

ONE Minute Brief

12 May 2016

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Economic and Political News

The national spokesperson of the African National Congress (ANC), Zizi Kodwa, indicated that the government should have approached the South African Reserve Bank instead of individual banks over the closing of the Gupta family's accounts. He noted that the biggest concern for the ANC about the banks' decision to cut ties with the Gupta-owned company was the impact it would have on workers.

Energy Minister, Tina Joemat-Pettersson, mentioned that South Africa would connect 7,000MW of renewable power to its grid by mid-2016 and reaffirmed that the planned nuclear expansion would be "corruption free". She also indicated that the government plans to separate some elements from the mineral regulatory framework that are related to the petroleum value chain.

The Chief Executive of Transnet, Siyabonga Gama, indicated that the rail freight operator would start a major expansion drive, which would be financed on a project-by-project basis, in the rest of the continent and deploy its expertise in running ports and pipelines.

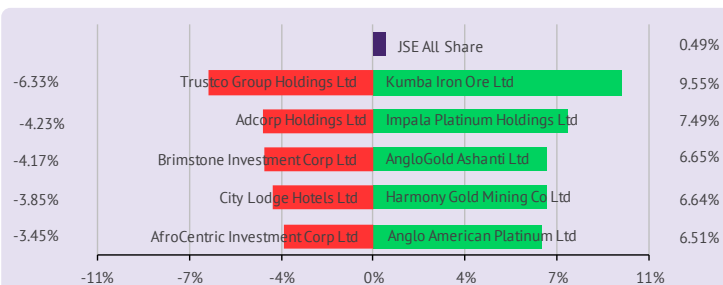
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	52130.34	▲	255.08	0.49%	1.39%	-1.56%	1.35%	2.83%
JSE Top 40	45839.69	▲	132.44	0.29%	1.64%	-1.36%	0.72%	0.09%
FTSE 100	6162.49	▲	5.84	0.09%	0.60%	-1.27%	1.08%	-1.28%
DAX 30	9975.32	▼	-70.12	-0.70%	1.07%	-0.63%	0.74%	-7.15%
CAC 40	4316.67	▼	-21.54	-0.50%	0.36%	-2.54%	1.00%	-6.91%
S&P 500	2064.46	▼	-19.93	-0.96%	0.36%	-0.04%	0.27%	1.00%
Nasdaq Composite	4760.69	▼	-49.19	-1.02%	0.52%	-0.31%	-1.94%	-4.93%
DJIA	17711.12	▼	-217.23	-1.21%	-0.17%	-0.35%	0.50%	1.64%

South Africa Market ▲

South African markets closed higher

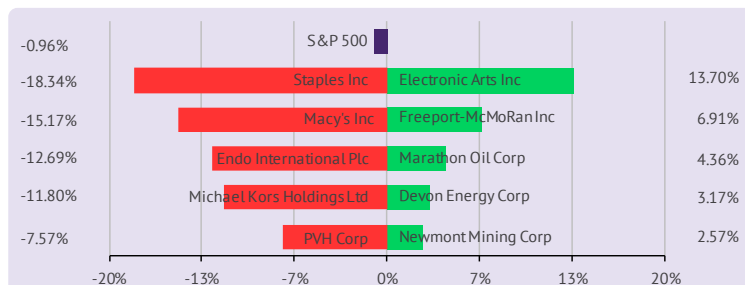
South African markets closed in the green yesterday, led by gains in gold as well as platinum mining sector stocks. The JSE All Share Index rose 0.5% to close at 52,130.34.



