

# ONE Minute Brief

8 February 2017

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## Economic and Political News

In South Africa, the business confidence index climbed to 97.70 in January, compared to a reading of 93.80 in December. Further, the net gold & forex reserves advanced more-than-expected to USD41.37bn in January, compared to a level of USD40.81bn in December.

President, Jacob Zuma, stated that South Africa is significantly not performing its best as unemployment rate stood at 27.1%, recording its highest rise since June 2004. Further, he added that the nation can no longer rely on public sector for jobs creation. Additionally, the President wants the nation's transformation policies to be effective and efficient.

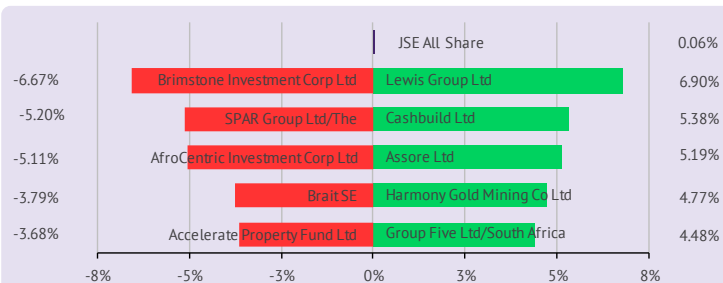
Finance Minister, Pravin Gordhan, has restated that the main focus of the Government will be on growing and transforming the economy. Separately, he asked mining companies in Africa to provide responsive and responsible leaders which will contribute in the development of nation and ensure that they added value to their products.

The Congress of South African Trade Unions (COSATU), indicated that it wants President, Jacob Zuma, to assure the people of South Africa that the government is united and not at war with itself.

## South Africa Market ▲

### South African markets closed higher

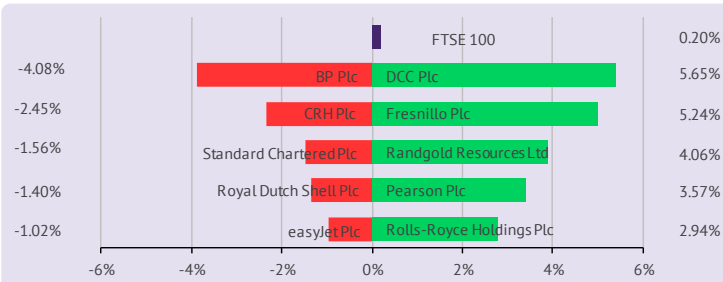
South African markets closed in the green yesterday, amid gains in gold and platinum sector stocks. Data indicated that South Africa's SACCI business confidence index recorded a rise in January, compared to its prior reading. The JSE All Share Index rose 0.1% to close at 52,181.91.



## UK Market ▲

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

UK markets finished higher yesterday, led by gains in material sector stocks. Data showed that UK's Halifax house prices retreated on a monthly basis in January, its lowest level since August. The FTSE 100 Index advanced 0.2% to close at 7,186.22.



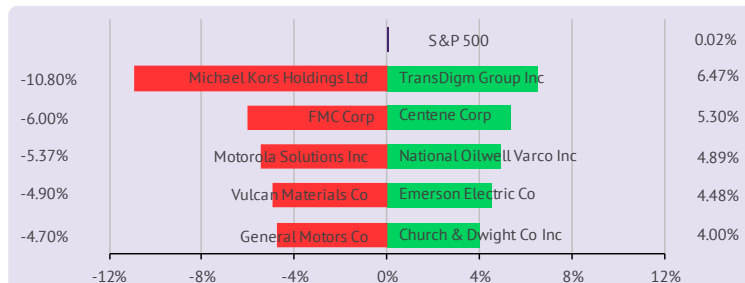
## Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	52181.91	▲	30.75	0.06%	-0.16%	-1.15%	4.21%	3.02%
JSE Top 40	45366.88	▲	12.93	0.03%	-0.11%	-1.22%	4.62%	3.34%
FTSE 100	7186.22	▲	14.07	0.20%	-0.03%	1.23%	-0.61%	0.61%
DAX 30	11549.44	▲	39.60	0.34%	-0.88%	0.12%	0.47%	0.60%
CAC 40	4754.47	▼	-23.61	-0.49%	-1.47%	0.12%	-2.33%	-2.22%
S&P 500	2293.08	▲	0.52	0.02%	-0.19%	0.62%	1.79%	2.42%
Nasdaq Composite	5674.22	▲	10.67	0.19%	0.13%	1.06%	4.30%	5.41%
DJIA	20090.29	▲	37.87	0.19%	0.09%	1.14%	0.51%	1.66%

