

ONE Minute Brief

20 September 2016

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Economic and Political News

BMI Research, a Fitch Group subsidiary, stated that Futuregrowth's decision to halt funding to South Africa's state owned entities will probably not put their 2016-17 financing plans at risk.

Agbiz revealed that the Agbiz/IDC confidence index expanded to 60 in 3Q16, its highest reading since the third quarter of 2014, suggesting expansion in South African agribusiness activity.

The Communications Ministry indicated that it has noted the Supreme Court of Appeal's dismissal on SABC Chief Operating Officer, Hlaudi Motsoeneng's application for leave to appeal against a High Court ruling stating that his appointment as CEO was invalid.

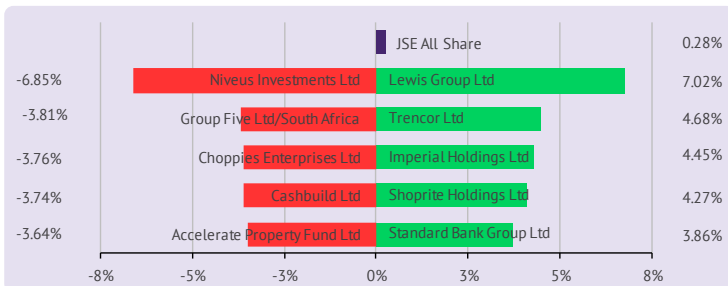
City of Johannesburg Mayor, Herman Mashaba has directed the African National Congress-led Gauteng provincial government to pay up ZAR259.00mn in outstanding municipal rates to avoid disconnection of services.

Higher Education Minister Blade Nzimande announced that South Africa has recommended a cap of 8% on the increase in university tuition fee for 2017.

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 0.3% to close at 51,975.89.



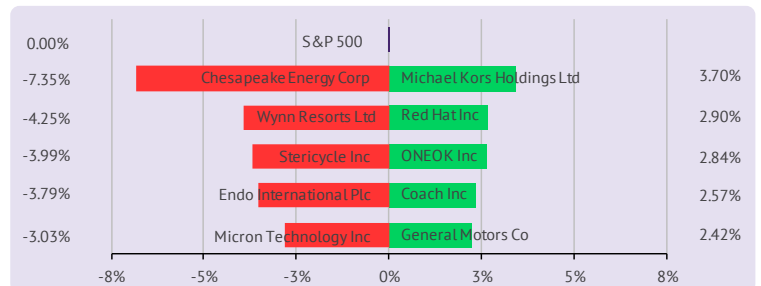
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	51975.89	▲ 143.34	0.28%	0.28%	-1.44%	-0.12%	2.53%
JSE Top 40	45496.21	▲ 65.83	0.14%	0.14%	-1.65%	0.75%	-0.66%
FTSE 100	6813.55	▲ 103.27	1.54%	1.54%	0.47%	0.85%	9.15%
DAX 30	10373.87	▲ 97.70	0.95%	0.95%	-2.07%	2.47%	-3.44%
CAC 40	4394.19	▲ 61.74	1.43%	1.43%	-0.99%	-0.04%	-5.24%
S&P 500	2139.12	▼ -0.04	0.00%	0.00%	-1.47%	-0.12%	4.66%
Nasdaq Composite	5235.03	▼ -9.54	-0.18%	-0.18%	0.42%	0.99%	4.55%
DJIA	18120.17	▼ -3.63	-0.02%	-0.02%	-1.53%	-0.17%	3.99%

US Market ▼

The S&P 500 futures are trading in the green

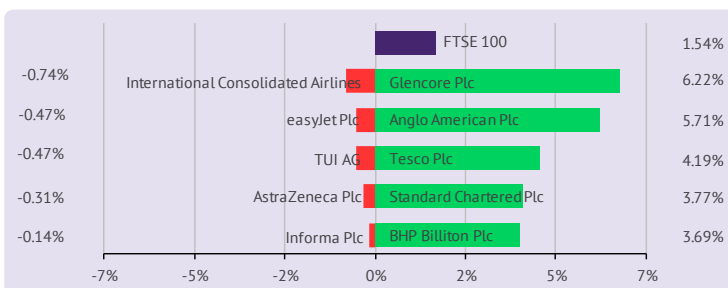
US markets closed lower yesterday, weighed down by losses in telecommunication sector stocks. The S&P 500 Index fell marginally to close at 2,139.12.



