

ONE Minute Brief

5 September 2016

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Economic and Political News

South African power utility, Eskom, in a statement, mentioned that it has increased the deadline for interested parties in the Eastern Cape province to comment on its plan to build nuclear plants, by 30 days.

The board members of South African Airways (SAA) have re-appointed Chairperson, Dudu Myeni, for another term. However, Democratic Alliance (DA) have criticised the decision and asked the board members to remove her from the post, as during her tenure the airline failed to publish two consecutive years of financial reports and registered losses of more than R4.00bn (\$276.00mn) in each year.

Telkom employees associated with the Communication Workers' Union (CWU) held another protest outside Luthuli House in Johannesburg, demanding an 11% wage increase, improvements to maternity leave and an end to an "apartheid era" wage gap.

South Africa's presidency has distanced itself from a statement by Mineral Resources Minister, Mosebenzi Zwane, that the government wanted an enquiry about why the big four banks, Nedbank, Absa, FNB and Standard Bank, cut ties with the Gupta's a few months ago.

South Africa Market ▲

South African markets closed higher

South African markets closed in the green on Friday, amid gains in platinum and banking sector stocks. The JSE All Share Index rose 1.7% to close at 53,500.07



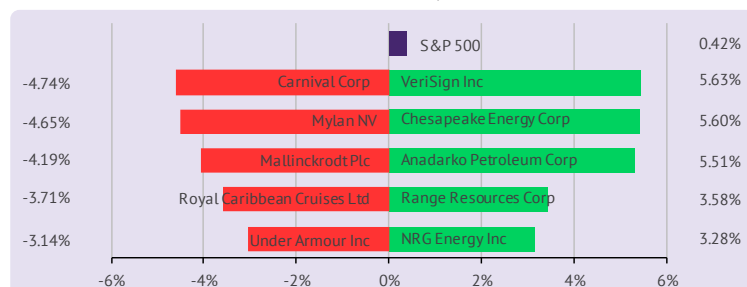
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	53500.07	▲	868.74	1.65%	NA	1.45%	-0.12%	5.54%
JSE Top 40	46972.62	▲	803.72	1.74%	NA	1.54%	0.75%	2.57%
FTSE 100	6894.60	▲	148.63	2.20%	NA	1.67%	0.85%	10.45%
DAX 30	10683.82	▲	149.51	1.42%	NA	0.86%	2.47%	-0.55%
CAC 40	4542.17	▲	102.50	2.31%	NA	2.34%	-0.04%	-2.05%
S&P 500	2179.98	▲	9.12	0.42%	NA	0.42%	-0.12%	6.66%
Nasdaq Composite	5249.90	▲	22.69	0.43%	NA	0.70%	0.99%	4.84%
DJIA	18491.96	▲	72.66	0.39%	NA	0.49%	-0.17%	6.12%

US Market ▲

The S&P 500 futures are trading in the green

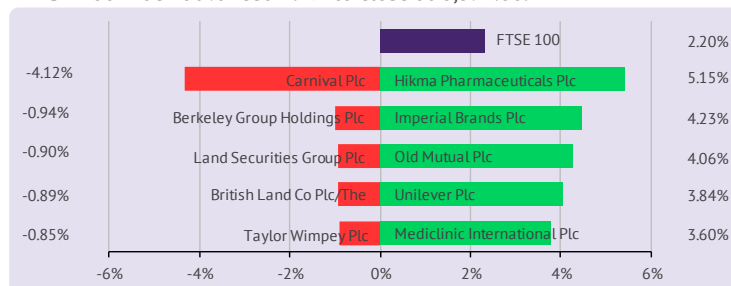
US markets closed higher on Friday, amid strength in utilities sector stocks. Data indicated that US nonfarm payrolls rose far less-than-anticipated in August while the unemployment rate stayed at 4.9%. The S&P 500 Index climbed 0.4% to close at 2,179.98.



