

ONE Minute Brief

9 October 2017

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Economic and Political News

In South Africa (SA), net gold & forex reserves remained steady at USD42.65bn in September. Markets were expecting the net gold & forex reserves to advance to a level of USD42.70bn.

The Presidency has stated that a due diligence process is required to appoint new members to the South African Broadcasting Corporation board.

The Democratic Alliance has welcomed the decision of the Independent Regulatory Board of Auditors to probe the conduct of KPMG as auditor responsible for the forensic investigation into the alleged rogue unit at the South African Revenue Service.

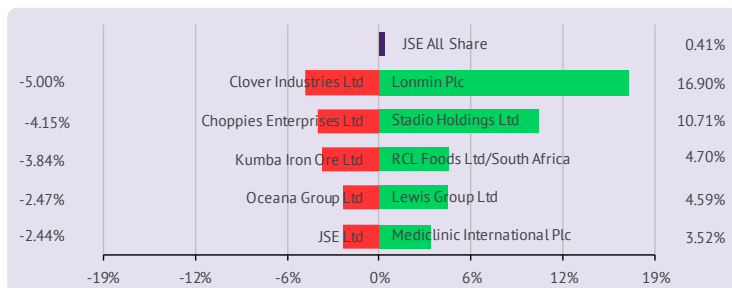
The National Union of Metalworkers of South Africa has called for an independent probe into all "shady dealings" at Eskom and the suspension of certain officials pending the outcome of a disciplinary process.

On Friday, South Africa's Finance Minister Malusi Gigaba asked the Public Investment Corporation (PIC) to investigate concerns about irregularities so as to ensure transparency. Meanwhile, the Federation of Unions of South Africa (Fedusa) stated that it would consult other federations over withdrawing the mandate of managing workers' pension with the PIC.

South Africa Market ▲

South African markets closed higher

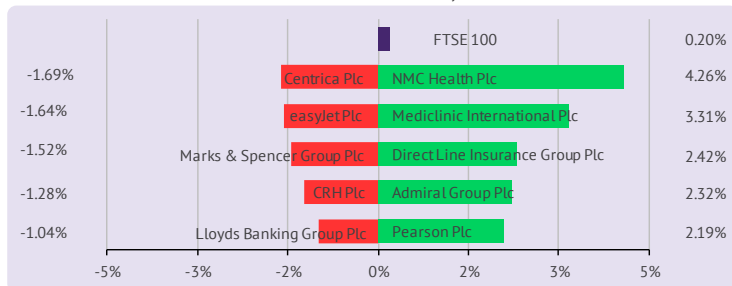
South African markets closed in the green on Friday, amid gains in retailers and real estate stocks. The JSE All Share Index rose 0.4% to close at 57,231.87.



UK Market ▲

The FTSE 100 futures are trading in negative territory

UK markets finished higher on Friday, driven by a rise in health care and financial sector stocks and weakness in Pound. Data showed that UK's Halifax monthly house price index unexpectedly rose in September. The FTSE 100 Index advanced 0.2% to close at 7,522.87.



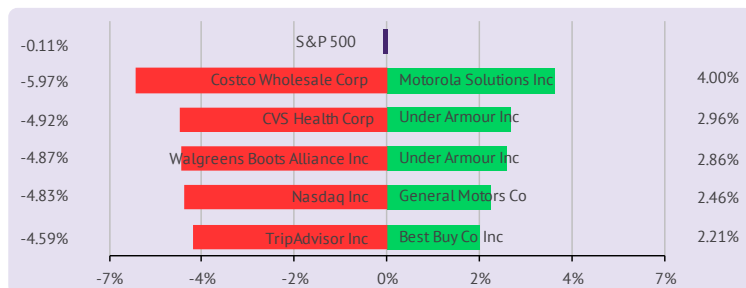
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	57231.87	▲	232.08	0.41%	NA	2.97%	-1.67%	12.99%
JSE Top 40	51010.38	▲	223.98	0.44%	NA	3.31%	-1.24%	16.19%
FTSE 100	7522.87	▲	14.88	0.20%	NA	2.04%	-0.78%	5.32%
DAX 30	12955.94	▼	-12.11	-0.09%	NA	0.99%	6.41%	12.85%
CAC 40	5359.90	▼	-19.31	-0.36%	NA	0.56%	4.80%	10.23%
S&P 500	2549.33	▼	-2.74	-0.11%	NA	1.19%	1.93%	13.87%
Nasdaq Composite	6590.18	▲	4.82	0.07%	NA	1.45%	1.05%	22.42%
DJIA	22773.67	▼	-1.72	-0.01%	NA	1.65%	2.08%	15.24%

