

# ONE Minute Brief

13 October 2017

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## Economic and Political News

In South Africa (SA), gold production registered a rise of 7.7% YoY in August, compared to a revised rise of 5.8% in July. Mining production registered a more-than-expected rise of 6.9% YoY in August, compared to a revised rise of 1.9% in July. Platinum production advanced by 2.0% YoY in August, compared to a revised drop of 4.1% in July.

The Treasury has stated that Finance Minister, Malusi Gigaba, and Central Bank Governor, Lesetja Kganyago, will try to convince international investors and rating agencies that the South African economy is recovering, at their meetings in Washington.

The Supreme Court of Appeal is set to rule today on whether prosecutors should reinstate bribery and corruption charges against President Jacob Zuma.

Finance Minister, Malusi Gigaba, stated that South Africa's Treasury has a lot of work to do to maintain the nation's budget and spending framework.

S&P Global Ratings has stated that some emerging market economies, including South Africa, have not been able to take full advantage of global liquidity to clean up their sovereign balance sheets.

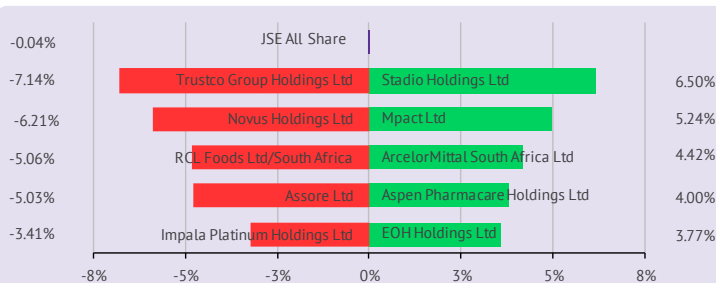
## Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	57747.34	▼	-23.39	-0.04%	0.90%	3.90%	-1.67%	14.00%
JSE Top 40	51352.82	▼	-85.73	-0.17%	0.67%	4.00%	-1.24%	16.97%
FTSE 100	7556.24	▲	22.43	0.30%	0.44%	2.49%	-0.78%	5.79%
DAX 30	12982.89	▲	12.21	0.09%	0.21%	1.20%	6.41%	13.08%
CAC 40	5360.81	▼	-1.60	-0.03%	0.02%	0.58%	4.80%	10.25%
S&P 500	2550.93	▼	-4.31	-0.17%	0.06%	1.25%	1.93%	13.94%
Nasdaq Composite	6591.51	▼	-12.04	-0.18%	0.02%	1.47%	1.05%	22.45%
DJIA	22841.01	▼	-31.88	-0.14%	0.30%	1.95%	2.08%	15.58%

## South Africa Market ▼

### South African markets closed lower

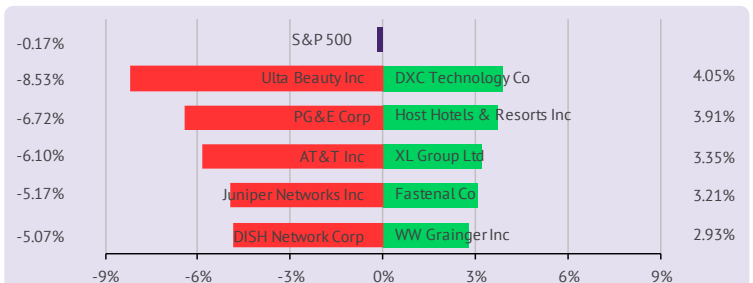
South African markets closed a tad lower yesterday, amid losses in platinum and gold mining sector stocks. The JSE All Share Index marginally fell to close at 57,747.34.



## US Market ▼

### The S&P 500 futures are trading in the green

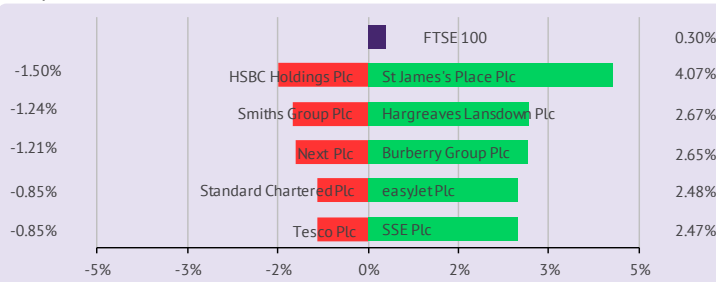
US markets closed lower yesterday, weighed down by sharp losses in banking sector stocks. Data showed that US initial jobless claims dropped more-than-expected for the week ended October 7, 2017. The S&P 500 Index dropped 0.2% to close at 2,550.93.



