

Outlook for the day

Despite the lacklustre overnight US performance, the JSE looks set to enjoy marginal advances at the commencement of today's session as a subtle improvement in early morning US futures and some marginal traction in the Asian Pacific region overcomes the drag from the slightly firmer Rand. The technical position of the JSE ALSH, JSE TOPI and JSE RESI continues to hint at additional residual selling pressure indicating that traders will have the opportunity to engage the market at lower levels. The area at 72,400 points represents a realistic near-term trading target for the JSE. Additional trading exposure should only be taken at lower levels.

- U.S.-Europe energy agreement expected
- Biden's national security budget plan
- U.K. faces \$5 billion bill over Gazprom
- The biggest losers from energy shock.
- Here's what people are talking about.

Energy Deal

The Biden administration and European Union are close to a deal aimed at slashing Europe's dependence on Russian energy sources, as the U.S. and its allies seek to further isolate and punish Moscow for the Ukraine war. President Joe Biden's national security adviser said that an agreement would be announced as soon as Friday. It's intended to ensure supplies of American natural gas and hydrogen for Europe.

Putin Says Europe Must Pay for Gas in Rubbles

Russian President Vladimir Putin said he wants his country to only accept rubbles in gas deals with European countries and other customers, adding a new financial dimension to tensions over energy supplies while the war in Ukraine rages. Mr. Putin said Russia would refuse to accept payment for natural-gas supplies in currencies "that have compromised themselves," including dollars and euros.

National Security

President Joe Biden plans to request \$813.3 billion in national security spending in the federal budget he will send to Congress on Monday, which is higher than projected. The budget reflects the increasing military challenge from China and the development of costly new defence systems. It was completed with an expectation that Russia was likely to invade Ukraine and some defence spending was shifted accordingly.

Gazprom Plans

U.K. taxpayers could face billions of pounds in costs if the government ends up nationalizing a unit

of Gazprom that supplies about a fifth of the country's commercial gas. Temporarily running Gazprom Marketing & Trading Retail -- an energy provider to the National Health Service -- would cost about 4 billion pounds. That's because the company's hedges wouldn't be passed on, forcing the government to buy gas and electricity for customers at current high prices.

Biggest Losers

Italy and Spain stand to lose the most among major euro-area economies from the energy shock unleashed by the war in Ukraine, according to JPMorgan. The investment bank sharply downgraded its 2022 forecast for Italy's economic growth to 2.5%, also lowering Spain's to 4.2%. Slower growth coupled with measures to shield households and businesses mean their finances won't improve as much as expected, JPMorgan, warning that more borrowing may be required to take the sting out of rising prices.

Exchange rate

Latest Rates	Spot	Move
USD/ZAR	14.72	▼
GBP/ZAR	19.46	▼
EUR/ZAR	16.24	▼
CHF/ZAR	15.85	▼

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South Africa

Zikala goes Retrograde

In case you wondered whose side KZN premier Zikala was on, he has now told you. As the Daily Maverick's Marianne Merton has pointed out, by suggesting we have a "debate" about whether Parliament should not be above the Constitutional Court so that policies adopted by Parliament cannot be overridden, he has crossed the line. This is a position often mooted by Zuma and simply means no interference by the judges and the Constitution with state capture and more theft by the politicians. The "debate" of course took place over several years at Codesa and the then ANC argued strongly for the protection of the Constitution because it had seen what untrammelled rule by parliament had done.

Afriforum demands to know whether NPA will prosecute Nomgcobo Jiba

Afriforum wrote to Shamila Batohi last year asking for a nolle prosequi order in respect of the former head of the NPA's fraud and perjury case. AfriForum's head of private prosecutions, advocate Gerrie Nel, said: "The NDPP's reaction was that the matter had been referred to the Investigating Directorate (ID) and that the prosecution of Jiba could not proceed before the ID understood the 'broader issues' of the matter and that these issues had to be finalised before a decision about the prosecution

of Jiba could be taken". Nel suspects that there are elements within the NPA that are protecting Jiba. Afriforum wants Batohi to confirm that the NPA is not prosecuting Jiba, so it can institute a private prosecution. News24.

Coming Up

- European stocks look set for modest gains at the open, as Asia equities wavered with inflation and the war in Ukraine sapping sentiment.
- Today, Russian stocks will reopen for trading after a record long shutdown.
- U.S. President Joe Biden will meet with European allies at an emergency NATO summit in Brussels.
- Elsewhere, South Africa and Mexico central banks announce rate decisions.
- There's Markit manufacturing PMI for the Eurozone, as well as France, Germany, and the U.K., while the U.S. reports jobless claims.
- In earnings, fashion retailer Next and Daimler Truck report in Europe, with Chinese EV start-up Nio among the biggest reports in a quiet day in the U.S.

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