

ONE Minute Brief

3 October 2016

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Economic and Political News

South Africa registered a budget deficit of ZAR16.68bn in August, compared to a budget deficit of ZAR73.16bn in the previous month. Trade deficit stood at ZAR8.60bn in August, following a revised surplus of ZAR5.00bn in the previous month.

The Department of Energy announced that petrol prices in South Africa will go up by 43c-44c per litre, while diesel prices will rise by 23c a litre from 5th October.

Democratic Alliance (DA) leader, Mmusi Maimane, stated that removing the African National Congress from National Government as early as 2019, which seemed unthinkable prior to the recent local elections, was now possible.

South African Reserve Bank Deputy Governor, Daniel Mminele, announced that South Africa's flat-lining growth would not solve the issues faced by the nation and the Government needed to stabilise policies to reassure investors.

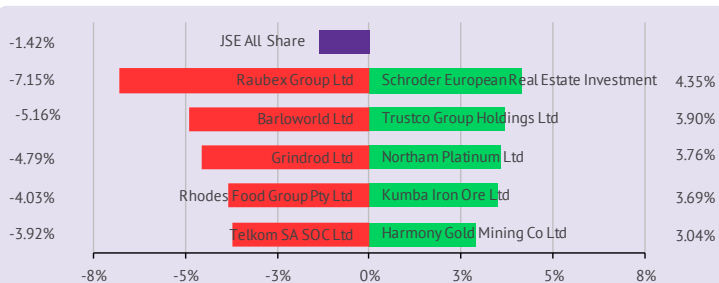
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	51949.83	▼	-748.75	-1.42%	NA	NA	-1.49%	2.48%
JSE Top 40	45425.59	▼	-669.79	-1.45%	NA	NA	-1.81%	-0.81%
FTSE 100	6899.33	▼	-20.09	-0.29%	NA	NA	1.74%	10.53%
DAX 30	10511.02	▲	105.48	1.01%	NA	NA	-0.77%	-2.16%
CAC 40	4448.26	▲	4.42	0.10%	NA	NA	0.23%	-4.07%
S&P 500	2168.27	▲	17.14	0.80%	NA	NA	-0.12%	6.08%
Nasdaq Composite	5312.00	▲	42.85	0.81%	NA	NA	1.89%	6.08%
DJIA	18308.15	▲	164.70	0.91%	NA	NA	-0.50%	5.07%

South Africa Market ▼

South African markets closed lower

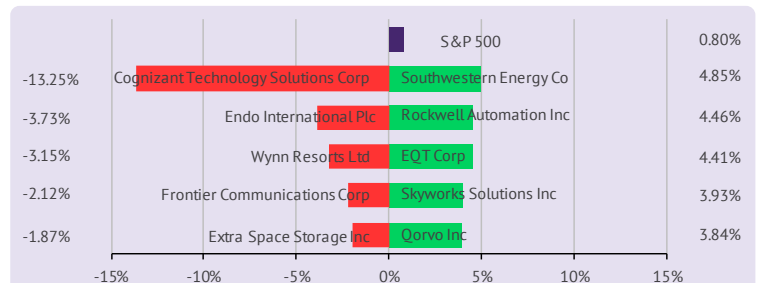
South African markets closed in the red on Friday, amid losses in retail sector stocks. Data indicated that South Africa's budget deficit narrowed in August. The JSE All Share Index fell 1.4% to close at 51,949.83.



US Market ▲

The S&P 500 futures are trading in the green

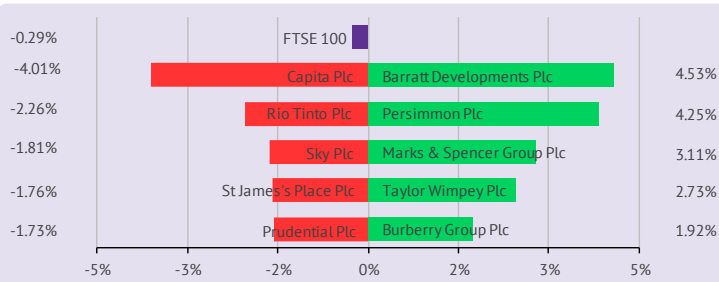
US markets closed higher on Friday, supported by gains in financial sector stocks. Data indicated that personal income in the US increased at a slower pace in August, while personal spending came in flat in the same month. The S&P 500 Index climbed 0.8% to close at 2,168.27.



