

ONE Minute Brief

14 June 2016

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Economic and Political News

South Africa's state owned power utility, Eskom, announced that it has linked up the first of four units at its Ingula power plant, which will increase the capacity required to overcome chronic electricity shortages.

Eskom executive stated that the power utility paid in advance for the coal supplied by a Gupta family-controlled company, Tegeta Exploration & Resources, to guarantee supplies to a power plant before winter.

South Africa's eight out of the nine provinces were declared drought disaster areas, but reports indicated that the budget to address such crisis was substantially less compared to the last year.

Democratic Alliance has requested Competition Commission to conduct a probe into the alleged collusion between South African Airways and Mango Airlines that has enabled the latter to offer drastically discounted flights through subleasing of aircraft at discounted rates by SAA.

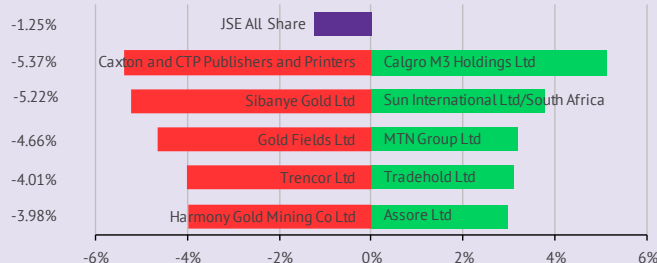
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	52511.52	▼ -663.63	-1.25%	-1.25%	-2.59%	1.79%	3.59%
JSE Top 40	46431.51	▼ -596.57	-1.27%	-1.27%	-3.22%	3.23%	1.38%
FTSE 100	6044.97	▼ -70.79	-1.16%	-1.16%	-2.98%	-0.18%	-3.16%
DAX 30	9657.44	▼ -177.18	-1.80%	-1.80%	-5.90%	2.23%	-10.10%
CAC 40	4227.02	▼ -79.70	-1.85%	-1.85%	-6.18%	1.73%	-8.84%
S&P 500	2079.06	▼ -17.01	-0.81%	-0.81%	-0.85%	1.53%	1.72%
Nasdaq Composite	4848.44	▼ -46.11	-0.94%	-0.94%	-2.01%	3.62%	-3.17%
DJIA	17732.48	▼ -132.86	-0.74%	-0.74%	-0.31%	0.08%	1.76%

South Africa Market ▼

South African markets closed lower

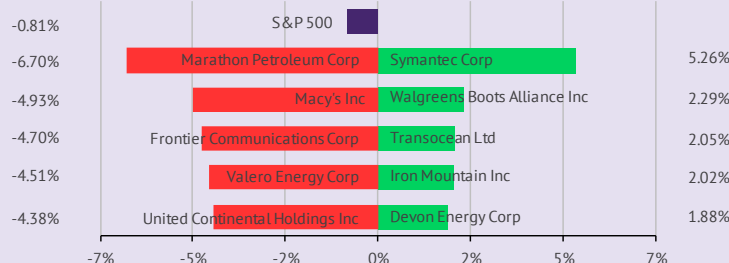
South African markets closed in the red yesterday, amid losses in gold mining sector stocks. The JSE All Share Index fell 1.3% to close at 52,511.52.



US Market ▼

The S&P 500 futures are trading in the green

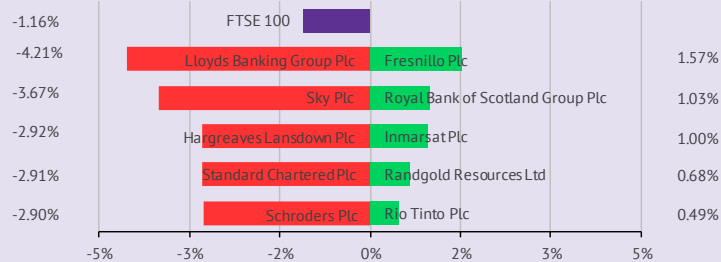
US markets closed lower yesterday, led by losses in material sector stocks. The S&P 500 Index dropped 0.8% to close at 2,079.06.



