

ONE Minute Brief

28 June 2016

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Economic and Political News

Several opposition parties stated that the ZAR7.8mn that President Jacob Zuma needs to repay for his Nkandla upgrades was far too little.

MP James Selfe announced that the Democratic Alliance will table a bill in the Parliament which will enable Electoral Commission of South Africa (IEC) to ensure free and fair elections.

South African Reward Association has commented that the state-owned power utility, Eskom's executives' decision to pay themselves a bonus of ZAR6.00mn is contentious and should be declined.

South African Broadcasting Corporation's (SABC) CEO, Jimi Matthews resigned from his position, citing that the recent changes at the broadcaster are wrong and his values were compromised under the current leadership.

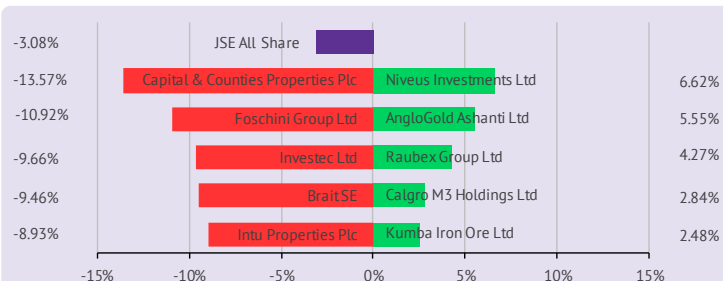
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	50086.68	▼	-1592.98	-3.08%	-3.08%	-7.08%	1.79%	-1.20%
JSE Top 40	44142.75	▼	-1427.64	-3.13%	-3.13%	-7.99%	3.23%	-3.61%
FTSE 100	5982.20	▼	-156.49	-2.55%	-2.55%	-3.99%	-0.18%	-4.17%
DAX 30	9268.66	▼	-288.50	-3.02%	-3.02%	-9.69%	2.23%	-13.72%
CAC 40	3984.72	▼	-122.01	-2.97%	-2.97%	-11.56%	1.73%	-14.07%
S&P 500	2000.54	▼	-36.87	-1.81%	-1.81%	-4.60%	1.53%	-2.12%
Nasdaq Composite	4594.44	▼	-113.54	-2.41%	-2.41%	-7.15%	3.62%	-8.25%
DJIA	17140.24	▼	-260.51	-1.50%	-1.50%	-3.64%	0.08%	-1.63%

South Africa Market ▼

South African markets closed lower

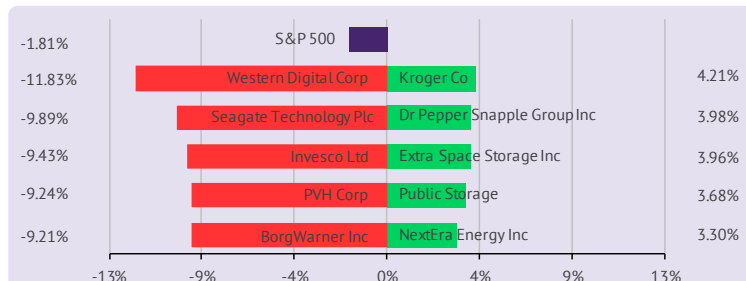
South African markets closed in the red yesterday, weighed down by losses in financial and banking sector stocks. The JSE All Share Index fell 3.1% to close at 50,086.68.



US Market ▼

The S&P 500 futures are trading in the green

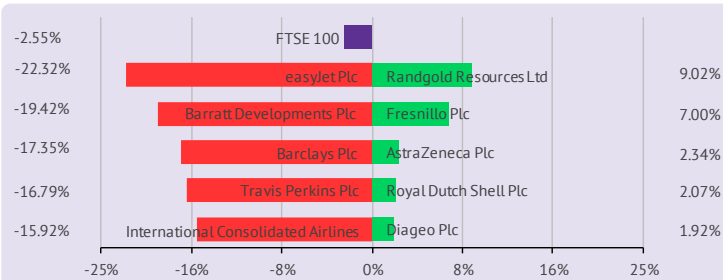
US markets closed lower yesterday, amid losses in material sector stocks. Data indicated that the advance goods trade deficit expanded more-than-expected in May. The S&P 500 Index dropped 1.8% to close at 2,000.54.



