

ONE Minute Brief

23 June 2017

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Economic and Political News

The Constitutional Court has ruled that National Assembly Speaker, Baleka Mbete, has the constitutional power to decide whether or not Members of Parliament can vote on a motion of no confidence through a secret ballot. While opposition parties welcomed the decision of the court and urged for a secret ballot, President, Jacob Zuma, stated that a secret ballot would not be fair.

President, Jacob Zuma, has agreed to set up a judicial commission of inquiry into state capture allegations and added that it will begin its work soon. Separately, Zuma stated that South Africa is dedicated to an "open, transparent" process to build new nuclear power plants.

President, Jacob Zuma, has expressed support for the new Mining Charter, indicating that it will not affect the mining sector adversely and instead will bring a much-needed change in the industry.

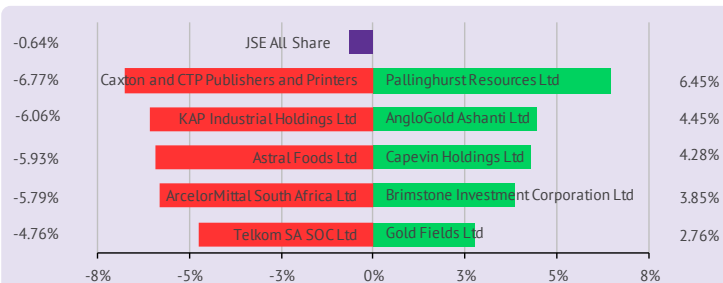
Parliament has revealed that it will file a court application to legally challenge Public Protector, Busisiwe Mkhwebane's report on Bankorp bailout.

Eskom has named company veteran Johnny Dladla, currently the CEO of investment arm Eskom Enterprises, as acting CEO.

South Africa Market ▼

South African markets closed lower

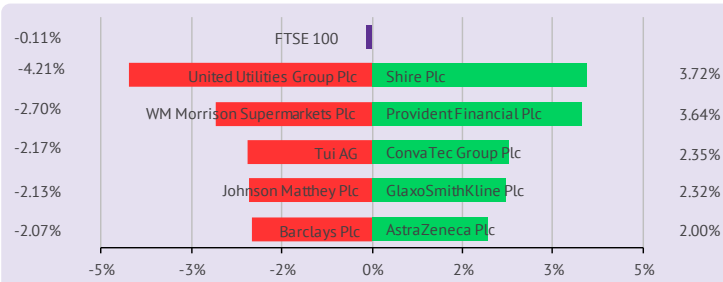
South African markets closed in the red yesterday, amid losses in retail sector stocks. The JSE All Share Index fell 0.6% to close at 51,072.86.



UK Market ▼

The FTSE 100 futures are trading in positive territory

UK markets finished lower yesterday, dragged down by weakness in energy and mining sector stocks. Data showed that UK's monthly CBI trends total orders surprisingly rose in June. The FTSE 100 Index declined 0.1% to close at 7,439.29.



Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	51072.86	▼ -329.83	-0.64%	0.47%	-4.65%	-0.47%	0.83%
JSE Top 40	44944.65	▼ -268.80	-0.59%	0.97%	-4.69%	0.17%	2.37%
FTSE 100	7439.29	▼ -8.50	-0.11%	-0.32%	-1.07%	4.39%	4.15%
DAX 30	12794.00	▲ 19.74	0.15%	0.32%	1.42%	1.42%	11.44%
CAC 40	5281.93	▲ 7.67	0.15%	0.35%	-0.03%	0.31%	8.63%
S&P 500	2434.50	▼ -1.11	-0.05%	0.06%	0.94%	1.16%	8.74%
Nasdaq Composite	6236.69	▲ 2.73	0.04%	1.38%	0.62%	2.50%	15.86%
DJIA	21397.29	▼ -12.74	-0.06%	0.06%	1.85%	0.33%	8.27%

