

# ONE Minute Brief

18 January 2016

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## Economic and Political News

Finance Minister, Pravin Gordhan, stated that the government needs to make tough decisions about how it runs the finances and also added that next month's budget will inspire confidence in the country.

President Jacob Zuma, stated that South Africans cannot believe that a man who never went to school is the President and instead of celebrating the "miracle", people ridiculed him and he was made a "laughing stock" because of his poor background.

Democratic Alliance (DA) leader, Mmusi Maimane, mentioned that campaigning for elections on the racism will divide the society. He further stated that the Electoral Commission (IEC) does not have the capacity to ensure irregularities do not occur during the elections.

Chairman of the Parliamentary Portfolio Committee on Finance, Yunus Carrim, indicated that South African Airways (SAA) has been given an extension to submit the outstanding financial statements for the year ended March 31, 2015 to Parliament by a month.

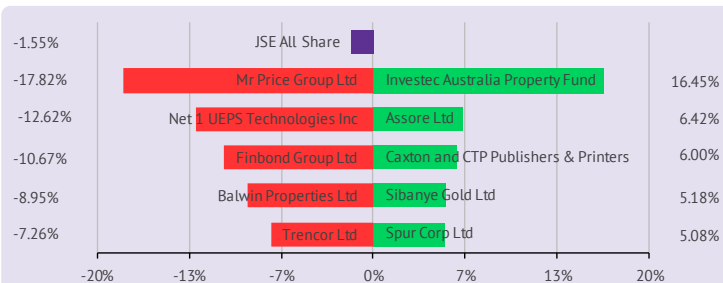
## Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	46960.37	▼	-737.16	-1.55%	NA	-7.36%	-1.77%	-7.36%
JSE Top 40	42105.00	▼	-636.46	-1.49%	NA	-8.06%	-1.15%	-8.06%
FTSE 100	5804.10	▼	-114.13	-1.93%	NA	-7.02%	-1.79%	-7.02%
DAX 30	9545.27	▼	-248.93	-2.54%	NA	-11.15%	-5.62%	-11.15%
CAC 40	4210.16	▼	-102.73	-2.38%	NA	-9.21%	-6.47%	-9.21%
S&P 500	1880.33	▼	-41.51	-2.16%	NA	-8.00%	-1.75%	-8.00%
Nasdaq Composite	4488.42	▼	-126.59	-2.74%	NA	-10.36%	-1.98%	-10.36%
DJIA	15988.08	▼	-390.97	-2.39%	NA	-8.25%	-1.66%	-8.25%

## South Africa Market ▼

### South African markets closed lower

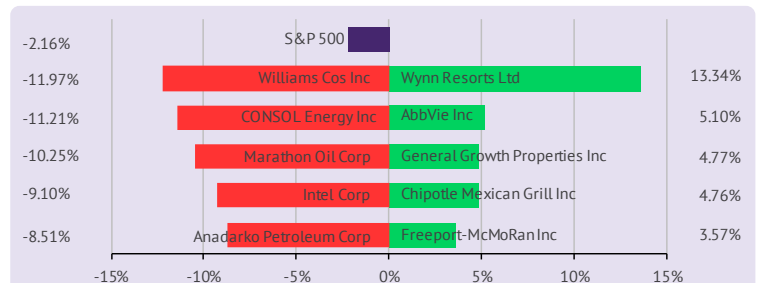
South African markets closed in the red on Friday, led by losses in platinum mining sector stocks. The JSE All Share Index fell 1.6% to close at 46,960.37.



## US Market ▼

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

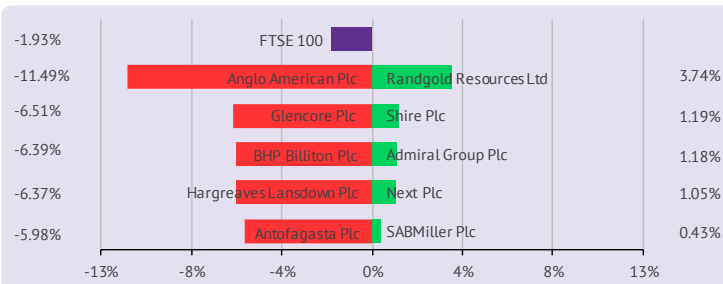
US markets closed lower on Friday, triggered by losses in financial sector stocks. Meanwhile, disappointing US retail sales and industrial production data along with concerns about global growth weighed on market sentiment. The S&P 500 Index dropped 2.2% to close at 1,880.33.



