

ONE
Minute Brief

17 October 2017



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Economic and Political News

South Africa's (SA) bulk export volumes dropped by 7.3% on an annual basis in September to 13.8mn tonnes, compared to a drop of 7.2% in August to 11.7mn tonnes.

Minister of Finance, Malusi Gigaba, stated that the reinstatement of corruption charges against President Jacob Zuma were "quite concerning" for the South African economy as it raises political risks.

Deputy President, Cyril Ramaphosa, has received the backing of ANC Eastern Cape to replace Jacob Zuma as party president.

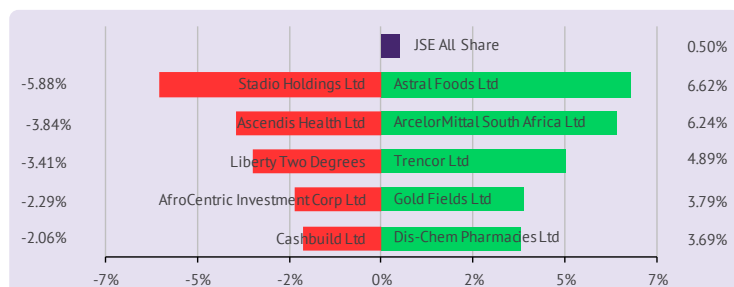
Media Monitoring Africa stated that President, Jacob Zuma, had missed the deadline to oppose its application in the High Court, which demanded Zuma to appoint a permanent board at South African Broadcasting Corporation within 48 hours.

Public Service and Administration Minister, Faith Muthambi's office indicated that steps have been taken for the smooth running of the department after two top officials were suspended.

South Africa Market ▲

South African markets closed higher

South African markets closed in the green yesterday, led by a sharp rally in gold and platinum mining stocks. The JSE All Share Index rose 0.5% to close at 58,163.56.



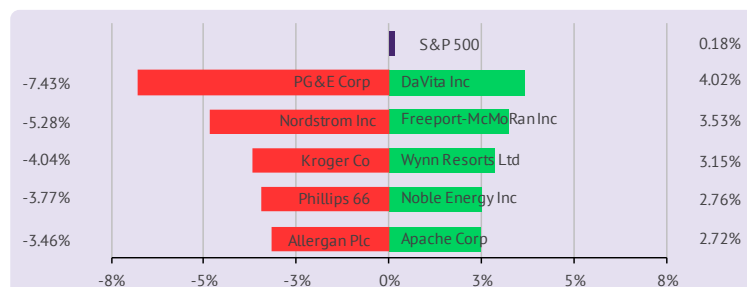
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	58163.56	▲	286.96	0.50%	0.50%	4.65%	-1.67%	14.83%
JSE Top 40	51713.37	▲	262.98	0.51%	0.51%	4.73%	-1.24%	17.79%
FTSE 100	7526.97	▼	-8.47	-0.11%	-0.11%	2.09%	-0.78%	5.38%
DAX 30	13003.70	▲	11.83	0.09%	0.09%	1.36%	6.41%	13.26%
CAC 40	5362.88	▲	11.14	0.21%	0.21%	0.62%	4.80%	10.29%
S&P 500	2557.64	▲	4.47	0.18%	0.18%	1.52%	1.93%	14.24%
Nasdaq Composite	6624.01	▲	18.20	0.28%	0.28%	1.97%	1.05%	23.05%
DJIA	22956.96	▲	85.24	0.37%	0.37%	2.46%	2.08%	16.16%

US Market ▲

The S&P 500 futures are trading in the red

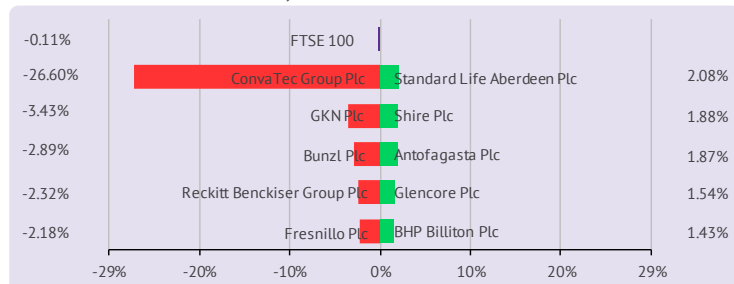
US markets closed higher yesterday, amid gains in telecommunication and financial sector stocks. The S&P 500 Index climbed 0.2% to close at 2,557.64.



