

ONE Minute Brief

15 May 2017

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Economic and Political News

Finance Minister, Malusi Gigaba, has told representatives of Business Unity South Africa that there would be no change in the nation's fiscal policy.

Energy Minister, Mammoloko Kubayi, stated that South Africa is planning to sign new and more transparent nuclear power agreements with Russia, China, the US, South Korea and France after a deal with Russia was blocked by the high court due to a lack of oversight.

African National Congress (ANC) spokesman, Zizi Kodwa has said that ANC leaders would instruct Public Enterprises Minister Lynne Brown to reverse Brian Molefe's appointment as Eskom CEO or dissolve the board.

The Democratic Alliance has asked the National Director of Public Prosecutions (NDPP) to indicate till Monday whether it will investigate President, Jacob Zuma, for his role in the Nkandla issue.

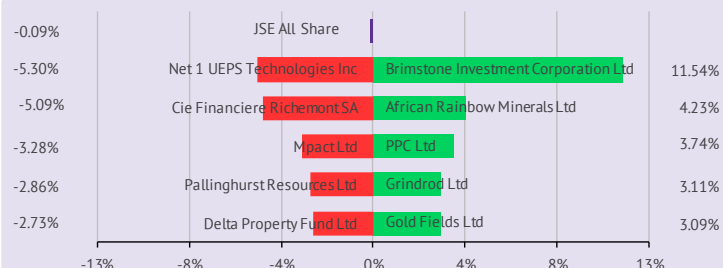
Deputy President, Cyril Ramaphosa, stated that the ANC will only move forward if the party put people ahead of its personal interest and that it should remove arrogant leaders from the party.

South African Communist Party (SACP) Deputy General Secretary, Jeremy Cronin, stated that President, Jacob Zuma, is damaging the image of ANC and this could lead to a loss in the 2019 elections.

South Africa Market ▼

South African markets closed lower

South African markets closed in the red on Friday, led by losses in platinum and retail sector stocks. The JSE All Share Index fell 0.1% to close at 54,063.34.



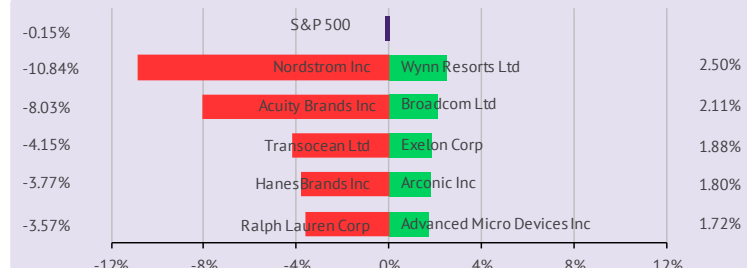
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	54063.34	▼	-50.66	-0.09%	NA	0.46%	3.38%
JSE Top 40	47430.43	▼	-58.02	-0.12%	NA	0.76%	4.22%
FTSE 100	7435.39	▲	48.76	0.66%	NA	3.21%	-1.62%
DAX 30	12770.41	▲	59.35	0.47%	NA	2.67%	1.02%
CAC 40	5405.42	▲	22.00	0.41%	NA	2.62%	2.83%
S&P 500	2390.90	▼	-3.54	-0.15%	NA	0.28%	0.91%
Nasdaq Composite	6121.23	▲	5.27	0.09%	NA	1.22%	2.30%
DJIA	20896.61	▼	-22.81	-0.11%	NA	-0.21%	1.34%

US Market ▼

The S&P 500 futures are trading in the green

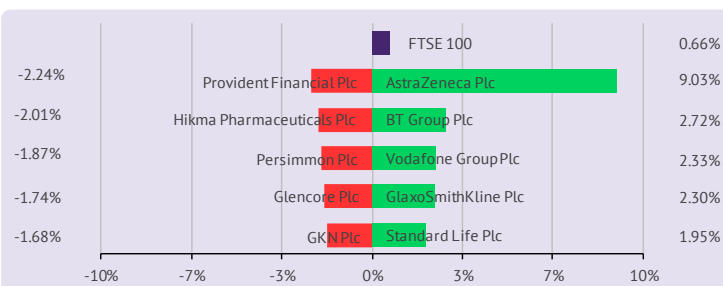
US markets closed lower on Friday, weighed down by a decline in industrial sector stocks. Data revealed that US consumer price inflation rebounded on a monthly basis and rose less-than-anticipated on an annual basis in April. The S&P 500 Index dropped 0.2% to 2,390.90.



