

# ONE Minute Brief

31 December 2015

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## Economic and Political News

South Africa posted a trade surplus of ZAR1.80bn in November, following a revised deficit of ZAR21.60bn in the prior month. Markets were anticipating the nation to post a deficit of ZAR6.60bn.

The Presidency announced that President, Jacob Zuma, had received the final report from the Commission of Inquiry into the arms deal from Judge Willie Seriti and Judge Thekiso Musi.

AbaThembu King, Buyelekhaya Dalindyebo's application to have his bail extended was dismissed by the Eastern Cape High Court. Meanwhile, the National Prosecuting Authority (NPA) is investigating a "bogus" document which sets aside all convictions against him. Additionally, the South African Civic Organisation (Sanco) mentioned that the AbaThembu traditional council should consider compensation for those who suffered as a result of the King's actions.

The Democratic Alliance (DA) reported that it would submit an objection to new e-toll regulations over the holiday period without adequately consenting the public before the January 6, 2016 deadline.

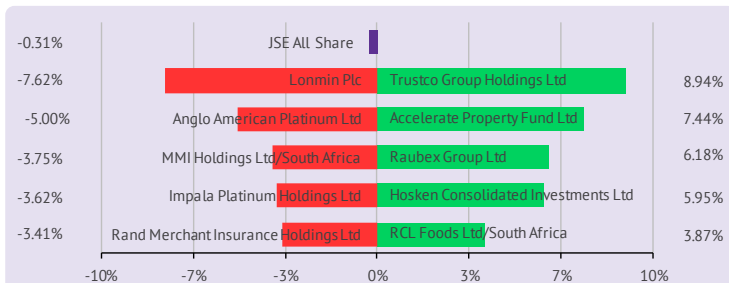
## Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	50805.13	▼	-159.31	-0.31%	-1.01%	-1.56%	-4.06%
JSE Top 40	45900.83	▼	-95.71	-0.21%	-0.98%	-0.93%	-4.11%
FTSE 100	6274.05	▼	-40.52	-0.64%	0.31%	-1.29%	-0.08%
DAX 30	10743.01	▼	-117.13	-1.08%	0.14%	-5.62%	4.90%
CAC 40	4677.14	▼	-24.22	-0.52%	0.30%	-5.66%	1.22%
S&P 500	2063.36	▼	-15.00	-0.72%	0.11%	-0.82%	0.05%
Nasdaq Composite	5065.85	▼	-42.09	-0.82%	0.34%	-0.84%	1.09%
DJIA	17603.87	▼	-117.11	-0.66%	0.29%	-0.65%	0.32%
							-1.23%

## South Africa Market ▼

### South African markets closed lower

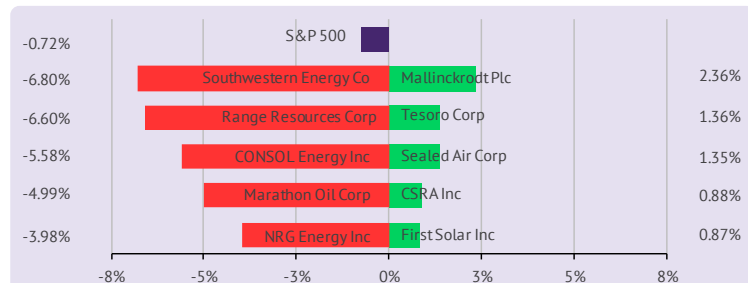
South African markets closed in the red yesterday, led by losses in gold mining sector stocks. Data revealed that South Africa unexpectedly recorded a trade surplus in November. The JSE All Share Index fell 0.3% to close at 50,805.13.



