

ONE Minute Brief

15 February 2016

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Economic and Political News

President Jacob Zuma stated that the government's main priority is the nation's economy due to the current global economic climate and they are further taking appropriate measures to ignite growth and help the country create more employment.

The Democratic Alliance (DA) has urged the National Energy Regulator (NERSA) to reject Eskom's application for an additional price hike of 8.6%. DA spokesman Gordon Mackay stated that the hike makes the consumers pay up for the state-owned enterprise's poor financial planning and operational inefficiency.

The search and rescue mission for the three mineworkers trapped underground at Lily mine were suspended after a second major collapse at the mine. The owners of Vantage Goldfields Lily mining company would give the families of three workers who were trapped R200,000 while the rescued miners will get R50,000.

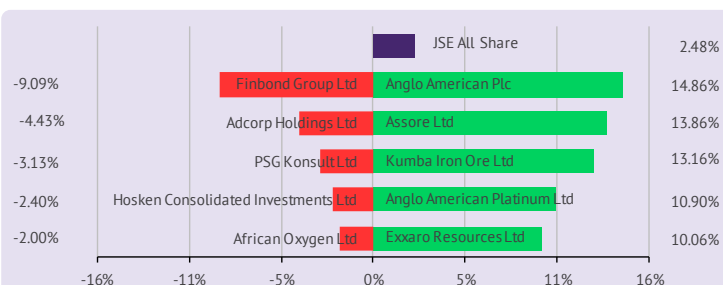
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	48589.69	▲	1178.12	2.48%	NA	-1.12%	-3.06%	-4.15%
JSE Top 40	43119.66	▲	1065.48	2.53%	NA	-2.15%	-3.78%	-5.85%
FTSE 100	5707.60	▲	170.63	3.08%	NA	-6.18%	-2.54%	-8.57%
DAX 30	8967.51	▲	214.64	2.45%	NA	-8.48%	-8.80%	-16.53%
CAC 40	3995.06	▲	98.35	2.52%	NA	-9.55%	-4.75%	-13.84%
S&P 500	1864.78	▲	35.70	1.95%	NA	-3.89%	-5.07%	-8.77%
Nasdaq Composite	4337.51	▲	70.67	1.66%	NA	-5.99%	-7.86%	-13.38%
DJIA	15973.84	▲	313.66	2.00%	NA	-2.99%	-5.50%	-8.33%

South Africa Market ▲

South African markets closed higher

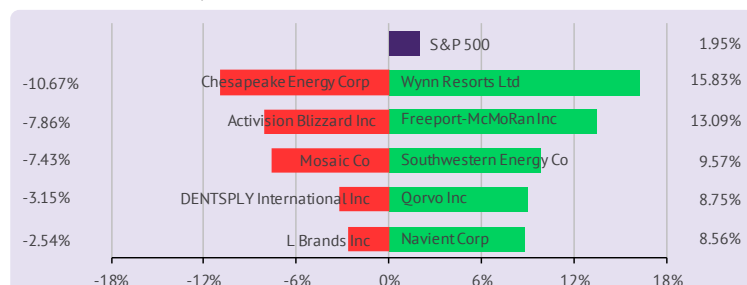
South African markets closed in the green on Friday, amid gains in platinum mining sector stocks. The JSE All Share Index rose 2.5% to close at 48,589.69.



US Market ▲

The S&P 500 futures are trading in the green

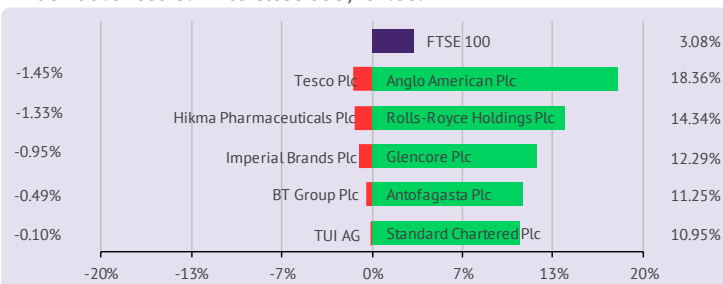
US markets closed higher on Friday, supported by gains in energy and financial sector stocks. Data indicated that advance retail sales in the US rose for a straight third month in January. The S&P 500 Index climbed 2.0% to close at 1,864.78.



