

ONE Minute Brief

4 September 2017

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Economic and Political News

In South Africa (SA), the manufacturing PMI advanced to 44.0 in August, compared to a reading of 42.9 in July. In August, new vehicle sales advanced more-than-expected by 6.5% YoY, compared to a rise of 4.1% in July.

Speaking at the BRICS summit, President, Jacob Zuma, stated that while SA's trade with other BRICS nations had risen, it was "highly inequitable". He added that Africa has great potential for growth and prosperity and opportunities from an investment perspective are limitless.

The Democratic Alliance (DA) has called for an urgent meeting with the Economic Freedom Fighters (EFF) after the latter did not attend council meetings in Tshwane, Johannesburg and Nelson Mandela Bay and stated that it had decided to stay away from all council meetings of DA led coalitions.

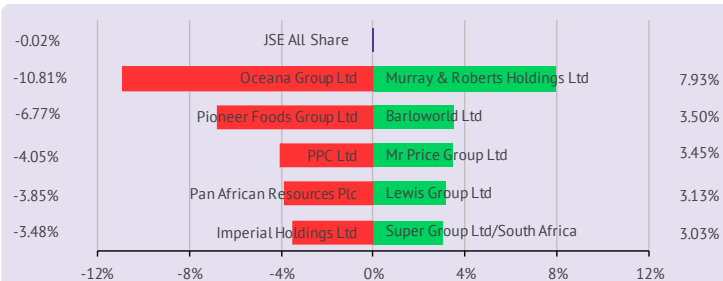
The Energy Department stated that SA's Energy Minister, Mmamoloko Kubayi, had asked Eskom to sign power purchase agreements (PPAs) with independent power producers (IPPs) of renewable energy by the end of October this year.

The DA has urged political parties to put the South African people first and support its efforts to bring forward the 2019 general elections.

South Africa Market ▼

South African markets closed lower

South African markets closed a tad weaker on Friday, led by losses in gold mining sector stocks. Data revealed that South Africa's manufacturing PMI recorded a rise in August, compared to its prior reading. The JSE All Share Index marginally fell to close at 56,513.46.



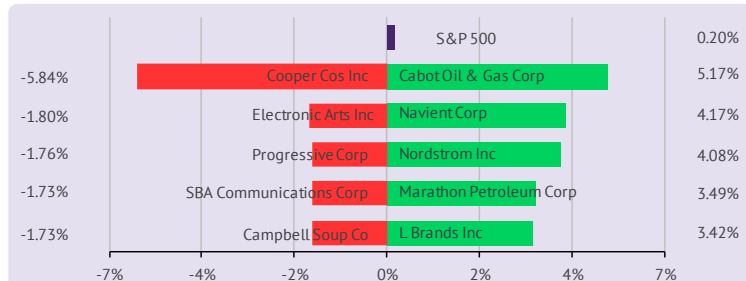
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	56513.46	▼	-8.65	-0.02%	NA	-0.02%	2.38%	11.57%
JSE Top 40	49996.40	▼	-0.87	0.00%	NA	0.00%	2.30%	13.88%
FTSE 100	7438.50	▲	7.88	0.11%	NA	0.11%	0.80%	4.14%
DAX 30	12142.64	▲	86.80	0.72%	NA	0.72%	-0.52%	5.76%
CAC 40	5123.26	▲	37.67	0.74%	NA	0.74%	-0.16%	5.37%
S&P 500	2476.55	▲	4.90	0.20%	NA	0.20%	0.05%	10.62%
Nasdaq Composite	6435.33	▲	6.67	0.10%	NA	0.10%	1.27%	19.55%
DJIA	21987.56	▲	39.46	0.18%	NA	0.18%	0.26%	11.26%

