

ONE Minute Brief

6 March 2017

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Economic and Political News

In South Africa, the Standard bank PMI advanced to 50.5 in February, compared to a reading of 51.3 in the previous month.

Social Development Minister, Bathabile Dlamini, stated that South Africa's 17 million beneficiaries will be paid Social grants on April 1, 2017.

The Democratic Alliance indicated that it will continue with its application in the Constitutional Court to seek accountability for the people who have failed to ensure South Africa Social Security Agency's (SASSA) readiness about the distribution of social grants to the 17 million South Africans.

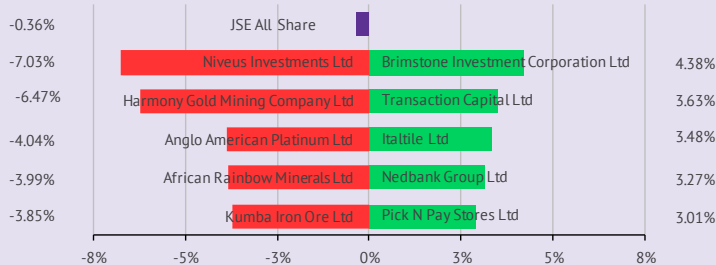
President, Jacob Zuma, has decided not to suspend the National Director of Public Prosecutions, Advocate Shaun Abrahams, the North Gauteng Director of Public Prosecutions, Advocate Sibongile Mzinyathi, and the Acting Head of the Priority Crimes Litigation Unit, Dr Torie Pretorius, for laying charges of fraud against the Finance Minister, Pravin Gordhan and then subsequently withdrawing those charges.

President, Jacob Zuma, indicated that the necessary constitutional amendments will be done after an effective pre-colonial audit of land is done to address the redistribution and the Constitution should allow the restitution of land without compensation.

South Africa Market ▼

South African markets closed lower

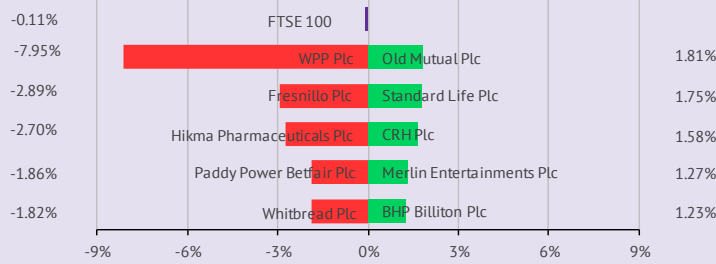
South African markets closed in the red on Friday, amid losses in platinum and gold mining sector stocks. Data revealed that South Africa's Standard bank PMI expanded in February, less than its prior reading. The JSE All Share Index fell 0.4% to close at 51,708.61.



UK Market ▼

The FTSE 100 futures are trading in negative territory

UK markets finished lower on Friday, weighed down by losses in mining sector stocks. Data showed that UK's Markit services PMI recorded a more-than-expected drop in February. The FTSE 100 Index declined 0.1% to close at 7,374.26.



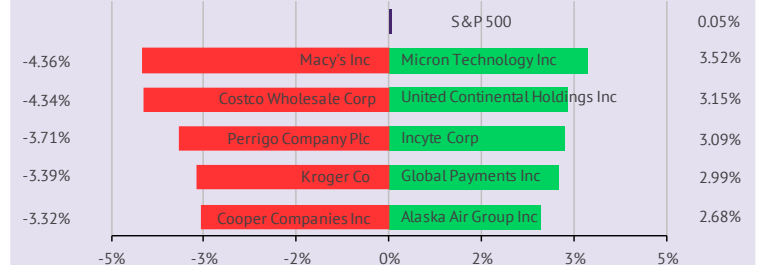
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	51708.61	▼ -184.58	-0.36%	NA	1.10%	-3.11%	2.08%
JSE Top 40	44636.30	▼ -200.60	-0.45%	NA	1.14%	-3.91%	1.67%
FTSE 100	7374.26	▼ -8.09	-0.11%	NA	1.53%	2.31%	3.24%
DAX 30	12027.36	▼ -32.21	-0.27%	NA	1.63%	2.59%	4.76%
CAC 40	4995.13	▲ 31.33	0.63%	NA	2.81%	2.31%	2.73%
S&P 500	2383.12	▲ 1.20	0.05%	NA	0.82%	3.72%	6.44%
Nasdaq Composite	5870.75	▲ 9.53	0.16%	NA	0.78%	3.75%	9.06%
DJIA	21005.71	▲ 2.74	0.01%	NA	0.93%	4.77%	6.29%

