

ONE Minute Brief

8 February 2016

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Economic and Political News

In January, net gold & forex reserves in South Africa advanced to USD40.75bn in January. The reserves had recorded a level of USD40.65bn in the previous month.

The gross gold & forex reserves in South Africa edged down to USD45.12bn in January, compared to a level of USD45.79bn in December. Markets were expecting gross reserves to fall to USD45.72bn.

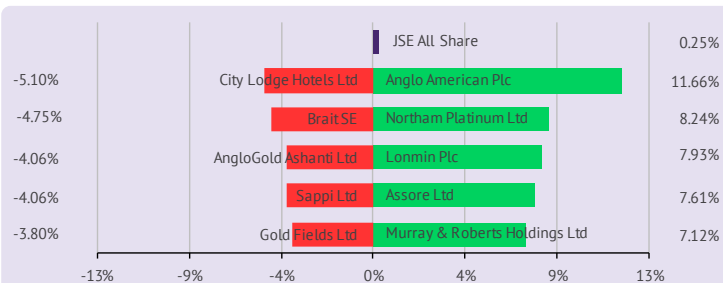
Former Finance Minister, Nhlanhla Nene, confirmed that he had resigned as an African National Congress (ANC) MP in December and that he had not received a formal offer for the post of the head of the African Regional Centre of the New Development Bank, after the decision to nominate him was taken by President Zuma.

Minister in the Presidency, Jeff Radebe, will assist the Treasury and the Congress of South African Trade Unions (Cosatu) to resolve the unions' unhappiness with the controversial retirement reforms. Meanwhile, the Numsa presented its application to the National Economic Development and Labour Council (Nedlac) to strike against these reforms.

South Africa Market ▲

South African markets closed higher

South African markets closed in the green on Friday, supported by gains in banking sector stocks. Data revealed that South Africa's net gold & forex reserves rose in January. The JSE All Share Index rose 0.3% to close at 49,753.29.



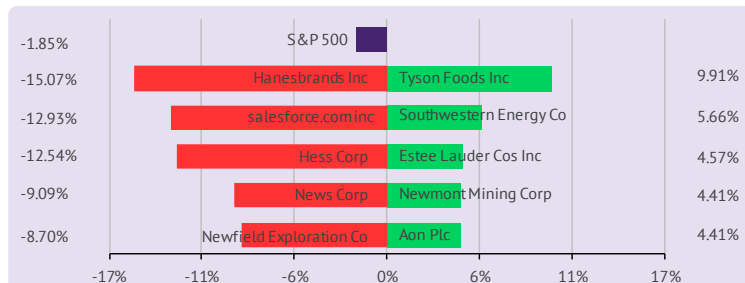
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	49753.29	▲	125.76	0.25%	NA	1.24%	-3.06%	-1.86%
JSE Top 40	44453.51	▲	161.16	0.36%	NA	0.88%	-3.78%	-2.93%
FTSE 100	5848.06	▼	-50.70	-0.86%	NA	-3.87%	-2.54%	-6.32%
DAX 30	9286.23	▼	-107.13	-1.14%	NA	-5.22%	-8.80%	-13.56%
CAC 40	4200.67	▼	-27.86	-0.66%	NA	-4.90%	-4.75%	-9.41%
S&P 500	1880.05	▼	-35.40	-1.85%	NA	-3.10%	-5.07%	-8.02%
Nasdaq Composite	4363.14	▼	-146.42	-3.25%	NA	-5.44%	-7.86%	-12.87%
DJIA	16204.97	▼	-211.61	-1.29%	NA	-1.59%	-5.50%	-7.00%

US Market ▼

The S&P 500 futures are trading in the green

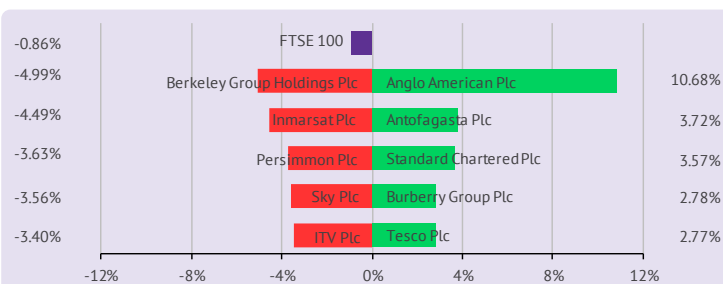
US markets closed lower on Friday, amid a massive sell-off in information technology sector stocks. Data indicated that US non-farm payrolls rose less-than-expected in January. The S&P 500 Index dropped 1.9% to close at 1,880.05.