## UK Market ▼

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

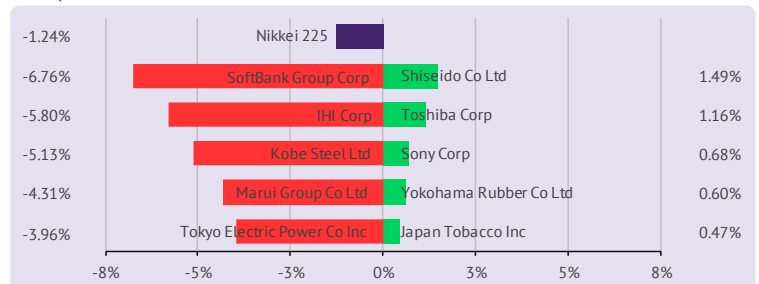
UK markets finished lower on Friday to its lowest level in more than three years, amid losses in commodity sector stocks and declining oil prices. The FTSE 100 Index declined 1.9% to close at 5,804.10.



## Asian Market ▼

### Trading mostly lower

Asian markets are trading lower this morning, mirroring Friday's losses on Wall Street. Early morning data revealed a rise in China's house price index in December. The Nikkei 225 Index is trading 1.2% lower at 16,934.59.



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## USDZAR ▼

### USD trading lower against ZAR

At 06:00 SAST, the US Dollar retreated 0.7% against the South African Rand to trade at R16.6756. With no economic releases in the US due to the Martin Luther King Jr. holiday today, traders will look forward to a report on the US NAHB's housing market index scheduled for tomorrow for further clues.

The US Dollar rose against the South African Rand on Friday, after the US Reuters/Michigan consumer sentiment index recorded a more-than-expected rise in January. Meanwhile, US retail sales fell as expected while industrial production declined for the third straight month in December. Data also revealed that manufacturing activity in the New York region declined at a faster pace since the recession in 2009.

## GBPZAR ▼

### GBP trading weaker against ZAR

At 06:00 SAST, the British Pound is trading 0.5% lower against the South African Rand at R23.8050. Earlier in the session, UK's Rightmove house price index rose in January. With no releases in the UK, investors will keep a tab on UK's consumer and producer price inflation data scheduled tomorrow for further direction.

The British Pound advanced against the South African Rand on Friday, despite a more-than-expected decline in UK's construction output on an annual basis in November.

## EURZAR ▼

### EUR trading lower against ZAR

At 06:00 SAST, the Euro is trading 1.0% weaker against the South African Rand at R18.1634. With no economic releases in the Eurozone today, market participants will look forward to the consumer price inflation data and ZEW survey on economic sentiment of Eurozone and Germany schedule for release tomorrow.

The Euro strengthened against the South African Rand on Friday, after trade surplus in the Eurozone widened in November.

## AUDZAR ▲

### AUD trading stronger against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% firmer against the South African Rand at R11.5319. Earlier in the session, data indicated a drop in Australia's new motor vehicle sales on a monthly basis in December. Elsewhere, in China, Australia's key trading partner, house prices rose on a yearly basis in December.

The Australian Dollar rose against the South African Rand on Friday. Data showed a rise in investment lending and an unexpected rise in home loan approvals in Australia in November. Elsewhere, in China, Australia's key trading partner, indicated a decline in new Yuan loans in December.

## Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	16.6756	▼	2.07%	NA	8.48%	7.12%	8.48%
GBPZAR	23.8050	▼	0.96%	NA	4.97%	4.72%	4.97%
EURZAR	18.1634	▼	2.62%	NA	9.12%	10.03%	9.12%
AUDZAR	11.5319	▲	0.33%	NA	1.43%	8.80%	1.43%
EURUSD	1.0894	▼	0.49%	NA	0.47%	2.84%	0.47%
GBPUSD	1.4276	▲	-1.10%	NA	-3.32%	-2.13%	-3.32%
Brent (\$/barrel)	28.7	▼	-6.74%	NA	-22.37%	-16.43%	-22.37%
Gold (\$/oz)	1091.6	▲	1.59%	NA	2.88%	-0.53%	2.88%
Platinum (\$/oz)	830.4	▲	-1.00%	NA	-7.40%	7.06%	-7.40%
Copper (\$/MT)*	4327.5	▼	-2.08%	NA	-8.04%	2.32%	-8.04%

\*As of Previous Close

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices climbed 0.1% to trade at \$1,091.60/oz.

