

ONE Minute Brief

8 March 2017

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Economic and Political News

In South Africa, the annualised gross domestic product (GDP) unexpectedly eased 0.3% QoQ in 4Q16, compared to a rise of 0.4% in previous quarter. Moreover, gross gold & forex reserve recorded an unexpected rise to a level of USD46.72bn in South Africa, in February, compared to a level of USD46.67bn in January.

Opposition parties have asked President, Jacob Zuma, to dismiss the Communications Minister, Faith Muthambi, after the ad hoc committee revealed that the minister was inefficient in carrying out her responsibilities.

The South African Policing Union (SAPU) has asked Police Minister, Nathi Nhleko, to restructure the police crime intelligence division which they feel has totally collapsed.

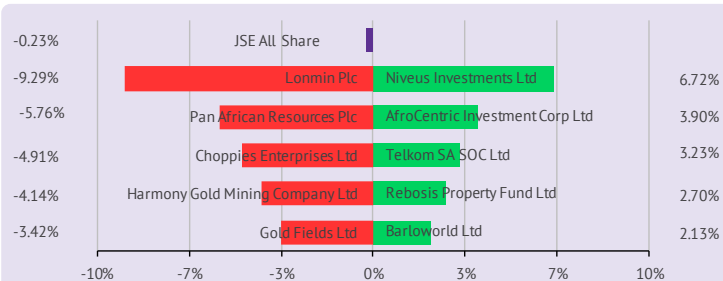
South African Deputy Minister, Jeremy Cronin, indicated that the implementation of the national minimum wage policy to the Expanded Public Works Programme (EPWP) could result in job losses of at least 300,000 beneficiaries.

Eskom spokesperson, Khulu Phasiwe, confirmed that the power utility will shut down four of its power stations - Kriel, Komati, Hendrina and Camden power station, in order to accommodate renewable independent power producers (IPPs).

South Africa Market ▼

South African markets closed lower

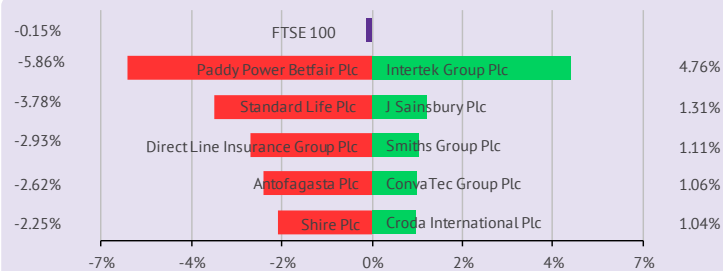
South African markets closed in the red yesterday, led by losses in gold mining sector stocks. Data revealed that South Africa's gross domestic product surprisingly declined on a quarterly basis in 4Q16. The JSE All Share Index fell 0.2% to close at 51,377.78.



UK Market ▼

The FTSE 100 futures are trading in negative territory

UK markets finished lower yesterday, amid losses in material sector stocks. Data showed that UK's Halifax house price index recorded a less-than-expected rise in the December-February 2017 period, its lowest level since July 2013. The FTSE 100 Index declined 0.2% to 7,338.99.



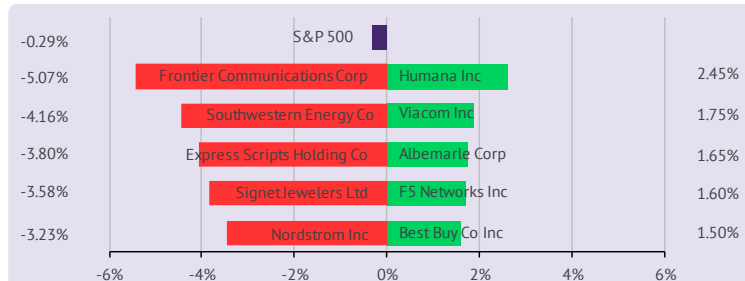
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	51377.78	▼	-120.36	-0.23%	-0.64%	0.45%	-3.11%	1.43%
JSE Top 40	44340.33	▼	-84.93	-0.19%	-0.66%	0.47%	-3.91%	1.00%
FTSE 100	7338.99	▼	-11.13	-0.15%	-0.48%	1.04%	2.31%	2.75%
DAX 30	11966.14	▲	7.74	0.06%	-0.51%	1.11%	2.59%	4.23%
CAC 40	4955.00	▼	-17.19	-0.35%	-0.80%	1.98%	2.31%	1.91%
S&P 500	2368.39	▼	-6.92	-0.29%	-0.62%	0.20%	3.72%	5.79%
Nasdaq Composite	5833.93	▼	-15.25	-0.26%	-0.63%	0.15%	3.75%	8.37%
DJIA	20924.76	▼	-29.58	-0.14%	-0.39%	0.54%	4.77%	5.88%

US Market ▼

The S&P 500 futures are trading in the red

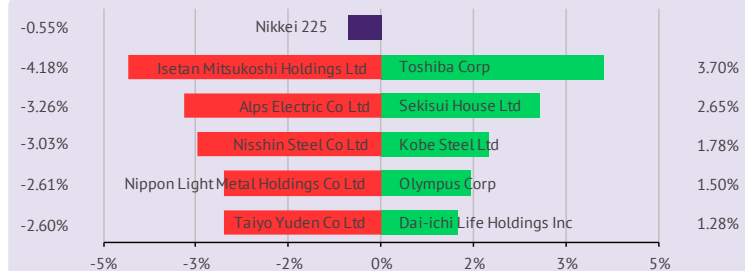
US markets closed lower yesterday, weighed down by losses in energy sector stocks. Data indicated that US trade deficit widened at par with market forecast in January. The S&P 500 Index dropped 0.3% to close at 2,368.39.



Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning. Data showed that Japan's final annualised gross domestic product advanced less-than-expected in 4Q16. The Nikkei 225 Index is trading 0.6% lower at 19,237.85.



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USDZAR ▼

USD trading lower against ZAR

At 06:00 SAST, the US Dollar declined 0.2% against the South African Rand to trade at R12.9500. Later today, traders will keep a close watch on US ADP employment change, wholesale inventories and MBA mortgage applications for further cues. Separately, South Africa's SACCI business confidence index will be on investors' radar.

The US Dollar fell against the South African Rand yesterday. Data revealed that US trade deficit widened in line with market expectations in January. Moreover, consumer credit recorded a less-than-expected rise in the same month. Meanwhile, South Africa's economy contracted on a quarterly basis in the fourth quarter of 2016, weakened by a drop in the mining and manufacturing sector.

GBPZAR ▼

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound is trading 0.1% lower against the South African Rand at R15.8090.

The British Pound declined against the South African Rand yesterday. Data revealed that UK's Halifax house price index advanced less than market forecast on an annual basis in the December-February 2017 period, reaching its weakest level in three and a half years.

EURZAR ▼

EUR trading lower against ZAR

At 06:00 SAST, the Euro is trading 0.2% weaker against the South African Rand at R13.6833. Going forward, market participants will keep a tab on Germany's industrial production data for further indication.

The Euro weakened against the South African Rand yesterday. Data indicated that Eurozone's gross domestic product advanced in line with market anticipations on a quarterly basis in 4Q16, enhanced by increase in investment and consumer spending. Meanwhile, Germany's factory orders retreated more-than-expected on a monthly basis in January, notching its lowest level since 2009.

AUDZAR ▲

AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar marginally rose against the South African Rand to trade at R9.8381.

The Australian Dollar fell against the South African Rand yesterday. The Reserve Bank of Australia (RBA) kept the key interest rate steady at a record low 1.5%, as widely expected. The RBA Governor, Philip Lowe indicated that global economic conditions have improved over recent months and that the Australian economy continues to transition after the mining boom. Further, data showed that the Australia's AIG performance of construction index rebounded in February.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	12.9500	▼	-0.23%	-0.31%	-1.11%	-2.56%	-5.54%
GBPZAR	15.8090	▼	-0.65%	-1.11%	-2.60%	-4.15%	-6.56%
EURZAR	13.6833	▼	-0.47%	-0.73%	-1.25%	-4.52%	-5.09%
AUDZAR	9.8381	▲	-0.13%	-0.44%	-2.05%	-1.61%	-0.71%
EURUSD	1.0564	▼	-0.12%	-0.52%	-0.09%	-2.04%	0.49%
GBPUSD	1.2208	▲	-0.29%	-0.74%	-1.46%	-1.57%	-1.11%
Brent (\$/barrel)	55.7	▼	-0.16%	0.04%	-1.04%	1.67%	-1.58%
Gold (\$/oz)	1218.2	▲	-0.77%	-0.85%	-3.01%	3.75%	5.59%
Platinum (\$/oz)	964.4	▲	-1.75%	-3.32%	-6.78%	3.46%	6.60%
Copper (\$/MT)*	5754.8	▼	-1.52%	-2.56%	-3.55%	-0.46%	4.20%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices gained 0.2% to trade at \$1,218.20/oz.

Yesterday, gold prices fell 0.8% to close at \$1,216.10/oz, as strength in the US Dollar decreased demand for the safe haven asset.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil dropped 0.4% to trade at \$55.67/bl.

Yesterday, Brent crude oil dropped 0.2% to settle at \$55.92/bl, after the American Petroleum Institute (API) reported that crude oil inventories increased by 11.6mn bls for the week ended March 3, 2017.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged higher 0.3% to trade at \$964.40/oz.

Yesterday, platinum prices declined 1.8% to close at \$961.10/oz.



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Major South Africa Corporate News

African Rainbow Minerals Limited

In its 1H17 trading statement, the company reported that its headline earnings were positively impacted by an increase in average US Dollar commodity prices for most of the commodities which it produces in comparison to the average US Dollar prices achieved during 1H16. Accordingly, its headline EPS for the period is expected to increase by 272.0% to 288.0% as compared with 1H16.

