

ONE Minute Brief

15 November 2017

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Economic and Political News

The TransUnion consumer credit index (CCI) marginally declined to 53.90 in the third quarter, from 54.10 in the second quarter.

Public Protector, Busisiwe Mkhwebane's new Chief Executive Officer, Themba Dlamini has resigned.

Eskom has indicated that it has enough cash to pay wages and keep operations going for a few months and that there are no plans to retrench any workers.

Yesterday's auction for South African bonds attracted bids of ZAR10.9bn for ZAR3.3bn of notes of four maturities, but clearing yields on the bonds were higher than earlier.

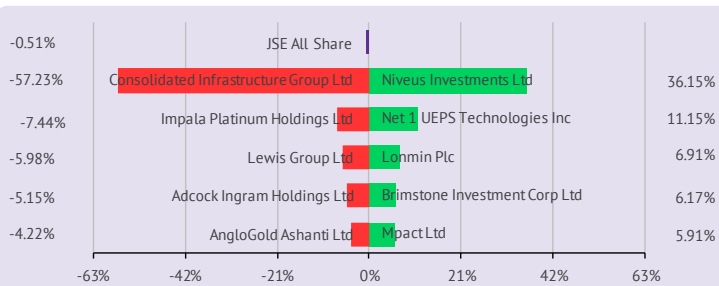
Minister of Water and Sanitation, Nomvula Mokonyane, has admitted that her department paid out ZAR30.0mn in bonuses to its employees.

The South African government stated that the nation's presidential fiscal committee, which was set up to provide advice on spending priorities, is not interfering with the Treasury's role in setting fiscal policy.

South Africa Market

South African markets closed lower

South African markets closed in the red yesterday, led by sharp losses in gold and platinum mining stocks. The JSE All Share Index fell 0.5% to close at 59,518.90.



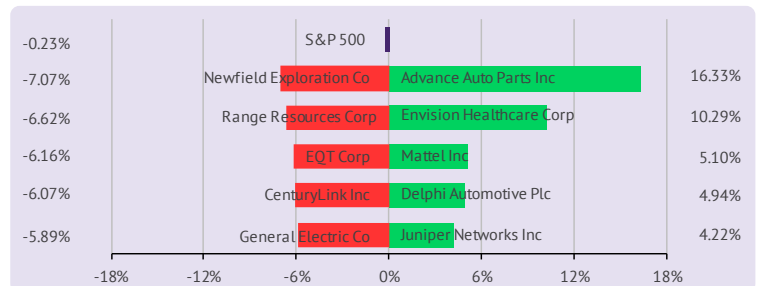
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	59518.90	▼ -302.59	-0.51%	-0.43%	0.91%	6.12%	17.50%
JSE Top 40	53273.74	▼ -257.47	-0.48%	-0.28%	1.34%	6.47%	21.35%
FTSE 100	7414.42	▼ -0.76	-0.01%	-0.25%	-1.05%	1.63%	3.80%
DAX 30	13033.48	▼ -40.94	-0.31%	-0.72%	-1.48%	3.12%	13.52%
CAC 40	5315.58	▼ -26.05	-0.49%	-1.21%	-3.41%	3.25%	9.32%
S&P 500	2578.87	▼ -5.97	-0.23%	-0.13%	0.14%	2.22%	15.19%
Nasdaq Composite	6737.87	▼ -19.72	-0.29%	-0.19%	0.15%	3.57%	25.17%
DJIA	23409.47	▼ -30.23	-0.13%	-0.05%	0.14%	4.34%	18.45%

US Market

The S&P 500 futures are trading in the red

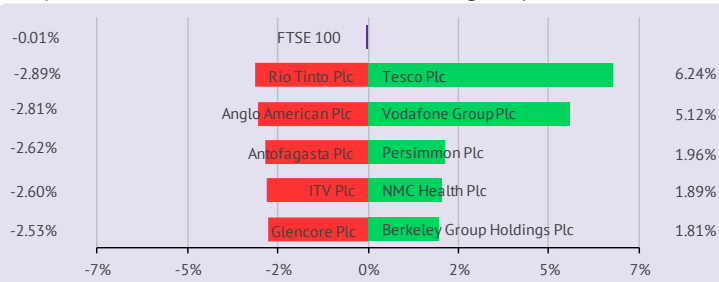
US markets closed lower yesterday, amid losses in energy sector stocks. Data indicated that the US NFIB small business optimism index recorded a less-than-anticipated rise in October. The S&P 500 Index dropped 0.2% to close at 2,578.87.



