

ONE Minute Brief

23 November 2016

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Economic and Political News

South Africa's unemployment rate advanced unexpectedly to 27.10%, in 3Q16, compared to a rate of 26.60% in the previous quarter. Markets were expecting the unemployment rate to remain unchanged.

The leading indicator in South Africa climbed to 94.40 in September, compared to a revised reading of 93.40 in the prior month.

Democratic Alliance leader, Mmusi Maimane, announced that he has received official confirmation from the Hawks that corruption charges laid down against President, Jacob Zuma, in relation to his role in the state capture, will be investigated.

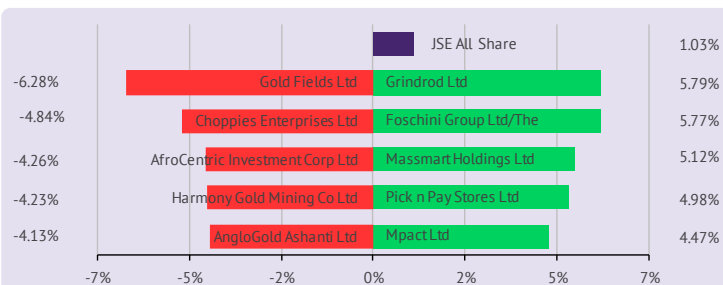
The integrated resource plan released by South Africa's Department of Energy indicated that the nation plans to increase its nuclear power output by 1,359 megawatts (MW) by 2037 and 20,385 MW by 2050.

The National Assembly passed the Division of Revenue Amendment Bill in its third attempt, after African National Congress (ANC) Chief Whip, Jackson Mthembu, called on ANC MPs to attend the sitting.

South Africa Market ▲

South African markets closed higher

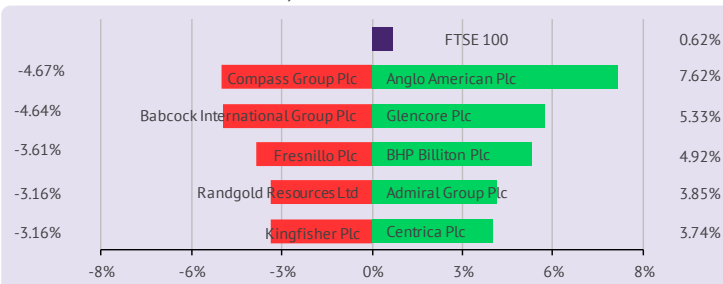
South African markets closed in the green yesterday, amid gains in retail sector stocks. Data indicated that South Africa's unemployment rate unexpectedly advanced in 3Q16. The JSE All Share Index rose 1.0% to close at 51,117.74.



UK Market ▲

The FTSE 100 futures are trading in positive territory

UK markets finished higher yesterday, supported by gains in material sector stocks. Data revealed that UK's public sector net borrowing narrowed more-than-expected in October. The FTSE 100 Index advanced 0.6% to close at 6,819.72.



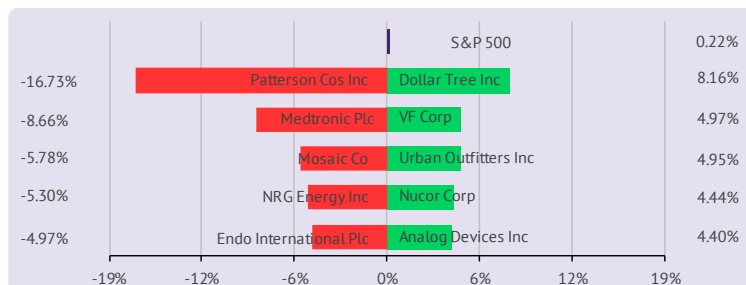
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	51117.74	▲ 521.22	1.03%	0.97%	1.04%	-2.62%	0.84%
JSE Top 40	44575.06	▲ 405.26	0.92%	0.81%	1.26%	-3.10%	-2.67%
FTSE 100	6819.72	▲ 41.76	0.62%	0.65%	-1.93%	0.80%	9.25%
DAX 30	10713.85	▲ 28.72	0.27%	0.46%	0.46%	1.47%	-0.27%
CAC 40	4548.35	▲ 18.77	0.41%	0.98%	0.87%	1.37%	-1.91%
S&P 500	2202.94	▲ 4.76	0.22%	0.96%	3.61%	-1.94%	7.78%
Nasdaq Composite	5386.35	▲ 17.49	0.33%	1.22%	3.80%	-2.31%	7.57%
DJIA	19023.87	▲ 67.18	0.35%	0.83%	4.86%	-0.91%	9.18%

