

# ONE Minute Brief

6 January 2016

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## Economic and Political News

The African National Congress (ANC) Chief, Whip Stone Sizani, stated that the party will push for a specific legislation to be enacted that will criminalise any act that perpetuates racism or glorifies apartheid and be punishable by imprisonment.

The ANC lodged a formal complaint with the South African Human Rights Commission (SAHRC) to investigate racism within the Democratic Alliance (DA). Additionally, the SAHRC pledged to investigate all racism-related complaints, regardless of the perpetrator's race.

The trade and industry, health and agriculture ministers of South Africa (SA) met US ambassador, Patrick Gaspard to try to resolve a trade dispute and to avoid SA losing duty-free entry into the US market.

The National Union of Mineworkers (NUM) announced that its members will march against De Beers Kimberley Mines on January 14 as the group failed to consult the union about the sale of the mine to Ekapa Mining and Petra Diamonds.

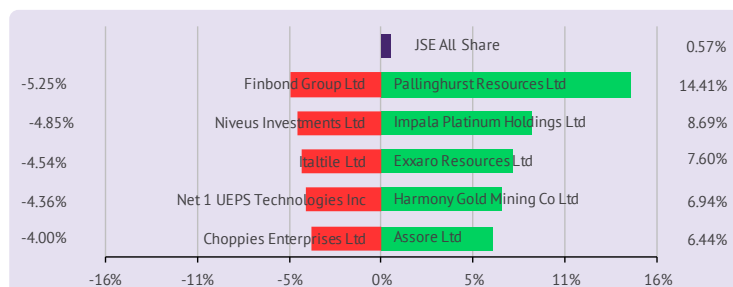
## Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	49599.72	▲	283.11	0.57%	-2.16%	-2.16%	-1.77%	-2.16%
JSE Top 40	44673.09	▲	213.34	0.48%	-2.45%	-2.45%	-1.15%	-2.45%
FTSE 100	6137.24	▲	43.81	0.72%	-1.68%	-1.68%	-1.79%	-1.68%
DAX 30	10310.10	▲	26.66	0.26%	-4.03%	-4.03%	-5.62%	-4.03%
CAC 40	4537.63	▲	15.18	0.34%	-2.14%	-2.14%	-6.47%	-2.14%
S&P 500	2016.71	▲	4.05	0.20%	-1.33%	-1.33%	-1.75%	-1.33%
Nasdaq Composite	4891.43	▼	-11.66	-0.24%	-2.32%	-2.32%	-1.98%	-2.32%
DJIA	17158.66	▲	9.72	0.06%	-1.53%	-1.53%	-1.66%	-1.53%

## South Africa Market ▲

### South African markets closed higher

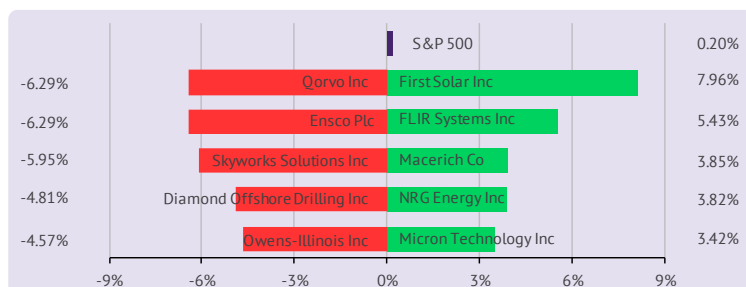
South African markets closed in the green yesterday, supported by gains in platinum mining sector stocks. The JSE All Share Index rose 0.6% to close at 49,599.72.



## US Market ▲

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

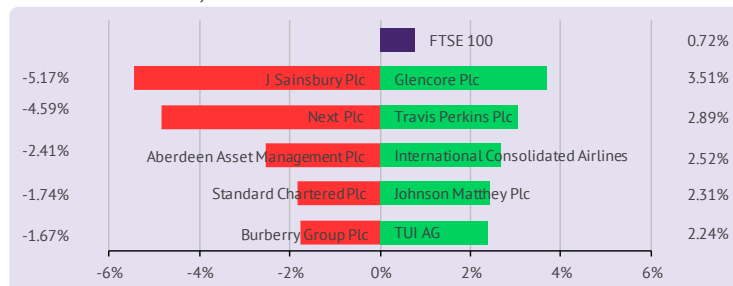
US markets closed higher yesterday snapping a three-day slump, buoyed by telecom sector stocks. The S&P 500 Index climbed 0.2% to close at 2,016.71.



