

# ONE Minute Brief

16 April 2019

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## Economic and political news

The Automobile Association (AA) stated that it expects petrol prices to increase by 56c per litre and diesel prices to fall by 5c in May.

According to a news report, President Cyril Ramaphosa, will not oppose a review application challenging the ruling by judge Willie Seriti that there was no wrongdoing in the arms deal.

Co-operative Governance and Traditional Affairs Minister, Zweli Mkhize, warned municipal managers to hold on to their conditions of employment and benefits, despite certain parts of municipal laws being declared unlawful by the Constitutional Court.

United Democratic Movement (UDM) leader, Bantu Holomisa, stated that a UDM-led government will raise corporate tax by 3.0% and reduce VAT from the current 15% to 14%.

Transport Minister, Blade Nzimande, stated that the transport department and entities reporting to the institution have collectively spent nearly ZAR100mn in legal fees in the past 12 months.

## Key indices

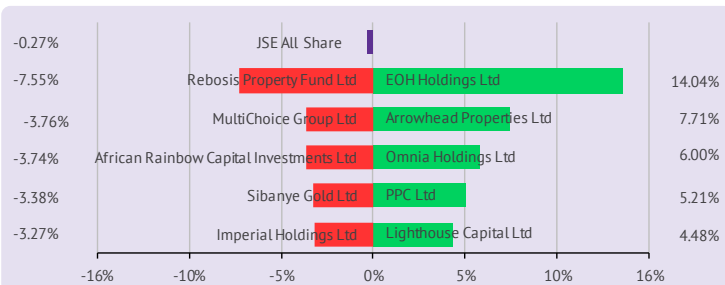
	As at 15 April 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	58249.35	▼ -155.95	-0.27	-0.27	3.16	0.82	10.45
JSE Top 40 (ZAR)	51960.68	▼ -180.84	-0.35	-0.35	3.36	1.22	11.20
FTSE 100 (GBP)	7436.87	▼ -0.19	0.00	0.00	2.17	2.89	10.53
DAX 30 (EUR)	12020.28	▲ 20.35	0.17	0.17	4.29	0.09	13.84
CAC 40 (EUR)	5508.73	▲ 6.03	0.11	0.11	2.96	2.10	16.45
S&P 500 (USD)	2905.58	▼ -1.83	-0.06	-0.06	2.51	1.79	15.91
Nasdaq Composite (USD)	7976.01	▼ -8.15	-0.10	-0.10	3.19	2.61	20.21
DJIA (USD)	26384.77	▼ -27.53	-0.10	-0.10	1.76	0.05	13.11
MSCI Emerging Markets (USD)	1086.22	▼ -2.86	-0.26	-0.26	2.66	0.68	12.45
MSCI Developed World (USD)	2161.14	▲ 1.75	0.08	0.08	2.53	1.05	14.71

## South Africa Market ▼

### South African markets closed lower

South African markets closed in the red yesterday, weighed down by losses in gold mining and industrial sector stocks. The JSE All Share Index fell 0.3% to close at 58,249.35.

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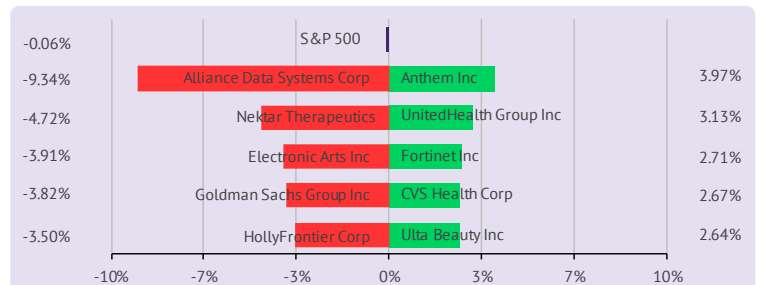


## US Market ▼

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

US markets closed lower yesterday, following dismal earnings report from Goldman Sachs and Citigroup. The S&P 500 Index dropped 0.1% to close at 2,905.58.

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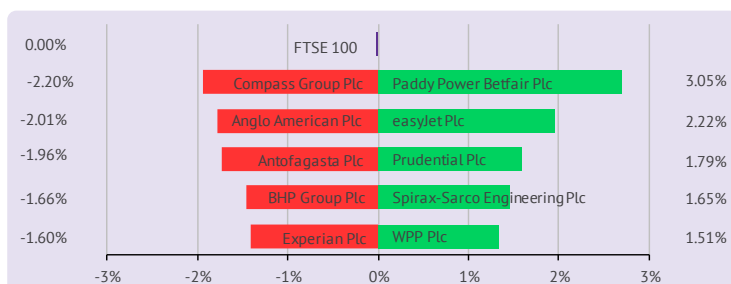


## UK Market ▼

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

UK markets finished lower yesterday, led by losses in mining and energy sector stocks. The FTSE 100 Index marginally declined to close at 7,436.87.

