

ONE Minute Brief

9 January 2017

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Economic and Political News

In his address at the ANC's 105th anniversary celebrations, President Jacob Zuma stated that the African National Congress (ANC) has duty to use government incentives, procurement and infrastructure investment to expand and build industries and help grow the economy. He called on the ANC to end infighting and focus on winning back public support. He admitted that the ruling party had made mistakes.

Finance Minister, Pravin Gordhan, stated that the Treasury had received information only on three of the seven requested contracts awarded by South African Airways and is still awaiting details on the rest.

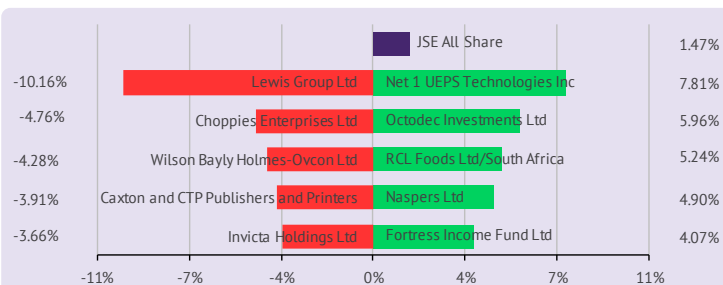
South African Communist Party general secretary, Blade Nzimande, has warned that factionalism and corruption are the twin dangers facing the ANC alliance.

Commenting on President Jacob Zuma's speech at the ANC's birthday celebrations, the leader of the Democratic Alliance, Mmusi Maimane, has stated that the ANC is unable to self-correct and has passed the point of no return.

South Africa Market ▲

South African markets closed higher

South African markets closed in the green on Friday, amid gains in property sector stocks. The JSE All Share Index rose 1.5% to close at 51,216.00.



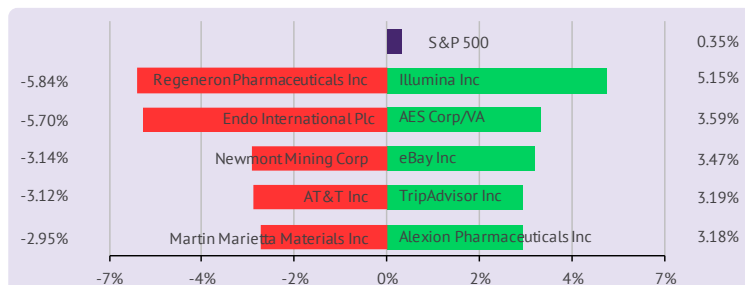
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	51216.00	▲	741.05	1.47%	NA	1.11%	1.11%
JSE Top 40	44456.49	▲	774.60	1.77%	NA	0.48%	1.26%
FTSE 100	7210.05	▲	14.74	0.20%	NA	5.29%	0.94%
DAX 30	11599.01	▲	14.07	0.12%	NA	7.90%	1.03%
CAC 40	4909.84	▲	9.20	0.19%	NA	6.20%	0.98%
S&P 500	2276.98	▲	7.98	0.35%	NA	1.82%	1.70%
Nasdaq Composite	5521.06	▲	33.12	0.60%	NA	1.12%	2.56%
DJIA	19963.80	▲	64.51	0.32%	NA	3.34%	1.02%

US Market ▲

The S&P 500 futures are trading in the green

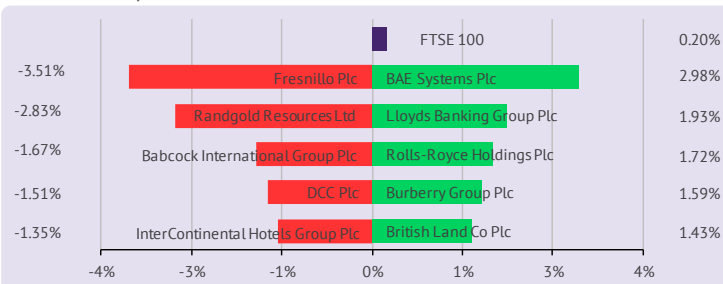
US markets closed higher on Friday, led by gains in information technology sector stocks. Data revealed that US non-farm payrolls grew less-than-expected in December, while unemployment rate rose as anticipated in December. The S&P 500 Index climbed 0.4% to 2,276.98.



