

ONE Minute Brief

9 February 2017

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Economic and Political News

Deputy President, Cyril Ramaphosa, stated that the agreement on the national minimum wage and labour market stability was signed by the parties to the National Economic Development and Labour Council (NEDLAC), excluding the Congress of South African Trade Unions (COSATU). Ramaphosa indicated that this was not because the union did not accept the agreement, but because its processes laid that it had to report back to its central executive committee.

The presidency indicated that to maintain law and order during the President, Jacob Zuma's annual state of the nation address, 441 members of the South African National Defence Force (SANDF) would be deployed to help the police.

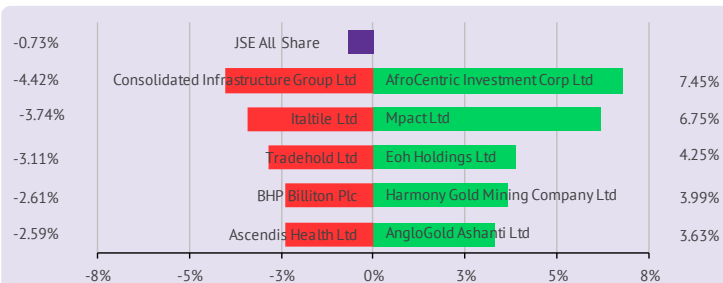
The National Education and Health Allied Workers Union (NEHAWU) stated that its time for President, Jacob Zuma, to step down.

The South African Local Government Association has requested for a meeting with President Jacob Zuma in a bid to avoid pending electricity cuts by Eskom.

South Africa Market ▼

South African markets closed lower

South African markets closed in the red yesterday, amid losses in industrial and resources sector stocks. The JSE All Share Index fell 0.7% to close at 51,803.48.



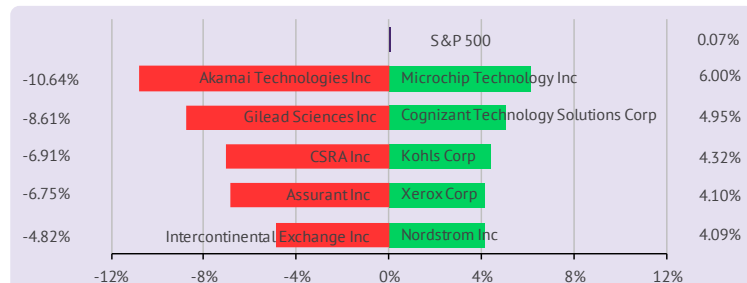
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	51803.48	▼ -378.43	-0.73%	-0.88%	-1.87%	4.21%	2.27%
JSE Top 40	44922.93	▼ -443.95	-0.98%	-1.09%	-2.19%	4.62%	2.33%
FTSE 100	7188.82	▲ 2.60	0.04%	0.01%	1.26%	-0.61%	0.64%
DAX 30	11543.38	▼ -6.06	-0.05%	-0.93%	0.07%	0.47%	0.54%
CAC 40	4766.60	▲ 12.13	0.26%	-1.22%	0.37%	-2.33%	-1.97%
S&P 500	2294.67	▲ 1.59	0.07%	-0.12%	0.69%	1.79%	2.49%
Nasdaq Composite	5682.45	▲ 8.24	0.15%	0.28%	1.21%	4.30%	5.56%
DJIA	20054.34	▼ -35.95	-0.18%	-0.09%	0.96%	0.51%	1.48%

US Market ▲

The S&P 500 futures are trading in the red

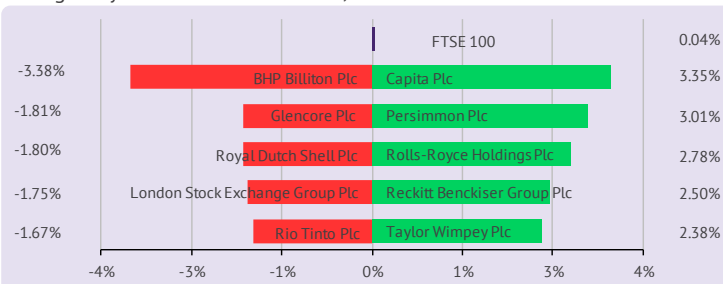
US markets closed higher yesterday, led by gains in utilities and real estate sector stocks. Data indicated that US MBA mortgage applications rebounded in the week ended February 3, 2017. The S&P 500 Index climbed 0.1% to close at 2,294.67.



