

ONE Minute Brief

24 July 2017

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Economic and Political News

The leader of the Economic Freedom Fighters, Julius Malema, stated that more than 60 African National Congress (ANC) Members of Parliament (MPs) will support the no-confidence vote against President, Jacob Zuma if the ballot is secret. He added that the party will go to court if National Assembly Speaker, Baleka Mbete, does not allow voting through a secret ballot.

The Democratic Alliance (DA) stated that reports of the ANC considering to grant amnesty to President, Jacob Zuma, for the corruption charges against him are outrageous and will damage the country.

The DA indicated that it had information that the Passenger Rail Agency of South Africa (PRASA) is not compliant with sections of the Public Finance Management Act (PFMA), which could limit funds from the Department of Transport and lead to job losses.

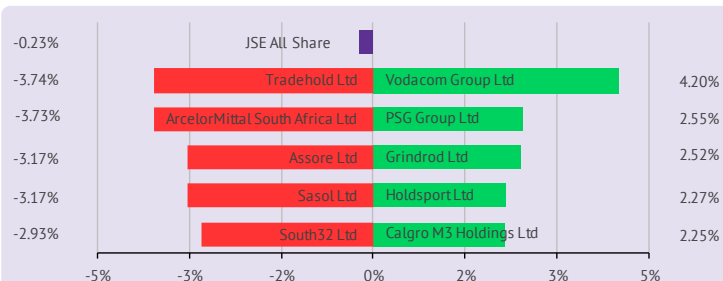
President, Jacob Zuma, has called on ANC members to have a frank debate about the economy, instead of "finger-pointing" which is "derailing the transformation agenda".

Investec Chief Executive Officer, Stephen Koseff, has warned that South Africa would continue to face recession if South African politicians keep fighting instead of promoting business-friendly policies.

South Africa Market

South African markets closed lower

South African markets closed in the red on Friday, led by losses in retail and resources sector stocks. The JSE All Share Index fell 0.2% to close at 54,162.71.



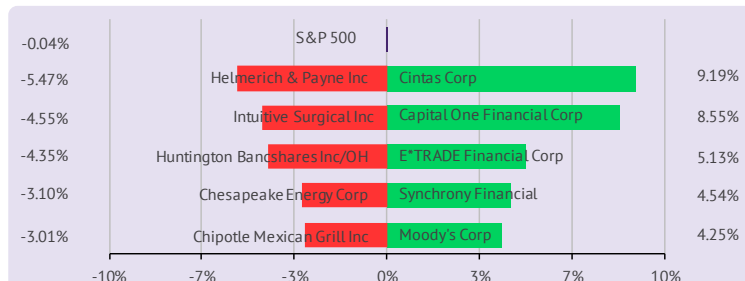
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	54162.71	▼	-124.61	-0.23%	NA	4.94%	-3.64%	6.93%
JSE Top 40	47801.91	▼	-108.02	-0.23%	NA	5.24%	-3.67%	8.88%
FTSE 100	7452.91	▼	-34.96	-0.47%	NA	1.92%	-2.76%	4.34%
DAX 30	12240.06	▼	-207.19	-1.66%	NA	-0.69%	-2.30%	6.61%
CAC 40	5117.66	▼	-81.56	-1.57%	NA	-0.06%	-3.08%	5.25%
S&P 500	2472.54	▼	-0.91	-0.04%	NA	2.03%	0.48%	10.44%
Nasdaq Composite	6387.75	▼	-2.25	-0.04%	NA	4.03%	-0.94%	18.66%
DJIA	21580.07	▼	-31.71	-0.15%	NA	1.08%	1.62%	9.20%

US Market

The S&P 500 futures are trading in the red

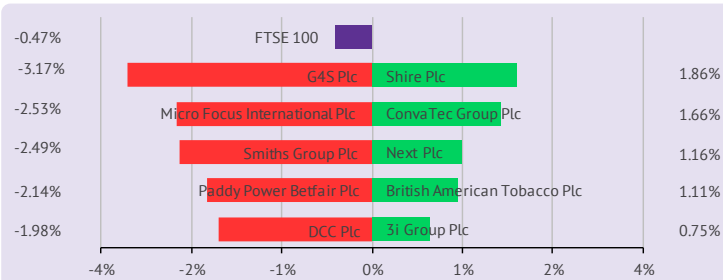
US markets closed a tad lower on Friday, weighed down by losses in industrial and energy sector stocks. The S&P 500 Index marginally dropped to close at 2,472.54.



