

# ONE Minute Brief

8 December 2017

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## Economic and Political News

In South Africa (SA), gold production dropped by 0.9% on an annual basis in October, compared to a rise of 2.3% in September. Mining production rose more-than-expected by 5.2% YoY in October, compared to a drop of 0.9% in September. Platinum production advanced 2.7% YoY in October, compared to a revised drop of 7.9% in September. Net gold & forex reserves rose more-than-expected to USD42.69bn in November, compared to a revised level of USD42.49bn in October.

Energy Minister, David Mahlobo, indicated that SA will move ahead with its nuclear expansion plan but will now progress at a slower pace, as there is less demand for power due to weak economic growth.

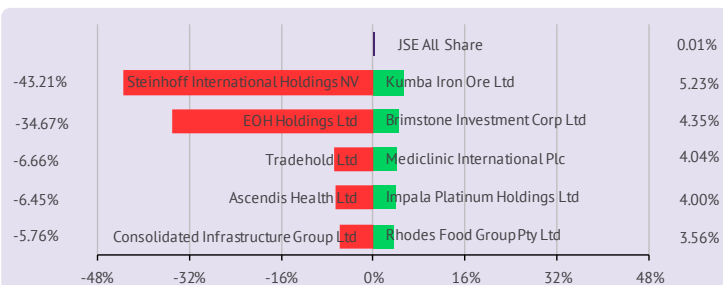
President, Jacob Zuma, stated that transformation in the energy sector is important and international investors will have to partner with South Africans in the future. Meanwhile, Zuma assured the nation that the forthcoming African National Congress (ANC) elective conference will be peaceful and orderly and added that he is happy to step down as president.

Deputy President, Cyril Ramaphosa, indicated that the 10-point action plan presented by him will mainly focus on creating jobs for South Africans and bringing transformation in the economy.

## South Africa Market ▲

### South African markets closed higher

South African markets closed a tad firmer yesterday, supported by gains in mining and resources sector stocks. The JSE All Share Index marginally rose to close at 58,013.18.



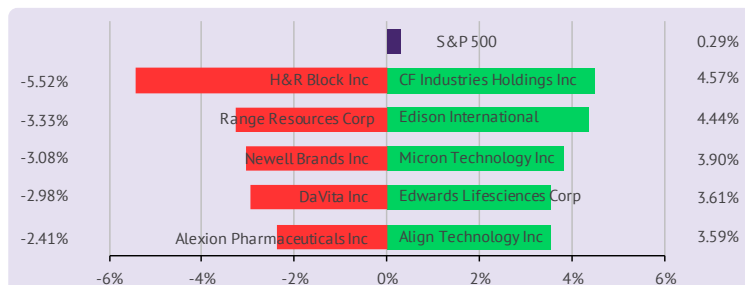
## Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	58013.18	▲	3.00	0.01%	-2.42%	-2.94%	1.34%	14.53%
JSE Top 40	51656.57	▲	84.12	0.16%	-2.33%	-3.03%	1.33%	17.66%
FTSE 100	7320.75	▼	-27.28	-0.37%	0.28%	-0.08%	-2.22%	2.49%
DAX 30	13045.15	▲	46.30	0.36%	1.43%	0.16%	-1.55%	13.62%
CAC 40	5383.86	▲	9.51	0.18%	1.26%	0.21%	-2.37%	10.73%
S&P 500	2636.98	▲	7.71	0.29%	-0.20%	-0.40%	2.81%	17.78%
Nasdaq Composite	6812.84	▲	36.47	0.54%	-0.51%	-0.89%	2.17%	26.56%
DJIA	24211.48	▲	70.57	0.29%	-0.08%	-0.25%	3.83%	22.51%

## US Market ▲

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

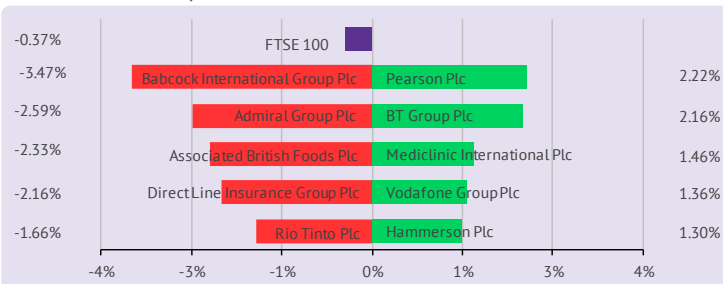
US markets closed higher yesterday, boosted by gains in technology and industrial sector stocks. Data indicated that US initial jobless claims unexpectedly fell during the week ended 2 December 2017. The S&P 500 Index climbed 0.3% to close at 2,636.98.