## US Market ▲

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

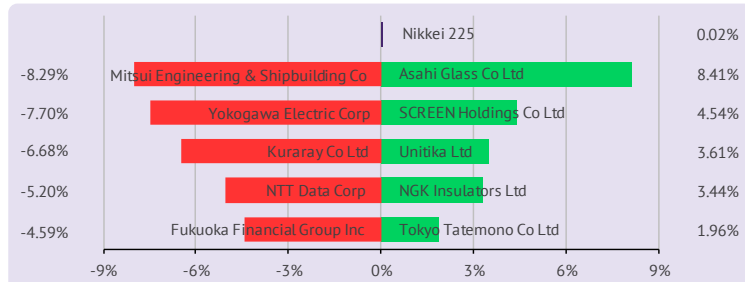
US markets closed higher yesterday, supported by gains in consumer staples stocks. Data revealed that US trade deficit narrowed more-than-expected in December. The S&P 500 Index marginally climbed to close at 2,293.08.



## Asian Market ▼

### Trading mostly lower

Asian markets are trading mostly lower this morning. Data revealed that Japan's trade surplus expanded more than market anticipations in December. The Nikkei 225 Index is trading marginally higher at 18,913.91.



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## USDZAR ▲

### USD trading higher against ZAR

At 06:00 SAST, the US Dollar marginally rose against the South African Rand to trade at R13.4504. Later today, traders will keep a close watch on US MBA mortgage applications for further direction.

The US Dollar rose against the South African Rand yesterday. Data indicated that US trade deficit contracted more than market forecast in December. Further, consumer credit advanced less-than-expected in the same month. Moreover, JOLTS job openings surprisingly dropped in December. Separately, South Africa's SACCI business confidence index increased in January, more than its previous reading.

## GBPZAR ▲

### GBP trading stronger against ZAR

At 06:00 SAST, the British Pound is trading 0.1% firmer against the South African Rand at R16.8240.

The British Pound advanced against the South African Rand yesterday. Data showed that UK's Halifax house prices plummeted on a monthly basis in January, its weakest level since August.

## EURZAR ▲

### EUR trading higher against ZAR

At 06:00 SAST, the Euro is trading 0.1% firmer against the South African Rand at R14.3775.

The Euro strengthened against the South African Rand yesterday. Meanwhile, Germany's industrial production surprisingly declined on a monthly basis in December, recording its biggest decline in 8 years.

## AUDZAR ▲

### AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar gained 0.2% against the South African Rand to trade at R10.2721.

The Australian Dollar rose against the South African Rand yesterday. Data revealed that the Reserve Bank of Australia kept its benchmark interest rate steady at 1.5%, as widely expected. Further, Australia's AiG performance of construction index rose in January, compared to a reading of December. Further, ANZ Roy Morgan weekly consumer confidence index declined in the week ended February 5, 2017, compared to a reading of prior week.

## Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.4504	▲	1.25%	1.38%	-0.08%	-1.97%	-2.05%
GBPZAR	16.8240	▲	1.47%	1.52%	-0.77%	0.09%	-0.68%
EURZAR	14.3775	▲	0.64%	0.40%	-1.18%	0.66%	-0.52%
AUDZAR	10.2721	▲	0.82%	0.60%	0.47%	3.03%	3.51%
EURUSD	1.0688	▲	-0.64%	-0.94%	-1.07%	2.68%	1.59%
GBPUSD	1.2506	▼	0.33%	0.20%	-0.53%	1.95%	1.41%
Brent (\$/barrel)	54.6	▼	-1.20%	-3.10%	-0.95%	-2.18%	-3.12%
Gold (\$/oz)	1236.3	▲	0.34%	1.29%	2.12%	4.94%	7.16%
Platinum (\$/oz)	1012.1	▼	-0.12%	0.62%	1.65%	10.53%	12.34%
Copper (\$/MT)*	5779.5	▼	-0.96%	0.27%	-3.58%	8.53%	4.64%
*As of Previous Close							

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices edged 0.2% higher to trade at \$1,236.30/oz.

Yesterday, gold prices rose 0.3% to close at \$1,234.20/oz, extending its previous session gains.

## Brent Crude Oil ▼

### Trading weaker

At 06:00 SAST, Brent crude oil retreated 0.9% to trade at \$54.56/bl.

