

# ONE Minute Brief

9 November 2016

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## Economic and Political News

African National Congress Secretary-General, Gwede Mantashe, stated that there is no chance of success of vote of no confidence against President, Jacob Zuma. He added that demands for President to resign on basis of state capture report are premature and unfounded. Further, he informed that the party is supporting the inquiry for state capture but they want President to appoint the judge for further proceedings.

Democratic Alliance Economic Development Spokesman, Michael Cardo, has requested Economic Development Minister, Ebrahim Patel, to give information on IDC lending to politically exposed persons by year end.

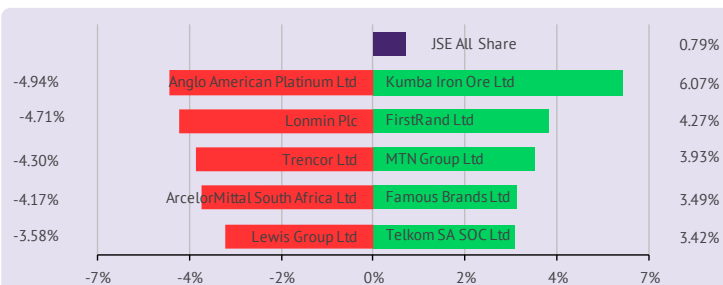
The South African Police Union (SAPU) wants some legal action to be taken against Hawks Boss, Berning Ntlemenza, for his interference in the NPA's case against IPID chief, Robert McBride.

Ratings Agency, Moody's, indicated that South Africa's big four banks which are FirstRand Bank, Standard Bank, Barclays Africa Group and Nedbank will face a rise in problem loans in the next 12 to 18 months as the economy struggles to grow.

## South Africa Market ▲

### South African markets closed higher

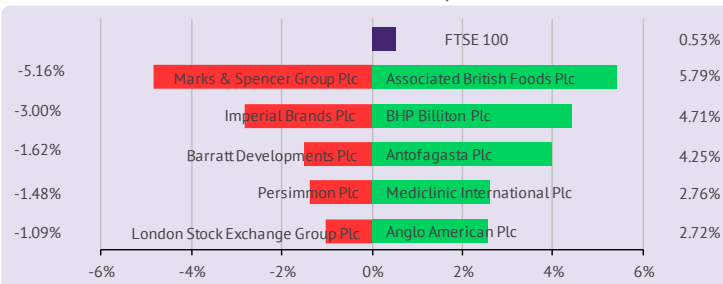
South African markets closed in the green yesterday, amid gains in banking and financial sector stocks. The JSE All Share Index rose 0.8% to close at 50,700.70.



## UK Market ▲

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

UK markets finished higher yesterday, led by gains in material sector stocks. Data indicated that UK's NIESR gross domestic product advanced less than the previous estimate in the three months to October. The FTSE 100 Index advanced 0.5% to close at 6,843.13.



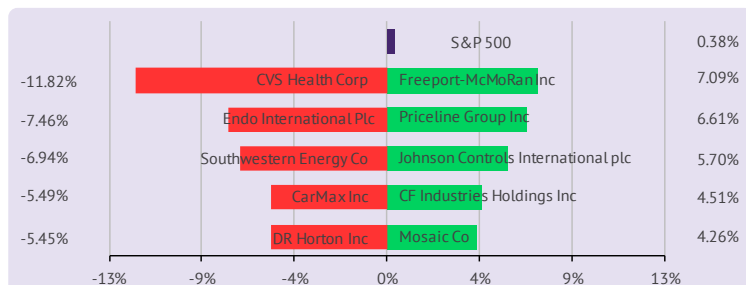
## Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	50700.70	▲	396.93	0.79%	2.04%	0.22%	-2.62%	0.01%
JSE Top 40	44199.79	▲	356.97	0.81%	2.24%	0.41%	-3.10%	-3.49%
FTSE 100	6843.13	▲	36.23	0.53%	2.24%	-1.60%	0.80%	9.62%
DAX 30	10482.32	▲	25.37	0.24%	2.18%	-1.71%	1.47%	-2.43%
CAC 40	4476.89	▲	15.68	0.35%	2.27%	-0.72%	1.37%	-3.45%
S&P 500	2139.56	▲	8.04	0.38%	2.61%	0.63%	-1.94%	4.68%
Nasdaq Composite	5193.49	▲	27.32	0.53%	2.92%	0.08%	-2.31%	3.72%
DJIA	18332.74	▲	73.14	0.40%	2.48%	1.05%	-0.91%	5.21%

## US Market ▲

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

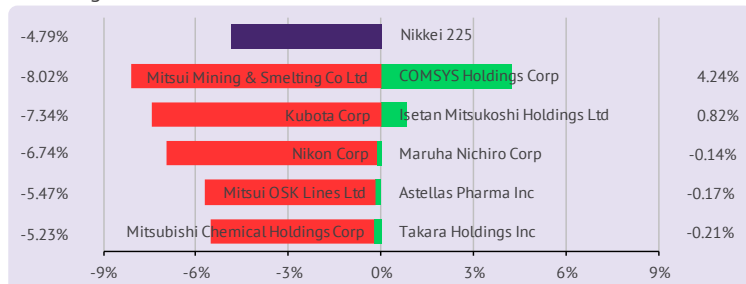
US markets closed higher yesterday, supported by gains in utilities sector stocks. Data revealed that US NFIB small business optimism index expanded unexpectedly in October. The S&P 500 Index climbed 0.4% to close at 2,139.56.



