

ONE
Minute Brief

29 August 2017



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Economic and Political News

South Africa's (SA) steel production rose 7.6% in July from June, to 493,000 tons. However, output was down 6.3% from a year ago.

Treasury indicated that it will offer ZAR800mn in inflation-linked bonds (ILB) in auction this week, up from ZAR650mn.

The Federation of Unions of South Africa (FEDUSA) has called on National Treasury to remove the South African Airways (SAA) Board Chairperson, Dudu Myeni, at the AGM of SAA on Thursday.

The South African Express has stated that it urgently needs more capital to pay its debts and continue operating.

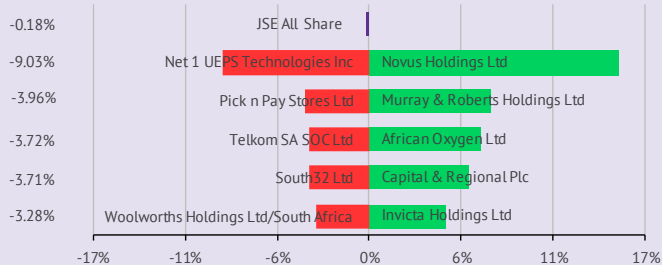
In an open letter to former Finance Minister, Pravin Gordhan, President, Jacob Zuma's son, Duduzane indicated that all his bank accounts had been closed and alleged that Gordhan was using the Financial Intelligence Centre and the South African Reserve Bank "to destroy" him and "his business colleagues". Meanwhile, Gordhan stated that he had referred the open letter to his lawyers.

The Democratic Alliance (DA) has demanded that Eskom hand over the report by Oliver Wyman to Parliament for scrutiny after the company admitted that its initial claim in June, that the R1.6 billion paid to the Gupta-linked Trillian and McKinsey was found above board by Oliver Wyman, was not true.

South Africa Market ▼

South African markets closed lower

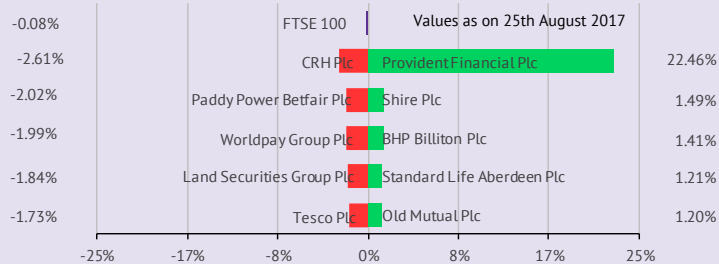
South African markets closed in the red yesterday, led by sharp losses in retail, industrial and banking sector stocks. The JSE All Share Index fell 0.2% to close at 56,555.62.



UK Market ▼

The FTSE 100 futures are trading in negative territory

UK markets finished lower on Friday, weighed down by losses in consumer discretionary and material sector stocks. The FTSE 100 Index declined 0.1% to close at 7,401.46.



Key Indices

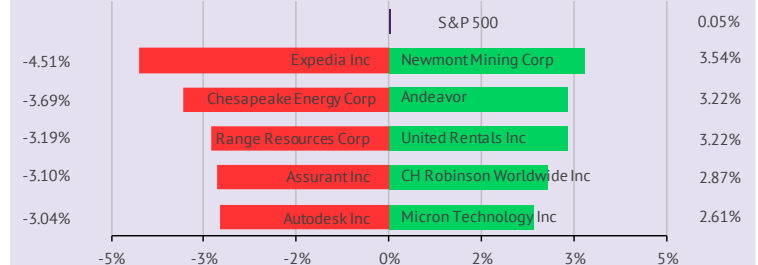
	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	56555.62	▼ -100.26	-0.18%	-0.18%	2.44%	6.97%	11.65%
JSE Top 40	50058.29	▼ -117.04	-0.23%	-0.23%	2.42%	7.60%	14.02%
FTSE 100*	7401.46	▼ -5.60	-0.08%	0.00%	0.40%	0.81%	3.62%
DAX 30	12123.47	▼ -44.47	-0.37%	-0.37%	0.04%	-1.68%	5.60%
CAC 40	5079.75	▼ -24.58	-0.48%	-0.48%	-0.28%	-0.53%	4.47%
S&P 500	2444.24	▲ 1.19	0.05%	0.05%	-1.05%	1.93%	9.17%
Nasdaq Composite	6283.02	▲ 17.37	0.28%	0.28%	-1.03%	3.38%	16.72%
DJIA	21808.40	▼ -5.27	-0.02%	-0.02%	-0.38%	2.54%	10.35%

