

ONE Minute Brief

28 October 2015

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Economic and Political News

The unemployment rate recorded a rise to 25.5% in 3Q15, in South Africa, compared to market expectations of a climb to 25.1%. In 2Q15, the unemployment rate had recorded a reading of 25.0%.

President Jacob Zuma in an interview blamed the country's financial woes on the global slowdown and mentioned that South Africa faces a serious struggle to meet its plan to reduce unemployment and boost economic growth.

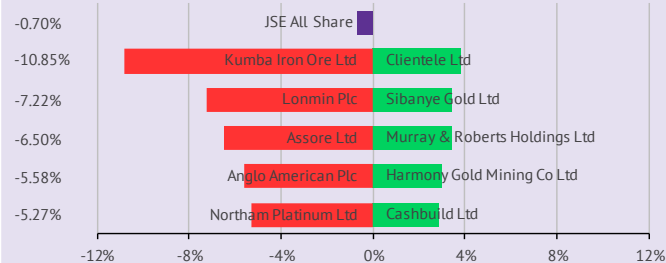
THE National Union of Mineworkers (NUM) reported that 500 of its members who staged an underground sit-in at ASA Metals' Dilokong mine have returned to the surface, but will continue to strike as their demands of removal of the company's senior officials have not been met.

The Congress of South African Trade Unions (Cosatu) in a statement indicated that "tinkering with economic policies has only resulted in economic deterioration" and has called for the state to adopt out of the box thinking and decisive leadership to deal with the rising unemployment rate in the nation.

South Africa Market ▼

South African markets closed lower

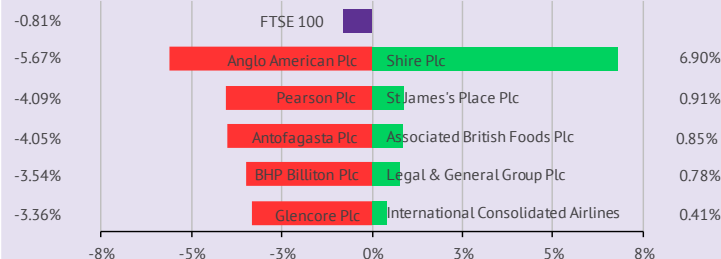
South African markets closed in the red yesterday, led by losses in resources sector stocks. Data revealed that the South African unemployment rate rose in 3Q15. The JSE All Share Index fell 0.7% to close at 53,770.29.



UK Market ▼

The FTSE 100 futures are trading in negative territory

UK markets finished lower yesterday, weighed down by mining sector stocks. Data indicated a less-than-expected expansion in the UK economy in 3Q15. The FTSE 100 Index declined 0.8% to close at 6,365.27.



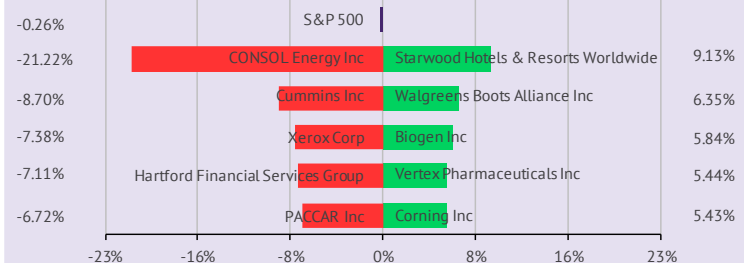
Key Indices

| | Last Close | | 1 Day Chg | 1 D % Chg | WTD % Chg | MTD % Chg | Prev. Month % Chg | YTD % Chg |
|------------------|------------|---|-----------|-----------|-----------|-----------|-------------------|-----------|
| JSE All Share | 53770.29 | ▼ | -380.41 | -0.70% | -0.97% | 7.35% | 0.23% | 8.04% |
| JSE Top 40 | 48231.26 | ▼ | -338.00 | -0.70% | -1.16% | 7.46% | 1.20% | 9.69% |
| FTSE 100 | 6365.27 | ▼ | -51.75 | -0.81% | -1.22% | 5.01% | -2.98% | -3.06% |
| DAX 30 | 10692.19 | ▼ | -109.15 | -1.01% | -0.95% | 10.68% | -5.84% | 9.04% |
| CAC 40 | 4847.07 | ▼ | -50.06 | -1.02% | -1.56% | 8.79% | -4.25% | 13.44% |
| S&P 500 | 2065.89 | ▼ | -5.29 | -0.26% | -0.45% | 7.60% | -2.64% | 0.34% |
| Nasdaq Composite | 5030.15 | ▼ | -4.56 | -0.09% | -0.03% | 8.87% | -3.27% | 6.21% |
| DJIA | 17581.43 | ▼ | -41.62 | -0.24% | -0.37% | 7.96% | -1.47% | -1.36% |

