

ONE Minute Brief

27 November 2015

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Economic and Political News

On a monthly basis, in October, the producer price index advanced 0.9% in South Africa, compared to a rise of 0.3% in the previous month.

The business confidence index in South Africa unexpectedly decreased to 36.00 in 4Q15, compared to 38.00 in the 3Q15.

President Jacob Zuma, in his address at the National Council of Provinces, stated that services provided by municipalities helped to reduce poverty, but added that the delivery of services had to improve.

The Congress of South African Trade Unions (Cosatu) confirmed the expulsion of its former General Secretary, Zwelinzima Vavi and the National Union of Metalworkers of SA (Numsa). The union appointed Solly Phetoe as its Deputy General Secretary.

The Taxation Laws Amendment Bill, opposed by the Cosatu, was passed by the National Assembly. The union claims that the bill would restrict direct access to retirement savings. Meanwhile, Finance Minister Nhlanhla Nene stated that the Bill would help protect pensioners against old-age poverty.

Key Indices

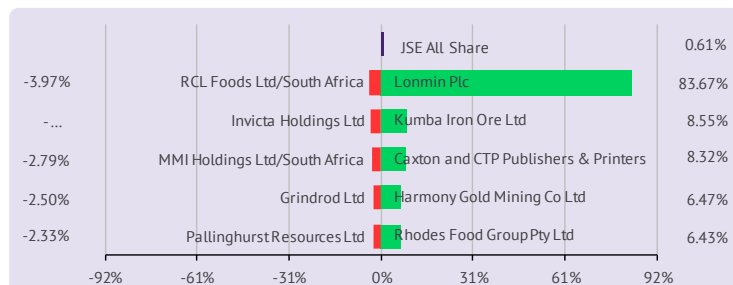
	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	52229.92	▲	315.37	0.61%	-0.02%	-2.91%	7.40%	4.94%
JSE Top 40	46877.40	▲	205.17	0.44%	-0.18%	-2.98%	7.66%	6.61%
FTSE 100	6393.13	▲	55.49	0.88%	0.92%	0.50%	4.94%	-2.63%
DAX 30	11320.77	▲	151.23	1.35%	1.81%	4.34%	12.32%	15.45%
CAC 40	4946.02	▲	53.03	1.08%	0.71%	0.99%	9.93%	15.76%
S&P 500*	2088.87	▼	-0.27	-0.01%	-0.01%	0.46%	8.30%	1.46%
Nasdaq Composite*	5116.14	▲	13.34	0.26%	0.22%	1.23%	9.38%	8.03%
DJIA*	17813.39	▲	1.20	0.01%	-0.06%	0.85%	8.47%	-0.05%

*As on November 25, 2015

South Africa Market ▲

South African markets closed higher

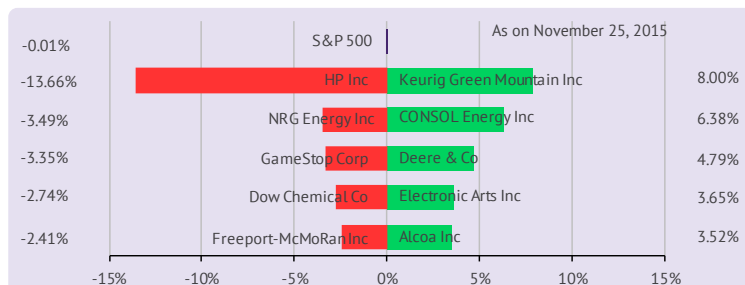
South African markets closed in the green yesterday, led by gains in gold mining sector stocks. Data revealed that the South African producer price index advanced more-than-expected in October. The JSE All Share Index rose 0.6% to close at 52,229.92.



US Market ▼

The S&P 500 futures are trading in the green

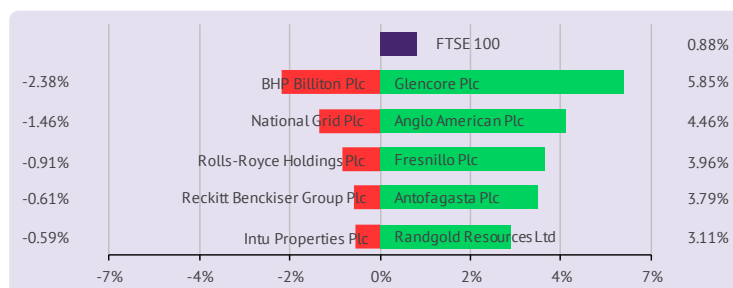
Markets in the US were closed on Friday on account of Thanksgiving Day. The S&P 500 Index declined marginally on Wednesday to close at 2,088.87.



