

ONE
Minute Brief

16 February 2017



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Economic and Political News

In South Africa, the consumer price index rose 0.6% on a monthly basis in January, lower than market expectations for a rise of 0.7%. In the prior month, the consumer price index had climbed 0.4%.

In December, retail sales climbed 0.9% on an annual basis in South Africa, lower than market expectations for an advance of 2.2%. In the prior month, retail sales had risen 3.8%.

The World Bank stated that South African economy will grow at a modest pace this year and has projected a growth rate of 1.1% in 2017 and 1.8% in 2018 if there is no sovereign credit ratings downgrade.

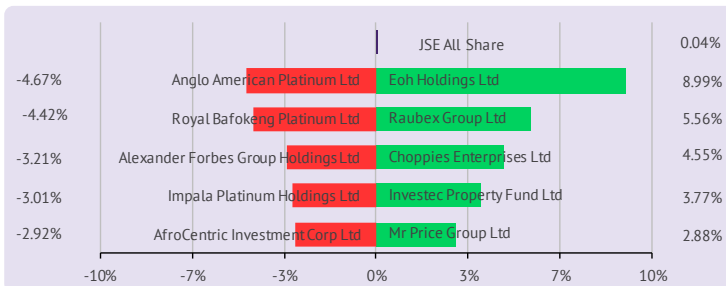
The African National Congress (ANC) stated that it has taken serious action against the activities of the 17 listed banks after they were blamed of price fixing in international markets involving the value of the Rand to the Dollar and will be facing the Competitions Tribunal on charges of collusion.

The South Gauteng High Court in Johannesburg ordered South African Airways (SAA) to pay Comair ZAR1.6bn, plus years of interest, for engaging in anticompetitive behaviour between 1999 and 2005. Further, after the orders by the High Court, the Democratic Alliance (DA) stated that SAA Chairperson Dudu Myeni, should resign from her post.

South Africa Market ▲

South African markets closed higher

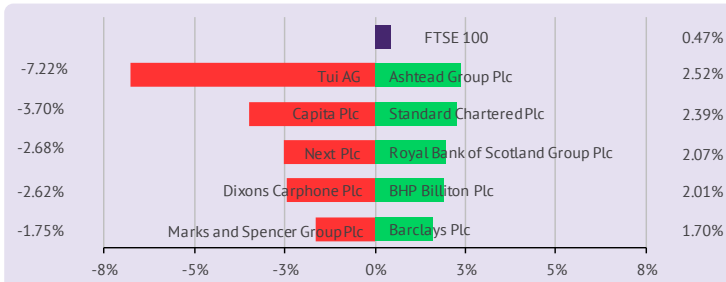
South African markets closed in the green yesterday, supported by gains in retail sector stocks. Data showed that South Africa's consumer price index expanded less-than-expected on an annual basis in January. The JSE All Share Index marginally rose to close at 52,485.16.



UK Market ▲

The FTSE 100 futures are trading in negative territory

UK markets finished higher yesterday, amid gains in financial sector stocks. Data indicated that UK's claimant count rate unexpectedly declined in January. The FTSE 100 Index advanced 0.5% to close at 7,302.41.



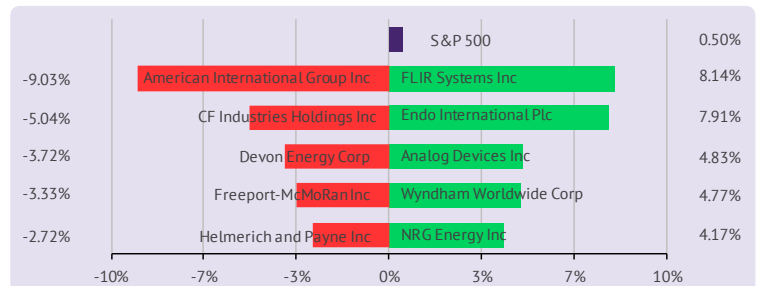
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	52485.16	▲	19.52	0.04%	-0.38%	-0.57%	4.21%	3.62%
JSE Top 40	45410.71	▼	-26.57	-0.06%	-0.76%	-1.13%	4.62%	3.44%
FTSE 100	7302.41	▲	33.85	0.47%	0.60%	2.86%	-0.61%	2.23%
DAX 30	11793.93	▲	22.12	0.19%	1.09%	2.24%	0.47%	2.73%
CAC 40	4924.86	▲	29.04	0.59%	2.00%	3.71%	-2.33%	1.29%
S&P 500	2349.25	▲	11.67	0.50%	1.43%	3.09%	1.79%	4.93%
Nasdaq Composite	5819.44	▲	36.87	0.64%	1.49%	3.64%	4.30%	8.11%
DJIA	20611.86	▲	107.45	0.52%	1.69%	3.76%	0.51%	4.30%