UK Market ▲

The FTSE 100 futures are trading in positive territory

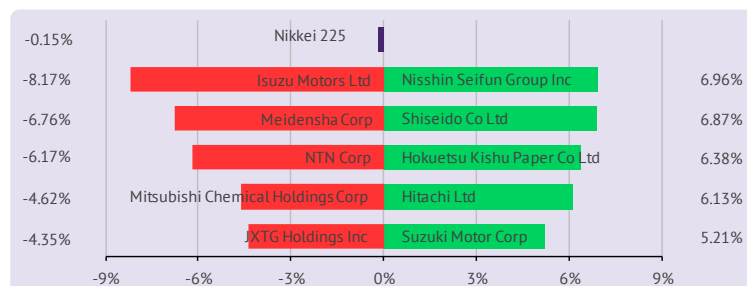
UK markets finished higher on Friday, amid gains in health care and telecommunication sector stocks. The FTSE 100 Index advanced 0.7% to close at 7,435.39.



Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning. Data showed that China's industrial production advanced less-than-expected on an annual basis in April. The Nikkei 225 Index is trading 0.2% lower at 19853.74.



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USDZAR ▼

USD trading lower against ZAR

At 06:00 SAST, the US Dollar marginally declined against the South African Rand to trade at R13.3486. Later today, traders will keep a close watch on the US NAHB housing market index for further cues.

The US Dollar fell against the South African Rand on Friday. On the data front, US monthly consumer price index (CPI) bounced back into positive territory in line with market expectations, driven by a rise in energy prices while annual CPI advanced less than market forecast in April. Further, advance retail sales registered a less-than-anticipated rise in the same month. Additionally, preliminary Reuters/Michigan consumer confidence index rose at a faster pace in May, higher than market expectations. Moreover, business inventories grew at par with the market forecast in March.

GBPZAR ▲

GBP trading higher against ZAR

At 06:00 SAST, the British Pound marginally climbed against the South African Rand to trade at R17.2170.

The British Pound declined against the South African Rand on Friday.

EURZAR ▼

EUR trading weaker against ZAR

At 06:00 SAST, the Euro is trading 0.1% lower against the South African Rand at R14.5847.

The Euro strengthened against the South African Rand on Friday. On the macro front, Eurozone's industrial production surprisingly eased on a monthly basis in March, led down by a sharp decline in energy production. Meanwhile, Germany's economy grew at a faster pace in line with expectations on a quarterly basis in 1Q17. Further, final consumer price index advanced at par with the market forecast on an annual basis in April.

AUDZAR ▲

AUD trading stronger against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% higher against the South African Rand at R9.8713. Earlier in the session, in China, Australia's largest trading partner, industrial production rose less than market forecast on a yearly basis in April. Further, retail sales posted a less-than-expected rise on an annual basis in the same month.

The Australian Dollar rose against the South African Rand on Friday.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.3486	▼	-0.07%	NA	-0.14%	-0.37%	-2.77%
GBPZAR	17.2170	▲	-0.03%	NA	-0.58%	2.87%	1.71%
EURZAR	14.5847	▼	0.59%	NA	0.22%	1.86%	1.07%
AUDZAR	9.8713	▲	0.05%	NA	-1.51%	-2.21%	-0.48%
EURUSD	1.0929	▲	0.62%	NA	0.30%	2.31%	3.95%
GBPUSD	1.2898	▲	0.07%	NA	-0.47%	3.24%	4.49%
Brent (\$/barrel)	51.6	▲	0.14%	NA	-2.32%	-2.76%	-10.52%
Gold (\$/oz)	1229.9	▲	0.29%	NA	-3.20%	1.68%	6.60%
Platinum (\$/oz)	927.9	▲	-0.02%	NA	-3.29%	0.05%	1.76%
Copper (\$/MT)*	5538.8	▲	0.32%	NA	-3.01%	-1.81%	0.29%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.2% higher to trade at \$1,229.90/oz.

On Friday, gold prices rose 0.3% to close at \$1,227.70/oz, as political uncertainty in the US increased following the news that US President, Donald Trump, fired FBI Director, James Comey, which weakened the US Dollar.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged 1.4% higher to trade at \$51.56/bl.

