

ONE Minute Brief

7 December 2017

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Economic and Political News

The SACCI business confidence index advanced to 95.10 in November, from 92.90 in October.

The Chairwoman of the Parliament's public enterprises committee, Zukiswa Rantho, stated that there is sufficient evidence that has appeared from its inquiry to prompt actions by Public Enterprises Minister, Lynne Brown, and the Eskom board "to stop any further abuse of state resources" at Eskom. Meanwhile, a lawyer representing Ajay Gupta has written a letter to the state capture inquiry, indicating that Gupta was not present in the country at the time of an alleged meeting between him, Deputy Minister of Public Enterprises Ben Martins and suspended Eskom head of legal services Suzanne Daniels.

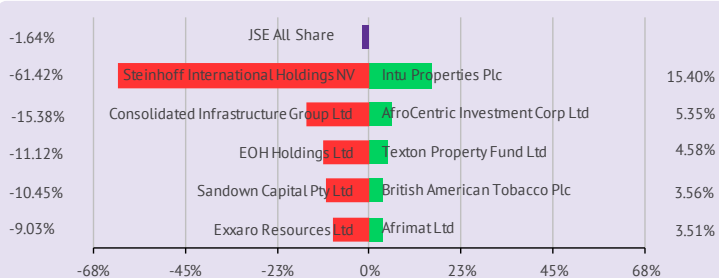
ANC's treasurer general, Zweli Mkhize, has stated that the African National Congress (ANC) is doing everything possible to avoid a split in the party after elections later this month to elect a new leader.

During a meeting in Johannesburg to assess their performance, the Democratic Alliance (DA) and its coalition partners in the metros indicated that they are determined to make their power-sharing agreement work.

South Africa Market ▼

South African markets closed lower

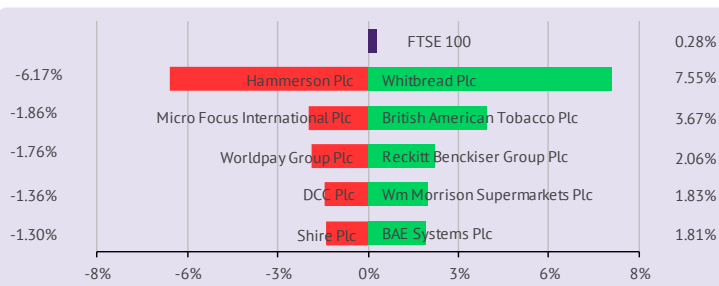
South African markets closed in the red yesterday, led by losses in gold and platinum mining sector stocks. Data showed that the SACCI business confidence index climbed in November, compared to its prior reading. The JSE All Share Index fell 1.6% to close at 58,010.18.



UK Market ▲

The FTSE 100 futures are trading in positive territory

UK markets finished higher yesterday, supported by weakness in the British Pound, amid Brexit deadlock concerns. The FTSE 100 Index advanced 0.3% to close at 7,348.03.



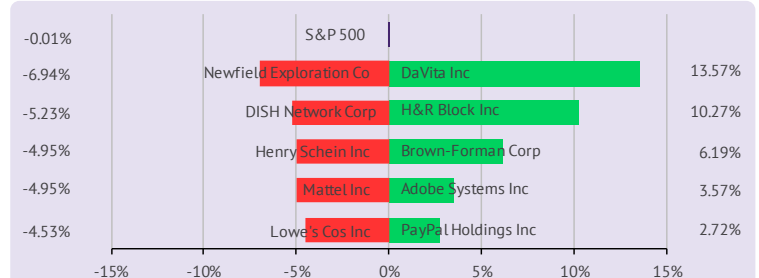
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	58010.18	▼ -967.05	-1.64%	-2.42%	-2.95%	1.34%	14.52%
JSE Top 40	51572.45	▼ -840.06	-1.60%	-2.49%	-3.19%	1.33%	17.47%
FTSE 100	7348.03	▲ 20.53	0.28%	0.65%	0.29%	-2.22%	2.87%
DAX 30	12998.85	▼ -49.69	-0.38%	1.07%	-0.19%	-1.55%	13.22%
CAC 40	5374.35	▼ -1.18	-0.02%	1.08%	0.03%	-2.37%	10.53%
S&P 500	2629.27	▼ -0.30	-0.01%	-0.49%	-0.69%	2.81%	17.44%
Nasdaq Composite	6776.38	▲ 14.16	0.21%	-1.04%	-1.42%	2.17%	25.88%
DJIA	24140.91	▼ -39.73	-0.16%	-0.37%	-0.54%	3.83%	22.15%