UK Market ▼

The FTSE 100 futures are trading in positive territory

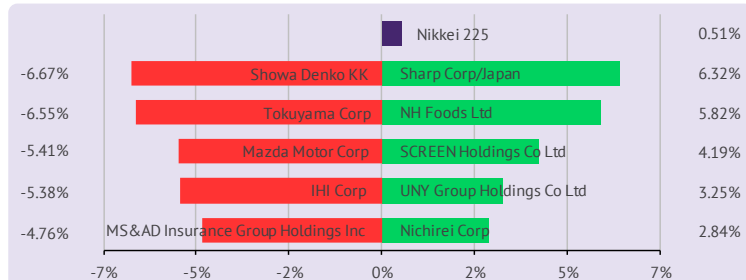
UK markets finished lower yesterday, extending losses from previous sessions as Britain's unexpected decision to leave the EU continued to weigh on markets. The FTSE 100 Index declined 2.6% to close at 5,982.20.



Asian Market ◀▶

Trading mixed

Asian markets are trading mixed this morning. The Nikkei 225 Index is trading 0.5% higher at 15,387.75.



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USDZAR ▼

USD trading weaker against ZAR

At 06:00 SAST, the US Dollar is trading 1.4% weaker against the South African Rand at R15.2515. Later today, traders will keep a close watch on US gross domestic product data and consumer confidence index for further direction. Additionally, South Africa's non-farm payrolls will be on investors' radar.

The US Dollar rose against the South African Rand yesterday. Data released indicated that service sector PMI in the US remained steady in June. Meanwhile, goods trade deficit in the nation was wider-than-expected in May.

GBPZAR ▼

GBP trading lower against ZAR

At 06:00 SAST, the British Pound is trading 0.6% weaker against the South African Rand at R20.3320. Later today, traders will keep an eye on UK CBI distributive trades survey for further cues.

The British Pound declined against the South African Rand yesterday, after uncertainty arising from the Brexit decision kept the Pound under pressure. Meanwhile, British finance minister George Osborne assured that UK's economy was in good shape and that the BoE and the government would take the necessary steps.

EURZAR ▼

EUR trading weaker against ZAR

At 06:00 SAST, the Euro is trading 0.8% lower against the South African Rand at R16.9046. Going forward, market participants will keep a tab on ECB President, Mario Draghi's speech scheduled in a few hours.

The Euro strengthened against the South African Rand yesterday. Data indicated that Eurozone's private loans climbed on an annual basis in May.

AUDZAR ▼

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.3% weaker against the South African Rand at R11.2785. With no economic releases in Australia today, investor focus will be on global macroeconomic news.

The Australian Dollar rose against the South African Rand yesterday, extending previous session gains.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	15.2515	▼	2.56%	2.56%	-1.53%	10.36%	-0.03%
GBPZAR	20.3320	▼	-0.80%	-0.80%	-10.12%	9.38%	-10.32%
EURZAR	16.9046	▼	1.88%	1.88%	-2.52%	7.28%	1.43%
AUDZAR	11.2785	▼	0.38%	0.38%	-0.46%	4.99%	-0.45%
EURUSD	1.1054	▲	-0.83%	-0.83%	-0.96%	-2.78%	1.46%
GBPUSD	1.3306	▲	-3.32%	-3.32%	-8.69%	-0.85%	-10.29%
Brent (\$/barrel)	47.8	▲	-2.58%	-2.58%	-5.47%	3.66%	26.50%
Gold (\$/oz)	1320.6	▼	0.19%	0.19%	8.87%	-5.87%	24.74%
Platinum (\$/oz)	981.7	▲	-0.80%	-0.80%	-0.12%	-9.09%	9.81%
Copper (\$/MT)*	4698.5	▲	0.18%	0.18%	0.04%	-7.25%	-0.15%

*As of Previous Close

Gold ▼

Trading in the red

At 06:00 SAST, gold prices retreated 0.1% to trade at \$1,320.60/oz.

Yesterday, gold prices rose 0.2% to close at \$1,322.50/oz, amid a sharp decline in global equity markets as risk aversion remained high.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged 1.3% higher to trade at \$47.77/bl.

Yesterday, Brent crude oil dropped 2.6% to settle at \$47.16/bl, amid a stronger greenback and as investors preferred safe- haven assets amid uncertainty in global financial markets.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged 0.3% higher to trade at \$981.70/oz.

Yesterday, platinum prices declined 0.8% to close at \$979.20/oz.



