

ONE Minute Brief

29 October 2015

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Economic and Political News

The South African Reserve Bank (SARB) expressed concerns that the nation's economy remains at risk from an interest rate increase in the US due to its rising levels of external debt. The SARB also cited foreign exchange risks to the Rand and the likelihood of capital outflow due to market volatility.

The National Treasury reported that South Africa is considering to withhold funds from 27 local municipalities who are failing to pay their electricity bills to Eskom. It is also planning a meeting with the non-paying municipalities to "assist them and to address institutional weaknesses in the system".

The Department of Trade and Industry announced that it has decided to temporarily suspend new applications requests for the manufacturing competitiveness enhancement programme with immediate effect. It further added that a new application window would be opened in April 2016.

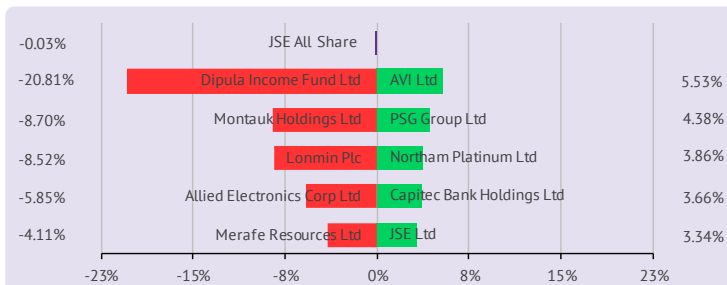
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	53755.73	▼	-14.56	-0.03%	-1.00%	7.32%	0.23%
JSE Top 40	48189.15	▼	-42.11	-0.09%	-1.25%	7.37%	1.20%
FTSE 100	6437.80	▲	72.53	1.14%	-0.10%	6.21%	-2.98%
DAX 30	10831.96	▲	139.77	1.31%	0.35%	12.13%	-5.84%
CAC 40	4890.58	▲	43.51	0.90%	-0.67%	9.77%	-4.25%
S&P 500	2090.35	▲	24.46	1.18%	0.73%	8.87%	-2.64%
Nasdaq Composite	5095.69	▲	65.54	1.30%	1.27%	10.29%	-3.27%
DJIA	17779.52	▲	198.09	1.13%	0.75%	9.18%	-1.47%

South Africa Market ▼

South African markets closed a tad lower

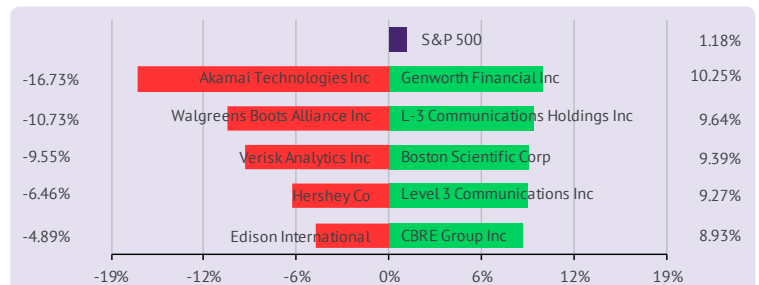
South African markets closed in the red yesterday, led by losses in resources sector stocks. The JSE All Share Index marginally fell to close at 53,755.73.



US Market ▲

The S&P 500 futures are trading in the red

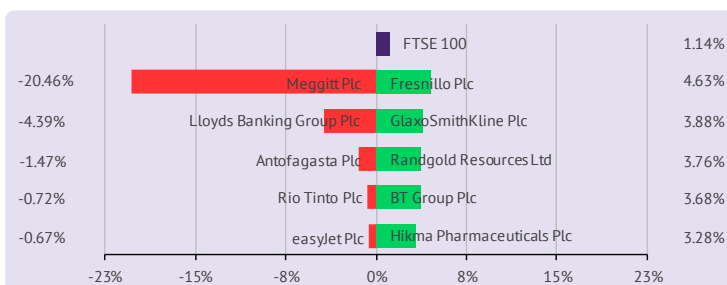
US markets closed higher yesterday, supported by gains in financial sector stocks and as the US Federal Reserve (Fed) left interest rates unchanged but indicated a possible rate hike in December. The S&P 500 Index climbed 1.2% to close at 2,090.35.