## Asian Market ▼

### Trading lower

Asian markets are trading lower this morning. Data indicated that consumer price index in China advanced in line with market expectations on a yearly basis in October. The Nikkei 225 Index is trading 4.8% lower at 16348.72.



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## USDZAR ▲

### USD trading stronger against ZAR

At 06:00 SAST, the US Dollar is trading 4.5% firmer against the South African Rand at R13.7768. Later today, traders will keep a close watch on the outcome of US Presidential Elections and wholesale inventories along with MBA mortgage application and wholesale trade balance for further cues. Additionally, the SACCI business confidence will be on investors' radar.

The US Dollar fell against the South African Rand yesterday. Data indicated that NFIB small business optimism index in the US unexpectedly advanced in October. Additionally, JOLTS job openings increased less-than-expected in September from August.

## GBPZAR ▲

### GBP trading higher against ZAR

At 06:00 SAST, the British Pound gained 5.5% against the South African Rand to trade at R17.2186. Later today, traders will keep an eye on UK's total trade balance for further direction.

The British Pound declined against the South African Rand yesterday. Data revealed that NIESR gross domestic product in the UK rose less than previous estimate in October. Further, industrial production unexpectedly dropped on a monthly basis in September. Moreover, manufacturing production advanced in September from August.

## EURZAR ▲

### EUR trading stronger against ZAR

At 06:00 SAST, the Euro is trading 6.3% higher against the South African Rand at R15.4573. Going forward, market participants will keep a tab on European Commission economic forecast, scheduled in few hours.

The Euro weakened against the South African Rand yesterday. Data indicated that Germany's trade surplus advanced more-than-expected in September. Moreover, the nation's industrial production dropped at a faster-than-expected pace on a monthly basis in the same month.

## AUDZAR ▲

### AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar is trading 2.6% higher against the South African Rand at R10.4979. Earlier in the session, data indicated that Australia's Westpac Consumer Confidence dropped in November for the first time in four months. Elsewhere, in China, Australia's largest trading partner, consumer price index rose in line with market expectations on an annual basis in October. Further, nation's producer price index advanced more-than-expected on a yearly basis in the same month.

The Australian Dollar fell against the South African Rand yesterday. Data indicated that Australia's NAB business confidence dropped in October, while business conditions eased in the same month. Elsewhere, in China, Australia's largest trading partner, trade surplus in Dollar terms expanded less than market expectations in October.

## Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.7768	▲	-1.23%	-2.87%	-2.08%	-1.91%	-14.82%
GBPZAR	17.2186	▲	-1.45%	-3.92%	-1.03%	-7.38%	-28.42%
EURZAR	15.4573	▲	-1.38%	-3.82%	-1.68%	-4.15%	-13.47%
AUDZAR	10.4979	▲	-0.77%	-1.75%	-0.12%	-2.60%	-9.96%
EURUSD	1.1230	▲	-0.14%	-1.01%	0.40%	-2.28%	1.44%
GBPU\$	1.2486	▲	-0.15%	-1.12%	1.10%	-5.63%	-16.04%
Brent (\$/barrel)	44.8	▼	-0.24%	1.01%	-5.29%	-3.15%	23.50%
Gold (\$/oz)	1318.9	▲	-0.38%	-2.30%	0.11%	-3.06%	20.21%
Platinum (\$/oz)	1008.4	▼	0.72%	0.41%	3.07%	-4.86%	13.11%
Copper (\$/MT)*	5218.8	▲	2.74%	4.85%	7.80%	-0.14%	10.90%

\*As of Previous Close

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices edged 3.5% higher to trade at \$1,318.90/oz.

Yesterday, gold prices fell 0.4% to close at \$1,274.50/oz, as strength in global equity markets dented demand for the precious metal.

## Brent Crude Oil ▼

### Trading weaker

At 06:00 SAST, Brent crude oil edged 2.7% lower to trade at \$44.80/bL

Yesterday, Brent crude oil dropped 0.2% to settle at \$46.04/bL, after the American Petroleum Institute (API) reported that crude oil inventories rose 4.4mn bls last week.

## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices edged 0% lower to trade at \$1,008.40/oz.

Yesterday, platinum prices climbed 0.7% to close at \$1008.60/oz.



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## Major South Africa Corporate News

### ArcelorMittal South Africa Limited

In its 3Q16 operational report, the company indicated that its local sales were up 3.0% compared with 3Q15. Its Vanderbijlpark works reached 200 days LTI free in October. Separately, Saldanha works mini-reline started and completed during the current quarter.

### Massmart Holdings Limited

In its sales update for the 44 weeks to October 30, 2016, the company stated that its total sales increased to ZAR73.20bn, representing growth of 7.6% over the prior year 44-week period. Comparable stores' sales increased by 5.3%, while product inflation is estimated at 6.4%.