US Market ▲

The S&P 500 futures are trading in the red

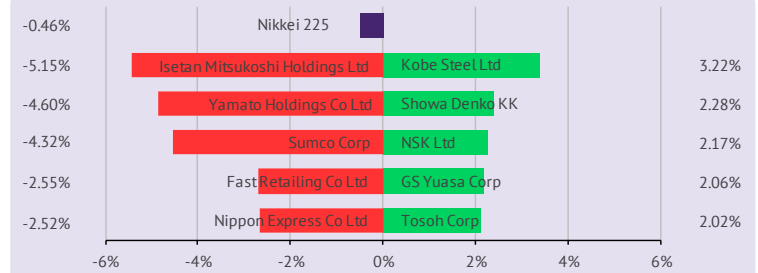
US markets closed higher on Friday, supported by gains in health care sector stocks. Data indicated that US ISM non-manufacturing PMI advanced more-than-expected in February, its strongest level since August 2015. The S&P 500 Index climbed 0.1% to close at 2,383.12.



Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning. The Nikkei 225 Index is trading 0.5% lower at 19,379.25.



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USDZAR ▲

USD trading higher against ZAR

At 06:00 SAST, the US Dollar gained 0.3% against the South African Rand to trade at R13.0454. Later today, traders will keep a close watch on US factory orders and durable goods orders for further cues.

The US Dollar fell against the South African Rand on Friday. The Federal Reserve (Fed) Chairwoman, Janet Yellen, dropped a strong hint that an interest rate hike is on the way later this month. She stated that another hike "would likely be appropriate" if US employment and inflation continue to evolve in line with expectations of the policy making committee. She further added that the process of scaling back accommodation will not be as slow as it was in 2015 and 2016. Data showed that the US ISM non-manufacturing PMI expanded more than market anticipations in February, notching its highest level since August 2015. Moreover, final Markit services PMI dropped to its lowest level in 5 months in February, continuing in expansion territory. Separately, South Africa's Standard bank PMI advanced at a slower pace in February, less than the previous reading.

GBPZAR ▲

GBP trading firmer against ZAR

At 06:00 SAST, the British Pound climbed 0.1% against the South African Rand to trade at R16.0160.

The British Pound declined against the South African Rand on Friday. Data revealed that UK's Markit services PMI dropped at a faster-than-expected pace in February, remaining in the expansion territory.

EURZAR ▲

EUR trading stronger against ZAR

At 06:00 SAST, the Euro is trading 0.1% firmer against the South African Rand at R13.8244. Going forward, market participants will keep a tab on Eurozone's Sentix investor confidence index for further direction.

The Euro weakened against the South African Rand on Friday. Data indicated that Eurozone's final Markit services PMI expanded less-than-expected in February. Further, retail sales unexpectedly eased on a monthly basis in January. Meanwhile, Germany's final Markit services PMI advanced at par with market anticipations in the same month, boosted by an increase in new business in post, telecommunication, transport and storage. Moreover, retail sales surprisingly declined on a monthly basis in January.

AUDZAR ▼

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar is trading marginally lower against the South African Rand at R9.8767. Earlier in the session, data showed that Australia's retail sales rebounded at par with market anticipations on a monthly basis in January, led by an increase in sales of household goods and in cafes, restaurants and takeaway food services.

