

ONE Minute Brief

25 November 2016

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Economic and Political News

In a widely anticipated move, the South African Reserve Bank (SARB) kept its benchmark interest rate on hold at 7.0%, in its monetary policy meeting. The SARB Governor, Lesetja Kganyago, indicated that inflation risk was slightly higher and global uncertainties had increased following Donald Trump's victory in US Presidential elections. He further stated that growth continued to be subdued, although the central bank may be close to the end of the rate hiking cycle.

The annual producer price inflation rose more-than-expected to 6.6% in October, compared to a similar rate in the previous month.

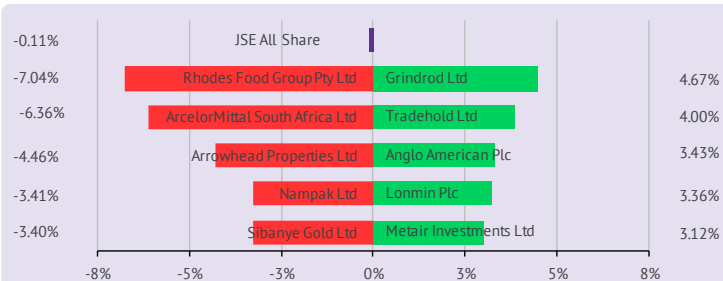
The National Prosecuting Authority (NPA) has welcomed the decision of the High Court in Pretoria to dismiss a case trying to force the suspension of NPA Head, Shaun Abrahams. The court announced that the case was not urgent and that the application was "ill-advised and unreasonable".

According to the BankservAfrica Disposable Salary Index, real disposable salaries in South Africa declined for a fifth consecutive month and 2.6% on an annual basis in October.

South Africa Market ▼

South African markets closed lower

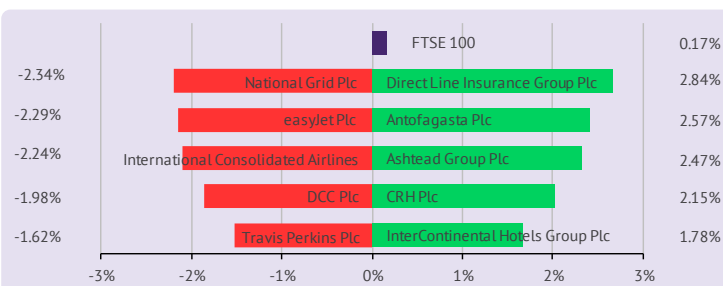
South African markets closed in the red yesterday, led by losses in banking sector stocks. The South African Reserve Bank kept the benchmark interest rate on hold at 7.0%, in line with expectations. The JSE All Share Index fell 0.1% to close at 50,561.43.



UK Market ▲

The FTSE 100 futures are trading in the negative territory

UK markets finished higher yesterday, amid a subdued trading session. The FTSE 100 Index advanced 0.2% to close at 6,829.20.



Key Indices

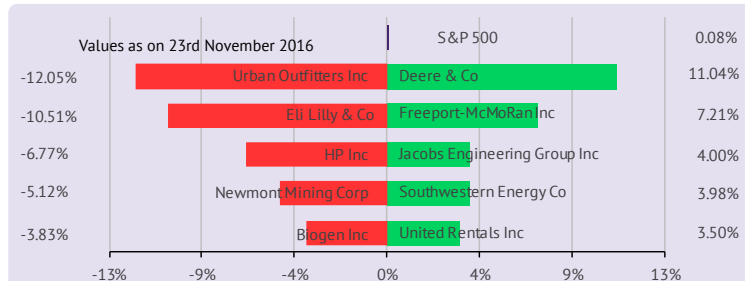
| | Last Close | 1 Day Chg | 1 D % Chg | WTD % Chg | MTD % Chg | Prev. Month % Chg | YTD % Chg |
|-------------------|------------|-----------|-----------|-----------|-----------|-------------------|-----------|
| JSE All Share | 50561.43 | ▼ | -55.00 | -0.11% | -0.13% | -0.06% | -0.26% |
| JSE Top 40 | 44082.20 | ▲ | 5.32 | 0.01% | -0.30% | 0.14% | -3.74% |
| FTSE 100 | 6829.20 | ▲ | 11.49 | 0.17% | 0.79% | -1.80% | 9.40% |
| DAX 30 | 10689.26 | ▲ | 26.82 | 0.25% | 0.23% | 1.47% | -0.50% |
| CAC 40 | 4542.56 | ▲ | 13.35 | 0.29% | 0.85% | 1.37% | -2.04% |
| S&P 500* | 2204.72 | ▲ | 1.78 | 0.08% | 1.05% | 3.70% | 7.87% |
| Nasdaq Composite* | 5380.68 | ▼ | -5.67 | -0.11% | 1.11% | 3.69% | 7.45% |
| DJIA* | 19083.18 | ▲ | 59.31 | 0.31% | 1.14% | 5.19% | 9.52% |