## US Market ▼

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

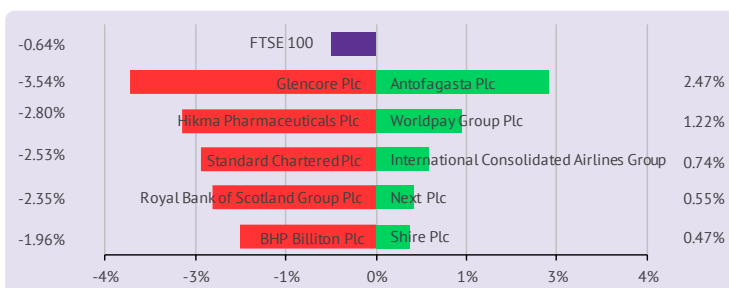
US markets closed lower yesterday, led by losses in energy sector stocks amid a drop in oil prices. Data indicated that US pending home sales surprisingly declined in November. The S&P 500 Index dropped 0.7% to close at 2,063.36.



## UK Market ▼

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

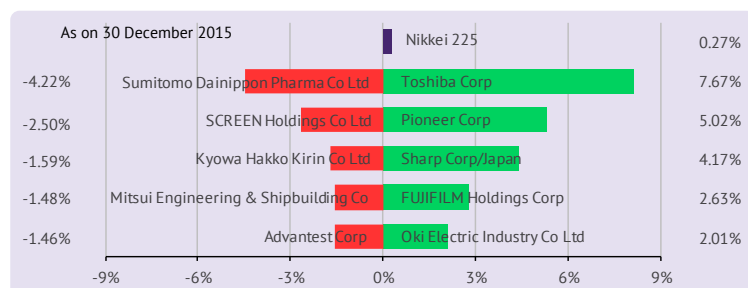
UK markets finished lower yesterday, weighed down by losses in mining and energy sector stocks following a drop in commodity prices. The FTSE 100 Index declined 0.6% to close at 6,274.05.



## Asian Market ◀▶

### Trading mixed

Asian markets are trading mixed this morning. Markets in Japan and South Korea are closed on account of a public holiday.



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## USDZAR ▼

### USD trading weaker against ZAR

At 06:00 SAST, the US Dollar is trading 0.1% lower against the South African Rand at R15.5531. Later in the session today, traders will keep a close watch on US initial jobless claims and the Chicago Purchasing Managers' Index (PMI) data. Additionally, private sector credit and M3 money supply data of South Africa will attract market attention.

The US Dollar rose against the South African Rand yesterday, despite an unexpected drop in US pending home sales on a monthly basis in November. Meanwhile, South Africa posted its first trade surplus in five months in November.

## GBPZAR ▲

### GBP trading firmer against ZAR

At 06:00 SAST, the British Pound is trading 0.1% higher against the South African Rand at R23.0590. With no economic releases in the UK today, investors will look forward to South Africa's private sector credit and M3 money supply data scheduled in a few hours for further direction.

The British Pound advanced against the South African Rand yesterday. Data revealed a more-than-expected rise in UK's nationwide house prices in December. Elsewhere, South Africa reported an unexpected trade surplus in November.

## EURZAR ▲

### EUR trading higher against ZAR

At 06:00 SAST, the Euro gained 0.1% against the South African Rand to trade at R17.0035. Going forward, market participants will track the European Central Bank's (ECB) monetary policy meeting accounts for further clues, scheduled later today.

The Euro strengthened against the South African Rand yesterday. Data showed a less-than-expected rise in the Euro-zone's M3 money supply and growth in loans given to the private sector in November.

## AUDZAR ▲

### AUD trading stronger against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.2% higher against the South African Rand at R11.3568. Earlier in the session, data indicated a less-than-expected advance in Australia's private sector credit growth in November.

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	15.5531	▼	1.73%	2.04%	7.78%	4.50%	34.58%
GBPZAR	23.0590	▲	1.42%	0.92%	5.77%	2.10%	27.75%
EURZAR	17.0035	▲	1.44%	1.23%	11.21%	0.40%	21.35%
AUDZAR	11.3568	▲	1.60%	2.26%	8.59%	5.86%	19.95%
EURUSD	1.0932	▲	-0.03%	-0.41%	3.45%	-3.99%	-9.67%
GBPU\$	1.4823	▲	-0.05%	-0.73%	-1.62%	-2.37%	-4.93%
Brent (\$/barrel)	36.6	▲	-3.52%	-3.77%	-18.27%	-9.99%	-36.40%
Gold (\$/oz)	1061.5	▲	-0.77%	-1.62%	-0.56%	-6.62%	-10.50%
Platinum (\$/oz)	873.8	▲	-2.26%	-1.48%	4.59%	-15.79%	-27.94%
Copper (\$/MT)*	4734.8	▲	0.16%	0.94%	2.95%	-10.34%	-25.65%

\*As of Previous Close

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices climbed 0.2% to trade at \$1,061.50/oz.

