

ONE Minute Brief

7 October 2016

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Economic and Political News

South Africa's electricity production climbed 3.8% on an annual basis, in August. In the previous month, electricity production had risen by a revised 2.8%. Moreover, electricity consumption recorded a rise of 1.6% on a yearly basis in August. In the previous month, electricity consumption had dropped 0.6%.

Trade and Industry Minister, Rob Davies, indicated that South Africa could avoid a credit rating downgrade at the end of the year as he believes that economic growth is over its worst phase.

Data released by the National Credit Regulator projects that total debt owed by South Africans increased slightly by 0.31% to ZAR1.66tn in the June quarter. On the other hand, unsecured debtors book shrank during the same quarter.

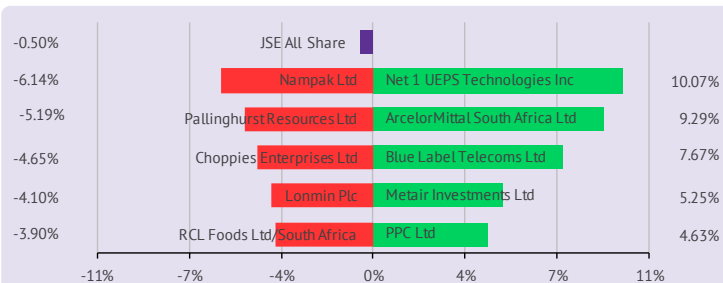
President Jacob Zuma officially appointed advocate Busisiwe Mkhwebane as the new public protector for a period of seven years, effective from October 15.

SABC Chairperson, Prof Mbulaheni Maguvhe, announced that he will not resign from the board and is waiting for the inquiry to take place.

South Africa Market ▼

South African markets closed lower

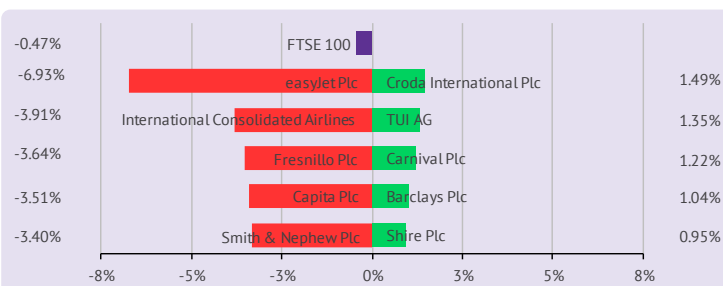
South African markets closed in the red yesterday, amid losses in gold mining sector stocks. The JSE All Share Index fell 0.5% to close at 51,610.78.



UK Market ▼

The FTSE 100 futures are trading in positive territory

UK markets finished lower yesterday, weighed down by losses in airlines sector stocks. The FTSE 100 Index declined 0.5% to close at 6,999.96.



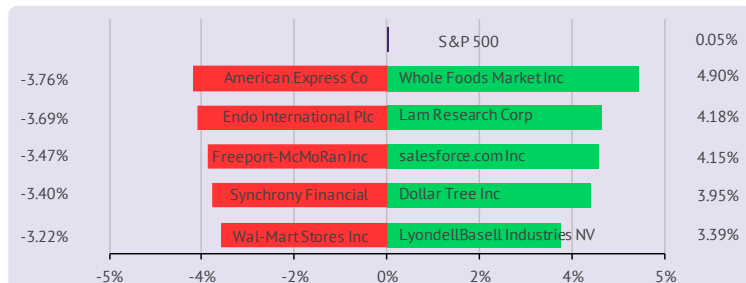
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	51610.78	▼ -257.75	-0.50%	-0.65%	-0.65%	-1.49%	1.81%
JSE Top 40	45051.08	▼ -257.40	-0.57%	-0.82%	-0.82%	-1.81%	-1.63%
FTSE 100	6999.96	▼ -33.29	-0.47%	1.46%	1.46%	1.74%	12.14%
DAX 30	10568.80	▼ -16.98	-0.16%	0.55%	0.55%	-0.77%	-1.62%
CAC 40	4480.10	▼ -9.85	-0.22%	0.72%	0.72%	0.23%	-3.38%
S&P 500	2160.77	▲ 1.04	0.05%	-0.35%	-0.35%	-0.12%	5.72%
Nasdaq Composite	5306.85	▼ -9.17	-0.17%	-0.10%	-0.10%	1.89%	5.98%
DJIA	18268.50	▼ -12.53	-0.07%	-0.22%	-0.22%	-0.50%	4.84%