## UK Market ▼

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

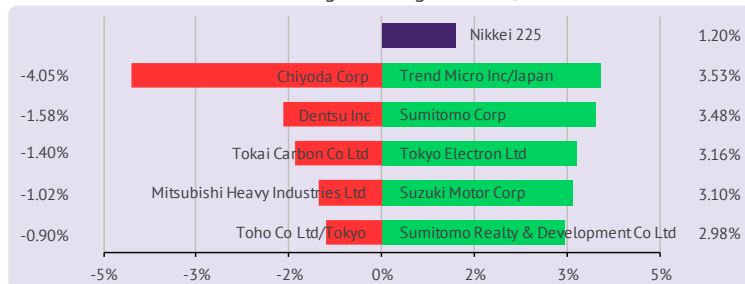
UK markets finished lower yesterday, amid losses in energy and consumer staples sector stocks, followed by strength in the British Pound amid rising hopes in Brexit talks. The FTSE 100 Index declined 0.4% to close at 7,320.75.



## Asian Market ▲

### Trading higher

Asian markets are trading higher this morning, tracking overnight gains on Wall Street. Data revealed that Japan's annualised gross domestic product (GDP) jumped at a stronger pace on a quarterly basis in 3Q17. The Nikkei 225 Index is trading 1.2% higher at 22,767.33.



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## USDZAR ▼

### USD trading weaker against ZAR

At 06:00 SAST, the US Dollar is trading marginally lower against the South African Rand at R13.7318. Later today, traders will keep a close watch on the change in US non-farm payrolls, unemployment rate and the Michigan consumer confidence index along with average hourly earnings and final wholesale inventories for further direction.

The US Dollar rose against the South African Rand yesterday, after the number of Americans applying for unemployment benefits surprisingly declined during the week ended 2 December 2017. Furthermore, the nation's consumer credit advanced more-than-expected in October.

## GBPZAR ▲

### GBP trading higher against ZAR

At 06:00 SAST, the British Pound marginally climbed against the South African Rand to trade at R18.5097. Later today, traders will keep an eye on UK's NIESR GDP estimate, manufacturing production and industrial production along with construction output and trade balance for further cues.

The British Pound advanced against the South African Rand yesterday, after UK's Halifax house price index advanced at a faster pace on a monthly basis in November.

## EURZAR ▼

### EUR trading lower against ZAR

At 06:00 SAST, the Euro fell 0.1% against the South African Rand to trade at R16.1609. Going forward, market participants will keep a tab on Germany's trade balance for further indication.

The Euro strengthened against the South African Rand yesterday, after Eurozone's GDP surprised with a rise on a yearly basis in 3Q17 while recorded an unchanged reading on a quarterly basis in 3Q17. Meanwhile, Germany's industrial production unexpectedly dropped on a monthly basis in October, amid a downfall in automobile production.

## AUDZAR ▲

### AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar marginally gained against the South African Rand to trade at R10.3188. Earlier in the session, in China, Australia's largest trading partner, trade surplus unexpectedly widened in November.

The Australian Dollar rose against the South African Rand yesterday. On the data front, Australia's trade surplus narrowed more-than-anticipated in October. In contrast, the AiG performance of construction index recorded a rise in November.

## Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.7318	▼	1.62%	-0.03%	0.26%	-3.04%	0.02%
GBPZAR	18.5097	▲	2.28%	0.01%	-0.20%	-1.19%	9.34%
EURZAR	16.1609	▼	1.44%	-1.05%	-0.89%	-0.84%	11.97%
AUDZAR	10.3188	▲	0.93%	-1.42%	-0.56%	-4.09%	4.13%
EURUSD	1.1768	▼	-0.19%	-1.03%	-1.10%	2.22%	11.99%
GBPUUSD	1.3477	▲	0.60%	-0.02%	-0.38%	1.82%	9.23%
Brent (\$/barrel)	62.2	▼	1.60%	-2.40%	-0.69%	2.77%	9.47%
Gold (\$/oz)	1251.0	▲	-1.03%	-2.27%	-1.84%	0.21%	8.52%
Platinum (\$/oz)	896.1	▲	-0.92%	-4.90%	-5.09%	2.49%	-0.79%
Copper (\$/MT)*	6530.0	▲	0.19%	-4.09%	-3.04%	-1.20%	18.23%

\*As of Previous Close

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices edged 0.1% higher to trade at \$1,251.00/oz.