US Market ▼

The S&P 500 futures are trading in the green

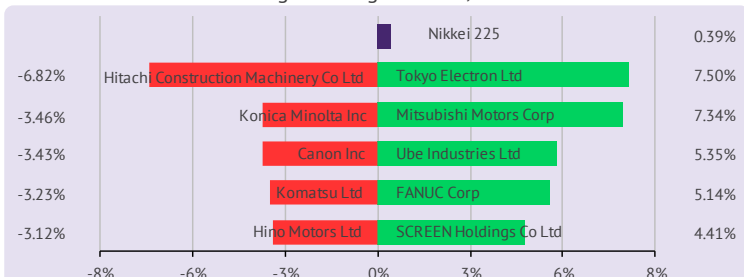
US markets closed lower yesterday, amid losses in energy sector stocks. Data revealed that US consumer confidence slipped more-than-expected and service sector activity unexpectedly slowed in October. The S&P 500 Index dropped 0.3% to close at 2,065.89.



Asian Market ▼

Trading mostly lower

Asian markets are trading mostly lower this morning. Overnight data indicated a less-than-expected increase in Japanese retail trade on a monthly basis and a decline in China's leading index in September. The Nikkei 225 Index is trading 0.4% higher at 18,849.43.



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USDZAR ▲

USD trading higher against ZAR

At 06:00 SAST, the US Dollar climbed 0.1% against the South African Rand to trade at R13.6822. Later in the session today, traders will closely watch the outcome of the US Federal Open Market Committee's (FOMC) monetary policy decision for cues on the future course of interest rates in the nation. Additionally, US data on goods trade balance and mortgage applications will be eyed.

The US Dollar rose against the South African Rand yesterday. Data indicated that consumer confidence and service sector activity in the US surprisingly dropped in October while durable goods orders fell less-than-expected in September. Meanwhile, unemployment rate in South Africa edged up in 3Q15.

GBPZAR ▲

GBP trading stronger against ZAR

At 06:00 SAST, the British Pound gained 0.1% against the South African Rand to trade at R20.9529. With no releases in the UK today, investors will look forward to UK reports on mortgage approvals, consumer credit along with the CBI distributive trade's survey and Nationwide house price data scheduled for release tomorrow.

The British Pound declined against the South African Rand yesterday, as the preliminary print of the UK showed that the economy expanded at a slower pace in 3Q15. Meanwhile, the South African unemployment rate rose in the same quarter.

EURZAR ▼

EUR trading weaker against ZAR

At 06:00 SAST, the Euro is trading 0.1% lower against the South African Rand at R15.1004. Going forward today, market participants will track the German GfK consumer confidence report along with import price index for further clues.

The Euro strengthened against the South African Rand yesterday. Data indicated a rise in private sector credit and a less-than-expected advance in the Eurozone's M3 money supply in September.

AUDZAR ▼

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar is trading 1.0% weaker against the South African Rand at R9.7415. Earlier in the session, data revealed a less-than-expected rise in Australia's consumer price index in 3Q15 and a decline in the leading index in China, Australia's largest trading partner in September.

The Australian Dollar fell against the South African Rand yesterday, amid a drop in industrial profits of China, in September.