On Friday, gold prices rose 1.6% to close at \$1,090.70/oz, after a batch of disappointing US economic data and weakness in China's stock market increased the demand of the safe-haven asset.

## Brent Crude Oil ▼

### Trading weaker

At 06:00 SAST, Brent crude oil dropped 0.9% to trade at \$28.68/bl.

On Friday, Brent crude oil dropped 6.8% to settle at \$28.94/bl, below \$30 a barrel for the first time in 12 years as investors feared that a rise in Iran's oil exports would extend the persisting supply glut for a longer time. Additionally, Baker Hughes reported the US oil rig count fell by 1 rig, bringing the total to 515.

## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices edged 0.6% higher to trade at \$830.40/oz.

On Friday, platinum prices declined 1.0% to close at \$825.70/oz.



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## Major South Africa Corporate News

### African Rainbow Minerals Limited

The company was notified that clients of Allan Gray Proprietary Limited, in aggregate, have acquired a stake in its ordinary shares. Following the buyout, Allan Gray's clients now holds 20.1% of the total issued ordinary shares of the company.

### Ascension Properties Limited

The firm announced that Tsundzukani Mhlanga has been appointed as its Financial Director, effective January 18, 2016.

### BHP Billiton Plc

The company announced that it expects to recognise approximately USD4.90bn impairment charge on post-tax (or approximately USD7.20bn pre-tax) against the onshore assets that it holds in the US. The impairment will lead to a reduction of onshore US net operating assets to around USD16.00bn. It stated that it would reduce the number of operated rigs in its onshore US business from seven to five in the March 2016 quarter. The company attributed its actions to the recent dramatic fall in oil prices.

### Mr Price Group Limited

In its trading update for 3Q15, the company, stated that its total sales rose 6.5% from the same period a year ago. Its comparable sales grew 3.4% from the corresponding period of the previous year. The company revealed that the trading environment has continued to remain challenging. For 4Q16, the company indicated that its sales base in February and March of 4Q16 trading period and beyond is less challenging. It stated that even though the January base is still high, an improvement in sales growth rates has been experienced to date.

### RMB Holdings Limited

The report revealed that RMB has received a formal notification that clients of Foord Asset Management Proprietary Limited have, collectively, purchased a stake in the ordinary shares of RMB, which makes the total interest of Foord's clients in the ordinary shares of RMB, amounting to 5.1% of its total issued ordinary shares.

## Major Global Economic News

### UK

In the UK, the Rightmove house price index registered a rise of 0.5% on a monthly basis in January. The index had registered a drop of 1.1% in the previous month.

Construction output in the UK dropped 1.1% in November on a yearly basis, more than market expectations for a fall of 0.1%. Construction output had climbed 1.0% in October.

### US

In December, advance retail sales declined 0.1% on a monthly basis in the US, compared to a revised rise of 0.4% in the prior month. Market anticipation was for advance retail sales to fall 0.1%.

Industrial production dropped 0.4% on a monthly basis in December in the US, compared to a revised fall of 0.9% in the prior month. Market anticipation was for industrial production to ease 0.2%.

The flash Reuters/Michigan consumer sentiment index recorded a rise to 93.30 in January in the US, compared to a level of 92.60 in the prior month. Market expectation was for the index to advance to 92.90.

The New York Empire State manufacturing index fell to a level of -19.37 in January, in the US, from previous month's revised level of -6.21.

### Eurozone

In November, the seasonally adjusted trade surplus in the Eurozone expanded to EUR22.70bn, compared to a revised surplus of EUR19.80bn in October. Market anticipation was for the region to register a surplus of EUR21.00bn.

In November, budget deficit in France expanded to EUR82.80bn. France had reported a deficit of EUR76.20bn in the prior month.

### Asia

In Australia, the seasonally adjusted new motor vehicle sales recorded a drop of 0.5% on a monthly basis, in December. In the prior month, new motor vehicle sales had recorded a revised rise of 1.3%.

In December, on an annual basis, the house price index climbed 1.6% in China. The index had risen 0.9% in the prior month.