*Values as on 25th August 2017

US Market ▲

The S&P 500 futures are trading in the red

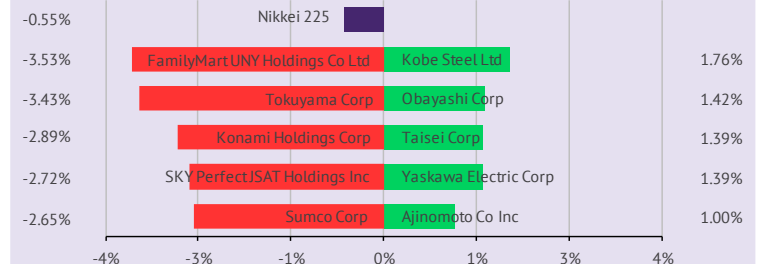
US markets closed a tad higher yesterday, supported by gains in health care sector stocks. Data revealed that US advance goods trade deficit widened more-than-expected in July. The S&P 500 Index marginally climbed to close at 2,444.24.



Asian Market ▼

Trading mostly lower

Asian markets are trading mostly lower this morning. Data indicated that Japan's unemployment rate remained steady in July. The Nikkei 225 Index is trading 0.6% lower at 19,343.20.



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USDZAR ▲

USD trading higher against ZAR

At 06:00 SAST, the US Dollar is trading 0.4% firmer against the South African Rand at R13.0866. Later today, traders will keep a close watch on consumer confidence data in the US for further direction.

The US Dollar rose against the South African Rand yesterday. On the macro front, advance goods trade deficit in the US expanded more than market anticipations in July. In contrast, preliminary wholesale inventories advanced higher-than-expected in the same month.

GBPZAR ▲

GBP trading stronger against ZAR

At 06:00 SAST, the British Pound gained 0.4% against the South African Rand to trade at R16.9342. Later today, traders will keep an eye on UK's Nationwide house price index for further cues.

The British Pound advanced against the South African Rand yesterday.

EURZAR ▲

EUR trading firmer against ZAR

At 06:00 SAST, the Euro is trading 0.3% higher against the South African Rand at R15.6634. Going forward, market participants will keep a tab on Germany's GfK consumer confidence index for further indication.

The Euro strengthened against the South African Rand yesterday.

AUDZAR ▼

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% weaker against the South African Rand at R10.3746. Earlier in the session, Australia's ANZ Roy Morgan weekly consumer confidence index recorded a rise for the week ended August 27, 2017.

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	13.0866	▲	0.09%	0.09%	-1.16%	0.85%	-5.08%
GBPZAR	16.9342	▲	0.48%	0.48%	-3.22%	2.31%	-0.38%
EURZAR	15.6634	▲	0.53%	0.53%	0.02%	4.50%	8.16%
AUDZAR	10.3746	▼	0.88%	0.88%	-1.89%	5.43%	4.78%
EURUSD	1.1969	▼	0.46%	0.46%	1.16%	3.64%	13.94%
GBPUSD	1.2940	▲	0.40%	0.40%	-2.13%	1.46%	4.84%
Brent (\$/barrel)	52.1	▲	-0.99%	-0.99%	-1.57%	8.10%	-8.68%
Gold (\$/oz)	1322.1	▲	1.33%	1.33%	3.40%	1.96%	13.72%
Platinum (\$/oz)	992.9	▲	1.04%	1.04%	5.17%	1.84%	9.73%
Copper (\$/MT)*	6648.5	-	0.00%	NA	4.93%	6.90%	20.38%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices rose 0.9% to trade at \$1,322.10/oz.

Yesterday, gold prices rose 1.3% to close at \$1,309.70/oz, as weakness in the greenback, underpinned demand for the precious yellow metal.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil climbed 0.4% to trade at \$52.09/bl.

