

ONE Minute Brief

1 August 2016

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Economic and Political News

South Africa swung to a budget surplus of ZAR23.87bn in June from a deficit of ZAR22.84bn in May. The nation's trade surplus stood at ZAR12.50bn in June, following a revised ZAR18.40bn in the prior month.

In June, the private sector credit in South Africa advanced 7.3% on a yearly basis, higher than market expectations for a rise of 7.1%. In the prior month, the private sector credit had advanced 6.6%.

The Energy department announced that petrol price in South Africa will fall by 99c a litre for petrol and by 74c a litre on diesel on August 3.

SARB's Governor, Lesetja Kganyago stated that future interest rate decisions will be taken keeping in mind the nation's low economic growth.

South Africa's Financial Services Board indicated that it will investigate a programming error that caused JSE Limited to publish incorrect data about the trading of equities by non-residents.

Finance Minister, Pravin Gordhan mentioned that South Africa's domestic and global growth outlooks remained bleak.

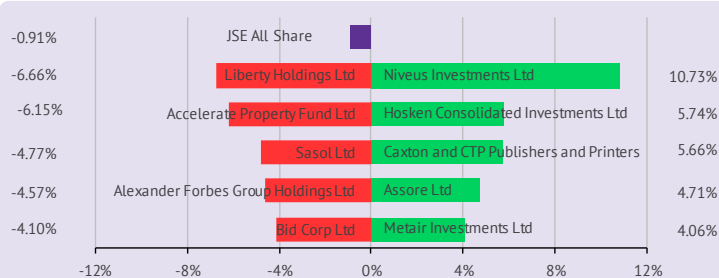
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	52797.58	▼	-484.58	-0.91%	NA	1.11%	4.15%
JSE Top 40	45916.48	▼	-473.52	-1.02%	NA	-0.13%	0.26%
FTSE 100	6724.43	▲	3.37	0.05%	NA	3.38%	7.72%
DAX 30	10337.50	▲	62.57	0.61%	NA	6.79%	-3.77%
CAC 40	4439.81	▲	19.23	0.44%	NA	4.77%	-4.25%
S&P 500	2173.60	▲	3.54	0.16%	NA	3.56%	6.34%
Nasdaq Composite	5162.13	▲	7.15	0.14%	NA	6.60%	3.09%
DJIA	18432.24	▼	-24.11	-0.13%	NA	2.80%	5.78%

South Africa Market ▼

South African markets closed lower

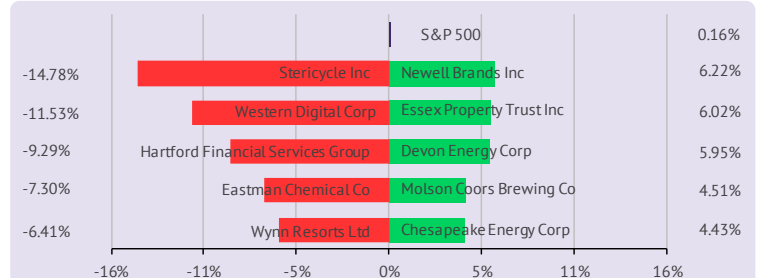
South African markets closed in the red on Friday, amid losses in resources sector stocks. Data indicated that South Africa posted a budget surplus in June. The JSE All Share Index fell 0.9% to close at 52,797.58.



US Market ▲

The S&P 500 futures are trading in the green

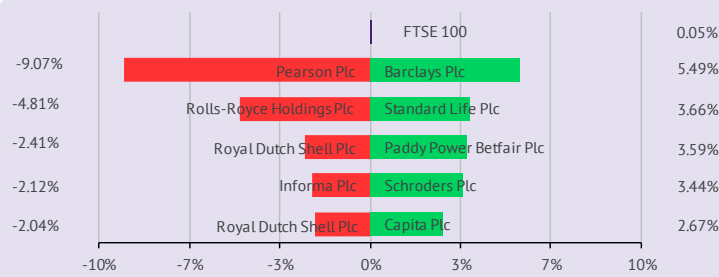
US markets closed mostly higher on Friday, supported by gains in telecommunication sector stocks. Data indicated that annualized GDP in the US advanced less-than market expectations in 2Q16. The S&P 500 Index climbed 0.2% to close at 2,173.60.