UK Market

The FTSE 100 futures are trading in negative territory

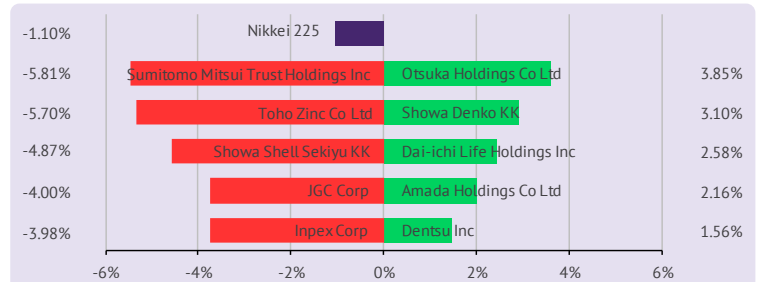
UK markets finished a tad lower yesterday, weighed down by losses in mining sector stocks, following disappointing Chinese economic data. On the data front, UK's annual consumer price index (CPI) rose less-than-expected in October. The FTSE 100 Index marginally fell to 7,414.42.



Asian Market

Trading lower

Asian markets are trading lower this morning, tracking overnight losses on Wall Street. Data showed that Japan's economy expanded at a slower-than-expected pace on a quarterly basis in 3Q17. The Nikkei 225 Index is trading 1.1% lower at 22,133.45.



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USDZAR ▲

USD trading firmer against ZAR

At 06:00 SAST, the US Dollar is trading 0.2% higher against the South African Rand at R14.3957. Later today, traders will keep a close watch on the US CPI, advance retail sales, business inventories and the NY Empire State manufacturing index for further direction.

The US Dollar fell against the South African Rand yesterday. On the data front, the US NFIB small business optimism index climbed less than market expectations in October.

GBPZAR ▲

GBP trading higher against ZAR

At 06:00 SAST, the British Pound is trading marginally firmer against the South African Rand at R18.9179. Later today, traders will keep an eye on UK's ILO unemployment rate, claimant count rate and average weekly earnings data for further cues.

The British Pound declined against the South African Rand yesterday. On the macro front, UK's CPI rose less than market forecast, but in line with the previous reading on a yearly basis in October. Further, the retail price index registered a less-than-expected rise on an annual basis in October. Whereas, the annual house price index advanced more-than-expected in September.

EURZAR ▲

EUR trading stronger against ZAR

At 06:00 SAST, the Euro is trading 0.2% firmer against the South African Rand at R16.9816. Going forward, market participants will keep a tab on Eurozone's trade balance for further indication.

The Euro strengthened against the South African Rand yesterday, after Eurozone's economy grew in line with market expectations on a quarterly basis in 3Q17. Furthermore, ZEW economic sentiment index rose more-than-expected in November. However, the region's industrial production dropped at par with market forecast on a monthly basis in September. Meanwhile, the German economy rose at a faster-than-expected pace on a quarterly basis in 3Q17. Whereas, the final CPI climbed in line with market anticipations on a yearly basis in October. Additionally, the economic sentiment index rose to its highest level in 6 months in November while the current situation index advanced at a stronger-than-expected pace in the same month, notching its strongest level since July 2011.

AUDZAR ▼

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar fell 0.4% against the South African Rand to trade at R10.9201. Earlier in the session, data revealed that Australia's Westpac consumer confidence index fell in November.