UK Market ▲

The FTSE 100 futures are trading in positive territory

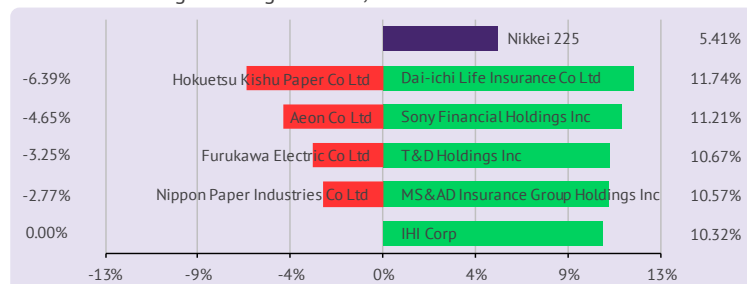
UK markets finished higher on Friday, led by a surge in mining and financial sector stocks. Data revealed a less-than-expected rise in UK's construction output on a monthly basis in December. The FTSE 100 Index advanced 3.1% to close at 5,707.60.



Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning. Overnight data revealed Japan's economy contracted in 4Q15 while China's exports and imports dropped further on an annual basis in January. The Nikkei 225 Index is trading 5.4% higher at 15,761.38.



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USDZAR ▼

USD trading lower against ZAR

At 06:00 SAST, the US Dollar is trading 0.1% weaker against the South African Rand at R15.8639. With no economic releases in the US due to the Presidents Day holiday, traders will look forward to New York Empire State Manufacturing index and the NAHB's housing market in the US scheduled for tomorrow for further clues.

The US Dollar fell marginally against the South African Rand on Friday, after US consumer sentiment fell unexpectedly to its lowest level in 4 months in February. Meanwhile, on a monthly basis, the US advance retail sales rose for a straight third month in January.

GBPZAR ▲

GBP trading firmer against ZAR

At 06:00 SAST, the British Pound is trading marginally higher against the South African Rand at R23.0325. Earlier in the session, data revealed that UK's Rightmove house price index rose on a monthly basis in February. With no economic releases in the UK today, investors will look forward to UK's consumer price inflation data scheduled for tomorrow for further direction.

The British Pound advanced against the South African Rand on Friday. Meanwhile, data indicated that UK's construction output grew at a slower-than-expected pace to 1.5% in December.

EURZAR ▼

EUR trading lower against ZAR

At 06:00 SAST, the Euro fell 0.4% against the South African Rand to trade at R17.7874. Going forward today, market participants will keep a tab on a speech by Mario Draghi, the President of the European Central Bank's (ECB) along with trade balance data of the Eurozone for further clues.

The Euro weakened against the South African Rand on Friday. Data revealed that the Eurozone industrial output fell in December on a monthly basis. Meanwhile, Eurozone economy grew at the same pace in 4Q15. On the other hand, the German economy expanded as expected in 4Q15, while consumer price inflation slid to 0.8% in January on a monthly basis.

AUDZAR ▲

AUD trading stronger against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.6% higher against the South African Rand at R11.3532. Earlier in the session, data showed new motor vehicle sales in Australia increased on a monthly basis in January, from a drop to 0.5% in its previous month.

The Australian Dollar rose against the South African Rand on Friday. Meanwhile, data revealed that home loans in Australia advanced less-than market expectations while investment spending fell in December compared to its previous month level.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	15.8639	▼	-0.02%	NA	-0.08%	2.70%	2.62%
GBPZAR	23.0325	▲	0.09%	NA	1.71%	-0.72%	0.98%
EURZAR	17.7874	▼	-0.71%	NA	3.79%	2.40%	6.28%
AUDZAR	11.3532	▲	0.03%	NA	0.25%	-0.95%	-0.70%
EURUSD	1.1218	▼	-0.63%	NA	3.89%	-0.30%	3.58%
GBPUUSD	1.4523	▲	0.23%	NA	1.81%	-3.33%	-1.58%
Brent (\$/barrel)	33.2	▼	10.98%	NA	-3.97%	-6.81%	-10.52%
Gold (\$/oz)	1221.6	▼	-0.71%	NA	10.99%	5.30%	16.87%
Platinum (\$/oz)	944.5	▼	-0.53%	NA	9.58%	-1.95%	7.45%
Copper (\$/MT)*	4506.8	▲	1.18%	NA	-1.38%	-2.88%	-4.23%

*As of Previous Close

Gold ▼

Trading in the red

At 06:00 SAST, gold prices edged lower 1.4% to trade at \$1,221.60/oz.

On Friday, gold prices fell 0.7% to close at \$1,239.10/oz, reversing its previous session gains, amid a rebound in equity markets.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 0.6% lower to trade at \$33.15/bl.

