

ONE Minute Brief

2 November 2016

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Economic and Political News

In South Africa, the manufacturing PMI eased to 45.90 in October. In the prior month, the manufacturing PMI had registered a revised level of 48.50. Moreover, in October, new vehicle sales dropped less-than-expected 10.1%, compared to a fall of 14.3% in the prior month.

The Nelson Mandela Foundation has expressed concern about the weakening of state institutions and indicated that this poses a threat to the country's democracy. Further, ANC secretary general, Gwede Mantashe, revealed that they are inviting the Foundation to the party's headquarters to solve their issues with ANC.

President, Jacob Zuma's, advocate, Anthea Platt, stated that opposition parties have no direct interest in President's court case in the release of public protector's state-capture report.

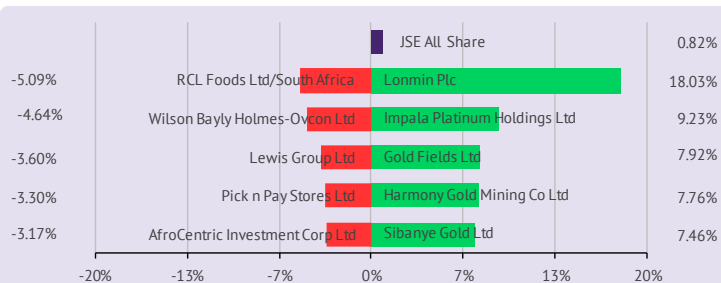
Parliament members have urged the Independent Communications Authority of South Africa (Icasa) to penalise the SABC for failing to comply with its ruling.

Moody's stated that South Africa is doing well in most indices except for economic growth, which Treasury has forecasted at 0.5% for this year.

South Africa Market ▲

South African markets closed higher

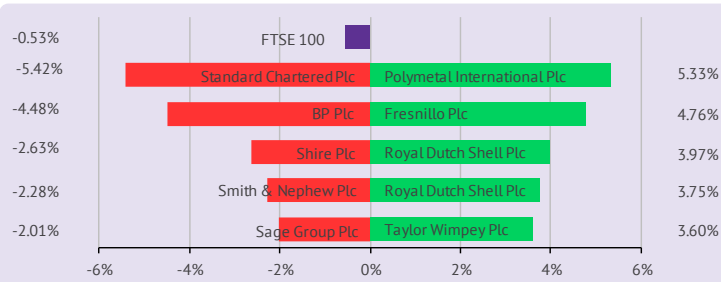
South African markets closed in the green yesterday, amid gains in platinum and gold mining sector stocks. Data indicated that the Barclays manufacturing PMI in South Africa contracted in October. The JSE All Share Index rose 0.8% to close at 51,002.69.



UK Market ▼

The FTSE 100 futures are trading in negative territory

UK markets finished lower yesterday, weighed down by losses in banking sector stocks. Data indicated that UK's Markit manufacturing PMI expanded at a slower pace in October. The FTSE 100 Index declined 0.5% to close at 6,917.14.



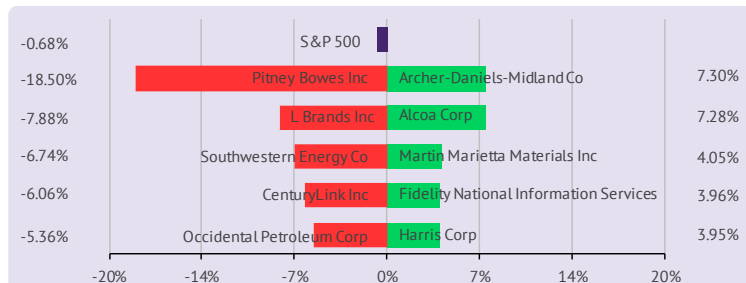
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	51002.69	▲ 412.61	0.82%	0.40%	0.82%	-2.62%	0.61%
JSE Top 40	44444.48	▲ 425.09	0.97%	0.31%	0.97%	-3.10%	-2.95%
FTSE 100	6917.14	▼ -37.08	-0.53%	-1.13%	-0.53%	0.80%	10.81%
DAX 30	10526.16	▼ -138.85	-1.30%	-1.59%	-1.30%	1.47%	-2.02%
CAC 40	4470.28	▼ -38.98	-0.86%	-1.72%	-0.86%	1.37%	-3.60%
S&P 500	2111.72	▼ -14.43	-0.68%	-0.69%	-0.68%	-1.94%	3.32%
Nasdaq Composite	5153.58	▼ -35.56	-0.69%	-0.70%	-0.69%	-2.31%	2.92%
DJIA	18037.10	▼ -105.32	-0.58%	-0.68%	-0.58%	-0.91%	3.51%

