

ONE Minute Brief

26 June 2017

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Economic and Political News

National Treasury Director General, Dondo Mogajane, stated that inclusive growth is imperative for an economy to grow faster and that the institution is focusing on bringing reforms that will get the economy out of recession and improve its credit ratings.

S&P's MD for sub-Saharan Africa, Konrad Reuss, indicated that South Africa (SA) still needs significant transformation, which can take place effectively in a faster-growing economy.

DA leader Mmusi Maimane has stated that the ANC has "without doubt" a chance of losing power in 2019.

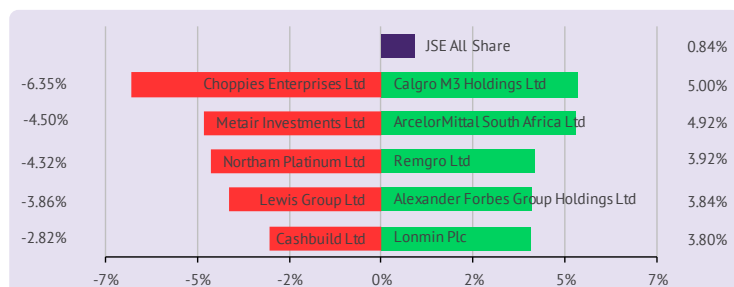
The EFF has accused the Gupta family of spying on its leader, Julius Malema. Further, the Sunday Times reported that leaked documents have revealed that the Gupta family has been spying on some of the nation's top banking bosses.

Public Enterprises Minister, Lynne Brown, indicated that several investigations are going on into the allegations against Eskom and some of its executives but none of these have been tested in a court of law. Further, Brown appointed four new members on Eskom board, stating that they would add value to the state-owned enterprise.

South Africa Market ▲

South African markets closed higher

South African markets closed in the green on Friday, led by a rise in banking and financial sector stocks. The JSE All Share Index rose 0.8% to close at 51,503.52.



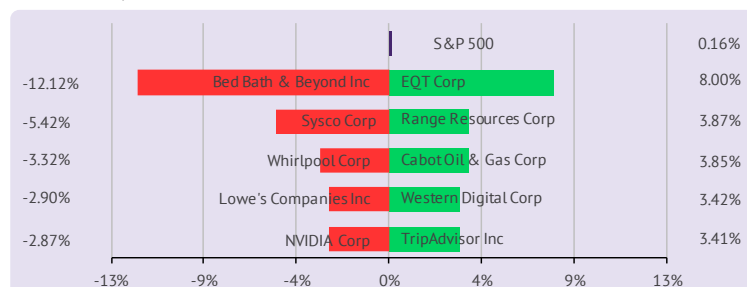
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	51503.52	▲ 430.66	0.84%	NA	-3.84%	-0.47%	1.68%
JSE Top 40	45358.66	▲ 414.01	0.92%	NA	-3.81%	0.17%	3.32%
FTSE 100	7424.13	▼ -15.16	-0.20%	NA	-1.27%	4.39%	3.94%
DAX 30	12733.41	▼ -60.59	-0.47%	NA	0.94%	1.42%	10.91%
CAC 40	5266.12	▼ -15.81	-0.30%	NA	-0.33%	0.31%	8.30%
S&P 500	2438.30	▲ 3.80	0.16%	NA	1.10%	1.16%	8.91%
Nasdaq Composite	6265.25	▲ 28.56	0.46%	NA	1.08%	2.50%	16.39%
DJIA	21394.76	▼ -2.53	-0.01%	NA	1.84%	0.33%	8.26%

US Market ▲

The S&P 500 futures are trading in the green

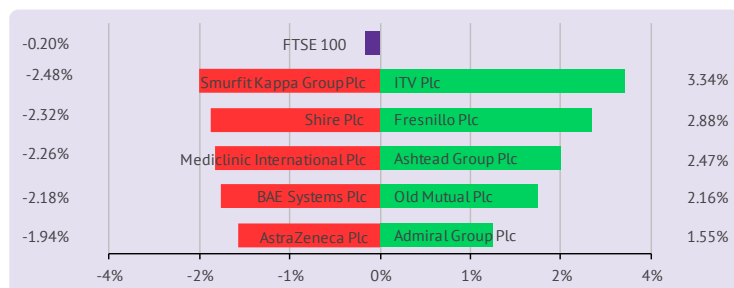
US markets closed higher on Friday, amid gains in energy sector stocks. Data revealed that US flash Markit manufacturing PMI surprisingly declined to a 9 month low in June. The S&P 500 Index climbed 0.2% to close at 2,438.30.



