

# ONE Minute Brief

13 June 2016

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## Economic and Political News

South Africa's President Jacob Zuma and the state prosecutor made an appeal against a high court ruling to reinstate 783 corruption charges against the head of state.

Finance Minister, Pravin Gordhan, while speaking about facing an investigation and possible arrest by the special police unit, the Hawks, mentioned that he had nothing to worry about and rejected accusations that he misused public money to set up an investigative unit when he led the South Africa Revenue Service (Sars). Separately, he also mentioned that the nation has robust institutions to help it avert a credit rating downgrade.

Democratic Alliance leader, Mmusi Maimane announced that the pending investigation by public protector, Thuli Madonsela into alleged "state capture" by the Gupta family, should also include Eskom's coal deals with the Gupta-owned Tegeta Exploration and Resources.

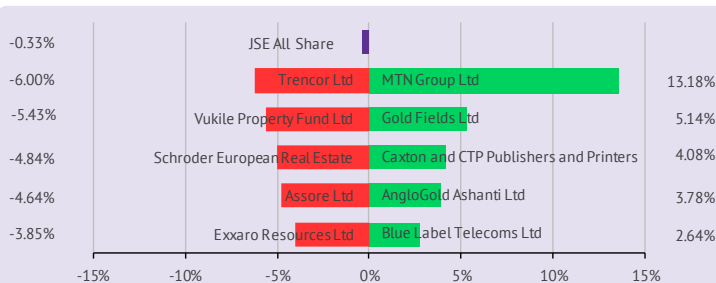
## Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	53175.15	▼	-178.72	-0.33%	NA	-1.35%	1.79%
JSE Top 40	47028.08	▼	-148.44	-0.31%	NA	-1.97%	3.23%
FTSE 100	6115.76	▼	-116.13	-1.86%	NA	-1.85%	-0.18%
DAX 30	9834.62	▼	-254.25	-2.52%	NA	-4.17%	2.23%
CAC 40	4306.72	▼	-98.89	-2.24%	NA	-4.41%	1.73%
S&P 500	2096.07	▼	-19.41	-0.92%	NA	-0.04%	1.53%
Nasdaq Composite	4894.55	▼	-64.07	-1.29%	NA	-1.08%	3.62%
DJIA	17865.34	▼	-119.85	-0.67%	NA	0.04%	0.08%

## South Africa Market ▼

### South African markets closed lower

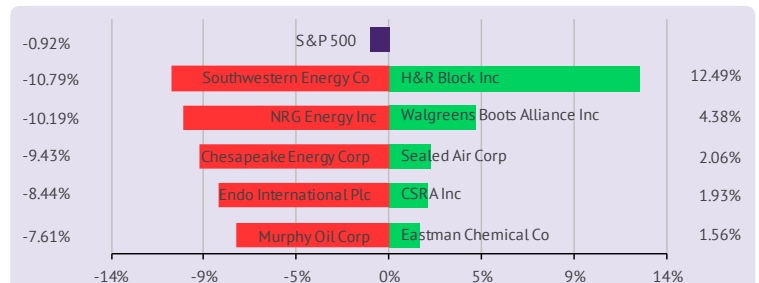
South African markets closed in the red on Friday, amid losses in platinum sector stocks. The JSE All Share Index fell 0.3% to close at 53,175.15.



## US Market ▼

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

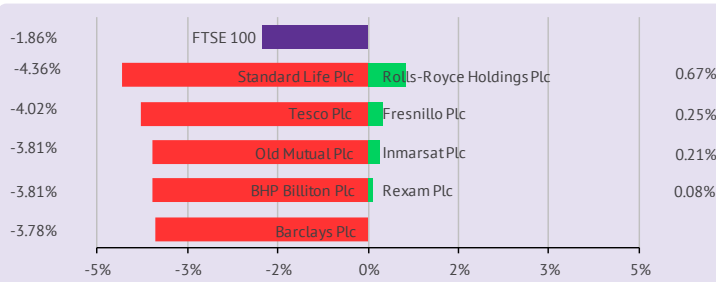
US markets closed lower on Friday, weighed down by financial and energy sector stocks. Data revealed that the US recorded a budget deficit in May. The S&P 500 Index dropped 0.9% to close at 2,096.07.