UK Market ▲

The FTSE 100 futures are trading in positive territory

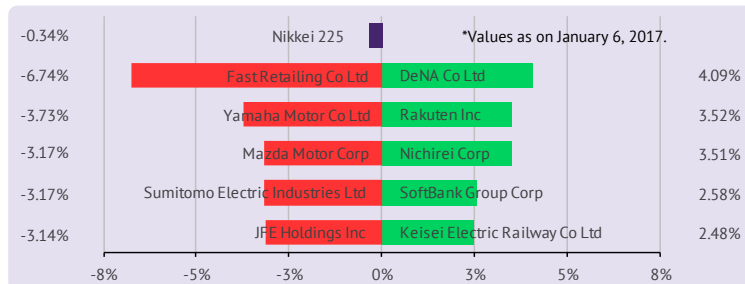
UK markets finished higher on Friday, supported by gains in industrial sector stocks. Data indicated that UK's unit labour cost advanced more than market expectations in 3Q16. The FTSE 100 Index advanced 0.2% to close at 7,210.05.



Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning. Markets in Japan are closed on account of a public holiday. The Nikkei 225 declined 0.3% to close at 19454.33 on Friday.



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USDZAR ▲

USD trading higher against ZAR

At 06:00 SAST, the US Dollar rose 0.2% against the South African Rand to trade at R13.7575.

The US Dollar rose against the South African Rand on Friday. Data indicated that US non-farm payrolls increased less than market forecast in December. Further, unemployment rate advanced from a 9 year low, at par with market expectations in the same month. Moreover, factory orders dropped more-than-expected in November, led by a decline in civilian aircraft category. Additionally, final durable goods orders declined less than market forecast in the same month. Further, trade deficit widened less-than-expected in November.

GBPZAR ▼

GBP trading lower against ZAR

At 06:00 SAST, the British Pound is trading 0.1% weaker against the South African Rand at R16.8456. Later today, traders will keep an eye on UK's Halifax house prices scheduled in few hours.

The British Pound advanced against the South African Rand on Friday. Data showed that UK's unit labour costs rose more than market anticipations in 3Q16.

EURZAR ▲

EUR trading stronger against ZAR

At 06:00 SAST, the Euro is trading 0.1% firmer against the South African Rand at R14.4797. Going forward, market participants will keep a tab on Eurozone's unemployment rate and the Sentix investor confidence index for further cues. Germany's industrial production and trade balance will be on investors' radar.

The Euro strengthened against the South African Rand on Friday. Data revealed that Eurozone's retail sales dropped in line with market expectations on a monthly basis in November, led by decline in purchase of non-food products. Further, final consumer confidence registered an expected rise in December. Additionally, economic confidence climbed more-than-expected in the same month. Moreover, business climate indicator recorded a higher-than-expected rise in December. Meanwhile, Germany's factory orders retreated on a monthly basis in November. Further, retail sales declined more than market forecast on a monthly basis in November.

AUDZAR ▲

AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.5% firmer against the South African Rand at R10.0567. Earlier in the session, data revealed that AiG performance of construction index advanced compared to previous reading in December. Further, building approvals rebounded-more-than-expected on a monthly basis in November.

The Australian Dollar rose against the South African Rand on Friday. Data showed that Australia's trade balance had recorded a surplus in November, compared to a trade deficit in October.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.7575	▲	1.10%	NA	-0.01%	-2.48%	-0.01%
GBPZAR	16.8456	▼	0.08%	NA	-0.35%	-3.94%	-0.35%
EURZAR	14.4797	▲	0.39%	NA	0.14%	-3.21%	0.14%
AUDZAR	10.0567	▲	0.51%	NA	1.04%	-4.68%	1.04%
EURUSD	1.0529	▼	-0.69%	NA	0.16%	-0.68%	0.16%
GBPUSE	1.2244	▼	-1.07%	NA	-0.45%	-1.34%	-0.45%
Brent (\$/barrel)	56.9	▼	0.37%	NA	0.49%	9.61%	0.49%
Gold (\$/oz)	1174.9	▲	-0.67%	NA	1.88%	-1.63%	1.88%
Platinum (\$/oz)	970.3	▲	-0.58%	NA	7.20%	-0.91%	7.20%
Copper (\$/MT)*	5569.3	▲	0.16%	NA	0.84%	-4.99%	0.84%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.1% higher to trade at \$1,174.90/oz.

On Friday, gold prices fell 0.7% to close at \$1,173.40/oz, as strength in the US Dollar decreased demand for the safe haven asset.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil dropped 0.3% to trade at \$56.93/bl.

