

ONE Minute Brief

21 August 2017

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Economic and Political News

According to a Reuters survey of economists, the South African Reserve Bank is expected to cut interest rates again in November or possibly in September, given the relatively tame inflation outlook.

Statistics South Africa (SA) head, Pali Lehohla, will step down and leave the organisation when his contract gets over at the end of October.

The Chamber of Mines stated in its affidavit at the High Court in Pretoria that the Mineral Resources Minister, Mosebenzi Zwane, is trying to undermine the credibility of the industry's transformation journey.

ANC Treasurer-General, Zweli Mkhize, has indicated that the continued discussions between ANC provincial leaders in the past two months are the key to ensuring the stability of the December elective conference.

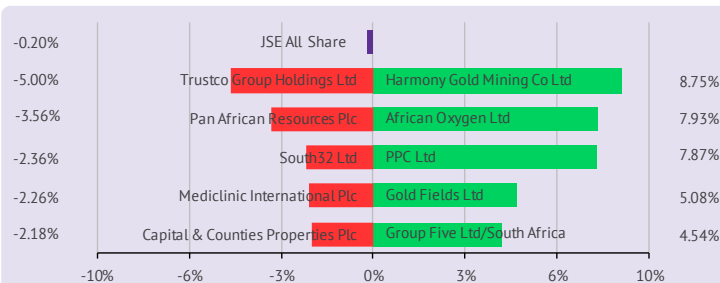
The Democratic Alliance (DA) stated that the party will urge for a parliamentary inquiry into government's decision to grant Zimbabwean President Robert Mugabe's wife, Grace Mugabe, diplomatic immunity.

African National Congress (ANC) NEC member, Nkosazana Dlamini-Zuma, has asked that ANC members and those of its alliance must reflect on how they became so divided and that they should work towards restoring unity.

South Africa Market ▼

South African markets closed lower

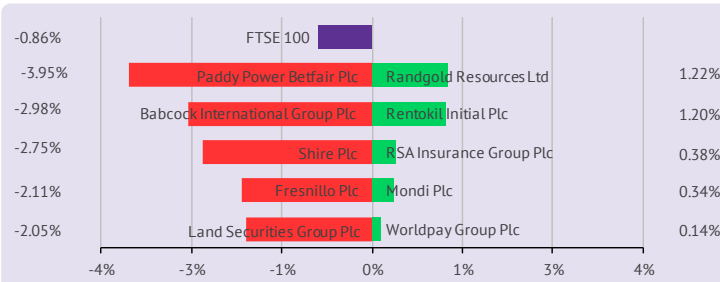
South African markets closed in the red on Friday, led by losses in financial and retail sector stocks. The JSE All Share Index fell 0.2% to close at 55,304.23.



UK Market ▼

The FTSE 100 futures are trading in negative territory

UK markets finished lower on Friday, amid a decline in consumer discretionary and industrial sector stocks. Data revealed that UK's Rightmove house price index retreated on a monthly basis in August. The FTSE 100 Index declined 0.9% to close at 7,323.98.



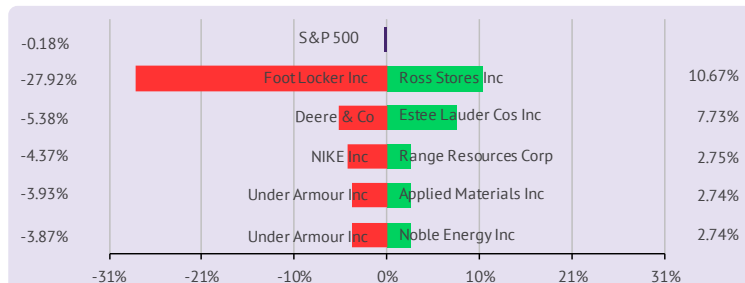
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	55304.23	▼ -111.04	-0.20%	NA	0.18%	6.97%	9.18%
JSE Top 40	48929.87	▼ -135.94	-0.28%	NA	0.12%	7.60%	11.45%
FTSE 100	7323.98	▼ -63.89	-0.86%	NA	-0.65%	0.81%	2.54%
DAX 30	12165.19	▼ -38.27	-0.31%	NA	0.39%	-1.68%	5.96%
CAC 40	5114.15	▼ -32.70	-0.64%	NA	0.40%	-0.53%	5.18%
S&P 500	2425.55	▼ -4.46	-0.18%	NA	-1.81%	1.93%	8.34%
Nasdaq Composite	6216.53	▼ -5.39	-0.09%	NA	-2.07%	3.38%	15.48%
DJIA	21674.51	▼ -76.22	-0.35%	NA	-0.99%	2.54%	9.67%