Key Currencies & Commodities

| | Current | | 1 D % Chg | WTD % Chg | MTD % Chg | Prev. Month % Chg | YTD % Chg |
|-------------------|---------|---|-----------|-----------|-----------|-------------------|-----------|
| USDZAR | 13.6822 | ▲ | 0.24% | 0.26% | -1.32% | 4.35% | 18.19% |
| GBPZAR | 20.9529 | ▲ | -0.09% | 0.21% | -0.17% | 2.88% | 16.07% |
| EURZAR | 15.1004 | ▼ | 0.17% | 0.58% | -2.44% | 4.01% | 7.93% |
| AUDZAR | 9.7415 | ▼ | -0.53% | -0.03% | 1.17% | 2.94% | 4.05% |
| EURUSD | 1.1034 | ▼ | -0.08% | 0.29% | -1.13% | -0.31% | -8.69% |
| GBPUSD | 1.5306 | ▲ | -0.34% | -0.08% | 1.14% | -1.42% | -1.83% |
| Brent (\$/barrel) | 46.8 | ▼ | -1.54% | -2.46% | -3.23% | -10.67% | -18.35% |
| Gold (\$/oz) | 1167.6 | ▲ | -0.02% | 0.30% | 4.60% | -1.46% | -1.46% |
| Platinum (\$/oz) | 988.4 | ■ | -0.74% | -1.16% | 8.95% | -10.22% | -18.24% |
| Copper (\$/MT)* | 5229.0 | ▲ | 0.53% | 0.88% | 1.01% | 0.57% | -17.89% |

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.1% higher to trade at \$1,167.60/oz., ahead of the Fed's decision on interest rates.

Yesterday, gold prices marginally fell to close at \$1,166.80/oz, amid a broadly stronger US Dollar.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged marginally lower to trade at \$46.79/bl.

Yesterday, Brent crude oil dropped 1.5% to settle at \$46.81/bl, on worries of persistent global supply glut, after the American Petroleum Institute reported that crude oil inventories advanced 4.1mn bls last week. Meanwhile, US congressional leaders proposed to sell 58mn bls of oil over a period of six years starting 2018 from US emergency reserves to help pay for a budget deal. Separately, BP Plc anticipated oil prices to reach \$60 a barrel in 2017.

Platinum ◀▶

Trading flat

At 06:00 SAST, platinum prices are trading flat at \$988.40/oz.

Yesterday, platinum prices declined 0.7% to close at \$988.40/oz.



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Major South Africa Corporate News

Ascension Properties Limited

The company made a change in its financial year end from 30 June to 31 August with effect from August 31, 2015 in order to align it to the year end of the holding company. During the two month period, the company saw a shift in its strategic management with the appointment of a new management team effective October 01, 2015. The company achieved distributable earnings of R39.81mn for the 2 months ended August 31, 2015, while it reported revenue of R83.37mn and posted headline and diluted headline EPS of 8.04c. The board also approved final dividends of 7.33250 cents per A share and 4.55967 cents per B share for the 2 months ended August 31, 2015.

Aquarius Platinum Limited

In its production update for the quarter ended 30 September 2015, the company, indicated that its attributable production from operating mines rose 8.0% from the same period of the prior year to 93,513 PGM oz. Its share of profit from joint venture entities (Mimosa) was a loss of USD2.00mn, a USD9.00mn reduction compared with last year. On an IFRS basis, the group's consolidated net loss after tax was USD12.30mn, compared with a profit of USD5.00mn recorded in the preceding year.

BHP Billiton Plc

The company announced that Malcolm Broomhead, Director of BHP Billiton Plc and BHP Billiton Limited, has been appointed to the board of Orica Limited with effect from December 1, 2015 and as Chairman of the Board of Orica Limited with effect from January 1, 2016.

Lewis Group Limited

The firm announced that it is refunding R44.10mn to a group of its customers for the cost of loss of employment insurance mistakenly sold to them, together with R23.00mn in interest accrued on this amount. The refund follows an extensive internal investigation by Lewis, which was triggered by the National Credit Regular (NCR) bringing to the company's attention three such instances.

Major Global Economic News

UK

The flash gross domestic product (GDP) advanced 0.5% on a quarterly basis in the UK, in 3Q15, compared to market expectations for an advance of 0.6%. GDP had climbed 0.7% in 2Q15.

The index of services remained steady on a monthly basis in the UK, in August, compared to market expectations for an advance of 0.2%. In July, the index of services had risen 0.2%.

US

In the US, durable goods orders declined 1.2% on a monthly basis in September, compared to market expectations for a fall of 1.3%. In August, durable goods orders had registered a revised drop of 3.0%.

