

# ONE Minute Brief

2 December 2015

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## Economic and Political News

The manufacturing Purchasing Managers' Index (PMI) in South Africa eased unexpectedly to a level of 43.30, compared to a reading of 48.10 in the previous month.

On an annual basis, new vehicle sales unexpectedly advanced 0.4% in South Africa, in November, compared to market expectations for a fall of 8.6%. In October, new vehicle sales had registered a drop of 8.6%.

Suspended national police commissioner General Riah Phiyega accused the Police Minister Nathi Nhleko and Acting National Commissioner Lieutenant-General Khomotso Phahlane for using unlawful ways to force her to resign without the opportunity to present her side of the story.

Eskom Spokesman Khulu Phasiwe, stated that the company would not renew a coal supply contract with Exxaro Arnot coal mine, ignoring the National Union of Mineworkers' (NUM) demands. He also added that Exxaro has not been able to supply the number of tonnes agreed to, but continued to charge high prices.

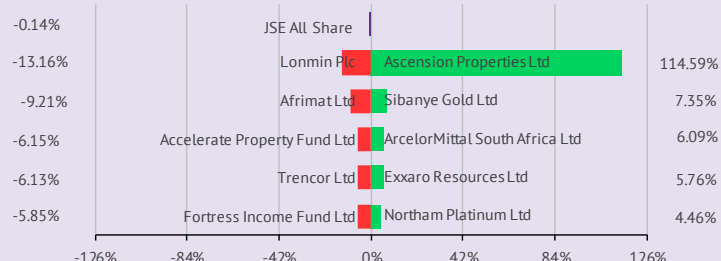
## Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	51535.82	▼	-72.01	-0.14%	-0.20%	-0.14%	-4.06%
JSE Top 40	46295.25	▼	-34.31	-0.07%	-0.07%	-0.07%	-4.11%
FTSE 100	6395.65	▲	39.56	0.62%	0.32%	0.62%	-0.08%
DAX 30	11261.24	▼	-120.99	-1.06%	-0.29%	-1.06%	4.90%
CAC 40	4914.53	▼	-43.07	-0.87%	-0.32%	-0.87%	1.22%
S&P 500	2102.63	▲	22.22	1.07%	0.60%	1.07%	0.05%
Nasdaq Composite	5156.31	▲	47.64	0.93%	0.56%	0.93%	1.09%
DJIA	17888.35	▲	168.43	0.95%	0.50%	0.95%	0.32%

## South Africa Market ▼

### South African markets closed lower

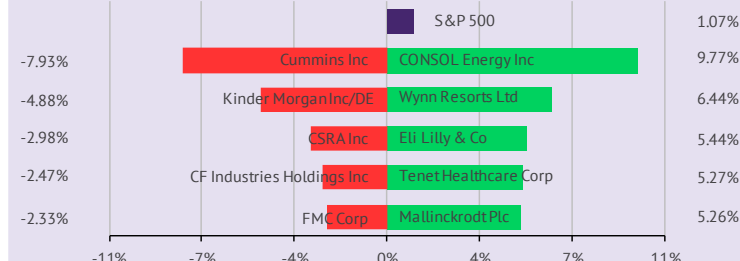
South African markets closed in the red yesterday, led by losses in platinum sector stocks. Data revealed a surprise decline in South Africa's manufacturing activity in November. The JSE All Share Index fell 0.1% to close at 51,535.82.



## US Market ▲

### The S&P 500 futures are trading in the green

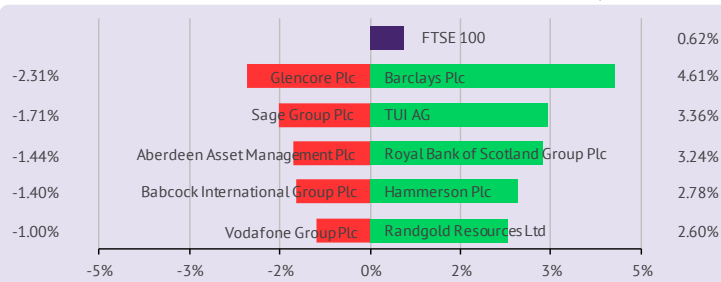
US markets closed higher yesterday, buoyed by a rebound in healthcare sector stocks. Data revealed that the US ISM manufacturing PMI dropped unexpectedly into contraction territory in November. The S&P 500 Index climbed 1.1% to close at 2,102.63.