US Market ▲

The S&P 500 futures are trading in the green

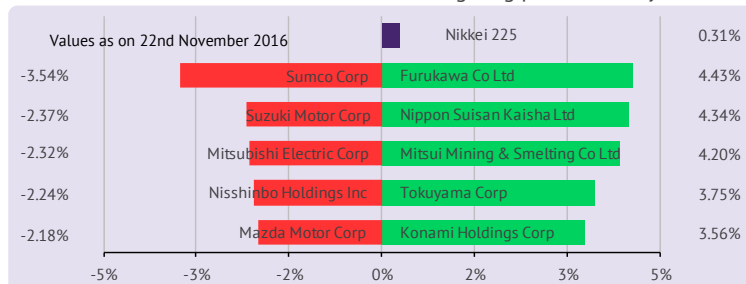
US markets closed higher yesterday, led by gains in telecommunication sector stocks. Data indicated that existing home sales in the US surprisingly advanced on a monthly basis in October. The S&P 500 Index climbed 0.2% to close at 2,202.94.



Asian Market ▲

Trading higher

Asian markets are trading higher this morning, tracking overnight gains on Wall Street. Earlier in the session, data indicated that China's MNI business sentiment indicator advanced in November. Markets in Japan are closed on account of the Labour Thanksgiving public holiday.



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USDZAR ▼

USD trading lower against ZAR

At 06:00 SAST, the US Dollar is trading 0.1% weaker against the South African Rand at R14.0513. Later today, traders will keep a close watch on US durable goods orders, initial jobless claims, new home sales, Markit's manufacturing PMI along with the Reuters/Michigan consumer sentiment index and FOMC minutes for further cues. Additionally, South Africa's consumer price index will be on investors' radar.

The US Dollar fell against the South African Rand yesterday, despite data indicating that existing home sales in the US unexpectedly advanced in October from September to its highest level in more than nine and half years. Moreover, the Richmond Fed manufacturing index improved in November, entering the positive territory and marking its highest reading in four months. Elsewhere, South Africa's unemployment rate surprisingly advanced in the third quarter of 2016, hitting its highest level in around eight years. Meanwhile, the nation's leading indicator climbed in September for a second consecutive month.

GBPZAR ▼

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound is trading 0.2% lower against the South African Rand at R17.4510. Later today, traders will keep an eye on UK Autumn budget statement, scheduled in few hours.

The British Pound declined against the South African Rand yesterday. Data indicated that UK's public sector net borrowing narrowed more than market expectations in October.

EURZAR ▼

EUR trading lower against ZAR

At 06:00 SAST, the Euro is trading 0.1% lower against the South African Rand at R14.9397. Going forward, market participants will keep a tab on Markit manufacturing and service PMI across the Eurozone for further direction.

The Euro weakened against the South African Rand yesterday. Data revealed that Eurozone's consumer confidence index advanced more-than-expected in November from October, although the index remained in the negative territory.

AUDZAR ▲

AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar climbed 0.2% against the South African Rand to trade at R10.4204. Earlier in the session, data indicated that construction work done in Australia dropped more-than-expected in the third quarter of 2016.

The Australian Dollar fell against the South African Rand yesterday, extending losses from previous session.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	14.0513	▼	-1.30%	-2.84%	4.46%	-1.91%	-9.13%
GBPZAR	17.4510	▼	-1.70%	-2.16%	6.09%	-7.38%	-23.27%
EURZAR	14.9397	▼	-1.24%	-2.44%	1.11%	-4.15%	-11.01%
AUDZAR	10.4204	▲	-0.82%	-1.94%	1.59%	-2.60%	-8.42%
EURUSD	1.0624	=	-0.03%	0.37%	-3.23%	-2.28%	-2.23%
GBPUSD	1.2416	▼	-0.54%	0.64%	1.47%	-5.63%	-15.74%
Brent (\$/barrel)	49.1	▼	0.45%	4.82%	1.05%	-3.15%	31.76%
Gold (\$/oz)	1213.3	▲	0.12%	0.21%	-4.86%	-3.06%	14.24%
Platinum (\$/oz)	945.2	▲	0.69%	2.28%	-3.64%	-4.86%	5.75%
Copper (\$/MT)*	5597.0	▲	0.97%	3.42%	15.62%	-0.14%	18.94%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged higher 0.2% to trade at \$1,213.30/oz.

Yesterday, gold prices rose 0.1% to close at \$1,211.20/oz, as weakness in the US Dollar increased demand for the yellow precious metal.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil fell 0.1% to trade at \$49.09/bl.

