand yesterday, ahead of the Federal Reserve policy meeting. Data showed that Dallas Fed manufacturing business index unexpectedly eased in April. Further, personal income advanced less than expected in March, while personal spending climbed more than market consensus in March.

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GBP ZAR ▼

GBP trading stronger against ZAR

At 06:00 SAST, the British Pound is trading 0.2% firmer against the South African Rand at R18.5618. Amid no major economic releases in the UK today, investors would focus on global macroeconomic news for further cues. Overnight data showed that the GfK consumer confidence index remained unchanged in April.

The British Pound declined against the South African Rand yesterday.

EUR ZAR ▼

EUR trading higher against ZAR

At 06:00 SAST, the Euro is trading 0.2% firmer against the South African Rand at R16.0469. Ahead in the day, market participants will keep a tab on the Eurozone's gross domestic product (GDP) and unemployment rate along with Germany's consumer price index (CPI), unemployment rate and the GfK consumer confidence index for further direction.

The Euro weakened against the South African Rand yesterday, following weak economic data. Consumer confidence index in the Eurozone dropped in April, in line with market expectations. Additionally, for the same month, economic sentiment indicator declined to a 2-year low level, while the business climate indicator fell for the second consecutive month.

AUD ZAR ▼

AUD trading slightly higher against ZAR

At 06:00 SAST, the Australian Dollar is trading marginally firmer against the South African Rand at R10.1043. Earlier in the session, Australia's ANZ Roy Morgan weekly consumer confidence index dropped for the week ended 28 April 2019. Australia's private sector credit demand rose less than market forecast on a yearly basis in March. Meanwhile, in China, Australia's largest trading partner, the NBS manufacturing PMI dropped in April. Additionally, the Caixin manufacturing PMI unexpectedly declined in April.

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	14.3438	▼	-0.51	-0.51	-1.27	2.96	-0.20
GBPZAR	18.5618	▼	-0.35	-0.35	-1.99	1.15	1.08
EURZAR	16.0469	▼	-0.16	-0.16	-1.57	1.59	-2.69
AUDZAR	10.1043	▼	-0.23	-0.23	-1.83	3.00	-0.20
EURUSD	1.1187	▼	0.31	0.31	-0.29	-1.35	-2.45
GBPUSD	1.2939	▼	0.16	0.16	-0.75	-1.72	1.43
Brent (\$/barrel)	71.8	▼	-0.15	-0.15	6.60	1.92	33.90
Gold (\$/oz)	1284.8	▲	-0.57	-0.57	-0.89	-1.76	0.02
Platinum (\$/oz)	901.9	▲	-0.25	-0.25	6.17	-3.01	13.24
Copper (\$/MT)*	6402.5	▲	0.06	0.06	-1.29	-1.05	7.62

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

Gold ▲

Trading in the green

At 06:00 SAST, gold prices rose 0.3% to trade at \$1,284.80/oz.

Yesterday, gold prices fell 0.6% to close at \$1,281.50/oz, following stronger than expected US consumer spending data.

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Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil fell 0.3% to trade at \$71.82/bl.

Yesterday, Brent crude oil dropped 0.2% to settle at \$72.04/bl, after US President Donald Trump demanded that the OPEC raise output.

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Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged 0.1% higher to trade at \$901.90/oz.

Yesterday, platinum prices declined 0.3% to close at \$901.30/oz, tracking losses in palladium prices.

Major South African corporate news

MTN Group Limited

In its 1Q19 results, the company stated that service revenues rose 21.9%, compared to the same period of the previous year, on account of good growth in voice and data revenue. Its EBITDA grew by 38.6%. Further, it also stated that total subscribers stood at 20.80mn, while active mobile money subscribers stood at 9.90mn.

Major global economic news

US

In March, personal income in the US rose 0.1% on a monthly basis in March, less than market expectations. In the previous month, personal income had risen 0.2%.

In the US, personal spending rose 0.9% on a monthly basis in March, higher than market expectations. In the prior month, personal spending had risen 0.1%.

The Dallas Fed manufacturing business index unexpectedly fell to a level of 2.00 in April, compared to a revised reading of 6.90 in the previous month.

Eurozone

In the Eurozone, the consumer confidence index dropped to -7.90 in April, in line with market expectations and compared to a revised reading of -7.20 in the previous month.

Eurozone's economic sentiment indicator declined more than expected to 104.00 in April, compared to a revised reading of 105.60 in the prior month.

The business climate indicator in the Eurozone fell to 0.42 in April, higher than market forecast. In the previous month, the index had recorded a revised level of 0.54.

UK

The Bank of England (BoE) Governor, Mark Carney, pledged to create a "new" BoE for the "new economy" of the "Fourth Industrial Revolution." Additionally, Carney stated that the bank was opening up its payments infrastructure to fintech startups to help adapt to changes in technology and the global economy.

