

ONE Minute Brief

16 January 2017

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Economic and Political News

While expressing hope that defaulting municipalities will honour their outstanding debt in the interest of residents and businesses, Eskom indicated that it would interrupt the supply of electricity, as planned, to the 22 municipalities if the payment plans are not strictly followed.

President, Jacob Zuma, has again called for an end to talks around the ANC's succession process, stating that people should refrain from discussing it. The President indicated that the Deputy President, Cyril Ramaphosa, is not an automatic choice to become the next party leader. Separately, he also stated that the Public Protector's state of capture report was unfair and was rushed.

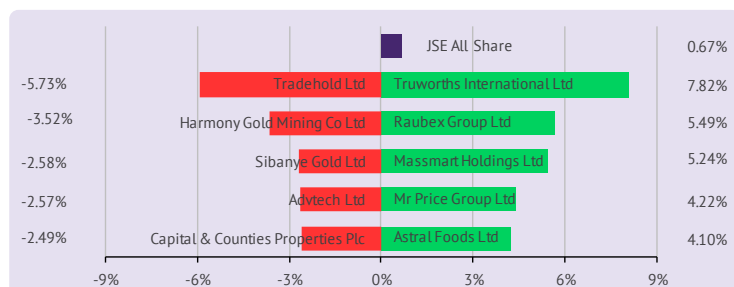
National Treasury announced that it will be studying a report which found that the South African Airways (SAA) Chairperson, Dudu Myeni, had breached two sections of the Companies Act.

South African Central Bank indicated that SA sold ZAR3.55bn worth of three-month Treasury bills, at an average yield of 7.59% last week, compared with 7.67% in the prior week.

South Africa Market ▲

South African markets closed higher

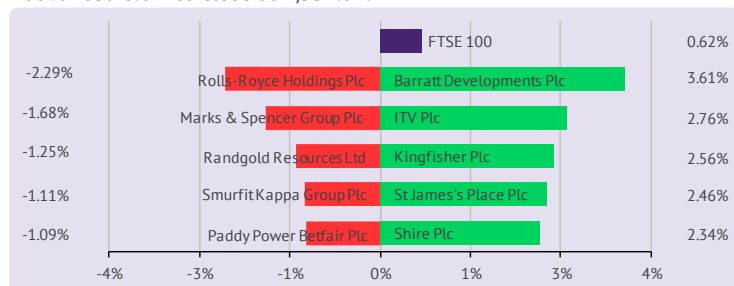
South African markets closed in the green on Friday, amid gains in retail sector stocks. The JSE All Share Index rose 0.7% to close at 52,794.81.



UK Market ▲

The FTSE 100 futures are trading in positive territory

UK markets finished higher on Friday, led by gains in consumer discretionary sector stocks. Data showed that UK's Rightmove house prices rebounded on a monthly basis in January. The FTSE 100 Index advanced 0.6% to close at 7,337.81.



Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	52794.81	▲ 350.45	0.67%	NA	4.23%	0.88%	4.23%
JSE Top 40	46067.20	▲ 347.00	0.76%	NA	4.93%	0.48%	4.93%
FTSE 100	7337.81	▲ 45.44	0.62%	NA	2.73%	5.29%	2.73%
DAX 30	11629.18	▲ 108.14	0.94%	NA	1.29%	7.90%	1.29%
CAC 40	4922.49	▲ 58.52	1.20%	NA	1.24%	6.20%	1.24%
S&P 500	2274.64	▲ 4.20	0.18%	NA	1.60%	1.82%	1.60%
Nasdaq Composite	5574.12	▲ 26.63	0.48%	NA	3.55%	1.12%	3.55%
DJIA	19885.73	▼ -5.27	-0.03%	NA	0.62%	3.34%	0.62%