US Market ▼

The S&P 500 futures are trading in the red

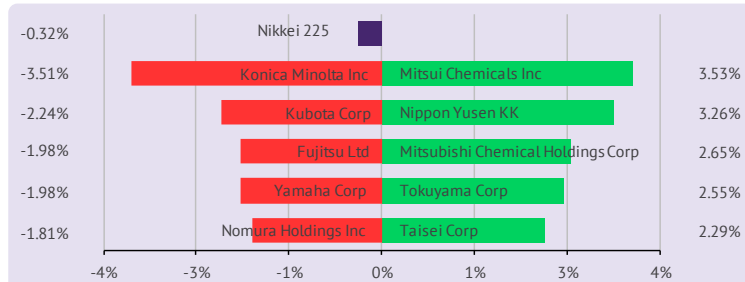
US markets closed lower on Friday, led by losses in real estate, telecommunication and consumer discretionary sector stocks. In major news, President Donald Trump's chief strategist, Steve Bannon, has left the White House. The S&P 500 Index dropped 0.2% to close at 2,425.55.



Asian Market ◀▶

Trading mixed

Asian markets are trading mixed this morning. Data indicated that Japan's all industry activity index rebounded in line with market expectations on a monthly basis in June. The Nikkei 225 Index is trading 0.3% lower at 19,408.59.



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USDZAR ▲

USD trading higher against ZAR

At 06:00 SAST, the US Dollar is trading 0.2% firmer against the South African Rand at R13.1815. Later today, traders will keep a close watch on the US Chicago Fed national activity index for July for further cues.

The US Dollar fell against the South African Rand on Friday. In economic news, the US preliminary Reuters/Michigan consumer sentiment index climbed higher than market expectations to its strongest level in 7 months in August, as expectations increased for a better US economy overall and personal financial prospects.

GBPZAR ▲

GBP trading stronger against ZAR

At 06:00 SAST, the British Pound is trading 0.2% firmer against the South African Rand at R16.9742. On the data front, UK's Rightmove house price index bounced back into negative territory on a monthly basis in August. Later today, traders will keep an eye on UK's public sector net borrowing for further direction.

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

EURZAR ▲

EUR trading firmer against ZAR

At 06:00 SAST, the Euro rose 0.1% against the South African Rand to trade at R15.4930. With no major economic news in the Eurozone today, investor sentiment will be determined by the global macroeconomic news.

The Euro weakened against the South African Rand on Friday. On the macro front, Eurozone's construction output recorded a drop on a monthly basis in June, higher than its previous reading. Further, current account surplus narrowed to its lowest level since August 2014 in the same month. Meanwhile, Germany's producer price index advanced more-than-expected on a yearly basis in July.

AUDZAR ▲

AUD trading stronger against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.5% higher against the South African Rand at R10.4476.

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	13.1815	▲	-0.78%	NA	-0.21%	0.85%	-4.17%
GBPZAR	16.9742	▲	-0.76%	NA	-2.80%	2.31%	0.05%
EURZAR	15.4930	▲	-0.48%	NA	-0.92%	4.50%	7.13%
AUDZAR	10.4476	▲	-0.56%	NA	-1.70%	5.43%	4.98%
EURUSD	1.1753	▼	0.32%	NA	-0.68%	3.64%	11.87%
GBPUSD	1.2878	▲	0.02%	NA	-2.61%	1.46%	4.33%
Brent (\$/barrel)	52.7	▼	3.31%	NA	0.00%	8.10%	-7.22%
Gold (\$/oz)	1291.5	▲	-0.05%	NA	1.51%	1.96%	11.63%
Platinum (\$/oz)	981.7	▼	0.07%	NA	4.43%	1.84%	8.96%
Copper (\$/MT)*	6452.3	▼	-0.06%	NA	1.83%	6.90%	16.83%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.5% higher to trade at \$1,291.50/oz.

On Friday, gold prices marginally fell to close at \$1,285.70/oz, reversing its previous session gains.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil marginally fell to trade at \$52.70/bl.

On Friday, Brent crude oil advanced 3.3% to settle at \$52.72/bl, on the back of reports of a unit shutdown of one of the largest oil refineries in the US. Further, oil prices gained support after Baker Hughes reported that US crude oil rig count fell by 5 to 763 last week.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged 0.1% lower to trade at \$981.70/oz.

On Friday, platinum prices climbed 0.1% to close at \$982.40/oz.



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Major South Africa Corporate News

African Oxygen Limited

In its 1H17 trading statement, the company revealed that it expects its EPS to rise between 93.00c and 103.00c, while its HEPS is anticipated to increase in the range of 92.00c to 102.00c.

Pan African Resources Plc

In its FY17 trading statement, the company stated that its EPS is expected to fall in the range of 18.30c to 21.32c. Its HEPS is anticipated to decline between 18.66c and 21.68c.

Major Global Economic News

Eurozone

In the Eurozone, the seasonally adjusted construction output slid 0.5% on a monthly basis in June. In the previous month, construction output had registered a revised drop of 0.2%.