UK Market

The FTSE 100 futures are trading in negative territory

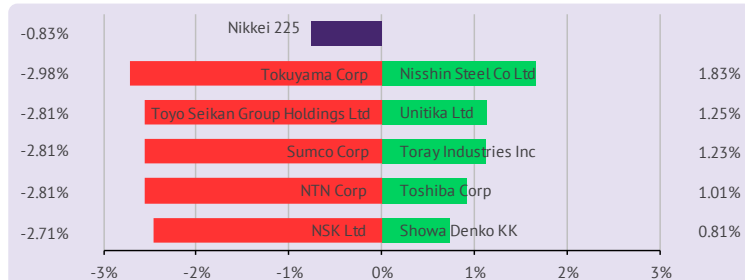
UK markets finished lower on Friday, amid a decline in industrial sector stocks. Data showed that UK's public sector net borrowings recorded a more-than-expected deficit in June. The FTSE 100 Index declined 0.5% to close at 7,452.91.



Asian Market

Trading mixed

Asian markets are trading mixed this morning. Data indicated that Japan's preliminary Nikkei manufacturing PMI dropped in July, remaining in expansion territory. The Nikkei 225 Index is trading 0.8% lower at 19,932.52.



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USDZAR ▼

USD trading lower against ZAR

At 06:00 SAST, the US Dollar is trading 0.1% weaker against the South African Rand at R12.9103. Later today, traders will keep a close watch on the US Markit manufacturing and services PMIs along with existing home sales data for further cues.

The US Dollar fell against the South African Rand on Friday.

GBPZAR ▲

GBP trading higher against ZAR

At 06:00 SAST, the British Pound marginally rose against the South African Rand to trade at R16.7985. 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 on Friday. On the macro front, UK's public sector net borrowings registered a deficit of more than market expectations in June.

EURZAR ▼

EUR trading weaker against ZAR

At 06:00 SAST, the Euro marginally retreated against the South African Rand to trade at R15.0675. Going forward, market participants will keep a tab on the Markit manufacturing and services PMIs across the Eurozone for further direction.

The Euro weakened against the South African Rand on Friday.

AUDZAR ▼

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar is trading marginally weaker against the South African Rand at R10.2244.

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

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	12.9103	▼	-0.90%	NA	-1.20%	-0.33%	-5.93%
GBPZAR	16.7985	▲	-0.70%	NA	-1.40%	0.98%	-0.79%
EURZAR	15.0675	▼	-0.62%	NA	0.84%	1.56%	4.34%
AUDZAR	10.2244	▼	-1.37%	NA	1.91%	3.21%	3.22%
EURUSD	1.1671	▲	0.28%	NA	2.07%	1.62%	10.94%
GBPUSD	1.3012	▲	0.18%	NA	-0.21%	1.05%	5.36%
Brent (\$/barrel)	48.1	▲	-2.52%	NA	-1.46%	-3.92%	-15.42%
Gold (\$/oz)	1260.5	▲	0.75%	NA	1.01%	-2.33%	8.96%
Platinum (\$/oz)	934.7	-	0.45%	NA	1.19%	-2.80%	3.67%
Copper (\$/MT)*	5971.0	▲	0.77%	NA	0.74%	4.76%	8.11%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices gained 0.4% to trade at \$1,260.50/oz.

On Friday, gold prices rose 0.8% to close at \$1,254.90/oz, as the US Dollar weakened against its major counterparts, increasing demand for the safe haven asset.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged 0.2% higher to trade at \$48.14/bl.

On Friday, Brent crude oil dropped 2.5% to settle at \$48.06/bl, after a date from PetroLogistics, a company that tracks OPEC supply forecasts revealed that OPEC's crude oil production is expected to increase by another 145,000 bls per day in July over June, led by an increase in production in Saudi Arabia, Nigeria and the UAE. Meanwhile, Baker Hughes reported that US oil rig count fell by 1 to 764 last week.

Platinum ◀▶

Trading flat

At 06:00 SAST, platinum prices are trading flat at \$934.70/oz.

On Friday, platinum prices climbed 0.5% to close at \$934.70/oz.



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Major South Africa Corporate News

Capital & Counties Properties Plc

In its 1H17 results, the company stated that its revenue increased to GBP43.70mn from GBP40.50mn posted in the corresponding period of the previous year. Its diluted EPS stood at 1.90p, compared with loss per share of 1.60p recorded in the corresponding period of the previous year. Moreover, its directors proposed an interim dividend per ordinary share of 0.50p payable on September 29, 2017.

Truworths International Limited

In its FY17 trading update, the company revealed that its group retail sales for the period increased by 8.6% to ZAR18.50bn compared with the prior comparable period ended June 26, 2016. Its diluted headline EPS for the period is expected to remain stable or decrease by 0.0% to 3.0%, to between 646.00c and 666.00c, relative to the prior period diluted headline EPS of 666.00c per share.

Major Global Economic News

UK

In the UK, the public sector net borrowing has reported a deficit of GBP6.30bn in June, from a revised deficit of GBP6.40bn in the prior month. Markets were anticipating public sector net borrowing to announce a deficit of GBP4.20bn.

Asia

In Japan, the flash manufacturing PMI registered a drop to 52.20 in July, compared to a level of 52.40 in the previous month.



