

Outlook for the day

The modest downdraught in US markets, inconsistency, and a lack of outright traction in the Asia-Pacific region and the relative resilience of the Rand will conspire to inhibit support for the JSE at the commencement of today's session with the JSE-TOPI exhibiting a fair probability of testing the support level at 65,600 points from the third week of January. Heightened alertness regarding risk control on short term trading exposure remains appropriate with no clear evidence yet of decisive support on which bargain hunting may be contemplated. The profit taking, we advocated in the resources sector should now be completed with the technical evidence indicating traders will have an opportunity to engage the market at lower levels.

- U.S. funding bill
- Call to end U.S.-Russia trade relations
- Nickel turmoil
- U.S. banks exit Russia.

Here's what markets are watching.

Federal Funding

The U.S. Senate passed a full-year \$1.5 trillion federal funding bill that wards off a possible government shutdown while also providing Ukraine with aid to respond to the Russian invasion. A bipartisan sense of urgency to approve the \$13.6 billion for humanitarian and security aid in response to Russia's attack led to an overwhelming 68 to 31 votes on the legislation.

Frayed Trade Relations

U.S. President Joe Biden is set to call for an end of normal trade relations with Russia, clearing the way for increased tariffs on Russian imports. Meanwhile, Russia announced an export ban for more than 200 products after the economy was hit by sanctions over the invasion of Ukraine. It stopped short of curbing sales of energy and raw materials, the country's biggest contribution to global trade.

Nickel Turmoil

The tycoon whose big, short bet on nickel helped trigger one of the most dramatic price spikes in history doesn't intend to reduce his position. The move means that the nickel market could be set for more fireworks once it reopens. In the middle of a scorching bull market that's lifted prices to record highs, some in the industry are simply deciding to walk away after the LME's decision to suspend nickel trading on Tuesday morning and cancel all the transactions from earlier in the day.

Banks Leaving

JPMorgan joined Goldman Sachs in pulling back from Russia in response to the invasion of

Ukraine. JPMorgan is currently engaging in limited activities in the country. Goldman Sachs said it plans to close its operations there. JPMorgan's direct exposure to Russia is small. Goldman has maintained a presence in Russia in recent years, but the country doesn't amount to a meaningful portion of its global banking business.

Exchange rate

Latest Rates	Spot	Move
USD/ZAR	15.05	▼
GBP/ZAR	19.71	▼
EUR/ZAR	16.53	▼
CHF/ZAR	16.20	▼

Sourced from IRESS - 2022/03/11 09:05:49

South Africa

In remarkable move, President Cyril Ramaphosa appoints Raymond Zondo as new chief justice

An article in the Business Day emphasised how in a remarkable move, the president went against the recommendation of the Judicial Service Commission (JSC), which he previously said had gone beyond its brief in recommending Supreme Court of Appeal president Mandisa Maya. He said it had been required only to advise him on the suitability of the four candidates: Maya, Mbuyiseli Madlanga, Dunston Mlambo and Zondo.

President Ramaphosa has instead decided to appoint Maya as the deputy Chief Justice, which is subject to the usual consultation process required by the constitution. Ramaphosa has said he had "every confidence that Justice Zondo will acquit himself with distinction in this role".

Motion of no confidence for Cyril Ramaphosa and his cabinet to be held on 30 March 2022

Nosiviwe Mapisa, national assembly speaker, announced yesterday morning that the motion of no confidence in President Ramaphosa's leadership, together with his cabinet's fitness for office would be held later this month, saying: "The scheduling of the two motions of no confidence in the president and in cabinet ... I will provide feedback, but for now we are proposing the date of March 30 for both the debate and the voting for these two motions, which have been submitted by both the ATM and the DA," Mapisa added that voting would be done openly with no secret ballot.

After receiving backlash on her open voting proposal from MPs afraid of the ramifications a different vote to their political parties would have on their political careers, she responded that she had already received a legal opinion on the matter and the decision was hers to make. (BD).

Coming Up

- European and U.S. equity futures are trading lower this morning with Asian equities after higher U.S. inflation data and Ukraine war uncertainties.
- To that end, consumer price data are due from Germany and Spain today.
- Berkeley, Essilor Luxottica and Lanxess report results in Europe though it's a quieter day for earnings in the U.S. EU leaders wrap a meeting in France at which they will discuss how to strengthen European sovereignty, reduce dependencies, and design a new growth and investment model.

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