US Market ▲

The S&P 500 futures are trading in the red

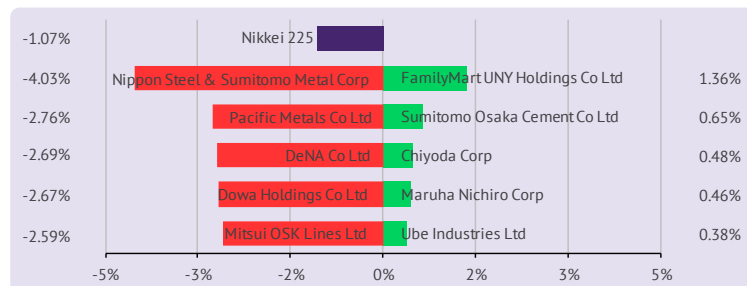
US markets closed higher on Friday, supported by gains in financial sector stocks. Data revealed that US advance retail sales rose less-than-expected on a monthly basis in December. The S&P 500 Index climbed 0.2% to close at 2,274.64.



Asian Market ▼

Trading lower

Asian markets are trading lower this morning. Data indicated that Japan's tertiary industry index advanced as expected on a monthly basis in November. The Nikkei 225 Index is trading 1.1% lower at 19,081.72.



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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 R13.5285.

The US Dollar rose against the South African Rand on Friday. Data indicated that retail sales in the US advanced less than expected in December from November, led by an increase in online shopping and car buying. Further, Reuters/Michigan preliminary consumer confidence index unexpectedly declined in January. Additionally, producer price index rose at par with market anticipations on a monthly basis in December, boosted by increase in expensive gas, food and cars. Moreover, business inventories rebounded more-than-expected in November, supported by robust rise among retailers.

GBPZAR ▼

GBP trading lower against ZAR

At 06:00 SAST, the British Pound is trading 1.2% weaker against the South African Rand at R16.2610. Data showed that UK Rightmove house price index bounced back into positive territory on a monthly basis in January.

The British Pound advanced against the South African Rand on Friday.

EURZAR ▼

EUR trading weaker against ZAR

At 06:00 SAST, the Euro is trading 0.1% lower against the South African Rand at R14.3510. Going forward, market participants will keep a tab on Eurozone's trade balance for further cues.

The Euro strengthened against the South African Rand on Friday. Data indicated that Germany's wholesale price index advanced at a faster pace in December from November.

AUDZAR ▼

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% weaker against the South African Rand at R10.1126. Earlier in the session, data showed that Australia's TD securities inflation advanced on a monthly basis in December.

The Australian Dollar rose against the South African Rand on Friday. Data revealed that in China, Australia's largest trading partner, trade surplus rose less than market expectations in December. Further, imports increased less-than-forecast on an annual basis in December, while exports retreated less than market anticipations on a yearly basis in the same month.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.5285	▲	0.06%	NA	-1.68%	-2.48%	-1.68%
GBPZAR	16.2610	▼	0.19%	NA	-2.79%	-3.94%	-2.79%
EURZAR	14.3510	▼	0.28%	NA	-0.49%	-3.21%	-0.49%
AUDZAR	10.1126	▼	0.33%	NA	2.19%	-4.68%	2.19%
EURUSD	1.0608	▼	0.29%	NA	1.22%	-0.68%	1.22%
GBPUSD	1.2027	▼	0.12%	NA	-1.30%	-1.34%	-1.30%
Brent (\$/barrel)	55.7	▲	-1.00%	NA	-2.41%	9.61%	-2.41%
Gold (\$/oz)	1203.0	▲	-0.30%	NA	3.86%	-1.63%	3.86%
Platinum (\$/oz)	986.2	▲	0.15%	NA	8.96%	-0.91%	8.96%
Copper (\$/MT)*	5883.8	▲	1.20%	NA	6.53%	-4.99%	6.53%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged higher 0.6% to trade at \$1,203.00/oz.

On Friday, gold prices fell 0.3% to close at \$1,196.20/oz, reversing its previous session gains.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged 0.4% higher to trade at \$55.65/bl.

