

# ONE Minute Brief

30 May 2017

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## Economic and Political News

The African National Congress (ANC) Secretary-General, Gwede Mantashe, stated that the party's national executive committee (NEC) supported the establishment of a judicial commission of inquiry into allegations of state capture. National Assembly Speaker, Baleka Mbete, has backed the idea.

In South Africa (SA), the manufacturing composite investment tracker (MCIT) advanced to 63 in the 1Q17 compared to 58 in the previous quarter. The tracker is expected to increase to 65 in the 2Q17.

Democratic Alliance (DA) leader, Mmusi Maimane, stated that the party plans to lay charges against President, Jacob Zuma, the ANC and the Guptas for corruption, racketeering and undermining the state after the recent leaked Gupta emails.

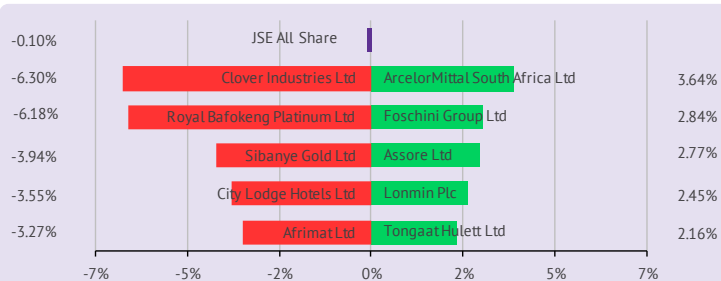
Passenger Rail Agency of South Africa (PRASA) Board Chairman, Popo Molefe, stated that the organisation will urge to the High Court in Pretoria to ask the Hawks to probe corruption prevailing at PRASA.

A senior Treasury official revealed that SA aims to save ZAR16bn this year through better procurement practices.

## South Africa Market ▼

### South African markets closed lower

South African markets closed in the red yesterday, weighed down by losses in gold mining and banking sector stocks. The JSE All Share Index fell 0.1% to close at 53,944.22.



## Key Indices

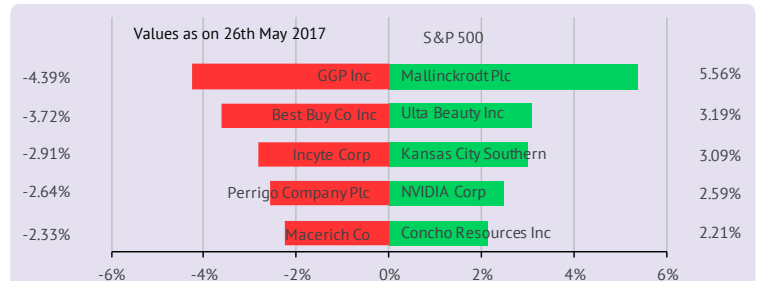
	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	53944.22	▼	-51.92	-0.10%	-0.10%	0.24%	3.38%
JSE Top 40	47533.50	▼	-1.93	-0.004%	0.00%	0.98%	4.22%
FTSE 100*	7547.63	▲	29.92	0.40%	0.00%	4.77%	-1.62%
DAX 30	12628.95	▲	26.77	0.21%	0.21%	1.54%	1.02%
CAC 40	5332.47	▼	-4.17	-0.08%	-0.08%	1.24%	2.83%
S&P 500*	2415.82	▲	0.75	0.03%	0.00%	1.33%	0.91%
Nasdaq* Composite	6210.19	▲	4.94	0.08%	0.00%	2.69%	2.30%
DJIA*	21080.28	▼	-2.67	-0.01%	0.00%	0.67%	1.34%

Values as on 26th May 2017

## US Market ▲

### The S&P 500 futures are trading in the red

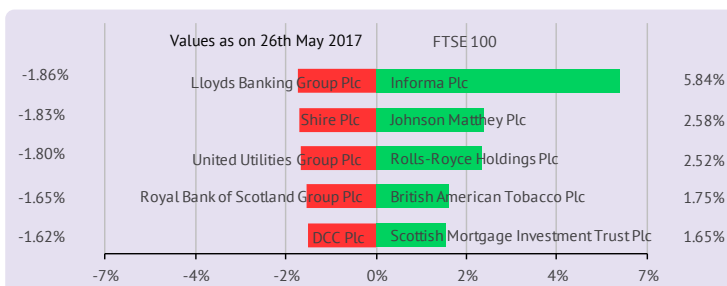
US markets closed a bit higher on Friday, supported by gains in consumer staple sector stocks. The S&P 500 Index marginally climbed to close at 2,415.82.