On Friday, Brent crude oil advanced 0.4% to settle at \$57.10/bl. Baker Hughes reported that US oil rig count rose by 4 to 529 in the week ended January 6, 2017.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices rose 0.4% to trade at \$970.30/oz.

On Friday, platinum prices declined 0.6% to close at \$966.50/oz.



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Major South Africa Corporate News

Sasol Limited

The company announced that the Global oil refiner and marketer of petroleum products Chevron had started the process of disposing of its assets in South Africa although, the company, was earlier interested but now had abandoned its bid to purchase.

Tiger Brands Limited

The company announced that after taking a ZAR2.2bn write-down on its disastrous Nigerian acquisition, the company's remuneration committee raised the fees of the directors who had overseen the decision to invest in the value-destroying Dangote Flour Mills.

Major Global Economic News

Eurozone

In November, the seasonally adjusted retail sales fell 0.4% on a monthly basis in the Eurozone, at par with market expectations. Retail sales had risen by a revised 1.4% in the prior month.

In the Eurozone, the business climate indicator climbed to 0.79 in December, compared to a revised level of 0.41 in the previous month. Markets were anticipating the business climate indicator to advance to 0.47.

In the Eurozone, the final consumer confidence index recorded a rise to -5.10 in December, compared to a revised level of -6.20 in the prior month. Markets were expecting the consumer confidence index to rise to -5.10. The preliminary figures had also indicated an advance to -5.10.

In December, the economic sentiment indicator advanced to 107.80 in December in the Eurozone, compared to a revised level of 106.60 in the previous month. Markets were anticipating the economic sentiment indicator to advance to 106.80.

In Germany, the seasonally adjusted factory orders dropped 2.5% on a monthly basis, in November, more than market expectations for a drop of 2.4%. Factory orders had advanced by a revised 5.0% in the prior month.

In November, the seasonally adjusted retail sales fell 1.8% on a monthly basis in Germany, compared to a revised rise of 2.5% in the prior month. Markets expectations for the retail sales to drop 0.9%.

US

In the US, non-farm payrolls registered a rise of 156.00K in December, lower than market expectations of an advance of 175.00K. Non-farm payrolls had registered a revised increase of 204.00K in the prior month.

In December, unemployment rate recorded a rise to 4.7% in the US, compared to a level of 4.6% in the previous month. Market expectation was for unemployment rate to climb to 4.7%.

In November, the final durable goods orders dropped 4.5% on a monthly basis, in the US, less than market expectations for a fall of 4.6%. Durable goods orders had risen by a revised 4.8% in the previous month. The preliminary figures had indicated a fall of 4.6%.

In the US, factory orders registered a drop of 2.4% on a monthly basis, in November, higher than market expectations for a drop of 2.3%. In the previous month, factory orders had recorded a revised rise of 2.8%.

The US has posted trade deficit of USD45.20bn in November, compared to a revised trade deficit of USD42.40bn in the previous month. Markets were expecting a trade deficit of USD45.40bn.

Asia

In Australia, the seasonally adjusted building approvals registered a rise of 7.0% on a monthly basis, in November, compared to a revised drop of 11.8% in the prior month. Market expectation was for building approvals to climb 4.5%.

UK

In the UK, unit labour costs registered a rise of 2.3% on an annual basis in 3Q16, lower than market expectations of an advance of 1.7%. Retail sales had registered a revised increase of 1.9% in the prior month.



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40 Best Performers on the All Share Index