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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	280625	3.48%	3.34%	39.33%
Adcock Ingram Holdings Ltd	6539	2.98%	5.81%	36.96%
Murray & Roberts Holdings Ltd	1573	8.86%	18.36%	36.55%
Clicks Group Ltd	14800	3.42%	9.33%	31.08%
Dis-Chem Pharmacies Ltd	2875	1.41%	-0.28%	28.68%
Bid Corp Ltd	30725	-1.79%	2.53%	26.50%
Mondi Plc	34279	-0.24%	-0.63%	25.05%
Mondi Ltd	34151	-0.46%	-1.09%	24.03%
Trencor Ltd	3480	0.84%	3.26%	23.77%
Capitec Bank Holdings Ltd	84834	1.90%	8.93%	23.35%
Vodacom Group Ltd	18050	4.81%	12.18%	21.64%
Fortress Income Fund Ltd	3828	1.32%	9.40%	21.12%
Discovery Ltd	13775	0.86%	7.52%	21.11%
PSG Group Ltd	26150	2.25%	9.16%	20.87%
British American Tobacco Plc	91845	2.28%	-2.72%	20.72%
RCL Foods Ltd/South Africa	1521	0.07%	1.40%	20.63%
Cie Financiere Richemont SA	10912	1.07%	-1.35%	20.26%
DataTec Ltd	5880	-0.68%	12.64%	18.84%
Exxaro Resources Ltd	10162	4.26%	-0.46%	17.82%
Anglo American Platinum Ltd	31152	-0.53%	11.69%	17.82%
Equites Property Fund Ltd	1800	0.00%	4.90%	17.73%
Shoprite Holdings Ltd	19982	-2.05%	-4.39%	17.57%
Reunert Ltd	7460	-0.23%	4.80%	16.77%
Astral Foods Ltd	14690	5.30%	-7.34%	15.78%
Resilient REIT Ltd	12900	0.94%	7.26%	15.35%
PSG Konsult Ltd	835	0.00%	1.83%	14.43%
Sanlam Ltd	6911	3.77%	0.70%	14.41%
Mr Price Group Ltd	17700	5.36%	21.38%	14.11%
Glencore Plc	5269	-2.37%	7.86%	13.94%
Hudaco Industries Ltd	12680	0.83%	-3.28%	13.87%
Gold Fields Ltd	4875	-0.59%	5.06%	13.54%
MAS Real Estate Inc	2480	-1.35%	5.53%	13.19%
AECI Ltd	10964	-0.29%	2.30%	11.35%
Reinet Investments SCA	2980	0.74%	-5.85%	11.19%
Fortress Income Fund Ltd	1764	0.80%	3.95%	10.72%
Holdsport Ltd	6250	2.46%	9.91%	10.17%
Kumba Iron Ore Ltd	17499	1.69%	11.42%	10.06%
Octodec Investments Ltd	2318	-1.28%	-0.09%	9.86%
Investec Plc	9952	-0.38%	-3.28%	9.66%
Brimstone Investment Corp Ltd	1275	0.00%	-7.27%	9.42%
JSE All Share Index	54163	1.05%	4.94%	6.93%

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	02:30	Nomura/ JMMA Manufacturing PMI (Jul) (P)	✓✓✓	52.20*	52.40	Monthly
Japan	07:00	Supermarket Sales (YoY) (Jun)	✓	-	-1.80%	Monthly
Japan	07:00	Coincident Index (May) (F)	✓	-	115.50**	Monthly
Japan	07:00	Leading Economic Index (May) (F)	✓✓	-	104.70**	Monthly
Germany	09:30	Markit Manufacturing PMI (Jul) (P)	✓✓✓	59.20	59.60	Monthly
Germany	09:30	Markit Services PMI (Jul) (P)	✓✓	54.30	54.00	Monthly
Eurozone	10:00	Markit Composite PMI (Jul) (P)	✓✓✓	56.20	56.30	Monthly
Eurozone	10:00	Markit Manufacturing PMI (Jul) (P)	✓✓✓	57.20	57.40	Monthly
Eurozone	10:00	Markit Services PMI (Jul) (P)	✓✓	55.40	55.40	Monthly
China	15:00	Conference Board Leading Economic Index (Jun)	✓	-	-	Monthly
US	15:45	Markit Composite PMI (Jul) (P)	✓✓	-	53.00	Monthly
US	15:45	Markit Manufacturing PMI (Jul) (P)	✓✓✓	52.20	52.00	Monthly
US	15:45	Markit Services PMI (Jul) (P)	✓✓	54.00	54.20	Monthly
US	16:00	Existing Home Sales (Jun)	✓	5.57mn	5.57mn	Monthly
US	16:00	Existing Home Sales (MoM) (Jun)	✓	-0.90%	1.10%	Monthly
Eurozone	18:00	ECB's Frank Smets Speaks in Munich	✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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