

ONE Minute Brief

16 October 2015

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Economic and Political News

The International Criminal Court (ICC) mentioned in a statement that it will give South Africa more time to explain why it defied an order to arrest Sudan President, Omar al-Bashir.

The Democratic Alliance (DA) has planned to file a complaint with parliamentary authorities against African National Congress (ANC) MP, Mathole Motshekga for not allowing questions on the appointment of Nomgcobo Jiba as Head of Prosecutions at the National Prosecuting Authority.

President Jacob Zuma accepted the resignation of Sandile Ngcobo, the Chairperson of the Commission of Inquiry into the Remuneration and Conditions of Service in the Public Service and Public Entities.

Eskom reported that South Africa added 1,286 megawatts (MW) to its national grid as two power generating units were brought back online. It also added that electricity supplies would continue to be tight as it carried out maintenance of other plants.

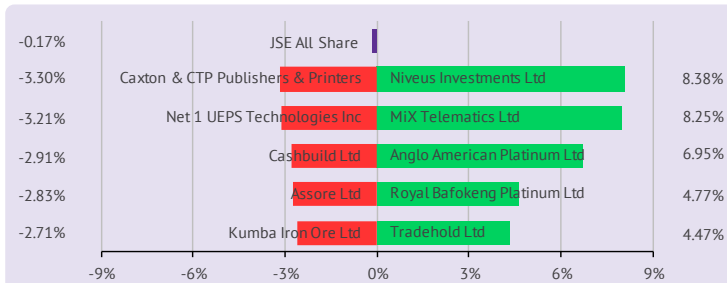
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	52966.42	▼	-92.64	-0.17%	-0.62%	5.74%	0.23%
JSE Top 40	47462.98	▼	-149.16	-0.31%	-0.73%	5.75%	1.20%
FTSE 100	6338.67	▲	69.06	1.10%	-1.21%	4.57%	-2.98%
DAX 30	10064.80	▲	148.95	1.50%	-0.31%	4.19%	-5.84%
CAC 40	4675.29	▲	66.26	1.44%	-0.56%	4.94%	-4.25%
S&P 500	2023.86	▲	29.62	1.49%	0.45%	5.41%	-2.64%
Nasdaq Composite	4870.10	▲	87.25	1.82%	0.82%	5.41%	-3.27%
DJIA	17141.75	▲	217.00	1.28%	0.34%	5.26%	-1.47%

South Africa Market ▼

South African markets closed lower

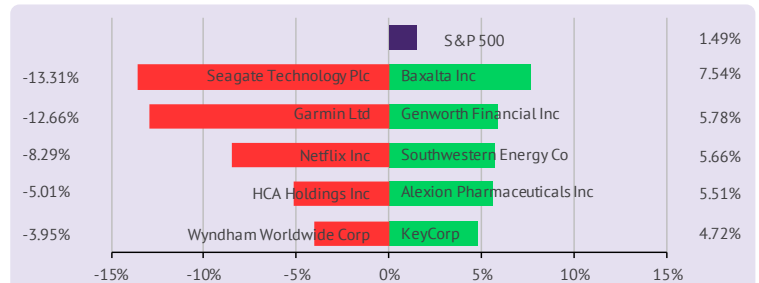
South African markets closed in the red yesterday, led by losses in resources sector stocks. The JSE All Share Index fell 0.2% to close at 52,966.42.



US Market ▲

The S&P 500 futures are trading in the red

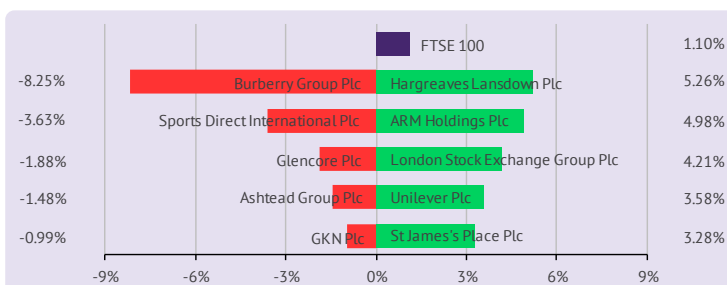
US markets ended higher yesterday, rebounding from previous session losses, on the back of robust gains in financial sector stocks. Data showed that US initial jobless claims fell unexpectedly last week. The S&P 500 Index advanced 1.5% to close at 2,023.86.