UK Market ▼

The FTSE 100 futures are trading in positive territory

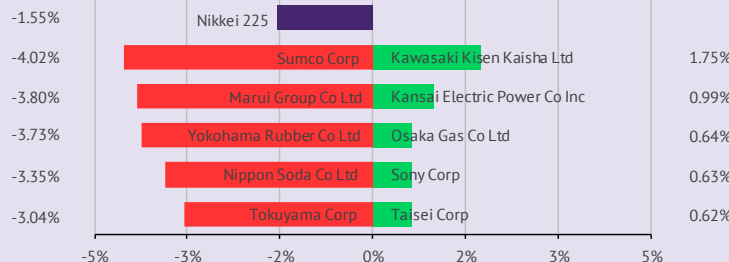
UK markets finished lower yesterday, weighed down by losses in financial sector stocks and concerns emanating from UK's EU referendum, scheduled next week. The FTSE 100 Index declined 1.2% to close at 6,044.97.



Asian Market ▼

Trading lower

Asian markets are trading lower this morning, tracking overnight losses on Wall Street. Data indicated that Japan's final industrial production data was slightly revised higher in April. The Nikkei 225 Index is trading 1.6% lower at 15,770.78.



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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 R15.1776. Later today, traders will keep a close watch on US advance retail sales and NFIB small business optimism index along with the import price index for further clues. Additionally, South Africa's current account balance data will be on investors' radar.

The US Dollar fell against the South African Rand yesterday, reversing previous session gains.

GBPZAR ▼

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound is trading 0.5% weaker against the South African Rand at R21.5560. Later today, traders will keep an eye on UK's consumer price index, retail price index and producer price index for further direction.

The British Pound declined against the South African Rand yesterday, following fears surrounding Britain's exit from the European union in the upcoming referendum on June 23.

EURZAR ▲

EUR trading higher against ZAR

At 06:00 SAST, the Euro is trading 0.1% higher against the South African Rand at R17.1398. Going forward, market participants will keep a tab on Eurozone's industrial production and employment change, scheduled for release in a few hours.

The Euro weakened against the South African Rand yesterday, reversing gains from previous sessions.

AUDZAR ▲

AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% higher against the South African Rand at R11.2147. Earlier in the session, Australia's NAB business conditions continued to be strong in May, while the business confidence eased to its lowest level since August 2015 in the same month.

The Australian Dollar fell against the South African Rand yesterday. Separately, in China, Australia's largest trading partner, industrial production advanced at par with market expectations on an annual basis in May. Further, retail sales rose less-than-expected on a yearly basis in the same month.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	15.1776	▲	-0.39%	-0.39%	-3.42%	10.36%	-1.95%
GBPZAR	21.5560	▼	-0.17%	-0.17%	-4.78%	9.38%	-4.99%
EURZAR	17.1398	▲	-0.03%	-0.03%	-2.08%	7.28%	1.88%
AUDZAR	11.2147	▲	-0.29%	-0.29%	-1.42%	4.99%	-1.41%
EURUSD	1.1292	=	0.36%	0.36%	1.44%	-2.78%	3.92%
GBPUSD	1.4188	▼	0.09%	0.09%	-1.47%	-0.85%	-3.20%
Brent (\$/barrel)	49.9	▼	-0.38%	-0.38%	0.92%	3.66%	35.06%
Gold (\$/oz)	1282.5	▼	0.86%	0.86%	5.73%	-5.87%	21.15%
Platinum (\$/oz)	991.2	▼	0.11%	0.11%	1.52%	-9.09%	11.62%
Copper (\$/MT)*	4540.5	▲	0.99%	0.99%	-3.33%	-7.25%	-3.51%

*As of Previous Close

Gold ▼

Trading in the red

At 06:00 SAST, gold prices edged 0.1% lower to trade at \$1,282.50/oz.

Yesterday, gold prices rose 0.9% to close at \$1,284.40/oz, amid concerns surrounding the UK's exit from EU in the upcoming referendum on June 23 and interest rate decision from the US Federal Reserve and Bank of Japan later in the week.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged lower 1.0% to trade at \$49.85/bL.

Yesterday, Brent crude oil dropped 0.4% to settle at \$50.35/bL, as signs of rising stockpiles added to concerns surrounding existing glut of crude. Moreover, data provider, Genscape showed that stockpiles at Cushing, Okla., grew by 525,000 bbls from June 3 to June 10. On the other hand, OPEC's monthly report showed the forecasts for global oil supply and demand unchanged with global oil demand now anticipated to increase by 1.2 million barrels a day this year. Meanwhile, the group also stated that production fell by 100,000 bbls per day in May led by Nigeria.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged 0.4% lower to trade at \$991.20/oz.

Yesterday, platinum prices climbed 1.1% to close at \$995.30/oz.

