

ONE Minute Brief

19 August 2016

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Economic and Political News

The African National Congress (ANC) announced that it was unfazed by the cooperation agreements between the DA and EFF, as a result of which the ruling party lost at least three metros and a number of key municipalities.

The African Independent Congress (AIC) revealed that it has signed a coalition agreement with the ANC in Ekurhuleni to help the ruling party retain at least one metro in Gauteng.

The Nelson Mandela Bay Business Chamber announced that electricity consumers would potentially have to pay a 3.5% hike in electricity tariffs rather than the 8.0% Eskom tariff hike approved by the National Energy Regulator of South Africa.

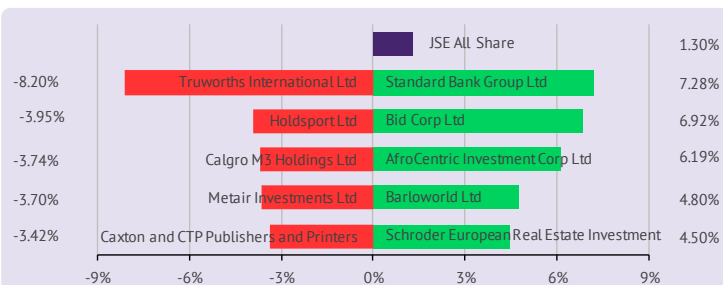
Presidency announced that Government is presently in the process of determining the quantum and will make an offer for payments in full settlement of claims resulting from the Marikana national tragedy of August 16, 2012.

Athol Trollip, a mayor from the Democratic Alliance took office at the Nelson Mandela Bay metro, unseating the ANC.

South Africa Market ▲

South African markets closed higher

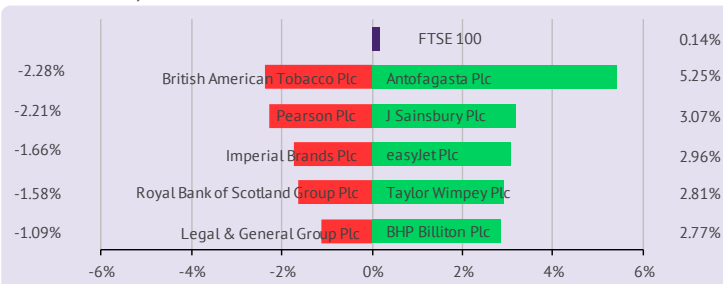
South African markets closed in the green yesterday, amid gains in banking sector stocks. The JSE All Share Index rose 1.3% to close at 52,989.66.



UK Market ▲

The FTSE 100 futures are trading in negative territory

UK markets finished higher yesterday, led by gains in mining sector stocks. Data indicated that UK's retail sales rebounded more-than-expected on a monthly basis in July. The FTSE 100 Index advanced 0.1% to close at 6,868.96.



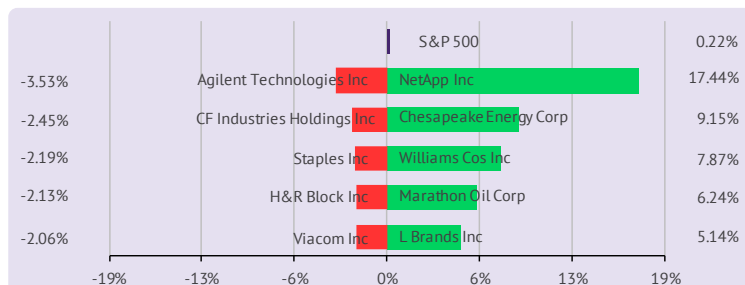
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	52989.66	▲	679.96	1.30%	0.35%	0.36%	1.11%	4.53%
JSE Top 40	46063.63	▲	676.85	1.49%	0.79%	0.32%	-0.13%	0.58%
FTSE 100	6868.96	▲	9.81	0.14%	-0.68%	2.15%	3.38%	10.04%
DAX 30	10603.03	▲	65.36	0.62%	-1.03%	2.57%	6.79%	-1.30%
CAC 40	4437.06	▲	19.38	0.44%	-1.40%	-0.06%	4.77%	-4.31%
S&P 500	2187.02	▲	4.80	0.22%	0.14%	0.62%	3.56%	7.00%
Nasdaq Composite	5240.15	▲	11.49	0.22%	0.14%	1.51%	6.60%	4.65%
DJIA	18597.70	▲	23.76	0.13%	0.11%	0.90%	2.80%	6.73%

US Market ▲

The S&P 500 futures are trading in the red

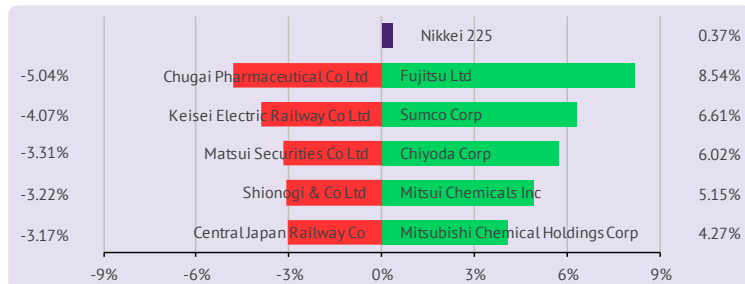
US markets closed higher yesterday, supported by gains in energy sector stocks following a rise in oil prices. Data revealed that initial jobless claims in the US declined during the last week. The S&P 500 Index climbed 0.2% to close at 2,187.02.



