

ONE Minute Brief

11 November 2016

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Economic and Political News

In September, the manufacturing production index remained steady in South Africa on a yearly basis, compared to an advance of 2.2% in the prior month. Markets were anticipating the manufacturing production index to climb 0.5%.

Mining production climbed 3.4% on an annual basis in September, in South Africa, higher than market expectations for a rise of 1.0%. Mining production had recorded a revised rise of 0.1% in the previous month.

In September, gold production fell 7.0% on a yearly basis, in South Africa. Gold production had recorded a revised drop of 8.4% in the prior month. Platinum production climbed 10.5% on an annual basis in September, in South Africa, while it recorded a revised rise of 3.6%.

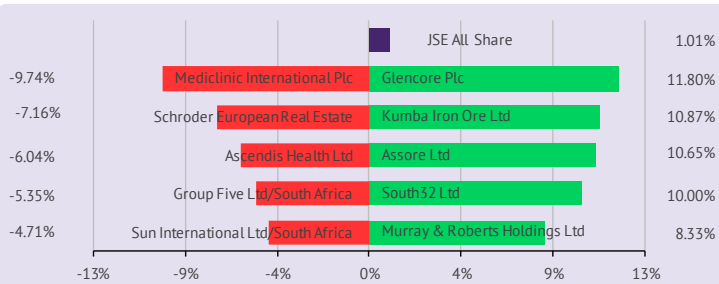
The motion of no confidence by Democratic Alliance against President, Jacob Zuma, was again unsuccessful.

South African Airways (SAA) Chairperson, Dudu Myeni, stated that she alone is not responsible for the performance of airline and has not caused any harm to it, whereas the decline in the performance of SAA is due to decisions made in the past.

South Africa Market ▲

South African markets closed higher

South African markets closed in the green yesterday, amid gains in resources sector stocks. Data indicated that South Africa's manufacturing production came flat on an annual basis in September. The JSE All Share Index rose 1.0% to close at 51,493.00.



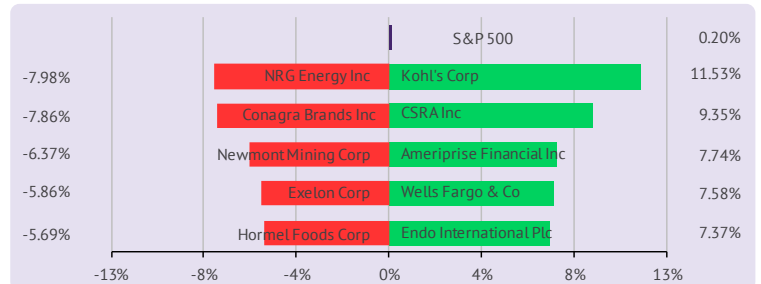
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	51493.00 ▲	515.15	1.01%	3.64%	1.78%	-2.62%	1.58%
JSE Top 40	45022.99 ▲	528.72	1.19%	4.15%	2.28%	-3.10%	-1.69%
FTSE 100	6827.98 ▼	-83.86	-1.21%	2.01%	-1.82%	0.80%	9.38%
DAX 30	10630.12 ▼	-15.89	-0.15%	3.62%	-0.33%	1.47%	-1.05%
CAC 40	4530.95 ▼	-12.53	-0.28%	3.51%	0.48%	1.37%	-2.29%
S&P 500	2167.48 ▲	4.22	0.20%	3.95%	1.94%	-1.94%	6.04%
Nasdaq Composite	5208.80 ▼	-42.28	-0.81%	3.22%	0.38%	-2.31%	4.02%
DJIA	18807.88 ▲	218.19	1.17%	5.14%	3.67%	-0.91%	7.94%

US Market ▲

The S&P 500 futures are trading in the red

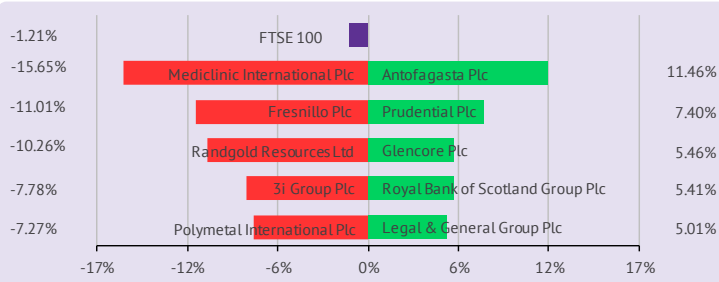
US markets closed higher yesterday, supported by gains in financial sector stocks. Data indicated that jobless claims in the US dropped more than expected last week. The S&P 500 Index climbed 0.2% to close at 2,167.48.