UK Market ▼

The FTSE 100 futures are trading in negative territory

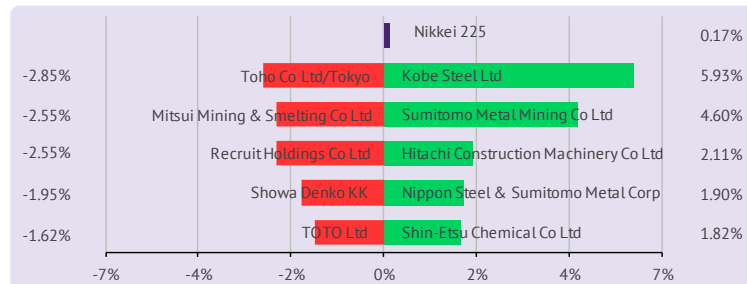
UK markets finished lower yesterday, led by losses in shares of ConvaTec Group as it lowered its full year revenue forecast. However, some losses were pared by heavyweight miners. The FTSE 100 Index declined 0.1% to close at 7,526.97.



Asian Market ▲

Trading higher

Asian markets are trading higher this morning, tracking overnight gains on Wall Street. The Nikkei 225 Index is trading 0.2% higher at 21,290.78.



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USDZAR ▲

USD trading higher against ZAR

At 06:00 SAST, the US Dollar gained 0.2% against the South African Rand to trade at R13.3374. Later today, traders will keep a close watch on US manufacturing production, industrial production and NAHB housing market index data for further cues.

The US Dollar rose against the South African Rand yesterday.

GBPZAR ▲

GBP trading firmer against ZAR

At 06:00 SAST, the British Pound is trading 0.2% higher against the South African Rand at R17.6775. Later today, traders will keep an eye on UK's consumer price index (CPI), house price index and retail price index data for further direction. Additionally, BoE Governor, Mark Carney's testimony due today would be closely watched by market participants.

The British Pound advanced against the South African Rand yesterday.

EURZAR ▲

EUR trading stronger against ZAR

At 06:00 SAST, the Euro is trading marginally higher against the South African Rand at R15.7082. Going forward, market participants will keep a tab on Eurozone's CPI and ZEW economic sentiment index for further indication. Also, Germany's ZEW economic sentiment and current situation index will be on investors' radar.

The Euro strengthened against the South African Rand yesterday, Eurozone's trade surplus widened more-than-expected in August.

AUDZAR ▲

AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar rose 0.1% against the South African Rand to trade at R10.4664. Earlier in the session, the Reserve Bank of Australia's (RBA) October meeting minutes revealed that any change in policy would be dependent on domestic economic conditions and not on moves by central banks overseas. The central bank reiterated that low interest rates would continue in order to support the Australian economy.

The Australian Dollar fell against the South African Rand yesterday. Data indicated that in China, Australia's largest trading partner, the CPI rose in line with market anticipations on an annual basis in September, while the annual producer price index surged to its strongest level in six months in the same month.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.3374	▲	0.35%	0.35%	-1.80%	4.27%	-3.03%
GBPZAR	17.6775	▲	0.10%	0.10%	-2.87%	8.01%	4.24%
EURZAR	15.7082	▲	0.14%	0.14%	-1.95%	3.41%	8.75%
AUDZAR	10.4664	▲	-0.10%	-0.10%	-1.60%	2.78%	5.52%
EURUSD	1.1778	▼	-0.20%	-0.20%	-0.15%	-0.81%	12.20%
GBPUSD	1.3255	▲	-0.26%	-0.26%	-1.10%	3.62%	7.42%
Brent (\$/barrel)	57.8	▲	1.14%	1.14%	1.81%	7.43%	1.76%
Gold (\$/oz)	1295.0	▼	-0.12%	-0.12%	1.44%	-2.81%	12.87%
Platinum (\$/oz)	939.4	=	-0.61%	-0.61%	3.20%	-8.83%	4.19%
Copper (\$/MT)*	7122.0	▲	3.83%	3.83%	10.72%	-4.84%	28.95%

*As of Previous Close

Gold ▼

Trading in the red

At 06:00 SAST, gold prices edged 0.4% lower to trade at \$1,295.00/oz.

Yesterday, gold prices fell 0.1% to close at \$1,299.90/oz, as strength in the US Dollar lowered demand for the precious yellow metal.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged marginally higher to trade at \$57.83/bl.

Yesterday, Brent crude oil advanced 1.1% to settle at \$57.82/bl, after Iraqi forces entered the oil-rich city of Kirkuk, seizing territory from Kurdish fighters and raising concerns over global crude supplies.

Platinum ◀▶

Trading flat

At 06:00 SAST, platinum prices traded flat at \$939.40/oz.

Yesterday, platinum prices declined 0.6% to close at \$939.40/oz.