On Friday, Brent crude oil advanced 11.0% to settle at \$33.36/bl, supported by renewed talks of the Organisation of Petroleum Exporting Countries (OPEC) suggesting that the oil cartel has finally agreed for a production cut to reduce oversupply of crude oil. Further, the Baker Hughes reported that US oil rig count fell by 28 to 439 last week.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices retreated 1.4% to trade at \$944.50/oz.

On Friday, platinum prices declined 0.5% to close at \$958.10/oz, reversing previous session gains.



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Major South Africa Corporate News

ArcelorMittal South Africa Limited

In its preliminary FY15 results, the company indicated that its revenue fell to R31.14bn from R34.85bn posted in the previous year following a 3.0% decrease in sales volumes and an 8.0% decrease in net realised prices. It reported a wider headline loss of R13.38/share, compared with a headline loss of R0.57/share recorded in the preceding year as it grappled with cheap imports from China and increasing labour and electricity costs.

Sun International Limited

In its trading statement for the six months ended 31 December 2015, the company, stated that it expects EBITDA to be between 2.0% below and 1.0% above R1.61bn recorded in the same period of the prior year. It expects diluted adjusted headline EPS to be in the range of 309.00c to 351.00c, representing a decrease of around 15.0% to 25.0% from the corresponding period of the preceding year.

Northam Platinum Limited

In its trading statement for the six months ended 31 December 2015, the producer, indicated that its consolidated loss and headline loss is expected to be in the range of 63.20c/share to 81.00c/share, compared with EPS of 89.20c and headline EPS of 89.40c recorded in the same period of the preceding year.

Super Group Limited

In its trading statement for the six months ended 31 December 2015, the company, revealed that it had a reasonable rise in sales volumes across most of its businesses and the results included Allen Ford and the new acquisitions namely IN tIME Holding GmbH for two months and NLC Proprietary Limited for one month.

Pioneer Food Group Limited

In its trading update for the four months ended 31 January 2016, the manufacturer, indicated that its group turnover rose 8.0% from the previous comparable period (adjusting comparatives for biscuits, Pepsi and Maitland Vinegar). For 1H16, the company expects a muted first-half, largely due to a severe drought in Africa's most advanced economy and in comparison with an exceptional performance in the same period of the prior year.

Major Global Economic News

UK

The construction output in the UK, on a monthly basis, registered a rise of 1.5% in December, compared to a revised drop of 1.1% in the prior month. Market anticipation was for construction output to climb 2.0%.

In February, on a monthly basis, the Rightmove house price index in the UK registered a rise of 2.9%, following an advance of 0.5% in the previous month.

US

The advance retail sales climbed 0.2% in January, on a monthly basis in the US, higher than market expectations for an advance of 0.1%. Advance retail sales had registered a revised similar rise in the previous month.

The flash Reuters/Michigan consumer sentiment index in the US dropped unexpectedly to a level of 90.70 in February, lower than market expectations of an advance to a level of 93.00. In the prior month, the index had recorded a reading of 92.00.

Eurozone

On a quarterly basis, the preliminary gross domestic product (GDP) climbed 0.3% in 4Q15, in the Eurozone, compared to a similar rise in the previous quarter.

The flash gross domestic product (GDP) recorded a rise of 0.3% on a quarterly basis in 4Q15, in Germany, following a similar advance in the prior quarter. Market anticipation was for the GDP to climb 0.3%.

In January, the final consumer price index in Germany, fell 0.8% on a monthly basis, at par with market expectations. The preliminary figures had also recorded a decline of 0.8%. In the previous month, the index had recorded a drop of 0.8%.

Asia

Exports dropped 6.6% in China on a yearly basis in January, compared to a rise of 2.3% in the previous month. Markets were anticipating exports to advance 3.6%.

In January, on an annual basis, imports in China slid 14.4%, from a drop of 4.0% in the prior month. Market anticipation was for imports to rise 1.8%.

In Japan, on a quarterly basis, the preliminary annualized GDP recorded a drop of 1.4% in 4Q15, compared to an advance of 1.3% in the previous quarter.