UK Market ▼

The FTSE 100 futures are trading in positive territory

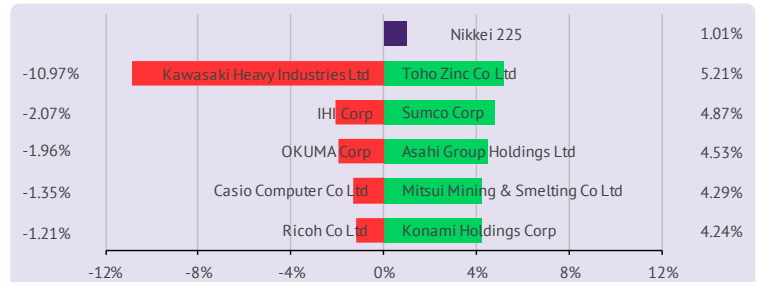
UK markets finished lower on Friday, led by losses in mining and financial sector stocks. Data revealed that UK's final gross domestic product was revised higher on a quarterly basis in 2Q16. The FTSE 100 Index declined 0.3% to close at 6,899.33.



Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning. China's NBS manufacturing PMI remained steady in September, at par with expectations. The Nikkei 225 Index is trading 1.0% higher at 16,615.76. Markets in China and South Korea are closed today due to a holiday.



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USDZAR ▲

USD trading firmer against ZAR

At 06:00 SAST, the US Dollar climbed 0.1% against the South African Rand to trade at R13.7355. Later today, traders will keep a close watch on US manufacturing PMI's released by Markit and ISM along with construction spending data 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. Data indicated that personal income in the US edged up in August, however, personal spending came in flat on a monthly basis in the same month, its weakest reading since March. Moreover, the final Reuters/ Michigan consumer sentiment index was revised higher than market expectations in September. Elsewhere, South Africa's budget deficit narrowed in August. Further, the nation swung to a trade deficit in August from a surplus in the previous month.

GBPZAR ▼

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound dropped 0.1% against the South African Rand to trade at R17.7820. 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, despite data indicating that the final reading on UK's gross domestic product was revised higher in the second quarter of 2016. Moreover, total business investment climbed more than previously estimated on a quarterly basis in 2Q16. On the other hand, the nation's current account deficit widened less-than-expected in the second quarter of 2016, hitting a two and a half year high.

EURZAR ▲

EUR trading stronger against ZAR

At 06:00 SAST, the Euro gained marginally against the South African Rand to trade at R15.4328. Going forward, market participants will keep a tab on Markit's survey for manufacturing PMI across the Eurozone.

The Euro weakened against the South African Rand on Friday. Separately, data indicated that Eurozone's unemployment rate remained steady in August, at a five year low. Meanwhile, the region's preliminary consumer price index rose on annual basis in September, reaching a two-year high.

AUDZAR ▼

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar fell marginally against the South African Rand to trade at R10.5104. Earlier in the session, Australia's performance of manufacturing index rose in September, although it remained in contraction territory. Over the weekend, data indicated in China, Australia's largest trading partner, the NBS manufacturing PMI steadied as expected in September.

The Australian Dollar fell against the South African Rand on Friday. Data indicated that Australia's private sector credit advanced less-than-expected on a monthly basis in August.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.7355	▲	-1.23%	NA	NA	-6.85%	-11.31%
GBPZAR	17.7820	▼	-1.20%	NA	NA	-8.01%	-21.92%
EURZAR	15.4328	▲	-1.00%	NA	NA	-6.12%	-8.18%
AUDZAR	10.5104	▼	-0.85%	NA	NA	-5.05%	-7.44%
EURUSD	1.1232	▼	0.12%	NA	NA	0.69%	3.39%
GBPUUSD	1.2945	▼	0.03%	NA	NA	-1.26%	-12.01%
Brent (\$/barrel)	50.0	▼	1.93%	NA	NA	7.04%	34.63%
Gold (\$/oz)	1318.6	▲	-0.64%	NA	NA	0.41%	23.87%
Platinum (\$/oz)	1024.5	▼	-0.21%	NA	NA	-2.36%	15.35%
Copper (\$/MT)*	4848.0	▲	0.47%	NA	NA	5.26%	3.02%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged higher 0.4% to trade at \$1,318.60/oz..