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## 40 Best Performers on the All Share Index

Company Name	Last Close	1 Week % Change	MTD % Change	YTD % Change
Harmony Gold Mining Co Ltd	2801	24.99%	79.55%	79.55%
Sibanye Gold Ltd	3270	23.40%	43.11%	43.11%
Gold Fields Ltd	5251	6.42%	24.43%	24.43%
AngloGold Ashanti Ltd	13081	4.07%	23.10%	23.10%
Pan African Resources PLC	214	9.74%	22.29%	22.29%
Investec Australia Property Fund	1543	21.98%	16.45%	16.45%
Northam Platinum Ltd	3027	-2.04%	14.70%	14.70%
Aquarius Platinum Ltd	287	3.99%	10.38%	10.38%
Stenprop Ltd	2893	6.07%	6.07%	6.07%
New Europe Property Investments Plc	18618	3.58%	4.71%	4.71%
Illovo Sugar Ltd	1760	6.02%	4.14%	4.14%
SABMiller Plc	97645	2.77%	4.04%	4.04%
Rockcastle Global Real Estate Co Ltd	3605	2.12%	3.30%	3.30%
Sappi Ltd	6695	4.20%	2.59%	2.59%
African Oxygen Ltd	1310	0.38%	0.77%	0.77%
Impala Platinum Holdings Ltd	2500	-3.59%	-0.16%	-0.16%
Indluplace Properties Ltd	1095	-0.45%	-0.45%	-0.45%
Foschini Group Ltd	11750	7.75%	-0.81%	-0.81%
Murray & Roberts Holdings Ltd	793	1.93%	-0.88%	-0.88%
Reinet Investments SCA	3144	1.95%	-1.38%	-1.38%
Mediclinic International Ltd	11725	1.08%	-1.47%	-1.47%
Blue Label Telecoms Ltd	1190	3.93%	-2.06%	-2.06%
Truworths International Ltd	8908	2.39%	-2.27%	-2.27%
Pivotal Fund Ltd	1649	-3.00%	-2.37%	-2.37%
Santam Ltd	18500	-2.03%	-2.37%	-2.37%
Novus Holdings Ltd	1170	11.43%	-2.50%	-2.50%
British American Tobacco Plc	85118	-0.77%	-2.52%	-2.52%
MAS Real Estate Inc	2475	-0.20%	-3.32%	-3.32%
Redefine International Plc/Isle of Man	1122	0.36%	-3.36%	-3.36%
Assore Ltd	6000	-2.83%	-3.38%	-3.38%
Reunert Ltd	6290	-2.07%	-3.55%	-3.55%
Capevin Holdings Ltd	930	-5.10%	-3.63%	-3.63%
Sun International Ltd/South Africa	8973	4.53%	-3.67%	-3.67%
Oceana Group Ltd	11000	2.41%	-3.72%	-3.72%
Brimstone Investment Corp Ltd	1220	-3.94%	-3.94%	-3.94%
Ascendis Health Ltd	1948	-1.62%	-4.23%	-4.23%
Distell Group Ltd	15800	-4.24%	-4.24%	-4.24%
Italtile Ltd	1130	-4.88%	-4.24%	-4.24%
Exxaro Resources Ltd	4212	-1.47%	-4.36%	-4.36%
Delta Property Fund Ltd	655	-3.68%	-4.38%	-4.38%
<b>JSE All Share Index</b>	<b>46960</b>	<b>-2.38%</b>	<b>-7.36%</b>	<b>-7.36%</b>

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## Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
UK	02:01	Rightmove House Price Index (MoM) (Jan)	✓	0.50%*	-1.10%	Monthly
China	03:30	House Price Index (YoY) (Dec)	✓	1.60%*	0.90%	Monthly
Japan	06:30	Capacity Utilisation (MoM) (Nov)	✓	-	1.30%	Monthly
Japan	06:30	Industrial Production (MoM) (Nov) (F)	✓✓	-	-1.00%**	Monthly
Japan	06:30	Tertiary Industry Index (MoM) (Nov)	✓	-0.70%	0.90%	Monthly
Japan	07:30	Nationwide Department Store Sales (YoY) (Dec)	✓	-	-2.70%	Monthly
Japan	07:30	Tokyo Department Store Sales (YoY) (Dec)	✓	-	0.20%	Monthly
Italy	11:00	Global Trade Balance (Nov)	✓	-	EUR4.81bn	Monthly
Italy	11:00	Trade Balance EU (Nov)	✓	-	EUR1.29bn	Monthly

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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