US Market ▼

The S&P 500 futures are trading in the green

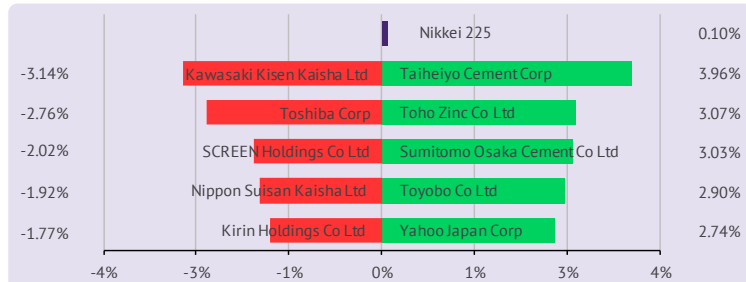
US markets closed lower yesterday, weighed down by losses in consumer staples sector stocks. Data indicated that US initial jobless claims advanced more-than-expected for the week ended June 17, 2017. The S&P 500 Index dropped 0.1% to close at 2,434.50.



Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning. Data revealed that Japan's Nikkei preliminary manufacturing PMI declined to a 7 month low in June. The Nikkei 225 Index is trading 0.1% higher at 20,129.81.



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USDZAR ▲

USD trading higher against ZAR

At 06:00 SAST, the US Dollar gained 0.1% against the South African Rand to trade at R12.9789. Later today, traders will keep a close watch on the US Markit manufacturing and services PMIs along with new home sales data for further cues.

The US Dollar fell against the South African Rand yesterday. In economic news, the number of Americans applying for the first time unemployment benefits rose more-than-expected for the week ended June 17, 2017. Further, the house price index remained unchanged on a monthly basis in April. Additionally, leading indicator jumped in line with market expectations in May.

GBPZAR ▲

GBP trading stronger against ZAR

At 06:00 SAST, the British Pound is trading 0.3% firmer against the South African Rand at R16.4858. With no major economic news in the UK today, investor sentiment will be determined by global macroeconomic news.

The British Pound declined against the South African Rand yesterday. On the data front, UK's CBI trends total orders unexpectedly advanced on a monthly basis in June.

EURZAR ▲

EUR trading higher against ZAR

At 06:00 SAST, the Euro is trading 0.2% firmer against the South African Rand at R14.4886. Going forward, market participants will keep a tab on Markit manufacturing and services PMIs across the Eurozone.

The Euro weakened against the South African Rand yesterday. On the macro front, Eurozone's consumer confidence increased more-than-expected in June, its highest level since 2001.

AUDZAR ▲

AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.2% higher against the South African Rand at R9.8020.

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	12.9789	▲	-0.87%	1.19%	-1.15%	-1.89%	-5.57%
GBPZAR	16.4858	▲	-0.80%	0.39%	-2.50%	-2.60%	-2.85%
EURZAR	14.4886	▲	-1.02%	0.81%	-1.72%	1.03%	0.13%
AUDZAR	9.8020	▲	-1.02%	0.17%	0.58%	-2.87%	-1.29%
EURUSD	1.1163	▲	-0.14%	-0.41%	-0.82%	3.20%	6.08%
GBPUSD	1.2703	▲	0.09%	-0.79%	-1.61%	-0.47%	2.80%
Brent (\$/barrel)	45.4	▲	0.89%	-4.54%	-10.91%	-2.48%	-20.42%
Gold (\$/oz)	1252.8	▲	0.34%	-0.51%	-1.92%	0.29%	8.33%
Platinum (\$/oz)	926.4	▲	-0.15%	-0.13%	-2.60%	0.17%	2.66%
Copper (\$/MT)*	5723.5	▲	0.10%	1.50%	1.16%	-0.92%	3.63%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices rose 0.4% to trade at \$1,252.80/oz.

Yesterday, gold prices rose 0.3% to close at \$1,247.60/oz, as weakness in the US Dollar increased demand for the precious metal.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged 0.3% higher to trade at \$45.35/bl.

Yesterday, Brent crude oil advanced 0.9% to settle at \$45.22/bl, after Iraq's Oil Minister, Jabar al-Luaibi, revealed that oil exports from fields owned by the central government in Baghdad are about 3.27mn bls per day in June, the same level as in May.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged 0.1% higher to trade at \$926.40/oz.

