

# ONE Minute Brief

6 February 2017

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## Economic and Political News

South Africa's Standard Bank PMI remained in growth territory at 51.3 in January, despite dipping from December's 21-month high of 51.6.

President, Jacob Zuma's son, Edward, has accused Finance Minister, Pravin Gordhan, stating that he wants to sell South African Airways to a company where his daughter's interest lies.

African National Congress (ANC) veterans have raised concerns about the commitment of the party to hold the promised national consultative conference meeting in June.

Former Constitutional Court Judge, Zak Yacoob, stated that South Africa should reach a point where less court involvement is needed to solve the issues of inequality and discrimination.

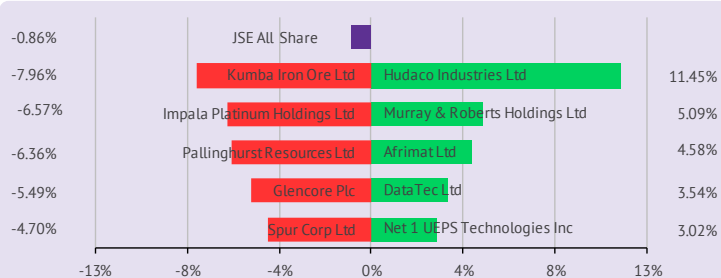
## Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	52265.16	▼	-454.42	-0.86%	NA	-0.99%	4.21%
JSE Top 40	45417.57	▼	-444.41	-0.97%	NA	-1.11%	4.62%
FTSE 100	7188.30	▲	47.55	0.67%	NA	1.26%	-0.61%
DAX 30	11651.49	▲	23.54	0.20%	NA	1.01%	0.47%
CAC 40	4825.42	▲	31.13	0.65%	NA	1.61%	-2.33%
S&P 500	2297.42	▲	16.57	0.73%	NA	0.81%	1.79%
Nasdaq Composite	5666.77	▲	30.57	0.54%	NA	0.93%	4.30%
DJIA	20071.46	▲	186.55	0.94%	NA	1.04%	0.51%

## South Africa Market ▼

### South African markets closed lower

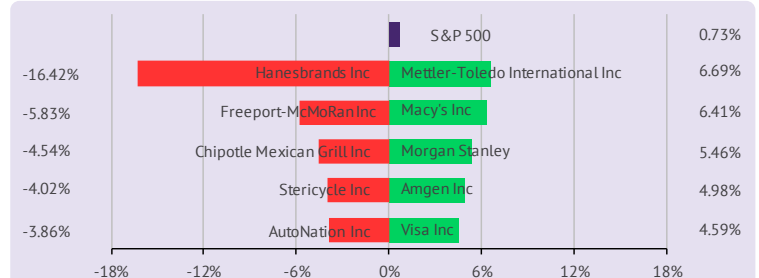
South African markets closed in the red on Friday, amid losses in platinum and resources sector stocks. Data showed that South Africa's Standard Bank PMI expanded at a slower pace in January, compared to its previous reading. The JSE All Share Index fell 0.9% to 52,265.16.



## US Market ▲

### The S&P 500 futures are trading in the red

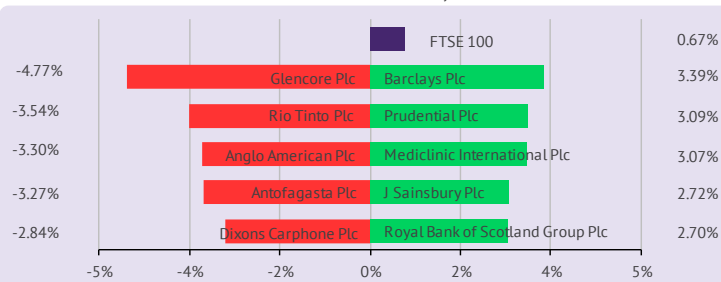
US markets closed higher on Friday, led by gains in financial sector stocks. Data revealed that US non-farm payrolls increased more-than-expected in January and unemployment rate rose more-than-forecast in the same month. The S&P 500 Index climbed 0.7% to close at 2,297.42.



## UK Market ▲

### The FTSE 100 futures are trading in negative territory

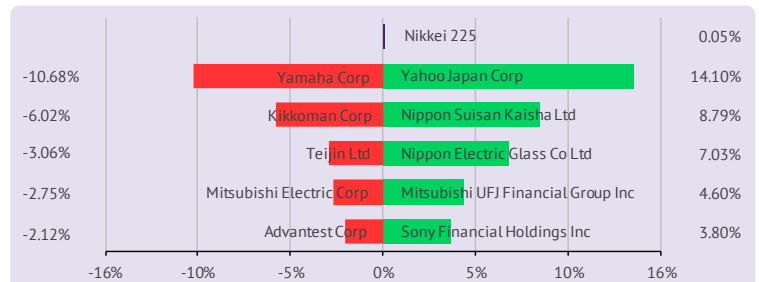
UK markets finished higher on Friday, supported by gains in financial sector stocks. Data indicated that UK's Markit services PMI dropped more-than-expected in January, remaining in expansion territory. The FTSE 100 Index advanced 0.7% to close at 7,188.30.