UK Market ▲

The FTSE 100 futures are trading in negative territory

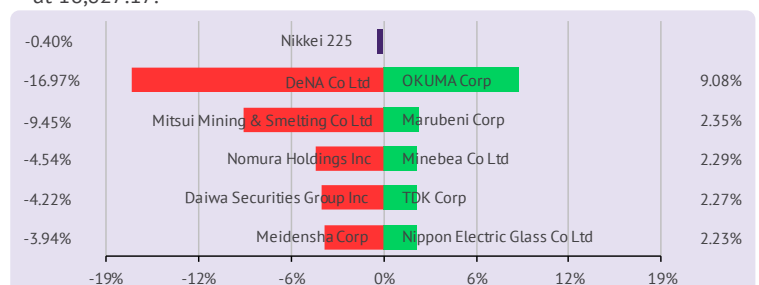
UK markets finished higher yesterday, buoyed by gains in gold mining sector stocks. The FTSE 100 Index advanced 1.1% to close at 6,437.80.



Asian Market ▼

Trading mostly lower

Asian markets are trading mostly lower this morning. Early morning data indicated an unexpected rise in Japan's industrial production on a monthly basis in September. The Nikkei 225 Index is trading 0.4% lower at 18,827.17.



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USDZAR ▲

USD trading higher against ZAR

At 06:00 SAST, the US Dollar climbed 0.2% against the South African Rand to trade at R13.7345. Later in the session today, traders will keep a close watch on the US annualised gross domestic product (GDP), weekly jobless claims, personal consumption expenditure and pending home sales data along with a speech by Dennis Lockhart, the President of the Federal Reserve of Atlanta. Additionally, private sector credit, M3 money supply and producer price inflation data of South Africa will attract market attention.

The US Dollar rose against the South African Rand yesterday, on the back of some hawkish hints by the Fed. The US central bank in its monetary policy meeting, kept interest rates unchanged citing weakness in the labour market and moderate economic growth while downplaying the impact of the global economic slowdown on its policy decision. The Fed further indicated a possible rate hike in its December meeting.

GBPZAR ▲

GBP trading firmer against ZAR

At 06:00 SAST, the British Pound climbed 0.1% against the South African Rand to trade at R20.9618. Later 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 for further clues. Furthermore, the South African private sector credit, M3 money supply and producer price inflation data will be eyed.

The British Pound advanced against the South African Rand yesterday, amid lack of major catalysts.

EURZAR ▲

EUR trading stronger against ZAR

At 06:00 SAST, the Euro is trading 0.2% firmer against the South African Rand at R15.0044. Going forward, market participants would closely monitor the European Commission's economic growth forecasts for the Eurozone member countries scheduled today. Additionally, traders will also concentrate on unemployment rate and consumer price inflation data in Germany.

The Euro weakened against the South African Rand yesterday, amid a deterioration in German consumer confidence in November and a more-than-expected decline in its import price index in September.

AUDZAR ▲

AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% higher against the South African Rand at R9.7615. Earlier in the session, data revealed a decline in new home sales in September.

The Australian Dollar fell against the South African Rand yesterday, following a less-than-expected rise in Australia's consumer price index in 3Q15.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.7345	▲	0.29%	0.56%	-1.03%	4.35%	18.54%
GBPZAR	20.9618	▲	0.05%	0.25%	-0.12%	2.88%	16.12%
EURZAR	15.0044	▲	-0.86%	-0.28%	-3.27%	4.01%	7.01%
AUDZAR	9.7615	▲	-0.86%	-0.89%	0.30%	2.94%	3.15%
EURUSD	1.0925	▲	-1.14%	-0.86%	-2.26%	-0.31%	-9.73%
GBPUSD	1.5261	▼	-0.26%	-0.34%	0.88%	-1.42%	-2.09%
Brent (\$/barrel)	48.8	▼	4.79%	2.21%	1.41%	-10.67%	-14.44%
Gold (\$/oz)	1160.1	▼	0.88%	1.19%	5.52%	-1.46%	-0.59%
Platinum (\$/oz)	998.9	▼	2.29%	1.10%	11.44%	-10.22%	-16.37%
Copper (\$/MT)*	5210.8	▼	-0.35%	0.53%	0.66%	0.57%	-18.17%