UK Market ▲

The FTSE 100 futures are trading in positive territory

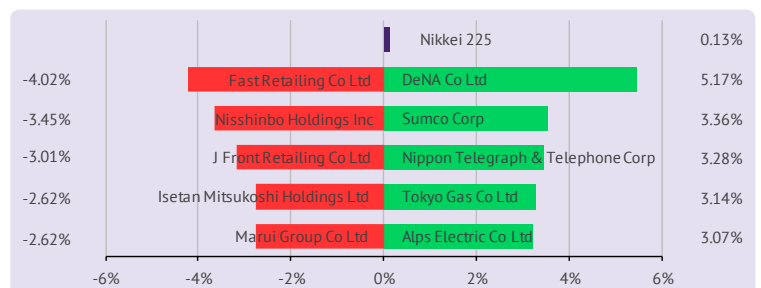
UK markets finished higher yesterday, led by gains in mining sector stocks. The FTSE 100 Index advanced 1.5% to close at 6,813.55.



Asian Market ◀▶

Trading mixed

Asian markets are trading mixed this morning. The Nikkei 225 Index is trading 0.1% higher at 16,540.44.



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USDZAR ▼

USD trading weaker against ZAR

At 06:00 SAST, the US Dollar retreated 0.3% against the South African Rand to trade at R13.9804. Later today, traders will keep a close watch on US Building permits and housing starts for further direction. Additionally, South Africa's leading indicator will be on investors' radar.

The US Dollar fell against the South African Rand yesterday. Separately, data indicated that the NAHB housing market index in the US advanced higher than market expectations in September, its strongest reading since October 2015.

GBPZAR ▼

GBP trading lower against ZAR

At 06:00 SAST, the British Pound is trading 0.2% weaker against the South African Rand at R18.2320. With no major economic news in UK today, investor sentiment will be determined by global macro-economic news.

The British Pound declined against the South African Rand yesterday, extending losses from previous sessions.

EURZAR ▼

EUR trading weaker against ZAR

At 06:00 SAST, the Euro declined 0.3% against the South African Rand to trade at R15.6192. Going forward, market participants will keep a tab on Germany's producer prices for further cues.

The Euro weakened against the South African Rand yesterday, after data revealed that Eurozone's seasonally adjusted current account surplus narrowed more-than-expected in July. On the other hand, the region's construction output rose on a monthly basis in July.

AUDZAR ▼

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.2% weaker against the South African Rand at R10.5426. Earlier in the session, the RBA's September meeting minutes indicated that policymakers decided to hold the interest rate as they believed that the current stance of monetary policy was in line with sustainable growth in the economy. Separately, data indicated that Australia's house price index rebounded less than expected on a quarterly basis in 2Q16.

The Australian Dollar fell against the South African Rand yesterday.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.9804	▼	-1.17%	-1.17%	-4.85%	6.14%	-9.41%
GBPZAR	18.2320	▼	-0.99%	-0.99%	-5.65%	5.43%	-19.91%
EURZAR	15.6192	▼	-1.01%	-1.01%	-4.72%	5.96%	-6.81%
AUDZAR	10.5426	▼	-0.37%	-0.37%	-4.66%	4.86%	-7.06%
EURUSD	1.1168	▼	0.18%	0.18%	0.15%	-0.14%	2.84%
GBPUSD	1.3035	▲	0.22%	0.22%	-0.82%	-0.70%	-11.61%
Brent (\$/barrel)	45.8	▼	0.39%	0.39%	-2.00%	7.72%	23.26%
Gold (\$/oz)	1318.7	▲	0.58%	0.58%	0.45%	-3.05%	23.92%
Platinum (\$/oz)	1027.0	▲	0.60%	0.60%	-2.83%	-8.44%	14.80%
Copper (\$/MT)*	4753.3	▼	-0.38%	-0.38%	3.20%	-6.30%	1.01%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.4% higher to trade at \$1,318.70/oz.

Yesterday, gold prices rose 0.6% to close at \$1,313.80/oz, amid a weaker greenback and as uncertainty increased ahead of the monetary policy decisions by the US Federal Reserve and the Bank of Japan this week.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil declined 0.3% to trade at \$45.82/bl.

Yesterday, Brent crude oil advanced 0.4% to settle at \$45.95/bl, after Venezuelan President Nicolas Maduro hinted that the OPEC and other top oil producers were close to reaching an agreement over stabilizing output.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices advanced 0.3% to trade at \$1,027.00/oz.

Yesterday, platinum prices climbed 0.6% to close at \$1,023.70/oz.



