

# ONE Minute Brief

18 May 2018

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## Economic and political news

Former President, Jacob Zuma, has missed his own deadline to challenge the decision that he face prosecution.

African cities have pledged to cut carbon emissions to zero by 2050.

City of Tshwane's, Chief of staff, Marietha Aucamp has resigned from her position.

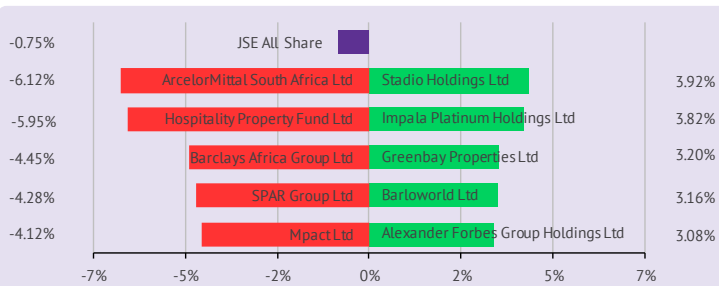
News reports indicated that the death toll from listeria has increased to 204, but the number of new cases has declined sharply after products were recalled.

The Democratic Alliance will submit papers in the Pretoria High Court today to contest the appointment of Arthur Fraser as the National Commissioner of the Department of Justice and Correctional Services.

## South Africa Market ▼

### South African markets closed lower

South African markets closed in the red yesterday, weighed down by losses in banking, retail and financial sector stocks. The JSE All Share Index fell 0.8% to close at 58,184.25.



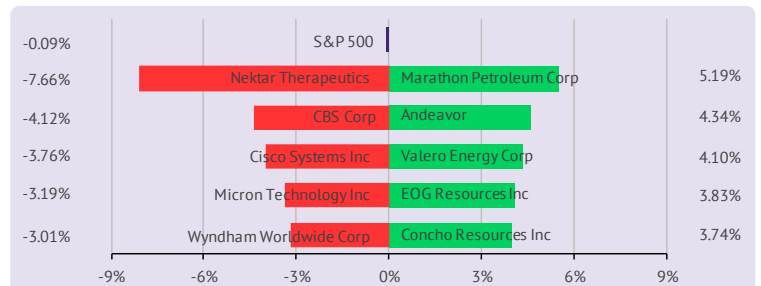
## Key indices

	Last close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	58184.25	▼ -437.52	-0.75	-0.41	-0.12	5.01	-2.22
JSE Top 40	51675.02	▼ -433.08	-0.83	-0.29	0.50	5.38	-1.63
FTSE 100	7787.97	▲ 53.77	0.70	0.82	3.71	6.42	1.30
DAX 30	13114.61	▲ 118.28	0.91	0.87	3.98	4.26	1.52
CAC 40	5621.92	▲ 54.38	0.98	1.44	1.84	6.84	5.82
S&P 500	2720.13	▼ -2.33	-0.09	-0.28	2.72	0.27	1.74
Nasdaq Composite	7382.47	▼ -15.82	-0.21	-0.28	4.47	0.04	6.94
DJIA	24713.98	▼ -54.95	-0.22	-0.47	2.28	0.25	-0.02
MSCI Emerging Markets	1144.07	▼ -11.03	-0.95	-1.75	-1.75	-0.55	-1.24
MSCI Developed World	2125.56	▲ 2.58	0.12	-0.30	1.87	0.95	1.05

## US Market ▼

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

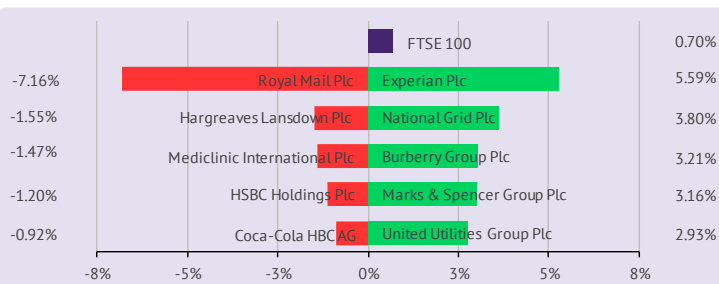
US markets closed lower yesterday, amid renewed tensions over US-China trade talks and led by losses in technology sector stocks. Data showed that weekly initial jobless claims rose more-than-anticipated last week. The S&P 500 Index dropped 0.1% to close at 2,720.13.