UK Market ▲

The FTSE 100 futures are trading in negative territory

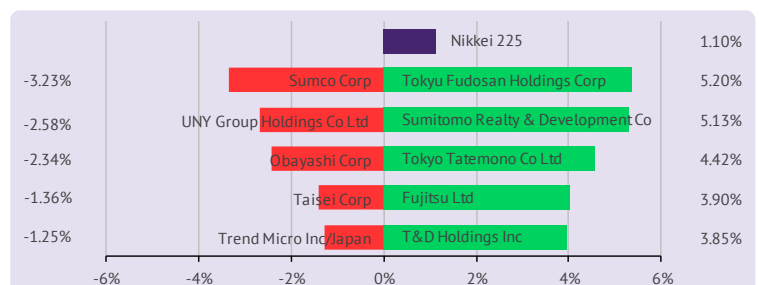
UK markets finished stronger yesterday, amid positive corporate result from ARM Holdings Plc and gains in Hargreaves Lansdown Plc. The FTSE 100 Index rose 1.1% to close at 6,338.67.



Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning, tracking overnight gains on Wall Street. The Nikkei 225 Index is trading 1.1% higher at 18,296.33.



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USDZAR ▲

USD trading higher against ZAR

At 06:00 SAST, the US Dollar gained 0.6% against the South African Rand to trade at R13.1215. Later in the session today, traders will focus on the Reuters/Michigan consumer sentiment index along with industrial production and capacity utilization data in the US for further direction.

The US Dollar fell against the South African Rand yesterday, amid a further decline in US consumer price inflation on a monthly basis in September, thus indicating that the Fed would refrain from increasing interest rates this year. Meanwhile, the number of people who applied for jobless benefits in the US dropped unexpectedly last week while the nation posted a budget surplus in September. Furthermore, manufacturing activity in the New York and Philadelphia region improved but missed market forecasts in October. Additionally, President of the Federal Reserve Bank of New York, William Dudley reiterated his view that an interest rate hike was likely by year's end.

GBPZAR ▲

GBP trading stronger against ZAR

At 06:00 SAST, the British Pound climbed 0.7% against the South African Rand to trade at R20.3011. With no releases in the UK today, investors will keep a tab on UK's public sector net borrowing and retail sales data scheduled for release next week.

The British Pound weakened against the South African Rand yesterday.

EURZAR ▲

EUR trading firmer against ZAR

At 06:00 SAST, the Euro advanced 0.5% against the South African Rand to trade at R14.9318. Going forward, market participants will look forward to the Eurozone's consumer price inflation and trade balance data for further cues.

The Euro declined against the South African Rand yesterday, after the European Central Bank (ECB) Governing Council member, Ewald Nowotny stated that fresh QE measures were needed in the Eurozone to bolster price growth, as inflation was undershooting the central bank's target.

AUDZAR ▼

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% lower against the South African Rand at R9.5575. Earlier in the session, the Reserve Bank of Australia (RBA) in its Financial Stability Review reported that the economic growth outlook for China and emerging economies has deteriorated while domestic conditions in housing market pose higher risks to the country. Elsewhere, new Yuan loans in China, Australia's key trading partner, rose in September.

The Australian Dollar fell against the South African Rand yesterday. Data revealed a rise in consumer inflation expectations in October and a steady unemployment rate in Australia in September.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.1215	▲	-1.39%	-2.28%	-5.83%	4.35%	12.79%
GBPZAR	20.3011	▲	-1.55%	-1.38%	-3.78%	2.88%	11.88%
EURZAR	14.9318	▲	-2.18%	-2.11%	-4.07%	4.01%	6.12%
AUDZAR	9.5575	▼	-1.02%	-2.25%	-1.62%	2.94%	1.17%
EURUSD	1.1380	▼	-0.78%	0.23%	1.87%	-0.31%	-5.92%
GBPUSD	1.5474	▲	-0.10%	0.98%	2.20%	-1.42%	-0.80%
Brent (\$/barrel)	50.1	▲	-0.90%	-7.48%	0.70%	-10.67%	-15.04%
Gold (\$/oz)	1179.0	▼	0.66%	2.73%	6.49%	-1.46%	0.32%
Platinum (\$/oz)	998.8	▼	1.15%	2.66%	10.85%	-10.22%	-16.82%
Copper (\$/MT)*	5324.5	▲	0.14%	0.27%	2.86%	0.57%	-16.39%

*As of Previous Close

Gold ▼

Trading in the red

At 06:00 SAST, gold prices edged lower 0.7% to trade at \$1,179.00/oz.

Yesterday, gold prices advanced 0.7% to close at \$1,187.90/oz, as weak US inflation data bolstered the chances that the Fed would keep interest rates near zero for longer.

Brent Crude Oil ▲

Trading stronger

Brent crude oil reversed yesterday's losses and at 06:00 SAST edged 2.9% higher to trade at \$50.13/bl.

Yesterday, Brent crude oil fell 0.9% to settle at \$48.71/bls, after the US Energy Department reported that crude oil inventories in the US rose from 3.07mn bls to 7.56mn bls last week, highlighting that global supply glut concerns continue to persist.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged 0.7% lower to trade at \$998.80/oz.