UK Market ▲

The FTSE 100 futures are trading in negative territory

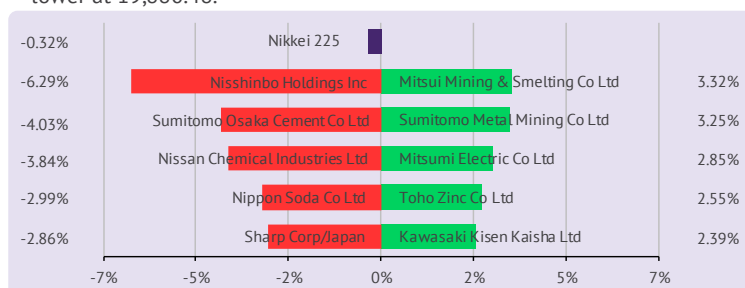
UK markets finished higher yesterday, buoyed by gains in mining sector stocks. The FTSE 100 Index advanced 0.9% to close at 6,393.13.



Asian Market ▼

Trading lower

Asian markets are trading lower this morning. Data revealed a rise in Japan's national consumer price index (CPI) and an unexpected drop in unemployment rate in October. The Nikkei 225 Index is trading 0.3% lower at 19,880.48.



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USDZAR ▲

USD trading higher against ZAR

At 06:00 SAST, the US Dollar advanced marginally against the South African Rand to trade at R14.2857. With no releases in the US today, traders will look forward to the Chicago Purchasing Managers' Index (PMI), Dallas Fed manufacturing business index and pending home sales data scheduled for release next week.

The US Dollar rose against the South African Rand yesterday, in a quiet trading session, as markets in the US were closed on account of a holiday. Data showed that South African producer price inflation advanced more-than-expected in October while the business confidence index retreated further in 4Q15 to its lowest level in five years.

GBPZAR ▼

GBP trading lower against ZAR

At 06:00 SAST, the British Pound dropped 0.1% against the South African Rand to trade at R21.5612. Earlier in the session, data revealed that the UK consumer confidence, dropped unexpectedly to its lowest level in 6 months in November. Later today, market participants will keep a tab on a preliminary reading of UK's third-quarter economic growth data and a report on and nationwide house price data for further cues.

The British Pound advanced against the South African Rand yesterday. Data indicated a more-than-expected rise in South Africa's producer price index in October and a deterioration in business confidence in 4Q15.

EURZAR ▲

EUR trading stronger against ZAR

At 06:00 SAST, the Euro is trading marginally firmer against the South African Rand at R15.1569. Going forward today, investors will focus on Eurozone's consumer confidence and economic sentiment indices. Additionally, Germany's consumer confidence data will be eyed.

The Euro strengthened against the South African Rand yesterday. Data showed that private sector credit and M3 money supply in the Eurozone advanced in October.

AUDZAR ▼

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar retreated 0.1% against the South African Rand to trade at R10.3171. Earlier in the session, data revealed that industrial profits of China, Australia's largest trading partner, fell for the fifth straight month in October.

The Australian Dollar rose against the South African Rand yesterday. Data indicated a more-than-expected decline in Australia's private capital expenditure in 3Q15.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	14.2857	▲	1.01%	2.22%	3.35%	-0.24%	23.49%
GBPZAR	21.5612	▼	0.88%	1.65%	1.17%	1.74%	19.67%
EURZAR	15.1569	▲	0.94%	1.90%	-0.39%	-1.76%	8.25%
AUDZAR	10.3171	▼	0.74%	2.21%	4.67%	1.47%	9.23%
EURUSD	1.0610	▲	-0.10%	-0.36%	-3.63%	-1.52%	-12.35%
GBPUSD	1.5095	▼	-0.14%	-0.62%	-2.13%	1.98%	-3.13%
Brent (\$/barrel)	45.3	▼	-1.54%	1.79%	-8.27%	2.46%	-20.70%
Gold (\$/oz)*	1066.7	▼	-0.35%	-0.59%	-6.26%	2.32%	-9.64%
Platinum (\$/oz)*	850.5	▲	0.26%	-1.40%	-14.68%	9.03%	-30.19%
Copper (\$/MT)*	4651.5	▲	1.97%	1.00%	-9.32%	-0.91%	-26.96%

*As of Previous Close *1D% change as on November 25, 2015

Gold ▼

Trading in the red

At 06:00 SAST, gold prices fell 0.3% to trade at \$1,066.70/oz.

Yesterday, markets in the US were closed on account of Thanksgiving Day.

Brent Crude Oil ▲

Trading weaker

Brent crude oil, extended previous session losses and at 06:00 SAST, retreated 0.3% to trade at \$45.34/bl.

Yesterday, Brent crude oil dropped 1.5% to settle at \$45.46/bl, amid a stronger US Dollar and persistent market glut. Meanwhile, the Russian Energy Minister, Alexander Novak stated that Russia and Saudi Arabia will set up a special joint working group on oil and gas cooperation to promote energy dialogue between the world's top oil producers.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged 0.8% higher to trade at \$850.50/oz.