UK Market ▼

The FTSE 100 futures are trading in positive territory

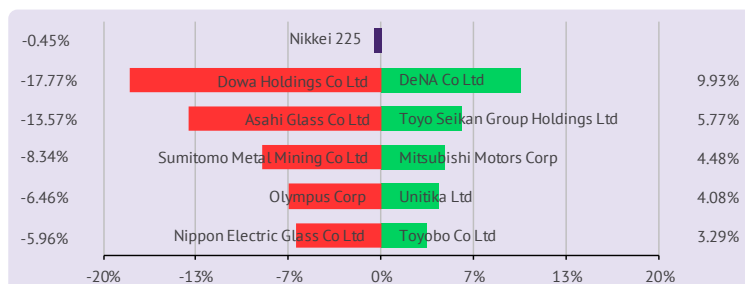
UK markets finished lower on Friday, reversing gains from the previous session. The FTSE 100 Index declined 0.9% to close at 5,848.06.



Asian Market ◀▶

Trading mixed

Asian markets are trading mixed this morning. Markets in China, Hong Kong and Korea are closed on account of a public holiday. The Nikkei 225 Index is trading 0.5% lower at 16,753.18.



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USDZAR ▼

USD trading weaker against ZAR

At 06:00 SAST, the US Dollar is trading 0.2% lower against the South African Rand at R16.0022. Later today, traders will focus on the US labour market conditions index for further clues.

The US Dollar rose against the South African Rand on Friday, after the US unemployment rate slid surprisingly in January to its lowest level in 8 years. Additionally, average hourly earnings of US employees advanced more-than-expected while non-farm payrolls rose less than market estimates in January. Meanwhile, US non-farm payrolls rose less than expected in January. Elsewhere, in South Africa, gross gold & forex reserves declined in January.

GBPZAR ▲

GBP trading higher against ZAR

At 06:00 SAST, the British Pound gained 0.1% against the South African Rand to trade at R23.2192. With no economic releases in the UK today, investors will look forward to UK's total trade balance and visible trade balance data scheduled to release tomorrow for further direction.

The British Pound advanced against the South African Rand on Friday. Data showed that gross gold & forex reserves in South African eased more-than-forecasted in January.

EURZAR ▼

EUR trading lower against ZAR

At 06:00 SAST, the Euro fell 0.2% against the South African Rand to trade at R17.8109. Going forward, the Eurozone's Sentix Investor confidence index and Germany's industrial production data will attract market attention.

The Euro strengthened against the South African Rand on Friday. Gains in the Euro were kept in check, after factory orders in Germany declined more-than-expected in December.

AUDZAR ▲

AUD trading stronger against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% firmer against the South African Rand at R11.3333. Over the weekend, data showed that in China, Australia's key trading partner, foreign exchange reserves declined in January.

The Australian Dollar fell against the South African Rand on Friday, after the Reserve Bank of Australia (RBA) in its latest monetary policy statement, cut its 2017 forecast for GDP growth. Additionally, retail sales in Australia fell flat in December.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	16.0022	▼	1.04%	NA	0.88%	2.70%	3.60%
GBPZAR	23.2192	▲	0.24%	NA	2.48%	-0.72%	1.74%
EURZAR	17.8109	▼	0.32%	NA	3.67%	2.40%	6.16%
AUDZAR	11.3333	▲	-0.82%	NA	0.65%	-0.95%	-0.31%
EURUSD	1.1132	▼	-0.47%	NA	2.95%	-0.30%	2.64%
GBPUUSD	1.4510	▲	-0.58%	NA	1.75%	-3.33%	-1.64%
Brent (\$/barrel)	34.2	▲	-1.16%	NA	-1.96%	-6.81%	-8.64%
Gold (\$/oz)	1165.9	▲	0.03%	NA	3.71%	5.30%	9.21%
Platinum (\$/oz)	907.1	▲	-0.29%	NA	3.36%	-1.95%	1.35%
Copper (\$/MT)*	4633.3	▼	-1.25%	NA	1.38%	-2.88%	-1.54%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices climbed 0.7% to trade at \$1,165.90/oz.

On Friday, gold prices rose marginally to close at \$1,157.80/oz, after a mixed US jobs report maintained uncertainty over the US Federal Reserve's (Fed) decision on interest rates this year.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil gained 0.3% to trade at \$34.15/bl. Meanwhile, a meeting on Sunday between Venezuelan Oil Minister, Eulogio Del Pino and his Saudi counterpart, Ali al-Naimi in Riyadh ended with no agreement to hold an early meeting of suppliers to help boost oil prices.