The Australian Dollar fell against the South African Rand yesterday. Data revealed that Australia's NAB business confidence index recorded a steady reading in October, while NAB business condition index rose in the same month. Meanwhile, in China, Australia's largest trading partner, retail sales and industrial production advanced less-than-anticipated on a yearly basis in October.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	14.3957	▲	-0.69%	-0.05%	1.72%	4.19%	4.65%
GBPZAR	18.9179	▲	-0.34%	-0.52%	0.78%	3.32%	11.75%
EURZAR	16.9816	▲	0.40%	1.09%	3.01%	2.73%	17.38%
AUDZAR	10.9201	▼	-0.59%	-0.44%	1.39%	1.82%	10.70%
EURUSD	1.1796	▼	1.12%	1.14%	1.31%	-1.42%	12.22%
GBPUSD	1.3142	▼	0.37%	-0.23%	-0.89%	-0.86%	6.72%
Brent (\$/barrel)	61.5	▼	-1.50%	-2.06%	2.08%	7.31%	9.49%
Gold (\$/oz)	1282.0	▼	0.31%	0.68%	0.98%	-0.86%	11.39%
Platinum (\$/oz)	929.7	▲	-0.89%	-0.51%	0.84%	1.02%	2.85%
Copper (\$/MT)*	6720.0	▼	-2.05%	-0.50%	-1.42%	5.98%	21.67%

*As of Previous Close

Gold ▼

Trading in the red

At 06:00 SAST, gold prices declined 0.1% to trade at \$1,282.00/oz.

Yesterday, gold prices rose 0.3% to close at \$1,282.90/oz, amid weakness in the greenback and global equities.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil retreated 1.2% to trade at \$61.49/bl.

Yesterday, Brent crude oil dropped 1.5% to settle at \$62.21/bl, after the International Energy Agency cut its oil demand growth forecast by 100,000 bls per day for 2017 and 2018, to an estimated 1.5mn bls per day in 2017 and 1.3mn bls per day in 2018. Furthermore, the commodity lost ground after the American Petroleum Institute reported that US crude oil inventories advanced by 6.5mn bls during the week ended 10 November 2017.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices advanced 0.3% to trade at \$929.70/oz.

Yesterday, platinum prices declined 0.9% to close at \$927.30/oz.

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Major South Africa Corporate News

Consolidated Infrastructure Group Limited

In its FY17 trading update, the company announced that it expects EPS and HEPS to be at least 55.0% lower compared to the corresponding period of the previous year.

Harmony Gold Mining Company Limited

The company announced that employees at its Kusasalethu mine have resumed work after two days of unprotected industrial strike at the mine.

Investec Property Fund Limited

In its 1H18 results, the company revealed that its revenue advanced 1.3% to ZAR905.01mn from the same period of the preceding year. Its diluted EPS stood at 65.94c down from 70.28c recorded in the corresponding period of the previous year.

Netcare Limited

In its FY17 trading update, the company announced that it expects EPS to be in the range of 159.40c to 165.50c, which is 130.0%-135.0% lower compared with corresponding period of the previous year.

Niveus Investments Limited

In its 1H18 trading update, the company stated that it expects HEPS to be in the range of 107.70c and 124.10c, which is an increase of between 31.8% and 51.9%.

Major Global Economic News

Eurozone

In the Eurozone, the seasonally adjusted second estimate of gross domestic product (GDP) climbed 0.6% on a quarterly basis in 3Q17, compared to a revised advance of 0.7% in the prior quarter. The preliminary figures had also indicated an advance of 0.6%.

In September, the seasonally adjusted industrial production dropped as expected by 0.6% on a monthly basis in the Eurozone, compared to a rise of 1.4% in August. The ZEW economic sentiment index rose to a level of 30.90 in November, compared to 26.70 in October.

In Germany, the seasonally adjusted flash GDP registered a rise of 0.8% on a quarterly basis in 3Q17, more than market expectations for an advance of 0.6%. In the previous quarter, GDP had climbed 0.6%.

In October, the final CPI advanced 1.6% on an annual basis in Germany, in line with market expectations. The preliminary figures had also recorded a rise of 1.6%. In the previous month, the CPI had risen 1.8%.

