

# ONE Minute Brief

28 September 2016

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## Economic and Political News

South Africa's Economic Development Minister, Ebrahim Patel, announced that his department is considering further measures to look into the abuse of market dominance and excessive pricing.

South African Reserve Bank (SARB) Deputy Governor, Daniel Mminele, stated that although South Africa may be nearing its interest rate hike cycle, the bar to interest rate cut is high.

Opposition political parties criticised the South African Broadcasting Corporation (SABC) following its decision to appoint former Chief Operations Officer (COO), Hlaudi Motsoeneng to his previous position as the Group's Executive of Corporate Affairs.

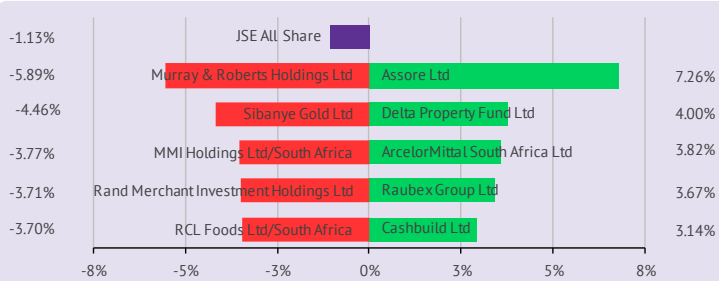
Transport Minister, Dipuo Peters, announced that the Passenger Rail Service of South Africa (PRASA) owes Transnet and municipalities an amount of ZAR796.00mn on outstanding accounts and was not sure when the firm will settle the amount.

Business Unity SA stated that it supports the Treasury's proposal for a two-year extension of the employment tax incentive, although it does not agree to its proposal for a ZAR20.00mn cap per employer.

## South Africa Market ▼

### South African markets closed lower

South African markets closed in the red yesterday, amid losses in platinum and gold mining sector stocks. The JSE All Share Index fell 1.1% to close at 50,899.66.



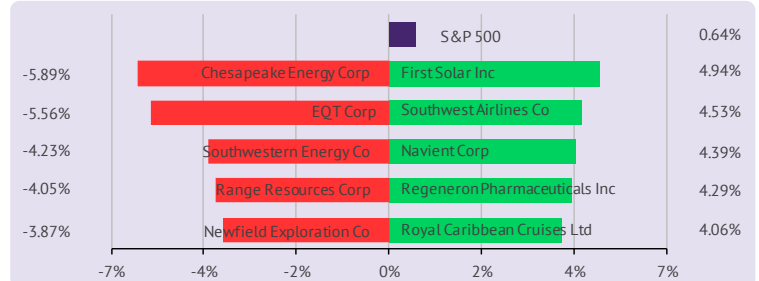
## Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	50899.66	▼ -580.14	-1.13%	-2.12%	-3.48%	-0.12%	0.41%
JSE Top 40	44397.13	▼ -566.78	-1.26%	-2.30%	-4.03%	0.75%	-3.06%
FTSE 100	6807.67	▼ -10.37	-0.15%	-1.47%	0.39%	0.85%	9.06%
DAX 30	10361.48	▼ -32.23	-0.31%	-2.50%	-2.18%	2.47%	-3.55%
CAC 40	4398.68	▼ -9.17	-0.21%	-2.01%	-0.89%	-0.04%	-5.14%
S&P 500	2159.93	▲ 13.83	0.64%	-0.22%	-0.51%	-0.12%	5.67%
Nasdaq Composite	5305.71	▲ 48.22	0.92%	0.00%	1.77%	0.99%	5.96%
DJIA	18228.30	▲ 133.47	0.74%	-0.18%	-0.94%	-0.17%	4.61%

## US Market ▲

### The S&P 500 futures are trading in the red

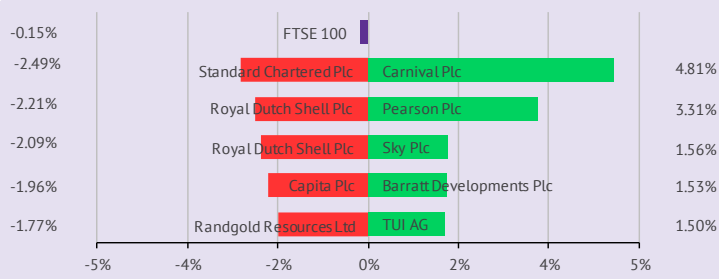
US markets closed higher yesterday, supported by gains in consumer discretionary sector stocks. Data revealed that the US consumer confidence index rose unexpectedly in September. The S&P 500 Index climbed 0.6% to close at 2,159.93.