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Major South Africa Corporate News

Clicks Group Limited

The company indicated that Mawer Investment Management Limited has purchased its ordinary shares and increased its total beneficial interest to 5.05% of the issued share capital.

Investec Limited

The firm announced that it has amended the expected settlement date for its offer to purchase preference shares issued by Investec Plc, from August 3, 2016 to August 2, 2016.

PPC Limited

The company stated that it has entered into a standby underwriting agreement in relation to its proposed rights offer of R4.00bn. It appointed a syndicate of banks comprising of the Standard Bank of South Africa Limited, Nedbank Limited, Absa Bank Limited and Rand Merchant Bank, to lead its proposed rights offer process. Also, the Standard Bank of South Africa Limited has been appointed as Sole Global Coordinator.

Major Global Economic News

US

In June, the flash Markit services PMI in the US remained unchanged at a level of 51.30, compared to market expectations of an advance to 51.90.

In the US, the Dallas Fed manufacturing business index rose to a level of -18.30 in June, compared to market expectations of an advance to -15.00. In the previous month, the index had registered a level of -20.80.

Eurozone

In the Eurozone, private sector loans rose 1.6% in May on an annual basis. Private sector loans had registered a rise of 1.5% in the prior month.

UK

Standard & Poor (S&P) reduced UK's credit rating by two steps to "AA" from "AAA", citing the risk of a less predictable, stable, and effective policy framework in the UK. Additionally, Fitch cut the nation's credit rank from "AA+" to "AA", in response to the Brexit vote.

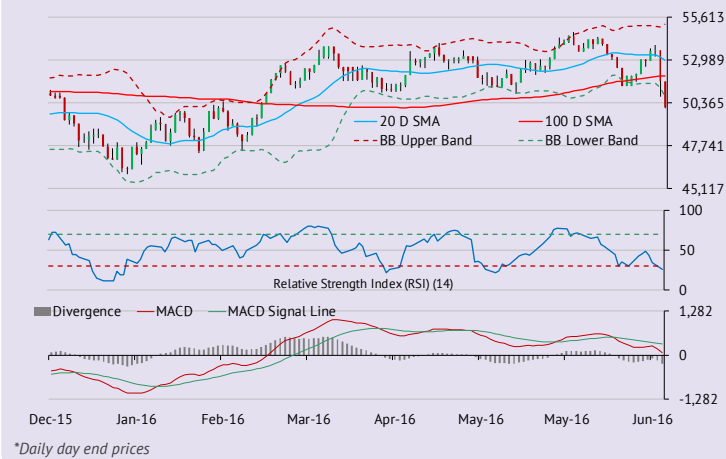
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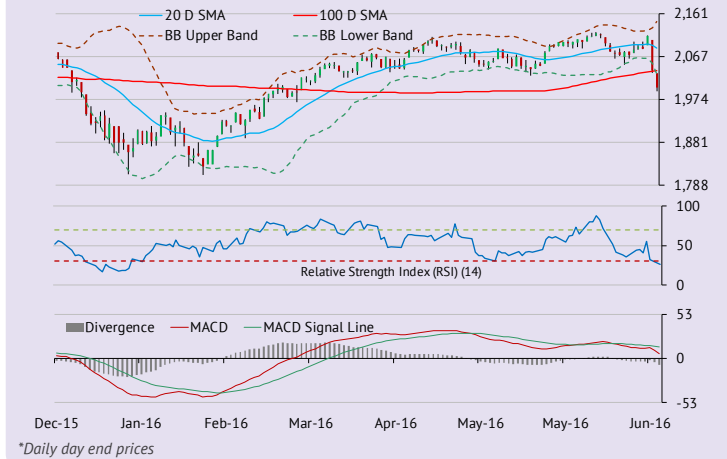
Technical Snapshot