## UK Market ▲

### The FTSE 100 futures are trading in negative territory

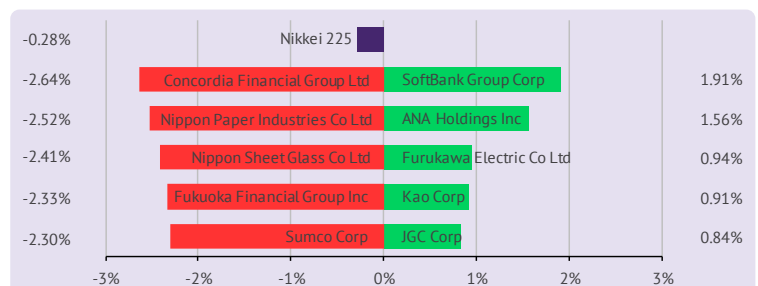
UK markets finished higher on Friday, led by a rise in consumer discretionary and material sector stocks. The FTSE 100 Index advanced 0.4% to close at 7,547.63.



## Asian Market ▼

### Trading lower

Asian markets are trading lower this morning. Data revealed that Japan's jobless rate remained steady in April, at its lowest level since June 1994. The Nikkei 225 Index is trading 0.3% lower at 19,628.32.



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## USDZAR ▲

### USD trading higher against ZAR

At 06:00 SAST, the US Dollar is trading 0.5% higher against the South African Rand at R13.0267. Later today, traders will keep a close watch on US consumer confidence, personal consumption expenditure and personal spending for further direction. Separately, South Africa's budget and private sector credit will be on investors' radar.

The US Dollar rose against the South African Rand yesterday.

## GBPZAR ▲

### GBP trading higher against ZAR

At 06:00 SAST, the British Pound is trading 0.3% firmer against the South African Rand at R16.6953.

The British Pound advanced against the South African Rand yesterday.

## EURZAR ▲

### EUR trading firmer against ZAR

At 06:00 SAST, the Euro is trading 0.1% higher against the South African Rand at R14.4933. Going forward, market participants will keep a tab on Eurozone's consumer confidence and business climate indicator for further cues. Meanwhile, Germany's consumer price index and import price index will be tracked by investors.

The Euro strengthened against the South African Rand yesterday. The European Central Bank (ECB) President, Mario Draghi, stated that though Eurozone's economy is strengthening but it still requires "fairly substantial amount" of monetary stimulus from the Central Bank. Further, the President warned that underlying inflation (excluding volatile energy and food prices) was still too weak.

## AUDZAR ▲

### AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar climbed 0.2% against the South African Rand to trade at R9.6698. Earlier in the session, data indicated that Australia's building approvals rebounded more-than-expected on a monthly basis in April. Further, ANZ Roy Morgan weekly consumer confidence index advanced for the week ended May 28, 2017, compared to its prior reading.

The Australian Dollar rose against the South African Rand yesterday.

## Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.0267	▲	0.65%	0.65%	-3.03%	-0.37%	-5.58%
GBPZAR	16.6953	▲	1.00%	1.00%	-3.87%	2.87%	-1.65%
EURZAR	14.4933	▲	0.60%	0.60%	-0.61%	1.86%	0.24%
AUDZAR	9.6698	▲	0.63%	0.63%	-3.62%	-2.21%	-2.61%
EURUSD	1.1128	▼	-0.17%	-0.17%	2.47%	2.31%	6.19%
GBPUSD	1.2818	▼	0.28%	0.28%	-0.86%	3.24%	4.09%
Brent (\$/barrel)	52.2	▼	0.27%	0.27%	0.46%	-2.76%	-7.97%
Gold (\$/oz)	1271.2	▲	0.00%	NA	-0.02%	1.68%	10.11%
Platinum (\$/oz)	956.3	▼	0.00%	NA	1.50%	0.05%	6.80%
Copper (\$/MT)*	5638.0	-	0.00%	NA	-1.27%	-1.81%	2.08%

\*As of Previous Close

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices climbed 0.2% to trade at \$1,271.20/oz.

Yesterday, gold prices traded flat to close at \$1,268.10/oz.

## Brent Crude Oil ▼

### Trading weaker

At 06:00 SAST, Brent crude oil edged 0.2% lower to trade at \$52.20/bbl.

Yesterday, Brent crude oil advanced 0.3% to settle at \$52.29/bbl, extending its previous session gains.

## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices edged 0.7% lower to trade at \$956.30/oz.

Yesterday, platinum prices traded flat to close at \$962.90/oz.