Yesterday, gold prices eased 0.8% to close at \$1,059.80/oz, extending its recent decline, heading for its third-straight annual loss as the year draws to a close.

## Brent Crude Oil ▲

### Trading stronger

Brent crude oil reversed previous session loses and at 06:00 SAST, edged 0.2% higher to trade at \$36.55/bl.

Yesterday, Brent crude oil dropped 3.5% to settle at \$36.46/bl, after the US Energy Department reported that crude oil inventories recorded an unexpected rise of 2.63mn bls last week. Additionally, Saudi Arabia's Oil Minister, Ali al-Naimi indicated that the nation will not limit its output and has the capacity to meet additional demand.

## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices climbed 0.3% to trade at \$873.80/oz.

Yesterday, platinum prices declined 2.3% to close at \$871.10/oz, reversing previous session gains.



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## Major South Africa Corporate News

### Blue Label Telecoms Limited

Cell C announced that its board has accepted an offer from the company to acquire 35% of the company for R4bn. The boards of Cell C and its holding company 3C Telecommunications have also accepted an offer from Cell C management and staff to hold about 30% of the mobile network's shares for R2.5bn. Cell C had announced earlier this month that it had received offers to recapitalise the company which will reduce net debt to R8bn or less when implemented. This transaction will solidify Cell C's assurance to its customers to provide the most innovative products and services, backed by continued growth and investment in its network.

### New Europe Property Investments Plc

The firm announced that its independent Non-Executive Director, Dewald Joubert has resigned from the board with immediate effect.

### Standard Bank Group Limited

The bank reached an agreement to pay penalties and damages of more than R450mm to financial authorities in the United Kingdom, Tanzania and the United States to escape prosecution. The penalties originated from a suspicious transaction in 2013 by Stanbic Tanzania, when local executives used Tanzanian partners in an attempt to influence the Tanzanian government to award a capital-raising mandate to the group.

## Major Global Economic News

### UK

In December, the seasonally adjusted Nationwide house prices registered a rise of 0.8% in the UK on a monthly basis, compared to market expectations for an advance of 0.4%. House prices had advanced 0.1% in the prior month.

### Eurozone

In November, M3 money supply in the Eurozone, registered a rise of 5.1% on an annual basis, compared to market expectations for a climb of 5.2% and following an increase of 5.3% in the prior month.

On an annual basis, private sector loans in the Eurozone recorded a rise of 1.4% in November, after it had climbed 1.2% in the previous month.

In November, UBS consumption indicator in Switzerland recorded a rise to a level of 1.66, compared to a revised reading of 1.63 in the previous month.

### US

Pending home sales unexpectedly fell 0.9% on a monthly basis in November, in the US, compared to market expectations for a rise of 0.7%. In the previous month, pending home sales had advanced by a revised 0.4%.

### Asia

In November, the private sector credit in Australia climbed 0.4% on a monthly basis, compared to a rise of 0.7% in the prior month. Markets were anticipating the private sector credit to advance 0.6%.

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## Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
South Africa	08:00	M3 Money Supply (YoY) (Nov)	✓✓	9.50%	9.74%	Monthly
South Africa	08:00	Private Sector Credit (YoY) (Nov)	✓✓	8.55%	8.87%	Monthly
US	15:30	Initial Jobless Claims (26-Dec)	✓✓	270.00K	267.00K	Weekly
US	15:30	Continuing Jobless Claims (19-Dec)	✓	2190.00K	2195.00K	Weekly
US	16:45	Chicago PMI (Dec)	✓	50.00	48.70	Monthly

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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