## UK Market ▲

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

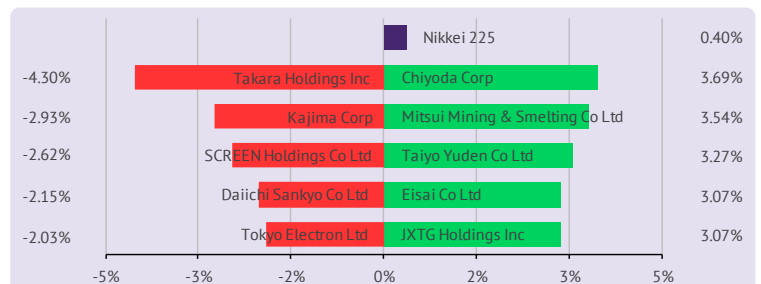
UK markets finished higher yesterday, amid reports that Britain plans to remain in the customs union after Brexit and boosted by gains in energy sector stocks. The FTSE 100 Index advanced 0.7% to close at 7,787.97.



## Asian Market ▲

### Trading higher

Asian markets are trading higher this morning. Data revealed that Japan's annual consumer price index (CPI) rose less-than-expected in April. The Nikkei 225 Index is trading 0.4% higher at 22,929.48.



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## USD ZAR ▼

### USD trading weaker against ZAR

At 06:00 SAST, the US Dollar dropped 0.1% against the South African Rand to trade at R12.5889. Amid no major economic news in the US today, market sentiment will be determined by global macroeconomic news.

The US Dollar rose against the South African Rand yesterday, amid rise in the US Treasury yields. On the data front, the US leading index advanced in line with market forecast for the sixth straight month in April. Meanwhile, initial jobless claims climbed more than market expectations in the week ended 12 May 2018.

## GBP ZAR ▼

### GBP trading lower against ZAR

At 06:00 SAST, the British Pound fell 0.2% against the South African Rand to trade at R17.0086. With no major economic news in the UK today, investor sentiment will be determined by global macroeconomic factors.

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 R14.8593. Going forward, market participants will keep a tab on Eurozone's trade balance along with Germany's producer price index for further indication.

The Euro strengthened against the South African Rand yesterday. Data indicated that Eurozone's construction output recorded a more-than-expected drop on a monthly basis in March.

## AUD ZAR ▼

### AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar declined 0.1% against the South African Rand to trade at R9.4594.

The Australian Dollar rose against the South African Rand yesterday. Data revealed that Australia's consumer inflation expectations advanced in May. Meanwhile, unemployment rate unexpectedly rose to a nine-month high level in April.

## Key currencies & commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	12.5889	▼	1.38	2.85	1.17	5.24	1.81
GBPZAR	17.0086	▼	1.59	2.82	-0.70	3.38	1.90
EURZAR	14.8593	▼	1.23	1.68	-1.19	3.08	0.09
AUDZAR	9.4594	▼	1.32	2.44	0.91	3.20	-2.02
EURUSD	1.1804	▲	-0.11	-1.24	-2.34	-2.00	-1.75
GBPUSD	1.3511	▼	0.22	-0.19	-1.79	-1.80	0.02
Brent (\$/barrel)	79.5	▲	0.05	2.83	6.17	7.72	18.59
Gold (\$/oz)	1288.3	▼	-0.16	-2.37	-2.26	-0.27	-1.52
Platinum (\$/oz)	891.3	▼	0.26	-3.65	-1.36	-2.47	-4.51
Copper (\$/MT)*	6857.0	▲	0.91	-0.01	1.29	1.36	-4.86

\*As of previous close

## Gold ▼

### Trading in the red

At 06:00 SAST, gold prices edged 0.1% lower to trade at \$1,288.30/oz.

Yesterday, gold prices fell 0.2% to close at \$1,289.40/oz, as strength in the US Dollar, amid rise in the US Treasury yields dented demand for the safe haven asset.

## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil advanced 0.3% to trade at \$79.53/bl, on the back of robust demand, ongoing supply cuts led by OPEC and looming US sanctions against Iran.

Yesterday, Brent crude oil marginally advanced to settle at \$79.30/bl, amid continued concerns over potential disruption to global crude supplies.

## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices edged 0.1% lower to trade at \$891.30/oz.

Yesterday, platinum prices climbed 0.3% to close at \$892.10/oz.

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## Major South African corporate news

### DataTec Limited

In its FY18 results, the company revealed that its revenues advanced 1.5% to USD3.92bn compared to the same period of the preceding year. Its diluted loss per share stood at 52.60c, compared to 28.70c recorded in the corresponding period of the previous year.

### Investec Limited

In its FY18 financial results, the company indicated that its operating income rose to GBP2.29bn compared to GBP2.17bn posted in the corresponding period of the previous year. Its diluted EPS increased 2.0% to 49.80p compared to the same period of the prior year. Further, the company declared a final dividend of 13.50p per share.