The Australian Dollar fell against the South African Rand on Friday. Data indicated that Australia's AIG performance of services index declined more than its prior reading in February. Meanwhile, in China, Australia's largest trading partner, the Caixin services PMI expanded less than previous reading in February.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.0454	▲	-1.06%	NA	-0.80%	-2.56%	-5.25%
GBPZAR	16.0160	▲	-0.81%	NA	-1.51%	-4.15%	-5.50%
EURZAR	13.8244	▲	-0.01%	NA	-0.52%	-4.52%	-4.39%
AUDZAR	9.8767	▼	-0.76%	NA	-1.62%	-1.61%	-0.27%
EURUSD	1.0605	▼	1.09%	NA	0.43%	-2.04%	1.02%
GBPUSD	1.2283	▼	0.20%	NA	-0.73%	-1.57%	-0.37%
Brent (\$/barrel)	55.7	▼	1.49%	NA	-1.08%	1.67%	-1.62%
Gold (\$/oz)	1234.0	▲	-0.52%	NA	-2.19%	3.75%	6.49%
Platinum (\$/oz)	997.1	▲	0.42%	NA	-3.58%	3.46%	10.26%
Copper (\$/MT)*	5905.8	▼	-0.21%	NA	-1.02%	-0.46%	6.93%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices rose 0.6% to trade at \$1,234.00/oz.

On Friday, gold prices fell 0.5% to close at \$1,226.50/oz, after the Federal Reserve Chairwoman, Janet Yellen, hinted that the central bank may hike interest rates at its meeting later this month, if employment and inflation continue to be in line with its expectations.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 0.4% lower to trade at \$55.70/bl.

On Friday, Brent crude oil advanced 1.5% to settle at \$55.90/bl, despite Baker Hughes reporting that US crude oil rig count rose by 7 to 609 last week. Further, rising concerns about the Russia to follow the agreement to slash oil production after data revealed that Russia's February oil output remained unchanged at 11.11mn bls per day.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices advanced 0.3% to trade at \$997.10/oz.

On Friday, platinum prices climbed 0.4% to close at \$994.10/oz.

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Major South Africa Corporate News

Hyprop Investments Limited

In its 1H17 results, the company stated that its revenue increased to ZAR1.62bn from ZAR1.48bn recorded in the corresponding period of the previous year. Its diluted headline EPS fell marginally from the same period of the preceding year to 391.20c.

Sibanye Gold Limited

The company reported that it and Stillwater Mining Company has received written notification from the Committee on Foreign Investment in the United States (CFIUS) that it wishes to undertake further investigation of the proposed acquisition of Stillwater, which was announced on December 9, 2016. This investigation, follows the initial review period which concluded on February 28, 2017 and will be completed by no later than April 14, 2017.

Major Global Economic News

Eurozone

In February, the final Markit services PMI advanced to 55.50 in the Eurozone, compared to market expectations of a rise to 55.60. Services PMI had recorded a level of 53.70 in the prior month. The preliminary figures had indicated a rise to 55.60.

In the Eurozone, the seasonally adjusted retail sales registered an unexpected drop of 0.1% on a monthly basis in January, lower than market expectations for an advance of 0.3%. Retail sales had recorded a revised drop of 0.5% in the previous month.

In February, the final Markit services PMI advanced to 54.40 in Germany, in line with market expectations. The preliminary figures had also indicated an advance to 54.40. In the previous month, services PMI had registered a level of 53.40.

In Germany, retail sales unexpectedly dropped 0.8% on a monthly basis in January, lower than market expectations for a rise of 0.3%. In the previous month, retail sales had recorded a revised flat reading.

UK

In the UK, the Markit services PMI eased to 53.30 in February, lower than market expectations of a fall to 54.10. In the previous month, the services PMI had recorded a level of 54.50.

US

The Fed Chairwoman, Janet Yellen, gave a strong hint that an interest rate hike is on the way later this month. She stated that another hike "would likely be appropriate" if US employment and inflation continue to evolve in line with anticipations of the policy making committee. She further added that the process of scaling back accommodation will not be as slow as it was in 2015 and 2016.

In February, the non-manufacturing PMI unexpectedly rose to 57.60 in the US, compared to market expectations of an unchanged reading. In the prior month, the non-manufacturing PMI had recorded a level of 56.50.

In the US, the final Markit services PMI eased to 53.80 in February, compared to a level of 55.60 in the prior month. Market expectation was for Markit services PMI to drop to a level of 54.00. The preliminary figures had recorded a fall to 53.90.

Asia

In January, the seasonally adjusted retail sales recorded a rise of 0.4% on a monthly basis in Australia, in line with market expectations. Retail sales had dropped 0.1% in the prior month.