On Friday, Brent crude oil advanced 0.1% to settle at \$50.84/bl, amid rising hopes for an extension of the agreement to slash production by Organization of the Petroleum Exporting Countries (OPEC). Meanwhile, Baker Hughes reported that US crude oil rig count rose by 9 to 712 last week.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices advanced 1.1% to trade at \$927.90/oz.

On Friday, platinum prices marginally declined to close at \$917.50/oz.



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Major South Africa Corporate News

Cie Financiere Richemont SA

In its FY17 results, the company stated that its sales decreased to EUR10.65bn from EUR11.08bn posted in the previous year. Its diluted EPS substantially fell from the prior year to EUR2.14. Its profit before tax declined to EUR1.57bn from EUR2.06bn posted last year.

Life Healthcare Group Holdings Limited

In its 1H17 results, the company stated that its revenue rose 22.6% from the prior year period to ZAR9.64bn. However, its diluted headline EPS declined to 26.60c from 92.70c posted in the same period a year earlier. Its profit before tax dropped to ZAR634.00mn from ZAR1.59bn recorded in the corresponding period of the prior year.

New Europe Property Investments Plc

In its 1Q17 results, the company revealed that its net rental and related income surged to EUR45.06mn from EUR29.77mn posted in the similar period last year. Its pre-tax earnings rose to EUR38.68mn from EUR23.81mn recorded last year. Its diluted headline EPS advanced to 9.55c from 7.46c reported a year earlier.

Major Global Economic News

US

In the US, the CPI rose 2.2% on an annual basis in April, lower than market expectations for an advance of 2.3%. In the prior month, the consumer price index had risen 2.4%.

In April, advance retail sales recorded a rise of 0.4% on a monthly basis in the US, less than market expectations for a rise of 0.6%. Advance retail sales had risen by a revised 0.1% in the previous month.

In the US, the flash Reuters/Michigan consumer sentiment index registered an unexpected rise to a level of 97.70 in May, compared to a reading of 97.00 in the prior month. Market anticipation was for the index to remain unchanged.

In March, business inventories registered a rise of 0.2% on a monthly basis in the US, at par with market expectations. Business inventories had registered a revised similar rise in the prior month.

Asia

In China, industrial production rose 6.5% on a yearly basis in April, compared to an advance of 7.6% in the previous month. Markets were anticipating industrial production to rise 7.0%.

In April, retail sales recorded a rise of 10.7% on an annual basis in China, lower than market expectations for an advance of 10.8%. In the prior month, retail sales had risen 10.9%.

Eurozone

In the Eurozone, the seasonally adjusted industrial production unexpectedly fell 0.1% on a monthly basis in March, compared to a revised similar fall in the previous month. Markets were anticipating industrial production to rise 0.3%.

In Germany, the seasonally adjusted preliminary gross domestic product (GDP) recorded a rise of 0.6% on a quarterly basis in 1Q17, meeting market expectations. In the prior quarter, GDP had climbed 0.4%.

In April, the final consumer price inflation registered a rise of 2.0% on an annual basis in Germany, compared to an advance of 1.6% in the previous month. Markets were anticipating the consumer price index to rise 2.0%. The preliminary figures had also recorded an advance of 2.0%.



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40 Best Performers on the All Share Index