Yesterday, platinum prices declined 0.2% to close at \$925.60/oz.



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Major South Africa Corporate News

MMI Holdings Limited

The company announced that Chief Operating Officer, Danie Botes and Chief Executive of Momentum Retail, Etienne de Waal, have resigned to pursue other interests. Mary Vilakazi, current group Finance Director, has been appointed Deputy Chief Executive of the group. Risto Ketola, current Investor Relations and Business Performance Executive, has been appointed as group CFO. Khanyi Nzukuma has been appointed CEO of Momentum Retail. Ashlene van der Colff, current Group Chief Internal Audit Executive, has been appointed Group Head of Operations.

Major Global Economic News

US

In the US, the seasonally adjusted initial jobless claims advanced to 241.00K for the week ended June 17, 2017, compared to market expectations of a rise to 240.00K. In the prior week, initial jobless claims had registered a revised reading of 238.00K.

In April, the housing price index recorded a rise of 0.7% on a monthly basis in the US, compared to a revised similar rise in the prior month. Markets were expecting the index to rise 0.5%.

In the US, leading indicator climbed 0.3% on a monthly basis in May, at par with market expectations. In the prior month, leading indicator had registered a revised rise of 0.2%.

Asia

In Japan, the Nikkei preliminary manufacturing PMI dropped to 52.00 in June. In the prior month, manufacturing PMI had recorded a reading of 53.10.

Eurozone

In the Eurozone, the flash consumer confidence index rose to a level of -1.30 in June, compared to a reading of -3.30 in the prior month. Markets were expecting the index to climb to -3.00.

UK

In the UK, the CBI balance of firms reporting total order book above normal registered an unexpected rise to a level of 16.00 in June, compared to a reading of 9.00 in the prior month. Market expectation was for the balance of firms reporting total order book above normal to drop to a level of 7.00.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	02:30	Nomura/ JMMA Manufacturing PMI (Jun) (P)	✓✓✓	52.00*	53.10	Monthly
France	08:45	Gross Domestic Product (QoQ) (Q1) (F)	✓✓✓	0.40%	0.40%**	Quarterly
France	08:45	Gross Domestic Product (YoY) (Q1) (F)	✓	1.00%	1.00%**	Quarterly
Switzerland	09:00	KOF Institute Summer Economic Forecast	✓	-	-	As scheduled
France	09:00	Markit Manufacturing PMI (Jun) (P)	✓✓✓	54.00	53.80	Monthly
France	09:00	Markit Services PMI (Jun) (P)	✓	57.00	57.20	Monthly
Germany	09:30	Markit Manufacturing PMI (Jun) (P)	✓✓✓	59.00	59.50	Monthly
Germany	09:30	Markit Services PMI (Jun) (P)	✓✓	55.40	55.40	Monthly
Eurozone	10:00	Markit Composite PMI (Jun) (P)	✓✓✓	56.60	56.80	Monthly
Eurozone	10:00	Markit Manufacturing PMI (Jun) (P)	✓✓✓	56.80	57.00	Monthly
Eurozone	10:00	Markit Services PMI (Jun) (P)	✓✓	56.10	56.30	Monthly
Canada	14:30	Consumer Price Index s.a. (MoM) (May)	✓✓✓	-	0.50%	Monthly
Canada	14:30	Consumer Price Index (May)	✓✓	131.00	130.40	Monthly
Canada	14:30	Consumer Price Index (YoY) (May)	✓✓	1.50%	1.60%	Monthly
US	15:45	Markit Composite PMI (Jun) (P)	✓✓	-	53.60	Monthly
US	15:45	Markit Manufacturing PMI (Jun) (P)	✓✓✓	53.00	52.70	Monthly
US	15:45	Markit Services PMI (Jun) (P)	✓✓	53.50	53.60	Monthly
US	16:00	New Home Sales Change	✓✓	590.00K	569.00K	Monthly
US	16:00	New Home Sales (MoM) (May)	✓	3.70%	-11.40%	Monthly
US	17:15	Fed's Bullard Speaks about Monetary Policy in Nashville	✓	-	-	As scheduled
US	18:40	Fed's Mester Speaks in Cleveland	✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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