Yesterday, platinum prices rose 1.2% to close at \$1005.60/oz, extending its previous session gains.



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Major South Africa Corporate News

Investec Australia Property Fund

The company revealed that it has signed a contract for sale with CTI Freight Systems Pty Limited to acquire the property located at 54 Miguel Road, Bibra Lake, Western Australia for a purchase consideration of AUD26.00mn. The acquisition is scheduled to take effect on October 16, 2015.

Redefine International Plc

The company announced that it has purchased 25.4% stake in the International Hotel Group Limited for a total consideration of GBP3.80mn.

Major Global Economic News

US

The New York Federal Reserve President, William Dudley reiterated his view that an interest rate hike was likely by the year's end, if the US labour market continued to strengthen and the economy kept growing above trend. However, he was quick to add that the developments in China and other emerging market economies have the potential to hurt the US economy.

The Federal Reserve Bank of Cleveland President, Loretta Mester stated that the US economy can sustain an increase in the central bank's interest rates despite the risks to outlook presented by the global environment.

The US posted a budget surplus of USD91.06bn in September, from a surplus of USD105.8bn in August. Markets were expecting the country's surplus to stand at USD95.00bn.

The consumer price index eased 0.2% in the US, on a monthly basis in September, at par with market expectations. In the prior month, the index had recorded a drop of 0.1%.

In the week ended October 10, 2015, the seasonally adjusted initial jobless claims in the US dropped unexpectedly to a level of 255.00K, compared to market expectations of a rise to a level of 270.00K. In the previous week, initial jobless claims had recorded a revised reading of 262.00K.

In the US, the New York Empire State manufacturing index climbed to -11.36 in October, compared to a level of -14.67 in the prior month. Market anticipation was for the index to advance to -8.00.

The Philadelphia Fed manufacturing index climbed to -4.50 in the US, in October, compared to market expectations of a rise to -2.00. The index had registered a reading of -6.00 in the previous month.

Asia

In September, on a yearly basis, M2 money supply recorded a rise of 13.1% in China, at par with market expectations. In the previous month, M2 money supply had climbed 13.3%.

New Yuan loans in China advanced to CNY1050.00bn in September, compared to a reading of CNY809.60bn in the prior month. Markets were expecting new Yuan loans to climb to a level of CNY885.50bn.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
 Eurozone	08:00	EU 27 New Car Registrations (YoY) (Sep)	✓	-	11.20%	Monthly
 Japan	08:30	BOJ Deputy Governor Nakaso Speech	✓✓	-	-	As scheduled
 Japan	08:35	Bank of Japan Governor Kuroda Speech	✓✓✓	-	-	As scheduled
 Italy	10:00	Exports (Aug)	✓	-	JPY41056.00mn	Monthly
 Italy	10:00	Imports (Aug)	✓	-	JPY33029.00mn	Monthly
 Italy	10:00	Trade Balance (Aug)	✓✓	-	JPY8026.00mn	Monthly
 Italy	10:00	Global Trade Balance (Aug)	✓	EUR4.23bn	EUR8.03bn	Monthly
 Eurozone	11:00	Consumer Price Index (MoM) (Sep)	✓✓	0.20%	0.00%	Monthly
 Eurozone	11:00	Trade Balance s.a. (Aug)	✓✓	EUR22.10bn	EUR22.40bn	Monthly
 Eurozone	11:45	ECB's Jazbec Speaks at Conference in Warsaw	✓	-	-	As scheduled
 Eurozone	13:30	ECB's Coeure Speaks at German Parliament	✓✓	-	-	As scheduled
 Canada	14:30	Manufacturing Shipments (MoM) (Aug)	✓	-1.00%	1.70%	Monthly
 Italy	15:00	Bank of Italy Releases the Quarterly Economic Bulletin	✓✓	-	-	As scheduled
 US	15:15	Capacity Utilisation (Sep)	✓	77.30%	77.60%	Monthly
 US	15:15	Industrial Production (MoM) (Sep)	✓✓	-0.20%	-0.40%	Monthly
 US	15:15	Manufacturing (SIC) Production (MoM) (Sep)	✓✓	-0.20%	-0.50%	Monthly
 US	16:00	JOLTs Job Openings (Aug)	✓	5580.00K	5753.00K	Monthly
 US	16:00	Reuters/Michigan Consumer Sentiment Index (Oct) (P)	✓✓✓	89.00	87.20	Monthly
 US	22:00	Net Long-Term TIC Flows (Aug)	✓✓	-	USD7.70bn	Monthly
 US	22:00	Total Net TIC Flows (Aug)	✓	-	USD141.90bn	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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