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## Major South Africa Corporate News

### Clover Industries Limited

In its trading statement for FY17, the company stated that its headline EPS is expected to be between 66.12c and 94.42c compared with 188.90c reported in the previous corresponding period.

### Tongaat Hulett Limited

In its FY17 results, the company stated that its revenue increased to ZAR17.91bn from ZAR16.68bn posted in the previous year. Its diluted headline EPS significantly rose from the same period of the prior year to 852.70c. Its pre-tax earnings rose to ZAR1.52bn from ZAR989.00mn posted last year.

### Delta Property Fund Limited

In its provisional results for FY17 results, the company indicated that its total revenue rose to ZAR1.62bn from ZAR1.25bn posted in the previous year. Its diluted EPS significantly increased from the prior year to 104.14c. However, its profit before tax fell to ZAR634.95mn from ZAR687.22mn posted last year.

### Famous Brands Limited

In its provisional results for FY17, the company revealed that its revenue substantially advanced from the preceding year to ZAR5.72bn. However, its profit before tax fell to ZAR690.05mn from ZAR772.58mn posted last year. Its diluted EPS stood at 426.00c, compared with 540.00c recorded in the previous year.

## Major Global Economic News

### Asia

In Australia, the seasonally adjusted building approvals rose 4.4% on a monthly basis in April, more than market expectations for an advance of 3.0%. Building approvals had dropped 10.3% in the previous month.

In Australia, ANZ Roy Morgan weekly consumer confidence index rose 112.20 for the week ended May 28, 2017, compared to a reading of 110.50 in the prior week.

In Japan, unemployment rate remained unchanged at a level of 2.8% in April. Market expectation was for unemployment rate to remain unchanged.

In April, retail trade registered a rise of 1.4% on a monthly basis in Japan, compared to a rise of 0.2% in the prior month. Market anticipation was for retail trade to climb 0.1%.

### Eurozone

The ECB President, Mario Draghi, indicated that although Eurozone's economy is solidifying but it still needs "fairly substantial amount" of monetary stimulus from the Central Bank. Moreover, Draghi warned that underlying inflation (excluding volatile energy and food prices) was still too weak.

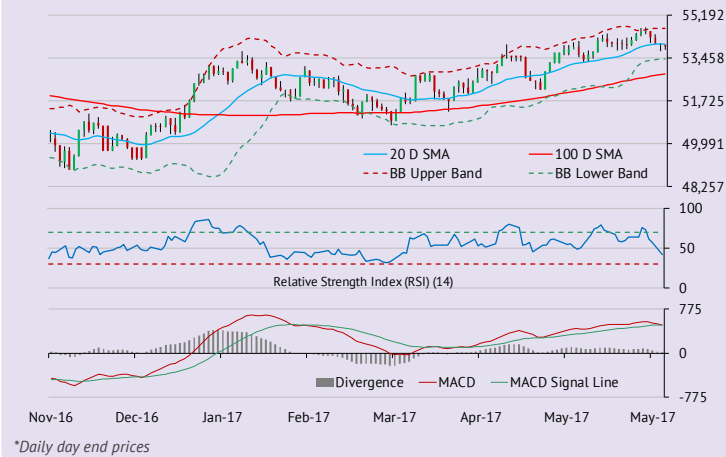
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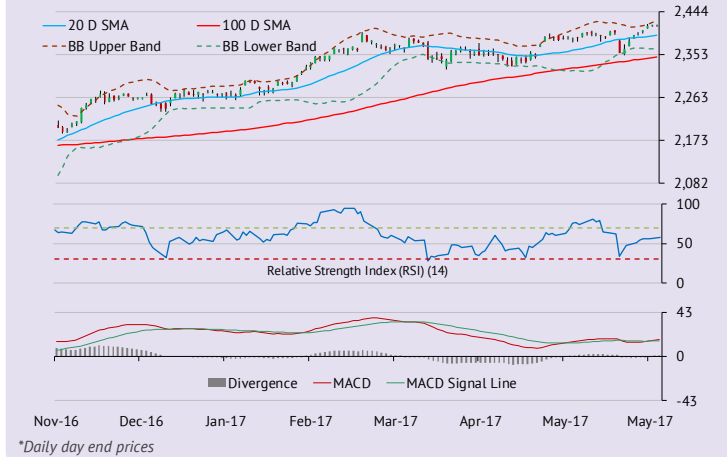
## Technical Snapshot