## Major Global Economic News

### Eurozone

In Germany, the seasonally adjusted trade surplus expanded to EUR24.40bn in September, following a revised trade surplus of EUR19.90bn in the previous month. Markets were anticipating the country's trade surplus to expand to EUR22.40bn.

In September, the seasonally adjusted industrial production recorded a drop of 1.8% on a monthly basis in Germany, higher than market expectations for a fall of 0.5%. Industrial production had risen by a revised 3.0% in the previous month.

In Germany, the seasonally adjusted imports recorded a drop of 0.5% on a monthly basis, in September, compared to a revised rise of 1.9% in the prior month. Markets were anticipating imports to drop 0.2%.

In September, the seasonally adjusted exports fell 0.7% on a monthly basis, in Germany, less than market expectations for a fall of 0.8%. In the previous month, exports had climbed by a revised 3.4%.

### UK

In the UK, the NIESR GDP rose 0.4% in the three months to October from a revised rise of 0.5% in the three months to September.

In September, industrial production registered an unexpected drop of 0.4% on a monthly basis, compared to a similar fall in the prior month. Markets were expecting industrial production to record a flat reading.

In the UK, manufacturing production recorded a rise of 0.6% on a monthly basis in September, compared to a rise of 0.2% in the prior month. Markets were expecting manufacturing production to advance 0.4%.

### Asia

In China, consumer price index (CPI) advanced 2.1% on a yearly basis in October, in line with market expectations and compared to a rise of 1.9% in September.

In October, the producer price index (PPI) rose 1.2% on an annual basis in China. Markets were anticipating the PPI to rise 0.8%.

In Japan, (BOP basis) trade surplus rose to JPY642.40bn in September, from a trade surplus of JPY243.20bn in the previous month. Markets were anticipating the country's trade surplus to expand to JPY668.80bn.

In November, Westpac consumer confidence index eased 1.10%, on monthly basis, in Australia to a level of 101.30, compared to a reading of 102.40 in the prior month.

### US

In October, the small business optimism index rose unexpectedly to a level of 94.90 in the US, compared to market expectations of a steady reading. The index had recorded a level of 94.10 in the previous month.

In the US, JOLTs job openings climbed to 5486.00K in September, compared to a revised level of 5453.00K in the prior month. Markets were expecting JOLTs job openings to rise to 5488.00K.

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## Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:50	Bank Lending including Trusts (YoY) (Oct)	✓	2.40%*	2.20%	Monthly
Japan	01:50	Adjusted Current Account Total (Sep)	✓	Yen1477.30bn*	Yen1975.70bn	Monthly
Japan	01:50	Trade Balance - BOP Basis (Sep)	✓✓	Yen642.40bn*	Yen243.20bn	Monthly
China	03:30	Consumer Price Index (YoY) (Oct)	✓✓✓	2.10%*	1.90%	Monthly
China	03:30	Producer Price Index (YoY) (Oct)	✓✓✓	1.20%*	0.10%	Monthly
China	03:30	Consumer Price Index (MoM) (Oct)	✓✓	-0.10%*	0.70%	Monthly
Japan	06:30	Bankruptcies (YoY) (Oct)	✓✓	-	-3.41%	Monthly
Japan	07:00	Eco Watchers Survey: Current (Oct)	✓✓	44.40	44.80	Monthly
Japan	07:00	Eco Watchers Survey: Outlook (Oct)	✓✓	47.80	48.50	Monthly
Eurozone	10:00	ECB's Praet Speaks in Brussels	✓	-	-	As scheduled
South Africa	11:30	SACCI Business Confidence Index (Oct)	✓	-	90.30	Monthly
UK	11:30	Total Trade Balance (Sep)	✓✓	-GBP3.95bn	-GBP4.73bn	Monthly
UK	11:30	Trade Balance; non-EU (Sep)	✓	-GBP3.45bn	-GBP3.76bn	Monthly
UK	11:30	Visible Trade Balance (Sep)	✓✓	-GBP11.36bn	-GBP12.11bn	Monthly
Greece	12:00	Industrial Production (YoY) (Sep)	✓	-	-0.30%	Monthly
Eurozone	12:00	European Commission Economic Forecasts	✓✓	-	-	As scheduled
US	14:00	MBA Mortgage Applications (04-Nov)	✓	-	-1.20%	Weekly
Eurozone	16:00	ECB's Nouy Speaks in Brussels	✓	-	-	As scheduled
US	17:00	Wholesale Inventories (Sep) (F)	✓	0.20%	0.20%**	Monthly
US	17:30	DOE Distillate Inventory (04-Nov)	✓	-	-1828.00 K barrels	Weekly
US	17:30	DOE Gasoline Inventories (04-Nov)	✓	-	-2207.00 K barrels	Weekly
US	17:30	DOE Cushing OK Crude Inventory (04-Nov)	✓	-	89.00 K barrels	Weekly
US	17:30	EIA Crude Oil Stocks Change (04-Nov)	✓	-	1.44 mn barrels	Weekly

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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