

ONE Minute Brief

9 April 2019

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Economic and political news

The World Bank slashed its growth forecast for Sub-Saharan Africa to 2.8% for 2019, from 3.3% projected earlier.

The Johannesburg Stock Exchange (JSE) has been called to appear before the commission of inquiry into the Public Investment Corporation (PIC), to explain why Iqbal Survé's Sagarmatha Technologies was not listed on the exchange in 2018.

The Association of Mineworkers and Construction Union (AMCU) has lodged an appeal before the Competition Appeal Court to set aside a 2018 decision by the Competition Tribunal approving Lonmin-Sibanye merger.

Sibanye-Stillwater announced that it would approach the Labour Court to declare a protracted wage strike at its gold mines as unprotected.

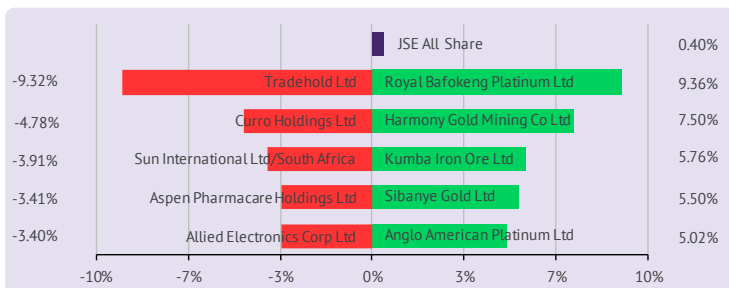
The Agricultural Business Chamber (Agbiz) has called for more research into the growing and trading of cannabis in South Africa and the rest of the world.

South Africa Market ▲

South African markets closed higher

South African markets closed in the green yesterday, as increase in oil prices and weakness in the South African Rand boosted mining sector stocks. The JSE All Share Index rose 0.4% to close at 57,985.78.

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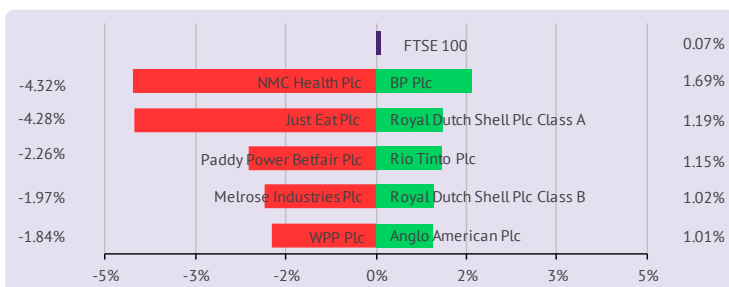


UK Market ▲

The FTSE 100 futures are trading in positive territory

UK markets finished in positive territory yesterday, amid a surge in crude oil prices, led by rising tensions in Libya and OPEC-led supply cuts. The FTSE 100 Index advanced 0.1% to close at 7,451.89.

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Key indices

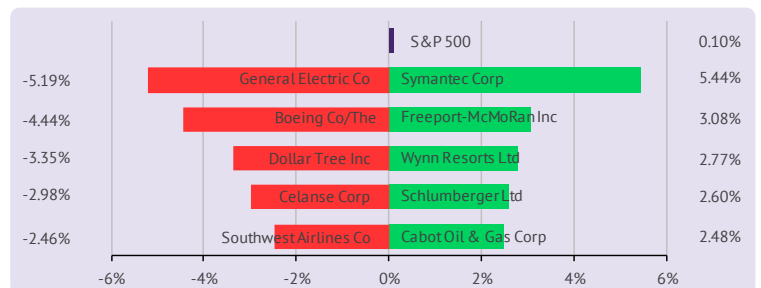
	As at 08 April 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg	
JSE All Share (ZAR)	57985.78	▲	79.81	0.36	0.36	2.70	0.82	9.95
JSE Top 40 (ZAR)	51705.98	▲	86.52	0.37	0.37	2.85	1.22	10.66
FTSE 100 (GBP)	7451.89	▲	5.02	0.07	0.07	2.37	2.89	10.76
DAX 30 (EUR)	11963.40	▼	-46.35	-0.39	-0.39	3.79	0.09	13.30
CAC 40 (EUR)	5471.78	▼	-4.42	-0.08	-0.08	2.27	2.10	15.67
S&P 500 (USD)	2895.77	▲	3.03	0.10	0.10	2.17	1.79	15.51
Nasdaq Composite (USD)	7953.88	▲	15.19	0.19	0.19	2.91	2.61	19.87
DJIA (USD)	26341.02	▼	-83.97	-0.32	-0.32	1.59	0.05	12.92
MSCI Emerging Markets (USD)	1088.50	▲	3.36	0.31	0.31	2.87	0.68	12.69
MSCI Developed World (USD)	2152.90	▲	3.05	0.14	0.14	2.14	1.05	14.28