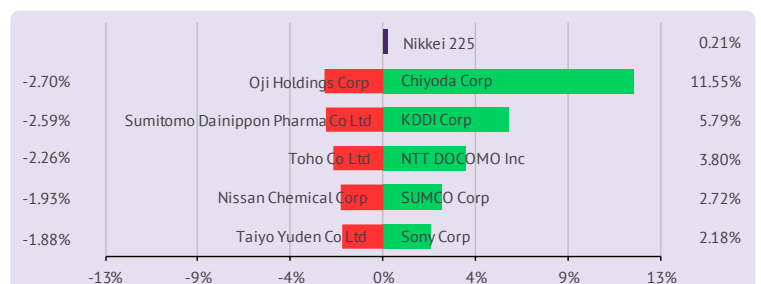
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## Asian Market ▲

### Trading higher

Asian markets are trading higher this morning. The Nikkei 225 Index is trading 0.2% higher at 22,215.74.



## USD ZAR

### USD trading higher against ZAR

At 06:00 SAST, the US Dollar climbed 0.2% against the South African Rand to trade at R14.0681. Later today, traders will keep a close watch on the US NAHB housing market index, industrial and manufacturing production for further cues.

The US Dollar rose against the South African Rand yesterday. On the data front, the US Empire State manufacturing index climbed more than market forecast in April.

## GBP ZAR

### GBP trading stronger against ZAR

At 06:00 SAST, the British Pound advanced 0.1% against the South African Rand to trade at R18.4157. Ahead in the day, traders will keep an eye on UK's claimant count rate, average weekly earnings and the ILO unemployment rate for further indication.

The British Pound advanced against the South African Rand yesterday, amid positive comments from Britain's Foreign Minister, Jeremy Hunt, regarding Brexit negotiations.

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## EUR ZAR

### EUR trading firmer against ZAR

At 06:00 SAST, the Euro is trading 0.2% higher against the South African Rand at R15.9009. Going forward, market participants will keep a tab on the Eurozone's ZEW survey economic sentiment index, construction output along with Germany's ZEW survey indices for further direction.

The Euro strengthened against the South African Rand yesterday.

## AUD ZAR


### AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar declined 0.2% against the South African Rand to trade at R10.0564, following dovish comments from the Reserve Bank of Australia's policymakers. Earlier in the session, Australia's ANZ Roy Morgan weekly consumer confidence index registered an advance in the week ended 14 April 2019. Meanwhile, in China, Australia's largest trading partner, new home prices climbed on a monthly basis in March.

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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	14.0681		0.57	0.57	-3.14	2.96	-2.09
GBPZAR	18.4157		0.84	0.84	-2.62	1.15	0.43
EURZAR	15.9009		0.55	0.55	-2.42	1.59	-3.53
AUDZAR	10.0564		0.55	0.55	-2.08	3.00	-0.46
EURUSD	1.1304	-	0.04	0.04	0.77	-1.35	-1.42
GBPUSD	1.3091		0.20	0.20	0.50	-1.72	2.71
Brent (\$/barrel)	71.0		-0.52	-0.52	5.33	1.92	32.30
Gold (\$/oz)	1288.2		-0.29	-0.29	-0.48	-1.76	0.43
Platinum (\$/oz)	890.2	-	-0.34	-0.34	4.87	-3.01	11.85
Copper (\$/MT)*	6452.0		-0.18	-0.18	-0.53	-1.05	8.46

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

## Gold

### Trading in the green

At 06:00 SAST, gold prices gained 0.1% to trade at \$1,288.20/oz.

Yesterday, gold prices fell 0.3% to close at \$1,286.80/oz, amid progress in US-China trade talks.

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## Brent Crude Oil

### Trading weaker

At 06:00 SAST, Brent crude oil edged 0.3% lower to trade at \$70.99/bl.

Yesterday, Brent crude oil dropped 0.5% to settle at \$71.18/bl, after Russia's Finance Minister, Anton Siluanov, stated that Russia and the Organization of the Petroleum Exporting Countries may decide to boost production.

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## Platinum

### Trading in negative territory

At 06:00 SAST, platinum prices are trading marginally lower at \$890.20/oz.

Yesterday, platinum prices declined 0.3% to close at \$890.20/oz.