UK Market ▲

The FTSE 100 futures are trading in positive territory

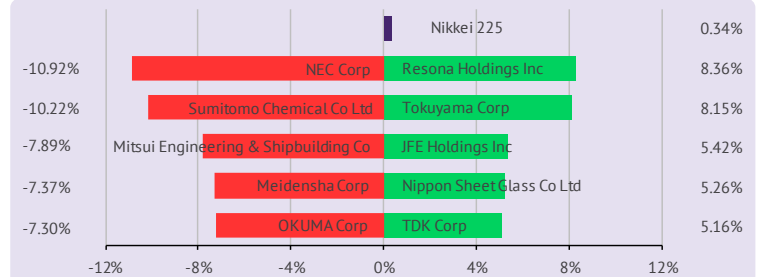
UK markets finished higher on Friday, reversing losses from previous sessions. Data revealed that UK's net consumer credit advanced more-than-expected in June. The FTSE 100 Index advanced 0.1% to close at 6,724.43.



Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning as downbeat US GDP data increased speculation that the Fed would delay its rate hike. Meanwhile, China's official manufacturing PMI entered contraction territory in July. The Nikkei 225 Index is trading 0.3% up, at 16,625.82.



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USDZAR ◀▶

USD trading flat against ZAR

At 06:00 SAST, the US Dollar is trading marginally lower against the South African Rand at R13.8787. Later today, traders will keep a close watch on US Markit manufacturing and ISM manufacturing PMI's along with construction spending for further direction. Additionally, South Africa's Barclays manufacturing PMI will be on investors' radar.

The US Dollar fell against the South African Rand on Friday, after data indicated that the annualized US GDP grew less-than-expected in the second quarter of 2016. Moreover, personal consumption rose less than estimated during the same period. Further, the final reading on Reuters/Michigan consumer sentiment index eased in July. Elsewhere, South Africa reported a budget surplus in June. Further, trade surplus narrowed in the same month. Additionally, the nation's private sector credit advanced on an annual basis in June.

GBPZAR ▲

GBP trading higher against ZAR

At 06:00 SAST, the British Pound advanced 0.3% against the South African Rand to trade at R18.4030. Later today, traders will keep an eye on UK's Markit manufacturing PMI for further cues.

The British Pound declined against the South African Rand on Friday. Separately, UK's mortgage approvals eased to its lowest level in more than a year in June. Moreover, consumer credit grew more-than-expected in June.

EURZAR ▼

EUR trading weaker against ZAR

At 06:00 SAST, the Euro declined marginally against the South African Rand to trade at R15.5104. Going forward, market participants will keep a tab on Markit's survey for manufacturing PMI across the Eurozone scheduled today.

The Euro weakened against the South African Rand on Friday, after data revealed that Eurozone's economic growth slowed in the second quarter of 2016, amid uncertainty surrounding the Brexit vote. Moreover, the region's consumer price inflation hit an eight month high in July. Separately, Germany's retail sales dropped on a monthly basis in June.

AUDZAR ▼

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar fell 0.1% against the South African Rand to trade at R10.5548. Earlier in the session, Australia's performance of manufacturing index expanded in July. Elsewhere, in China, Australia's largest trading partner, manufacturing PMI slipped into the contraction territory in July.

The Australian Dollar fell against the South African Rand on Friday. Data indicated that Australia's private sector credit rose on a monthly basis in May.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.8787	=	-1.89%	NA	NA	-5.76%	-10.30%
GBPZAR	18.4030	▲	-1.42%	NA	NA	-6.41%	-19.49%
EURZAR	15.5104	▼	-1.00%	NA	NA	-5.05%	-7.70%
AUDZAR	10.5548	▼	-0.51%	NA	NA	-3.73%	-7.04%
EURUSD	1.1177	▲	0.88%	NA	NA	0.61%	2.83%
GBPUSD	1.3254	▲	0.50%	NA	NA	-0.61%	-10.26%
Brent (\$/barrel)	43.7	▲	1.94%	NA	NA	-12.43%	16.77%
Gold (\$/oz)	1356.6	▲	1.25%	NA	NA	2.15%	27.24%
Platinum (\$/oz)	1156.9	▲	1.03%	NA	NA	12.64%	29.03%
Copper (\$/MT)*	4915.3	▲	0.62%	NA	NA	1.55%	4.45%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.6% higher to trade at \$1,356.60/oz.

On Friday, gold prices rose 1.3% to close at \$1,349.00/oz, amid weakness in the greenback following release of downbeat US GDP data.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged 0.4% higher to trade at \$43.69/bl.

On Friday, Brent crude oil advanced 1.9% to settle at \$43.53/bl, despite Baker Hughes reporting that US oil rig count rose by 3 to 374 last week.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices advanced 0.5% to trade at \$1,156.90/oz.