Yesterday, Brent crude oil dropped 1.2% to settle at \$55.05/bl, after the American Petroleum Institute (API) reported that crude oil inventories increased by 14.2mn bls for the week ended February 3, 2017.

## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices fell 0.1% to trade at \$1,012.10/oz.

Yesterday, platinum prices declined 0.1% to close at \$1,012.90/oz.



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## Major South Africa Corporate News

### The Spar Group Limited

In its trading update for the 13 weeks ended December 31, 2016, the company announced that its sales increased by 16.9% from ZAR21.90bn to ZAR25.60bn for the period over the comparable period in 2015.

## Major Global Economic News

### US

In the US, trade deficit dropped to USD44.30bn in December, following a revised trade deficit of USD45.70bn in the prior month. Markets were anticipating the nation's trade deficit to narrow to USD45.00bn.

In December, JOLTs job openings unexpectedly dropped to 5501.00K in the US, lower than market expectations of an advance to a level of 5580.00K. In the prior month, JOLTs job openings had recorded a revised reading of 5505.00K.

In the US, consumer credit recorded a rise of USD14.16bn in December, compared to a revised rise of USD25.21bn in the prior month. Markets were expecting consumer credit to climb USD20.00bn.

### UK

In the UK, the Halifax house price index unexpectedly fell 0.9% on a monthly basis in January, less than market expectations for a steady reading. The Halifax house price index had recorded a revised rise of 1.6% in the prior month.

### Asia

Japan has posted (BOP basis) trade surplus of JPY806.80bn in December, following a trade surplus of JPY313.40bn in the previous month. Market anticipation was for a trade surplus of JPY738.90bn.

In Japan, adjusted (total) current account surplus dropped to JPY1669.20bn in December, following an adjusted current account surplus of JPY1799.60bn in the prior month. Markets were expecting the nation to record an adjusted current account surplus of JPY1709.40bn.

A Summary of opinions report from the Bank of Japan's January meeting showed that board members saw improvements in Japan's exports, consumer spending and capital expenditure. However, they warned that it may take time for inflation expectations to pick up and that its 2.0% inflation target remains elusive. The BoJ kept monetary policy on hold at the meeting and raised its growth projection for the economy.

### Eurozone

In Germany, the seasonally adjusted industrial production recorded an unexpected drop of 3.0% on a monthly basis in December, compared to a revised advance of 0.5% in the prior month. Markets were expecting industrial production to advance 0.3%.

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## Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	01:50	Bank Lending including Trusts (YoY) (Jan)	✓	2.50%*	2.60%	Monthly
Japan	01:50	Bank Lending ex-Trust (YoY) (Jan)	✓	2.60%*	2.60%	Monthly
Japan	01:50	Current Account n.s.a. (Dec)	✓	JPY1112.20bn*	JPY1415.50bn	Monthly
Japan	01:50	Trade Balance - BOP Basis (Dec)	✓✓	JPY806.80bn*	JPY313.40bn	Monthly
Japan	01:50	Adjusted Current Account Total (Dec)	✓	JPY1669.20bn*	JPY1799.60bn	Monthly
Japan	06:30	Bankruptcies (YoY) (Jan)	✓✓	-10.37%*	1.57%	Monthly
Japan	07:00	Eco Watchers Survey: Current (Jan)	✓✓	51.80	51.40	Monthly
Japan	07:00	Eco Watchers Survey: Outlook (Jan)	✓✓	51.50	50.90	Monthly
France	09:30	Bank of France Business Sentiment (Jan)	✓	103.00	102.00	Monthly
Spain	10:00	Industrial Output n.s.a. (YoY) (Dec)	✓✓	-	4.60%	Monthly
Spain	10:00	Industrial Output s.a. (YoY) (Dec)	✓✓	2.80%	3.20%	Monthly
Portugal	13:00	Unemployment Rate (Q4)	✓	-	10.50%	Quarterly
US	14:00	MBA Mortgage Applications (03-Feb)	✓	-	-3.20%	Weekly
Canada	15:15	Housing Starts s.a. (Jan)	✓✓	197.30K	207.00K	Monthly
US	17:30	DOE Cushing OK Crude Inventory (Barrels) (03-Feb)	✓	-	-1245.00K barrels	Weekly
US	17:30	DOE Distillate Inventory (03-Feb)	✓	-	1568.00K barrels	Weekly
US	17:30	DOE Gasoline Inventories (03-Feb)	✓	-	3866.00K barrels	Weekly
US	17:30	EIA Crude Oil Stocks Change (Barrels) (03-Feb)	✓	-	6.47mn barrels	Weekly

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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