## Major South African corporate news

### Steinhoff International Holdings Limited

The company, in its update on Conforama Refinancing, announced the issue of warrants in an amount equal to 49.9% of the issued share capital of Conforama Holding SA to the New Money providers, which confer enhanced governance rights by way of certain reserved matters and provide the right for New Money providers to appoint two independent directors to the board of Conforama Holding. The warrant issuance date is subject to certain milestones, but ultimately 31 December 2019 or in event of a sale before that date. Further in relation to premium amount, the firm stated that call protection of 10.0% will be applicable on any repayments or prepayments for the first 3 years together with interest which may accrue up to the end of year two.

### MTN Group Limited

The company announced that it is planning to reduce its stake in Jumia Technologies.

## Major global economic news

### Asia

In Australia, the ANZ Roy Morgan weekly consumer confidence index rose to a level of 115.30 in the week ended 14 April 2019, compared to a reading of 113.20 in the previous week.

The Reserve Bank of Australia, in its April meeting minutes, kept the key interest rate unchanged at 1.5%. The policymakers stated that decrease in the cash rate would likely be appropriate if inflation did not increase and unemployment rose. Further, the Officials indicated there was not a strong case for a near-term adjustment in monetary policy.

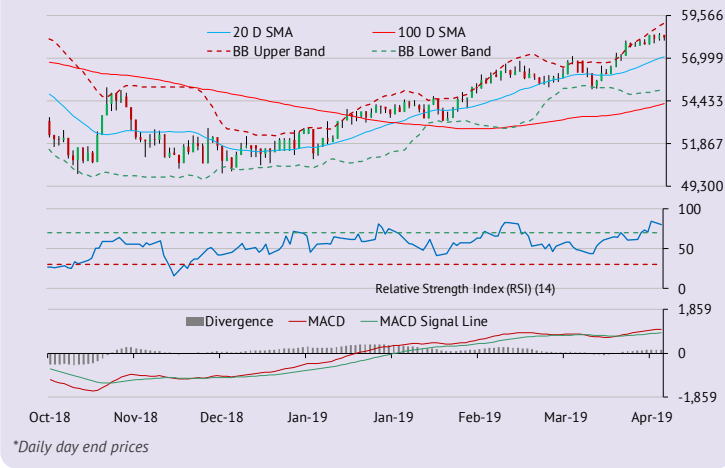
In China, new home prices recorded a rise of 0.61% on a monthly basis in March, compared to a level of 0.53% in the prior month.

### US

In the US, the NY Empire State manufacturing index registered a more-than-expected rise to 10.10 in April. The index had registered a reading of 3.70 in the prior month.

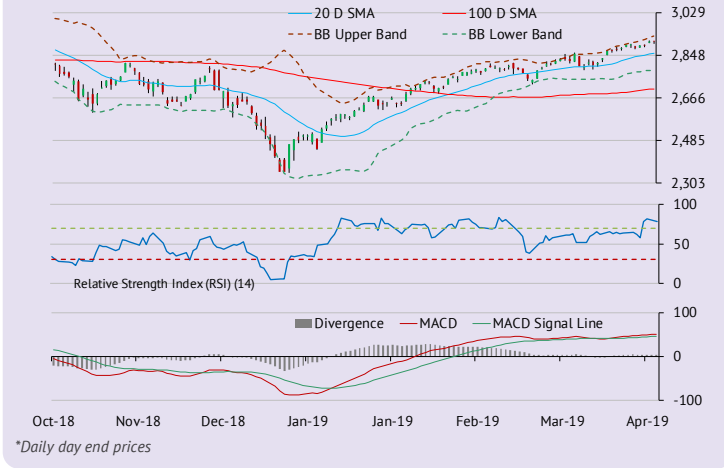
## Technical snapshot

### JSE All Share



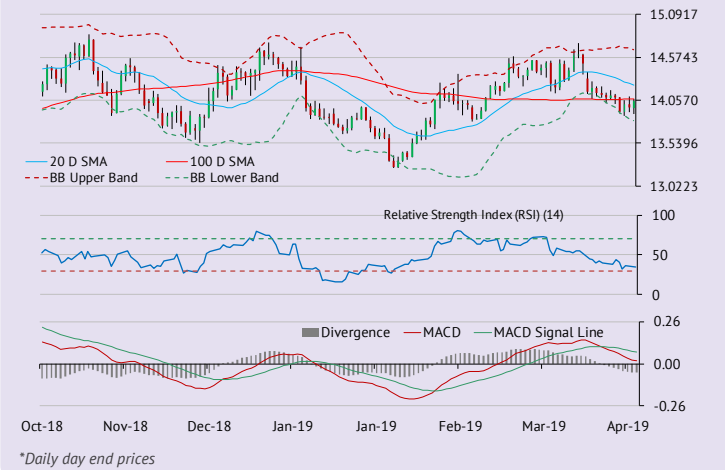
The JSE All Share index is expected to find support at 57,885.06, and a fall through could take it to the next support level of 57,520.77. The index is expected to find its first resistance at 58,566.95, and a rise through could take it to the next resistance level of 58,884.55.