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Major South Africa Corporate News

Emira Property Fund Limited

The company announced that Old Mutual Investment Group Proprietary Limited, on behalf of its underlying clients, has acquired an interest in the ordinary shares of the company, resulting its total stake in the company at 5.03% of the firm's issued ordinary share capital.

Major Global Economic News

Asia

In April, on a monthly basis, the final industrial production registered a rise of 0.50% in Japan. In the previous month, industrial production had recorded a rise of 3.80%. The preliminary figures had recorded a rise of 0.30%.

In May, the NAB business confidence index eased to 3.00 in Australia, compared to a level of 5.00 in the previous month.

In Australia, the NAB business conditions index in May remained unchanged at 10.00 from April.

According to Manpower survey, China's employment outlook fell to 2.0% in 3Q16 from 5.0% in the prior quarter.

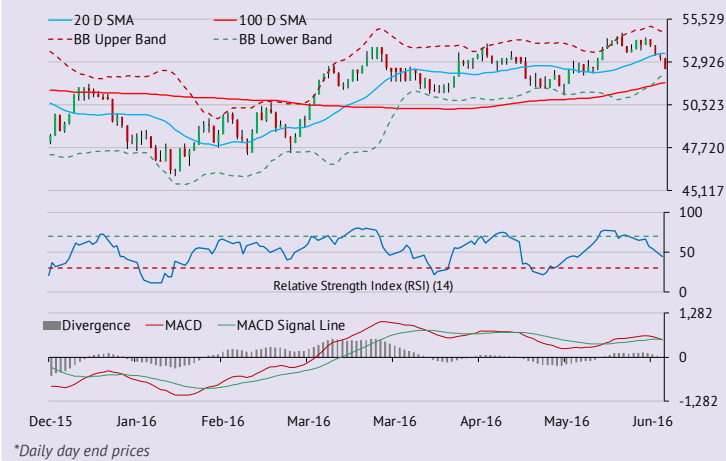
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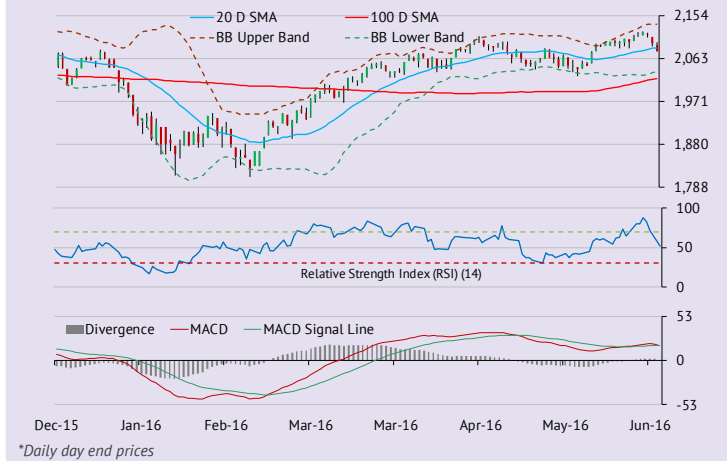
Technical Snapshot

JSE All Share



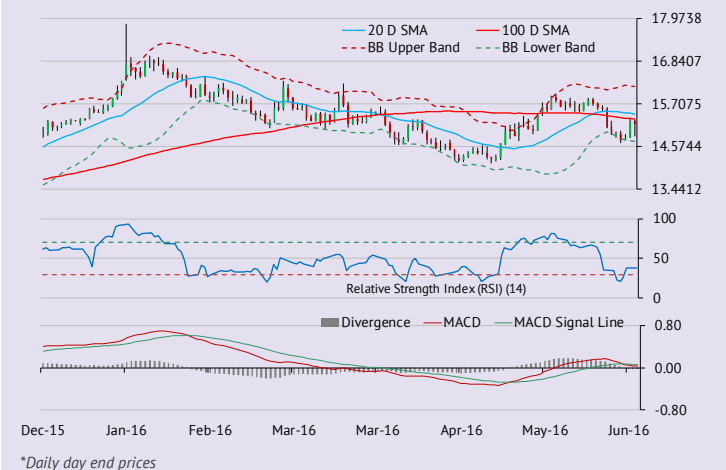
The JSE All Share index is expected to find support at 51,873.83, and a fall through could take it to the next support level of 51,236.13. The index is expected to find its first resistance at 53,785.73, and a rise through could take it to the next resistance level of 55,059.93.