## UK Market ▲

### The FTSE 100 futures are trading in positive territory

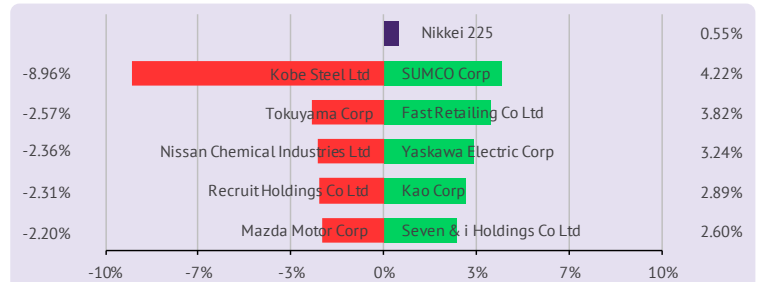
UK markets finished higher yesterday, led by gains in financial sector stocks. In major news, the EU's Chief Brexit negotiator, Michel Barnier, stated that there has not been enough progress to move to the next step of Brexit talks. The FTSE 100 Index advanced 0.3% to 7,556.24.



## Asian Market ▲

### Trading mostly higher

Asian markets are trading mostly higher this morning. Data revealed that China's trade surplus narrowed more than market forecast in September. The Nikkei 225 Index is trading 0.5% higher at 21,069.09.



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## USDZAR ▼

### USD trading weaker against ZAR

At 06:00 SAST, the US Dollar is trading 0.1% lower against the South African Rand at R13.4683. Later today, traders will keep a close watch on US consumer price index (CPI), advance retail sales, preliminary Michigan consumer confidence index and business inventories data for further cues.

The US Dollar fell against the South African Rand yesterday. On the data front, the number of Americans applying for unemployment benefits declined more than market anticipations for the week ended October 7, 2017, marking its lowest level since late August.

## GBPZAR ▲

### GBP trading higher against ZAR

At 06:00 SAST, the British Pound marginally rose against the South African Rand to trade at R17.8769. With no major economic news in the UK today, investor sentiment will be determined by global macroeconomic news.

The British Pound declined against the South African Rand yesterday. Separately, EU Chief Brexit negotiator, Michel Barnier, indicated that a little progress has been made in the Brexit talks but there was still "deadlock" over how much the UK will pay to the EU when it leaves the bloc.

## EURZAR ▲

### EUR trading firmer against ZAR

At 06:00 SAST, the Euro gained 0.1% against the South African Rand to trade at R15.9565. Going forward, market participants will keep a tab on Germany's CPI for further direction.

The Euro weakened against the South African Rand yesterday. The European Central Bank (ECB) President, Mario Draghi stated that interest rates are likely to stay low for an extended period of time, and well past the end of its bond-buying programme, in order to promote solid economic growth within the Eurozone. Draghi also defended the central bank's aggressive monetary policies, noting that it has been a success. On the macro front, Eurozone's industrial production advanced more than market forecast on a monthly basis in August, notching its highest level in 9 months, driven by an increase in production of capital goods.

## AUDZAR ▲

### AUD trading stronger against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% higher against the South African Rand at R10.5542. Earlier in the session, in China, Australia's largest trading partner, trade surplus narrowed more-than-expected in September.

The Australian Dollar rose against the South African Rand yesterday. Data revealed that Australia's consumer inflation expectation recorded a rise in October.

## Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.4683	▼	-0.37%	-1.97%	-0.61%	4.27%	-1.85%
GBPZAR	17.8769	▲	-0.08%	-0.30%	-1.62%	8.01%	5.59%
EURZAR	15.9565	▲	-0.62%	-1.11%	-0.47%	3.41%	10.39%
AUDZAR	10.5542	▲	0.04%	-1.10%	-0.79%	2.78%	6.38%
EURUSD	1.1848	▲	-0.24%	0.85%	0.14%	-0.81%	12.53%
GBPUUSD	1.3275	▲	0.29%	1.50%	-1.02%	3.62%	7.51%
Brent (\$/barrel)	56.5	▲	-1.21%	1.13%	-0.95%	7.43%	-1.00%
Gold (\$/oz)	1297.8	▲	0.58%	1.71%	0.92%	-2.81%	12.29%
Platinum (\$/oz)	939.1	=	0.94%	2.87%	3.16%	-8.83%	4.16%
Copper (\$/MT)*	6861.3	▲	1.56%	3.70%	6.67%	-4.84%	24.23%

\*As of Previous Close

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices gained 0.3% to trade at \$1,297.80/oz.