UK Market ▼

The FTSE 100 futures are trading in positive territory

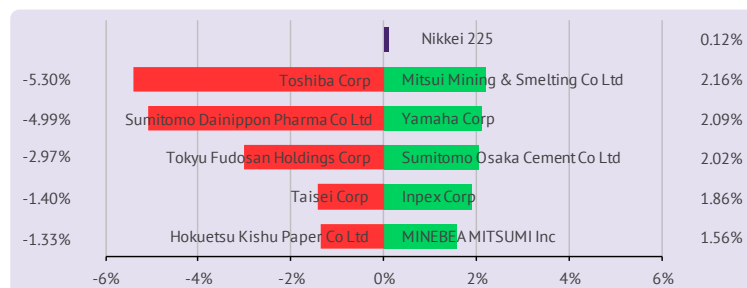
UK markets finished lower on Friday, weighed down by losses in banking, consumer goods and basic material sector stocks. The FTSE 100 Index declined 0.2% to close at 7,424.13.



Asian Market ▲

Trading higher

Asian markets are trading higher this morning, tracking Friday gains on Wall Street. The Nikkei 225 Index is trading 0.1% higher at 20,157.76.



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USDZAR ▲

USD trading stronger against ZAR

At 06:00 SAST, the US Dollar is trading marginally higher against the South African Rand at R12.9342. Later today, traders will keep a close watch on US durable goods orders and the Chicago Fed National activity index for further direction.

The US Dollar fell against the South African Rand on Friday, after US preliminary Markit manufacturing PMI unexpectedly dropped in June, notching its lowest level since September 2016. Further, flash Markit services PMI declined more than market forecast to a three-month low in the same month. Meanwhile, new home sales rebounded less-than-expected on a monthly basis in May.

GBPZAR ▲

GBP trading firmer against ZAR

At 06:00 SAST, the British Pound advanced 0.2% against the South African Rand to trade at R16.4884. Later today, traders will keep an eye on UK's BBA mortgage approvals for further cues.

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

EURZAR ▲

EUR trading higher against ZAR

At 06:00 SAST, the Euro is trading marginally firmer against the South African Rand at R14.4806. Going forward, market participants will keep a tab on Germany's Ifo current assessment and business climate index for further cues.

The Euro strengthened against the South African Rand on Friday, after Eurozone's preliminary Markit manufacturing PMI surprisingly advanced in June, reaching its highest level in 74 months. However, flash Markit services PMI eased more-than-expected to a 5 month low in the same month. Meanwhile, Germany's flash Markit manufacturing PMI recorded a less-than-anticipated drop in June. In contrast, the nation's Markit preliminary services PMI unexpectedly fell in the same month, to reach its lowest level in 5 months.

AUDZAR ▲

AUD trading stronger against ZAR

At 06:00 SAST, the Australian Dollar advanced 0.2% against the South African Rand to trade at R9.8034.

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	12.9342	▲	-0.28%	NA	-1.43%	-1.89%	-5.84%
GBPZAR	16.4884	▲	0.02%	NA	-2.49%	-2.60%	-2.84%
EURZAR	14.4806	▲	0.11%	NA	-1.61%	1.03%	0.24%
AUDZAR	9.8034	▲	0.07%	NA	0.65%	-2.87%	-1.21%
EURUSD	1.1195	▲	0.38%	NA	-0.44%	3.20%	6.48%
GBPUSD	1.2749	▲	0.28%	NA	-1.33%	-0.47%	3.10%
Brent (\$/barrel)	46.1	▲	0.71%	NA	-10.28%	-2.48%	-19.85%
Gold (\$/oz)	1255.8	▼	0.69%	NA	-1.24%	0.29%	9.07%
Platinum (\$/oz)	928.4	▼	0.41%	NA	-2.20%	0.17%	3.08%
Copper (\$/MT)*	5780.5	▲	1.00%	NA	2.17%	-0.92%	4.66%

*As of Previous Close

Gold ▼

Trading in the red

At 06:00 SAST, gold prices marginally retreated to trade at \$1,255.80/oz.