## UK Market ▼

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

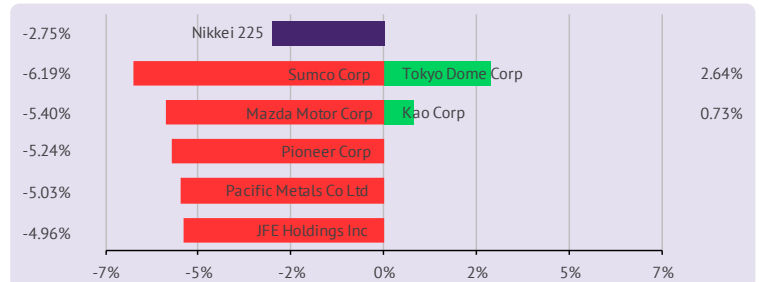
UK markets finished lower on Friday, led by losses in financial and mining sector stocks. A Bank of England's survey showed that median expectations of consumer inflation over the coming 12 months was 2.0%. The FTSE 100 Index declined 1.9% to close at 6,115.76.



## Asian Market ▼

### Trading lower

Asian markets are trading lower this morning, tracking Friday's losses on Wall Street. Earlier in the session, data indicated that China's industrial production advanced more-than-expected on an annual basis in May. The Nikkei 225 Index is trading 2.8% lower at 16,144.01.



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## USDZAR ▲

### USD trading stronger against ZAR

At 06:00 SAST, the US Dollar is trading marginally higher against the South African Rand at R15.2325. Going forward, traders will keep a close watch on US retail sales and NFIB business optimism index, scheduled to be released tomorrow.

The US Dollar rose against the South African Rand on Friday. Data indicated that the preliminary US consumer sentiment index eased less than expected in June, as consumer satisfaction with the current economic conditions hit an 11-year high. Moreover, the nation recorded a budget deficit in May, due to a rise in spending and a decline in corporate profits, hurting the government revenues.

## GBPZAR ▼

### GBP trading lower against ZAR

At 06:00 SAST, the British Pound fell 0.3% against the South African Rand to trade at R21.6393. Later today, traders will keep an eye on UK's CB leading indicator for further direction.

The British Pound advanced against the South African Rand on Friday, after a BoE survey showed that consumers expected inflation rate of 2.0% over the next 12 months and anticipated the interest rates to rise in the same period. Adding to the positive sentiment, construction output rebounded on a monthly basis in April from March.

## EURZAR ▲

### EUR trading firmer against ZAR

At 06:00 SAST, the Euro is trading marginally higher against the South African Rand at R17.1354.

The Euro strengthened against the South African Rand on Friday. Separately, Germany's final consumer prices advanced at par with market expectations on a monthly basis in May. Moreover, the wholesale price index surged on a monthly basis in May from April.

## AUDZAR ▲

### AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% firmer against the South African Rand at R11.2446. Earlier in the session, data revealed that in China, Australia's largest trading partner, industrial production rose in line with market expectations on an annual basis in May. Further, retail sales advanced less-than-expected on a yearly basis in the same month.

The Australian Dollar rose against the South African Rand on Friday.

## Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	15.2325	▲	2.88%	NA	-3.04%	10.36%	-1.57%
GBPZAR	21.6393	▼	1.37%	NA	-4.62%	9.38%	-4.83%
EURZAR	17.1354	▲	2.24%	NA	-2.05%	7.28%	1.92%
AUDZAR	11.2446	▲	2.08%	NA	-1.14%	4.99%	-1.12%
EURUSD	1.1251	-	-0.57%	NA	1.07%	-2.78%	3.54%
GBPUSD	1.4197	▼	-1.39%	NA	-1.56%	-0.85%	-3.29%
Brent (\$/barrel)	50.0	▼	-2.71%	NA	1.30%	3.66%	35.57%
Gold (\$/oz)	1277.5	▲	0.25%	NA	4.82%	-5.87%	20.11%
Platinum (\$/oz)	988.9	▼	-0.96%	NA	1.41%	-9.09%	11.49%
Copper (\$/MT)*	4496.0	▼	-0.10%	NA	-4.27%	-7.25%	-4.46%

\*As of Previous Close

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices edged 0.3% higher to trade at \$1,277.50/oz.