UK Market ▲

The FTSE 100 futures are trading in positive territory

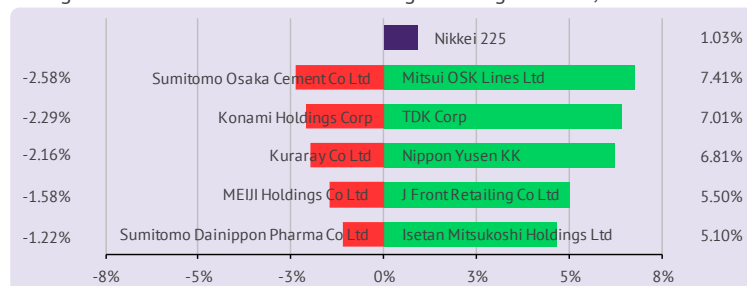
UK markets finished higher on Friday, boosted by a rally in oil and mining sector stocks. Data showed that UK's construction PMI recovered in August, but stayed below the 50 level, indicating contraction. The FTSE 100 Index advanced 2.2% to close at 6,894.60.



Asian Market ▲

Trading higher

Asian markets are trading higher this morning, after last week's disappointing US August employment report lowered chances of a near term Fed rate hike. Earlier today, Japan's services PMI contracted in August. The Nikkei 225 Index is trading 1.0% higher at 17,099.39.



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USDZAR ▼

USD trading weaker against ZAR

At 06:00 SAST, the US Dollar is trading 0.4% weaker against the South African Rand at R14.4289. Later today, traders will keep a close watch on South Africa's Standard Bank PMI for August to get further insights in the nation's economy.

The US Dollar fell against the South African Rand on Friday, after US nonfarm payrolls advanced less-than-expected in August after two straight months of robust gains, decreasing chances of an interest rate hike by the Fed this month. Meanwhile, the unemployment rate remained unchanged at 4.9% in the same month. Other data showed that US factory orders rebounded and notched its biggest gain in July since last October driven by a big jump in demand for commercial aircraft.

GBPZAR ▼

GBP trading lower against ZAR

At 06:00 SAST, the British Pound declined 0.3% against the South African Rand to trade at R19.2212. Moving ahead, UK's services PMI, set to release in few hours would be on investors' radar.

The British Pound declined against the South African Rand on Friday, after UK's construction sector activity stayed in the contraction territory in August. However, the sector is only in a light contraction mode, reversing most of the slump witnessed in the immediate aftermath of the Brexit vote.

EURZAR ▼

EUR trading on a weaker footing against ZAR

At 06:00 SAST, the Euro is trading 0.3% lower against the South African Rand at R16.1100. Going forward, market participants will keep a tab on the services PMI data across the Eurozone, scheduled in a few hours. Also, the region's retail sales and Sentix investor confidence data would also keep investors on their toes.

The Euro weakened against the South African Rand on Friday, after gain in Eurozone's producer prices declined steeply to just 0.1% on a monthly basis in July from 0.8% in June, suggesting that the European economy was still not out of woods yet as far as deflation worries are concerned.

AUDZAR ▼

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.2% lower against the South African Rand at R10.9559. Earlier in the session, data showed that Australia's TD Securities annual inflation gauge registered a rise in August. Elsewhere, in China, Australia's biggest trading partner, activity in services sector picked up in August, as new orders expanded modestly and employment stabilized.

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

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	14.4289	▼	-0.72%	NA	-1.62%	6.14%	-6.33%
GBPZAR	19.2212	▼	-0.50%	NA	-0.40%	5.43%	-15.46%
EURZAR	16.1100	▼	-1.20%	NA	-1.68%	5.96%	-3.85%
AUDZAR	10.9559	▼	-0.39%	NA	-0.88%	4.86%	-3.38%
EURUSD	1.1165	▲	-0.37%	NA	-0.02%	-0.14%	2.67%
GBPUSD	1.3310	▲	0.20%	NA	1.19%	-0.70%	-9.82%
Brent (\$/barrel)	46.5	▼	3.04%	NA	-0.13%	7.72%	25.62%
Gold (\$/oz)	1328.2	▲	0.73%	NA	1.17%	-3.05%	24.81%
Platinum (\$/oz)	1071.7	▲	1.27%	NA	0.83%	-8.44%	19.12%
Copper (\$/MT)*	4616.5	▼	-0.08%	NA	0.23%	-6.30%	-1.90%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.4% higher to trade at \$1,328.20/oz.

On Friday, gold prices rose 0.7% to close at \$1,323.20/oz, after weaker than expected US employment report diminished the possibility of an immediate rate hike from the Fed in September.