On Friday, gold prices rose 0.7% to close at \$1,256.20/oz, as weakness in the greenback increased demand for the safe haven asset.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil rose 1.1% to trade at \$46.06/bl.

On Friday, Brent crude oil advanced 0.7% to settle at \$45.54/bl. Separately, Baker Hughes reported that US oil rig count rose by 11 to 758 last week.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged 0.1% lower to trade at \$928.40/oz.

On Friday, platinum prices climbed 0.4% to close at \$929.40/oz.



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Major South Africa Corporate News

Grand Parade Investments Limited

The company reported that Ms. Tasneem Karriem has been appointed as Chief Executive Officer of the group. Mr. Dylan Pienaar will step down as the Financial Director of the company and will be replaced by Mr. Shaun Barends.

Naspers Limited

The company, in its FY17 results, reported that its revenue increased to \$6.10bn from \$5.93bn posted in the prior year. Its headline EPS rose 7.0% from the prior year to 179.00c. Its pre-tax profits surged to \$3.05bn from \$1.26bn posted last year.

Major Global Economic News

Eurozone

In the Eurozone, the flash Markit manufacturing PMI unexpectedly rose to 57.30 in June, compared to market expectations of a drop to 56.80. The manufacturing PMI had recorded a level of 57.00 in the previous month.

In June, the preliminary Markit services PMI registered a drop to 54.70 in the Eurozone, compared to a reading of 56.30 in the previous month. Market anticipation was for services PMI to ease to 56.10.

In Germany, the preliminary manufacturing PMI eased to 59.30 in June, compared to market expectations of a fall to 59.00. In the previous month, manufacturing PMI had recorded a level of 59.50.

In June, the flash services PMI registered an unexpected drop to a level of 53.70 in Germany, compared to market expectations of a steady reading. Services PMI had registered a reading of 55.40 in the prior month.

US

In the US, the preliminary Markit manufacturing PMI unexpectedly eased to 52.10 in June, lower than market expectations of an advance to a level of 53.00. In the previous month, the Markit manufacturing PMI had recorded a reading of 52.70.

In June, the flash Markit services PMI registered a drop to 53.00 in the US, lower than market expectations of a drop to a level of 53.50. Markit services PMI had recorded a reading of 53.60 in the prior month.

In the US, new home sales recorded a rise of 2.9% on a monthly basis in May, compared to a drop of 7.9% in the prior month. Market expectations for the new home sales was to rise 3.7%.

Asia

According to the Bank of Japan's (BOJ) June meeting summary, the central bank kept its monetary policy steady and upgraded its assessment of private consumption for the first time in six months, indicating its confidence in an export-driven economic recovery that is gaining momentum. Further, policymakers stressed the need to discourage markets from speculating that a withdrawal of stimulus was near and signalled for additional easing despite subdued inflation.