Yesterday, Brent crude oil dropped 1.0% to settle at \$51.89/bl, amid worries that shutdown of refineries in the Gulf of Mexico region due to the hurricane Harvey will cause an excess in crude supplies.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged 0.4% higher to trade at \$992.90/oz.

Yesterday, platinum prices climbed 1.0% to close at \$989.30/oz.



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Major South Africa Corporate News

Bidvest Group Limited

In its FY17 results, the company stated that its revenue increased to ZAR70.99bn from ZAR68.24bn posted in the corresponding period of the previous year. Its diluted HEPS rose 5.0% from the same period of the prior year to 1,102.90c.

Super Group Limited

In its FY17 results, the company revealed that its revenue advanced 15.2% from the same period of the preceding year to ZAR29.87bn. Its diluted HEPS stood at 286.40c, compared with 287.30c recorded in the corresponding period of the previous year.

Major Global Economic News

US

The US has reported advance goods trade deficit of USD65.10bn in July, compared to a revised advance goods trade deficit of USD64.00bn in the previous month. Market anticipation was for the nation to post an advance goods trade deficit of USD64.50bn.

In July, the seasonally adjusted preliminary wholesale inventories registered a rise of 0.4% on a monthly basis in the US, higher than market expectations for an advance of 0.3%. The wholesale inventories had advanced 0.7% in the previous month.

Asia

In Japan, unemployment rate remained flat at a level of 2.8% in July. Markets were expecting unemployment rate to remain unchanged.

In Australia, ANZ Roy Morgan weekly consumer confidence index rose 113.5 for the week ended August 27, 2017, compared to a reading of 109.2 in the previous week.

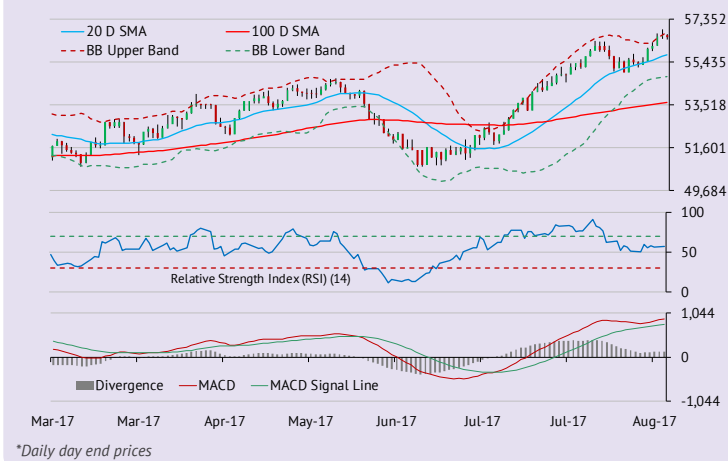
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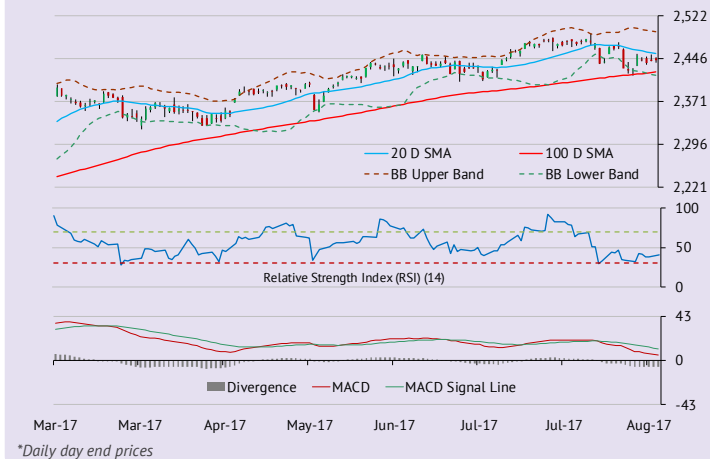
Technical Snapshot