US Market ▼

The S&P 500 futures are trading in the green

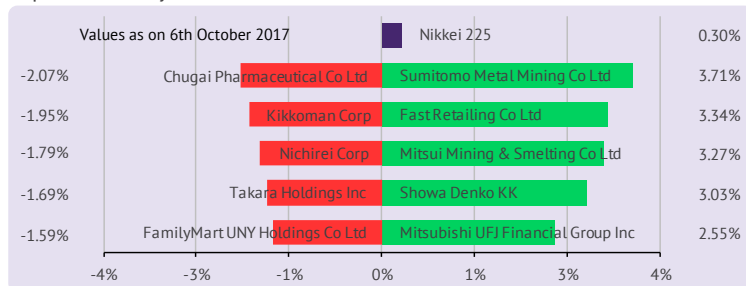
US markets closed lower on Friday, led by losses in telecommunication and energy sector stocks. Data revealed that US nonfarm payrolls surprisingly retreated to its lowest level since September 2010 in September. The S&P 500 Index dropped 0.1% to close at 2,549.33.



Asian Market ◀▶

Trading mixed

Asian markets are trading mixed this morning. Data indicated that China's Caixin services PMI dropped to a 21 month low level in September. Markets in Japan and South Korea are closed today for public holidays.



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USDZAR ▼

USD trading lower against ZAR

At 06:00 SAST, the US Dollar fell 0.1% against the South African Rand to trade at R13.7272. With no major economic news in the US today, investor sentiment will be determined by global macroeconomic news.

The US Dollar rose against the South African Rand on Friday, after US unemployment rate surprisingly eased to its lowest level in 16 years in September. However, the nation's nonfarm payrolls recorded an unexpected decline in September, recording its first negative print since September 2010. In contrast, average hourly earnings advanced more-than-expected on an annual basis in the same month. Meanwhile, final wholesale inventories rose less than market expectations in August. Moreover, consumer credit grew at a slower-than-anticipated pace in August.

GBPZAR ▲

GBP trading firmer against ZAR

At 06:00 SAST, the British Pound is trading 0.3% higher against the South African Rand at R17.9749. As there are no major economic releases 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 data front, UK's Halifax house price index surprised with an increase on a monthly basis in September, notching its highest level in 8 months.

EURZAR ▼

EUR trading weaker against ZAR

At 06:00 SAST, the Euro fell 0.1% against the South African Rand to trade at R16.1094. Going forward, market participants will keep a tab on Eurozone's Sentix investor confidence index along with Germany's industrial production data for further cues.

The Euro strengthened against the South African Rand on Friday. On the macro front, Germany's factory orders rebounded more-than-expected on a monthly basis in August.

AUDZAR ▲

AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar marginally climbed against the South African Rand to trade at R10.6616. Earlier in the session, in China, Australia's largest trading partner, the Caixin services PMI declined to 21 month lows in September.