On Friday, gold prices rose 0.3% to close at \$1,273.40/oz, amid a sharp decline in global equity markets and ahead of US Fed's interest rate decision, scheduled later in the week.

## Brent Crude Oil ▼

### Trading weaker

At 06:00 SAST, Brent crude oil edged lower 1.0% to trade at \$50.03/bl.

On Friday, Brent crude oil dropped 2.7% to settle at \$50.54/bl, amid strength in the US Dollar and after Baker Hughes reported that US oil rig count rose by 3 to 328 last week.

## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices edged lower 0.5% to trade at \$988.90/oz.

On Friday, platinum prices declined 1.0% to close at \$994.20/oz.



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## Major South Africa Corporate News

### ArcelorMittal South Africa Limited

The company indicated that the appointment of Mr. Wim de Klerk as Chief Executive Officer and Executive Director would now be effective from July 01, 2016, rather than September 01, 2016 announced previously, as he will resign from his position as Finance Director and Executive Director of Exxaro Resources Limited on June 30, 2016.

### Discovery Limited

The company announced that Mr. Richard Farber will resign from his position as Chief Financial Officer and Group Financial Director of Discovery with effect from December 31, 2016.

### New Europe Property Investments Plc

The company announced that Tiberiu Smaranda will resign from his position of Executive Director on September 1, 2016.

### Sibanye Gold Limited

The company revealed that it suspended six shop stewards belonging to the Association of Mineworkers and Construction (AMCU), at its Kroondal Operations, amid pending internal disciplinary proceedings. It stated that one of the six suspended is the AMCU branch chairperson against whom criminal charges have been laid with the South African Police Services after making direct threats to a member of the Kroondal mine management.

## Major Global Economic News

### Asia

In China, on a yearly basis, retail sales advanced 10.0%, in May, compared to a rise of 10.1% in the previous month. Market expectation was for retail sales to advance 10.1%.

In China, industrial production advanced 6.0% in May on a yearly basis, compared to a similar rise in the prior month. Markets were expecting industrial production to rise 6.0%.

On a quarterly basis, business survey index (BSI) of large manufacturing industries in Japan registered a drop of 11.1% in 2Q16, compared to a drop of 7.9% in the previous quarter.

### UK

A Bank of England's survey showed that British consumers expected a rate of inflation of 2.0% in the coming 12 months, compared with 1.8% in February.

In the UK, on an annual basis, construction output fell 3.7% in April, lower than market expectations for a drop of 4.8%. Construction output had fallen 4.5% in the previous month.

### US

In June, the flash Reuters/Michigan consumer sentiment index fell to a level of 94.30 in the US, compared to a reading of 94.70 in the prior month. Markets were expecting the index to drop to 94.00.

Budget deficit in the US stood at USD52.51bn in May, compared to a surplus of USD106.45bn in the prior month. Market anticipation was for the nation to post a deficit of USD56.00bn.

### Eurozone

The final consumer price index registered a rise of 0.3% in Germany on a monthly basis in May, meeting market expectations. The preliminary figures had also recorded a rise of 0.3% and the index had recorded a drop of 0.4%, in the prior month.