Yesterday, gold prices rose 0.6% to close at \$1,293.30/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 edged 0.5% higher to trade at \$56.51/bl.

Yesterday, Brent crude oil dropped 1.2% to settle at \$56.25/bl, after the International Energy Agency (IEA) reported that global crude production rose by 90,000 barrels per day in September to 97.5 million barrels per day. Meanwhile, the Energy Information Administration (EIA) reported that crude oil inventories fell more-than-expected by 2.8mn bls for the week ended October 6, 2017.

## Platinum ◀▶

### Trading flat

At 06:00 SAST, platinum prices traded flat at \$939.10/oz.

Yesterday, platinum prices climbed 0.9% to close at \$939.10/oz.

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## Major South Africa Corporate News

### Group Five Limited

The company announced the appointment of Judith Nompumelelo Nzimande as the Executive Director Human Resources effective October 1, 2017.

### Royal Bafokeng Platinum Limited

In its 3Q17 production report, the company stated that the total tonnes delivered to concentrators increased by 7.2% to 793.00kt and total milled volumes increased by 8.1% to 825.00kt.

### Harmony Gold Mining Company Limited

The company announced that gold production from its South African underground operations will be 12.0% to 14.0% higher compared with previous quarter, citing an increase in both volumes and recovered grade.

## Major Global Economic News

### Eurozone

The ECB President, Mario Draghi indicated that interest rates will possibly stay low for an extended period of time, and well past the end of its bond-buying programme, in order to promote solid economic growth within the Eurozone. Draghi also defended the central bank's aggressive monetary policies, noting that it has been a success.

The seasonally adjusted industrial production rose 1.40% on a monthly basis in August, in the Eurozone, more than market expectations for an advance of 0.60%. In the prior month, industrial production had registered a revised rise of 0.30%.

### US

In the US, the seasonally adjusted initial jobless claims dropped to 243.00K. In the week ended October 7, 2017, compared to market expectations of a drop to 250.00K. Initial jobless claims had recorded a revised reading of 258.00K in the prior week.

### Asia

In China, trade surplus narrowed to USD28.50bn in September, compared to a reading of USD41.99bn in the previous month. Market expectations was for the trade surplus to decline to USD38.05bn.

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## Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
China	05:27	Exports (YoY) (Sep)	✓✓	8.10%*	5.50%	Monthly
China	05:27	Imports (YoY) (Sep)	✓✓	18.70%*	13.30%	Monthly
China	05:27	Trade Balance (Sep)	✓✓	USD28.50bn*	USD41.99bn	Monthly
Germany	08:00	Consumer Price Index (MoM) (Sep) (F)	✓✓✓	0.10%	0.10%**	Monthly
Germany	08:00	Consumer Price Index (YoY) (Sep) (F)	✓✓✓	1.80%	1.80%**	Monthly
Eurozone	11:30	ECB's Mersch attends conference in Luxembourg	✓	-	-	As scheduled
US	14:30	Consumer Price Index n.s.a. (MoM) (Sep)	✓	-	0.30%	Monthly
US	14:30	Consumer Price Index (MoM) (Sep)	✓✓✓	0.60%	0.40%	Monthly
US	14:30	Consumer Price Index (YoY) (Sep)	✓✓	2.30%	1.90%	Monthly
US	14:30	Consumer Price Index Core s.a. (Sep)	✓	253.02	252.54	Monthly
US	14:30	Federal Reserve Bank of Boston President Rosengren Speech	✓✓✓	-	-	As scheduled
US	14:30	Advance Retail Sales (MoM) (Sep)	✓✓✓	1.70%	-0.20%	Monthly
US	16:00	Reuters/Michigan Consumer Sentiment Index (Oct) (P)	✓✓✓	95.00	95.10	Monthly
US	16:00	Business Inventories (Aug)	✓	0.70%	0.20%	Monthly
Eurozone	16:15	ECB's Constancio attends panel in Washington	✓	-	-	As scheduled
US	16:25	Evans Speaks on Economy and Monetary Policy	✓✓✓	-	-	As scheduled
US	17:30	Fed's Kaplan Speaks in Boston	✓✓✓	-	-	As scheduled
US	19:00	Fed's Powell Speaks at Boston Fed Economic Conference	✓✓✓	-	-	As scheduled
World	-	IMF Meeting	✓✓	-	-	As scheduled

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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