US Market ▼

The S&P 500 futures are trading in the green

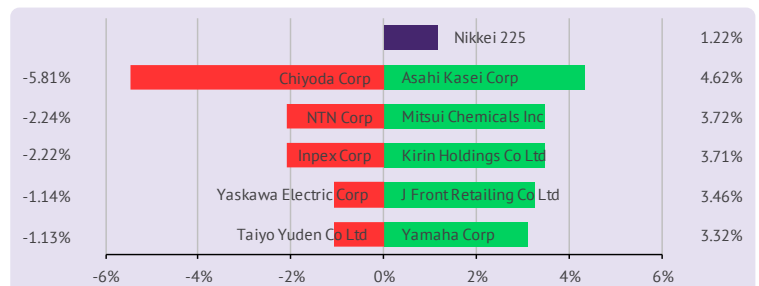
US markets closed a tad lower yesterday, weighed down by losses in energy sector stocks. Data revealed that the US ADP employment change rose at par with expectations in November. The S&P 500 Index marginally dropped to close at 2,629.27.



Asian Market ◀▶

Trading mixed

Asian markets are trading mixed this morning. The Nikkei 225 Index is trading 1.2% higher at 22,447.30.



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USDZAR ▲

USD trading higher against ZAR

At 06:00 SAST, the US Dollar is trading 0.1% firmer against the South African Rand at R13.5315. Later today, traders will keep a close watch on the US initial jobless claims for further cues.

The US Dollar rose against the South African Rand yesterday, after the US ADP employment change rose in line with expectations in November. Meanwhile, the unit labour cost painted a negative picture for the third quarter of 2017. Separately, South Africa's SACCI business confidence index recorded a rise in November.

GBPZAR ▲

GBP trading firmer against ZAR

At 06:00 SAST, the British Pound advanced 0.1% against the South African Rand to trade at R18.1079. Later today, traders will keep an eye on the Halifax house price index for further direction.

The British Pound advanced against the South African Rand yesterday.

EURZAR ▲

EUR trading stronger against ZAR

At 06:00 SAST, the Euro rose 0.2% against the South African Rand to trade at R15.9729. Going forward, market participants will keep a tab on the European Central Bank President, Mario Draghi's speech along with Eurozone's gross domestic product (GDP) and Germany's industrial production for further indication.

The Euro strengthened against the South African Rand yesterday. On the macro front, Germany's factory orders unexpectedly advanced on a monthly basis in October. However, the region's construction PMI dropped in November, although remaining in expansion territory.

AUDZAR ▼

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar dropped 0.1% against the South African Rand to trade at R10.2158. Earlier in the session, Australia's trade surplus narrowed more-than-expected in October. In contrast, the AiG performance of construction index advanced at a faster pace in November.

The Australian Dollar fell against the South African Rand yesterday, Data indicated that Australia's GDP advanced at a slower pace on a quarterly basis in the third quarter of 2017.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.5315	▲	0.48%	-1.63%	-1.34%	-3.04%	-1.58%
GBPZAR	18.1079	▲	0.10%	-2.22%	-2.42%	-1.19%	6.90%
EURZAR	15.9729	▲	0.21%	-2.45%	-2.30%	-0.84%	10.39%
AUDZAR	10.2158	▼	-0.11%	-2.33%	-1.47%	-4.09%	3.17%
EURUSD	1.1804	▲	-0.25%	-0.84%	-0.91%	2.22%	12.20%
GBPUSD	1.3383	▼	-0.37%	-0.62%	-0.98%	1.82%	8.57%
Brent (\$/barrel)	61.5	▲	-2.61%	-3.94%	-2.25%	2.77%	7.74%
Gold (\$/oz)	1265.9	▲	0.10%	-1.25%	-0.82%	0.21%	9.65%
Platinum (\$/oz)	903.0	▲	-1.60%	-4.02%	-4.21%	2.49%	0.13%
Copper (\$/MT)*	6517.5	▲	0.07%	-4.27%	-3.23%	-1.20%	18.01%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.2% higher to trade at \$1,265.90/oz.

Yesterday, gold prices rose 0.1% to close at \$1,262.80/oz, reversing its previous session losses.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged 0.4% higher to trade at \$61.47/bl.

Yesterday, Brent crude oil dropped 2.6% to settle at \$61.22/bl, after the Energy Information Administration (EIA) reported that US crude production rose to 9.7mn bls per day last week. Also, a report showing a rise in gasoline stockpiles by 6.8mn bls, further weighed on the commodity prices. Meanwhile, the EIA also reported that crude oil inventories fell by 5.6mn bls during the week ended 1 December 2017.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices marginally rose to trade at \$903.00/oz.

Yesterday, platinum prices declined 1.6% to close at \$902.80/oz.



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Major South Africa Corporate News

Sanlam Limited

In its operational update for the first 10 months of FY17, the company stated that net result from financial services rose 7.0% but new business volumes dropped 2.0%. Further, the normalised headline earnings increased 22.0%.