US Market ▲

The S&P 500 futures are trading in the red

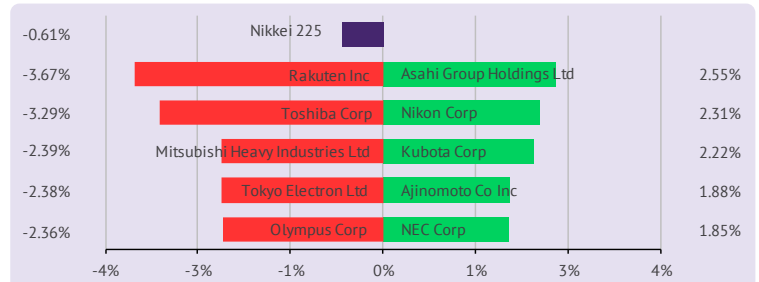
US markets closed higher yesterday, led by gains in health care sector stocks. Data revealed that US consumer price inflation advanced at a faster-than-expected pace on a monthly basis in January, its highest rise since February 2013. The S&P 500 Index climbed 0.5% to 2,349.25.



Asian Market ◀▶

Trading mixed

Asian markets are trading mixed this morning. The Nikkei 225 Index is trading 0.6% lower at 19,318.55.



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USDZAR ▲

USD trading higher against ZAR

At 06:00 SAST, the US Dollar is trading 0.3% firmer against the South African Rand at R12.9356. Later today, traders will keep a close watch on US initial jobless claims, housing starts and building permits data for further cues.

The US Dollar fell against the South African Rand yesterday. The Philadelphia Fed President, Patrick Harker, stated that three interest rate hikes in 2017 is expected to be the appropriate path for the Fed's monetary policy, assuming that the US economy stays on track. The Federal Reserve (Fed) Bank of Boston President, Eric Rosengren, indicated that the Fed might need to raise interest rates a bit more aggressively than the thrice-per-year pace forecast, as the US economy finds firmer footing. Data indicated that US CPI advanced more than market expectations on a monthly basis in January, notching its strongest level in 4 years, supported by increasing prices of gasoline and other goods and services that indicate a rise in inflation. Further, advance retail sales grew more-than-expected in January, driven by increase in purchase of electronics. Additionally, business inventories rose in line with market expectations in December, its highest rise since 2011. Moreover, the NAHB housing market index surprisingly dropped in February. Further, industrial production unexpectedly declined on a monthly basis in January while manufacturing production rose as expected in the same month. Separately, South Africa's CPI recorded a less-than-expected rise on a yearly basis in January. Further, retail sales advanced less-than-expected on an annual basis in December.

GBPZAR ▲

GBP trading stronger against ZAR

At 06:00 SAST, the British Pound is trading 0.3% higher against the South African Rand at R16.1260.

The British Pound declined against the South African Rand yesterday, after data indicated that UK's claimant count rate surprisingly dropped in January. Further, ILO unemployment rate remained unchanged for the October-December 2016 period. Additionally, jobless claims unexpectedly declined in January. Moreover, average weekly earnings advanced less-than-expected in the October-December 2016 period.

EURZAR ▲

EUR trading firmer against ZAR

At 06:00 SAST, the Euro is trading 0.3% higher against the South African Rand at R13.7305.

The Euro weakened against the South African Rand yesterday. Data revealed that Eurozone's trade surplus expanded more than market anticipations in December.