Asian Market ▼

Trading mostly lower

Asian markets are trading mostly lower this morning. The Nikkei 225 Index is trading 0.4% higher at 16,547.49.



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USDZAR ▲

USD trading firmer against ZAR

At 06:00 SAST, the US Dollar is trading 0.4% firmer against the South African Rand at R13.4222. With no major economic news in the US today, investor sentiment will be determined by global macro-economic news.

The US Dollar fell against the South African Rand yesterday. Separately, data revealed that the number of people filing for unemployment benefits in the US declined more-than-expected last week. Moreover, the nation's leading indicator advanced higher than market expectations in July.

GBPZAR ▲

GBP trading higher against ZAR

At 06:00 SAST, the British Pound is trading 0.2% higher against the South African Rand at R17.6380. Later today, traders will keep an eye on UK's public sector net borrowing for further direction.

The British Pound advanced against the South African Rand yesterday, after data indicated that UK's retail sales advanced higher than market expectations in July from June, as shoppers shrugged off uncertainty following the Brexit vote.

EURZAR ▲

EUR trading stronger against ZAR

At 06:00 SAST, the Euro gained 0.2% against the South African Rand to trade at R15.2107. Going forward, market participants will keep a tab on Germany's producer price index for July, scheduled today.

The Euro strengthened against the South African Rand yesterday, after data revealed that Eurozone's final consumer prices advanced as expected, hitting an eight-month high in July. On the other hand, the region's construction output remained flat on a monthly basis in June. Moreover, current account surplus narrowed in June from May. Separately, ECB's minutes from its July meeting revealed that policy makers acknowledged the fact that Brexit created fresh headwinds for the Eurozone and the world economy. However, they felt that it was too premature to discuss new policy measures.

AUDZAR ▼

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.4% lower against the South African Rand at R10.2411.

The Australian Dollar rose against the South African Rand yesterday. Data indicated that Australia's unemployment rate fell in July, while the total number of jobs rose more-than-expected in the same month.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.4222	▲	-0.05%	-0.75%	-3.63%	-5.76%	-13.56%
GBPZAR	17.6380	▲	0.90%	1.14%	-4.06%	-6.41%	-22.76%
EURZAR	15.2107	▲	0.52%	1.01%	-2.11%	-5.05%	-9.65%
AUDZAR	10.2411	▼	0.36%	-0.29%	-2.66%	-3.73%	-9.51%
EURUSD	1.1331	▼	0.58%	1.72%	1.61%	0.61%	4.49%
GBPUSD	1.3140	▼	0.97%	1.92%	-0.47%	-0.61%	-10.68%
Brent (\$/barrel)	50.9	=	2.09%	8.35%	16.91%	-12.43%	36.51%
Gold (\$/oz)	1351.8	▲	0.63%	1.15%	0.16%	2.15%	27.45%
Platinum (\$/oz)	1126.6	▼	1.66%	0.35%	-1.51%	12.64%	27.08%
Copper (\$/MT)*	4793.0	▲	0.71%	0.93%	-2.49%	1.55%	1.85%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged marginally higher to trade at \$1,351.80/oz.

Yesterday, gold prices rose 0.6% to close at \$1,351.20/oz, amid weakness in the US Dollar as the minutes of the last US Fed meeting minutes showed that officials were split on when to raise interest rates.

Brent Crude Oil ◀▶

Trading flat

At 06:00 SAST, Brent crude oil edged marginally lower to trade at \$50.89/bl.

Yesterday, Brent crude oil advanced 2.1% to settle at \$50.89/bl, extending gains from previous sessions following a decline in US crude oil inventories.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged 0.6% lower to trade at \$1,126.60/oz.

Yesterday, platinum prices climbed 1.7% to close at \$1133.20/oz.



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Major South Africa Corporate News

Brimstone Investment Corporation Limited

In its trading statement for 1H16, the company stated that it expects headline EPS to be between 10.45c to 12.54c, compared with a headline loss of 213.20c/share reported for the corresponding period of the preceding year. It anticipates EPS to be between 11.09c and 13.30c, compared with a loss of 204.70c/share posted in the same period of the prior year.

Gold Fields Limited

In its 1H16 results, the company stated that its revenue increased to USD1.30bn from USD1.27bn posted in the corresponding period of the previous year. Gold production rose 0.8% from the same period of the prior year to 1,044.00k oz. Its diluted headline EPS rose to 15.00c, compared with 1.00c recorded in the similar period of the preceding year. For FY16, the company expects gold production to increase between 2.10mn oz to 2.15mn oz.