The Australian Dollar fell against the South African Rand on Friday. Data indicated that Australia's AIG performance of construction index recorded a drop in September.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.7272	▼	0.50%	NA	1.39%	4.27%	0.12%
GBPZAR	17.9749	▲	-0.09%	NA	-1.32%	8.01%	5.90%
EURZAR	16.1094	▼	0.62%	NA	0.64%	3.41%	11.63%
AUDZAR	10.6616	▲	-0.04%	NA	0.31%	2.78%	7.57%
EURUSD	1.1736	▲	0.16%	NA	-0.71%	-0.81%	11.58%
GBPUUSD	1.3095	▲	-0.40%	NA	-2.48%	3.62%	5.92%
Brent (\$/barrel)	55.7	▲	-2.42%	NA	-2.06%	7.43%	-2.11%
Gold (\$/oz)	1285.2	▲	0.13%	NA	-0.77%	-2.81%	10.41%
Platinum (\$/oz)	912.9	=	-0.14%	NA	0.29%	-8.83%	1.25%
Copper (\$/MT)*	6616.5	▼	-0.63%	NA	2.86%	-4.84%	19.80%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 1.1% higher to trade at \$1,285.20/oz.

On Friday, gold prices rose 0.1% to close at \$1,271.60/oz, as the US Dollar weakened following the release of downbeat US jobs data and after reports emerged that North Korea is preparing to test a long-range missile that could reach the west coast of the US.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged 0.1% higher to trade at \$55.68/bl, amid rising expectations that Saudi Arabia would continue to restrain its oil production in order to support prices.

On Friday, Brent crude oil dropped 2.4% to settle at \$55.62/bl, as traders focussed on the implications of Tropical Storm Nate and its potential impact on the region's energy infrastructure. Meanwhile, Baker Hughes reported that US oil rig count fell by 2 to 748 last week.

Platinum ◀▶

Trading flat

At 06:00 SAST, platinum prices traded flat at \$912.90/oz.

On Friday, platinum prices declined 0.1% to close at \$912.90/oz.



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Major South Africa Corporate News

PSG Group Limited

In its 1H17 trading statement, the company reported that its HEPS is expected to be between 360.00c and 365.00c, being between 22.4% and 23.5% lower than the 470.50c reported for the six-month period ended August 31, 2016.

Sun International Limited

The company announced that Mr Graham Dempster has been appointed as an independent Non-Executive Director to the Board with immediate effect.

Major Global Economic News

US

In the US, non-farm payrolls unexpectedly dropped by 33.00K in September, following a revised gain of 169.00K in the prior month. Market anticipation was for non-farm payrolls to rise 80.00K.

In September, unemployment rate recorded an unexpected drop to a level of 4.2% in the US, compared to a level of 4.4% in the prior month. Markets were expecting unemployment rate to record a flat reading.

In the US, average hourly earnings of all employees rose 2.9% on an annual basis in September, compared to a revised advance of 2.7% in the prior month. Market anticipation was for average hourly earnings of all employees to rise 2.6%.

In August, the seasonally adjusted final wholesale inventories registered a rise of 0.9% on a monthly basis in the US, compared to a rise of 0.6% in the previous month. Market anticipation was for the wholesale inventories to climb 1.0%. The preliminary figures had recorded an advance of 1.0%.

In the US, consumer credit recorded a rise of USD13.07bn in August, lower than market expectations for a rise of USD15.54bn. Consumer credit had registered a revised rise of USD17.72bn in the previous month.

Eurozone

In Germany, the seasonally adjusted factory orders rose 3.6% on a monthly basis in August, higher than market expectations for a rise of 0.7%. In the previous month, factory orders had dropped by a revised 0.4%.

Asia

In China, the Caixin/Markit services PMI index eased to 50.60 in September, compared to a level of 52.70 in the previous month.

UK

In the UK, the Halifax house price index unexpectedly advanced 0.8% on a monthly basis in September, compared to a revised advance of 1.5% in the prior month. Markets were anticipating the Halifax house price index to remain unchanged.