Company Name	Last Close	1 Week % Change	MTD % Change	YTD % Change
Lonmin Plc	30	26.26%	26.26%	26.26%
Northam Platinum Ltd	45	11.85%	11.85%	11.85%
Impala Platinum Holdings Ltd	47	9.97%	9.97%	9.97%
Anglo American Platinum Ltd	290	9.53%	9.53%	9.53%
Octodec Investments Ltd	24	8.84%	8.84%	8.84%
MTN Group Ltd	135	6.95%	6.95%	6.95%
Royal Bafokeng Platinum Ltd	38	6.43%	6.43%	6.43%
Sibanye Gold Ltd	27	6.38%	6.38%	6.38%
Astral Foods Ltd	137	5.87%	5.87%	5.87%
Harmony Gold Mining Company Ltd	33	5.71%	5.71%	5.71%
Naspers Ltd	2122	5.33%	5.33%	5.33%
Glencore Plc	49	5.23%	5.23%	5.23%
Delta Property Fund Ltd	8	5.13%	5.13%	5.13%
AngloGold Ashanti Ltd	160	5.06%	5.06%	5.06%
PPC Ltd	6	4.34%	4.34%	4.34%
MMI Holdings Ltd	25	4.24%	4.24%	4.24%
Gold Fields Ltd	45	4.20%	4.20%	4.20%
African Rainbow Minerals Ltd	102	3.92%	3.92%	3.92%
Assore Ltd	246	3.73%	3.73%	3.73%
Trencor Ltd	30	3.72%	3.72%	3.72%
Mpact Ltd	29	3.72%	3.72%	3.72%
Rebosis Property Fund Ltd	12	3.55%	3.55%	3.55%
ArcelorMittal South Africa Ltd	12	3.48%	3.48%	3.48%
Fortress Income Fund Ltd	17	3.32%	3.32%	3.32%
Liberty Holdings Ltd	114	3.05%	3.05%	3.05%
Group Five Ltd	25	3.01%	3.01%	3.01%
Tradehold Ltd	23	2.85%	2.85%	2.85%
RCL Foods Ltd	13	2.76%	2.76%	2.76%
Hyprop Investments Ltd	120	2.63%	2.63%	2.63%
BHP Billiton Plc	224	2.57%	2.57%	2.57%
Sanlam Ltd	65	2.56%	2.56%	2.56%
Life Healthcare Group Holdings Ltd	33	2.42%	2.42%	2.42%
SA Corporate Real Estate Fund Managers Ltd	6	2.31%	2.31%	2.31%
Attacq Ltd	17	2.31%	2.31%	2.31%
Capital & Regional Plc	9	2.22%	2.22%	2.22%
South32 Ltd	28	2.17%	2.17%	2.17%
Remgro Ltd	228	2.00%	2.00%	2.00%
Kumba Iron Ore Ltd	162	1.93%	1.93%	1.93%
Advtech Ltd	18	1.92%	1.92%	1.92%
Metair Investments Ltd	22	1.91%	1.91%	1.91%
JSE All Share Index	51216	1.11%	1.11%	1.11%

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus	Previous	Frequency
South Africa	08:00	Net Gold & Forex Reserve (Dec)	✓	USD40.84bn	USD41.08bn	Monthly
South Africa	08:00	Gross Gold & Forex Reserve (Dec)	✓	USD46.74bn	USD47.04bn	Monthly
Germany	09:00	Exports (Nov)	✓	-	EUR101.50bn	Monthly
Germany	09:00	Imports (Nov)	✓	-	EUR82.20bn	Monthly
Germany	09:00	Industrial Production (Nov)	✓✓✓	-	111.80	Monthly
Germany	09:00	Industrial Production s.a. (MoM) (Nov)	✓	0.60%	0.30%	Monthly
Germany	09:00	Exports s.a. (MoM) (Nov)	✓	0.50%	0.50%	Monthly
Germany	09:00	Imports s.a. (MoM) (Nov)	✓	1.10%	1.30%	Monthly
France	09:30	Bank of France Business Sentiment (Dec)	✓	101.00	101.00	Monthly
UK	10:30	Halifax Plc House Prices Index s.a. (Dec)	✓	-	705.60	Monthly
UK	10:30	Halifax House Prices (3m/YoY) (Dec)	✓	5.80%	6.00%	Monthly
UK	10:30	Halifax House Prices (MoM) (Dec)	✓	0.30%	0.20%	Monthly
Italy	11:00	Unemployment Rate (Nov)	✓	11.60%	11.60%	Monthly
Eurozone	11:30	Sentix Investor Confidence (Jan)	✓✓	12.80	10.00	Monthly
Eurozone	12:00	Unemployment Rate (Nov)	✓✓	9.80%	9.80%	Monthly
South Africa	13:00	Naamsa Vehicle Sales (YoY) (Dec)	✓	-8.80%	-9.60%	Monthly
US	16:00	Fed's Roesengren Speaks in Hartford, Connecticut	✓	-	-	As scheduled
Canada	17:30	Business Outlook Future Sales (Q4)	✓✓	-	12.00%	Quarterly
Canada	17:30	BoC Senior Loan Officer Survey (Q4)	✓✓	-	3.30	Quarterly
US	19:45	Fed's Lockhart Speaks to the Rotary Club of Atlanta	✓	-	-	As scheduled
US	22:00	Consumer Credit Change (Nov)	✓✓	-	USD16.02bn	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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