*Values as on 23rd November 2016

US Market ▲

The S&P 500 futures are trading in the green

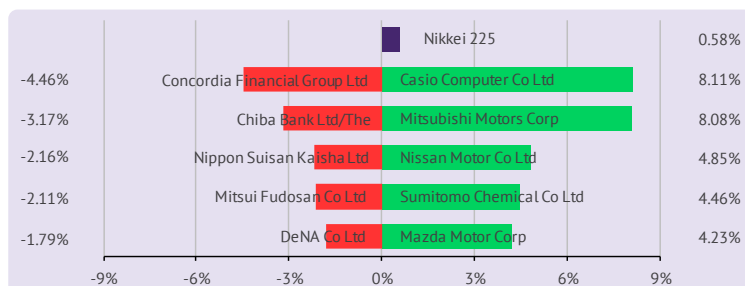
US markets were closed yesterday on account of the Thanksgiving holiday.



Asian Market ◀▶

Trading mixed

Asian markets are trading mixed this morning. The Nikkei 225 Index is trading 0.6% higher at 18,439.49.



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USDZAR ▼

USD trading lower against ZAR

At 06:00 SAST, the US Dollar is trading 0.1% lower against the South African Rand at R14.1400. Later today, traders will keep a close watch on US Markit services PMI, wholesale inventories and goods trade balance data for further direction.

The US Dollar rose against the South African Rand yesterday. Separately, in South Africa, the SARB kept the benchmark interest rate steady at 7.0%, in its monetary policy meeting. The central bank also indicated that the risk of inflation was slightly higher and it may be close to the end of the rate hike cycle. Data indicated that the producer price index in South Africa advanced annually in October.

GBPZAR ▼

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound dropped 0.1% against the South African Rand to trade at R17.6029. Later today, traders will keep an eye on UK's gross domestic product, total business investment and CBI's distributive trades survey for further cues.

The British Pound advanced marginally against the South African Rand yesterday. Data indicated that BBA mortgage approvals in the UK advanced more-than-expected in October, hitting a five-month high. Elsewhere, the SARB maintained the repo rate at 7.0%, in its recent monetary policy meeting.

EURZAR ▲

EUR trading firmer against ZAR

At 06:00 SAST, the Euro rose 0.1% against the South African Rand to trade at R14.9502. With no major economic news in the Eurozone today, investor sentiment will be determined by global macro-economic news.

The Euro strengthened marginally against the South African Rand yesterday. Meanwhile, in Germany, data indicated that the final gross domestic product expanded at a slower pace in 3Q16, in line with preliminary estimates. Meanwhile, the nation's Ifo business climate index remained unchanged in November. Moreover, the current assessment index advanced in November, while the expectations index eased in the same month. Moreover, the GfK consumer confidence index surprisingly rose in December from November.

AUDZAR ▲

AUD trading stronger against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.2% firmer against the South African Rand at R10.5032.

The Australian Dollar rose against the South African Rand yesterday.

Key Currencies & Commodities

| | Current | | 1 D % Chg | WTD % Chg | MTD % Chg | Prev. Month % Chg | YTD % Chg |
|-------------------|---------|---|-----------|-----------|-----------|-------------------|-----------|
| USDZAR | 14.1400 | ▼ | 0.08% | -2.23% | 5.11% | -1.91% | -8.56% |
| GBPZAR | 17.6029 | ▼ | 0.02% | -1.47% | 6.84% | -7.38% | -22.73% |
| EURZAR | 14.9502 | ▲ | 0.04% | -2.53% | 1.01% | -4.15% | -11.10% |
| AUDZAR | 10.5032 | ▲ | 0.44% | -1.24% | 2.31% | -2.60% | -7.77% |
| EURUSD | 1.0575 | ▲ | -0.04% | -0.31% | -3.89% | -2.28% | -2.89% |
| GBPUSD | 1.2451 | ▲ | 0.08% | 0.85% | 1.68% | -5.63% | -15.56% |
| Brent (\$/barrel) | 48.9 | ▼ | 0.10% | 4.57% | 0.80% | -3.15% | 31.44% |
| Gold (\$/oz)# | 1179.2 | ▼ | -1.81% | -1.61% | -6.58% | -3.06% | 12.18% |
| Platinum (\$/oz)# | 910.2 | ▼ | -1.26% | 0.99% | -4.85% | -4.86% | 4.42% |
| Copper (\$/MT)* | 5853.5 | ▲ | 2.25% | 8.16% | 20.92% | -0.14% | 24.39% |

*As of Previous Close; # 1D% as on 23rd November 2016

Gold ▼

Trading in the red

At 06:00 SAST, gold prices edged 0.8% lower to trade at \$1,179.20/oz.

On Wednesday, gold prices fell 1.8% to close at \$1,189.30/oz

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil fell 0.2% to trade at \$48.88/bl.

Yesterday, Brent crude oil advanced 0.1% to settle at \$49.00/bl, ahead of the upcoming OPEC meeting on November 30, where top oil producers are expected to reach a deal to cut oil production.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged 2.2% lower to trade at \$910.20/oz.