JSE All Share



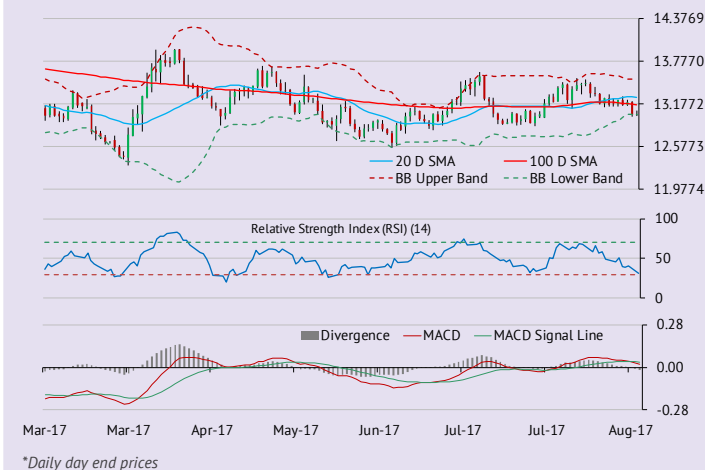
The JSE All Share index is expected to find support at 55,705.14, and a fall through could take it to the next support level of 54,854.65. The index is expected to find its first resistance at 57,151.50, and a rise through could take it to the next resistance level of 57,747.37.

S&P 500



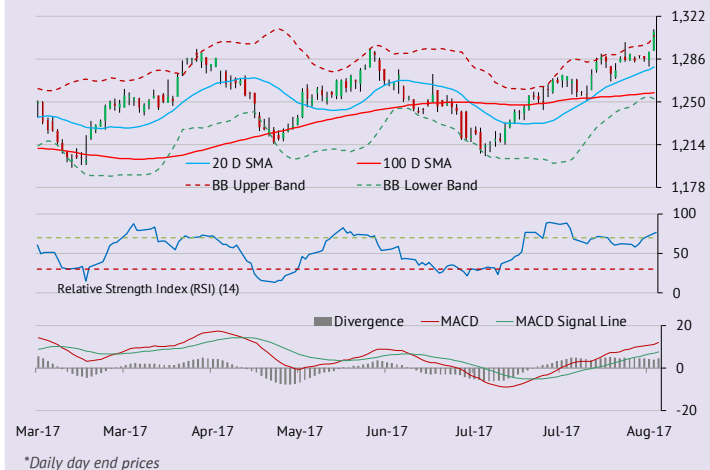
The S&P 500 index is expected to find support at 2,433.68, and a fall through could take it to the next support level of 2,423.13. The index is expected to find its first resistance at 2,454.78, and a rise through could take it to the next resistance level of 2,465.33.

USDZAR



The pair is expected to find support at 12,926.9, and a fall through could take it to the next support level of 12,820.3. The pair is expected to find its first resistance at 13,209.0, and a rise through could take it to the next resistance level of 13,384.5.

XAU/USD



Gold is expected to find support at \$1,289.57/oz, and a fall through could take it to the next support level of \$1,269.43/oz. The precious metal is expected to find its first resistance at \$1,320.57/oz, and a rise through could take it to the next resistance level of \$1,331.43/oz.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	01:30	Job-To-Applicant Ratio (Jul)	✓	1.52*	1.51	Monthly
Japan	01:30	Unemployment Rate (Jul)	✓✓✓	2.80%*	2.80%	Monthly
Japan	01:30	Household Spending (YoY) (Jul)	✓✓	-0.20%*	2.30%	Monthly
Germany	08:00	GfK Consumer Confidence Survey (Sep)	✓✓✓	10.80	10.80	Monthly
UK	08:00	Nationwide House Prices n.s.a. (YoY) (Aug)	✓✓	2.50%	2.90%	Monthly
UK	08:00	Nationwide House Prices s.a. (MoM) (Aug)	✓✓✓	0.00%	0.30%	Monthly
US	14:55	Redbook Index (YoY) (25-Aug)	✓	-	3.20%	Weekly
US	14:55	Redbook Index s.a. (MoM) (25-Aug)	✓	-	-0.20%	Weekly
US	15:00	S&P/Case-Shiller Home Price Index (Jun)	✓	-	198.97	Monthly
US	15:00	S&P/Case-Shiller 20 City s.a. (MoM) (Jun)	✓	0.10%	0.10%	Monthly
US	15:00	S&P/Case-Shiller Composite-20 (YoY) (Jun)	✓	5.60%	5.69%	Monthly
US	16:00	Consumer Confidence (Aug)	✓✓✓	120.70	121.10	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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