Brent Crude Oil ▼

Trading stronger

At 06:00 SAST, Brent crude oil edged 0.8% lower to trade at \$46.45/bl.

On Friday, Brent crude oil advanced 3.0% to settle at \$46.83/bl, after Russian President, Vladimir Putin, urged oil producing countries to cut production levels at a meeting later this month. Meanwhile, Baker Hughes showed that the US oil rig count rose by one to reach 407 for the week ended September 02.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices advanced 0.9% to trade at \$1,071.70/oz.

On Friday, platinum prices climbed 1.3% to close at \$1062.20/oz.



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Major South Africa Corporate News

Hyprop Investments Limited

In its FY16 results, the company, reported that its revenue increased to R3.08bn from R2.70bn posted in the previous year. Its diluted headline EPS rose 4.3% from the same period of the prior year to 567.30c. Its dividend per share advanced to 619.90c from 543.00c recorded in the preceding year. For FY17, the company expects dividend growth of approximately 10.0%.

Mr Price Group Limited

The company announced that since the release of its trading update on 31 August 2016, it has received a number of requests for one-on-one meetings with shareholders and investors seeking additional information. Thus, in order to ensure full, equal and timeous disclosure of information to all shareholders and investors, a conference call will be held at 17:00 on Tuesday, 13 September 2016.

Nedbank Group Limited

The company stated that its Managing Executive of Business Banking, Sandile Shabalala, has resigned with immediate effect. Ciko Thomas, the Group Managing Executive for Nedbank Retail and Business Banking, will assume direct leadership responsibility for Business Banking until a successor is appointed.

Major Global Economic News

US

Non-farm payrolls in the US rose by 151.00K in August, compared to a revised increase of 275.00K in the previous month. Market expectation was for non-farm payrolls to advance 180.00K.

In August, unemployment rate in the US remained unchanged at a level of 4.9%, higher than market expectations of a fall to 4.80%.

Trade deficit in the US narrowed to USD39.50bn in July, compared to market expectations of a trade deficit of USD41.40bn and following a revised trade deficit of USD44.70bn in the previous month.

In August, on a monthly basis, average hourly earnings of all employees in the US recorded a rise of 0.1%, compared to an advance of 0.3% in July. Market expectations were for it to rise 0.2%.

Factory orders recorded a rise of 1.9% in July, in the US, less than market expectations for an advance of 2.0%. It followed a revised drop of 1.80% in the previous month.

Eurozone

The producer price index (PPI) in the Eurozone advanced 0.1% in July on a MoM basis, meeting market expectations. In the previous month, it had advanced by a revised 0.8%.

The final gross domestic product (GDP) remained unchanged on a QoQ basis in 2Q16, in Italy, meeting market expectations. In the previous quarter, the GDP had advanced 0.3%.

Asia

In August, the AIG performance of services index in Australia dropped to 45.00. The AIG performance of services index had registered a reading of 53.90 in the prior month.

The Caixin/Markit services PMI index recorded a rise to 52.10 in August, in China. The Caixin/Markit services PMI index had registered a level of 51.70 in the prior month.

In Japan, the Nikkei/Markit purchasing managers' index for August came in at 49.60, compared to a level of 50.40 in July.

UK

In August, UK's construction PMI recorded a rise to 49.20, higher than market expectations of a rise to a level of 46.30. In the prior month, the index had recorded a reading of 45.90.