US Market ▲

The S&P 500 futures are trading in the red

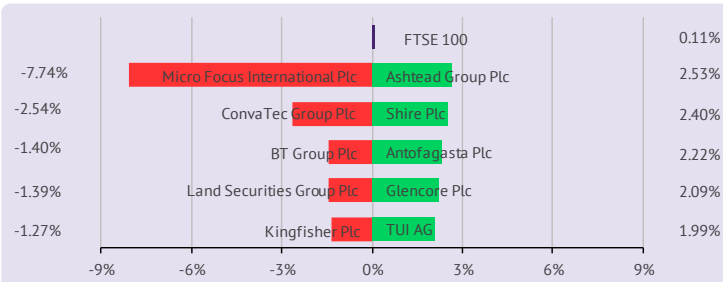
US markets closed higher on Friday, boosted by gains in energy sector stocks. Data indicated that US non-farm payrolls rose less-than-expected, while the unemployment rate unexpectedly jumped in August. The S&P 500 Index climbed 0.2% to close at 2,476.55.



UK Market ▲

The FTSE 100 futures are trading in negative territory

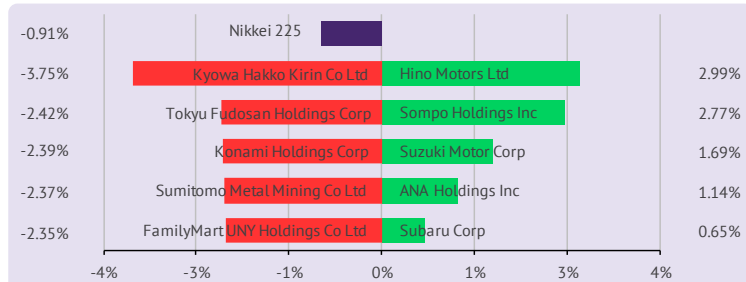
UK markets ended in the green on Friday, amid gains in industrial and material sector stocks. Data showed that UK's Markit manufacturing PMI surprisingly advanced to its highest level in 4 months in August. The FTSE 100 Index advanced 0.1% to close at 7,438.50.



Asian Market ▼

Trading mostly lower

Asian markets are trading mostly lower this morning. The Nikkei 225 Index is trading 0.9% lower at 19,513.19.



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USDZAR ▼

USD trading lower against ZAR

At 06:00 SAST, the US Dollar retreated 0.1% against the South African Rand to trade at R12.9237.

The US Dollar fell against the South African Rand on Friday, after data revealed that US jobs growth slowed a tad in August and unemployment rate recorded an unexpected rise in the same month. Additionally, the final Reuters/Michigan consumer confidence index dropped more-than-expected in August. In contrast, the ISM manufacturing PMI expanded higher-than-expected in August. Further, final Markit manufacturing PMI surprisingly rose in the same month. Whereas, average hourly earnings recorded an unchanged reading on a yearly basis in August. Separately, South Africa's manufacturing PMI advanced in August, compared to its previous reading.

GBPZAR ▼

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound fell 0.1% against the South African Rand to trade at R16.7413. Later today, traders will keep an eye on UK's Markit construction PMI for further cues.

The British Pound declined against the South African Rand on Friday. On the macro front, UK's Markit manufacturing PMI registered an unexpected rise in August, notching its strongest level in 4 months.

EURZAR ▲

EUR trading higher against ZAR

At 06:00 SAST, the Euro marginally gained against the South African Rand to trade at R15.3540. Going forward, market participants will keep a tab on Eurozone's Sentix investor confidence and producer price index for further direction.

The Euro weakened against the South African Rand on Friday. On the data front, Eurozone's final Markit manufacturing PMI expanded in line with expectations in August, driven by the fastest rise in export orders since February 2011. Meanwhile, Germany's final Markit manufacturing PMI unexpectedly dropped in the same month.

AUDZAR ▼

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar declined 0.2% against the South African Rand to trade at R10.2901.