In April, the GfK consumer confidence remained steady at -13.00 in the UK, meeting market expectations.

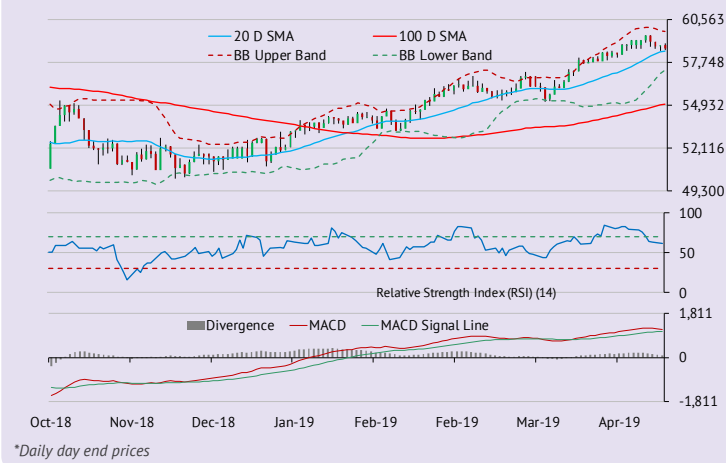
Asia

Australia's ANZ Roy Morgan weekly consumer confidence index dropped to a level of 117.60 in the week ended 28 April 2019. In the previous week, the index had recorded a level of 119.50.

In Australia, private sector credit demand rose 3.9% on an annual basis in March, less than market expectations. The private sector credit demand had advanced by a revised 4.1% in the prior month.

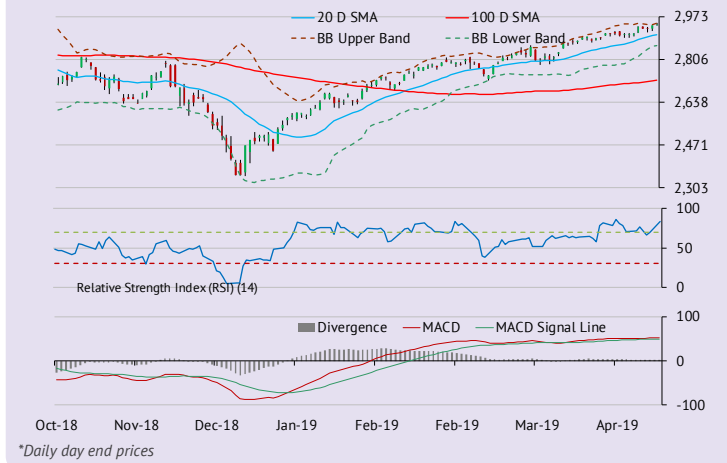
Technical snapshot

JSE All Share



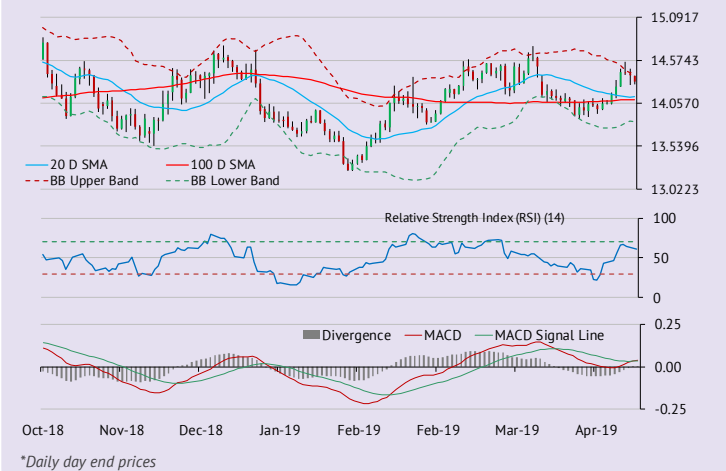
The JSE All Share index is expected to find support at 58,263.85, and a fall through could take it to the next support level of 57,865.01. The index is expected to find its first resistance at 59,303.16, and a rise through could take it to the next resistance level of 59,943.63.