## UK Market ▼

### The FTSE 100 futures are trading in negative territory

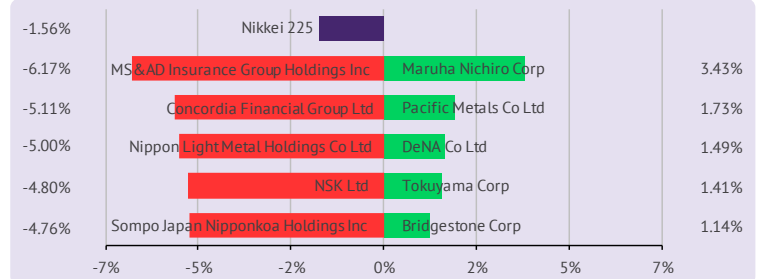
UK markets finished lower yesterday, led by losses in energy sector stocks. Data indicated that UK's CBI distributive trades survey's retail sales balance dropped in September. The FTSE 100 Index declined 0.2% to close at 6,807.67.



## Asian Market ▼

### Trading lower

Asian markets are trading lower this morning. Earlier in the session, data indicated that China's Westpac-MNI consumer sentiment index climbed in September. The Nikkei 225 Index is trading 1.6% lower at 16,424.01.



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## USDZAR ▲

### USD trading higher against ZAR

At 06:00 SAST, the US Dollar is trading marginally higher against the South African Rand at R13.4553. Later today, traders will keep a close watch on US durable goods orders data along with a speech by Fed Chief, Janet Yellen.

The US Dollar fell against the South African Rand yesterday, despite data indicating that consumer confidence in the US climbed unexpectedly to its highest level in nine years in September, suggesting that consumers remained hopeful about the economic growth accelerating in the coming months. Moreover, the nation's service sector activity rose higher than market expectations in September.

## GBPZAR ▼

### GBP trading weaker against ZAR

At 06:00 SAST, the British Pound declined 0.1% against the South African Rand to trade at R17.5043.

The British Pound declined against the South African Rand yesterday. Separately, the CBI monthly distributive trades survey data released in the UK indicated that retail sales dropped in September from August.

## EURZAR ▼

### EUR trading lower against ZAR

At 06:00 SAST, the Euro marginally declined against the South African Rand to trade at R15.0816. Going forward, market participants will keep a tab on ECB President, Mario Draghi's speech for further direction.

The Euro weakened against the South African Rand yesterday. Data indicated that Eurozone's private loans advanced on annual basis in August.

## AUDZAR ▼

### AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar fell 0.1% against the South African Rand to trade at R10.3189. Earlier in the session, China, Australia's top trading partner, Westpac-MNI consumer sentiment index advanced in September.

The Australian Dollar fell against the South African Rand yesterday. Data indicated that in China, Australia's largest trading partner, industrial profits advanced to the highest level since 2013 in August.

## Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.4553	▲	-1.66%	-1.93%	-8.68%	6.14%	-13.06%
GBPZAR	17.5043	▼	-1.40%	-1.35%	-9.45%	5.43%	-23.14%
EURZAR	15.0816	▼	-2.04%	-2.01%	-8.20%	5.96%	-10.22%
AUDZAR	10.3189	▼	-1.21%	-1.23%	-6.75%	4.86%	-9.10%
EURUSD	1.1211	▼	-0.35%	-0.10%	0.51%	-0.14%	3.21%
GBPUSD	1.3002	▼	0.37%	0.44%	-0.88%	-0.70%	-11.66%
Brent (\$/barrel)	46.1	▲	-2.91%	0.17%	-1.96%	7.72%	23.31%
Gold (\$/oz)	1329.0	▲	-1.03%	-0.86%	1.38%	-3.05%	25.07%
Platinum (\$/oz)	1027.0	▲	-1.70%	-3.01%	-2.69%	-8.44%	14.97%
Copper (\$/MT)*	4768.8	▼	-1.05%	-1.33%	3.54%	-6.30%	1.34%

\*As of Previous Close

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices edged 0.2% higher to trade at \$1,329.00/oz.

Yesterday, gold prices fell 1.0% to close at \$1,326.00/oz, amid strength in the greenback following upbeat economic data in the US.

## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil edged 0.3% higher to trade at \$46.13/bl.

Yesterday, Brent crude oil dropped 2.9% to settle at \$45.97/bl, after Iranian officials at the oil conference in Algiers reiterated that they would pump higher oil output, while Saudi Energy Minister Khalid al-Falih announced that he does not anticipate an agreement to come out of the consultations at the meeting. On the other hand, the American Petroleum Institute (API) reported that US crude oil inventories declined 752,000 bls last week.

## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices edged higher 0.2% to trade at \$1,027.00/oz.

Yesterday, platinum prices declined 1.7% to close at \$1025.20/oz.



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## Major South Africa Corporate News

### Capitec Bank Holdings Limited

In its 1H17 results, the company revealed that its net interest income advanced 16.2% from the same period of the last year to R7.02bn. Its diluted EPS stood at 1,508.00c, compared with 1,265.00c recorded in the corresponding period of the prior year. Its income before tax increased to R2.44bn from R2.05bn posted in the similar period of the last year.

### Netcare Limited

In its trading update for 2H16 the company stated that activity levels have grown at a higher rate of 6.3% (as compared to 2.8% achieved in 1H16), giving a year-to-date growth in patient days of 4.4%. It has achieved an EBITDA margin at 1H16 levels for trading through to the end of August 2016.

### Raubex Group Limited

In its trading statement for the six-months period ended 31 August 2016 the group stated that it expects its headline EPS to grow between 20.0% and 25.0% compared to the corresponding period last year. It also expects its 1H17 results to be announced on or about November 7, 2016.

## Major Global Economic News

### US

The CB consumer confidence index in the US climbed unexpectedly to 104.10 in September, compared to a revised level of 101.80 in the previous month. Markets were anticipating the index to drop to a level of 99.00.

In September, the flash Markit services PMI in the US advanced to 51.90, higher than market expectations of a rise to a level of 51.20. The services PMI had recorded a level of 51.00 in the prior month.

In the US, the Richmond Fed manufacturing index advanced to -8.00 in September, lower than market expectations of an advance to -2.00. In the previous month, the index had recorded a reading of -11.00.

### UK

In the UK, the CBI distributive trade survey's retail sales balance recorded a drop to 8.0% in September, compared to a level of 9.0% in the previous month. Market anticipation was for the retail sales balance to ease to a level of 5.0%.

### Eurozone

In the Eurozone, private sector loans climbed 1.8%, on an annual basis in August. In the prior month, private sector loans had registered a similar rise.

In August, the import price index slid 0.2% on a monthly basis, in Germany, more than market expectations for a fall of 0.1%. In the prior month, the index had risen 0.1%.

### Asia

In China, the Westpac-MNI consumer sentiment index advanced to a level of 115.20 in September. In the previous month, the index recorded a reading of 111.50.

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## Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous	Frequency
China	03:45	Westpac-MNI Consumer sentiment index (Sep)	✓	115.20*	111.50	Monthly
Japan	07:00	Small Business Confidence (Sep)	✓	46.90	46.30	Monthly
Switzerland	08:00	UBS Consumption Indicator (Aug)	✓✓	-	1.32	Monthly
Germany	08:00	GfK Consumer Confidence Survey (Oct)	✓✓	10.20	10.20	Monthly
Eurozone	08:30	ECB's Hansson speaks on outlook for euro area, Estonia in 2017	✓	-	-	As scheduled
France	08:45	Consumer Confidence (Sep)	✓	97.00	97.00	Monthly
Spain	09:00	House Mortgage Approvals (YoY) (Jul)	✓	-	15.50%	Monthly
Spain	09:00	Total mortgage lending YoY (Jul)	✓	-	13.40%	Monthly
Switzerland	09:00	KOF Economic Barometer (Sep)	✓✓	100.50	99.80	Monthly
Italy	10:00	Consumer Confidence (Sep)	✓	109.00	109.20	Monthly
Italy	11:00	Wage Inflation (MoM) (Aug)	✓	-	0.00%	Monthly
US	13:00	MBA Mortgage Applications (23-Sep)	✓	-	-7.30%	Weekly
US	14:30	Durable Goods Orders (Aug) (P)	✓✓✓	-1.50%	4.40%	Monthly
Eurozone	15:30	ECB's Draghi Attends Meeting of German Parliament's EU Committee	✓	-	-	As scheduled
US	16:00	Fed's Chair Yellen Testifies Before House Panel	✓✓✓	-	-	As scheduled
US	16:10	Fed's Bullard Makes Introductory Remarks on Community Banking	✓	-	-	As scheduled
Eurozone	17:30	ECB's Villeroy Speaks at EU Parliament Committee in Brussels	✓	-	-	As scheduled
US	19:30	Fed's Evans Speaks on Community Banking in St. Louis	✓	-	-	As scheduled
Eurozone	20:00	ECB's Jazbec Speaks at a Panel at Slovenia Public Broadcaster	✓	-	-	As scheduled
US	22:35	Fed's Mester Speaks on Economic Outlook and Policy	✓	-	-	As scheduled

Note: ✓✓✓High    ✓✓Medium    ✓Low

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