US Market ▲

The S&P 500 futures are trading in the red

US markets closed mostly firmer yesterday, supported by the Federal Reserve's decision to hold interest rate hikes in 2019 and on hopes of US-China trade deal. The S&P 500 Index climbed 0.1% to close at 2,895.77.

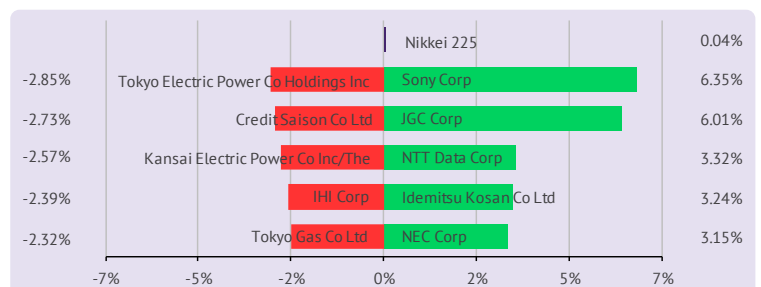
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Asian Market ▲

Trading higher

Asian markets are trading higher this morning. The Nikkei 225 Index is trading marginally higher at 21,769.94.



USD ZAR ▲

USD trading higher against ZAR

At 06:00 SAST, the US Dollar rose 0.1% against the South African Rand to trade at R14.1200. Later today, traders will keep a close watch on the US NFIB small optimism index and JOLTS job openings for further direction.

The US Dollar rose against the South African Rand yesterday. On the data front, the US factory orders declined less than market expectations for a fourth consecutive month in February. Additionally, durable goods orders slid in the same month.

GBP ZAR ▲

GBP trading firmer against ZAR

At 06:00 SAST, the British Pound gained 0.2% against the South African Rand to trade at R18.4664. With no major economic news in the UK today, investor sentiment will be determined by global macroeconomic news. Data indicated that UK's BRC like-for-like sales dropped on a yearly basis in March.

The British Pound advanced against the South African Rand yesterday, as prospects of no-deal Brexit dimmed and amid expectations of Brexit delay.

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EUR ZAR ▲

EUR trading stronger against ZAR

At 06:00 SAST, the Euro rose 0.1% against the South African Rand to trade at R15.9081. Amid no major economic news across the Eurozone, market sentiment will be determined by global macroeconomic news for further cues.

The Euro strengthened against the South African Rand yesterday. On the macro front, the Eurozone's Sentix investor confidence index advanced for the second consecutive month in April, notching its highest level since November 2018. Separately, Germany's trade surplus widened more than market anticipations in February. Meanwhile, the nation's current account surplus unexpectedly narrowed in February.

AUD ZAR ▲

AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.2% higher against the South African Rand at R10.0730. Earlier in the session, Australia's ANZ Roy Morgan weekly consumer confidence index dropped in the week ended 7 April 2019. Meanwhile, the nation's home loan approvals rebounded on a monthly basis in February.

The Australian Dollar climbed against the South African Rand yesterday.

Key currencies & commodities

	Current#		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	14.1200	▲	0.13	0.13	-2.69	2.96	-1.64
GBPZAR	18.4664	▲	0.34	0.34	-2.45	1.15	0.60
EURZAR	15.9081	▲	0.56	0.56	-2.31	1.59	-3.42
AUDZAR	10.0730	▲	0.48	0.48	-2.29	3.00	-0.66
EURUSD	1.1267	▲	0.42	0.42	0.40	-1.35	-1.78
GBPUSD	1.3077	▲	0.18	0.18	0.20	-1.72	2.41
Brent (\$/barrel)	71.2	▲	1.08	1.08	5.21	1.92	32.16
Gold (\$/oz)	1303.5	▲	0.52	0.52	0.32	-1.76	1.23
Platinum (\$/oz)	907.6	-	0.73	0.73	6.91	-3.01	14.03
Copper (\$/MT)*	6459.8	▲	1.17	1.17	-0.41	-1.05	8.59

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

Gold ▲

Trading in the green

At 06:00 SAST, gold prices climbed 0.5% to trade at \$1,303.50/oz.