On Friday, gold prices fell 0.6% to close at \$1,313.30/oz, reversing its prior session gains.

Brent Crude Oil ▼

Trading weaker

Brent crude oil fell 0.3% at 06:00 SAST, to trade at \$50.02/bl.

On Friday, Brent crude oil advanced 1.9% to settle at \$50.19/bl, extending its previous session rally. Meanwhile, Baker Hughes reported that US oil rig count rose by 7 to 425 last week.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices declined 0.4% to trade at \$1,024.50/oz.

On Friday, platinum prices declined 0.2% to close at \$1028.60/oz.



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Major South Africa Corporate News

Lewis Group Limited

The company announced its plans to appeal the National Consumer Tribunal's ruling that the company contravened the National Credit Act.

Major Global Economic News

Asia

In September, the NBS manufacturing PMI remained flat at a level of 50.40 in China, lower than market expectations of an advance to a level of 50.50.

In September, the NBS non-manufacturing PMI rose to a level of 53.70 in China. In the prior month, the NBS non-manufacturing PMI had registered a level of 53.50.

The final Nikkei manufacturing PMI in Japan registered a rise to 50.40 in September. In the prior month, manufacturing PMI had registered a reading of 49.50 and the preliminary figures had indicated an advance to 50.30.

In Australia, the AIG performance of manufacturing index advanced to 49.80 in September, compared to a reading of 46.90 in the previous month.

US

In August, personal spending remained steady on a monthly basis, in the US, less than market expectations for a rise of 0.1%. Personal spending had advanced by a revised 0.4% in the prior month.

In August, personal income in the US advanced 0.2% on a monthly basis, compared to an advance of 0.4% in the previous month. Market expectation was for personal income to advance 0.2%.

In September, the final Reuters/Michigan consumer sentiment index in the US registered a rise to 91.20, higher than market expectations of an advance to a level of 90.00. In the previous month, the index had registered a reading of 89.80 and the preliminary figures had recorded a flat reading.

UK

In 2Q16, the final gross domestic product (GDP) recorded a rise of 0.7% on a quarterly basis, in the UK, more than market expectations for an advance of 0.6%. In the prior quarter, GDP had registered a rise of 0.4% and the preliminary figures had recorded an advance of 0.6%.

Current account deficit in the UK rose to GBP28.70bn in 2Q16, from a revised deficit of GBP27.00bn in the prior quarter. Market expectation was for the nation to register a deficit of GBP30.60bn.

In the UK, the final total business investment rose 1.0% on a quarterly basis in 2Q16, compared to a fall of 0.6% in the previous quarter. Markets were expecting total business investment to climb 0.5% and the preliminary figures had recorded an advance of 0.5%.

Eurozone

In the Eurozone, the unemployment rate remained steady at 10.1% in August. Markets were expecting the unemployment rate to fall to 10.0%.

The preliminary consumer price index (CPI) in the Eurozone advanced 0.4% in September on a yearly basis, compared to a rise of 0.2% in the previous month. Markets were expecting the CPI to climb 0.4%.