Metair Investments Limited

In its 1H16 results, the company reported that its revenue advanced 13.8% from the same period of the preceding year to R4.03bn. Its headline diluted EPS stood at 54.00c, compared with 110.00c recorded in the corresponding period of the previous year. Profit before taxation fell to R172.50mn, from R326.61mn posted in the similar period of the prior year.

Murray & Roberts Holdings Limited

In its trading statement for FY16, the company indicated that it anticipates diluted headline EPS from continuing and discontinuing operations to be between 148.00c and 158.00c, from 207.00c recorded in the preceding year.

Standard Bank Group Limited

In its 1H16 results, the company reported that its net interest income advanced 18.4% from the same period of the preceding year to R27.78bn, on the back of stronger margins. Its diluted headline EPS stood at 668.10c, compared with 815.00c recorded in the corresponding period of the previous year. Net income before direct taxation rose to R17.78bn, from R16.04bn posted in the similar period of the prior year.

Truworths International Limited

In its FY16 results, the company indicated that its revenue increased to R17.02bn from R11.29bn posted in the previous year, with cash sales growth of 129.7% and credit sales growth of 11.0%. Its fully diluted headline EPS rose 12.5% from the prior year to 665.90c. Its profit before tax rose to R3.95bn, from R3.44bn recorded in the preceding year.

Major Global Economic News

Eurozone

The European Central Bank's (ECB) minutes from its July meeting revealed that policy makers acknowledged the fact that Britain's vote to leave the European Union created fresh headwinds for the Eurozone and the world economy. However, they felt that it was too premature to discuss new policy measures until the extent of the impact from the Brexit vote became clearer.

The final consumer price index (CPI) in the Eurozone rose 0.2% in July on an annual basis, compared to an advance of 0.1% in the previous month. Markets were expecting the CPI to rise 0.2% and the preliminary figures had indicated an advance of 0.1%.

In June, the seasonally adjusted construction output remained flat on a monthly basis, in the Eurozone. In the previous month, construction output had recorded a revised unchanged reading.

The seasonally adjusted current account surplus in the Eurozone fell to EUR28.20bn in June, compared to a revised surplus of EUR31.80bn in the prior month.

UK

In July, on a monthly basis, retail sales rose 1.4% in the UK, compared to a fall of 0.9% in the previous month. Markets were anticipating retail sales to rise 0.1%.

US

In the US, the seasonally adjusted initial jobless claims registered a drop to 262.00K, in the week ended August 13, 2016, lower than market expectations of a fall to a level of 265.00K. Initial jobless claims had registered a reading of 266.00K in the prior week.

In July, CB leading indicator in the US rose 0.4% on a monthly basis, higher than market expectations for an advance of 0.3%. In the prior month, leading indicator had registered a rise of 0.3%.

In August, Philadelphia Fed manufacturing index advanced to 2.00 in the US, in line with market expectations. Philadelphia Fed manufacturing index had registered a level of -2.90 in the previous month.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	06:30	All Industry Activity Index (MoM) (Jun)	✓✓	1.00%*	-1.00%	Monthly
Japan	07:30	Nationwide Department Store Sales (YoY) (Jul)	✓	-	-3.50%	Monthly
Japan	07:30	Tokyo Department Store Sales (YoY) (Jul)	✓	-	-3.20%	Monthly
Germany	08:00	Producer Price Index (MoM) (Jul)	✓✓	0.10%	0.40%	Monthly
Germany	08:00	Producer Price Index (YoY) (Jul)	✓✓	-2.10%	-2.20%	Monthly
Spain	10:00	Trade Balance (Jun)	✓	-	-EUR0.94bn	Monthly
UK	10:30	Public Sector Net Cash Requirement (Jul)	✓✓	-	GBP14.86bn	Monthly
UK	10:30	PSNB ex Interventions (Jul)	✓	-GBP1.90bn	GBP7.80bn	Monthly
UK	10:30	Public Sector Net Borrowing (Jul)	✓✓	-GBP2.20bn	GBP7.30bn	Monthly
Canada	14:30	Retail Sales (MoM) (Jun)	✓✓	0.50%	0.20%	Monthly
Canada	14:30	Bank of Canada Consumer Price Index Core (MoM) (Jul)	✓✓	0.00%	0.00%	Monthly
Canada	14:30	Consumer Price Index (YoY) (Jul)	✓✓✓	1.40%	1.50%	Monthly
Canada	14:30	Consumer Price Index s.a. (MoM) (Jul)	✓✓	0.20%	0.20%	Monthly
Canada	14:30	Consumer Price Index (MoM) (Jul)	✓✓	0.00%	0.20%	Monthly
Greece	-	Current Account (Jun)	✓	-	-EUR0.41bn	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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