

# ONE Minute Brief

7 February 2017

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## Economic and Political News

Acting National Police Commissioner, Khomotso Phahlane, has filed an application in the Pretoria High Court to ensure that the investigation done by the Independent Police Investigative Directorate (IPID) against him is legal. Further, he also requested the court to order IPID to not involve Private Forensic Investigator, Paul O'Sullivan, in the investigation process.

Mineral Resources Minister, Mosebenzi Zwane, stated that the Government will shift focus to support small mining companies this year as they could help in creating jobs in South Africa.

The African National Congress Women's League (ANCWL) indicated that it is disappointed with the behaviour of Former Public Protector, Thuli Madonsela, of accusing her successor Busisiwe Mkhwebane and President, Jacob Zuma. The ANCWL has asked her to stay away from the matters relating to the public protector's office.

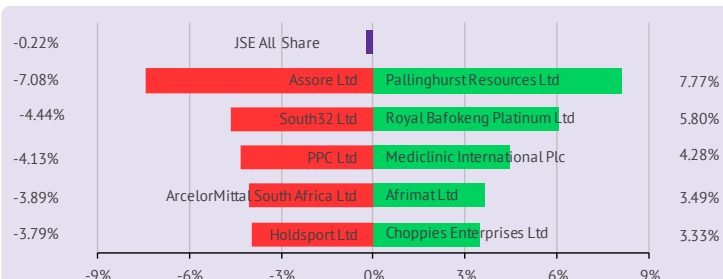
## Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	52151.16	▼	-114.00	-0.22%	-0.22%	-1.21%	4.21%
JSE Top 40	45353.95	▼	-63.62	-0.14%	-0.14%	-1.25%	4.62%
FTSE 100	7172.15	▼	-16.15	-0.22%	-0.22%	1.03%	-0.61%
DAX 30	11509.84	▼	-141.65	-1.22%	-1.22%	-0.22%	0.47%
CAC 40	4778.08	▼	-47.34	-0.98%	-0.98%	0.61%	-2.33%
S&P 500	2292.56	▼	-4.86	-0.21%	-0.21%	0.60%	1.79%
Nasdaq Composite	5663.55	▼	-3.21	-0.06%	-0.06%	0.87%	4.30%
DJIA	20052.42	▼	-19.04	-0.09%	-0.09%	0.51%	1.47%

## South Africa Market ▼

### South African markets closed lower

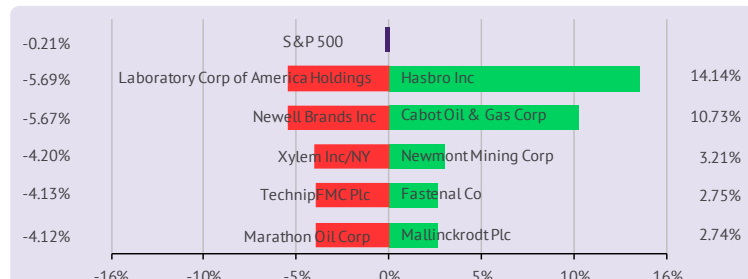
South African markets closed in the red yesterday, weighed down by losses in retail and banking sector stocks. The JSE All Share Index fell 0.2% to close at 52,151.16.



## US Market ▼

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

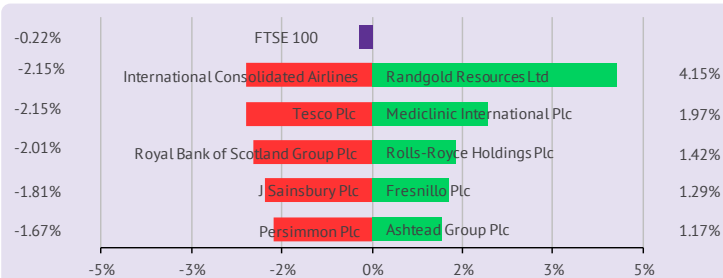
US markets closed lower yesterday, led by losses in energy sector stocks. Data showed that the US labour market condition index registered a rise in January, compared to its prior reading. The S&P 500 Index dropped 0.2% to close at 2,292.56.



## UK Market ▼

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

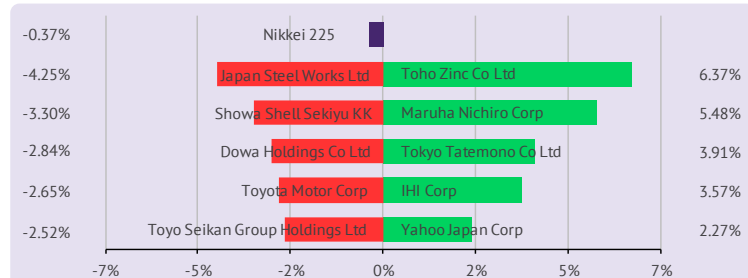
UK markets finished lower yesterday, amid losses in consumer discretionary sector stocks. Data revealed that UK's BRC like-for-like retail sales surprisingly declined on an annual basis in January. The FTSE 100 Index declined 0.2% to close at 7,172.15.