## UK Market ▲

### The FTSE 100 futures are trading in positive territory

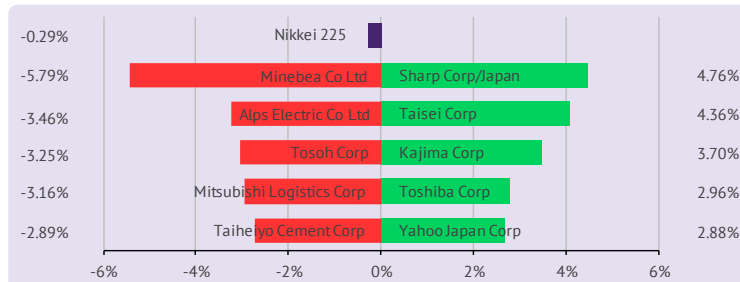
UK markets finished higher yesterday, amid gains in banking sector stocks after passing the latest Bank of England (BoE) stress tests. Data showed that manufacturing activity in the UK grew at a slower pace in November. The FTSE 100 Index advanced 0.6% to close at 6,395.65.



## Asian Market ◀▶

### Trading mixed

Asian markets are trading mixed this morning. Data indicated a rise in Japan's monetary base in November. The Nikkei 225 Index is trading 0.3% lower at 19,953.90.



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## USDZAR ▼

### USD trading lower against ZAR

At 06:00 SAST, the US Dollar dropped 0.1% against the South African Rand to trade at R14.4317. Later in the session today, traders will look forward to a speech by US Federal Reserve (Fed) Chief, Janet Yellen along with that of Fed Officials, Dennis Lockhart and John Williams. Additionally, the Fed Beige Book, the ADP unemployment report and non-farm productivity will attract market attention.

The US Dollar fell marginally against the South African Rand yesterday, after the ISM manufacturing PMI unexpectedly dropped below 50 for the first time in three years in November while the Markit manufacturing PMI eased in the same month. Meanwhile, construction spending advanced more-than-expected in October. On the other hand, manufacturing activity in South Africa contracted in November.

## GBPZAR ▼

### GBP trading weaker against ZAR

At 06:00 SAST, the British Pound is trading 0.2% lower against the South African Rand at R21.7443. Early morning, data revealed that UK's shop prices fell faster in November. Later today, market participants will keep a tab on UK's construction PMI for further clues.

The British Pound advanced against the South African Rand yesterday, despite UK's manufacturing growth slowing more-than-expected in November. Meanwhile, the South African manufacturing PMI dropped surprisingly in November.

## EURZAR ▼

### EUR trading lower against ZAR

At 06:00 SAST, the Euro is trading 0.2% weaker against the South African Rand at R15.3262. Going forward, investors today will focus on Eurozone's consumer and producer price index for further direction.

The Euro strengthened against the South African Rand yesterday, after manufacturing PMIs in Eurozone and Germany advanced in November. Meanwhile, data revealed an unexpected drop in unemployment in Eurozone and Germany in October.

## AUDZAR ▼

### AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% weaker against the South African Rand at R10.5585. Earlier in the session, data revealed a more-than-expected expansion in the Australian economy in 3Q15.