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Major South Africa Corporate News

Astral Foods Limited

In its FY17 trading update, the company announced that it expects HEPS to increase in the range of 772.00c to 965.00c, compared with the corresponding period in the previous year.

Discovery Limited

The company announced that NewDisc Limited, which will be renamed as Discovery Bank Limited, has been granted a banking licence in the Republic of South Africa.

Cashbuild Limited

In its 1Q18 operational update, the company announced that revenue increased by 5.0%, compared with the corresponding period last year. Further, transactions for the company was up 2.0%, with new stores contributing 4.0% of the increase but existing stores declined by 2.0%.

Impala Platinum Holdings Limited

The company announced that it has entered into agreements with Platinum Group Metals Ltd, Japan Oil, Gas and Metals National Corporation and Mnombo Wethu Consultants to acquire a minority interest in the Waterberg development project, with an option to acquire majority ownership of the project following completion of a definitive feasibility study.

Major Global Economic News

Asia

Minutes of the RBA's October meeting indicated that any change in policy would be dependent on domestic economic conditions and not on moves by central banks overseas. The RBA reiterated that to support Australian economy interest rates would be low. Further, policymakers noted that household debt levels remain elevated and need to be watched closely.

Eurozone

In the Eurozone, the seasonally adjusted trade surplus widened to EUR21.60bn in August, compared to market expectations of a trade surplus of EUR20.20bn. The Eurozone had reported a revised trade surplus of EUR17.90bn in the prior month.

US

In the US, the NY Empire State manufacturing index recorded an unexpected rise to a level of 30.20 in October, compared to a level of 24.40 in the previous month. Markets were expecting the index to fall to 20.50.

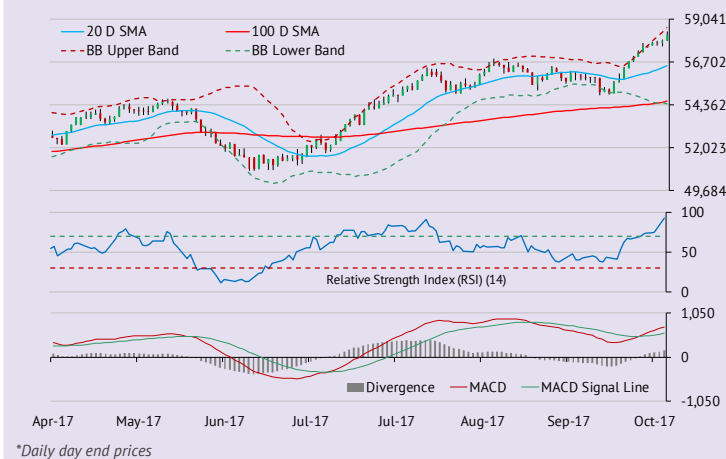
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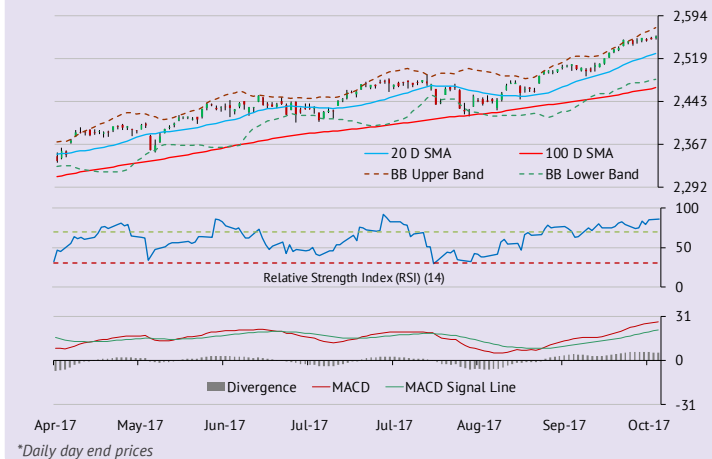
Technical Snapshot

JSE All Share



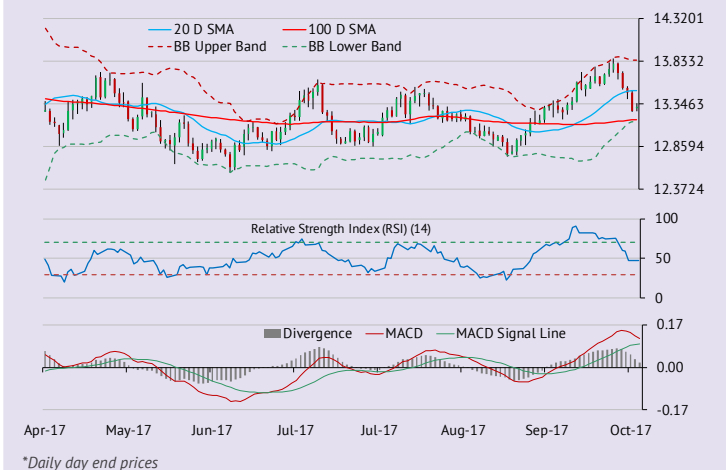
The JSE All Share index is expected to find support at 57,633.23, and a fall through could take it to the next support level of 57,102.90. The index is expected to find its first resistance at 58,533.02, and a rise through could take it to the next resistance level of 58,902.48.