## Asian Market ▼

### Trading mixed

Asian markets are trading mixed this morning. The Nikkei 225 Index is trading 0.4% lower at 18,906.32.



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## USDZAR ▲

### USD trading higher against ZAR

At 06:00 SAST, the US Dollar is trading 0.5% firmer against the South African Rand at R13.3500. Later today, traders will keep a close watch on US trade balance and JOLTS job openings for further cues. Separately, South Africa's SACCI business confidence index will be on investors' radar.

The US Dollar rose against the South African Rand yesterday. Data revealed that US labour market condition index advanced in January, more than the previous reading.

## GBPZAR ▲

### GBP trading stronger against ZAR

At 06:00 SAST, the British Pound advanced 0.5% against the South African Rand to trade at R16.6453. Data indicated that UK's BRC like-for-like retail sales unexpectedly dropped on a yearly basis in January. Later today, traders will keep an eye on UK's Halifax house prices for further direction.

The British Pound advanced against the South African Rand yesterday.

## EURZAR ▲

### EUR trading firmer against ZAR

At 06:00 SAST, the Euro rose 0.1% against the South African Rand to trade at R14.2868. Going forward, market participants will keep a tab on Germany's industrial production scheduled in few hours.

The Euro weakened against the South African Rand yesterday. The European Central Bank (ECB) President, Mario Draghi, played down the recent rise in the Eurozone's headline inflation and indicated that the economy still requires stimulus. He further stated that the pick-up in inflation was driven mainly by higher energy prices rather than fundamental price pressures in the economy from rising wages. He also rejected US accusations of currency manipulation. Moreover, data revealed that Eurozone's Sentix investor confidence index declined less-than-expected in February. Further, Markit retail PMI advanced in January, less than previous reading. Moreover, Germany's factory orders rebounded more-than-expected on a monthly basis in December, notching its highest level in two years. Additionally, Markit construction PMI dropped in January, compared to prior reading, remaining in expansion territory. Moreover, Markit retail PMI recorded a drop in the same month, continuing in expansion territory.

## AUDZAR ▲

### AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.7% firmer against the South African Rand at R10.2408. Earlier in the session, data showed that the Reserve Bank of Australia kept its interest rate unchanged at 1.5%, meeting market expectations. Further, Australia's AiG performance of construction index advanced in January, compared to a reading of December. Further, ANZ Roy Morgan weekly consumer confidence index dropped in the week ended February 5, 2017, compared to a reading of prior week.

The Australian Dollar rose against the South African Rand yesterday. Data indicated that Australia's retail sales surprisingly dropped on a monthly basis in December.

## Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.3500	▲	0.12%	0.12%	-1.31%	-1.97%	-3.26%
GBPZAR	16.6453	▲	0.05%	0.05%	-2.20%	0.09%	-2.11%
EURZAR	14.2868	▲	-0.24%	-0.24%	-1.81%	0.66%	-1.15%
AUDZAR	10.2408	▲	-0.22%	-0.22%	-0.35%	3.03%	2.67%
EURUSD	1.0707	▼	-0.30%	-0.30%	-0.43%	2.68%	2.24%
GBPUSD	1.2468	▼	-0.13%	-0.13%	-0.86%	1.95%	1.08%
Brent (\$/barrel)	55.9	▲	-1.92%	-1.92%	0.25%	-2.18%	-1.94%
Gold (\$/oz)	1234.0	▲	0.94%	0.94%	1.77%	4.94%	6.80%
Platinum (\$/oz)	1013.2	▼	0.74%	0.74%	1.77%	10.53%	12.48%
Copper (\$/MT)*	5835.8	▲	1.25%	1.25%	-2.64%	8.53%	5.66%

\*As of Previous Close

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices edged 0.3% higher to trade at \$1,234.00/oz.

Yesterday, gold prices rose 0.9% to close at \$1,230.00/oz, amid decline in global equities.

## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil edged 0.4% higher to trade at \$55.93/bl.

Yesterday, Brent crude oil dropped 1.9% to settle at \$55.72/bl, as concerns increased about a climb in US crude production and amid rising tensions between United States and Iran.

## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices edged lower 0.1% to trade at \$1,013.20/oz.

