

ONE Minute Brief

29 September 2016

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Economic and Political News

The World Economic Forum's Global Competitiveness index indicated that South Africa moved up two places to 47 out of the 138 countries on the back of improvement in goods and labour market efficiencies.

African National Congress (ANC) Secretary-General, Gwede Mantashe, stated that the Financial Intelligence Centre (FIC) Amendment Bill is required and South Africa will be penalised by world markets if it does not enact it into law.

President Jacob Zuma stated that alliance between businesses and Government had to go further than just reigniting the economy and staving off rating agencies.

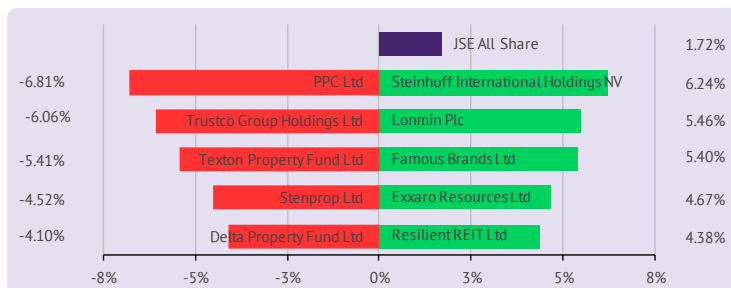
The BankservAfrica disposable salary index revealed that South African workers took home 2.5% less disposable salaries in August 2016 compared to the same period of the preceding year.

Democratic Alliance has welcomed ANC's demand for a probe into the fitness of the current board of the SABC following its decision to reappoint Hlaudi Motsoengeng as the Group Executive for Corporate Affairs.

South Africa Market ▲

South African markets closed higher

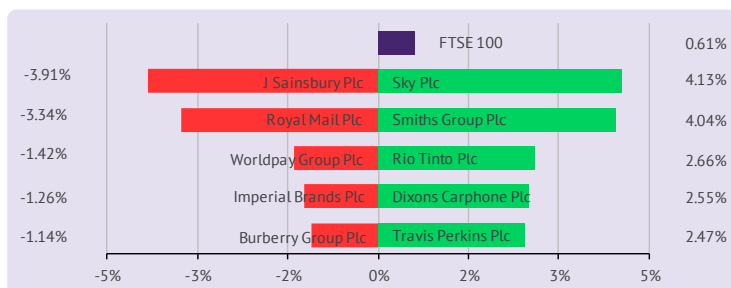
South African markets closed in the green yesterday, amid gains in platinum mining sector stocks. The JSE All Share Index rose 1.7% to close at 51,773.50.



UK Market ▲

The FTSE 100 futures are trading in positive territory

UK markets finished higher yesterday, led by gains in commodity sector stocks. The FTSE 100 Index advanced 0.6% to close at 6,849.38.



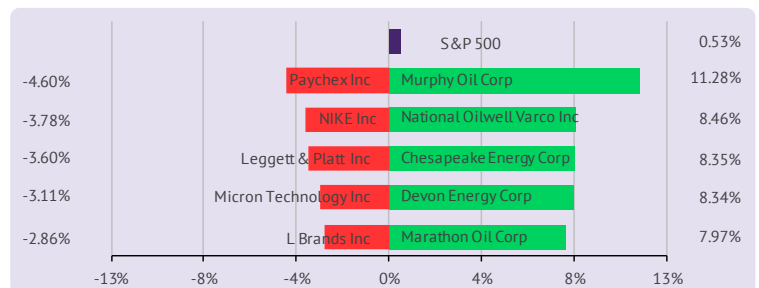
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	51773.50	▲	873.84	1.72%	-0.43%	-1.82%	-0.12%	2.13%
JSE Top 40	45234.26	▲	837.13	1.89%	-0.45%	-2.22%	0.75%	-1.23%
FTSE 100	6849.38	▲	41.71	0.61%	-0.87%	1.00%	0.85%	9.72%
DAX 30	10438.34	▲	76.86	0.74%	-1.78%	-1.46%	2.47%	-2.84%
CAC 40	4432.45	▲	33.77	0.77%	-1.25%	-0.13%	-0.04%	-4.41%
S&P 500	2171.37	▲	11.44	0.53%	0.31%	0.02%	-0.12%	6.23%
Nasdaq Composite	5318.55	▲	12.84	0.24%	0.24%	2.02%	0.99%	6.21%
DJIA	18339.24	▲	110.94	0.61%	0.43%	-0.33%	-0.17%	5.25%