S&P 500



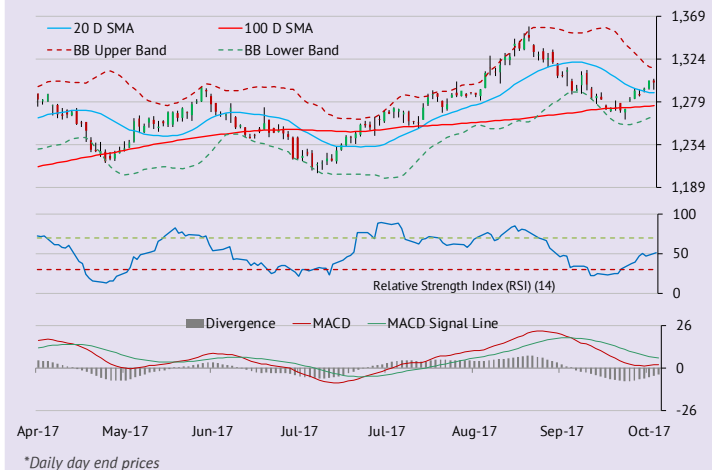
The S&P 500 index is expected to find support at 2,548.51, and a fall through could take it to the next support level of 2,539.38. The index is expected to find its first resistance at 2,563.12, and a rise through could take it to the next resistance level of 2,568.60.

USDZAR



The pair is expected to find support at 13.1065, and a fall through could take it to the next support level of 12.8982. The pair is expected to find its first resistance at 13.6707, and a rise through could take it to the next resistance level of 14.0266.

XAU/USD



Gold is expected to find support at \$1,286.47/oz, and a fall through could take it to the next support level of \$1,273.03/oz. The precious metal is expected to find its first resistance at \$1,308.57/oz, and a rise through could take it to the next resistance level of \$1,317.23/oz.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus	Previous/ **Previous Est.	Frequency
UK	10:15	BoE's Carney, Ramsden and Tenreyro Testify to Lawmakers	✓✓✓	-	-	As scheduled
UK	10:30	Consumer Price Index (MoM) (Sep)	✓✓✓	0.30%	0.60%	Monthly
UK	10:30	Consumer Price Index (YoY) (Sep)	✓✓✓	3.00%	2.90%	Monthly
UK	10:30	Consumer Price Index Core (YoY) (Sep)	✓✓✓	2.70%	2.70%	Monthly
UK	10:30	Retail Price Index (MoM) (Sep)	✓✓✓	0.30%	0.70%	Monthly
UK	10:30	Retail Price Index (YoY) (Sep)	✓✓	4.00%	3.90%	Monthly
Eurozone	11:00	ZEW Survey - Economic Sentiment (Oct)	✓✓	-	31.70	Monthly
Eurozone	11:00	Consumer Price Index - Core (YoY) (Sep) (F)	✓✓✓	1.10%	1.10%**	Monthly
Eurozone	11:00	Consumer Price Index (MoM) (Sep)	✓✓✓	0.40%	0.30%	Monthly
Eurozone	11:00	Consumer Price Index (YoY) (Sep) (F)	✓✓✓	1.50%	1.50%**	Monthly
Germany	11:00	ZEW Survey - Current Situation (Oct)	✓✓	88.50	87.90	Monthly
Germany	11:00	ZEW Survey - Economic Sentiment (Oct)	✓✓✓	20.00	17.00	Monthly
UK	12:15	BoE Governor Carney Testifies to Lawmakers	✓✓✓	-	-	As scheduled
US	14:30	Export Price Index (MoM) (Sep)	✓	0.30%	0.60%	Monthly
US	14:30	Import Price Index (MoM) (Sep)	✓	0.60%	0.60%	Monthly
US	15:15	Capacity Utilisation (Sep)	✓	76.20%	76.10%	Monthly
US	15:15	Industrial Production (MoM) (Sep)	✓✓✓	0.20%	-0.90%	Monthly
US	15:15	Manufacturing (SIC) Production (MoM) (Sep)	✓✓✓	0.10%	-0.30%	Monthly
US	16:00	NAHB Housing Market Index (Oct)	✓	64.00	64.00	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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