### Famous Brands Limited

In its FY18 trading statement, stated that the HEPS is expected to be in the range of 327.00c to 405.00c, which is a 5.0% to 24.0% decrease compared to the same period of the prior year. Further, the basic EPS is likely to be in the range of 18.00c to 23.00c, which is significantly lower compared to the same period of the prior year.

### Oceana Group Limited

In its 1H18 results, the company announced that its revenues increased to ZAR3.49bn compared to ZAR3.14bn posted in the corresponding period of the previous year. Its diluted EPS significantly rose compared to the same period of the prior year to 286.60c.

### Tongaat Hulett Limited

In its FY18 trading update, the company announced that HEPS is expected to decrease by 37.0% to 535.00p compared to the same period of the preceding year. Further, it expects EPS to drop to 618.00c, which is a decline of 28.0%.

## Major global economic news

### US

In the US, seasonally adjusted initial jobless claims climbed to 222.00K, higher than market expectations of an advance to a level of 215.00K in the week ended 12 May 2018. Initial jobless claims had registered a level of 211.00K in the prior week.

In the US, the leading index climbed 0.4% on a monthly basis in April, at par with market expectations. Leading indicator had registered a revised similar rise in the previous month.

### Eurozone

In the Eurozone, seasonally adjusted construction output recorded a more-than-anticipated decline of 0.3% on a monthly basis, in March. Construction output had fallen by a revised 0.7% in the previous month.

### Asia

In Japan, the national CPI advanced 0.6% on a yearly basis in April, lower than market expectations. The national CPI had risen 1.1% in the prior month.

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## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/	Previous	Frequency
Japan	01:30	National Consumer Price Index (YoY) (Apr)	✓✓✓	0.60%*	1.10%	Monthly
Japan	01:30	National CPI Ex-Fresh Food (YoY) (Apr)	✓✓✓	0.70%*	0.90%	Monthly
Germany	08:00	Wholesale Price Index (MoM) (Apr)	✓	-	0.00%	Monthly
Germany	08:00	Wholesale Price Index (YoY) (Apr)	✓	-	1.20%	Monthly
Germany	08:00	Producer Price Index (MoM) (Apr)	✓✓✓	0.30%	0.10%	Monthly
Germany	08:00	Producer Price Index (YoY) (Apr)	✓✓✓	1.80%	1.90%	Monthly
US	09:00	FOMC Member Mester speech	✓✓	-	-	As scheduled
Portugal	09:30	Bank of Portugal's Costa, Lloyds CEO Speak at Event in Lisbon	✓	-	-	As scheduled
Eurozone	10:00	Current Account n.s.a. (Mar)	✓	-	EUR22.70bn	Monthly
Eurozone	10:00	Current Account s.a (Mar)	✓✓✓	-	EUR35.10bn	Monthly
Italy	10:00	Current Account (Mar)	✓	-	EURO.84bn	Monthly
Eurozone	11:00	Trade Balance n.s.a. (Mar)	✓✓	-	EUR18.90bn	Monthly
Eurozone	11:00	Trade Balance s.a. (Mar)	✓✓✓	EUR21.00bn	EUR21.00bn	Monthly
Canada	14:30	Consumer Price Index Core s.a. (MoM) (Apr)	✓✓	-	0.10%	Monthly
Canada	14:30	Consumer Price Index s.a. (MoM) (Apr)	✓✓✓	-	0.10%	Monthly
Canada	14:30	Retail Sales (MoM) (Mar)	✓✓	0.30%	0.40%	Monthly
Canada	14:30	Retail Sales ex Autos (MoM) (Mar)	✓	0.50%	0.00%	Monthly
Canada	14:30	Consumer Price Index Core (MoM) (Apr)	✓✓	0.20%	0.20%	Monthly
Canada	14:30	Consumer Price Index Core (YoY) (Apr)	✓✓	1.40%	1.40%	Monthly
Canada	14:30	Consumer Price Index (Apr)	✓✓	133.30	132.90	Monthly
Canada	14:30	Consumer Price Index n.s.a. (MoM) (Apr)	✓✓✓	0.30%	0.30%	Monthly
Canada	14:30	Consumer Price Index (YoY) (Apr)	✓✓✓	2.30%	2.30%	Monthly
US	15:15	Fed's Brainard Speaks About Community Reinvestment Act	✓✓	-	-	As scheduled
US	15:15	Fed's Kaplan Speaks in Moderated Q&A	✓✓	-	-	As scheduled

Note: ✓✓✓High    ✓✓Medium    ✓Low

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