In Germany, the wholesale price index advanced 0.9% on a monthly basis, in May, compared to a 0.3% gain reported 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	56	9.98%	22.67%	261.09%
Assore Ltd	169	5.64%	5.57%	172.17%
AngloGold Ashanti Ltd	259	9.48%	23.05%	143.29%
Lonmin Plc	40	-0.03%	-5.13%	118.25%
Sibanye Gold Ltd	49	2.21%	9.02%	114.70%
Kumba Iron Ore Ltd	87	10.83%	7.42%	111.17%
Anglo American Platinum Ltd	378	-2.08%	7.47%	103.72%
Anglo American Plc	140	2.34%	0.07%	102.62%
African Rainbow Minerals Ltd	88	11.46%	4.79%	102.53%
Pan African Resources Plc	3	4.23%	6.15%	97.14%
Impala Platinum Holdings Ltd	46	-3.92%	1.42%	82.27%
Northam Platinum Ltd	43	-3.19%	4.14%	62.18%
Gold Fields Ltd	68	9.32%	23.69%	60.09%
Royal Bafokeng Platinum Ltd	42	-0.99%	3.26%	57.94%
Bidvest Group Ltd	134	-0.37%	6.87%	50.70%
Murray & Roberts Holdings Ltd	12	-0.33%	1.86%	50.25%
Exxaro Resources Ltd	66	4.45%	5.51%	49.89%
Illovo Sugar Ltd	25	0.57%	1.14%	47.22%
Blue Label Telecoms Ltd	17	6.31%	6.31%	37.37%
JSE Ltd	167	-4.57%	-1.18%	31.37%
African Oxygen Ltd	17	4.48%	8.47%	31.00%
Tongaat Hulett Ltd	121	6.51%	8.08%	29.98%
Clicks Group Ltd	115	1.13%	7.05%	29.54%
Coronation Fund Managers Ltd	65	-5.98%	-4.29%	22.82%
Imperial Holdings Ltd	146	-2.99%	4.29%	22.32%
Massmart Holdings Ltd	121	-6.05%	0.84%	20.57%
Santam Ltd	228	-2.06%	-0.04%	20.32%
Niveus Investments Ltd	24	0.00%	-7.69%	20.00%
Foschini Group Ltd	144	-4.65%	2.85%	18.24%
Hyprop Investments Ltd	122	-0.67%	3.17%	17.74%
Ascendis Health Ltd	24	-3.05%	-3.64%	17.01%
Cashbuild Ltd	350	2.34%	-3.58%	16.67%
Alexander Forbes Group Holdings Ltd	7	-2.56%	3.47%	15.51%
Barloworld Ltd	72	-3.71%	-0.65%	15.44%
Steinhoff International Holdings NV	91	-2.32%	-1.88%	15.27%
Shoprite Holdings Ltd	165	-6.25%	0.05%	15.18%
Redefine Properties Ltd	11	-0.45%	1.74%	14.85%
Balwin Properties Ltd	10	6.53%	8.74%	14.11%
Tiger Brands Ltd	361	-1.93%	3.86%	14.05%
Aspen Pharmacare Holdings Ltd	353	10.16%	9.47%	13.90%
<b>JSE All Share Index</b>	<b>53175</b>	<b>-2.00%</b>	<b>-1.35%</b>	<b>4.89%</b>

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## Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	01:50	BSI Large Manufacturing (QoQ) (Q2)	✓✓	-11.10%*	-7.90%	Quarterly
China	04:00	Industrial Production (YoY) (May)	✓✓	6.00%*	6.00%	Monthly
China	04:00	Industrial Production (YTD) (YoY) (May)	✓✓	5.90%*	5.80%	Monthly
China	04:00	Retail Sales (YoY) (May)	✓✓	10.00%*	10.10%	Monthly
China	04:00	Retail Sales (YTD) (YoY) (May)	✓✓	10.20%*	10.30%	Monthly
China	04:00	Fixed Assets Inv Excl. Rural YTD (YoY) (May)	✓✓	9.60%*	10.50%	Monthly
Eurozone	09:00	ECB's Weidmann Speaks in Frankfurt	✓	-	-	As scheduled
Eurozone	14:00	ECB's Hansson Speaks on QE in Estonian Parliament	✓	-	-	As scheduled
Eurozone	15:00	ECB's Nouy Speaks at EU Parliament Committee in Brussels	✓	-	-	As scheduled
Eurozone	16:40	ECB's Carlos da Silva Costa Speaks at Panel in Sopot, Poland	✓	-	-	As scheduled

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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