UK Market ▼

The FTSE 100 futures are trading in negative territory

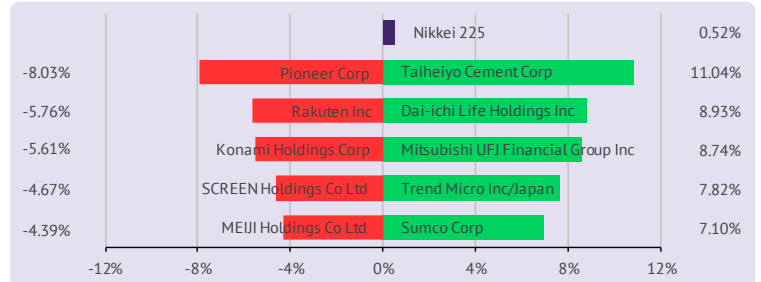
UK markets finished lower yesterday, led by losses in gold mining and material sector stocks. Data revealed that UK's RICS house price balance rose more than expected in October. The FTSE 100 Index declined 1.2% to close at 6,827.98.



Asian Market ◀▶

Trading mixed

Asian markets are trading mixed this morning. The Nikkei 225 Index is trading 0.5% higher at 17435.32.



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USDZAR ▼

USD trading lower against ZAR

At 06:00 SAST, the US Dollar dropped 0.1% against the South African Rand to trade at R14.1000. Later today, traders will keep a close watch on US consumer sentiment index for further cues.

The US Dollar rose against the South African Rand yesterday, after data indicated that the number of Americans applying for first-time unemployment benefits declined more-than-anticipated last week. Further, monthly budget statement recorded a deficit less than market expectations in October. Meanwhile, manufacturing production in South Africa posted a flat reading on an annual basis in September.

GBPZAR ▼

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound retreated 0.1% against the South African Rand to trade at R17.7020. Later today, traders will keep an eye on UK's construction output for further direction.

The British Pound advanced against the South African Rand yesterday. Data indicated that UK's RICS house price balance advanced more than market expectations in October.

EURZAR ▼

EUR trading lower against ZAR

At 06:00 SAST, the Euro is trading 0% weaker against the South African Rand at R15.3778. Going forward, market participants will keep a tab on Germany's consumer price index, scheduled in few hours.

The Euro strengthened against the South African Rand yesterday.

AUDZAR ▼

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar dropped 0.3% against the South African Rand to trade at R10.7118.

The Australian Dollar rose against the South African Rand yesterday. Data indicated that home loans unexpectedly increased on a monthly basis in September, while consumer inflation expectation dropped in November.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	14.1000	▼	5.06%	4.05%	4.90%	-1.91%	-8.74%
GBPZAR	17.7020	▼	6.26%	4.36%	7.49%	-7.38%	-22.26%
EURZAR	15.3778	▼	4.89%	1.73%	3.98%	-4.15%	-8.48%
AUDZAR	10.7118	▼	4.76%	3.23%	4.93%	-2.60%	-5.41%
EURUSD	1.0901	▲	-0.18%	-2.21%	-0.82%	-2.28%	0.21%
GBPUSD	1.2555	▲	1.21%	0.30%	2.55%	-5.63%	-14.84%
Brent (\$/barrel)	45.7	▼	-1.12%	0.57%	-5.70%	-3.15%	22.96%
Gold (\$/oz)	1257.7	▼	-0.56%	-2.92%	-0.53%	-3.06%	19.45%
Platinum (\$/oz)	971.7	▼	-2.10%	-2.22%	0.37%	-4.86%	10.15%
Copper (\$/MT)*	5587.5	▲	3.49%	12.26%	15.42%	-0.14%	18.74%

*As of Previous Close

Gold ▼

Trading in the red

At 06:00 SAST, gold prices edged 0.7% lower to trade at \$1,257.70/oz.