On Friday, Brent crude oil dropped 1.2% to settle at \$34.06/bl, amid a broadly stronger US Dollar. Meanwhile, Baker Hughes reported a decline in the number of US oil rigs for the seventh straight week.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices rose 0.4% to trade at \$907.10/oz.

On Friday, platinum prices declined 0.3% to close at \$903.70/oz, reversing previous session gains.



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Major South Africa Corporate News

ArcelorMittal South Africa Limited

The company announced plans to issue shares worth USD3.00bn by mid-2016 to strengthen its balance sheet amid the global plunge of commodity prices. Also, it disclosed plans to dispose its stake in Spanish automotive company Gestamp, roughly netting another USD1.00bn which could help reduce its net debt to less than USD12.00bn, compared with its previous medium-term net debt target of USD15.00bn and net debt of USD15.70bn at the end of December.

JSE Limited

The company revealed that it has imposed a public censure against its Director, Thierry Guibert, for trading in Steinhoff securities without the required clearance and failing to disclose the trades on a timely basis, which were a breach of paragraphs 3.65 and 3.66 of the JSE Listings Requirements.

Net 1 UEPS Technologies Incorporation

In its 2Q16 results, the company, indicated that its revenue fell 2.5% from the same period a year ago to USD150.28mn, but 23.0% higher on a constant currency basis. Its diluted headline EPS declined to USD0.35 from USD0.48 reported in the corresponding period of the preceding year. Moreover, the company stated that its fundamental EPS was USD0.42, which includes an adverse impact of USD0.09/share attributable to taxes, and incremental expenses to expand operations and infrastructure. For FY16, it anticipates fundamental EPS of at least USD2.45.

Major Global Economic News

US

Non-farm payrolls climbed by 151.00K in the US, in January, lower than market anticipations of an advance of 190.00K and following a revised increase of 262.00K in the previous month.

In January, unemployment rate in the US eased unexpectedly to 4.9%, compared to market expectations of a steady reading of 5.0%.

Average hourly earnings of all employees in the US recorded a rise of 0.5% in January on a monthly basis. In the previous month, average earnings had recorded a flat reading.

The US trade deficit widened to USD43.36bn in December, following a revised deficit of USD42.23bn in the prior month.

Asia

On a balance of payment basis, Japan posted a trade surplus of JPY188.70bn in December, from a deficit of JPY271.50bn in the previous month. Market expectation was for the nation to register a surplus of JPY305.30bn.

In December, the total adjusted current account surplus in Japan widened to JPY1635.40bn, less than market expectations of a surplus of JPY1590.00bn. Japan had posted a surplus of JPY1423.50bn in the prior month.

Northam Platinum Limited

The company announced that it has agreed to subscribe for new domestic medium term notes to the Industrial Development Corporation of South Africa Limited, in an amount of R250.00mn. It stated that the proceeds from the subscription will help strengthen its balance sheet and would be used for the development of its Booyseendal expansion projects.

Royal Bafokeng Platinum Limited

In its trading statement for FY15, the firm, stated that it expects a loss between 1,570.00c/share and 1,605.00c/share. Its headline loss is anticipated to be in the range of 75.00c/share to 110.00c/share, compared with headline EPS of 238.60c recorded in the corresponding period of last year. Furthermore, it estimates normalised EPS to be between 6.00c and 12.00c, compared with normalised EPS of 274.30c posted in the same period of prior year.

Eurozone

The seasonally adjusted factory orders in Germany dropped 0.7% on a monthly basis in December, more than market expectations for a fall of 0.5%. In the previous month, factory orders had risen by 1.5%.

France registered a trade deficit of EUR3.94bn in December, compared to a revised deficit of EUR4.53bn in November. Market expectation was for a deficit of EUR4.40bn.