Yesterday, gold prices rose 0.5% to close at \$ 1,297.10/oz, as weakness in the US Dollar dampened demand for the safe haven asset.

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Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil gained 0.1% to trade at \$71.19/bl.

Yesterday, Brent crude oil advanced 1.1% to settle at \$71.10/bl, as ongoing tensions in Libya spurred expectations of tighter global crude oil supplies and supported by continuing production cuts by the Organization of the Petroleum Exporting Countries.

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Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged marginally lower to trade at \$907.60/oz.

Yesterday, platinum prices climbed 0.7% to close at \$907.60/oz.

Major South African corporate news

Pick n Pay Stores Limited

In its FY19 trading statement, the company announced that it expects HEPS to be between 312.99c and 340.69c, which is 13.0% to 23.0% higher compared to the same period of the previous year. Further, the company expects EPS to be in the range of 309.21c to 336.58c, which is 13.0% to 23.0% higher compared with the corresponding period of the preceding year.

Major global economic news

Eurozone

In the Eurozone, the Sentix investor confidence index climbed to a level of -0.30 in April, compared to a reading of -2.20 in the previous month.

In Germany, trade surplus widened more-than-expected to EUR17.90bn in February, compared to a surplus of EUR14.60bn in the prior month.

In Germany, current account surplus unexpectedly narrowed to EUR16.30bn in February, compared to a surplus of EUR18.80bn in January.

Asia

Australia's ANZ Roy Morgan weekly consumer confidence index declined to 113.2 in the week ended 7 April 2019, following a reading of 114.7 in the prior week.

In Australia, home loan approvals rose 0.8% on a monthly basis in February, more than market expectations and compared to a decline of 1.2% in the previous month.

US












In the US, factory orders slid 0.5% on a monthly basis in February, less than market expectations. Factory orders had recorded a revised unchanged reading in the previous month.

In the US, final durable goods orders slid 1.6% on a monthly basis in February, compared to a revised advance of 0.1% in the previous month. The preliminary figures had also recorded a fall of 1.6%.

UK

UK's BRC like-for-like sales fell 1.1% on a yearly basis in March, compared to a drop of 0.1% in the previous month.

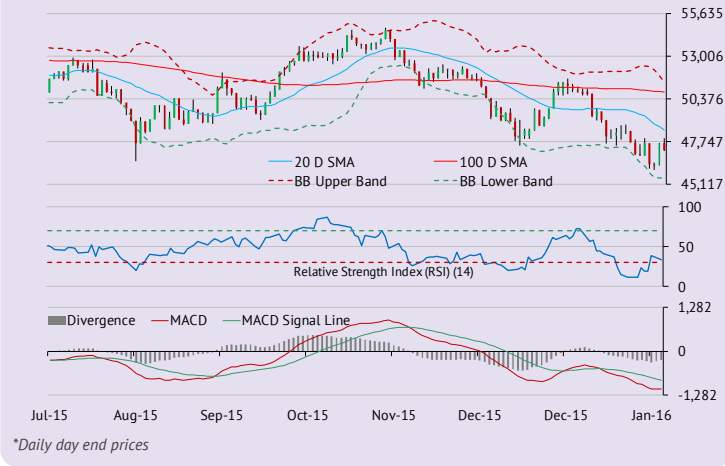
Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
 UK	01:01	BRC Sales Like-For-Like (YoY) (Mar)	✓✓✓	-1.10%*	-0.10%	Monthly
 Switzerland	07:45	Unemployment Rate n.s.a. (Mar)	✓✓	2.50%	2.70%	Monthly
 Switzerland	07:45	Unemployment Rate s.a. (Mar)	✓✓	2.40%	2.40%	Monthly
 Italy	10:00	Retail Sales n.s.a. (YoY) (Feb)	✓✓✓	-	1.30%	Monthly
 Italy	10:00	Retail Sales s.a. (MoM) (Feb)	✓✓✓	-0.20%	0.50%	Monthly
 Greece	11:00	Industrial Production (YoY) (Feb)	✓	-	3.40%	Monthly
 Portugal	12:00	Trade Balance (Feb)	✓	-	-EUR2.00 bn	Monthly
 US	12:00	NFIB Small Business Optimism (Mar)	✓	102.00	101.70	Monthly
 US	14:55	Redbook Index (YoY) (05-Apr)	✓	-	4.40%	Weekly
 US	14:55	Redbook Index s.a. (MoM) (05-Apr)	✓	-	0.00%	Weekly
 US	16:00	JOLTs Job Openings (Feb)	✓	7550.00 K	7581.00 K	Monthly