The Australian Dollar rose against the South African Rand yesterday. The Reserve Bank of Australia (RBA) left the key interest rate unchanged at 2.0%. RBA Governor Glen Stevens indicated that the prospects for an improvement in economic conditions had firmed a little over in recent months, providing scope for further policy easing if found appropriate. Data revealed a rise in Australia's AiG performance of manufacturing index in November and a drop in current account deficit in 3Q15. Elsewhere, in China, Australia's major trading partner, the NBS manufacturing PMI declined unexpectedly while the non-manufacturing PMI climbed in November.

## Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	14.4317	▼	-0.02%	0.20%	-0.02%	4.50%	24.84%
GBPZAR	21.7443	▼	0.07%	0.54%	0.07%	2.10%	20.86%
EURZAR	15.3262	▼	0.56%	0.64%	0.56%	0.40%	9.73%
AUDZAR	10.5585	▼	1.25%	2.02%	1.25%	5.86%	11.85%
EURUSD	1.0619	▼	0.62%	0.36%	0.62%	-3.99%	-12.14%
GBPUSD	1.5069	▼	0.13%	0.27%	0.13%	-2.37%	-3.25%
Brent (\$/barrel)	44.3	▼	-0.38%	-0.94%	-0.38%	-9.99%	-22.48%
Gold (\$/oz)	1067.6	▲	-0.19%	0.72%	-0.19%	-6.62%	-10.16%
Platinum (\$/oz)	841.6	▲	0.30%	-0.05%	0.30%	-15.79%	-30.90%
Copper (\$/MT)*	4643.3	▲	0.96%	1.14%	0.96%	-10.34%	-27.08%

\*As of Previous Close

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices edged higher 0.4% to trade at \$1,067.60/oz.

Yesterday, gold prices fell 0.2% to close at \$1,063.80/oz, as weak manufacturing data from China and the US sparked demand concerns for the precious metal.

## Brent Crude Oil ▼

### Trading weaker

At 06:00 SAST, Brent crude oil dropped 0.3% to trade at \$44.32/bl.

Yesterday, Brent crude oil dropped 0.4% to settle at \$44.44/bl, on bets that the Organization of the Petroleum Exporting Countries (OPEC) will not cut output in its meeting on Friday to stem a supply glut. Meanwhile, the American Petroleum Institute reported that crude oil inventories unexpectedly advanced 1.6mn bls last week.

## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices advanced 0.7% to trade at \$841.60/oz.

Yesterday, platinum prices climbed 0.3% to close at \$835.40/oz.

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## Major South Africa Corporate News

### Allied Electronics Corporation Limited

The firm announced that RJ Abraham would retire as the Executive Director of Altron Group at the end of February 2016. Following his retirement, A Holden would be appointed as Altron's Operations Executive: Information Technology. In the meantime, RJ Abraham would continue as the Chief Executive Officer of Bytes Technology Group, while A Holden will remain the Altron Executive: Shared Services until he assumes his new role on March 01, 2016.

### Famous Brands Limited

The firm announced that its group Chief Executive (CE), Kevin Hedderwick, has decided to retire on February 29, 2016. After his retirement, he has agreed to work as the Strategic Advisor to the Group from March 01, 2016, for a 12-month period concluding in March 2017. Furthermore, the company revealed that Darren Hele, currently Chief Executive: Food Services, would be appointed as Group CE after the retirement of Kevin Hedderwick.

### Datatec Limited

The company announced that its subsidiary, Logicalis Group Limited, has bought 100.0% of the issued share capital of Thomas Duryea Consulting Pty Limited, an Australian ICT services and solutions

### Murray & Roberts Holdings Limited

The company notified that the 19 people who were injured following the collapse of the pedestrian bridge construction support structure have been discharged from hospital. Two of the discharged persons are engaged in a rehabilitation programme. Moreover, a strict protocol has been established and implemented since the time of the incident and two Board Directors - Mahlape Sello and Royden Vice at the time of the incident have been excluded from discussions and documents relating to the support structure collapse incident. The company concluded stating that the investigation process is expected to last a few months due to its complexity.