S&P 500



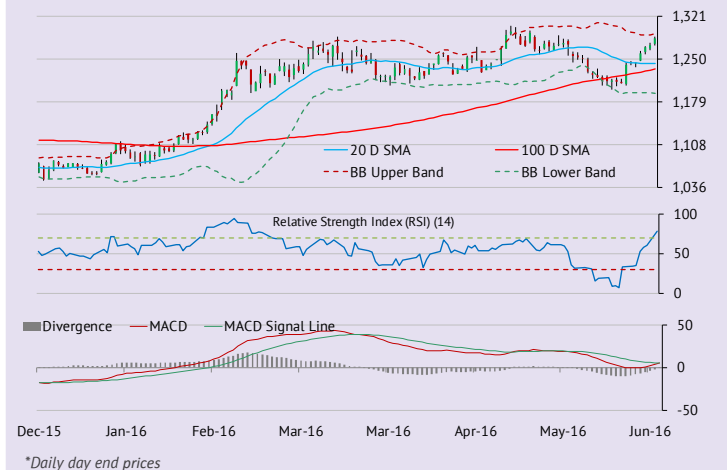
The S&P 500 index is expected to find support at 2,064.83, and a fall through could take it to the next support level of 2,050.60. The index is expected to find its first resistance at 2,106.92, and a rise through could take it to the next resistance level of 2,134.78.

USDZAR



The pair is expected to find support at 14.7811, and a fall through could take it to the next support level of 14.3912. The pair is expected to find its first resistance at 15.4323, and a rise through could take it to the next resistance level of 15.6936.

XAU/USD



Gold is expected to find support at \$1,251.50/oz, and a fall through could take it to the next support level of \$1,218.60/oz. The precious metal is expected to find its first resistance at \$1,302.30/oz, and a rise through could take it to the next resistance level of \$1,320.20/oz.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Germany	01:01	Germany Third Quarter Manpower Employment Outlook	✓	-	-	As scheduled
China	02:01	Manpower Survey (Q3)	✓	2.00%*	5.00%	Quarterly
Japan	02:01	Manpower Survey (Q3)	✓	22.00%*	22.00%	Quarterly
Japan	06:30	Industrial Production (MoM) (Apr) (F)	✓	0.50%*	0.30%**	Monthly
South Africa	10:00	Current Account Balance (Q1)	✓✓	-ZAR168.00bn	-ZAR208.00bn	Quarterly
South Africa	10:00	Current Account to GDP (Q1)	✓✓	-4.10%	-5.10%	Quarterly
Italy	10:00	Consumer Price Index (EU Norm) (MoM) (May) (F)	✓	0.30%	0.30%**	Monthly
UK	10:30	Retail Price Index (May)	✓	262.20	261.40	Monthly
UK	10:30	Consumer Price Index (MoM) (May)	✓✓	0.30%	0.10%	Monthly
UK	10:30	Consumer Price Index (YoY) (May)	✓✓✓	0.40%	0.30%	Monthly
UK	10:30	Core Consumer Price Index (YoY) (May)	✓✓✓	1.30%	1.20%	Monthly
UK	10:30	Retail Price Index (MoM) (May)	✓	0.30%	0.10%	Monthly
UK	10:30	ONS House Price Index (YoY) (Apr)	✓	-	9.00%	Monthly
UK	10:30	Retail Price Index (YoY) (May)	✓	1.50%	1.30%	Monthly
Eurozone	11:00	Employment Change (QoQ) (Q1)	✓✓	-	0.30%	Quarterly
Eurozone	11:00	Industrial Production s.a. (MoM) (Apr)	✓	0.80%	-0.80%	Monthly
US	12:00	NFIB Small Business Optimism (May)	✓	93.60	93.60	Monthly
US	14:30	Import Price Index (May)	✓	-	118.00	Monthly
US	14:30	Export Price Index (May)	✓	-	118.80	Monthly
Canada	14:30	Teranet/National Bank HPI (MoM) (May)	✓	-	1.20%	Monthly
US	14:30	Advance Retail Sales (MoM) (May)	✓✓✓	0.30%	1.30%	Monthly
US	14:30	Import Price Index (MoM) (May)	✓	0.70%	0.30%	Monthly
US	14:55	Redbook Index s.a. (MoM) (10-May)	✓	-	-1.00%	Weekly
US	16:00	Business Inventories (Apr)	✓	0.20%	0.40%	Monthly
Eurozone	18:00	ECB Board Member Mersch Speaks in Sopot, Poland	✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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