### S&P 500



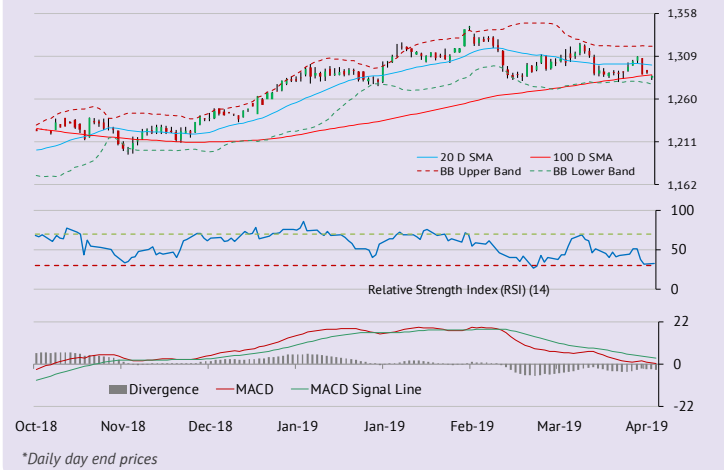
The S&P 500 index is expected to find support at 2,882.43, and a fall through could take it to the next support level of 2,859.27. The index is expected to find its first resistance at 2,919.64, and a rise through could take it to the next resistance level of 2,933.69.

### USD ZAR



The pair is expected to find support at 13,900.1, and a fall through could take it to the next support level of 13,753.8. The pair is expected to find its first resistance at 14,164.1, and a rise through could take it to the next resistance level of 14,281.8.

### XAU USD



Gold is expected to find support at \$1,277.03/oz, and a fall through could take it to the next support level of \$1,267.27/oz. The precious metal is expected to find its first resistance at \$1,301.83/oz, and a rise through could take it to the next resistance level of \$1,316.87/oz.

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
China	04:00	NBS Press Conference	✓✓	-	-	As scheduled
Japan	06:00	Tokyo Condominium Sales (YoY) (Mar)	✓	-	-6.70%	Monthly
Japan	06:30	Tertiary Industry Index (MoM) (Feb)	✓✓	-0.60%*	0.40%	Monthly
UK	10:30	Claimant Count Change (Mar)	✓✓✓	-	27.00K	Monthly
UK	10:30	Claimant Count Rate s.a. (Mar)	✓✓	-	2.90%	Monthly
UK	10:30	Average Earnings Excluding Bonus (3Mo/Yr) (Feb)	✓	3.50%	3.40%	Monthly
UK	10:30	Average Earnings Including Bonus (3Mo/Yr) (Feb)	✓✓	3.40%	3.40%	Monthly
UK	10:30	Employment Change (3M/3M) (Feb)	✓✓✓	181.00K	222.00K	Monthly
UK	10:30	ILO Unemployment Rate (3M) (Feb)	✓✓✓	3.90%	3.90%	Monthly
Eurozone	11:00	Construction Output s.a. (MoM) (Feb)	✓✓✓	-	-1.40%	Monthly
Eurozone	11:00	Construction Output w.d.a. (YoY) (Feb)	✓	-	-0.70%	Monthly
Eurozone	11:00	ZEW Survey - Economic Sentiment (Apr)	✓✓	-	-2.50	Monthly
Germany	11:00	ZEW Survey - Current Situation (Apr)	✓✓	8.50	11.10	Monthly
Germany	11:00	ZEW Survey - Economic Sentiment (Apr)	✓✓✓	0.50	-3.60	Monthly
US	15:15	Capacity Utilisation (Mar)	✓	79.20%	78.20%	Monthly
US	15:15	Industrial Production (MoM) (Mar)	✓✓✓	0.20%	0.10%	Monthly
US	15:15	Manufacturing (SIC) Production (MoM) (Mar)	✓✓✓	0.10%	-0.40%	Monthly
US	15:50	ECB's Nowotny Speaks at Event in New York City	✓	-	-	As scheduled
US	16:00	NAHB Housing Market Index (Apr)	✓	63.00	62.00	Monthly
US	20:00	Fed's Kaplan Speaks at Community Forum in New Mexico	✓	-	-	As scheduled
US	-	Fed's Rosengren Speaks at Davidson College in North Carolina	✓	-	-	As scheduled

Note: ✓✓✓High    ✓✓Medium    ✓Low

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