Company Name	Last Close	1 Week % Change	MTD % Change	YTD % Change
Naspers Ltd	2728	4.78%	7.48%	35.47%
Trencor Ltd	38	0.61%	-6.17%	32.42%
Mondi Plc	346	-2.99%	-0.31%	24.10%
Adcock Ingram Holdings Ltd	60	0.13%	-0.13%	23.94%
Mondi Ltd	346	-2.40%	-0.33%	23.43%
Murray & Roberts Holdings Ltd	14	2.32%	0.86%	22.57%
Bid Corporation Ltd	300	3.74%	5.88%	22.29%
KAP Industrial Holdings Ltd	9	-0.54%	-2.45%	22.19%
Astral Foods Ltd	158	0.90%	1.88%	22.17%
Brimstone Investment Corporation Ltd	15	34.76%	0.00%	20.83%
Hudaco Industries Ltd	137	-0.07%	0.66%	19.84%
Compagnie Financiere Richemont SA	108	-6.68%	-3.38%	19.40%
Reinet Investments SCA	32	-0.74%	3.09%	19.33%
British American Tobacco Plc	927	0.19%	2.85%	18.99%
Mpact Ltd	34	2.94%	9.09%	18.97%
Anglo American Platinum Ltd	313	-0.64%	-5.32%	18.19%
Clicks Group Ltd	137	3.01%	1.69%	18.18%
Shoprite Holdings Ltd	201	-1.00%	-4.21%	17.21%
Discovery Ltd	133	1.11%	-0.25%	16.56%
Exxaro Resources Ltd	104	0.78%	-9.03%	15.75%
Capital & Regional Plc	10	-0.57%	1.46%	15.44%
Delta Property Fund Ltd	9	1.14%	1.48%	14.10%
RCL Foods Ltd	14	2.77%	0.76%	14.09%
Sibanye Gold Ltd	29	10.45%	6.32%	13.27%
Octodec Investments Ltd	25	4.04%	4.78%	13.24%
Datatec Ltd	56	-7.00%	-3.89%	12.77%
Sanlam Ltd	71	1.99%	-0.06%	12.64%
Northam Platinum Ltd	46	0.04%	-8.41%	12.40%
Sappi Ltd	101	-2.33%	1.31%	11.84%
Dis-Chem Pharmacies	25	4.60%	1.42%	11.61%
Mediclinic International Plc	145	2.81%	2.86%	11.58%
Investec Plc	101	1.51%	1.88%	11.33%
PSG Group Ltd	243	-1.90%	-4.16%	10.96%
Investec Ltd	101	0.65%	0.52%	10.93%
Capitec Bank Holdings Ltd	770	0.57%	0.98%	10.79%
Capital & Counties Properties Plc	55	0.55%	0.70%	10.73%
PPC Ltd	6	7.02%	-2.40%	10.31%
PSG Konsult Ltd	8	1.37%	0.62%	10.28%
Gold Fields Ltd	48	11.39%	9.74%	10.14%
Santam Ltd	255	2.59%	3.00%	8.88%
JSE All Share Index	54063	0.90%	0.46%	6.73%

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:50	Loans & Discounts Corp (YoY) (Mar)	✓	3.21%*	3.40%	Monthly
China	04:00	Industrial Production (YoY) (Apr)	✓✓	6.50%*	7.60%	Monthly
China	04:00	Industrial Production YTD (YoY) (Apr)	✓✓	6.70%*	6.80%	Monthly
China	04:00	Retail Sales (YoY) (Apr)	✓✓	10.70%*	10.90%	Monthly
China	04:00	Retail Sales YTD (YoY) (Apr)	✓✓	10.20%*	10.00%	Monthly
China	04:00	Fixed Assets Inv Excl. Rural YTD (YoY) (Apr)	✓✓	8.90%*	9.20%	Monthly
Japan	08:00	Machine Tool Orders (YoY) (Apr) (P)	✓✓	-	22.80%	Monthly
Switzerland	09:15	Producer and Import Prices (MoM) (Apr)	✓	-	0.10%	Monthly
Switzerland	09:15	Producer and Import Prices (YoY) (Apr)	✓	-	1.30%	Monthly
Italy	10:00	Consumer Price Index (Apr) (F)	✓	-	102.30**	Monthly
Italy	10:00	Consumer Price Index (MoM) (Apr) (F)	✓	-	0.30%**	Monthly
Italy	10:00	Consumer Price Index (YoY) (Apr) (F)	✓	-	1.80%**	Monthly
Eurozone	10:50	SSM's Dombret Speaks in Frankfurt	✓	-	-	As scheduled
Eurozone	11:50	SSM Chair Nouy Speaks in Frankfurt	✓	-	-	As scheduled
US	14:30	NY Empire State Manufacturing Index (May)	✓✓	7.50	5.20	Monthly
Canada	15:00	Existing Home Sales (MoM) (Apr)	✓	-	1.10%	Monthly
US	16:00	NAHB Housing Market Index (May)	✓	68.00	68.00	Monthly
US	22:00	Net Long-Term TIC Flows (Mar)	✓✓	-	USD53.40bn	Monthly
US	22:00	Total Net TIC Flows (Mar)	✓	-	USD19.30bn	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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