

### Outlook for the day

Despite the brisk traction in the US markets in the overnight session initial upside for the JSE will likely prove to be slightly muted as the inconsistent performance of the Asian Pacific region and improved resilience in the Rand creates modest headwinds at the commencement of today's session. In simple terms continues to trade at a meaningful premium versus the 200-week moving average creating a challenging general technical structure for the JSE which is likely to inhibit upside from current levels. At a minimum further generalised exposure should be avoided until the JSE ALSH retreats to a fair accumulation zone at below 72,200 points.

- Biden officials are worried Putin will lash out
- Biden's string of summits
- EU's China suspicion
- A new finding suggests the crashed Chinese flight broke up mid-air.

Here's what people are talking about.

### Reserve Bank lifts repo rate by 25 basis points

The monetary policy committee's (MPC) decision to lift repo rates by 25 basis points was largely in line with economists' expectations. What flagged concerns, however, was those two of five members of the MPC took a more aggressive stance and wanted to lift rates even higher. The SARB has forecast that the repo rate will reach 6.68% at the end of 2024, slightly higher than the 6.5% it was before the pandemic started in 2019. Economists are of the view that a 50-basis point increase could be a possibility at the next meeting in May. (BD).

### Exchange rate

Latest Rates	Spot	Move
USD/ZAR	14.55	▼
GBP/ZAR	19.20	▼
EUR/ZAR	16.06	▼
CHF/ZAR	16.70	▲

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### Boxed In

Biden administration officials are worried that Russian President Vladimir Putin may lash out dangerously as Russian troops find themselves bogged down in Ukraine and Western sanctions begin to bite. The internal assessment of senior officials is that Putin's tendency when boxed in is to escalate rather than back down. Their view is that the Russian leader's choices could include the blanket bombing of Ukrainian cities or the use of chemical weapons -- or even tactical nuclear weapons.

### **Biden Announcements**

President Joe Biden called on the Group of 20 to eject Russia and warned again that Putin may resort to weapons of mass destruction in the Ukraine war. The president, amid a string of summits, said he and European leaders are also developing strategies to stave off a global hunger crisis stemming from the invasion and its agricultural disruptions. Biden also said the U.S. and its allies planned a new organization to crack down on violations of Russian sanctions, including any Chinese efforts to keep Russia's economy afloat.

### **China Concern**

European Union officials suspect that China may be ready to supply semiconductors and other tech hardware to Russia as part of an effort to soften the impact of sanctions. The EU is concerned that China is ready to help Putin's government weather the economic penalties put in place along with the U.S., the U.K. and Japan with particular focus on the availability of high-tech components.

### **China Plane Crash**

At least one piece of the Boeing 737-800 that crashed in China appears to have broken loose well before impact, a finding that adds mystery to the plane's fatal dive.

The piece suspected to have come from the China Eastern Airlines jet was found about 10 kilometres from the main wreckage area. If investigators confirm that the part came from the jet, it will indicate the plane suffered mid-air breakup, which could offer clues about what led to Monday's crash or at least shed light on the flight's final seconds.

### **Coming Up**

- European stocks are set for a muted open on the final trading day of the week with markets in Asia on the back foot on weakness in China tech.
- The focus today will be on Biden in Europe.
- The U.S. leader and European Commission President Ursula von der Leyen are set to announce a deal this morning to help the EU replace Russian LNG imports. NATO leaders will also hold a second day of emergency meetings.
- It's a quiet day for earnings in much of the world but not in China, where food delivery giant Meituan is among the reports.
- Closer to home, Smiths reports first-half earnings and United Utilities gives a trading update.
- In eco stats, the U.S. University of Michigan consumer sentiment is released

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