UK Market ▲

The FTSE 100 futures are trading in positive territory

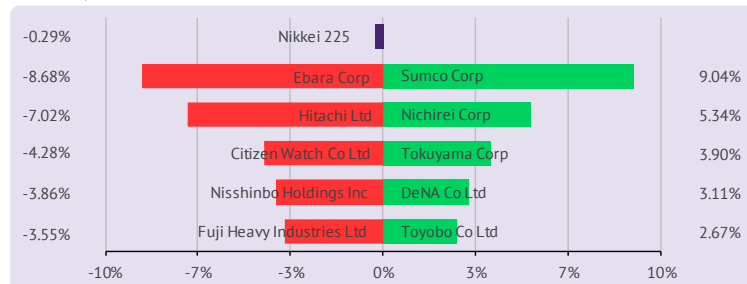
UK markets finished higher yesterday, supported by gains in consumer discretionary sector stocks. Data showed that UK's RICS house price balance advanced more-than-expected in January. The FTSE 100 Index marginally advanced to close at 7,188.82.



Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning. Data revealed that Japan's machine orders rebounded more-than-expected on a monthly basis in December. The Nikkei 225 Index is trading 0.3% lower at 18,953.09.



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USDZAR ▲

USD trading higher against ZAR

At 06:00 SAST, the US Dollar is trading 0.1% firmer against the South African Rand at R13.4183. Later today, traders will keep a close watch on US initial jobless claims, wholesale inventories and wholesale trade sales for further direction. Separately, South Africa's manufacturing production will be on investors' radar.

The US Dollar fell against the South African Rand yesterday. Data showed that US MBA mortgage applications bounced back into positive territory for the week ended February 3, 2017.

GBPZAR ▼

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound is trading 0.1% lower against the South African Rand at R16.7980. Data indicated that UK's RICS house price balance recorded a higher-than-anticipated rise in January.

The British Pound declined against the South African Rand yesterday.

EURZAR ▲

EUR trading stronger against ZAR

At 06:00 SAST, the Euro marginally advanced against the South African Rand to trade at R14.3424. Going forward, market participants will keep a tab on Germany's trade balance and current account balance for further cues.

The Euro weakened against the South African Rand yesterday.

AUDZAR ▼

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.2% weaker against the South African Rand at R10.2274. Earlier in the session, data showed that Australia's HIA new home sales advanced on a monthly basis in December, compared to its prior reading. Further, the NAB business confidence index declined in 4Q16 compared to previous reading.

The Australian Dollar fell against the South African Rand yesterday.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.4183	▲	-0.33%	1.05%	-0.40%	-1.97%	-2.37%
GBPZAR	16.7980	▼	-0.01%	1.51%	-0.78%	0.09%	-0.69%
EURZAR	14.3424	▲	-0.18%	0.21%	-1.36%	0.66%	-0.70%
AUDZAR	10.2274	▼	-0.06%	0.53%	0.40%	3.03%	3.44%
EURUSD	1.0688	▼	0.16%	-0.78%	-0.91%	2.68%	1.75%
GBPUSD	1.2518	▼	0.22%	0.42%	-0.32%	1.95%	1.63%
Brent (\$/barrel)	55.4	▲	0.13%	-2.97%	-0.83%	-2.18%	-2.99%
Gold (\$/oz)	1243.7	▲	0.28%	1.57%	2.40%	4.94%	7.46%
Platinum (\$/oz)	1020.5	▲	0.64%	1.26%	2.30%	10.53%	13.07%
Copper (\$/MT)*	5878.0	▲	1.70%	1.98%	-1.94%	8.53%	6.43%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.5% higher to trade at \$1,243.70/oz.

Yesterday, gold prices rose 0.3% to close at \$1,237.60/oz, as weakness in the US Dollar increased demand for the safe haven yellow metal.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged 0.5% higher to trade at \$55.41/bl.

Yesterday, Brent crude oil advanced 0.1% to settle at \$55.12/bl, despite US Energy Department reporting that crude oil inventories rose by 13.8mn bls for the week ended February 3, 2017.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged 0.1% higher to trade at \$1,020.50/oz.

Yesterday, platinum prices climbed 0.6% to close at \$1019.40/oz.



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Major South Africa Corporate News

Barloworld Limited

In its trading update, the company stated that the group has produced a solid start to FY17 with the overall operating performance pleasingly up on 1Q16. The handling division generated an operating profit in 1Q17 compared with a loss in the prior period driven by an improved performance in South Africa's agricultural activities.