The Australian Dollar fell against the South African Rand on Friday. On the data front, Australia's AIG Performance of manufacturing index rose in August, compared to its previous reading. Meanwhile, in China, Australia's largest trading partner, Caixin manufacturing PMI surpassingly advanced to its strongest level in 6 months in August, led by strong growth in new businesses.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	12.9237	▼	-0.49%	NA	-0.49%	-1.39%	-5.77%
GBPZAR	16.7413	▼	-0.35%	NA	-0.35%	-3.47%	-0.98%
EURZAR	15.3540	▲	-0.91%	NA	-0.91%	-0.81%	6.28%
AUDZAR	10.2901	▼	-0.24%	NA	-0.24%	-2.31%	4.08%
EURUSD	1.1881	▲	-0.42%	NA	-0.42%	0.57%	12.81%
GBPUSD	1.2955	▲	0.16%	NA	0.16%	-2.16%	4.99%
Brent (\$/barrel)	52.5	▼	-0.21%	NA	-0.21%	0.27%	-7.16%
Gold (\$/oz)	1339.0	▲	0.61%	NA	0.61%	4.10%	15.19%
Platinum (\$/oz)	1014.8	▲	1.05%	NA	1.05%	6.14%	11.91%
Copper (\$/MT)*	6804.5	▲	0.67%	NA	0.67%	6.68%	23.20%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices rose 0.9% to trade at \$1,339.00/oz.

On Friday, gold prices rose 0.6% to close at \$1,326.60/oz, following disappointing US jobs report that likely casts doubt whether the Federal Reserve will hike interest rate again this year or not.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 0.4% lower to trade at \$52.54/bl.

On Friday, Brent crude oil dropped 0.2% to settle at \$52.75/bl, after news emerged that some of the refineries have restarted operations in Texas. Meanwhile, Baker Hughes reported that US oil rig count was unchanged at 759 last week.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged higher 0.6% to trade at \$1,014.80/oz.

On Friday, platinum prices climbed 1.1% to close at \$1,009.00/oz.



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Major South Africa Corporate News

Hyprop Investments Limited

In its FY17 results, the company revealed that its revenue advanced 2.9% from the same period of the preceding year to ZAR3.16bn. Its diluted HEPS stood at 637.10c, compared with 567.30c recorded in the corresponding period of the previous year.

Oceana Group Limited

In its FY17 trading statement, the company indicated that its EPS and HEPS is expected to fall in the range of 511.00c to 393.00c and 457.00c to 352.00c, respectively.

Mr Price Group Limited

In its trading update for the four months ended August 5, 2017, the company revealed that its retail sales advanced 6.2% to ZAR6.50bn.

Pioneer Foods Group

The company announced that its Chief Executive Officer, Phil Roux has decided to resign from his position effective October 1, 2017.

Major Global Economic News

US

In the US, non-farm payrolls rose by 156.00 K in August, compared to market expectations of an advance of 180.00 K. Non-farm payrolls had recorded a revised increase of 189.00 K in the prior month.

In August, unemployment rate registered an unexpected rise to a level of 4.4% in the US, compared to market expectations of a steady reading. In the prior month, unemployment rate had registered a reading of 4.3%.

In the US, the ISM manufacturing activity index recorded a rise to 58.80 in August, compared to a level of 56.30 in the previous month. Markets were anticipating the index to advance to a level of 56.50.

In August, the final Markit manufacturing PMI registered a drop to 52.80 in the US, compared to market expectations of a drop to 52.50. The Markit manufacturing PMI had recorded a level of 53.30 in the prior month. The preliminary figures had indicated a drop to 52.50.

In the US, the final Reuters/Michigan consumer sentiment index rose to a level of 96.80 in August, compared to a reading of 93.40 in the previous month. The preliminary figures had recorded an advance to 97.60. Markets were expecting the index to advance to a level of 97.50.

In August, average hourly earnings of all employees recorded a rise of 2.5% on a yearly basis in the US, less than market expectations for an advance of 2.6%. Average hourly earnings of all employees had registered a similar rise in the prior month.

UK

In the UK, the Markit manufacturing PMI unexpectedly climbed to 56.90 in August, compared to a revised level of 55.30 in the prior month. Market anticipation was for the manufacturing PMI to fall to 55.00.

Eurozone

In the Eurozone, the final Markit manufacturing PMI climbed to 57.40 in August, in line with market expectations. The preliminary figures had also recorded a rise to 57.40. In the previous month, the manufacturing PMI had registered a level of 56.60.

In Germany, the final manufacturing PMI recorded a rise to 59.30 in August, compared to a reading of 58.10 in the previous month. The preliminary figures had recorded an advance to 59.40. Markets were expecting manufacturing PMI to rise to a level of 59.40.