### JSE All Share



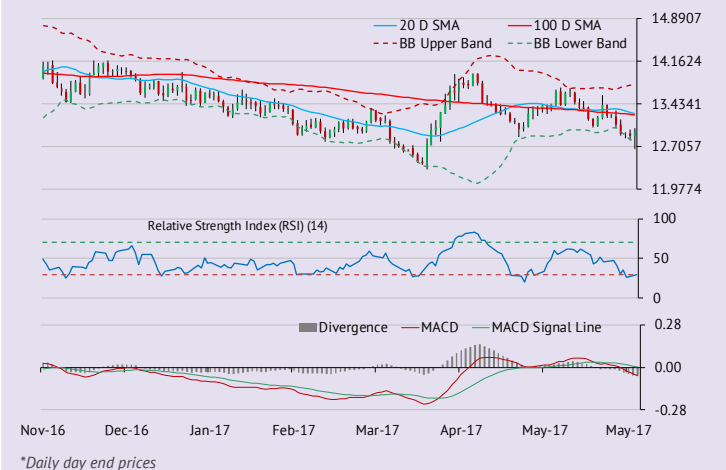
The JSE All Share index is expected to find support at 53,558.24, and a fall through could take it to the next support level of 53,172.25. The index is expected to find its first resistance at 54,523.37, and a rise through could take it to the next resistance level of 55,102.51.

### S&P 500



The S&P 500 index is expected to find support at 2,400.23, and a fall through could take it to the next support level of 2,384.64. The index is expected to find its first resistance at 2,425.06, and a rise through could take it to the next resistance level of 2,434.30.

### USDZAR



The pair is expected to find support at 12.6399, and a fall through could take it to the next support level of 12.3146. The pair is expected to find its first resistance at 13.3035, and a rise through could take it to the next resistance level of 13.6418.

### XAU/USD



Gold is expected to find support at \$1,254.03/oz, and a fall through could take it to the next support level of \$1,239.97/oz. The precious metal is expected to find its first resistance at \$1,275.73/oz, and a rise through could take it to the next resistance level of \$1,283.37/oz.

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## Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:30	Unemployment Rate (Apr)	✓✓	2.80%*	2.80%	Monthly
Japan	01:30	Household Spending (YoY) (Apr)	✓✓	-1.40%*	-1.30%	Monthly
Japan	01:50	Large Retailer's Sales (Apr)	✓✓	1.10%*	-0.80%	Monthly
Japan	01:50	Retail Trade s.a. (MoM) (Apr)	✓	1.40%*	0.20%	Monthly
Germany	08:00	Import Price Index s.a. (MoM) (Apr)	✓	0.10%	-0.50%	Monthly
South Africa	08:00	M3 Money Supply (YoY) (Apr)	✓	5.70%	5.62%	Monthly
South Africa	08:00	Private Sector Credit (YoY) (Apr)	✓	5.30%	4.95%	Monthly
France	08:45	Gross Domestic Product (QoQ) (Q1) (S)	✓	0.30%	0.30%**	Quarterly
France	08:45	Consumer Confidence (May)	✓✓✓	101.00	100.00	Monthly
Spain	09:00	Harmonised Index of Consumer Prices (YoY) (May) (P)	✓✓	2.10%	2.60%	Monthly
Switzerland	09:00	KOF Economic Barometer (May)	✓✓	105.80	106.00	Monthly
Eurozone	11:00	Consumer Confidence (May) (F)	✓✓	-3.30	-3.30**	Monthly
Eurozone	11:00	Industrial Confidence (May)	✓	3.10	2.60	Monthly
Eurozone	11:00	Services Sentiment Indicator (May)	✓	14.20	14.20	Monthly
Eurozone	11:00	Business Climate Indicator (May)	✓✓	1.11	1.09	Monthly
Eurozone	11:00	Economic Sentiment Indicator (May)	✓	110.00	109.60	Monthly
Germany	14:00	Consumer Price Index (YoY) (May) (P)	✓✓	1.60%	2.00%	Monthly
US	14:30	Personal Income (MoM) (Apr)	✓✓	0.40%	0.20%	Monthly
US	14:30	Personal Spending (Apr)	✓✓	0.40%	0.00%	Monthly
US	14:30	Personal Consumption Expenditure Core (MoM) (Apr)	✓✓	0.10%	-0.10%	Monthly
Canada	14:30	Current Account Balance (Q1)	✓✓	-CAD12.00 bn	-CAD10.73 bn	Quarterly
US	15:00	S&P/Case-Shiller Home Price Index (Mar)	✓	-	193.49	Monthly
US	16:00	Consumer Confidence (May)	✓✓✓	119.80	120.30	Monthly
US	16:30	Dallas Fed Manufacturing Business Index (May)	✓	15.00	16.80	Monthly

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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