Yesterday, platinum prices climbed 0.7% to close at \$1014.10/oz.

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## Major South Africa Corporate News

### Anglo American Platinum Limited

In its trading statement for the twelve months ended December 31, 2016, the company announced that its headline earnings for the period is likely to increase to between ZAR1.64bn and ZAR2.00bn and headline EPS for the period is likely to increase to between 625.00c and 760.00c.

### ArcelorMittal South Africa Limited

In its trading statement, the company stated that its loss per share is expected to decrease from 2,152.00c to a loss within a range of 438.00c and 448.0c. The headline loss per share is also expected to decrease from 1,338.00c to a range of 239.00c and 249.00c.

### Anglogold Ashanti Limited

The company reported that its CEO will this week present to delegates at the Investing in African Mining Indaba in Cape Town, outlining the company's capital allocation philosophy as it looks to invest in brownfield projects in its own portfolio. He will also provide detail on the company's ongoing efforts to improve safety across its mines.

### Astral Foods Limited

In its trading statement for the first quarter ended December 31, 2016, the company announced that its the operating profit for the period was 70.0% lower than the corresponding period of last year, mainly due to weaker consumer spending. Its headline EPS is expected to decline approximately 75.0% from the similar period of prior year.

## Major Global Economic News

### Eurozone

The ECB President, Mario Draghi, during a briefing before a committee of the European Parliament, played down the recent rise in the Eurozone's headline inflation and indicated that the economy still requires stimulus. He further stated that the pick-up in inflation was driven mainly by higher energy prices rather than fundamental price pressures in the economy from rising wages. He also rejected US accusations of currency manipulation.

In February, the Sentix investor confidence index fell to a level of 17.40 in the Eurozone, compared to market expectations of a drop to a level of 16.80. The index had registered a reading of 18.20 in the prior month.

In the Eurozone, the Markit retail PMI recorded a drop to a level of 50.1 in January, compared to a level of 50.4 in the previous month.

In Germany, the seasonally adjusted factory orders climbed 5.2% on a monthly basis in December, higher than market expectations for a rise of 0.7%. Factory orders had registered a revised drop of 3.6% in the previous month.

In January, the Markit construction PMI registered a drop to a level of 52.0 in Germany, compared to a level of 54.9 in the previous month.

In Germany, the Markit retail PMI declined to a level of 50.3 in January, compared to a level of 52.0 in the previous month.

### UK

In January, retail sales across all sectors unexpectedly eased 0.6% on an annual basis in the UK, lower than market expectations for an advance of 0.9%. In the previous month, retail sales across all sectors had registered a rise of 1.0%.

### Asia

The Reserve Bank of Australia (RBA) kept the key interest rate steady at 1.5%, as widely expected. The board judged that holding the stance of policy unchanged at this meeting would be consistent with sustainable growth in the Australian economy and to achieve the inflation target over time. The RBA stuck to its earlier forecasts for economic growth to come in around 3.0% annually for "the next couple of years" and that inflation would pick up to above its 2.0% target over the course of this year.

In January, the AIG performance of construction index rose to a level of 47.70 in Australia, compared to a level of 47.00 in the prior month.

In Australia, the ANZ Roy Morgan weekly consumer confidence index declined to 117.5 for the week ended February 5, 2017, compared to a reading of 118.1 in the prior week.

### US

In the US, the labour market condition index advanced to 1.3 in January, compared to a revised reading of 0.6 in the previous month.

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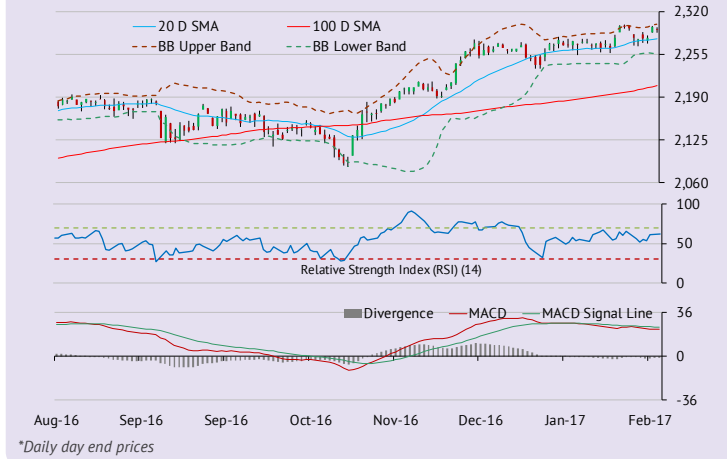
## Technical Snapshot

### JSE All Share



The JSE All Share index is expected to find support at 51,747.55, and a fall through could take it to the next support level of 51,343.93. The index is expected to find its first resistance at 52,921.02, and a rise through could take it to the next resistance level of 53,690.87.