The Conference Board consumer confidence index eased unexpectedly to 97.60 in the US, in October, compared to market expectations of an advance to 103.00. The index had registered a revised reading of 102.60 in September.

In October, the flash Markit services Purchasing Managers' Index (PMI) in the US eased unexpectedly to 54.40, compared to market expectations of an advance to a level of 55.50. In the prior month, the index had registered a reading of 55.10.

On a monthly basis, the seasonally adjusted S&P/Case-Shiller composite index of 20 metropolitan areas in the US recorded a rise of 0.11% in August, compared to a fall of 0.2% in July. Markets were expecting the index to advance 0.1%.

The Richmond Fed manufacturing index advanced to -1.00 in the US, in October, compared to market expectations of a rise to -3.00. In September, the index had recorded a reading of -5.00.

Eurozone

M3 money supply in the Eurozone registered an advance of 4.9% in September on a yearly basis, compared to a revised similar rise in the previous month. Markets were expecting M3 money supply to climb 5.0%.

On an annual basis, private sector loans in the Eurozone recorded a rise of 1.1% in September, at par with market expectations. Private sector loans had registered an increase of 1.0% in August.

The UBS consumption indicator advanced to 1.65 in September, in Switzerland. In the previous month, the indicator had recorded a revised reading of 1.64.

Asia

In September, the Conference Board leading index in China fell to a level of 98.51. The index had registered a revised reading of 98.53 in the prior month.

On a quarterly basis, the consumer price index in Australia registered a rise of 0.5% in 3Q15, compared to a climb of 0.7% in the prior quarter. Markets were expecting the index to advance 0.7%.

On a monthly basis, in September, large retailers' sales rose 1.7% in Japan, compared to market expectations for an advance of 1.4%. In the prior month, large retailers' sales had climbed 1.8%.

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Economic Calendar

| Country | SAST | Economic Indicator | Relevance | Consensus/ *Actual | Previous/ **Previous Est. | Frequency |
|--|-------|--|-----------|-----------------------|------------------------------|--------------|
|  Eurozone | 00:00 | ECB Executive Board member Coeure Speaks in Mexico City | ✓✓ | - | - | As scheduled |
|  Japan | 01:50 | Large Retailer's Sales (Sep) | ✓✓ | 1.70%* | 1.80% | Monthly |
|  Japan | 01:50 | Retail Trade s.a (MoM) (Sep) | ✓ | 0.70%* | 0.00% | Monthly |
|  China | 03:45 | Westpac-MNI Consumer sentiment index (Oct) | ✓✓ | 109.70* | 118.20 | Monthly |
|  Japan | 07:00 | Small Business Confidence (Oct) | ✓ | 49.20 | 49.00 | Monthly |
|  Germany | 09:00 | Export price index (Sep) | ✓ | - | 104.90 | Monthly |
|  Germany | 09:00 | Import Price Index (Sep) | ✓ | - | 100.30 | Monthly |
|  Germany | 09:00 | Gfk Consumer Confidence Survey (Nov) | ✓✓ | 9.40 | 9.60 | Monthly |
|  Germany | 09:00 | Import Price Index (MoM) (Sep) | ✓ | -0.20% | -1.50% | Monthly |
|  France | 09:45 | Consumer Confidence (Oct) | ✓✓ | 97.00 | 97.00 | Monthly |
|  Italy | 11:00 | Business Confidence (Oct) | ✓ | 103.90 | 104.20 | Monthly |
|  Italy | 11:00 | Consumer Confidence (Oct) | ✓ | 112.20 | 112.70 | Monthly |
|  Eurozone | 11:15 | ECB Executive Board member Peter Praet Speaks in Riga | ✓✓ | - | - | As scheduled |
|  Italy | 11:30 | Bank of Italy Governor, Finance Minister At World Saving Day | ✓ | - | - | As scheduled |
|  US | 13:00 | MBA Mortgage Applications (23-Oct) | ✓✓ | - | 11.80% | Weekly |
|  Eurozone | 16:45 | ECB Vice President Vitor Constancio Speaks in Berlin | ✓✓ | - | - | As scheduled |
|  US | 20:00 | Fed Interest Rate Decision | ✓✓✓ | 0.25% | 0.25% | As scheduled |

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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