MTN Group Limited

In its trading statement for the year ended December 31, 2016, the company announced that it expects to report a loss in basic headline EPS and basic EPS. The expected decline in the HEPS and EPS is mainly as a result of the regulatory fine imposed on MTN Nigeria following a resolution with the Federal Government of Nigeria on June 10, 2016.

Rebosis Property Fund Limited

The company reported that with effect from February 8, 2017, Andile Mazwai, formerly an Independent Non-executive Director of the company, has been appointed as an Executive Director and the Chief Operating Officer of the company.

Sappi Limited

In its 1Q17 results, the company stated that its sales increased to \$1.31bn from \$1.28bn recorded in the corresponding period of the previous year. Its diluted headline EPS rose significantly from the same period of the preceding year to 17.00c. Its income before tax rose to \$118.00mn from \$98.00mn posted in the similar quarter of last year.

Major Global Economic News

Asia

In Japan, housing loans advanced 3.1% on an annual basis in 4Q16. In the previous quarter, housing loans had climbed 2.7%.

In December, machinery orders registered a rise of 6.7% on a monthly basis in Japan, more than market expectations for a rise of 3.0%. In the prior month, machinery orders had dropped 5.1%.

In Australia, the business confidence index dropped to 5.00 in 4Q16. The business confidence index had registered a revised level of 6.00 in the prior quarter.

In December, new home sales rose 0.2% on a monthly basis in Australia. In the previous month, new home sales had recorded a rise of 6.1%.

US

In the US, mortgage applications advanced 2.3% on a weekly basis, in the week ended February 3, 2017. In the previous week, mortgage applications had dropped 3.2%.

UK

In the UK, house price balance recorded an unexpected rise to a level of 25.0% in January, compared to a revised level of 23.0% in the previous month. Markets were anticipating house price balance to drop to a level of 22.0%.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ Previous reading**	Frequency
Japan	01:50	Machinery Orders (YoY) (Dec)	✓✓	6.70%*	10.40%	Monthly
Japan	01:50	Money Supply M3 (YoY) (Jan)	✓	3.50%*	3.40%	Monthly
Japan	01:50	Money Supply M2+CD (YoY) (Jan)	✓	4.10%*	4.00%	Monthly
Japan	01:50	Housing Loans (YoY) (Q4)	✓	3.10%*	2.70%	Quarterly
Japan	01:50	Machinery Orders (MoM) (Dec)	✓	6.70%*	-5.10%	Monthly
UK	02:01	RICS Housing Price Balance (Jan)	✓✓	25.00%*	23.00%	Monthly
Japan	04:00	Tokyo Average Office Vacancies (Jan)	✓	3.74%*	3.61%	Monthly
Japan	08:00	Machine Tool Orders (YoY) (Jan) (P)	✓✓	-	4.40%	Monthly
Germany	09:00	Exports (Dec)	✓	-	EUR108.50bn	Monthly
Germany	09:00	Imports (Dec)	✓	-	EUR85.80bn	Monthly
Germany	09:00	Exports s.a. (MoM) (Dec)	✓	-1.30%	3.90%	Monthly
Germany	09:00	Imports s.a. (MoM) (Dec)	✓	-1.10%	3.50%	Monthly
South Africa	11:30	Gold Production (YoY) (Dec)	✓✓	-	-9.40%	Monthly
South Africa	11:30	Mining Production (YoY) (Dec)	✓✓	-	-4.20%	Monthly
South Africa	13:00	Manufacturing Production Index (YoY) (Dec)	✓✓	-0.20%	1.90%	Monthly
South Africa	13:00	Manufacturing Production s.a. (MoM) (Dec)	✓✓	0.10%	0.30%	Monthly
US	15:30	Continuing Jobless Claims (28-Jan)	✓	2058.00K	2064.00K	Weekly
US	15:30	Initial Jobless Claims (04-Feb)	✓✓	249.00K	246.00K	Weekly
US	16:10	Fed's Bullard Speaks in St. Louis	✓	-	-	As scheduled
US	17:00	Wholesale Inventories (Dec) (F)	✓	1.00%	1.00%**	Monthly
US	17:30	EIA Natural Gas Storage Change (03-Feb)	✓	-	-87.00Bcf	Weekly
US	20:10	Fed's Evans Speaks on Economy and Policy in Chicago	✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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