*As of Previous Close

Gold ▼

Trading in the red

At 06:00 SAST, gold prices edged 1.4% lower to trade at \$1,160.10/oz.

Yesterday, gold prices rose 0.9% to close at \$1,177.10/oz. The metal pared its gains, after the US Fed signalled that a December rate hike is still in the game.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 0.5% lower to trade at \$48.80/bL.

Yesterday, Brent crude oil advanced 4.8% to settle at \$49.05/bL, rebounding from recent losses. The US Energy Department reported that US crude oil inventories rose 3.38mn bls last week.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged 1.2% lower to trade at \$998.90/oz.

Yesterday, platinum prices climbed 2.3% to close at \$1011.00/oz, reversing previous session losses.



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Major South Africa Corporate News

British American Tobacco Plc

In its interim management statement for nine months ended 30 September 2015, the company, stated that its revenue at constant rate of exchange rose 4.2% from the previous comparable period. This was driven by continued strong pricing, partially offset by negative geographic mix, growth in the low price segment in some key markets and a difficult pricing environment in Australia. At current exchange rate, its revenue declined 6.5% from the same period a year ago. Its total cigarette volume of 487.00bn was down by 1.8% from the preceding year, which represents a lower rate than the overall market decline.

Redefine International Plc

In its FY15 results, the company, announced that its total revenue rose 3.1% from the same period of the preceding year to GBP79.70mn. Its diluted EPS stood at 5.10p, compared with 8.00p recorded in the same period of the previous year. Furthermore, the company declared a second interim dividend of 1.65p/share, payable on December 4, 2015 which, together with the interim dividend of 1.60p/share, gave a total dividend for the year of 3.25p/share, a 1.6% increase on last year.

Rebosis Property Fund Limited

In its FY15 results, the company, stated that the group's total revenue rose to R1.05bn from R0.88bn recorded in the previous year. Its headline EPS advanced 11.6% from the previous year to R1.12. Moreover, the company declared dividend of 57.95c/share for 2H15, taking its total distribution for the year to 110.41c/share, which represents an increase of 11.0% from the prior year. For FY16, the company expects distribution per share to advance in the range of 7.0% to 9.0% from the previous year.

SABMiller Plc

The company revealed that following its request, the London's Panel on Takeovers and Mergers has extended the deadline for rival Anheuser-Busch InBev to make a formal USD100.00bn-plus takeover offer by a week.

Major Global Economic News

US

The US Fed, in its latest monetary policy meeting, maintained its key interest rate at 0.25%, at par with market expectations. The central bank indicated that it will be looking for progress in employment and labour when deliberating a rate hike at its December meeting and suggested that recent global headwinds have eased and downgraded concerns surrounding slowing growth in China.

Mortgage applications registered a drop of 3.5% on a weekly basis in the US, in the week ended October 23, 2015. In the previous week, mortgage applications had recorded a rise of 11.8%.

Asia

The preliminary industrial production in Japan recorded an unexpected rise of 1.0% in September on a monthly basis, compared to market expectations for a fall of 0.5%. In the previous month, industrial production had registered a drop of 1.2%.

New home sales in Australia fell 4.0% on a monthly basis, in September. New home sales had advanced 2.3% in the prior month.

In Australia, the export price index remained flat in 3Q15 on a quarterly basis, compared to market expectations for a rise of 0.6%. The index had recorded a drop of 4.4% in the previous quarter.