AUDZAR ▲

AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar gained 0.3% against the South African Rand to trade at R9.9733. Earlier in the session, data showed that Australia's unemployment rate surprisingly fell in January. Further, consumer inflation expectation rose in February, less than prior 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	12.9356	▲	-1.45%	-3.36%	-4.15%	-1.97%	-6.05%
GBPZAR	16.1260	▲	-1.49%	-3.51%	-5.07%	0.09%	-4.98%
EURZAR	13.7305	▲	-1.17%	-3.63%	-5.86%	0.66%	-5.23%
AUDZAR	9.9733	▲	-0.84%	-2.87%	-2.57%	3.03%	0.37%
EURUSD	1.0611	▲	0.20%	-0.38%	-1.82%	2.68%	0.81%
GBPUSD	1.2459	▲	-0.07%	-0.25%	-0.95%	1.95%	0.99%
Brent (\$/barrel)	55.7	▼	-0.39%	-1.68%	0.31%	-2.18%	-1.88%
Gold (\$/oz)	1236.5	▲	0.64%	-0.22%	1.91%	4.94%	6.95%
Platinum (\$/oz)	1015.1	▲	0.77%	-0.18%	1.34%	10.53%	12.01%
Copper (\$/MT)*	6048.0	▲	0.73%	-0.57%	0.90%	8.53%	9.51%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged higher 0.4% to trade at \$1,236.50/oz.

Yesterday, gold prices rose 0.6% to close at \$1,231.70/oz, as weakness in the greenback increased demand for the precious yellow metal.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil marginally edged lower to trade at \$55.74/bl.

Yesterday, Brent crude oil dropped 0.4% to settle at \$55.75/bl, after the US Energy Department reported that crude oil inventories rose by 9.5mn bls to 518.1mn bls for the week ended February 10, 2017.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices rose 0.5% to trade at \$1,015.10/oz.

Yesterday, platinum prices climbed 0.8% to close at \$1009.90/oz.



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Major South Africa Corporate News

Anglo American Platinum Limited

In its FY16 results, the company stated that its net sales revenue increased to ZAR61.96bn from ZAR59.81bn recorded in previous year. Its diluted earnings stood at a profit of 240.00c/share from a loss of 4,714.00c/share posted last year. Separately, it reported that Rustenburg Platinum Mines Limited, a wholly owned subsidiary of the company, has entered into an agreement to sell its 85.0% interest in Union Mine and its 50.1% interest in MASA Chrome Company Proprietary Limited to a subsidiary of Siyanda Resources Proprietary Limited.

Aveng Limited

In its updated trading statement, the company announced that it received the award notification from a Dispute Adjudication Board in relation to the Mokolo Crocodile Water Augmentation project claim previously instituted by the group. It had not previously anticipated receiving this award during the reporting cycle. Whilst the award was in favour of the group, the amount awarded was significantly less than that which was anticipated in the preparation of the December 31, 2016 results. The company is not in agreement with this award and is considering filing a notification of dissatisfaction which may move this dispute into arbitration.

Emira Property Fund Limited

In its interim results for the 6 months to December 31, 2016, the company reported that its revenue decreased to ZAR878.31mn from ZAR878.82mn recorded in the corresponding period of the previous year. Its diluted headline EPS fell substantially from the same period of the preceding year to 65.44c.

Eoh Holdings Limited

In its trading update for the six months ended January 31, 2017, the company announced that its headline EPS is expected to be between 431.00c and 449.00c, reflecting an increase of between 20.0% and 25.0% compared with last year's corresponding period.

Imperial Holdings Limited

The company announced that it has entered into an agreement to acquire a 70.0% interest in Surgipharm for a cash consideration of \$35.00mn.

Murray & Roberts Holdings Limited

In its trading statement for the six-month period to December 31, 2016, the company reported that its headline EPS is expected to be between 23.00c and 33.00c, an increase of 65.0% to 75.0% from prior year.