On Friday, platinum prices climbed 1.0% to close at \$1150.60/oz.



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Major South Africa Corporate News

ArcelorMittal South Africa Limited

In its 1H16 results, the company stated that its revenue increased to R17.01bn from R16.44bn posted in the corresponding period of the previous year, following a 10.0% rise in sales volumes. Its headline diluted loss rose 66.67% from the same period of the prior year to 45.00c/share, primarily due to lower steel prices.

Assore Limited

The company announced that the applicable conditions precedent to its acquisition of African Rainbow Minerals Limited's 50.0% indirect interest in the Dwarsrivier Chrome Mine, held through Assmang Proprietary Limited, have been fulfilled. The transaction was completed and purchase consideration paid was ZAR450.00mn. Additionally, the company refunded Assmang an amount of approximately ZAR55.00mn for additional funding advanced to Dwarsrivier's operations by Assmang between July 01, 2014 and June 30, 2016.

Barclays Africa Group Limited

In its 1H16 results, the company revealed that its net interest income advanced 14.2% from the same period of the preceding year to R21.09bn. Its diluted headline EPS stood at 856.70c, compared with 1,686.20c recorded in the corresponding period of the previous year. For FY16, the company expects low to mid-single digit loan growth, with Corporate and Investment Banking growing faster than Retail and Business Banking.

Liberty Holdings Limited

In its 1H16 results, the company indicated that its total revenue rose to R37.74bn following R35.80bn posted in the corresponding period of the previous year. However, its fully diluted headline EPS decreased 8.1% from the same period of the prior year to 647.60c. The firm expects operating conditions are expected to remain tough and the ongoing pressure on consumer disposable income to continue in the short term.

SABMiller Plc

The company indicated that the board unanimously recommended Anheuser-Busch InBev SA/NV's improved takeover offer and intends to recommend that the shareholders vote in favour of the UK Scheme at the UK Scheme Court Meeting and in favour of the SABMiller Resolutions to be proposed at the SABMiller General Meeting. The Board also concluded that it intends to propose to the UK Court that Altria and BEVCO be treated as a separate class of shareholders and thus allow other SABMiller shareholders to vote on the revised offer separately.

Major Global Economic News

Eurozone

The seasonally adjusted preliminary GDP advanced 0.3% in the Eurozone on a quarterly basis in 2Q16, meeting market expectations. In the prior quarter, GDP had advanced 0.6%.

In July, on an annual basis, the preliminary consumer price index rose 0.2% in the Eurozone. The CPI had risen 0.1% in the previous month.

In June, the unemployment rate remained unchanged at a level of 10.1% in the Eurozone. Market anticipation was for the unemployment rate to record a steady reading.

US

The preliminary annualized GDP recorded a rise of 1.2% in the US on a quarterly basis in 2Q16, compared to a rise of 1.1% in the previous quarter. Market anticipation was for the annualized GDP to climb 2.5%.

The flash personal consumption climbed 4.2% on a quarterly basis in 2Q16, in the US, lower than market expectations for an advance of 4.4%. Personal consumption had risen 1.5% in the previous quarter.

The final Reuters/Michigan consumer sentiment index in the US eased to 90.00, compared to a level of 93.50 in the prior month. Markets were expecting the index to fall to 90.20 and the preliminary figures had recorded an unchanged reading.

Asia

In July, the NBS manufacturing PMI in China dropped unexpectedly to a level of 49.90, compared to market expectations of an unchanged reading. The PMI had registered a reading of 50.00 in the previous month.

In China, the NBS non-manufacturing PMI registered a rise to 53.90 in July. The PMI had recorded a level of 53.70 in the prior month.

The AIG performance of manufacturing index in Australia registered a rise to 56.40 in July. In the previous month, the index had recorded a level of 51.80.

UK

In June, net consumer credit rose GBP1.80bn in the UK, higher than market expectations for an advance of GBP1.40bn. Net consumer credit had recorded a revised rise of GBP1.60bn in the previous month.

Number of mortgage approvals for house purchases in the UK fell to a level of 64.80K in June, compared to a revised level of 66.70K in the prior month. Market anticipation was for number of mortgage approvals for house purchases to drop to a level of 65.50K.