US Market ▲

The S&P 500 futures are trading in the red

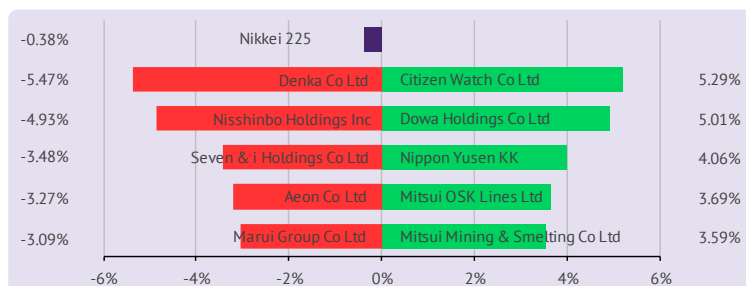
US markets closed higher yesterday, supported by gains in material sector stocks. Data indicated that initial jobless claims in the US eased unexpectedly last week. The S&P 500 Index rose 0.1% to close at 2,160.77.



Asian Market ▼

Trading mostly lower

Asian markets are trading mostly lower this morning. The Nikkei 225 Index is trading 0.4% lower at 16,834.14. Markets in China remain closed today on account of a national holiday.



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USDZAR ▲

USD trading stronger against ZAR

At 06:00 SAST, the US Dollar is trading 0.3% higher against the South African Rand at R13.9300. Later today, traders will closely watch US non-farm payrolls and unemployment data along with average hourly earnings for further direction. Additionally, South Africa's non-farm payrolls data will be on investors' radar.

The US Dollar rose against the South African Rand yesterday, after data indicating that the number of people in the US applying for new jobless benefits slipped unexpectedly last week, nearing a four decade low.

GBPZAR ▼

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound fell 1.2% against the South African Rand to trade at R17.3120. Later today, traders will keep an eye on UK's industrial and manufacturing production, total trade balance data and NIESR GDP estimate for further cues in the Pound.

The British Pound advanced against the South African Rand yesterday.

EURZAR ▼

EUR trading lower against ZAR

At 06:00 SAST, the Euro is trading marginally weaker against the South African Rand at R15.4817. Going forward, market participants will keep a tab on Germany's industrial production data for August.

The Euro strengthened against the South African Rand yesterday. Separately, the ECB's September monetary policy meeting minutes revealed that policymakers agreed the Eurozone's economy needed continued monetary stimulus as underlying price growth showed no signs of a strong recovery. Although the central bank reiterated that it is committed to maintaining its massive asset purchase programme until its conclusion next year and stands ready to extend it. Elsewhere, Germany's Markit construction PMI expanded in September to reach a four-month high. Moreover, the nation's factory orders advanced strongly in August.

AUDZAR ▲

AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar advanced 0.2% against the South African Rand to trade at R10.5520. Earlier in the session, data indicated that Australia's performance of construction index rebounded in September.

The Australian Dollar fell against the South African Rand yesterday. Separately, data indicated that Australia's trade deficit narrowed more than market expectations in August.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.9300	▲	1.21%	1.18%	1.18%	-6.85%	-10.27%
GBPZAR	17.3120	▼	0.17%	-1.58%	-1.58%	-8.01%	-23.15%
EURZAR	15.4817	▼	0.73%	0.35%	0.35%	-6.12%	-7.86%
AUDZAR	10.5520	▲	0.74%	0.17%	0.17%	-5.05%	-7.28%
EURUSD	1.1112	▼	-0.48%	-0.75%	-0.75%	0.69%	2.62%
GBPUSD	1.2427	▼	-1.04%	-2.74%	-2.74%	-1.26%	-14.42%
Brent (\$/barrel)	52.5	▼	1.25%	4.62%	4.62%	7.04%	40.85%
Gold (\$/oz)	1255.7	▲	-1.22%	-4.84%	-4.84%	0.41%	17.88%
Platinum (\$/oz)	963.0	▲	-1.03%	-6.45%	-6.45%	-2.36%	7.92%
Copper (\$/MT)*	4737.5	▼	-0.85%	-2.28%	-2.28%	5.26%	0.67%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged higher 0.5% to trade at \$1,255.70/oz.

Yesterday, gold prices fell 1.2% to close at \$1,249.80/oz, as positive economic data in the US, increased speculation for an interest rate hike by the US Federal Reserve by the year end.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil retreated 0.1% to trade at \$52.45/bl.