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Major South Africa Corporate News

Clover Industries Limited

The company revealed that Messrs Tom Wixley and Peter Griffin will retire from the Board of Directors with effect from November 28, 2016. Subsequent to Mr Wixley's retirement, Dr Steve Booysen has been appointed as lead Independent Director with effect from November 28, 2016.

Harmony Gold Mining Co Limited

The company announced that it has signed an agreement to purchase Newcrest PNG 1 Limited, the wholly-owned subsidiary of Newcrest Mining Limited which holds Newcrest's 50.0% interest in the Hidden Valley joint venture for a cash consideration of USD1.00. The purchase is conditional upon regulatory approval in South Africa. It will also acquire Newcrest's 50.0% interest in the exploration tenements adjacent to the Hidden Valley mine. After the purchase, it will assume all liabilities and expenses related to the Hidden Valley joint venture and mine with effect from August 31, 2016.

Major Global Economic News

Asia

The Reserve Bank of Australia's (RBA) September meeting minutes indicated that policymakers decided to hold the interest rate unchanged at 1.5% as they believed that the current stance of monetary policy was consistent with sustainable growth in the Australian economy and would help to achieve the inflation target over time.

In 2Q16, the house price index recorded a rise of 2.0%, on a quarterly basis, in Australia, lower than market expectations for a rise of 2.8%. The index had dropped 0.2% in the previous quarter.

Eurozone

In July, the seasonally adjusted construction output registered a rise of 1.8% on a monthly basis, in the Eurozone. In the previous month, construction output had registered a revised rise of 0.3%.

In July, the seasonally adjusted current account surplus in the Eurozone dropped to EUR21.00bn, following a revised surplus of EUR29.50bn in the prior month.

US

In September, the NAHB housing market index recorded a rise to 65.00 in the US, compared to a revised reading of 59.00 in the prior month. Markets were anticipating the index to advance to a level of 60.00.

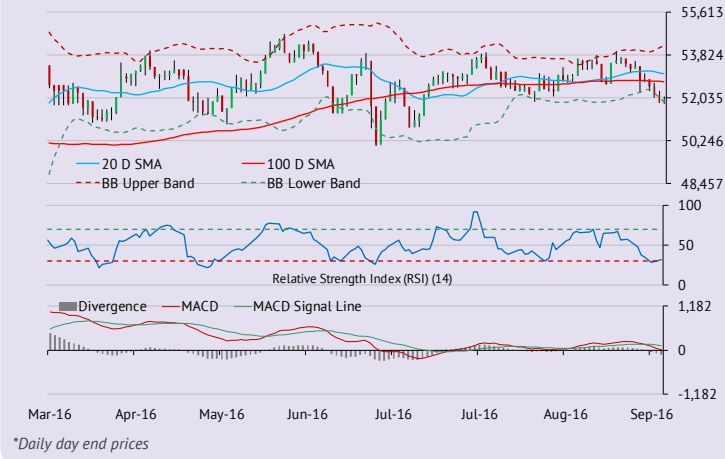
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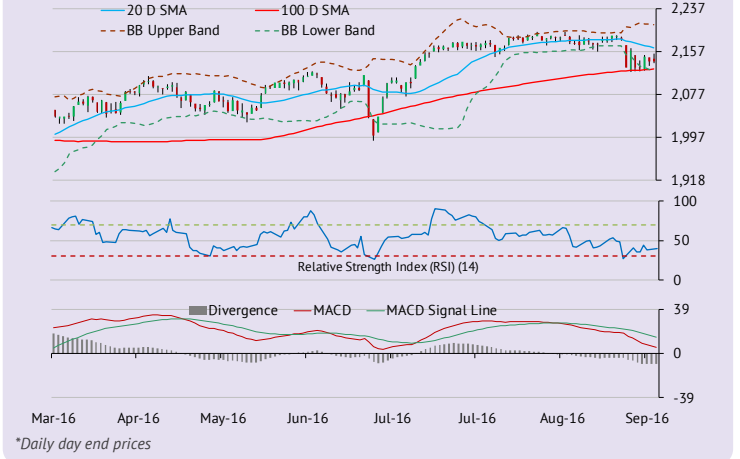
Technical Snapshot