Yesterday, US markets were closed for trading on account of a holiday.



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Major South Africa Corporate News

Investec Property Fund Limited

The company announced that the acquisition of the portfolio of properties from Zenprop Property Holdings (Pty) Limited and associated trusts has been approved by the Competition Commission Tribunal without any conditions.

Nampak Limited

In its FY15 results, the package manufacturing company stated that its revenue from continuing operations rose to R17.29bn from R15.31bn posted in the preceding year, primarily due to continuing beverage can volume growth. However, its fully diluted headline EPS from continuing operations declined 4.0% from the previous year to R2.06. Going forward, the company expects continued volume growth in beverage cans, gains from improved performance of the Glass and Bevcans Springs operations and efficiency gains from business improvement initiatives at DivFood to contribute to earnings in the medium term.

Standard Bank Group Limited

The bank announced that it will appear before the court to seek approval for the terms of a Deferred Prosecution Agreement. It stated that fines for the events that took place in 2012 and 2013 were not expected to exceed USD40.00mn.

Major Global Economic News

Asia

On an annual basis, industrial profits eased 4.6% in China, in October. In the previous month, industrial profits had registered a drop of 0.1%.

The national CPI rose 0.3% in Japan on a yearly basis in October, compared to a flat reading in the prior month. Markets were anticipating the national CPI to advance 0.3%.

In Japan, the unemployment rate dropped unexpectedly to 3.1% in October, compared to market expectations of a steady reading. In the previous month, unemployment rate had registered a level of 3.4%.

The annual decline in Japanese household spending unexpectedly worsened to 2.4% in October from 0.4% in September.

Eurozone

In October, on an annual basis, private sector loans in the Eurozone advanced 1.2%. In the previous month, private sector loans had risen 1.1%.

In October, M3 money supply registered a rise of 5.3% on an annual basis in the Eurozone, compared to market expectations for an advance of 4.9%. M3 money supply had recorded an increase of 4.9% in the prior month.

UK

In November, the GfK consumer confidence index in the UK dropped unexpectedly to a level of 1.00, compared to market expectations of an unchanged reading. The index had recorded a level of 2.00 in the previous month.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:30	National Consumer Price Index (YoY) (Oct)	✓✓	0.30%*	0.00%	Monthly
Japan	01:30	National CPI Ex Food, Energy (YoY) (Oct)	✓✓	0.70%*	0.90%	Monthly
Japan	01:30	National CPI Ex-Fresh Food (YoY) (Oct)	✓✓	-0.10%*	-0.10%	Monthly
Japan	01:30	Unemployment Rate (Oct)	✓✓	3.10%*	3.40%	Monthly
UK	02:05	Gfk Consumer Confidence (Nov)	✓✓	1.00*	2.00	Monthly
China	03:30	Industrial Profits (YoY) (Oct)	✓✓	-4.60%*	-0.10%	Monthly
Germany	09:00	Export price index (Oct)	✓	-	104.70	Monthly
Germany	09:00	Import Price Index (Oct)	✓	-	99.60	Monthly
UK	09:00	Nationwide House Prices s.a. (MoM) (Nov)	✓	0.50%	0.60%	Monthly
France	09:45	Producer Prices (MoM) (Oct)	✓	-	0.10%	Monthly
Spain	10:00	Consumer Price Index (MoM) (Nov) (P)	✓	0.20%	0.60%	Monthly
UK	11:30	Total Business Investment (YoY) (Q3) (P)	✓	-	3.10%	Quarterly
UK	11:30	Gross Domestic Product (QoQ) (Q3) (S)	✓✓	0.50%	0.50%**	Quarterly
UK	11:30	Total Business Investment (QoQ) (Q3) (P)	✓	0.80%	1.60%	Quarterly
UK	11:30	Exports (QoQ) (Q3) (P)	✓	0.90%	3.90%	Quarterly
UK	11:30	Imports (QoQ) (Q3) (P)	✓	3.50%	0.60%	Quarterly
Eurozone	12:00	Business Climate Indicator (Nov)	✓✓	0.45	0.44	Monthly
Eurozone	12:00	Consumer Confidence (Nov) (F)	✓✓	-7.90	-6.00**	Monthly
Eurozone	12:00	Economic Sentiment Indicator (Nov)	✓✓	105.90	105.90	Monthly
Eurozone	12:00	Industrial Confidence (Nov)	✓	-2.10	-2.00	Monthly
Eurozone	12:00	Services Sentiment Indicator (Nov)	✓	12.00	11.90	Monthly
Eurozone	13:00	EU Financial Stability Review	✓	-	-	As scheduled
Eurozone	14:00	ECB's Knot Speaks at Sustainable Finance Lab in Amsterdam	✓	-	-	As scheduled
Germany	14:00	Gfk Consumer Confidence Survey (Dec)	✓✓	9.20	9.40	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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