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40 Best Performers on the All Share Index

Company Name	Last Close	1 Week % Change	MTD % Change	YTD % Change
Kumba Iron Ore Ltd	21985	6.47%	52.38%	50.51%
Exxaro Resources Ltd	12724	1.96%	24.64%	47.52%
Naspers Ltd	292900	-2.69%	7.86%	45.43%
Murray & Roberts Holdings Ltd	1646	22.84%	23.85%	42.88%
Trencor Ltd	3990	4.18%	18.40%	41.91%
Clicks Group Ltd	15130	2.58%	11.77%	34.01%
Adcock Ingram Holdings Ltd	6372	-1.33%	3.11%	33.46%
Glencore Plc	6156	3.05%	26.02%	33.12%
Anglo American Platinum Ltd	35100	0.86%	25.85%	32.75%
Gold Fields Ltd	5670	4.57%	22.20%	32.05%
Dis-Chem Pharmacies Ltd	2937	-4.02%	1.87%	31.46%
Shoprite Holdings Ltd	22300	2.63%	6.70%	31.21%
Mondi Plc	35638	0.53%	4.18%	31.11%
Discovery Ltd	14859	0.04%	15.98%	30.64%
Mondi Ltd	35574	0.35%	3.89%	30.28%
Capitec Bank Holdings Ltd	89172	0.53%	14.50%	29.66%
Cie Financiere Richemont SA	11577	-0.65%	4.67%	27.58%
Anglo American Plc	23695	4.51%	38.55%	24.97%
Fortress Income Fund Ltd	3941	1.26%	12.63%	24.69%
Sibanye Gold Ltd	2046	1.79%	29.33%	23.99%
Bid Corp Ltd	30061	1.76%	0.32%	23.77%
PSG Konsult Ltd	900	0.00%	9.76%	23.34%
Vodacom Group Ltd	18200	-1.20%	13.11%	22.65%
Astral Foods Ltd	15500	-1.21%	-2.23%	22.16%
Northam Platinum Ltd	4939	7.84%	12.30%	21.95%
Equites Property Fund Ltd	1860	-0.27%	8.39%	21.65%
Mr Price Group Ltd	18750	0.27%	28.58%	20.88%
RCL Foods Ltd/South Africa	1520	0.60%	1.33%	20.55%
African Oxygen Ltd	2209	2.70%	11.79%	19.55%
Holdsport Ltd	6777	1.07%	19.18%	19.46%
Hudaco Industries Ltd	13050	3.94%	0.93%	18.83%
Sanlam Ltd	7151	-1.26%	4.20%	18.39%
MAS Real Estate Inc	2562	0.91%	9.02%	16.93%
BHP Billiton Plc	24842	2.03%	23.43%	16.43%
Barloworld Ltd	13300	8.75%	15.46%	16.39%
Assore Ltd	26880	7.38%	40.07%	16.26%
Santam Ltd	26400	2.27%	7.76%	15.33%
Resilient REIT Ltd	12499	1.59%	6.43%	14.46%
PSG Group Ltd	24735	-6.03%	3.25%	14.33%
DataTec Ltd	5626	2.11%	7.78%	13.70%
JSE All Share Index	56513	-0.25%	-0.02%	11.57%

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous	Frequency
 Japan	01:50	Monetary Base (Aug)	✓✓✓	JPY469.20tn*	JPY468.30tn	Monthly
 Japan	01:50	Monetary Base (YoY) (Aug)	✓	16.30%*	15.70%	Monthly
 Spain	09:00	Unemployment Change (Aug)	✓✓✓	12.00K	-26.90K	Monthly
 Eurozone	10:30	Sentix Investor Confidence (Sep)	✓✓	27.00	27.70	Monthly
 UK	10:30	Markit Construction PMI (Aug)	✓✓	52.00	51.90	Monthly
 Eurozone	11:00	Producer Price Index (YoY) (Jul)	✓✓	2.10%	2.50%	Monthly
 Eurozone	11:00	Producer Price Index (MoM) (Jul)	✓	0.10%	-0.10%	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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