US Market ▼

The S&P 500 futures are trading in the green

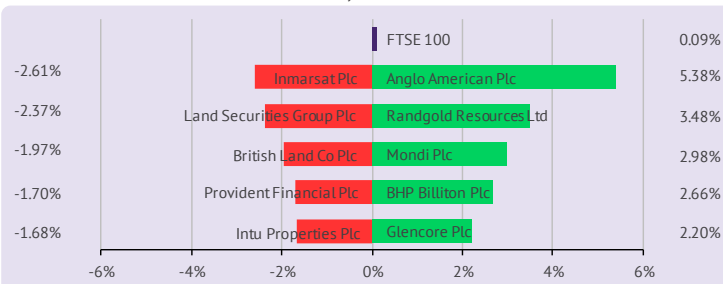
US markets closed lower yesterday, weighed down by losses in consumer discretionary and retail sector stocks along with disappointing corporate results of Walt Disney. The S&P 500 Index dropped 1.0% to close at 2,064.46.



UK Market ▲

The FTSE 100 futures are trading in positive territory

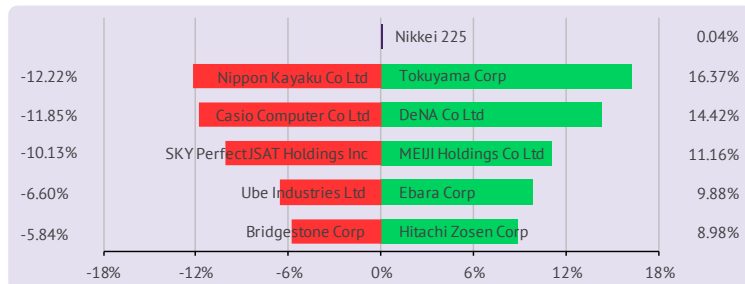
UK markets finished higher yesterday, buoyed by gains in mining and energy sector stocks. Data revealed that UK's manufacturing production grew less-than-expected on a monthly basis in March. The FTSE 100 Index advanced 0.1% to close at 6,162.49.



Asian Market ◀▶

Trading mixed

Asian markets are trading mixed this morning. Early morning data revealed that Japan's trade surplus widened in March. The Nikkei 225 Index is trading marginally higher at 16,585.23.



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USDZAR ▲

USD trading higher against ZAR

At 06:00 SAST, the US Dollar is trading 0.2% firmer against the South African Rand at R15.0590. Later today, traders will keep a close watch on US initial jobless claims data along with speeches by the US Federal Reserve (Fed) officials, Eric Rosengren, Loretta J. Mester and Esther L. George for further direction. Additionally, South Africa's manufacturing and mining production data will attract market attention.

The US Dollar fell against the South African Rand yesterday. Data revealed that US budget surplus for April narrowed, compared with prior year's level in the same month.

GBPZAR ▲

GBP trading firmer against ZAR

At 06:00 SAST, the British Pound rose 0.2% against the South African Rand to trade at R21.7523. Later in the session, investors will track the Bank of England's (BoE) decision on interest rates and asset purchases, followed by the minutes of its latest monetary policy meeting. Furthermore, a speech by the BoE Governor, Mark Carney along with the bank's quarterly inflation report will grab trader's attention.

The British Pound declined against the South African Rand yesterday, after UK's manufacturing production fell at the fastest rate in nearly three years on a yearly basis in March. Additionally, the region's industrial production grew less-than-forecasted on a monthly basis in March. Furthermore, NIESR estimated that the growth in the UK economy slowed in three months to April, amid fears of a Brexit.

EURZAR ▲

EUR trading stronger against ZAR

At 06:00 SAST, the Euro is trading 0.1% firmer against the South African Rand at R17.1944. Going forward, market participants will focus on the Eurozone's industrial production data, scheduled in a few hours for further clues.

The Euro weakened against the South African Rand yesterday, extending previous session losses.

AUDZAR ▼

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.4% weaker against the South African Rand at R11.0479. Earlier in the session, data indicated a fall in Australian consumer inflation expectations in May.