In Australia, the import price index climbed 1.4% on a quarterly basis in 3Q15, compared to market expectations for an advance of 1.5%. In the prior quarter, the index had registered a similar rise.

Eurozone

The GfK consumer confidence index recorded a dropped in line with market expectations to a level of 9.40 in Germany, in November, compared to a level of 9.60 in the previous month.

In September on a monthly basis, the import price index in Germany slid 0.7%, compared to market expectations for a fall of 0.2%. In the prior month, the index had dropped 1.5%.

The consumer confidence index fell unexpectedly to 96.00 in France, in October, compared to market expectations of a steady reading. In September, the index had registered a level of 97.00.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:50	Industrial Production (MoM) (Sep) (P)	✓✓	1.00%*	-1.20%	Monthly
South Africa	08:00	M3 Money Supply (YoY) (Sep)	✓	9.75%	10.02%	Monthly
South Africa	08:00	Private Sector Credit (YoY) (Sep)	✓	8.50%	8.60%	Monthly
UK	09:00	Nationwide House Prices s.a. (MoM) (Oct)	✓	0.50%	0.50%	Monthly
Spain	10:00	Retail Sales (YoY) (Sep)	✓	3.00%	3.10%	Monthly
Spain	10:00	Consumer Price Index (MoM) (Oct) (P)	✓	0.70%	-0.30%	Monthly
UK	10:30	Gross Consumer Credit (Sep)	✓✓	-	GBP20.71bn	Monthly
Germany	10:55	Unemployment Change (Oct)	✓✓	-4.00K	2.00K	Monthly
Germany	10:55	Unemployment Rate s.a. (Oct)	✓✓✓	6.40%	6.40%	Monthly
UK	11:30	M4 Money Supply (MoM) (Sep)	✓	-	-0.40%	Monthly
Portugal	11:30	Business Confidence (Oct)	✓	-	1.40	Monthly
Portugal	11:30	Consumer Confidence (Oct)	✓	-	-17.20	Monthly
UK	11:30	Net Consumer Credit (Sep)	✓✓	GBP1.10bn	GBP0.90bn	Monthly
UK	11:30	Net Lending Sec. on Dwellings (Sep)	✓✓	GBP3.30bn	GBP3.40bn	Monthly
UK	11:30	Mortgage Approvals (Sep)	✓✓	72.40K	71.00K	Monthly
South Africa	11:30	Producer Price Index (MoM) (Sep)	✓✓	0.20%	0.10%	Monthly
Eurozone	12:00	Business Climate Indicator (Oct)	✓✓	0.31	0.34	Monthly
Eurozone	12:00	Consumer Confidence (Oct) (F)	✓	-7.70	-7.70**	Monthly
Eurozone	12:00	Economic Sentiment Indicator (Oct)	✓	105.10	105.60	Monthly
Eurozone	12:00	Industrial Confidence (Oct)	✓	-2.70	-2.20	Monthly
Eurozone	12:00	Services Sentiment Indicator (Oct)	✓	12.00	12.40	Monthly
UK	13:00	CBI Distributive Trades Survey - Realised (Oct)	✓	35.00%	49.00%	Monthly
US	14:30	Gross Domestic Product Annualised (QoQ) (Q3) (P)	✓✓✓	1.50%	3.90%	Quarterly
US	14:30	Initial Jobless Claims (24-Oct)	✓✓	265.00K	259.00K	Weekly
US	14:30	Personal Consumption (QoQ) (Q3) (P)	✓✓	3.30%	3.60%	Quarterly
Germany	15:00	Consumer Price Index (MoM) (Oct) (P)	✓✓✓	-0.10%	-0.20%	Monthly
US	15:10	Fed's Lockhart Speech	✓	-	-	As scheduled
US	16:00	Pending Home Sales (MoM) (Sep)	✓	1.00%	-1.40%	Monthly
Eurozone	17:00	ECB's Constancio Speaks in London	✓	-	-	As scheduled
Eurozone	-	European Commission Economic Forecasts	✓✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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