US Market ▼

The S&P 500 futures are trading in the red

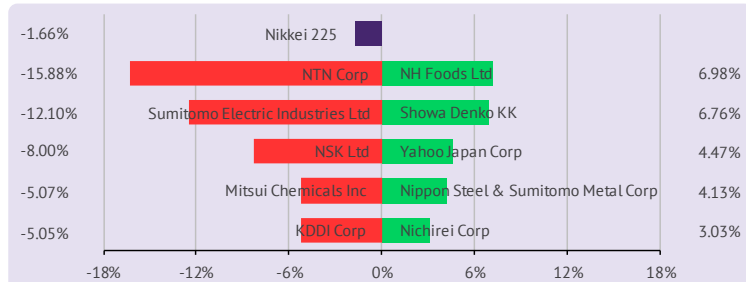
US markets closed lower yesterday, led by losses in real estate sector stocks. Data revealed that US ISM manufacturing activity index advanced more-than-expected in October. The S&P 500 Index dropped 0.7% to close at 2,111.72.



Asian Market ▼

Trading lower

Asian markets are trading lower this morning, tracking overnight losses on Wall Street. Data indicated that monetary base in Japan climbed on an annual basis in October. The Nikkei 225 Index is trading 1.7% lower at 17,152.11.



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USDZAR ▲

USD trading higher against ZAR

At 06:00 SAST, the US Dollar climbed 0.1% against the South African Rand to trade at R13.6156. Later today, traders will keep a close watch on the FOMC's interest rate decision along with ADP employment change and mortgage applications for further direction.

The US Dollar rose against the South African Rand yesterday, after data indicated that ISM manufacturing activity in the US rose more than market expectations in October. Additionally, the final Markit manufacturing PMI expanded slightly more than previously estimated in the same month. Further, construction spending fell unexpectedly on a monthly basis in September. Elsewhere, in South Africa, the Barclays manufacturing PMI declined in October, remaining in the contraction territory.

GBPZAR ▲

GBP trading stronger against ZAR

At 06:00 SAST, the British Pound marginally climbed against the South African Rand to trade at R16.6650. Later today, traders will keep an eye on UK's construction PMI and nationwide housing prices for further cues.

The British Pound advanced against the South African Rand yesterday. Data indicated that the Markit manufacturing PMI in the UK eased more -than-expected in October, albeit remaining in the expansion territory.

EURZAR ▲

EUR trading firmer against ZAR

At 06:00 SAST, the Euro is trading 0.2% higher against the South African Rand at R15.0695. Going forward, market participants will keep a tab on Markit's manufacturing PMI across the Eurozone, scheduled in few hours. Moreover, Germany's unemployment rate will be on investors' radar.

The Euro strengthened against the South African Rand yesterday.

AUDZAR ▼

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar declined 0.1% against the South African Rand to trade at R10.3873. Earlier in the session, building approvals in Australia slumped more than market expectations on a monthly basis in September.

The Australian Dollar rose against the South African Rand yesterday. The RBA kept the benchmark interest rate at 1.5% at its November monetary policy meeting. Separately, in China, Australia's largest trading partner, the NBS manufacturing PMI advanced more than market anticipations in October, while non-manufacturing PMI rose in the same month.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.6156	▲	1.04%	-1.60%	1.04%	-1.91%	-12.10%
GBPZAR	16.6650	▲	1.01%	-1.12%	1.01%	-7.38%	-26.94%
EURZAR	15.0695	▲	1.69%	-0.93%	1.69%	-4.15%	-10.50%
AUDZAR	10.3873	▼	1.57%	-0.90%	1.57%	-2.60%	-8.44%
EURUSD	1.1067	▲	0.67%	0.64%	0.67%	-2.28%	1.72%
GBPUSD	1.2237	▼	-0.01%	0.50%	-0.01%	-5.63%	-16.96%
Brent (\$/barrel)	47.8	▼	-0.97%	-3.16%	-0.97%	-3.15%	29.13%
Gold (\$/oz)	1291.7	▲	1.17%	0.88%	1.17%	-3.06%	21.49%
Platinum (\$/oz)	991.4	▼	1.97%	1.68%	1.97%	-4.86%	11.91%
Copper (\$/MT)*	4907.8	▲	1.38%	1.58%	1.38%	-0.14%	4.29%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.3% higher to trade at \$1,291.70/oz.