Yesterday, Brent crude oil advanced 0.5% to settle at \$49.12/bl, amid a volatile trading session as the OPEC officials at a technical conference in Vienna tried to lay out details of an agreement to cut output ahead of a formal meeting on November 30.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices climbed 0.2% to trade at \$945.20/oz. The World Platinum Investment Council announced that the deficit in the platinum market will shrink in 2016. The 2016 deficit was scaled back by 350,000 ounces to 170,000 ounces.

Yesterday, platinum prices climbed 0.7% to close at \$943.00/oz.



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Major South Africa Corporate News

Reunert Limited

In its FY16 results, the company revealed that its revenue advanced 3.0% from the preceding year to ZAR8.51bn. Its headline EPS from continued operations stood at 570.00c, compared with 576.00c recorded in the previous year. Its profit before tax increased to ZAR1.34bn from ZAR1.30bn posted in the prior year.

Transaction Capital Limited

In its FY16 results, the company stated that its net interest income increased to ZAR879.00mn from ZAR821.00mn recorded in the previous year. Its headline EPS rose 16.8% from the preceding year to 80.60c. Its profit before tax rose to ZAR601.00mn from ZAR499.00mn posted last year.

Major Global Economic News

UK

In October, UK's public sector net borrowing has reported a deficit of GBP4.30bn, as compared to a revised deficit of GBP9.20bn in the prior month. Markets were anticipating public sector net borrowing to show a deficit of GBP6.00bn.

In November, the balance of firms reporting total order book above normal climbed to -3.00 in the UK, higher than market expectations of an advance to -8.00. The total order book above normal had registered a reading of -17.00 in the previous month.

US

In the US, existing home sales unexpectedly rose by 2.0%, on monthly basis, to a level of 5.60mn in October, compared to a revised reading of 5.49mn in the prior month. Markets were anticipating existing home sales to fall to 5.44mn.

In November, the Richmond Fed manufacturing index in the US climbed to 4.00, higher than market expectations of an advance to 0.00. In the prior month, the index had recorded a level of -4.00.

Eurozone

In the Eurozone, the flash consumer confidence index climbed to -6.10 in November, compared to a reading of -8.00 in the previous month. Market expectation was for the index to advance to -7.80.

Asia

In 3Q16, the seasonally adjusted construction work done slid 4.90% on a quarterly basis in Australia, more than market expectations for a drop of 1.6%. Construction work done had registered a revised drop of 3.1% in the previous quarter.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
China	03:45	MNI Business Sentiment Survey (Nov)	✓	53.10*	52.20	Monthly
South Africa	10:00	Consumer Price Index (YoY) (Oct)	✓	6.30%	6.10%	Monthly
France	10:00	Markit Manufacturing PMI (Nov) (P)	✓	51.50	51.80	Monthly
France	10:00	Markit Services PMI (Nov) (P)	✓	51.90	51.40	Monthly
South Africa	10:00	Consumer Price Index (MoM) (Oct)	✓	0.40%	0.20%	Monthly
Germany	10:30	Markit Services PMI (Nov) (P)	✓✓	54.00	54.20	Monthly
Germany	10:30	Markit Manufacturing PMI (Nov) (P)	✓✓	54.80	55.00	Monthly
Eurozone	11:00	Markit Composite PMI (Nov) (P)	✓✓✓	53.30	53.30	Monthly
Eurozone	11:00	Markit Manufacturing PMI (Nov) (P)	✓✓✓	53.30	53.50	Monthly
Eurozone	11:00	Markit Services PMI (Nov) (P)	✓✓✓	52.90	52.80	Monthly
US	14:00	MBA Mortgage Applications (18-Nov)	✓	-	-9.20%	Weekly
US	15:30	Cap Goods Orders Nondef Ex Air (Oct) (P)	✓	0.30%	-1.30%	Monthly
US	15:30	Initial Jobless Claims (19-Nov)	✓✓	250.00 K	235.00 K	Weekly
US	15:30	Durable Goods Orders (Oct) (P)	✓✓✓	1.70%	-0.30%	Monthly
US	16:00	House Price Purchase Index (QoQ) (Q3)	✓✓	-	1.20%	Quarterly
US	16:00	Housing Price Index (MoM) (Sep)	✓	0.60%	0.70%	Monthly
US	16:45	Markit Manufacturing PMI (Nov) (P)	✓✓	53.50	53.40	Monthly
US	17:00	Reuters/Michigan Consumer Sentiment Index (Nov) (F)	✓✓✓	91.60	91.60**	Monthly
US	17:00	New Home Sales (MoM) (Oct)	✓	-0.50%	3.10%	Monthly
US	21:00	Fed Releases Minutes of FOMC Meeting	✓✓✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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