## Major Global Economic News

### Eurozone

In November, the final manufacturing PMI in the Eurozone climbed to 52.80, in line with market expectations. The preliminary figures had also recorded a rise to 52.80. In the previous month, the PMI had recorded a reading of 52.30.

In the Eurozone, the unemployment rate recorded an unexpected drop to a level of 10.7% in October, compared to a reading of 10.8% in the previous month. Markets were expecting the unemployment rate to record a steady reading.

The final manufacturing PMI rose to a level of 52.90 in November, in Germany, compared to market expectations of a climb to a level of 52.60. The preliminary figures had indicated an advance to 52.60. In the prior month, the index had recorded a reading of 52.10.

In Germany, the seasonally adjusted unemployment rate recorded an unexpected drop to a level of 6.3% in November, compared to market expectations of an unchanged reading. In the prior month, unemployment rate had recorded a reading of 6.4%.

### UK

In November, the manufacturing PMI fell to a level of 52.70 in the UK, compared to market expectations of a drop to 53.60. The PMI had registered a revised level of 55.20 in the previous month.

The BRC shop price index dropped 2.1% in November, compared to a drop of 1.8% in the previous month.

### US

The ISM manufacturing activity index eased unexpectedly to a level of 48.60 in November, in the US, compared to a reading of 50.10 in the prior month. Markets were expecting the index to climb to 50.50.

In the US, the final Markit manufacturing PMI eased to 52.80 in November, compared to market expectations of a fall to 52.60. The preliminary figures had recorded a drop to 52.60. In the previous month, the index had recorded a reading of 54.10.

US Census Bureau has indicated that, in October, construction spending rose 1.0% on a monthly basis in the US, compared to market expectations for a rise of 0.6%. In the prior month, construction spending had advanced 0.6%.

### Asia

In Australia, the seasonally adjusted gross domestic product (GDP) advanced 0.9% in 3Q15 on a quarterly basis, compared to market expectations for an advance of 0.8%. GDP had recorded a revised rise of 0.3% in the previous quarter.

The monetary base in Japan rose 32.5% in November on an annual basis. The monetary base had registered a similar advance in the prior month.

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## Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:50	Monetary Base (YoY) (Nov)	✓✓	32.50%*	32.50%	Monthly
UK	02:01	BRC Shop Price Index (YoY) (Nov)	✓	-2.10%*	-1.80%	Monthly
US	03:00	Fed's Brainard Speaks on Lower Neutral Rates in Stanford CA	✓✓	-	-	As scheduled
Japan	03:30	BOJ Iwata makes a speech in Okayama	✓	-	-	As scheduled
Spain	10:00	Unemployment Change (Nov)	✓	-6.50K	82.30K	Monthly
UK	11:30	Markit Construction PMI (Nov)	✓✓	58.50	58.80	Monthly
Eurozone	12:00	Consumer Price Index - Core (YoY) (Nov) (P)	✓✓✓	1.10%	1.10%	Monthly
Eurozone	12:00	Producer Price Index (MoM) (Oct)	✓	-0.40%	-0.30%	Monthly
US	14:00	MBA Mortgage Applications (27-Nov)	✓	-	-3.20%	Weekly
US	15:10	Fed's Lockhart Speaks on U.S. Economy in Florida	✓	-	-	As scheduled
US	15:15	ADP Employment Change (Nov)	✓✓	190.00K	182.00K	Monthly
US	15:30	Non-Farm Productivity (Q3) (F)	✓✓	2.20%	1.60%**	Quarterly
US	16:45	ISM New York Index (Nov)	✓	58.00	65.80	Monthly
Canada	17:00	Bank of Canada Interest Rate Decision	✓✓✓	0.50%	0.50%	As scheduled
US	18:00	Fed's Yellen Speaks to the Economic Club of Washington	✓✓	-	-	As scheduled
US	21:00	Fed's Beige Book	✓✓	-	-	As scheduled
US	22:40	Fed's Williams Delivers Outlook Speech in Portland, Oregon	✓	-	-	As scheduled

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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