## Asian Market ▲

### Trading higher

Asian markets are trading higher this morning. Data showed that China Caixin services PMI expanded in January, less than the previous reading. The Nikkei 225 Index is trading 0.1% higher at 18,928.23.



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## USDZAR ▼

### USD trading lower against ZAR

At 06:00 SAST, the US Dollar declined 0.1% against the South African Rand to trade at R13.2486.

The US Dollar fell against the South African Rand on Friday. Data showed that US non-farm payrolls registered a higher-than-expected rise in January. Further, unemployment rate rose more than market forecast in the same month. Moreover, ISM non-manufacturing composite PMI surprisingly declined in January, continuing to be in expansion territory. Meanwhile, average hourly earnings grew less-than-expected on a monthly basis in January. Further, nation's final Markit services PMI expanded in January, more than the prior reading. Additionally, factory orders rebounded more-than-expected in December. Moreover, final durable goods orders registered a drop in December, compared to previous reading. Separately, in South Africa Standard Bank PMI advanced in January, less than the prior reading.

## GBPZAR ▼

### GBP trading weaker against ZAR

At 06:00 SAST, the British Pound is trading 0.1% lower against the South African Rand at R16.5520.

The British Pound declined against the South African Rand on Friday. Data indicated that UK's Markit services PMI recorded a more-than-expected drop in January, continuing to be in expansion territory.

## EURZAR ▼

### EUR trading lower against ZAR

At 06:00 SAST, the Euro retreated 0.1% against the South African Rand to trade at R14.2934. Going forward, market participants will keep a tab on Markit retail PMI across the Eurozone. Moreover, in Germany Markit construction PMI and factory orders will be on investors' radar.

The Euro weakened against the South African Rand on Friday. Data revealed that Eurozone's final Markit services PMI expanded more than market expectations in January. Further retail sales surprisingly dropped on a monthly basis in December. Moreover, in Germany, final Markit services PMI advanced more-than-expected in January.

## AUDZAR ▼

### AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar retreated 0.3% against the South African Rand to trade at R10.1617. Earlier in the session, data indicated that Australia's retail sales unexpectedly declined on a monthly basis in December. Meanwhile, in China, Australia's largest trading partner, Caixin Services PMI advanced in January, less than previous reading.

The Australian Dollar fell against the South African Rand on Friday. Data revealed that Australia's AiG performance of service index rose at a slower pace in January, compared to prior reading. Separately, in China, Australia's largest trading partner, Caixin manufacturing PMI advanced less-than-expected in January.

## Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.2486	▼	-0.94%	NA	-1.43%	-1.97%	-3.38%
GBPZAR	16.5520	▼	-1.23%	NA	-2.25%	0.09%	-2.16%
EURZAR	14.2934	▼	-0.65%	NA	-1.57%	0.66%	-0.91%
AUDZAR	10.1617	▼	-0.58%	NA	-0.13%	3.03%	2.89%
EURUSD	1.0780	▼	0.21%	NA	-0.13%	2.68%	2.55%
GBPUUSD	1.2485	-	-0.28%	NA	-0.73%	1.95%	1.21%
Brent (\$/barrel)	57.0	▲	0.44%	NA	2.21%	-2.18%	-0.02%
Gold (\$/oz)	1225.3	▲	0.15%	NA	0.82%	4.94%	5.80%
Platinum (\$/oz)	1010.6	▲	0.71%	NA	1.02%	10.53%	11.66%
Copper (\$/MT)*	5763.8	▼	-1.82%	NA	-3.85%	8.53%	4.36%

\*As of Previous Close

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices climbed 0.6% to trade at \$1,225.30/oz.

On Friday, gold prices rose 0.2% to close at \$1,218.50/oz, as weakness in the greenback increased demand for the safe haven asset.

## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil edged 0.3% higher to trade at \$56.99/bL.

On Friday, Brent crude oil advanced 0.4% to settle at \$56.81/bL. Meanwhile, Baker Hughes reported that US oil rig count rose by 17 to 583 last week.

## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices advanced 0.4% to trade at \$1,010.60/oz.

On Friday, platinum prices climbed 0.7% to close at \$1006.70/oz.



