

Outlook for the day

While early morning US futures trading hints at a touch of weakness the modestly improved tone in the Asian Pacific region will allow the JSE to exhibit marginal traction at the commencement of today's session. The JSE ALSH and JSE TOPI charts are both trading a touch below their 55 day moving averages and these key trend indicators are holding in the green by the smallest of margins and in the week ahead need retain their positive trajectory if a retreat down towards the area at 72,400 points is to be avoided. Near term metrics for the JSE remains a touch elevated indicating that traders should await a value retracement into the trend (buy into weakness approach) before decisively adding to current trading positions.

- Biden clarifies comments on Putin
- Key part of Treasury curve inverts
- Sunak facing grilling from lawmakers
- Oscars return home.

Here's what people are watching.

South Africa

Exchange rate

Latest Rates	Spot	Move
USD/ZAR	14.61	^
GBP/ZAR	19.21	^
EUR/ZAR	16.01	v
CHF/ZAR	16.50	v

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SA caned on UN resolution:

While media carries the scathing responses of Ukraine, Denmark and others on SAs resolution which did not mention Russia it gained 50 votes in favour while 67 nations voted against it. According to Tony Leon "SA, without any continental or even regional mandate, was off again to do Putin's bidding" as "it submitted a resolution to the UN General Assembly that echoed an earlier failed Russian Security Council motion". He quoted historian Barbara Tuchman who said "sticking to preconceived positions while ignoring or rejecting any contrary signs" was an example of wooden headedness in statecraft. Leon did not say it but even Trump did a U turn on his earlier support for Putin.

With the world's largest democracy, India, seeming ambivalent and talking to China, another one of the unexpected consequences of the invasion is that the West has received less support than it expected from developing countries.

SA then dug further to the mire by refusing to support a subsequent resolution entitled “Humanitarian consequences of the aggression against Ukraine”. It was passed with 140 votes in favour, five against and 38 abstaining including SA.

Zelensky has yet to respond to President Ramaphosa’s request to speak about SA’s possible mediation efforts. BD. Rapport. Sunday Times

Zikalala

The KZN leader’s “parliamentary democracy” speech continued to raise alarm bells in the weekend media. The City Press’s Mondli Makhanya quoted extensively from the late Kadar Asmal’s speech at Unisa on the “need to embrace our constitutional dispensation, cloak yourselves in it, invigorate it and celebrate it.” He said retired Deputy Chief Justice Dikgang Moseneke spoke of the increasing animosity he was seeing towards the constitution among law students who he was lecturing on the topic. The media noted Zikalala had in the past played a key role in fomenting the “tsunami” of support which swept Zuma to the leadership of the ANC.

ActionSA's biggest asset, and risk, is Mashaba

Unisa's Prof Dirk Kotze points to many idiosyncrasies of this party apart from the obvious dominance of its leader, founder and "brand" which may have had something to do with the resignation of its KZN leader Makhosi Khoza. It certainly had something to do with its ability to attract support from the DA, ANC and EFF. This raises the question as to how successful it will be in expanding from its overwhelmingly Gauteng based support to the rest of the country. Policy wise, it is much more closely aligned to the DA and Ramaphosa's reformists than the EFF or the NDR of the ANC. Its xenophobic tendencies need watching, however, and Kotze says the biggest risk is that it suffers the kind of leadership implosion that afflicted Cope after its once promising start. Rapport.

EU Reaches a Deal on Law to Curb Tech Firms' Power

European lawmakers reached agreement on the main points of a new digital-competition law focused on the world's biggest tech companies, setting the stage for one of the most sweeping pieces of technology-regulation legislation to go into effect next year. The new law, known as the Digital Markets Act, is part of the biggest proposed expansion of global-tech regulation in decades.

Comment Clarification

President Joe Biden sought to clarify his call for the removal of Vladimir Putin, saying he wasn’t seeking regime change after European allies raised concern and critics said he was further inflaming tension with Russia. French President Emmanuel Macron and the U.K. government distanced themselves from Biden’s stunning comment, which capped a speech in Warsaw to rally support for Ukraine against Russia.

One administration official suggested Biden was influenced by stories of suffering he heard from Ukrainian refugees.

Bond Selloff

A key portion of the U.S. Treasury yield curve inverted as a rout in global bonds continues, driven by concerns about elevated inflation and tightening monetary policy. The yield on the five-year Treasury note rose above the 30-year — something that's heralded economic downturns in the past, and which raises concerns about a policy misstep as the Federal Reserve hikes interest rates. Japan's 10-year yields rose to 0.25%, despite the Bank of Japan announcing two unlimited buying operations to keep them below the top of its allowed range.

Lawmakers' Questioning

Rishi Sunak faces a grilling from lawmakers on Monday as pressure mounts on the British finance minister to do more to relieve the cost-of-living crisis. The chancellor of the exchequer will be forced to defend his 9-billion-pound package of tax cuts to Parliament's cross-party Treasury Committee. He has been widely criticized for failing to do enough in his mini-budget last week to help the poorest households cope with soaring energy bills. Also, officials from his fiscal watchdog are due to give evidence to the same panel.

Unusual Oscars

Actor Will Smith slapped comedian Chris Rock on live television minutes before winning the best actor Oscar, a moment that will go down as one of the most shocking in the 94-year history of the Academy Awards. The incident overshadowed a milestone in Hollywood history, the first time a movie released primarily online won best picture: "CODA," a film about a high school student who can hear struggling to please her deaf family, was released on the streaming service Apple TV+. The ceremony returned this year to its regular home at the Dolby Theatre in Los Angeles, with seating for 3,300, after being held last year before a much smaller audience at downtown's Union Station due to pandemic precautions.

Coming Up

- European stocks are set to open higher even amid the bond market rout.
- Bitcoin is also climbing after a rally that erased losses and turned the world's largest cryptocurrency positive for the year.
- Traders will be watching appearances from central bankers, with Bank of England Governor Andrew Bailey speaking at an event organized by European think-tank Bruegel and Norges Bank Deputy Governor Oystein Borsum also making an appearance.
- President Biden is due to release his budget, with the proposal shaping up as a direct appeal to moderate Democrats. It's a quiet day for earnings with Globaltrans reporting full-year results.

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