The current account deficit in France narrowed to EUR0.70bn in December, from a revised deficit of EUR1.50bn in the previous 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	3560	22.34%	22.34%	128.21%
Sibanye Gold Ltd	4230	20.86%	20.86%	85.12%
Assore Ltd	10600	28.08%	28.08%	70.69%
Exxaro Resources Ltd	7253	19.49%	19.49%	64.69%
African Rainbow Minerals Ltd	6850	20.01%	20.01%	57.65%
Pan African Resources Plc	265	11.34%	11.34%	51.43%
Impala Platinum Holdings Ltd	3735	13.59%	13.59%	49.16%
Northam Platinum Ltd	3900	23.89%	23.89%	47.78%
Gold Fields Ltd	6200	16.32%	16.32%	46.92%
AngloGold Ashanti Ltd	15520	14.77%	14.77%	46.06%
Anglo American Platinum Ltd	26973	16.56%	16.56%	45.53%
African Oxygen Ltd	1740	8.75%	8.75%	33.85%
Royal Bafokeng Platinum Ltd	3449	22.05%	22.05%	29.42%
Anglo American Plc	8274	31.33%	31.33%	19.93%
Barloworld Ltd	7061	-0.11%	-0.11%	18.70%
Kumba Iron Ore Ltd	4860	39.74%	39.74%	17.96%
Coronation Fund Managers Ltd	6100	-0.11%	-0.11%	15.31%
Murray & Roberts Holdings Ltd	918	16.20%	16.20%	14.75%
Aquarius Platinum Ltd	292	1.74%	1.74%	12.31%
Bidvest Group Ltd	36120	-0.97%	-0.97%	10.05%
Illovo Sugar Ltd	1837	-2.03%	-2.03%	8.70%
FirstRand Ltd	4557	1.90%	1.90%	7.55%
Sappi Ltd	7000	-2.89%	-2.89%	7.26%
MTN Group Ltd	14116	1.19%	1.19%	6.22%
Rockcastle Global Real Estate Co Ltd	3700	3.93%	3.93%	6.02%
Tongaat Hulett Ltd	9658	8.29%	8.29%	5.92%
Resilient REIT Ltd	12144	3.09%	3.09%	5.14%
Truworths International Ltd	9580	-2.28%	-2.28%	5.10%
Wilson Bayly Holmes-Ovcon Ltd	11880	11.47%	11.47%	4.89%
Super Group Ltd/South Africa	3977	1.97%	1.97%	4.82%
Hudaco Industries Ltd	9900	-1.00%	-1.00%	4.27%
AVI Ltd	8065	1.32%	1.32%	4.23%
MMI Holdings Ltd/South Africa	2290	1.15%	1.15%	4.09%
Clicks Group Ltd	9060	4.26%	4.26%	3.91%
Reinet Investments SCA	3298	-0.06%	-0.06%	3.45%
RMB Holdings Ltd	5705	1.33%	1.33%	2.59%
Foschini Group Ltd	12127	-1.76%	-1.76%	2.38%
Netcare Ltd	3400	1.19%	1.19%	2.05%
SABMiller Plc	95600	1.54%	1.54%	1.86%
JSE Ltd	13023	1.28%	1.28%	1.74%
JSE All Share Index	49753	1.24%	1.24%	-1.86%

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	02:00	Labour Cash Earnings (YoY) (Dec)	✓✓	0.10%*	0.00%	Monthly
Japan	01:50	Bank Lending including Trusts (YoY) (Jan)	✓	2.30%*	2.20%	Monthly
Japan	01:50	Bank Lending ex-Trust (YoY) (Jan)	✓	2.40%*	2.20%	Monthly
Japan	01:50	Trade Balance - BOP Basis (Dec)	✓✓	JPY188.70bn*	-JPY271.50bn	Monthly
Japan	01:50	Adjusted Current Account Total (Dec)	✓	JPY1635.40bn*	JPY1423.50bn	Monthly
Japan	01:50	Current Account n.s.a. (Dec)	✓	JPY960.70bn*	JPY1143.50bn	Monthly
Japan	06:30	Bankruptcies (YoY) (Jan)	✓✓	-6.38%*	1.89%	Monthly
Japan	07:00	Eco Watchers Survey: Current (Jan)	✓✓	48.20	48.70	Monthly
Japan	07:00	Eco Watchers Survey: Outlook (Jan)	✓✓	48.40	48.20	Monthly
Germany	09:00	Industrial Production s.a. (MoM) (Dec)	✓	0.50%	-0.30%	Monthly
France	09:30	Bank of France Business Sentiment (Jan)	✓	99.00	99.00	Monthly
Spain	10:00	Industrial Output Cal Adjusted (YoY) (Dec)	✓✓	4.10%	4.20%	Monthly
Eurozone	11:30	Sentix Investor Confidence (Feb)	✓✓	7.40	9.60	Monthly
Eurozone	13:00	ECB's Walter, Dutch CB's Sijbrand, Dijsselbloem speak in Adam	✓	-	-	As scheduled
Canada	15:30	Building Permits (MoM) (Dec)	✓	6.20%	-19.60%	Monthly
Canada	18:45	Bank of Canada Deputy Lane Speaks in Montreal	✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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