Yesterday, gold prices fell 0.6% to close at \$1,266.40/oz, as strength in the US Dollar decreased demand for the precious yellow metal.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 0.4% lower to trade at \$45.67/bl.

Yesterday, Brent crude oil dropped 1.1% to settle at \$45.84/bl, amid concerns over global supply glut and rising uncertainty whether OPEC will curb the production later this month.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged 1.1% lower to trade at \$971.70/oz.

Yesterday, platinum prices declined 2.1% to close at \$982.20/oz.



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Major South Africa Corporate News

Anglo American Platinum Limited

In its FY16 trading statement, the company stated that mainly due to the benefit of foreign exchange movements as well as cost saving initiatives across the company, headline earnings and headline EPS will be at least 20.0% that is ZAR21.00mn or 8.00c/share higher than FY15.

Harmony Gold Mining Co Limited

In its production results for the three months ended September 30, 2016, the company announced that it recorded highest ever revenue of ZAR5.25bn. Its net debt decreased 51.0% from ZAR1.08bn to ZAR528.00mn. Additionally, it produced 10.0% more gold than in preceding quarter.

Sappi Limited

In its FY16 results, the company revealed that its sales declined 4.6% from the preceding year to \$5.14bn. Its diluted EPS stood at 59.00c, compared with 31.00c recorded in the previous year. Its profit before tax rose to \$423.00mn from \$229.0mn posted in the prior year.

The Foschini Group Limited

In its 1H17 results, the company reported that its revenue advanced 16.0% from the same period of the preceding year to ZAR12.85bn. Its diluted headline EPS stood at 493.90c, compared with 466.30c recorded in the corresponding period of the previous year. Its profit before tax rose to ZAR1.42bn from ZAR1.36bn posted in the similar period of the prior year.

Major Global Economic News

US

In the US, the seasonally adjusted initial jobless claims registered a drop to 254.00K, in the week ended November 05, 2016, lower than market expectations of a drop to 260.00K. In the previous week, initial jobless claims had registered a level of 265.00K.

In October, budget deficit dropped to USD44.20bn in the US, compared to a revised budget deficit of USD136.60bn in the previous month.

The Federal Reserve (Fed) Bank of St. Louis President, James Bullard, stated that he remains on board with raising interest rate next month and reiterated his call for monetary policy to remain accommodative with just a single 0.25% rate hike over the next two to three years.

UK

In October, the RICS house price balance registered an unexpected rise to a level of 23.0% in the UK, higher than market expectations of an unchanged reading. House price balance had recorded a revised level of 18.0% in the prior month.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:50	Domestic Corporate Goods Price Index (MoM) (Oct)	✓	-0.10%*	0.00%	Monthly
Japan	01:50	Domestic Corporate Goods Price Index (YoY) (Oct)	✓	-2.70%*	-3.20%	Monthly
Japan	01:50	Loans & Discounts Corp (YoY) (Sep)	✓	2.11%*	2.11%	Monthly
Japan	06:30	Tertiary Industry Index (MoM) (Sep)	✓✓	-0.10%*	0.00%	Monthly
Germany	09:00	Consumer Price Index (MoM) (Oct) (F)	✓✓	0.20%	0.20%**	Monthly
Germany	09:00	Consumer Price Index (YoY) (Oct) (F)	✓✓	0.80%	0.80%**	Monthly
Germany	09:00	Harmonised Index of Consumer Prices (HICP) (MoM) (Oct) (F)	✓✓	0.20%	0.20%**	Monthly
Germany	09:00	Harmonised Index of Consumer Prices (HICP) (YoY) (Oct) (F)	✓✓✓	0.70%	0.70%**	Monthly
Germany	09:00	Wholesale Price Index (MoM) (Oct)	✓	-	0.40%	Monthly
Germany	09:00	Wholesale Price Index (YoY) (Oct)	✓	-	-0.30%	Monthly
UK	11:30	Construction Output (YoY) (Sep)	✓	-0.40%	0.20%	Monthly
Eurozone	14:15	ECB's Philip Lane Speaks in Dublin	✓	-	-	As scheduled
US	17:00	Reuters/Michigan Consumer Sentiment Index (Nov) (P)	✓✓✓	87.90	87.20	Monthly
Canada	17:50	Bank of Canada's Poloz joins panel talk in Santiago	✓✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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