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## Major South Africa Corporate News

### Assore Limited

In its trading statement for the six months ended December 31, 2016, the company reported that its headline EPS for the period is expected to increase between ZAR18.66 and ZAR21.61 from ZAR7.15 record in the six months ended December 31, 2015.

### Gold Fields Limited

In its trading statement for FY16, the company announced that its headline EPS is expected to be between 730.0% and 780.0% higher than the headline loss per share reported for FY15, driven by an increase in the gold price and lower net operating costs in local currencies as well as the impact of converting these costs at weaker exchange rates.

### Hospitality Property Fund Limited

In its trading statement for the six months ended December 31, 2016, the company stated that the period under review saw the completion of the Tsogo Sun Holdings Limited transaction as well as the restructure of the company's dual-class share capital structure to a single-class share capital structure, in the ratio of one ordinary share for every A-share held and one ordinary share for every 3.5 B-shares held. Separately, the financial results for the period will be published on or about February 10, 2017.

### Hudaco Industries Limited

In its FY16 results, the company stated that its turnover increased to ZAR5.53bn from ZAR5.23bn recorded in the previous year. Its headline diluted EPS rose 5.0% from the preceding year to 1,219.00c. Its profit before tax rose to ZAR558.00mn from ZAR527.00mn posted last year.

### Kumba Iron Ore Limited

The company announced that its agreement with the South African Revenue Service to settle a dispute relating to assessments received for the years 2006 to 2010 inclusive, and the tax treatment of the relevant issues in the years 2011 to 2015 inclusive, for a full and final total settlement amount of ZAR2.50bn.

### Sibanye Gold Limited

In its operating and strategic update for the six-months ended December 31, 2016, the company stated that it has achieved gold production in line with 1H16, producing approximately 23,800kg of gold for the period. Separately, it announced that good progress has been made regarding the proposed acquisition of Stillwater Mining Company Limited.

## Major Global Economic News

### US

In the US, unemployment rate recorded an unexpected rise to a level of 4.8% in January, compared to a reading of 4.7% in the previous month. In January, non-farm payrolls recorded a more-than-expected increase of 227.00K, compared to a revised increase of 157.00K in December.

In the US, the ISM non-manufacturing PMI unexpectedly dropped to a level of 56.50 in January, compared to a revised reading of 56.60 in the prior month. In January, the final Markit services PMI climbed to 55.60 in the US. In the previous month, Markit services PMI had recorded a reading of 53.90. The preliminary figures had recorded a rise to 55.10.

In January, average hourly earnings of all employees registered a less-than-expected rise of 0.1% on a monthly basis, in the US, compared to a revised rise of 0.2% in the previous month.

In the US, factory orders registered a more-than-expected rise of 1.3% on a monthly basis in December, compared to a revised drop of 2.3% in November. In December, the final durable goods orders registered a drop of 0.5% on a monthly basis in December. The preliminary figures had recorded a fall of 0.4%.

### Asia

In Australia, the seasonally adjusted retail sales unexpectedly fell 0.1% on a monthly basis in December, lower than market expectations for a rise of 0.3%. Retail sales had risen by a revised 0.1% in the prior month.

In January, the Caixin/Markit services PMI index fell to a level of 53.10 in China. The Caixin/Markit services PMI index had registered a reading of 53.40 in the prior month.

### Eurozone

In the Eurozone, the seasonally adjusted retail sales registered an unexpected drop of 0.3% on a monthly basis in December, lower than market expectations for a rise of 0.3%. In the prior month, retail sales had dropped by a revised 0.6%.

In January, the final services PMI remained steady at 53.70 in the Eurozone, compared to market expectations of a fall to a level of 53.60. The preliminary figures had indicated a drop to 53.60.

In Germany, the final services PMI eased to 53.40 in Germany, compared to market expectations of a fall to a level of 53.20. The preliminary figures had recorded a fall to 53.20. In the previous month, services PMI had recorded a level of 54.30.

### UK

In the UK, the services PMI registered a drop to 54.50 in January, compared to market expectations of a fall to a level of 55.80. The services PMI had recorded a reading of 56.20 in the previous month.