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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 Company Ltd	44	23.60%	51.20%	182.05%
Sibanye Gold Ltd	51	19.48%	44.40%	121.18%
Pan African Resources Plc	3	18.49%	31.93%	79.43%
Assore Ltd	106	0.00%	28.08%	70.69%
AngloGold Ashanti Ltd	181	16.55%	33.76%	70.22%
Anglo American Platinum Ltd	315	16.81%	36.15%	69.99%
Gold Fields Ltd	70	12.10%	30.39%	64.69%
African Rainbow Minerals Ltd	71	3.50%	24.21%	63.18%
Exxaro Resources Ltd	68	-5.91%	12.42%	54.95%
Royal Bafokeng Platinum Ltd	41	19.54%	45.90%	54.71%
Impala Platinum Holdings Ltd	35	-5.60%	7.24%	40.81%
Northam Platinum Ltd	37	-5.23%	17.41%	40.05%
Illovo Sugar Ltd	22	19.87%	17.44%	30.30%
African Oxygen Ltd	16	-6.84%	1.31%	24.69%
Kumba Iron Ore Ltd	50	2.10%	42.67%	20.44%
Anglo American Plc	82	-0.33%	30.90%	19.54%
Murray & Roberts Holdings Ltd	10	3.49%	20.25%	18.75%
Aquarius Platinum Ltd	3	0.00%	1.74%	12.31%
Coronation Fund Managers Ltd	59	-3.13%	-3.24%	11.70%
Barloworld Ltd	68	-3.64%	-3.75%	9.80%
Wilson Bayly Holmes - Ovcon Ltd	124	3.96%	15.88%	9.05%
Resilient Property Income Fund Ltd	126	3.57%	6.77%	8.90%
Bidvest Group Ltd	357	-1.23%	-2.19%	8.70%
Tongaat Hulett Ltd	100	3.93%	12.55%	7.84%
FirstRand Ltd	44	-2.57%	-0.72%	4.79%
MTN Group Ltd	139	-1.46%	-0.29%	4.67%
JSE Ltd	132	1.47%	2.77%	3.24%
Sappi Ltd	67	-3.81%	-6.59%	3.17%
Rockcastle Global Real Estate Company Ltd	36	-2.70%	1.12%	3.15%
Alexander Forbes Group Holdings Ltd	6	12.99%	13.83%	2.70%
Niveus Investments Ltd	21	2.50%	2.50%	2.50%
Shoprite Holdings Ltd	146	0.65%	0.27%	2.10%
Barclays Africa Group Ltd	147	0.69%	1.76%	2.10%
Rand Merchant Investment Holdings Ltd	40	1.23%	0.00%	2.04%
Truworths International Ltd	93	-2.97%	-5.19%	1.97%
Reinet Investments SCA	32	-1.64%	-1.70%	1.76%
Lonmin Plc	19	34.05%	56.47%	1.75%
Tradehold Ltd	30	3.51%	5.32%	1.72%
Super Group Ltd	39	-3.07%	-1.15%	1.61%
Growthpoint Properties Ltd	24	1.55%	3.55%	1.59%
JSE All Share Index	48590	-2.34%	-1.12%	-4.15%

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:50	Gross Domestic Product (QoQ) (Q4) (P)	✓✓	-0.40%*	0.30%	Quarterly
Japan	01:50	Gross Domestic Product Annualised (Q4) (P)	✓✓✓	-1.40%*	1.30%	Quarterly
Japan	01:50	Gross Domestic Product Deflator (YoY) (Q4) (P)	✓	1.50%*	1.80%	Quarterly
Japan	01:50	Nominal Gross Domestic Product (QoQ) (Q4) (P)	✓✓	-0.30%*	0.60%	Quarterly
UK	02:01	Rightmove House Price Index (MoM) (Feb)	✓	2.90%*	0.50%	Monthly
UK	02:01	Rightmove House Price Index (YoY) (Feb)	✓	7.30%*	6.50%	Monthly
China	04:26	Trade Balance (Jan)	✓✓	USD63.29bn*	USD60.09bn	Monthly
China	04:26	Exports (YoY) (Jan)	✓✓	-11.20%*	-1.40%	Monthly
China	04:26	Imports (YoY) (Jan)	✓✓	-18.80%*	-7.60%	Monthly
Japan	06:30	Capacity Utilisation (MoM) (Dec)	✓	-	-0.10%	Monthly
Japan	06:30	Industrial Production (MoM) (Dec) (F)	✓	-	-1.40%**	Monthly
Japan	06:30	Industrial Production (YoY) (Dec) (F)	✓✓	-	-1.60%**	Monthly
Japan	06:30	Tertiary Industry Index (MoM) (Dec)	✓✓	-0.10%	-0.80%	Monthly
Eurozone	12:00	Trade Balance n.s.a. (Dec)	✓	-	EUR23.60bn	Monthly
Eurozone	12:00	Trade Balance s.a. (Dec)	✓	-	EUR22.70bn	Monthly
Eurozone	16:00	ECB's Draghi Speaks in EU Parliament Committee in Brussels	✓✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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