In Germany, the ZEW economic sentiment index advanced less-than-expected to 18.70 in November, compared to a reading of 17.60 in October. In November, the ZEW current situation index rose more-than-expected to 88.80, compared to a level of 87.00 in October.

Asia

In Australia, Westpac consumer confidence index eased 1.7% on a monthly basis to a level of 99.70 in November, compared to a level of 101.40 in the previous month.

In Japan, the preliminary annualised GDP recorded a rise of 1.4% on a quarterly basis in 3Q17, lower than market expectations for an advance of 1.5%. The annualised GDP had registered a rise of 2.5% in the prior quarter. The final industrial production dropped 1.0% on a monthly basis in September, compared to a rise of 2.0% in August. The preliminary figures had recorded a drop of 1.1%.

UK

In the UK, the CPI advanced 3.0% on an annual basis in October, compared to a similar rise in the previous month. Markets were anticipating the CPI to climb 3.1%.

In October, the retail price index rose 4.0% on an annual basis in the UK, less than market expectations for an advance of 4.1%. In the prior month, the index had risen 3.9%.

In the UK, the house price index recorded a rise of 5.4% on a yearly basis in September. The index had risen by a revised 4.8% in the prior month.

US

In the US, the NFIB small business optimism index climbed to 103.80 in October, compared to market expectations of an advance to a level of 104.00. The index had registered a reading of 103.00 in the previous month.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:50	Gross Domestic Product (QoQ) (Q3) (P)	✓✓	0.30%*	0.60%	Quarterly
Japan	01:50	Gross Domestic Product Annualised (Q3) (P)	✓✓✓	1.40%*	2.60%	Quarterly
Japan	06:30	Industrial Production (MoM) (Sep) (F)	✓✓✓	-1.00%*	-1.10%**	Monthly
Japan	06:30	Industrial Production (YoY) (Sep) (F)	✓✓✓	2.60%*	2.50%**	Monthly
UK	11:30	Claimant Count Change (Oct)	✓✓	-	1.70K	Monthly
UK	11:30	Claimant Count Rate s.a. (Oct)	✓✓	-	2.30%	Monthly
UK	11:30	Claimant Count s.a. (Oct)	✓✓	-	804.10K	Monthly
UK	11:30	Average Earnings Excluding Bonus (3Mo/Yr) (Sep)	✓	2.20%	2.10%	Monthly
UK	11:30	ILO Unemployment Rate (3M) (Sep)	✓✓✓	4.30%	4.30%	Monthly
UK	11:30	Average Earnings Including Bonus (3Mo/Yr) (Sep)	✓✓	2.10%	2.20%	Monthly
UK	11:30	Employment Change (3M/3M) (Sep)	✓✓✓	52.00K	94.00K	Monthly
Eurozone	12:00	Trade Balance s.a. (Sep)	✓✓✓	EUR21.00bn	EUR21.60bn	Monthly
South Africa	13:00	Retail Sales (MoM) (Sep)	✓✓✓	-0.70%	2.40%	Monthly
South Africa	13:00	Retail Sales (YoY) (Sep)	✓✓✓	4.50%	5.50%	Monthly
US	14:00	MBA Mortgage Applications (10-Nov)	✓	-	0.00%	Weekly
US	15:30	Consumer Price Index (MoM) (Oct)	✓✓✓	0.10%	0.50%	Monthly
US	15:30	Consumer Price Index (YoY) (Oct)	✓✓	2.00%	2.20%	Monthly
US	15:30	Advance Retail Sales (MoM) (Oct)	✓✓✓	0.00%	1.60%	Monthly
US	15:30	Consumer Price Index Core s.a. (Oct)	✓	253.25	252.86	Monthly
US	15:30	NY Empire State Manufacturing Index (Nov)	✓✓	25.10	30.20	Monthly
US	17:00	Business Inventories (Sep)	✓	0.00%	0.70%	Monthly

Note: ✓✓✓High ✓✓Medium ✓Low

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