Yesterday, gold prices rose 1.2% to close at \$1,288.00/oz, amid weakness in the US Dollar as uncertainty increased ahead of upcoming US Presidential elections.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 0.7% lower to trade at \$47.80/bL.

Yesterday, Brent crude oil dropped 1.0% to settle at \$48.14/bL, after the American Petroleum Institute (API) reported that crude oil inventories increased by 9.3mn bls in the week to October 28.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged lower 0.7% to trade at \$991.40/oz.

Yesterday, platinum prices climbed 2.0% to close at \$997.90/oz.



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Major South Africa Corporate News

Anglo American Plc

The company confirmed the completion of the sale of Rustenburg Operations by its wholly owned subsidiary Rustenburg Platinum Mines to Sibanye Rustenburg Platinum Mines Proprietary Limited and that Sibanye has now taken over ownership, control and management of those operations.

Northam Platinum Limited

The company announced the acquisition of 4,043,018 preference shares in Zambezi Platinum (RF) Limited from Coronation Asset Management Proprietary Limited acting as investment manager on behalf of its clients. The acquisition was effected on October 31, 2016 at R49.468/preference share, for a total cash value of ZAR200mn, and constitutes approximately 2.5% of the total preference shares in issue.

Major Global Economic News

US

In the US, the ISM manufacturing activity index rose to a level of 51.90 in October, higher than market expectations of a rise to a level of 51.70. The index had registered a reading of 51.50 in the previous month.

In October, the final Markit manufacturing PMI registered a rise to 53.40 in the US, compared to market expectations of an advance to a level of 53.20. The preliminary figures had recorded an advance to 53.20 and the PMI had registered a reading of 51.50, in the prior month.

In the US, construction spending unexpectedly dropped 0.4% on a monthly basis in September, compared to market expectations for a rise of 0.5%. Construction spending had dropped by a revised 0.5% in the prior month.

UK

In October, the manufacturing PMI in the UK recorded a drop to 54.30, compared to market expectations of a drop to a level of 54.50. The PMI had registered a revised reading of 55.50 in the prior month.

Asia

In Australia, the seasonally adjusted building approvals registered a drop of 8.7% on a monthly basis in September, higher than market expectations for a drop of 3.0%. Building approvals had dropped 1.8% in the prior month.

In Japan, the monetary base registered a rise of 22.1% in October on an annual basis. In the previous month, the monetary base had registered a rise of 22.7%.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:50	Monetary Base (YoY) (Oct)	✓	22.10%*	22.70%	Monthly
UK	02:01	BRC Shop Price Index (YoY) (Oct)	✓	-1.70%*	-1.80%	Monthly
Japan	07:00	Consumer Confidence Index (Oct)	✓✓	42.60	43.00	Monthly
Switzerland	09:00	UBS Real Estate Bubble Index (Q3)	✓✓	-	1.32	Quarterly
UK	09:00	Nationwide House Prices s.a. (MoM) (Oct)	✓	0.20%	0.30%	Monthly
Spain	10:15	Markit Manufacturing PMI (Oct)	✓	52.60	52.30	Monthly
Italy	10:45	Markit Manufacturing PMI (Oct)	✓	51.40	51.00	Monthly
France	10:50	Markit Manufacturing PMI (Oct) (F)	✓	51.30	51.30**	Monthly
Germany	10:55	Unemployment Rate s.a. (Oct)	✓✓	6.10%	6.10%	Monthly
Germany	10:55	Markit Manufacturing PMI (Oct) (F)	✓✓	55.10	55.10**	Monthly
Germany	10:55	Unemployment Change (Oct)	✓✓✓	-1.00K	1.00K	Monthly
Eurozone	11:00	Markit Manufacturing PMI (Oct) (F)	✓✓✓	53.30	53.30**	Monthly
UK	11:30	Markit Construction PMI (Oct)	✓✓	51.80	52.30	Monthly
US	13:00	MBA Mortgage Applications (28-Oct)	✓	-	-4.10%	Weekly
US	14:15	ADP Employment Change (Oct)	✓✓	165.00K	154.00K	Monthly
US	15:45	ISM New York Index (Oct)	✓	-	49.60	Monthly
Canada	19:15	Bank of Canada's Wilkins speaks on OSC Panel	✓	-	-	As scheduled
US	20:00	Fed Interest Rate Decision	✓✓✓	0.50%	0.50%	As scheduled
US	20:00	Fed's Monetary Policy Statement	✓✓✓	-	-	As scheduled
Eurozone	-	European Commission Economic Forecasts	✓✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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