S&P 500



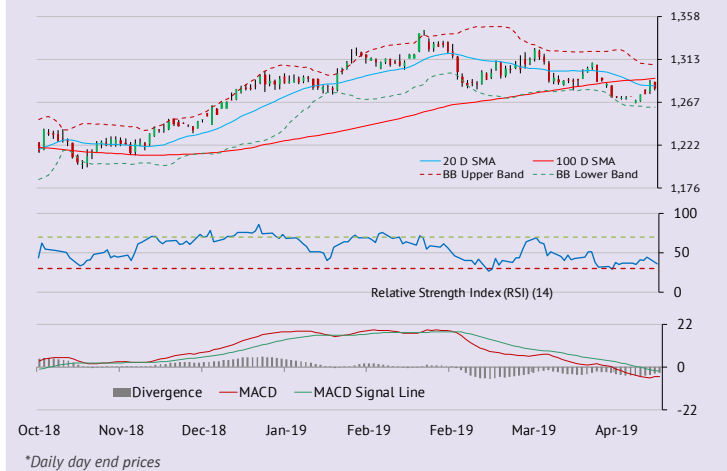
The S&P 500 index is expected to find support at 2,917.87, and a fall through could take it to the next support level of 2,892.70. The index is expected to find its first resistance at 2,958.86, and a rise through could take it to the next resistance level of 2,974.68.

USD ZAR



The pair is expected to find support at 14.1056, and a fall through could take it to the next support level of 13.8934. The pair is expected to find its first resistance at 14.5421, and a rise through could take it to the next resistance level of 14.7664.

XAU USD



Gold is expected to find support at \$1,268.03/oz, and a fall through could take it to the next support level of \$1,254.57/oz. The precious metal is expected to find its first resistance at \$1,292.93/oz, and a rise through could take it to the next resistance level of \$1,304.37/oz.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
UK	01:01	Lloyds Business Barometer (Apr)	✓	14.00%*	10.00%	Monthly
UK	01:01	GfK Consumer Confidence (Apr)	✓✓✓	-13.00*	-13.00	Monthly
China	03:00	NBS Manufacturing PMI (Apr)	✓✓	50.10*	50.50	Monthly
China	03:00	NBS Non-manufacturing PMI (Apr)	✓	54.30*	54.80	Monthly
France	07:30	Gross Domestic Product (QoQ) (Q1) (P)	✓✓✓	0.30%	0.30%	Quarterly
South Africa	08:00	M3 Money Supply (YoY) (Mar)	✓	5.33%	5.30%	Monthly
South Africa	08:00	Private Sector Credit (YoY) (Mar)	✓	6.00%	6.03%	Monthly
Spain	09:00	Gross Domestic Product s.a. (QoQ) (Q1) (P)	✓✓✓	0.60%	0.60%	Quarterly
Switzerland	09:00	KOF Economic Barometer (Apr)	✓✓	97.00	97.40	Monthly
UK	09:40	BoE Deputy Governor Ramsden Speaks in London	✓	-	-	As scheduled
Germany	09:55	Unemployment Rate s.a. (Apr)	✓✓✓	4.90%	4.90%	Monthly
Eurozone	11:00	Gross Domestic Product s.a. (QoQ) (Q1) (P)	✓✓✓	0.30%	0.20%	Quarterly
Eurozone	11:00	Unemployment Rate (Mar)	✓✓✓	7.80%	7.80%	Monthly
Eurozone	11:00	Gross Domestic Product s.a. (YoY) (Q1) (P)	✓✓	1.10%	1.60%	Quarterly
Italy	12:00	Gross Domestic Product s.a. (QoQ) (Q1) (P)	✓✓✓	0.10%	-0.10%	Quarterly
Germany	14:00	Consumer Price Index (YoY) (Apr) (P)	✓✓✓	1.50%	1.30%	Monthly
South Africa	14:00	Trade Balance (Mar)	✓✓	ZAR4.80 bn	ZAR4.00 bn	Monthly
US	14:30	Employment Cost Index (QoQ) (Q1)	✓✓	0.70%	0.70%	Quarterly
Canada	14:30	Gross Domestic Product (MoM) (Feb)	✓✓✓	0.00%	0.30%	Monthly
Canada	14:30	Gross Domestic Product (YoY) (Feb)	✓✓✓	1.40%	1.60%	Monthly
US	14:55	Redbook Index (YoY) (26-Apr)	✓	-	6.00%	Weekly
US	14:55	Redbook Index s.a. (MoM) (26-Apr)	✓	-	1.20%	Weekly
US	15:00	S&P/Case-Shiller Home Price Index (Feb)	✓	-	204.71	Monthly
US	15:00	S&P/Case-Shiller 20 City s.a. (MoM) (Feb)	✓✓✓	0.20%	0.11%	Monthly
US	15:00	S&P/Case-Shiller Composite-20 (YoY) (Feb)	✓✓	2.95%	3.58%	Monthly
US	15:45	Chicago PMI (Apr)	✓✓✓	58.50	58.70	Monthly
US	16:00	Pending Home Sales (YoY) (Mar)	✓	-	-3.00%	Monthly
US	16:00	Pending Home Sales (Mar)	✓	-	101.90	Monthly
US	16:00	Consumer Confidence (Apr)	✓✓✓	126.80	124.10	Monthly
US	16:00	Pending Home Sales (MoM) (Mar)	✓✓	1.50%	-1.00%	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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