### S&P 500



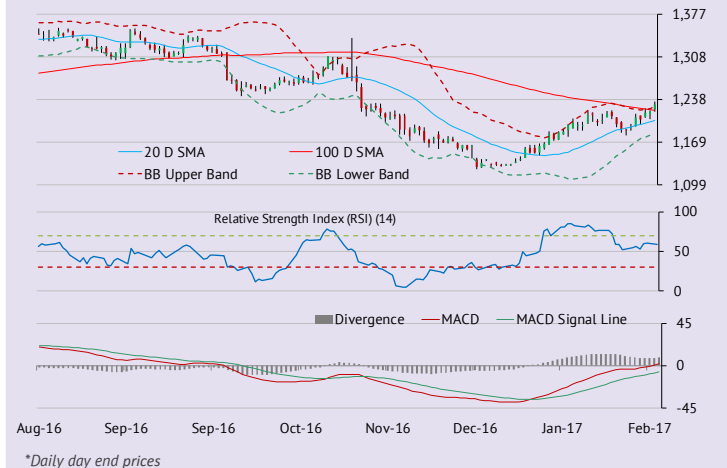
The S&P 500 index is expected to find support at 2,273.74, and a fall through could take it to the next support level of 2,254.93. The index is expected to find its first resistance at 2,304.84, and a rise through could take it to the next resistance level of 2,317.13.

### USDZAR



The pair is expected to find support at 13.1212, and a fall through could take it to the next support level of 12.9588. The pair is expected to find its first resistance at 13.5247, and a rise through could take it to the next resistance level of 13.7658.

### XAU/USD



Gold is expected to find support at \$1,203.87/oz, and a fall through could take it to the next support level of \$1,177.73/oz. The precious metal is expected to find its first resistance at \$1,245.77/oz, and a rise through could take it to the next resistance level of \$1,261.53/oz.

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## Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	01:50	Japan Foreign Reserves (Jan)	✓	USD1231.57bn*	USD1216.90bn	Monthly
UK	02:01	BRC Sales Like-For-Like (YoY) (Jan)	✓	-0.60%*	1.00%	Monthly
Japan	07:00	Coincident Index (Dec) (P)	✓	115.10	115.00	Monthly
Japan	07:00	Leading Economic Index (Dec) (P)	✓✓	105.50	102.80	Monthly
South Africa	08:00	Net Gold & Forex Reserve (Jan)	✓	USD41.05bn	USD40.81bn	Monthly
South Africa	08:00	Gross Gold & Forex Reserve (Jan)	✓	USD47.61bn	USD47.36bn	Monthly
Switzerland	08:45	SECO Consumer Climate (Jan)	✓✓	-11.00	-13.00	Quarterly
Germany	09:00	Industrial Production (Dec)	✓✓✓	-	112.70	Monthly
Germany	09:00	Industrial Production s.a. (MoM) (Dec)	✓	0.30%	0.40%	Monthly
UK	10:30	Halifax House Prices (3m/YoY) (Jan)	✓	6.00%	6.50%	Monthly
UK	10:30	Halifax House Prices (MoM) (Jan)	✓	0.00%	1.70%	Monthly
UK	10:30	Halifax Plc House Prices Index s.a. (Jan)	✓	-	720.10	Monthly
South Africa	11:30	SACCI Business Confidence Index (Jan)	✓	-	93.80	Monthly
Canada	15:30	International Merchandise Trade (Dec)	✓	CAD0.20bn	CAD0.53bn	Monthly
US	15:30	Trade Balance (Dec)	✓✓	-USD45.00bn	-USD45.20bn	Monthly
Canada	15:30	Building Permits (MoM) (Dec)	✓	-3.50%	-0.10%	Monthly
US	15:55	Redbook Index (YoY) (03-Feb)	✓	-	0.20%	Weekly
US	15:55	Redbook Index s.a. (MoM) (03-Feb)	✓	-	-3.50%	Weekly
US	17:00	IBD/TIPP Economic Optimism (MoM) (Feb)	✓	-	55.60	Monthly
US	17:00	JOLTs Job Openings (Dec)	✓	5580.00K	5522.00K	Monthly
Eurozone	18:35	ECB's Weidmann Speaks in Mainz	✓	-	-	As scheduled
US	22:00	Consumer Credit Change (Dec)	✓✓	USD20.00bn	USD24.53bn	Monthly

Note: ✓✓✓High    ✓✓Medium    ✓Low

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