Note: ✓✓✓High ✓✓Medium ✓Low

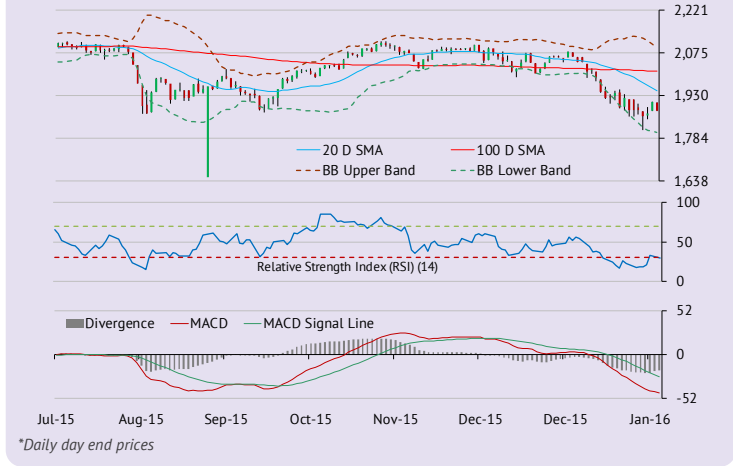
Technical snapshot

JSE All Share



The JSE All Share index is expected to find support at 57,194.48, and a fall through could take it to the next support level of 56,403.17. The index is expected to find its first resistance at 58,439.41, and a rise through could take it to the next resistance level of 58,893.03.

S&P 500



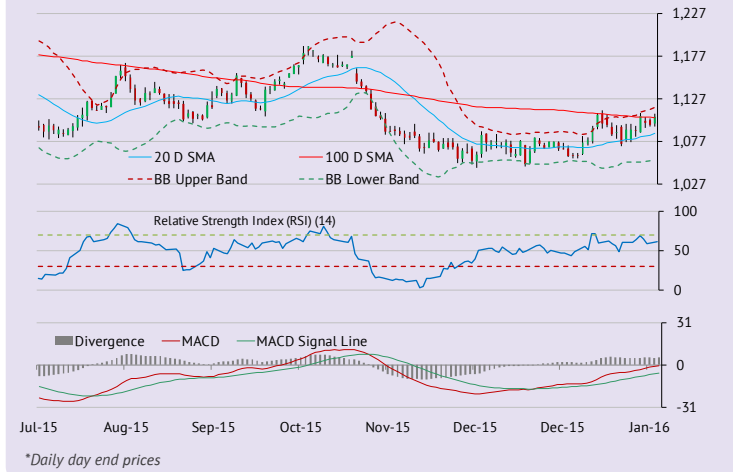
The S&P 500 index is expected to find support at 2,871.03, and a fall through could take it to the next support level of 2,846.29. The index is expected to find its first resistance at 2,908.23, and a rise through could take it to the next resistance level of 2,920.69.

USD ZAR



The pair is expected to find support at 13.9894, and a fall through could take it to the next support level of 13.8680. The pair is expected to find its first resistance at 14.2600, and a rise through could take it to the next resistance level of 14.4092.

XAU USD



Gold is expected to find support at \$1,283.70/oz, and a fall through could take it to the next support level of \$1,270.30/oz. The precious metal is expected to find its first resistance at \$1,306.30/oz, and a rise through could take it to the next resistance level of \$1,315.50/oz.

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