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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	63	2.91%	NA	301.35%
Kumba Iron Ore Ltd	136	7.98%	NA	228.91%
Assore Ltd	185	4.33%	NA	197.86%
AngloGold Ashanti Ltd	303	-0.27%	NA	185.27%
Sibanye Gold Ltd	64	3.33%	NA	180.96%
Impala Platinum Holdings Ltd	61	17.87%	NA	143.61%
Anglo American Platinum Ltd	440	13.06%	NA	137.40%
Lonmin Plc	43	6.62%	NA	136.78%
Pan African Resources Plc	4	-1.24%	NA	128.00%
African Rainbow Minerals Ltd	99	2.56%	NA	127.13%
Anglo American Plc	153	6.04%	NA	121.79%
Gold Fields Ltd	86	2.33%	NA	103.15%
Royal Bafokeng Platinum Ltd	52	5.26%	NA	95.12%
Northam Platinum Ltd	51	9.06%	NA	94.69%
Exxaro Resources Ltd	83	-3.99%	NA	88.47%
Bidvest Group Ltd	160	2.95%	NA	79.38%
Murray & Roberts Holdings Ltd	13	2.87%	NA	61.13%
African Oxygen Ltd	20	0.00%	NA	53.85%
Blue Label Telecoms Ltd	19	0.11%	NA	52.35%
Massmart Holdings Ltd	145	0.84%	NA	45.01%
Niveus Investments Ltd	29	11.50%	NA	44.95%
Shoprite Holdings Ltd	203	1.91%	NA	41.91%
Clicks Group Ltd	124	0.21%	NA	39.62%
Coronation Fund Managers Ltd	74	3.73%	NA	39.45%
Imperial Holdings Ltd	166	2.18%	NA	38.86%
JSE Ltd	170	-4.01%	NA	33.66%
Barloworld Ltd	82	5.78%	NA	32.92%
Invicta Holdings Ltd	59	5.00%	NA	30.82%
Hyprop Investments Ltd	135	-3.28%	NA	30.55%
Tongaat Hulett Ltd	119	1.26%	NA	28.36%
Cashbuild Ltd	377	4.18%	NA	25.67%
Omnia Holdings Ltd	165	2.85%	NA	23.86%
Redefine Properties Ltd	12	4.26%	NA	23.61%
Tiger Brands Ltd	390	-0.98%	NA	23.20%
Santam Ltd	233	2.52%	NA	22.96%
Foschini Group Ltd	149	3.12%	NA	22.35%
Standard Bank Group Ltd	139	1.21%	NA	22.07%
SA Corporate Real Estate Fund Nominees Pty Ltd	6	4.10%	NA	21.52%
Aspen Pharmacare Holdings Ltd	375	-0.54%	NA	21.17%
Pick n Pay Stores Ltd	78	-0.29%	NA	20.40%
JSE All Share Index	52798	-0.39%	NA	4.15%

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
China	03:00	NBS Manufacturing PMI (Jul)	✓✓	49.90*	50.00	Monthly
China	03:00	NBS Non-manufacturing PMI (Jul)	✓	53.90*	53.70	Monthly
China	03:45	Caixin/Markit Manufacturing PMI (Jul)	✓✓	50.60*	48.60	Monthly
Japan	04:00	Nomura/ JMMA Manufacturing PMI (Jul) (F)	✓✓	49.30*	49.00**	Monthly
Germany	09:55	Markit Manufacturing PMI (Jul) (F)	✓✓	53.70	53.70**	Monthly
Eurozone	10:00	Markit Manufacturing PMI (Jul) (F)	✓✓✓	51.90	51.90**	Monthly
UK	10:30	Markit Manufacturing PMI (Jul) (F)	✓✓✓	49.10	49.10**	Monthly
South Africa	11:00	PMI Manufacturing (Jul)	✓	-	53.70	Monthly
US	15:45	Markit Manufacturing PMI (Jul) (F)	✓✓	52.90	52.90**	Monthly
US	16:00	ISM Inventories (Jul)	✓	-	48.50	Monthly
US	16:00	ISM New Orders (Jul)	✓	-	57.00	Monthly
US	16:00	ISM Imports (Jul)	✓	-	52.00	Monthly
US	16:00	ISM Export Orders (Jul)	✓	-	53.50	Monthly
US	16:00	ISM Employment (Jul)	✓	-	50.40	Monthly
US	16:00	Construction Spending (MoM) (Jun)	✓✓	0.50%	-0.80%	Monthly
US	16:00	ISM Manufacturing PMI (Jul)	✓✓	53.00	53.20	Monthly
US	16:00	ISM Prices Paid (Jul)	✓✓	61.00	60.50	Monthly
Japan	-	Japan Foreign Reserves (Jul)	✓	-	USD1265.40bn	Monthly
South Africa	-	Naamsa Vehicle Sales (YoY) (Jul)	✓	-	-10.60%	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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