Vukile Property Fund Limited

The company announced that its subsidiary Castellana Properties Socimi S.A. has entered into agreements with Alvares Investments S.L. to acquire the shopping centre and retail park known as Alameda Shopping Centre and Retail Park for a consideration of EUR54.59mn. Further, it has also agreed with Euro- Activ Promociones Integrales De Proyectos Comerciales S.L. & CIA. S.Com. to acquire the retail park known as the San Pedro Del Pinatar Retail Park for phase 1 in a deal worth EUR10.72mn.

Steinhoff International Holdings NV

The company announced that its CEO, Markus Jooste has resigned with immediate effect, following which the board has appointed its Chairman, Dr. Christo Wiese, as Executive Chairman on an interim basis.

Major Global Economic News

US

In the US, the ADP private sector employment advanced by 190.00K in November, compared to a gain of 235.00K in the prior month. Markets were anticipating the private sector employment to advance 190.00K.

In the US, the final unit labor costs in non-farm businesses unexpectedly fell 0.2% on a quarterly basis in 3Q17, compared to market expectations for a rise of 0.2%. In the previous quarter, the unit labor costs in non-farm businesses had risen by a revised 0.3%. The preliminary figures had indicated a rise of 0.5%.

Eurozone

In Germany, the seasonally adjusted factory orders unexpectedly advanced 0.5% on a monthly basis in October, compared to market expectations for a drop of 0.2%. Factory orders had registered a revised rise of 1.2% in the prior month.

In November, the Markit construction PMI dropped to 53.10 in Germany, compared to a reading of 53.30 in the prior month.

Asia

In Australia, the seasonally adjusted trade surplus narrowed to AUD105.00mn in October, from a revised trade surplus of AUD1604.00mn in the previous month. Markets were anticipating a trade surplus of AUD1400.00mn.

In November, the AIG performance of construction index recorded a rise to 57.50 in Australia, compared to a reading of 53.20 in the prior month.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	04:00	Tokyo Average Office Vacancies (Nov)	✓	3.03%*	3.02%	Monthly
Japan	07:00	Coincident Index (Oct) (P)	✓	116.20	116.20	Monthly
Japan	07:00	Leading Economic Index (Oct) (P)	✓✓✓	106.10	106.40	Monthly
Germany	08:00	Industrial Production (Oct)	✓	-	116.80	Monthly
South Africa	08:00	Gross Gold & Forex Reserve (Nov)	✓✓	-	USD48.90bn	Monthly
South Africa	08:00	Net Gold & Forex Reserve (Nov)	✓✓	USD42.65bn	USD42.50bn	Monthly
Germany	09:00	Industrial Production n.s.a. and w.d.a. (YoY) (Oct)	✓✓✓	4.30%	3.60%	Monthly
Germany	09:00	Industrial Production s.a. (MoM) (Oct)	✓✓✓	0.90%	-1.60%	Monthly
UK	10:30	Halifax House Prices (3m/YoY) (Nov)	✓	3.90%	4.50%	Monthly
UK	10:30	Halifax House Prices (MoM) (Nov)	✓	0.20%	0.30%	Monthly
South Africa	11:30	Gold Production (YoY) (Oct)	✓✓	-	2.30%	Monthly
South Africa	11:30	Mining Production (YoY) (Oct)	✓✓	3.00%	-0.90%	Monthly
Eurozone	12:00	Gross Domestic Product s.a. (QoQ) (Q3) (F)	✓✓✓	0.60%	0.60%**	Quarterly
Eurozone	12:00	Gross Domestic Product s.a. (YoY) (Q3) (F)	✓✓	2.50%	2.50%**	Quarterly
Eurozone	12:00	Household Consumption (QoQ) (Q3)	✓	0.40%	0.50%	Quarterly
Eurozone	12:00	Gross Fixed Capital (QoQ) (Q3)	✓	0.70%	0.90%	Quarterly
Eurozone	12:00	Government Expenditure (QoQ) (Q3)	✓	0.30%	0.50%	Quarterly
South Africa	13:00	Manufacturing Production Index (YoY) (Oct)	✓✓✓	1.10%	-1.60%	Monthly
South Africa	13:00	Manufacturing Production s.a. (MoM) (Oct)	✓✓✓	1.00%	-0.80%	Monthly
US	15:30	Continuing Jobless Claims (25-Nov)	✓✓✓	1919.00K	1957.00K	Weekly
US	15:30	Initial Jobless Claims (02-Dec)	✓✓✓	240.00K	238.00K	Weekly
Eurozone	18:00	ECB President Draghi's Speech	✓✓✓	-	-	As scheduled
US	22:00	Consumer Credit Change (Oct)	✓✓	USD17.00bn	USD20.83bn	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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