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## 40 Best Performers on the All Share Index

Company Name	Last Close	1 Week % Change	MTD % Change	YTD % Change
Anglo American Platinum Ltd	353	-0.07%	0.61%	33.66%
Trencor Ltd	37	1.52%	-0.13%	31.23%
Northam Platinum Ltd	52	4.99%	1.17%	27.78%
Brimstone Investment Corporation Ltd	15	14.94%	11.94%	25.00%
Kumba Iron Ore Ltd	196	-0.44%	-5.29%	23.30%
ArcelorMittal South Africa Ltd	14	9.01%	7.12%	23.04%
PPC Ltd	7	-1.31%	-1.02%	22.60%
Impala Platinum Holdings Ltd	51	-3.03%	-4.19%	19.79%
African Rainbow Minerals Ltd	118	-0.98%	-2.08%	19.79%
Assore Ltd	284	4.88%	2.51%	19.77%
Astral Foods Ltd	153	1.81%	0.75%	18.16%
Sibanye Gold Ltd	30	4.53%	-0.92%	18.16%
Datatec Ltd	57	8.00%	10.17%	16.01%
Exxaro Resources Ltd	104	-4.60%	-2.42%	15.92%
AngloGold Ashanti Ltd	174	9.32%	2.64%	14.28%
Anglo American Plc	222	-3.49%	-3.49%	13.97%
Rebosis Property Fund Ltd	13	1.66%	1.42%	11.42%
RCL Foods Ltd	14	10.98%	6.79%	11.42%
Compagnie Financiere Richemont SA	101	-2.64%	-3.73%	11.40%
Hudaco Industries Ltd	127	10.97%	10.97%	11.22%
Harmony Gold Mining Company Ltd	35	9.67%	3.61%	11.10%
Glencore Plc	52	-5.88%	-5.71%	11.08%
Naspers Ltd	2188	2.71%	2.33%	8.62%
Aspen Pharmacare Holdings Ltd	308	-0.81%	-0.16%	8.44%
PSG Group Ltd	237	7.07%	4.46%	8.43%
Attacq Ltd	18	2.81%	1.67%	8.35%
Pioneer Food Group Ltd	166	-0.29%	0.08%	7.83%
KAP Industrial Holdings Ltd	8	4.14%	3.21%	7.62%
Royal Bafokeng Platinum Ltd	38	-1.01%	-0.62%	7.55%
Afrimat Ltd	30	6.46%	7.13%	7.51%
Gold Fields Ltd	47	2.25%	1.32%	7.32%
Holdsport Ltd	63	3.41%	3.26%	6.91%
AfroCentric Investment Corp Ltd	7	-1.52%	-5.66%	6.73%
Adcock Ingram Holdings Ltd	51	-0.10%	-0.16%	6.42%
Fortress Income Fund Ltd	34	-1.40%	-1.09%	6.40%
BHP Billiton Plc	232	-5.84%	-5.04%	6.23%
Texton Property Fund Ltd	8	0.12%	-1.19%	6.00%
Mondi Plc	295	-0.92%	-0.73%	5.75%
Pick N Pay Stores Ltd	67	0.27%	-1.45%	5.73%
Mondi Ltd	296	-0.51%	-0.03%	5.71%
<b>JSE All Share Index</b>	<b>52265</b>	<b>-1.34%</b>	<b>-0.99%</b>	<b>3.18%</b>

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## Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous	Frequency
China	03:45	Caixin/Markit Services PMI (Jan)	✓✓	53.10*	53.40	Monthly
China	03:45	HSBC China Composite PMI (Jan)	✓✓	52.20*	53.50	Monthly
Germany	09:00	Plant and Machinery Orders (Dec)	✓	-	119.20	Monthly
Germany	09:00	Germany- Foreign Export Orders (Dec)	✓	-	119.60	Monthly
Germany	09:00	Germany- Domestic Orders (Dec)	✓	-	106.80	Monthly
Germany	09:00	Germany- Manufacturing Order-Total (Dec)	✓	-	113.90	Monthly
Germany	09:00	Factory Orders n.s.a. (YoY) (Dec)	✓✓	4.20%	3.00%	Monthly
Germany	09:00	Factory Orders s.a. (MoM) (Dec)	✓✓	0.70%	-2.50%	Monthly
Italy	10:45	Finance Minister Padoan Attends Sustainable-Finance Conference	✓	-	-	As scheduled
UK	11:00	New Car Registrations (YoY) (Jan)	✓	-	-1.10%	Monthly
Eurozone	11:30	Sentix Investor Confidence (Feb)	✓✓	16.80	18.20	Monthly
Eurozone	12:30	ECB's Smets, BIS's Caruana Speak at Conference in Brussels	✓	-	-	As scheduled
Eurozone	16:00	ECB President Draghi Speaks to Parliament in Brussels	✓✓✓	-	-	As scheduled
US	22:00	Fed's Harker Speaks in San Diego	✓	-	-	As scheduled
US	23:30	Fed's Harker Speaks About Payment Systems in San Diego	✓	-	-	As scheduled
Japan	-	Labour Cash Earnings (YoY) (Dec)	✓✓	0.10%*	0.50%	Monthly

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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