In June, the seasonally adjusted current account surplus narrowed to EUR21.20bn in the Eurozone, compared to a revised current account surplus of EUR30.50bn in the previous month.

In Germany, the PPI registered a rise of 2.3% on a yearly basis in July, higher than market expectations for an advance of 2.2%. In the prior month, the PPI had advanced 2.4%.

US

In the US, the flash Reuters/Michigan consumer sentiment index climbed to 97.60 in August, compared to a reading of 93.40 in the previous month. Market anticipation was for the index to climb to 94.00.

UK

In the UK, the Rightmove house price index slid 0.9% on a monthly basis in August. In the previous month, the index had registered a rise of 0.1%.

Asia

In Japan, the all industry activity index rose 0.4% on a monthly basis in June, meeting market expectations. The index had registered a revised drop of 0.8% in the prior 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	290000	4.90%	6.79%	43.99%
Adcock Ingram Holdings Ltd	6430	2.86%	4.05%	34.68%
Dis-Chem Pharmacies Ltd	2980	0.20%	3.36%	33.38%
Gold Fields Ltd	5725	4.24%	23.38%	33.33%
Trencor Ltd	3744	-0.95%	11.10%	33.16%
Exxaro Resources Ltd	11200	0.45%	9.71%	29.85%
Kumba Iron Ore Ltd	18934	3.57%	31.23%	29.62%
Anglo American Platinum Ltd	34209	2.20%	22.65%	29.38%
Clicks Group Ltd	14500	1.05%	7.12%	28.43%
Mondi Plc	35117	0.37%	1.79%	28.11%
Mondi Ltd	35103	0.38%	1.66%	27.48%
Bid Corp Ltd	30800	-2.53%	2.78%	26.81%
Discovery Ltd	14337	-1.12%	11.90%	26.05%
Glencore Plc	5814	3.36%	19.02%	25.72%
Murray & Roberts Holdings Ltd	1448	-0.34%	8.95%	25.69%
Capitec Bank Holdings Ltd	86066	1.25%	10.51%	25.14%
PSG Konsult Ltd	910	1.11%	10.98%	24.71%
Cie Financiere Richemont SA	11277	-2.32%	1.95%	24.28%
RCL Foods Ltd/South Africa	1550	-1.34%	3.33%	22.93%
Fortress Income Fund Ltd	3880	-0.15%	10.89%	22.76%
Vodacom Group Ltd	18084	-0.12%	12.39%	21.87%
Equites Property Fund Ltd	1847	-0.16%	7.63%	20.80%
Astral Foods Ltd	15253	1.21%	-3.79%	20.21%
Resilient REIT Ltd	13220	1.69%	9.92%	18.21%
PSG Group Ltd	25487	-1.24%	6.39%	17.80%
Shoprite Holdings Ltd	20012	1.33%	-4.25%	17.74%
Sibanye Gold Ltd	1924	-0.98%	21.62%	16.60%
Hudaco Industries Ltd	12700	1.20%	-1.77%	15.65%
Holdsport Ltd	6560	-0.08%	15.36%	15.64%
Anglo American Plc	21740	1.21%	27.11%	14.66%
South32 Ltd	3055	-3.29%	17.91%	14.11%
Sanlam Ltd	6885	0.70%	0.32%	13.98%
MAS Real Estate Inc	2495	-2.35%	6.17%	13.87%
Mr Price Group Ltd	17639	0.36%	20.96%	13.72%
KAP Industrial Holdings Ltd	843	1.93%	-5.81%	12.70%
DataTec Ltd	5521	-2.11%	5.77%	11.58%
Investec Ltd	9870	-0.55%	-2.09%	11.29%
Investec Plc	9860	-1.16%	-2.00%	11.11%
Octodec Investments Ltd	2336	-1.85%	0.69%	10.72%
Echo Polska Properties NV	2099	0.00%	3.20%	10.26%
JSE All Share Index	55304	0.27%	0.18%	9.18%

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous	Frequency
UK	01:01	Rightmove House Price Index (MoM) (Aug)	✓	-0.90%*	0.10%	Monthly
UK	01:01	Rightmove House Price Index (YoY) (Aug)	✓	3.10%*	2.80%	Monthly
Japan	06:30	All Industry Activity Index (MoM) (Jun)	✓✓✓	0.40%*	-0.90%	Monthly
Japan	07:30	Nationwide Department Store Sales (YoY) (Jul)	✓	-	1.40%	Monthly
Japan	07:30	Tokyo Department Store Sales (YoY) (Jul)	✓	-	1.10%	Monthly
Japan	09:00	Convenience Store Sales (YoY) (Jul)	✓	-	-0.10%	Monthly
US	14:30	Chicago Fed National Activity Index (Jul)	✓	0.10	0.13	Monthly
Canada	14:30	Wholesale Sales (MoM) (Jun)	✓	-0.50%	0.90%	Monthly
Germany	-	German Buba Monthly Report	✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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