US Market ▲

The S&P 500 futures are trading in the green

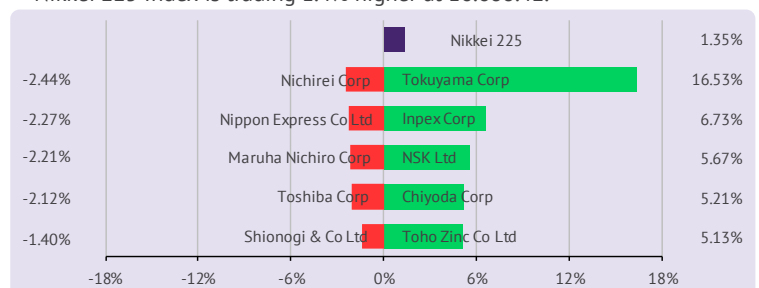
US markets closed higher yesterday, supported by gains in energy sector stocks following a rally in crude oil prices. Preliminary data indicated that durable goods orders in the US came in flat in August. The S&P 500 Index climbed 0.5% to close at 2,171.37.



Asian Market ▲

Trading higher

Asian markets are trading higher this morning, tracking overnight gains on Wall Street. Earlier in the session, data indicated that Japan's retail trade slipped more-than-expected on a monthly basis in August. The Nikkei 225 Index is trading 1.4% higher at 16,688.42.



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USDZAR ▼

USD trading weaker against ZAR

At 06:00 SAST, the US Dollar is trading 0.1% weaker against the South African Rand at R13.6100. Later today, traders will keep a close watch on US annualised gross domestic product and advance goods trade balance along with initial jobless claims data for further direction. Additionally, South Africa's private sector credit and producer price index will be on investors' radar.

The US Dollar rose against the South African Rand yesterday. Data indicated that orders for durable goods in the US remained flat on a monthly basis in August.

GBPZAR ▲

GBP trading stronger against ZAR

At 06:00 SAST, the British Pound rose marginally against the South African Rand to trade at R17.7340. Later today, traders will keep an eye on UK's net consumer credit and mortgage approvals data for further cues.

The British Pound advanced against the South African Rand yesterday, reversing previous session losses.

EURZAR ▲

EUR trading higher against ZAR

At 06:00 SAST, the Euro gained 0.1% against the South African Rand to trade at R15.2917. Going forward, market participants will keep a tab on the sentiment indices in the Eurozone. Moreover, investors will eye Germany's unemployment rate and consumer price index for September.

The Euro strengthened against the South African Rand yesterday. Separately, the ECB President, Mario Draghi stated that the central bank's monetary policy was a necessity to get the Eurozone back on the path to growth and to revive inflation. Moreover, he added that if the central bank's decisions continue to be constantly attacked, it might be forced to take more extensive measures to be effective. Elsewhere, data indicated that Germany's GfK consumer confidence index eased slightly in October, its third consecutive decline.

AUDZAR ▲

AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar rose marginally against the South African Rand to trade at R10.4756.

The Australian Dollar rose against the South African Rand yesterday. Elsewhere, data revealed that in China, Australia's top trading partner, Westpac-MNI consumer sentiment index advanced in September.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.6100	▼	1.24%	-0.72%	-7.55%	6.14%	-11.98%
GBPZAR	17.7340	▲	1.17%	-0.19%	-8.39%	5.43%	-22.24%
EURZAR	15.2917	▲	1.25%	-0.79%	-7.06%	5.96%	-9.10%
AUDZAR	10.4756	▲	1.43%	0.18%	-5.41%	4.86%	-7.80%
EURUSD	1.1231	▲	0.02%	-0.08%	0.53%	-0.14%	3.23%
GBPUSD	1.3019	=	-0.03%	0.41%	-0.91%	-0.70%	-11.69%
Brent (\$/barrel)	48.7	=	5.92%	6.10%	3.84%	7.72%	30.61%
Gold (\$/oz)	1328.0	▲	-0.50%	-1.35%	0.88%	-3.05%	24.45%
Platinum (\$/oz)	1038.4	▲	-0.28%	-3.28%	-2.96%	-8.44%	14.65%
Copper (\$/MT)*	4801.0	▲	0.68%	-0.66%	4.24%	-6.30%	2.02%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.7% higher to trade at \$1,328.00/oz.

Yesterday, gold prices fell 0.5% to close at \$1,319.40/oz, amid strength in the greenback and a rally in global equity markets reduced demand for the precious yellow metal.

Brent Crude Oil ◀▶

Trading flat

At 06:00 SAST, Brent crude oil was almost unchanged at \$48.69/bl.

Yesterday, Brent crude oil advanced 5.9% to settle at \$48.69/bl, after the OPEC agreed to curb output by 700,000 bpd, for the first time since 2008, at its meeting in Algeria. Furthermore, the US Energy Department reported that crude oil inventories fell by 1.9mn bls last week.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged 1.6% higher to trade at \$1,038.40/oz.

Yesterday, platinum prices declined 0.3% to close at \$1022.30/oz.