## UK Market ▲

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

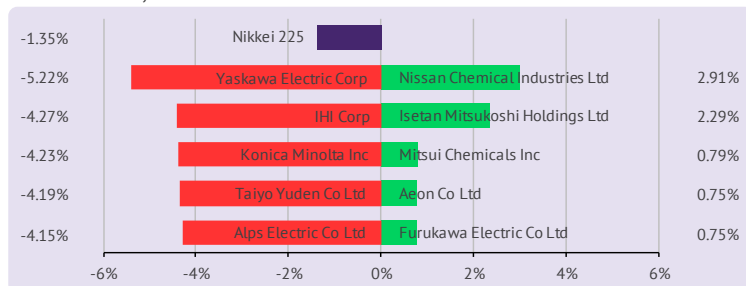
UK markets finished higher yesterday, following a rebound in mining sector stocks. Meanwhile, data revealed a more-than-expected rise in UK's construction activity in December. The FTSE 100 Index advanced 0.7% to close at 6,137.24.



## Asian Market ▼

### Trading mostly lower

Asian markets are trading mostly lower this morning. Early morning data indicated that the services sector in China continued to expand in December, albeit at a slower pace. The Nikkei 225 Index is trading 1.4% lower at 18,126.23.



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## USDZAR ▲

### USD trading stronger against ZAR

At 06:00 SAST, the US Dollar is trading 0.5% higher against the South African Rand at R15.7187. Later today, traders will track the minutes of the Federal Open Market Committee's (FOMC) latest monetary policy meeting along with factory orders data. Additionally, investors would concentrate on the US ISM non-manufacturing and Markit services Purchasing Managers' Indices (PMI) along with reports on ADP employment change for further cues. Furthermore, South Africa's Standard Bank PMI will attract market attention.

The US Dollar rose against the South African Rand yesterday. Data revealed a rise in US New York City current business condition index in December.

## GBPZAR ▲

### GBP trading firmer against ZAR

At 06:00 SAST, the British Pound rose 0.5% against the South African Rand to trade at R23.0455. Earlier in the session, data indicated a decline in UK's BRC shop price index in December. Later today, investors will look forward to UK's Markit services PMI as well as South Africa's manufacturing PMI for further clues.

The British Pound declined marginally against the South African Rand yesterday, despite a rebound in UK's construction sector last month from November.

## EURZAR ▲

### EUR trading higher against ZAR

At 06:00 SAST, the Euro rose 0.5% against the South African Rand to trade at R16.8902. Going forward, market participants will keep a tab on Eurozone and Germany's Markit services PMI for further direction in the Euro.

The Euro weakened against the South African Rand yesterday, after the annual rate of inflation in the Eurozone rose less-than-expected in December. On the other hand, unemployment rate in Germany steadied in December.

## AUDZAR ▲

### AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% higher against the South African Rand at R11.2087. Earlier in the session, data revealed a decline in Australia's AiG performance of services index in December. Elsewhere, in China, Australia's key trading partner, service activity grew at a slower pace while consumer sentiment improved in December.

The Australian Dollar rose against the South African Rand yesterday.

## Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	15.7187	▲	0.43%	1.07%	1.06%	7.12%	1.06%
GBPZAR	23.0455	▲	-0.01%	0.56%	0.54%	4.72%	0.54%
EURZAR	16.8902	▲	-0.38%	-0.03%	-0.04%	10.03%	-0.04%
AUDZAR	11.2087	▲	0.07%	0.08%	-1.44%	8.80%	-1.44%
EURUSD	1.0746	▼	-0.72%	-1.02%	-1.06%	2.84%	-1.06%
GBPUSD	1.4662	▼	-0.36%	-0.44%	-0.49%	-2.13%	-0.49%
Brent (\$/barrel)	36.5	▲	-2.15%	-2.31%	-2.31%	-16.43%	-2.31%
Gold (\$/oz)	1077.6	▼	0.30%	1.72%	1.72%	-0.53%	1.72%
Platinum (\$/oz)	887.3	▼	0.61%	-0.35%	-0.35%	7.06%	-0.35%
Copper (\$/MT)*	4642.8	▲	0.68%	-1.34%	-1.34%	2.32%	-1.34%

\*As of Previous Close

## Gold ▼

### Trading in the red

At 06:00 SAST, gold prices edged 0.1% lower to trade at \$1,077.60/oz.

Yesterday, gold prices rose 0.3% to close at \$1,078.40/oz, amid a bigger appetite for safer assets following geopolitical concerns in the Middle East and concerns over China's economic growth.

## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil edged 0.2% higher to trade at \$36.49/bl.

Yesterday, Brent crude oil dropped 2.2% to settle at \$36.42/bl, amid a stronger US Dollar. Meanwhile, the American Petroleum Institute reported that crude oil inventories declined by 5.6mn bls last week.

## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices edged 0.1% lower to trade at \$887.30/oz.

Yesterday, platinum prices climbed 0.6% to close at \$888.60/oz, extending previous session gains.



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## Major South Africa Corporate News

### Aquarius Platinum Limited

The company announced that an employee of JV entity Mimosa Platinum Limited was fatally injured whilst working underground on January 04, 2016. There were no other injuries reported. The company has decided to withhold the name of the deceased until the next of the kin was notified and revealed that full investigation in regards to the incident was underway.

### Old Mutual Plc

The company announced that its subsidiary Old Mutual (Bermuda) Holdings Limited has concluded the sale of Old Mutual (Bermuda) Limited to Beechwood Bermuda Limited on December 31, 2015. It has also agreed to provide Beechwood with administration services for three years.

## Major Global Economic News

### UK

In the UK, the construction PMI recorded a rise to a level of 57.80 in December, compared to market expectations of an advance to 56.00. In the previous month, the PMI had recorded a level of 55.30.

The BRC shop price index on an annual basis fell 2.0% in the UK, in December. The index had registered a drop of 2.1% in the prior month.

### Eurozone

The consumer price inflation index in the Eurozone on a yearly basis, remained unchanged in December at 0.2%. Markets expected the index to rise 0.4%.

The seasonally adjusted unemployment rate remained steady at 6.3% in Germany, in December, in line with market expectations.

### US

The ISM New York City current business condition index rose to a level of 62.00 in December in the US, compared to a reading of 60.70 in the previous month.

The seasonally adjusted Redbook index on a monthly basis in the US fell 0.3%, in the week ended January 01, 2016. The index had recorded a drop of 0.5% in the prior week.

### Asia

In China, the Caixin/Markit services PMI index recorded a drop to 50.20 in December, from a reading of 51.20 in the prior month.

The Nikkei PMI Services index in Japan marginally dropped to 51.50 in December, compared to a reading of 51.60 in November.

The AiG performance of services index in Australia fell to a level of 46.30 in December, compared to a level of 48.20 in the previous month.

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## Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
UK	02:01	BRC Shop Price Index (YoY) (Dec)	✓	-2.00%*	-2.10%	Monthly
Japan	03:35	Markit Japan Services PMI (Dec)	✓✓	51.50*	51.60	Monthly
Japan	03:35	Markit/JMMA Composite PMI (Dec)	✓✓	52.20*	52.30	Monthly
China	03:45	Caixin/Markit Services PMI (Dec)	✓✓	50.20*	51.20	Monthly
China	03:45	HSBC China Composite PMI (Dec)	✓✓	49.40*	50.50	Monthly
South Africa	09:15	Standard Bank South Africa PMI	✓✓	-	49.60	Monthly
France	09:45	Consumer Confidence (Dec)	✓	95.00	96.00	Monthly
France	10:50	Markit Services PMI (Dec) (F)	✓	50.00	50.00**	Monthly
Germany	10:55	Markit Services PMI (Dec) (F)	✓✓	55.40	55.40**	Monthly
Eurozone	11:00	Markit Composite PMI (Dec) (F)	✓✓✓	54.00	54.00**	Monthly
Eurozone	11:00	Markit Services PMI (Dec) (F)	✓✓✓	53.90	53.90**	Monthly
UK	11:30	Official Reserves (Changes) (Dec)	✓✓	-	-USD1394.00mn	Monthly
UK	11:30	Markit Services PMI (Dec)	✓✓	55.60	55.90	Monthly
Eurozone	12:00	Producer Price Index (MoM) (Nov)	✓	-0.20%	-0.30%	Monthly
US	14:00	MBA Mortgage Applications (01-Jan)	✓	-	-	Weekly
US	15:15	ADP Employment Change (Dec)	✓✓	198.00K	217.00K	Monthly
US	15:30	Trade Balance (Nov)	✓✓	-USD44.00bn	-USD43.89bn	Monthly
US	16:45	Markit Composite PMI (Dec) (F)	✓✓	-	53.50**	Monthly
US	16:45	Markit Services PMI (Dec) (F)	✓✓	54.00	53.70**	Monthly
US	17:00	Durable Goods Orders (Nov) (F)	✓✓✓	-	0.00%**	Monthly
US	17:00	Factory Orders (MoM) (Nov)	✓✓	-0.20%	1.50%	Monthly
US	17:00	ISM Non-Manufacturing PMI (Dec)	✓✓	56.00	55.90	Monthly
US	21:00	Fed Releases Minutes of FOMC Meeting	✓✓✓	-	-	As scheduled
South Africa	-	SACCI Business Confidence Index (Dec)	✓✓	-	82.70	Monthly

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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