Major Global Economic News

US

In the US, the consumer price index recorded a rise of 0.6% on a monthly basis in January, more than market expectations for an advance of 0.3%. The consumer price index had recorded a rise of 0.3% in the prior month. In January, advance retail sales recorded a higher-than-expected rise of 0.4% MoM, compared to a rise of 1.0% in December.

In the US, business inventories registered a rise of 0.4% on a monthly basis in December, meeting market expectations. In the previous month, business inventories had climbed by a revised 0.8%.

In January, industrial production unexpectedly fell 0.3% MoM in the US, compared to a revised rise of 0.6% in December. In January, manufacturing production rose as expected 0.2% MoM, compared to a similar rise in December. The NAHB housing market index unexpectedly dropped to a level of 65.00 in February, compared to a level of 67.00 in January.

Asia

In January, the seasonally adjusted unemployment rate unexpectedly eased to a level of 5.7% in Australia, compared to a level of 5.8% in the prior month. Markets were expecting unemployment rate to remain unchanged.

UK

In the UK, the claimant count rate unexpectedly dropped to a level of 2.1% in January, lower than market expectations of a steady reading. The claimant count rate had recorded a reading of 2.3% in the previous month.

In the UK, the ILO unemployment rate remained unchanged at a level of 4.8% in the October-December 2016 period. Markets were anticipating the ILO unemployment rate to record a steady reading.

In January, number of unemployment benefits claimants unexpectedly fell by 42.40K in the UK, compared to market expectations of an advance of 0.50K. Number of unemployment benefits claimants had recorded a revised loss of 20.50K in the prior month.

Eurozone

The Eurozone has registered the seasonally adjusted trade surplus of EUR24.50bn in December, from a revised trade surplus of EUR22.20bn in the prior month. Market anticipation was for the region to register a trade surplus of EUR22.00bn.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus	Previous/ **Previous Est.	Frequency
Japan	08:00	Machine Tool Orders (YoY) (Jan) (F)	✓✓	-	3.50%**	Monthly
France	08:30	ILO Unemployment (Q4)	✓	9.80%	10.00%	Quarterly
France	08:30	Unemployment Rate (Q4)	✓✓	9.60%	9.70%	Quarterly
Italy	11:00	Trade Balance (Dec)	✓	-	EUR4203.00mn	Monthly
Italy	11:00	Trade Balance EU (Dec)	✓	-	EUR0.24bn	Monthly
Italy	11:00	Trade Balance Non-EU (Dec)	✓	-	EUR3.97bn	Monthly
Italy	11:00	Exports (Dec)	✓	-	EUR37123.00mn	Monthly
Italy	11:00	Imports (Dec)	✓	-	EUR32920.00mn	Monthly
Eurozone	14:30	ECB Monetary Policy Meeting Accounts	✓✓✓	-	-	As scheduled
Eurozone	15:00	EU's Moscovici, ECB's Nowotny on panel in Vienna	✓	-	-	As scheduled
US	15:30	Building Permits (MoM) (Jan)	✓✓	0.20%	-0.20%	Monthly
US	15:30	Continuing Jobless Claims (04-Feb)	✓	2050.00K	2078.00K	Weekly
US	15:30	Initial Jobless Claims (11-Feb)	✓✓✓	245.00K	234.00K	Weekly
US	15:30	Philadelphia Fed Manufacturing Survey (Feb)	✓✓	18.00	23.60	Monthly
US	15:30	Building Permits (Jan)	✓✓	1230.00K	1210.00K	Monthly
US	15:30	Housing Starts (Jan)	✓✓✓	1226.00K	1226.00K	Monthly
US	15:30	Housing Starts (MoM) (Jan)	✓✓	0.00%	11.30%	Monthly
Eurozone	16:00	ECB's Coeure Speaks in Maastricht	✓	-	-	As scheduled
US	17:30	EIA Natural Gas Storage Change (10-Feb)	✓	-	-152.00Bcf	Weekly
US	-	Mortgage Delinquencies (Q4)	✓	4.80%*	4.52%	Quarterly
US	-	MBA Mortgage Foreclosures (Q4)	✓	1.53%*	1.55%	Quarterly
Eurozone	-	G20 Finance Ministers Meeting	✓✓✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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