JSE All Share



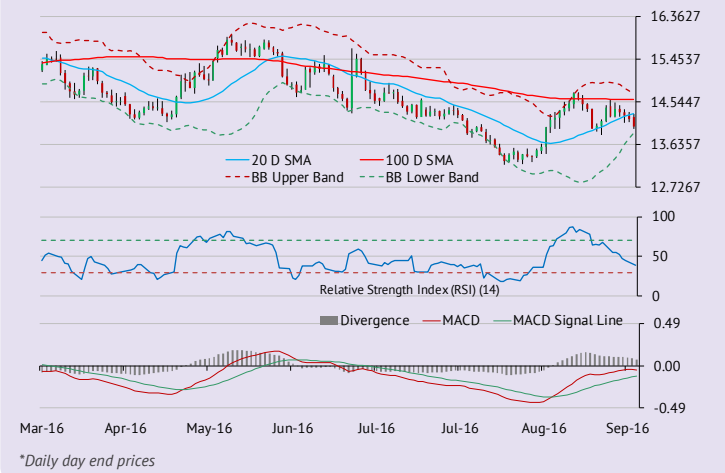
The JSE All Share index is expected to find support at 51,483.63, and a fall through could take it to the next support level of 50,991.36. The index is expected to find its first resistance at 52,760.58, and a rise through could take it to the next resistance level of 53,545.26.

S&P 500



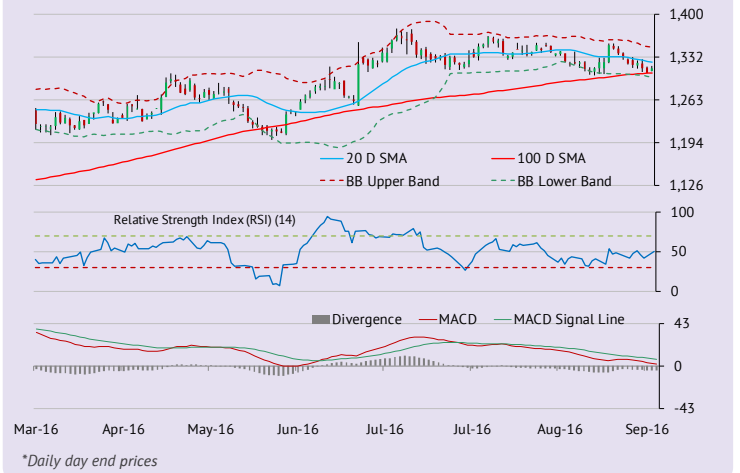
The S&P 500 index is expected to find support at 2,121.48, and a fall through could take it to the next support level of 2,103.83. The index is expected to find its first resistance at 2,155.19, and a rise through could take it to the next resistance level of 2,171.25.

USDZAR



The pair is expected to find support at 13,8085, and a fall through could take it to the next support level of 13,6009. The pair is expected to find its first resistance at 14,3751, and a rise through could take it to the next resistance level of 14,7341.

XAU/USD



Gold is expected to find support at \$1,302.27/oz, and a fall through could take it to the next support level of \$1,290.73/oz. The precious metal is expected to find its first resistance at \$1,328.47/oz, and a rise through could take it to the next resistance level of \$1,343.13/oz.















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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus	Previous	Frequency
 Switzerland	07:45	SECO Economic Forecasts	✓✓	-	-	As scheduled
 Switzerland	08:00	Exports (MoM) (Aug)	✓	-	5.50%	Monthly
 Switzerland	08:00	Imports (MoM) (Aug)	✓	-	9.20%	Monthly
 Switzerland	08:00	Trade Balance (Aug)	✓✓	-	CHF2.93 bn	Monthly
 Germany	08:00	Producer Price Index (MoM) (Aug)	✓✓	0.00%	0.20%	Monthly
 Japan	09:00	Convenience Store Sales (YoY) (Aug)	✓✓	-	0.30%	Monthly
 South Africa	09:00	Leading Indicator (Jul)	✓	-	91.60	Monthly
 Greece	11:00	Current Account (Jul)	✓	-	EUR1.01bn	Monthly
 US	14:30	Housing Starts (Aug)	✓✓	1190.00K	1211.00K	Monthly
 US	14:30	Housing Starts (MoM) (Aug)	✓✓	-1.70%	2.10%	Monthly
 US	14:30	Building Permits (MoM) (Aug)	✓✓	1.80%	-0.10%	Monthly
 US	14:30	Building Permits (Aug)	✓✓	1165.00K	1152.00K	Monthly
 US	14:55	Redbook Index s.a. (MoM) (16-Sep)	✓	-	-0.30%	Weekly
 Canada	18:30	Bank of Canada's Poloz Speech in Quebec City	✓	-	-	As scheduled

Note: ✓✓✓High ✓✓Medium ✓Low

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