On Wednesday, platinum prices declined 1.3% to close at \$931.10/oz.



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Major South Africa Corporate News

Liberty Holdings Limited

In its operational update for the nine-month ended 30 September 2016, the company reported that the difficult operating conditions experienced in 1Q16 persisted in the third quarter. The group's capital position was maintained within the Board approved risk appetite.

Vukile Property Fund Limited

In its 1H17 results, the company stated that its gross property revenue decreased to ZAR1.03bn from ZAR1.06bn recorded in the corresponding period of the previous year. Its diluted headline EPS rose 24.2% from the same period of the preceding year to 83.35c. Its profit before tax rose to ZAR898.23mn from ZAR779.43mn posted in the similar period previous year.

Major Global Economic News

Eurozone

In Germany, the seasonally adjusted final gross domestic product (GDP) climbed 0.20% on a quarterly basis, in 3Q16, in line with market expectations. GDP had recorded a rise of 0.4% in the previous quarter, while the preliminary figures had also recorded an advance of 0.20%.

In December, the GfK consumer confidence index recorded an unexpected rise to a level of 9.80 in Germany, compared to market expectations of an unchanged reading. The index had recorded a reading of 9.70 in the previous month.

In November, the Ifo business climate index remained steady at a level of 110.40 in Germany, compared to market expectations of an advance to 110.50.

In Germany, the Ifo current assessment index unexpectedly climbed to 115.60 in November, compared to market expectations of a drop to 115.00. The index had recorded a revised reading of 115.10 in the prior month.

In Germany, the Ifo business expectations index eased to 105.50 in November, compared to market expectations of a drop to 106.00. In the prior month, the index had recorded a level of 106.10.

UK

BBA mortgage approvals in the UK rose to a level of 40.85K in October, higher than market expectations of a rise to a level of 38.98K. BBA mortgage approvals had recorded a revised reading of 38.69K in the previous month.

Asia

In October, the national consumer price index (CPI) rose 0.1% on a yearly basis in Japan, compared to a drop of 0.50% in the prior month. Market anticipation was for the CPI to record an unchanged reading.

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Economic Calendar

| Country | SAST | Economic Indicator | Relevance | Consensus/ *Actual | Previous/ **Previous Est. | Frequency |
|---------|-------|---|-----------|-----------------------|------------------------------|-----------|
| Japan | 01:30 | National Consumer Price Index (YoY) (Oct) | ✓✓ | 0.10%* | -0.50% | Monthly |
| Japan | 01:30 | Tokyo Consumer Price Index (YoY) (Nov) | ✓ | 0.50%* | 0.10% | Monthly |
| Japan | 01:50 | Corporate Service Price (YoY) (Oct) | ✓ | 0.50%* | 0.20% | Monthly |
| France | 09:45 | Consumer Confidence Index (Nov) | ✓ | 98.00 | 98.00 | Monthly |
| Spain | 10:00 | Producer Price Index (MoM) (Oct) | ✓ | - | 0.30% | Monthly |
| Spain | 10:00 | House Mortgage Approvals (YoY) (Sep) | ✓ | - | 6.40% | Monthly |
| Spain | 10:00 | Total mortgage lending YoY (Sep) | ✓ | - | -9.20% | Monthly |
| Italy | 11:00 | Industrial Orders s.a (MoM) (Sep) | ✓ | - | 10.20% | Monthly |
| Italy | 11:00 | Industrial Sales s.a. (MoM) (Sep) | ✓ | - | 4.10% | Monthly |
| UK | 11:30 | Gross Domestic Product (QoQ) (Q3) (S) | ✓✓ | 0.50% | 0.50%** | Quarterly |
| UK | 11:30 | Index of Services (MoM) (Sep) | ✓ | 0.20% | 0.20% | Monthly |
| UK | 11:30 | Total Business Investment (QoQ) (Q3) (P) | ✓ | -1.00% | 1.00% | Quarterly |
| UK | 11:30 | Gross Fixed Capital Formation (Q3) (P) | ✓ | -1.00% | 1.60% | Quarterly |
| UK | 11:30 | Imports (QoQ) (Q3) (P) | ✓ | -0.10% | 1.30% | Quarterly |
| UK | 11:30 | Exports (QoQ) (Q3) (P) | ✓ | 1.00% | -1.00% | Quarterly |
| UK | 11:30 | Government Spending (Q3) (P) | ✓ | 0.30% | 0.00% | Quarterly |
| UK | 11:30 | Private Consumption (Q3) (P) | ✓ | 0.80% | 0.90% | Quarterly |
| UK | 13:00 | CBI Distributive Trades Survey - Realised (Nov) | ✓ | 12.00% | 21.00% | Monthly |
| US | 15:30 | Wholesale Inventories (Oct) (P) | ✓ | 0.20% | 0.10% | Monthly |
| US | 16:45 | Markit Services PMI (Nov) (P) | ✓✓ | 54.80 | 54.80 | Monthly |
| US | 16:45 | Markit Composite PMI (Nov) (P) | ✓✓ | - | 54.90 | Monthly |

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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