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40 Best Performers on the All Share Index

Company Name	Last Close	1 Week % Change	MTD % Change	YTD % Change
Exxaro Resources Ltd	13800	12.33%	38.42%	63.84%
Kumba Iron Ore Ltd	23275	5.60%	61.32%	59.34%
Naspers Ltd	316469	8.38%	16.85%	57.54%
Glencore Plc	6614	6.71%	36.41%	44.09%
Murray & Roberts Holdings Ltd	1600	2.99%	23.99%	43.04%
Trencor Ltd	3990	5.00%	18.40%	41.91%
Cie Financiere Richemont SA	12454	1.33%	14.97%	40.15%
Anglo American Plc	26411	8.95%	54.43%	39.29%
Mondi Plc	37820	4.24%	10.55%	39.13%
Mondi Ltd	37920	4.90%	10.75%	38.87%
Astral Foods Ltd	17450	1.41%	10.07%	37.53%
Equites Property Fund Ltd	2100	2.44%	22.38%	37.35%
Clicks Group Ltd	15468	-2.12%	14.27%	37.00%
Gold Fields Ltd	5800	-1.66%	25.86%	36.01%
MAS Real Estate Inc	2913	2.94%	26.20%	35.35%
South32 Ltd	3529	2.05%	39.65%	35.15%
Assore Ltd	30208	9.01%	62.26%	34.68%
Anglo American Platinum Ltd	35526	2.97%	27.37%	34.36%
African Oxygen Ltd	2400	6.21%	23.89%	32.49%
Capitec Bank Holdings Ltd	89304	3.95%	14.67%	29.85%
Dis-Chem Pharmacies Ltd	2900	3.17%	0.59%	29.80%
Bid Corp Ltd	31246	2.82%	5.13%	29.71%
Fortress Income Fund Ltd	3919	1.14%	14.72%	27.00%
Adcock Ingram Holdings Ltd	5988	-1.02%	-1.90%	26.98%
Shoprite Holdings Ltd	21216	2.55%	3.02%	26.69%
Resilient REIT Ltd	13800	3.70%	17.51%	26.38%
RCL Foods Ltd/South Africa	1581	3.67%	5.40%	25.38%
Trustco Group Holdings Ltd	520	3.79%	20.65%	24.70%
PSG Konsult Ltd	895	0.00%	9.15%	22.66%
Discovery Ltd	13850	-0.85%	8.85%	22.61%
Northam Platinum Ltd	4841	3.60%	10.07%	19.53%
Cashbuild Ltd	40100	4.16%	17.74%	19.46%
DataTec Ltd	5875	2.58%	12.55%	18.73%
Capital & Regional Plc	1003	1.14%	4.93%	18.50%
African Rainbow Minerals Ltd	10927	7.10%	43.45%	18.26%
BHP Billiton Plc	24660	3.34%	25.32%	18.22%
Echo Polska Properties NV	2160	-0.69%	10.46%	18.02%
KAP Industrial Holdings Ltd	853	0.71%	-2.28%	16.93%
Holdsport Ltd	6583	-1.45%	15.77%	16.04%
PPC Ltd	637	0.79%	3.75%	15.19%
JSE All Share Index	57232	2.97%	2.97%	12.99%

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous	Frequency
China	03:45	Caixin/Markit Services PMI (Sep)	✓✓✓	50.60*	52.70	Monthly
China	03:45	HSBC China Composite PMI (Sep)	✓✓✓	51.40*	52.40	Monthly
Germany	08:00	Industrial Production (Aug)	✓	-	115.00	Monthly
Germany	08:00	Industrial Production n.s.a. and w.d.a. (YoY) (Aug)	✓✓✓	2.90%	4.00%	Monthly
Germany	08:00	Industrial Production s.a. (MoM) (Aug)	✓✓✓	0.90%	0.00%	Monthly
France	08:30	Bank of France Business Sentiment (Sep)	✓✓✓	105.00	104.00	Monthly
Eurozone	09:45	ECB's Mersch speaks in Milan	✓	-	-	As scheduled
Eurozone	10:30	Sentix Investor Confidence (Oct)	✓✓✓	28.50	28.20	Monthly
China	13:00	Composite leading indicator (Aug)	✓	-	100.00	Monthly
Japan	13:00	Composite leading indicator (Aug)	✓	-	100.20	Monthly
Eurozone	18:00	ECB's Lautenschlaeger Speaks in Stuttgart	✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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