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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	38	4.46%	11.87%	32.28%
Naspers Ltd	2595	2.77%	-4.44%	28.84%
Dis-Chem Pharmacies	29	-0.59%	-0.52%	28.04%
Mondi Plc	349	4.99%	1.04%	25.06%
RCL Foods Ltd	16	6.65%	5.87%	25.04%
Sirius Real Estate Ltd	10	3.25%	3.25%	24.68%
Mondi Ltd	348	5.14%	0.71%	24.20%
Astral Foods Ltd	160	3.23%	-0.22%	23.79%
Bid Corporation Ltd	299	1.30%	-0.22%	21.97%
Clicks Group Ltd	141	3.47%	3.14%	21.65%
Adcock Ingram Holdings Ltd	58	-2.03%	-6.94%	19.19%
Shoprite Holdings Ltd	204	1.90%	-2.22%	19.18%
British American Tobacco Plc	920	4.08%	-2.57%	18.15%
Compagnie Financiere Richemont SA	107	3.32%	-3.38%	17.78%
Murray & Roberts Holdings Ltd	13	2.91%	1.20%	16.75%
Datatec Ltd	57	-1.33%	9.29%	15.30%
Reinet Investments SCA	31	3.95%	-3.63%	13.81%
Discovery Ltd	129	0.09%	0.98%	12.99%
Hudaco Industries Ltd	129	-3.87%	-1.74%	12.76%
Capitec Bank Holdings Ltd	783	0.32%	0.48%	12.59%
PSG Konsult Ltd	8	-2.12%	1.46%	12.58%
KAP Industrial Holdings Ltd	8	0.24%	-6.15%	12.30%
Reunert Ltd	75	-1.72%	3.65%	10.13%
Northam Platinum Ltd	44	-1.16%	0.77%	9.43%
Brimstone Investment Corporation Ltd	13	0.38%	-4.73%	9.17%
Distell Group Ltd	158	-1.86%	8.22%	8.97%
Vodacom Group Ltd	166	-0.28%	0.17%	8.62%
Anglo American Platinum Ltd	287	-5.78%	2.75%	8.38%
Equites Property Fund Ltd	17	-0.18%	-1.11%	7.41%
Investec Plc	97	3.13%	-5.73%	6.88%
Niveus Investments Ltd	39	5.41%	-1.27%	6.85%
Investec Ltd	97	2.81%	-6.16%	6.67%
PSG Group Ltd	233	0.84%	-2.74%	6.60%
Octodec Investments Ltd	24	-2.61%	1.29%	6.58%
Fortress Income Fund Ltd	34	-1.52%	-2.17%	5.88%
Capital & Regional Plc	10	2.15%	-3.65%	5.56%
Cashbuild Ltd	363	5.61%	5.38%	5.39%
Resilient Reit Ltd	121	-1.32%	0.22%	5.36%
AECI Ltd	107	2.57%	-0.63%	5.34%
Santam Ltd	246	2.73%	0.42%	5.14%
JSE All Share Index	51504	1.32%	-3.84%	1.68%

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:50	Corporate Service Price (YoY) (May)	✓	0.70%*	0.80%	Monthly
Japan	01:50	BoJ Summary of Opinions at June 15-16 Meeting	✓	-	-	As scheduled
Japan	07:00	Coincident Index (Apr) (F)	✓	-	117.70**	Monthly
Japan	07:00	Leading Economic Index (Apr) (F)	✓✓	-	104.50**	Monthly
Spain	09:00	Producer Price Index (MoM) (May)	✓	-	0.00%	Monthly
Spain	09:00	Producer Price Index (YoY) (May)	✓	-	5.90%	Monthly
Germany	10:00	Ifo - Expectations (Jun)	✓✓✓	106.40	106.50	Monthly
Germany	10:00	Ifo - Business Climate (Jun)	✓✓	114.50	114.60	Monthly
Germany	10:00	Ifo - Current Assessment (Jun)	✓✓	123.20	123.20	Monthly
UK	10:30	BBA Mortgage Approvals (May)	✓✓	-	40.75K	Monthly
Germany	12:00	German Buba Monthly Report	✓	-	-	As scheduled
US	14:30	Chicago Fed National Activity Index (May)	✓	-	0.49	Monthly
US	14:30	Cap Goods Orders Nondef Ex Air (May) (P)	✓	0.30%	0.10%	Monthly
US	14:30	Durable Goods Orders ex Transportation (May) (P)	✓✓	0.40%	-0.50%	Monthly
US	14:30	Durable Goods Orders (May) (P)	✓✓✓	-0.60%	-0.80%	Monthly
US	16:30	Dallas Fed Manufacturing Business Index (Jun)	✓	16.00	17.20	Monthly
Eurozone	17:00	ECB Youth Dialogue With Mario Draghi in Lisbon	✓✓	-	-	As scheduled
Eurozone	-	ECB Forum in Sintra With Draghi, BOE's Carney, BOJ's Kuroda	✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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