JSE All Share



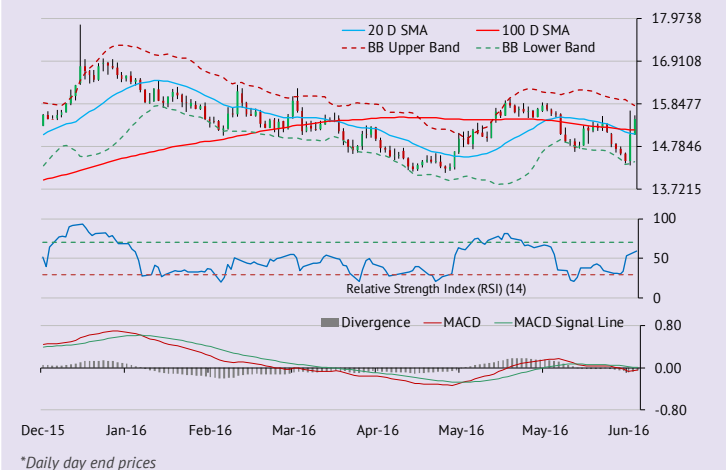
The JSE All Share index is expected to find support at 48,760.67, and a fall through could take it to the next support level of 47,434.67. The index is expected to find its first resistance at 52,669.99, and a rise through could take it to the next resistance level of 55,253.31.

S&P 500



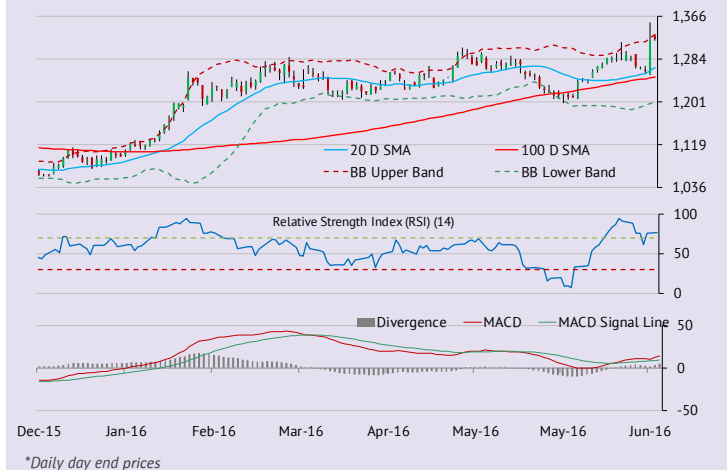
The S&P 500 index is expected to find support at 1,957.04, and a fall through could take it to the next support level of 1,913.54. The index is expected to find its first resistance at 2,078.68, and a rise through could take it to the next resistance level of 2,156.82.

USDZAR



The pair is expected to find support at 14.6208, and a fall through could take it to the next support level of 13.7738. The pair is expected to find its first resistance at 15.9984, and a rise through could take it to the next resistance level of 16.5290.

XAU/USD



Gold is expected to find support at \$1,265.60/oz, and a fall through could take it to the next support level of \$1,208.70/oz. The precious metal is expected to find its first resistance at \$1,367.50/oz, and a rise through could take it to the next resistance level of \$1,412.50/oz.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus	Previous/ **Previous Est.	Frequency
Germany	08:00	Import Price Index (MoM) (May)	✓	0.60%	-0.10%	Monthly
France	08:45	Consumer Confidence (Jun)	✓	-	98.00	Monthly
Spain	09:00	Retail Sales (YoY) (May)	✓	-	4.10%	Monthly
Eurozone	10:00	ECB President Draghi Speaks in Sintra, Portugal	✓	-	-	As scheduled
Eurozone	10:00	EU Parliament to Vote on Resolution on U.K. Referendum	✓	-	-	As scheduled
Italy	10:00	Consumer Confidence (Jun)	✓	112.50	112.70	Monthly
Eurozone	10:30	ECB Executive Board Member Coeure Chairs Panel in Sintra	✓	-	-	As scheduled
South Africa	11:30	Non-farm payrolls (QoQ)	✓✓✓	-	0.50%	Quarterly
UK	12:00	CBI Distributive Trades Survey - Realised (Jun)	✓	-	7.00%	Monthly
Eurozone	13:00	ECB Board Member Praet Chairs Panel in Sintra	✓	-	-	As scheduled
US	14:30	Gross Domestic Product Annualised (QoQ) (Q1) (F)	✓✓✓	1.00%	0.80%**	Quarterly
US	14:30	Gross Domestic Purchases Price Index (Q1) (F)	✓✓✓	0.60%	0.60%**	Quarterly
US	14:30	Personal Consumption (QoQ) (Q1) (F)	✓✓	2.00%	1.90%**	Quarterly
US	14:55	Redbook Index s.a. (MoM) (24-Jun)	✓	-	-0.90%	Weekly
US	16:00	Richmond Fed Manufacturing Index (Jun)	✓	3.00	-1.00	Monthly
US	16:00	Consumer Confidence Index (Jun)	✓✓✓	93.50	92.60	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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