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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	55	-2.82%	4.31%	250.64%
Kumba Iron Ore Ltd	134	-0.67%	0.11%	225.24%
Impala Platinum Holdings Ltd	66	9.08%	17.07%	163.98%
Sibanye Gold Ltd	58	-6.40%	1.75%	153.96%
Assore Ltd	153	-3.93%	-7.68%	146.96%
AngloGold Ashanti Ltd	242	-5.93%	0.82%	127.51%
Anglo American Platinum Ltd	419	0.74%	6.03%	126.15%
Anglo American Plc	155	-2.84%	3.51%	124.29%
Lonmin Plc	40	-1.16%	7.92%	119.67%
Pan African Resources Plc	4	-2.96%	-0.28%	106.29%
African Rainbow Minerals Ltd	87	-7.94%	-0.08%	100.81%
Northam Platinum Ltd	50	2.38%	2.06%	87.57%
Niveus Investments Ltd	37	2.23%	-2.65%	83.50%
Gold Fields Ltd	77	-8.88%	2.52%	82.46%
Royal Bafokeng Platinum Ltd	49	-0.82%	2.10%	82.36%
Exxaro Resources Ltd	79	-1.80%	4.94%	79.27%
Bidvest Group Ltd	158	2.61%	3.75%	77.35%
Murray & Roberts Holdings Ltd	13	-8.46%	2.51%	63.63%
African Oxygen Ltd	20	-4.77%	-2.54%	53.69%
Blue Label Telecoms Ltd	19	-3.57%	-2.05%	53.58%
Raubex Group Ltd	24	11.16%	6.94%	41.84%
Wilson Bayly Holmes-Ovcon Ltd	155	6.21%	3.89%	36.44%
Clicks Group Ltd	121	-4.32%	-0.26%	35.72%
Tongaat Hulett Ltd	126	1.53%	1.80%	35.09%
Barloworld Ltd	83	-2.30%	-0.48%	33.61%
Imperial Holdings Ltd	159	-3.49%	0.96%	33.41%
Coronation Fund Managers Ltd	71	-0.70%	1.09%	33.27%
Shoprite Holdings Ltd	190	-2.61%	0.75%	32.56%
Cashbuild Ltd	393	-2.24%	0.70%	31.00%
Omnia Holdings Ltd	174	0.58%	0.75%	30.70%
Ascendis Health Ltd	26	3.77%	4.77%	30.19%
Massmart Holdings Ltd	128	-2.53%	-1.34%	27.68%
Italtile Ltd	15	7.14%	2.04%	27.12%
Group Five Ltd/South Africa	25	0.96%	-1.32%	26.88%
Tsogo Sun Holdings Ltd	31	-2.33%	0.53%	26.36%
JSE Ltd	158	-3.66%	1.28%	24.29%
Tiger Brands Ltd	392	-1.01%	2.69%	23.81%
Standard Bank Group Ltd	136	-3.10%	1.89%	19.52%
Hyprop Investments Ltd	123	-7.87%	-4.32%	19.01%
Famous Brands Ltd	154	0.77%	1.05%	18.15%
JSE All Share Index	53500	-0.01%	1.45%	5.54%

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	02:00	Labour Cash Earnings (YoY) (Jul)	✓✓	1.40%*	1.40%	Monthly
Japan	02:30	Markit Japan Services PMI (Aug)	✓✓	49.60*	50.40	Monthly
Japan	02:30	Markit/JMMA Composite PMI (Aug)	✓✓	49.80*	50.10	Monthly
China	03:45	Caixin/Markit Services PMI (Aug)	✓✓	52.10*	51.70	Monthly
China	03:45	HSBC China Composite PMI (Aug)	✓✓	51.80*	51.90	Monthly
Japan	04:30	BOJ's Kuroda Speaks at a Kyodo News event	✓✓	-	-	As scheduled
Spain	09:15	Markit Services PMI (Aug)	✓✓✓	54.20	54.10	Monthly
Italy	09:45	Markit Services PMI (Aug)	✓	51.80	52.00	Monthly
France	09:50	Markit Services PMI (Aug) (F)	✓	52.00	52.00**	Monthly
Germany	09:55	Markit Services PMI (Aug) (F)	✓✓	53.30	53.30**	Monthly
Eurozone	10:00	Markit Composite PMI (Aug) (F)	✓✓✓	53.30	53.30**	Monthly
Eurozone	10:00	Markit Services PMI (Aug) (F)	✓✓✓	53.10	53.10**	Monthly
Eurozone	10:30	Sentix Investor Confidence (Sep)	✓✓	5.00	4.20	Monthly
UK	10:30	Official Reserves (Changes) (Aug)	✓✓	-	USD219.00mn	Monthly
UK	10:30	Markit Services PMI (Aug) (F)	✓✓✓	50.00	47.40**	Monthly
Eurozone	11:00	Retail Sales (MoM) (Jul)	✓✓	0.5%	0.0%	Monthly
Eurozone	11:00	Retail Sales (YoY) (Jul)	✓✓✓	1.8%	1.6%	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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