On Friday, Brent crude oil dropped 1.0% to settle at \$55.45/bl. Meanwhile, Baker Hughes reported that US oil rig count fell by 7 to 522 last week.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged 0.4% higher to trade at \$986.20/oz.

On Friday, platinum prices climbed 0.2% to close at \$982.40/oz.



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Major South Africa Corporate News

Harmony Gold Mining Company Limited

The company announced that all employees have safely returned to surface at the Kusasalethu mine near Carletonville. Employees returned to surface shortly before 12:00pm on Thursday night following all-night discussions between management and union leadership. A thorough independent investigation into the circumstances surrounding the illegal sit-in, which lasted nearly 48 hours, will be conducted. Production at the mine will proceed over the weekend.

Tiger Brands Limited

The company stated that Mr Pieter Spies will join the company as the Business Executive, with effect from February 1, 2017.

Major Global Economic News

US

In December, advance retail sales climbed 0.6% on a monthly basis in the US, compared to a revised rise of 0.2% in the previous month. Market expectation was for advance retail sales to climb 0.7%.

In the US, the flash Reuters/Michigan consumer sentiment index unexpectedly fell to 98.10 in January compared to a level of 98.20 in the previous month. Market expectation was for the index to climb to 98.50.

In December, producer price rose 0.3% on a monthly basis in the US, meeting market expectations. In the previous month, producer price had recorded a rise of 0.4%.

In the US, business inventories registered a rise of 0.7% on a monthly basis, in November, compared to a revised fall of 0.1% in the prior month. Market expectation was for business inventories to advance 0.6%.

UK

In the UK, the Rightmove house price index advanced 0.4% on a monthly basis, in January. The Rightmove house price index had registered a drop of 2.1% in the prior month.

Asia

In Australia, the TD Securities monthly inflation gauge recorded a rise to 0.5% in December compared to a reading of 0.1% in the previous month.

In Japan, machinery orders slid 5.1% on a monthly basis, in November, higher than market expectations for a fall of 1.4%. In the previous month, machinery orders had advanced 4.1%.

In November, the tertiary industry index advanced 0.2% on a monthly basis, in Japan, meeting market expectations. In the previous month, the tertiary industry index had registered a similar rise.

Eurozone

In Germany, the wholesale price index advanced 1.2% on a monthly basis in December. In the previous month, the wholesale price index had registered a rise of 0.1%.