Mtn Group Limited

The company announced that Mteto Nyati will be stepping down as the Chief Executive Officer (CEO) of MTN SA with effect from March 13, 2017. Moreover, Godfrey Motsa will assume the position of CEO of MTN SA with effect from March 13, 2017.

Major Global Economic News

Asia

In Japan, the final annualised gross domestic product (GDP) climbed 1.2% on a quarterly basis in 4Q16, less than market expectations for a rise of 1.5%. Annualised GDP had advanced by a revised 1.4% in the prior quarter. The preliminary figures had recorded a rise of 1.0%.

In January, (BOP basis) trade deficit stood at JPY853.40bn in Japan, compared to market expectations of JPY800.20bn. Japan had posted a trade surplus of JPY806.80bn in the previous month.

In Japan, adjusted (total) current account surplus fell to JPY1259.80bn in January, compared to a revised adjusted current account surplus of JPY1659.40bn in the prior month. Markets were expecting the nation to post an adjusted current account surplus of JPY1464.10bn.

US

In the US, trade deficit widened to USD48.50bn in January, from a trade deficit of USD44.30bn in the previous month. Markets were anticipating the nation to record a trade deficit USD48.50bn.

In January, consumer credit rose USD8.79bn in the US, less than market expectations for a rise of USD17.25bn. In the prior month, consumer credit had advanced by a revised USD14.76bn.

Eurozone

In the Eurozone, the seasonally adjusted final gross domestic product (GDP) rose 0.4% on a quarterly basis in 4Q16, at par with market expectations. The preliminary figures had also recorded a rise of 0.4%. GDP had registered a revised similar rise in the previous quarter.

In January, the seasonally adjusted factory orders slid 7.4% on a monthly basis in Germany, more than market expectations for a drop of 2.5%. In the prior month, factory orders had registered a rise of 5.2%.

UK

In the UK, the Halifax house price index registered a rise of 5.1% on a yearly basis in the December-February 2017 period, less than market expectations for an advance of 5.3%. The index had recorded a rise of 5.7% in the November-January 2017 period.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:50	Bank Lending including Trusts (YoY) (Feb)	✓	2.80%*	2.50%	Monthly
Japan	01:50	Bank Lending ex-Trust (YoY) (Feb)	✓	2.90%*	2.60%	Monthly
Japan	01:50	Gross Domestic Product (QoQ) (Q4) (F)	✓✓	0.30%*	0.20%**	Quarterly
Japan	01:50	Gross Domestic Product Deflator (YoY) (Q4) (F)	✓	-0.10%*	-0.10%**	Quarterly
Japan	01:50	Nominal Gross Domestic Product (QoQ) (Q4) (F)	✓✓	0.40%*	0.30%**	Quarterly
Japan	01:50	Gross Domestic Product Annualised (Q4) (F)	✓✓✓	1.20%*	1.00%**	Quarterly
Japan	01:50	Adjusted Current Account Total (Jan)	✓	JPY1259.80bn*	JPY1659.40bn	Monthly
Japan	01:50	Current Account n.s.a. (Jan)	✓	JPY65.50bn*	JPY1112.20bn	Monthly
Japan	01:50	Trade Balance - BOP Basis (Jan)	✓✓	-JPY853.40bn*	JPY806.80bn	Monthly
Japan	06:30	Bankruptcies (YoY) (Feb)	✓✓	-	-10.37%	Monthly
Japan	07:00	Coincident Index (Jan) (P)	✓	114.30	114.80	Monthly
Japan	07:00	Leading Economic Index (Jan) (P)	✓✓	105.40	104.80	Monthly
Germany	09:00	Industrial Production (Jan)	✓	-	109.00	Monthly
Germany	09:00	Industrial Production s.a. (MoM) (Jan)	✓	2.70%	-3.00%	Monthly
Germany	09:00	Industrial Production n.s.a. and w.d.a. (YoY) (Jan)	✓✓	-0.60%	-0.70%	Monthly
South Africa	11:30	SACCI Business Confidence Index (Feb)	✓✓✓	-	97.70	Monthly
US	14:00	MBA Mortgage Applications (03-Mar)	✓	-	5.80%	Weekly
US	15:15	ADP Employment Change (Feb)	✓✓✓	-	246.00K	Monthly
US	15:30	Non-Farm Productivity (Q4) (F)	✓	1.50%	1.30%**	Quarterly
US	15:30	Unit Labour Costs (Q4) (F)	✓	1.60%	1.70%**	Quarterly
US	17:00	Wholesale Inventories (MoM) (Jan) (F)	✓✓✓	-0.10%	-0.10%**	Monthly
US	17:30	DOE Cushing OK Crude Inventory (Barrels) (03-Mar)	✓	-	495.00K barrels	Weekly
US	17:30	DOE Distillate Inventory (03-Mar)	✓	-	-0.93K barrels	Weekly
US	17:30	DOE Gasoline Inventories (03-Mar)	✓	-	-564.00K barrels	Weekly
US	17:30	EIA Crude Oil Stocks Change (Barrels) (03-Mar)	✓✓✓	1.15mn barrels	1.50mn barrels	Weekly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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