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40 Best Performers on the All Share Index

Company Name	Last Close	1 Week % Change	MTD % Change	YTD % Change
Trencor Ltd	40	-0.15%	4.37%	40.07%
Northam Platinum Ltd	55	8.77%	1.36%	35.70%
Murray & Roberts Holdings Ltd	15	-0.86%	-1.90%	30.21%
Kumba Iron Ore Ltd	206	-0.39%	-4.09%	29.39%
Brimstone Investment Corporation Ltd	16	12.73%	-3.13%	29.17%
Exxaro Resources Ltd	114	9.97%	5.59%	27.32%
Adcock Ingram Holdings Ltd	61	4.66%	3.16%	25.80%
RCL Foods Ltd	16	2.90%	2.24%	25.59%
PPC Ltd	7	2.37%	4.55%	24.77%
KAP Industrial Holdings Ltd	9	-0.11%	-0.96%	24.06%
Hudaco Industries Ltd	139	-0.18%	-1.25%	21.45%
Massmart Holdings Ltd	153	1.54%	1.98%	21.12%
PSG Group Ltd	253	1.41%	0.80%	15.96%
Glencore Plc	54	4.10%	3.64%	15.75%
Pick N Pay Stores Ltd	73	4.22%	4.58%	13.98%
Anglo American Platinum Ltd	301	-4.38%	-0.76%	13.91%
Astral Foods Ltd	147	0.41%	-0.97%	13.73%
Clicks Group Ltd	131	2.37%	1.97%	13.45%
Datatec Ltd	56	1.74%	2.58%	13.16%
Shoprite Holdings Ltd	194	0.35%	2.45%	13.08%
ArcelorMittal South Africa Ltd	13	3.34%	2.44%	12.96%
Assore Ltd	266	0.11%	-2.10%	12.06%
Truworths International Ltd	89	-0.06%	1.80%	11.40%
Bid Corporation Ltd	272	1.47%	3.60%	11.14%
Rebosis Property Fund Ltd	13	-0.62%	0.63%	10.73%
Mondi Plc	308	1.82%	1.63%	10.60%
Metair Investments Ltd	24	-0.94%	2.32%	10.32%
Mondi Ltd	309	2.42%	2.72%	10.26%
Discovery Ltd	126	1.52%	2.43%	10.03%
Cashbuild Ltd	377	2.12%	1.89%	9.59%
Nedbank Group Ltd	260	6.50%	6.28%	9.35%
Hyprop Investments Ltd	128	3.15%	1.95%	9.03%
Sanlam Ltd	69	-0.77%	1.08%	8.90%
Fortress Income Fund Ltd	35	-1.26%	0.83%	8.72%
AECI Ltd	110	6.29%	0.36%	8.65%
Pioneer Food Group Ltd	167	1.81%	1.99%	8.46%
Avi Ltd	99	3.66%	3.94%	8.36%
Net 1 UEPS Technologies Inc	175	2.94%	-4.37%	8.21%
Afrimat Ltd	31	0.00%	0.30%	8.08%
Octodec Investments Ltd	24	-0.21%	1.23%	7.89%
JSE All Share Index	51709	0.19%	1.10%	2.08%

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus	Previous/ **Previous Est.	Frequency
UK	11:00	New Car Registrations (YoY) (Feb)	✓	-	2.90%	Monthly
Eurozone	11:30	Sentix Investor Confidence (Mar)	✓✓	18.50	17.40	Monthly
Greece	12:00	Gross Domestic Product n.s.a. (YoY) (Q4) (F)	✓	-	0.20%**	Quarterly
US	17:00	Inventories / Shipment Ratio (Jan)	✓	-	1.31	Monthly
US	17:00	Unfilled Orders/Shipments (Jan)	✓	-	6.62	Monthly
US	17:00	Durable Goods Orders ex Transportation (Jan) (F)	✓✓	-	-0.20%**	Monthly
US	17:00	Cap Goods Orders Nondef Ex Air (Jan) (F)	✓	-	-0.40%**	Monthly
US	17:00	Cap Goods Ship Nondef Ex Air (Jan) (F)	✓	-	-0.60%**	Monthly
US	17:00	Durable Goods Orders (Jan) (F)	✓✓✓	-	1.80%**	Monthly
US	17:00	Factory Orders (MoM) (Jan)	✓✓✓	1.00%	1.30%	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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