Yesterday, Brent crude oil advanced 1.3% to settle at \$52.51/bl, amid expectations that Hurricane Matthew storm may disrupt crude supply in the Southeastern US and as investors remained optimistic ahead of another informal OPEC meeting on output cuts.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices rose 0.1% to trade at \$963.00/oz.

Yesterday, platinum prices declined 1.0% to close at \$962.30/oz.



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Major South Africa Corporate News

MTN Group Limited

The company announced the successful pricing of the dual tranche USD500.00mn Long 5-year and USD500.00mn 10-year notes. Proceeds of the issue, which is due to settle on October 13, 2016, will be used for purposes of capital expenditure; to pay down working capital facilities and for general corporate purposes.

Major Global Economic News

Eurozone

The European Central Bank's (ECB) September monetary policy meeting minutes revealed that rate setters agreed the Euro zone's economy needs continued monetary stimulus as underlying price growth showed no signs of a strong recovery. The ECB reiterated that the central bank is committed to maintaining its massive bond-buying program until its conclusion next year and stands ready to extend it, if necessary, until the governing council sees a sustained adjustment in the path of inflation.

The seasonally adjusted factory orders in Germany rose 1.0% on a monthly basis, in August, more than market expectations for a rise of 0.3%. Factory orders had registered a revised rise of 0.3% in the previous month.

In Germany, the Markit construction PMI climbed to a level of 52.40 in September. The PMI had recorded a reading of 51.60 in the prior month.

Asia

In September, the AIG performance of construction index climbed to 51.40 in Australia. In the prior month, the index had recorded a level of 46.60.

US

The seasonally adjusted initial jobless claims in the US dropped unexpectedly to 249.00K in the week ended October 01, 2016, compared to a level of 254.00K in the previous week. Markets were expecting initial jobless claims to advance to 256.00K.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:50	Japan Foreign Reserves (Sep)	✓	USD1260.10bn*	USD1256.10bn	Monthly
Japan	07:00	Coincident Index (Aug) (P)	✓	111.80	112.10	Monthly
Japan	07:00	Leading Economic Index (Aug) (P)	✓✓	101.60	100.00	Monthly
Germany	08:00	Industrial Production s.a. (MoM) (Aug)	✓	1.00%	-1.50%	Monthly
South Africa	08:00	Net Gold & Forex Reserve (Sep)	✓	USD41.00bn	USD40.80bn	Monthly
South Africa	08:00	Gross Gold & Forex Reserve (Sep)	✓	USD45.98bn	USD45.71bn	Monthly
France	08:45	Manufacturing Production (MoM) (Aug)	✓✓	0.30%	-0.30%	Monthly
France	08:45	Industrial Production (MoM) (Aug)	✓✓	0.60%	-0.60%	Monthly
UK	10:30	Industrial Production (MoM) (Aug)	✓	0.10%	0.10%	Monthly
UK	10:30	Manufacturing Production (MoM) (Aug)	✓	0.40%	-0.90%	Monthly
UK	10:30	Total Trade Balance (Aug)	✓✓	-GBP4.00bn	-GBP4.50bn	Monthly
US	14:30	Average Hourly Earnings All Employees (YoY) (Sep)	✓✓	2.60%	2.40%	Monthly
US	14:30	Unemployment Rate (Sep)	✓✓✓	4.90%	4.90%	Monthly
Canada	14:30	Unemployment Rate (Sep)	✓✓✓	7.00%	7.00%	Monthly
US	14:30	Average Hourly Earnings All Employees (MoM) (Sep)	✓✓	0.30%	0.10%	Monthly
US	14:30	Change in Non-farm Payrolls (Sep)	✓✓✓	172.00 K	151.00 K	Monthly
Eurozone	15:00	ECB Board Member Praet on Panel in Washington	✓	-	-	As scheduled
UK	16:00	NIESR GDP Estimate (3M) (Sep)	✓✓✓	-	0.30%	Monthly
Canada	16:00	Ivey PMI s.a (Sep)	✓✓	53.10	52.30	Monthly
US	16:00	Wholesale Inventories (Aug) (F)	✓	-0.10%	-0.10%**	Monthly
US	16:30	Fed's Stanley Fischer speech	✓✓	-	-	As scheduled
US	21:00	Consumer Credit Change (Aug)	✓✓	USD16.50bn	USD17.71bn	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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