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Major South Africa Corporate News

MTN Group Limited

Ferdi Moolman, the Chief Executive Officer of the communication services provider, announced that the allegations regarding illegal money repatriation made against the group are completely unfounded and without any merit.

Steinhoff International Holdings NV

The company announced stated that it will increase its issued and outstanding share capital whereby 162.00mn new ordinary shares would be subscribed by Upington Investment Holdings BV, 60.00mn new ordinary shares by Lancaster 101 Proprietary Limited and an additional up to 110.00mn new ordinary shares will be offered to institutional investors via an accelerated bookbuild.

Major Global Economic News

Eurozone

The European Central Bank (ECB) President, Mario Draghi, rejected German criticism that sub-zero interest rates were impoverishing savers and that the central bank's monetary policy was a necessity to get the Eurozone back on the path to growth and to revive inflation in the region. He further added that if the ECB's decisions continue to be constantly attacked, the central bank might be forced to take more extensive measures to be effective.

In October, the GfK consumer confidence index in Germany dropped unexpectedly to 10.00, compared to market expectations of a steady reading. In the prior month, the index had recorded a reading of 10.20.

In France, consumer confidence remained unchanged at 97.00 in September, meeting market expectations.

Asia

In August, retail trade slid 1.1%, on a monthly basis, in Japan, compared to a revised advance of 1.5% in the prior month. Market expectation was for retail trade to ease 0.6%.

In Japan, large retailer's sales slid 3.6% on a monthly basis, in August. Large retailer's sales had climbed 0.6% in the prior month.

US

In August, the flash durable goods orders came in flat in the US on a monthly basis, compared to a revised rise of 3.6% in the prior month. Market expectation was for durable goods orders to ease 1.5%.

In the US, mortgage applications registered a drop of 0.7% in the week ended September 23, 2016 on a weekly basis. Mortgage applications had dropped 7.3% in the prior week.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
US	01:15	Fed's George Speaks to Minority Bankers in Kansas City	✓	-	-	As scheduled
Japan	01:50	Large Retailer's Sales (Aug)	✓✓	-3.60%*	0.60%	Monthly
Japan	01:50	Retail Trade s.a (MoM) (Aug)	✓	-1.10%*	1.50%	Monthly
South Africa	08:00	Private Sector Credit (YoY) (Aug)	✓	6.70%	6.78%	Monthly
Japan	08:35	Bol's Kuroda Speaks at Security Association Conference	✓✓	-	-	As scheduled
Germany	09:55	Unemployment Rate s.a. (Sep)	✓✓	6.10%	6.10%	Monthly
UK	10:30	Gross Consumer Credit (Aug)	✓✓	-	GBP21.90bn	Monthly
UK	10:30	Net Consumer Credit (Aug)	✓✓	GBP1.40bn	GBP1.20bn	Monthly
UK	10:30	Mortgage Approvals (Aug)	✓✓	60.20 K	60.90 K	Monthly
Eurozone	11:00	Economic Sentiment Indicator (Sep)	✓	103.50	103.50	Monthly
US	11:00	Fed's Harker Speaks in Dublin, Ireland	✓	-	-	As scheduled
Eurozone	11:00	ECB's Praet Speaks in Halle, Germany	✓	-	-	As scheduled
Eurozone	11:00	Business Climate Indicator (Sep)	✓✓	0.05	0.02	Monthly
Eurozone	11:00	Consumer Confidence (Sep) (F)	✓✓	-8.20	-8.20**	Monthly
Eurozone	11:00	Industrial Confidence (Sep)	✓	-4.20	-4.40	Monthly
Eurozone	11:00	Services Sentiment Indicator (Sep)	✓	10.00	10.00	Monthly
South Africa	11:30	Producer Price Index (MoM) (Aug)	✓	0.20%	0.80%	Monthly
Germany	14:00	Consumer Price Index (MoM) (Sep) (P)	✓✓	0.00%	0.00%	Monthly
US	14:30	Gross Domestic Product Annualised (QoQ) (Q2) (F)	✓✓✓	1.30%	1.10%**	Quarterly
US	14:30	Initial Jobless Claims (24-Sep)	✓✓	260.00 K	252.00 K	Weekly
US	14:30	Personal Consumption (QoQ) (Q2) (F)	✓✓	4.40%	4.40%**	Quarterly
US	14:30	Wholesale Inventories (Aug) (P)	✓	0.00%	0.00%	Monthly
US	16:00	US Pending home sales (Aug)	✓	-	111.30	Monthly
US	16:00	Fed's Powell Speaks on Community Banking in St. Louis	✓	-	-	As scheduled
US	16:00	Pending Home Sales (MoM) (Aug)	✓	0.00%	1.30%	Monthly
US	22:00	Yellen addresses minority banking conference	✓✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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