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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	29	-2.63%	22.93%	22.93%
Northam Platinum Ltd	48	5.03%	17.48%	17.48%
Anglo American Platinum Ltd	306	5.66%	15.73%	15.73%
African Rainbow Minerals Ltd	113	10.31%	14.63%	14.63%
Compagnie Financiere Richemont SA	104	14.69%	14.24%	14.24%
Assore Ltd	268	9.05%	13.12%	13.12%
Impala Platinum Holdings Ltd	48	2.45%	12.66%	12.66%
Anglo American Plc	219	13.64%	12.46%	12.46%
Glencore Plc	52	6.09%	11.63%	11.63%
Trencor Ltd	31	5.82%	9.75%	9.75%
BHP Billiton Plc	239	6.46%	9.20%	9.20%
Tradehold Ltd	25	6.01%	9.03%	9.03%
Naspers Ltd	2171	2.32%	7.78%	7.78%
MMI Holdings Ltd	25	3.25%	7.63%	7.63%
Astral Foods Ltd	139	1.57%	7.54%	7.54%
Fortress Income Fund Ltd	18	3.39%	6.82%	6.82%
Fortress Income Fund Ltd	35	5.92%	6.80%	6.80%
Exxaro Resources Ltd	96	7.81%	6.77%	6.77%
Liberty Holdings Ltd	118	3.16%	6.31%	6.31%
Sasol Ltd	423	4.81%	6.04%	6.04%
AfroCentric Investment Corp Ltd	6	6.61%	5.91%	5.91%
Group Five Ltd	26	2.77%	5.86%	5.86%
AngloGold Ashanti Ltd	161	0.50%	5.58%	5.58%
Sibanye Gold Ltd	27	-0.81%	5.51%	5.51%
Royal Bafokeng Platinum Ltd	38	-0.87%	5.50%	5.50%
Delta Property Fund Ltd	8	0.00%	5.13%	5.13%
Rebosis Property Fund Ltd	12	1.50%	5.10%	5.10%
Kumba Iron Ore Ltd	167	2.94%	4.93%	4.93%
Mondi Plc	291	5.22%	4.55%	4.55%
Pick N Pay Stores Ltd	67	4.06%	4.54%	4.54%
South32 Ltd	28	2.30%	4.52%	4.52%
Metair Investments Ltd	23	2.54%	4.50%	4.50%
Hyprop Investments Ltd	122	1.71%	4.38%	4.38%
Pallinghurst Resources Ltd	5	4.26%	4.26%	4.26%
JSE All Share Index	52795	3.08%	4.23%	4.23%
Brimstone Investment Corporation Ltd	13	4.17%	4.17%	4.17%
Gold Fields Ltd	45	-0.04%	4.15%	4.15%
Mpact Ltd	29	0.41%	4.14%	4.14%
Octodec Investments Ltd	23	-4.33%	4.13%	4.13%
Life Healthcare Group Holdings Ltd	34	1.56%	4.02%	4.02%
Capital & Regional PLC	9	1.63%	3.89%	3.89%

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:50	Machinery Orders (MoM) (Nov)	✓	-5.10%*	4.10%	Monthly
Japan	01:50	Machinery Orders (YoY) (Nov)	✓✓	10.40%*	-5.60%	Monthly
Japan	01:50	Domestic Corporate Goods Price Index (MoM) (Dec)	✓	0.60%*	0.40%	Monthly
Japan	01:50	Domestic Corporate Goods Price Index (YoY) (Dec)	✓	-1.20%*	-2.20%	Monthly
UK	02:01	Rightmove House Price Index (MoM) (Jan)	✓	0.40%*	-2.10%	Monthly
UK	02:01	Rightmove House Price Index (YoY) (Jan)	✓	3.20%*	3.40%	Monthly
Japan	06:30	Tertiary Industry Index (MoM) (Nov)	✓✓	0.20%*	0.20%	Monthly
Japan	08:00	Machine Tool Orders (YoY) (Dec) (P)	✓✓	-	-5.60%	Monthly
Eurozone	10:00	ECB's Villeroy Speaks in Paris	✓	-	-	As scheduled
Italy	11:00	Consumer Price Index (Dec) (F)	✓	-	100.30**	Monthly
Italy	11:00	Consumer Price Index (YoY) (Dec) (F)	✓	-	0.50%**	Monthly
Italy	11:00	Consumer Price Index (MoM) (Dec) (F)	✓	-	0.40%**	Monthly
Italy	11:00	Consumer Price Index (EU Norm) (MoM) (Dec) (F)	✓	-	0.40%**	Monthly
Italy	11:00	Consumer Price Index (EU Norm) (YoY) (Dec) (F)	✓	0.50%	0.50%**	Monthly
Eurozone	12:00	Trade Balance s.a. (Nov)	✓	EUR20.80bn	EUR19.70bn	Monthly
Eurozone	12:00	Trade Balance n.s.a. (Nov)	✓	EUR24.30bn	EUR20.10bn	Monthly
Eurozone	14:30	ECB's Mersch speaks in Helsinki	✓	-	-	As scheduled
Canada	16:00	Existing Home Sales (MoM) (Dec)	✓	-	-5.30%	Monthly
Eurozone	17:30	ECB Executive Board's Peter Praet on Panel in Paris	✓	-	-	As scheduled
UK	20:30	Carney Speaks at London School of Economics	✓✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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