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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	49	-0.51%	NA	210.90%
Kumba Iron Ore Ltd	124	4.87%	NA	200.83%
Impala Platinum Holdings Ltd	70	2.96%	NA	177.56%
Anglo American Plc	171	1.98%	NA	148.46%
Assore Ltd	148	6.84%	NA	139.10%
South32 Ltd	26	5.06%	NA	117.77%
Sibanye Gold Ltd	49	-0.68%	NA	116.46%
Pan African Resources Plc	4	1.08%	NA	114.29%
AngloGold Ashanti Ltd	222	-2.35%	NA	108.68%
Anglo American Platinum Ltd	386	0.77%	NA	108.50%
ArcelorMittal South Africa Ltd	9	0.23%	NA	97.78%
Lonmin Plc	36	-1.61%	NA	96.67%
Northam Platinum Ltd	52	4.41%	NA	96.63%
Royal Bafokeng Platinum Ltd	51	1.71%	NA	92.35%
Exxaro Resources Ltd	85	9.78%	NA	92.12%
African Rainbow Minerals Ltd	82	-0.53%	NA	89.57%
Niveus Investments Ltd	37	-1.33%	NA	85.00%
Bidvest Group Ltd	162	2.77%	NA	81.72%
Glencore Plc	38	0.85%	NA	81.56%
Gold Fields Ltd	67	-3.04%	NA	58.77%
African Oxygen Ltd	21	2.50%	NA	57.69%
Blue Label Telecoms Ltd	19	1.17%	NA	56.38%
Raubex Group Ltd	25	2.25%	NA	45.64%
Clicks Group Ltd	127	0.90%	NA	42.84%
Cashbuild Ltd	422	2.43%	NA	40.67%
Ascendis Health Ltd	28	0.90%	NA	40.15%
Imperial Holdings Ltd	167	-1.12%	NA	40.01%
Murray & Roberts Holdings Ltd	11	-9.51%	NA	39.13%
Group Five Ltd/South Africa	28	-2.84%	NA	38.49%
Wilson Bayly Holmes-Ovcon Ltd	154	-1.11%	NA	36.06%
Barloworld Ltd	83	-6.46%	NA	34.37%
Shoprite Holdings Ltd	191	0.15%	NA	33.60%
Coronation Fund Managers Ltd	70	-1.28%	NA	32.78%
Tsogo Sun Holdings Ltd	31	0.68%	NA	28.68%
Omnia Holdings Ltd	169	0.61%	NA	26.96%
Famous Brands Ltd	165	6.76%	NA	26.92%
Tongaat Hulett Ltd	118	-0.80%	NA	26.83%
JSE Ltd	160	-0.31%	NA	25.86%
Invicta Holdings Ltd	56	0.05%	NA	24.76%
EOH Holdings Ltd	168	2.86%	NA	24.19%
JSE All Share Index	51950	-0.10%	NA	2.48%

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:50	Tankan Large All Industry Capex (Q3)	✓✓	6.30%*	6.20%	Quarterly
Japan	01:50	Tankan Large Manufacturing Index (Q3)	✓✓	6.00*	6.00	Quarterly
Japan	01:50	Tankan Large Manufacturing Outlook (Q3)	✓✓	6.00*	6.00	Quarterly
Japan	01:50	Tankan Non - Manufacturing Index (Q3)	✓✓	18.00*	19.00	Quarterly
Japan	01:50	Tankan Non - Manufacturing Outlook (Q3)	✓✓	16.00*	17.00	Quarterly
Japan	02:30	Nomura/ JMMA Manufacturing PMI (Sep) (F)	✓✓	50.40*	50.30**	Monthly
Japan	07:00	Vehicle Sales (YoY) (Sep)	✓	-	5.70%	Monthly
Switzerland	09:15	Real Retail Sales (YoY) (Aug)	✓✓	-1.70%	-2.20%	Monthly
Spain	09:15	Markit Manufacturing PMI (Sep)	✓	51.50	51.00	Monthly
Switzerland	09:30	SVME - PMI (Sep)	✓✓	51.80	51.00	Monthly
Italy	09:45	Markit Manufacturing PMI (Sep)	✓	50.30	49.80	Monthly
France	09:50	Markit Manufacturing PMI (Sep) (F)	✓	49.50	49.50**	Monthly
Germany	09:55	Markit Manufacturing PMI (Sep) (F)	✓✓	54.30	54.30**	Monthly
Eurozone	10:00	Markit Manufacturing PMI (Sep) (F)	✓✓✓	52.60	52.60**	Monthly
Greece	10:00	Manufacturing PMI (Sep)	✓	50.80	50.40	Monthly
UK	10:30	Markit Manufacturing PMI (Sep)	✓✓✓	52.10	53.30	Monthly
South Africa	11:00	PMI Manufacturing (Sep)	✓✓	-	46.30	Monthly
US	15:45	Markit Manufacturing PMI (Sep) (F)	✓✓	51.40	51.40**	Monthly
US	16:00	ISM New Orders (Sep)	✓	-	49.10	Monthly
US	16:00	Construction Spending (MoM) (Aug)	✓✓	0.30%	0.00%	Monthly
US	16:00	ISM Manufacturing PMI (Sep)	✓✓	50.20	49.40	Monthly
US	16:00	ISM Prices Paid (Sep)	✓✓	53.50	53.00	Monthly
South Africa	-	Naamsa Vehicle Sales (YoY) (Sep)	✓	-10.00%	-9.50%	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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