The Australian Dollar fell against the South African Rand yesterday, despite a rebound in Australia's Westpac consumer confidence index in May.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	15.0590	▲	-0.55%	1.25%	5.61%	-3.60%	-2.84%
GBPZAR	21.7523	▲	-0.53%	1.22%	4.42%	-1.89%	-4.74%
EURZAR	17.1944	▲	-0.08%	1.45%	5.38%	-3.01%	2.21%
AUDZAR	11.0479	▼	-0.39%	1.17%	2.45%	-4.28%	-2.41%
EURUSD	1.1421	▼	0.47%	0.19%	-0.21%	0.62%	5.15%
GBPU\$	1.4437	▼	0.05%	0.12%	-1.09%	1.72%	-1.99%
Brent (\$/barrel)	47.5	▼	4.57%	4.92%	-1.10%	19.34%	27.68%
Gold (\$/oz)	1273.6	▼	0.85%	-1.43%	-1.16%	4.56%	20.31%
Platinum (\$/oz)	1067.8	▲	1.60%	-1.75%	-1.14%	10.42%	19.56%
Copper (\$/MT)*	4717.8	▲	0.56%	-2.23%	-6.84%	3.76%	0.26%

*As of Previous Close

Gold ▼

Trading in the red

At 06:00 SAST, gold prices edged 0.1% lower to trade at \$1,273.60/oz.

Yesterday, gold prices rose 0.9% to close at \$1,275.50/oz, as a weaker US Dollar and losses in global equity markets increased demand for the safe-haven asset.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil fell 0.2% to trade at \$47.49/bl.

Yesterday, Brent crude oil advanced 4.6% to settle at \$47.60/bl, after the US Energy Department (EIA) reported that crude oil inventories in the US fell surprisingly by 3.41mn bls last week. Furthermore, the EIA estimated that US crude production fell slightly last week to 8.8mn bpd, its lowest level since September 2014.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices climbed 0.2% to trade at \$1,067.80/oz.

Yesterday, platinum prices climbed 1.6% to close at \$1066.10/oz.



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Major South Africa Corporate News

DataTec Limited

In its FY16 results, the firm, revealed that its group revenue on constant currency basis rose 8.6% from the preceding year to USD6.45bn. However, its headline diluted EPS dropped to 19.30c from 36.90c posted in the prior year. Further, the company also announced that it has appointed Ivan Dittrich as the Chief Financial Officer of the company, effective May 30, 2016.

Life Healthcare Group Holdings Limited

In its 1H16 results, the company, indicated that its revenue rose 10.9% from the same period of the prior year to R7.86bn. Its headline diluted EPS stood at 92.70c, compared with 80.10c recorded in the corresponding period of the preceding year. In the next six months, the company expects to add over 20 acute hospital brownfield beds.

Mediclinic International Plc

The company announced that it has appointed Jurgens Myburgh as the Executive Director and Group Chief Financial Officer of the company, effective August 01, 2016.

Niveus Investments Limited

In its trading statement for FY16, the company, stated that its EPS is expected to be in the range of 31.00c to 44.80c, indicating a decline of 35.1% to 55.1%, compared with the preceding year. Its headline EPS is expected to be between 51.40c and 65.80c, a fall between 9.1% and 29.0%, compared with the previous year. Earnings declined largely due to an R45.00mn settlement fee paid to Johnnic Holdings Management Services Limited in terms of the corporate action and foreign exchange losses of R23.00mn incurred by KWV Holdings Limited on its forward hedge book.

Major Global Economic News

UK

NIESR estimated that UK's gross domestic product (GDP) advanced 0.3% in the February-April 2016 period. NIESR's estimated GDP had risen by a revised 0.4% in the January-March 2016 period.

In March, manufacturing production rose 0.1% on a monthly basis in the UK, against market expectations for an advance of 0.3%. In the previous month, manufacturing production had dropped by a revised 0.9%.

In the UK, industrial production registered a less-than-expected rise of 0.3% on a monthly basis in March, from a revised drop of 0.2% in February.

In April, the RICS house price balance in the UK registered a drop to 41.00, compared to market expectations of a fall to a level of 35.00. In March, the house price balance had registered a reading of 42.00.

US

Budget surplus in the US recorded a reading of USD106.45bn in April, compared to market expectations of a surplus of USD107.00bn. The US had registered a deficit of USD108.04bn in the preceding month.

MBA mortgage applications advanced 0.4% on a weekly basis in the US, in the week ended May 06, 2016. Mortgage applications had registered a drop of 3.4% in the previous week.

Asia

A summary of opinions from the Bank of Japan's (BoJ) April monetary policy meeting revealed that some policymakers stressed the need to expand monetary stimulus further. It also indicated that several board members agreed that they should monitor the effect of the negative interest rate policy.

On a balance of payment basis, trade surplus in Japan expanded more-than-expected to JPY927.20bn in March, from a surplus of JPY425.20bn in the prior month.

In Japan, the total adjusted current account surplus expanded less-than-expected to JPY1893.60bn in March, compared to a surplus of JPY1686.60bn in the previous month.

In May, the consumer inflation expectations in Australia eased to 3.2%, from a reading of 3.6% in the prior month.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
UK	01:01	RICS Housing Price Balance (Apr)	✓✓	41.00%*	42.00%	Monthly
Japan	01:50	Adjusted Current Account Total (Mar)	✓	JPY1893.60bn*	JPY1686.60bn	Monthly
Japan	01:50	Trade Balance - BOP Basis (Mar)	✓✓	JPY927.20bn*	JPY425.20bn	Monthly
Japan	07:00	BOJ Deputy Governor Nakaso speaks in Tokyo	✓✓	-	-	As scheduled
Japan	07:00	Eco Watchers Survey: Current (Apr)	✓✓	44.00	45.40	Monthly
Japan	07:00	Eco Watchers Survey: Outlook (Apr)	✓✓	46.20	46.70	Monthly
Germany	08:00	Wholesale Price Index (MoM) (Apr)	✓	-	0.30%	Monthly
France	08:45	Consumer Price Index (EU norm) (MoM) (Apr) (F)	✓	0.10%	0.10%**	Monthly
France	08:45	Inflation ex-tobacco (MoM) (Apr) (F)	✓	0.10%	0.10%**	Monthly
Eurozone	11:00	Industrial Production s.a. (MoM) (Mar)	✓✓	0.00%	-0.80%	Monthly
South Africa	11:30	Gold Production (YoY) (Mar)	✓✓	-	11.10%	Monthly
South Africa	11:30	Mining Production (YoY) (Mar)	✓✓	-12.40%	-8.70%	Monthly
South Africa	11:30	Gold Production (YoY) (Mar)	✓✓		11.10%	Monthly
UK	13:00	Bank of England Inflation Report	✓✓✓	-	-	As scheduled
UK	13:00	BoE Interest Rate Decision	✓✓✓	0.50%	0.50%	As scheduled
UK	13:00	Bank of England Minutes	✓✓✓	-	-	As scheduled
UK	13:00	BoE Asset Purchase Facility	✓✓✓	GBP375.00bn	GBP375.00bn	As scheduled
South Africa	13:00	Manufacturing Production s.a. (MoM) (Mar)	✓✓	0.40%	1.30%	Monthly
UK	13:45	BOE's Governor Carney speech	✓✓✓	-	-	As scheduled
Canada	14:30	Teranet/National Bank HPI (MoM) (Apr)	✓	-	0.80%	Monthly
US	14:30	Import Price Index (MoM) (Apr)	✓	0.60%	0.20%	Monthly
Canada	14:30	New Housing Price Index (MoM) (Mar)	✓	0.10%	0.20%	Monthly
US	14:30	Initial Jobless Claims (07-May)	✓✓	270.00K	274.00K	Weekly
US	17:00	Fed's Rosengren Speaks in New Hampshire	✓✓	-	-	As scheduled
US	17:00	Fed's Mester Speaks About Inflation Dynamics	✓✓	-	-	As scheduled
US	19:30	Fed's George Speaks in Albuquerque	✓✓	-	-	As scheduled
Eurozone	19:40	ECB Vice President Vitor Constancio Speaks in Madrid	✓✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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