Yesterday, gold prices fell 1.0% to close at \$1,249.80/oz, as strength in the greenback, dented demand for the safe haven asset.

## Brent Crude Oil ▼

### Trading weaker

At 06:00 SAST, Brent crude oil edged marginally lower to trade at \$62.19/bl.

Yesterday, Brent crude oil advanced 1.6% to settle at \$62.20/bl, after the Organization of the Petroleum Exporting Countries (OPEC) oil production declined by 220,000 to 32.35mn bls per day in November, reaching its lowest level in six months.

## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices climbed 0.2% to trade at \$896.10/oz.

Yesterday, platinum prices declined 0.9% to close at \$894.50/oz.



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## Major South Africa Corporate News

### Pallingu Resources Limited

The company announced that the integration of the Gemfields Plc and the company's teams has been successfully implemented. Headcount at the London head-office was reduced by approximately 15.0%.

### Steinhoff International Holdings NV

The company stated that the board has given further consideration to the issues subject to the investigation and to the validity and recoverability of certain non-South African assets of the company which amount to approximately EUR6.00bn. Further, it also announced that there is no evidence to suggest that the CFO had any involvement in the matters under investigation. Therefore, CFO, Ben La Grange, continues to maintain his position.

## Major Global Economic News

### Asia

In Japan, the final annualised GDP recorded a rise of 2.5% on a quarterly basis in 3Q17, more than market expectations for a rise of 1.5%. In the previous quarter, annualized GDP had recorded a revised rise of 2.6%. The preliminary figures had recorded a rise of 1.4%.

In October, labour cash earnings recorded a rise of 0.6% on an annual basis in Japan, lower than market expectations for an advance of 0.8%. In the prior month, labour cash earnings had recorded a rise of 0.9%.

Japan has reported (BOP basis) trade surplus of JPY430.20bn in October, from a trade surplus of JPY852.20bn in the previous month. Market expectation was for the nation to register a trade surplus of JPY418.10bn.

In China, trade surplus surprisingly rose to USD40.21bn in November, compared to a reading of USD38.06bn in the prior month. Market expectation was for the nation to record a trade surplus of USD34.70bn.

### Eurozone

In the Eurozone, the seasonally adjusted final GDP recorded a rise of 0.6% on a quarterly basis in 3Q17, at par with market expectations. GDP had climbed by a revised 0.7% in the prior quarter. The preliminary figures had also indicated a rise of 0.6%.

In Germany, the seasonally adjusted industrial production unexpectedly fell 1.4% on a monthly basis in October, compared to a revised drop of 0.9% in the prior month. Market expectation was for industrial production to rise 0.9%.

### US

In the US, consumer credit registered a rise of USD20.52bn in October, compared to a revised advance of USD19.21bn in the previous month. Market anticipation was for consumer credit to advance USD17.00bn.

In the US, the seasonally adjusted initial jobless claims unexpectedly eased to 236.00K in the week ended 2 December 2017, compared to a level of 238.00K in the prior week. Markets were anticipating initial jobless claims to climb to 240.00K.

### UK

In the UK, the Halifax house price index recorded a rise of 0.5% on a monthly basis in November, compared to a rise of 0.3% in the previous month. Markets were anticipating the index to climb 0.2%.

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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) (F)	✓✓	0.60%*	0.30%**	Quarterly
Japan	01:50	Gross Domestic Product Deflator (YoY) (Q3) (F)	✓	0.10%*	0.10%**	Quarterly
Japan	01:50	Nominal Gross Domestic Product (QoQ) (Q3) (F)	✓✓	0.80%*	0.60%**	Quarterly
Japan	01:50	Trade Balance - BOP Basis (Oct)	✓✓✓	JPY430.20bn*	JPY852.20bn	Monthly
Japan	01:50	Gross Domestic Product Annualised (Q3) (F)	✓✓✓	2.50%*	1.40%**	Quarterly
China	05:35	Exports (YoY) (Nov)	✓✓	12.30%*	6.90%	Monthly
China	05:35	Imports (YoY) (Nov)	✓✓	17.70%*	17.20%	Monthly
China	05:35	Trade Balance (Nov)	✓✓	USD40.21bn*	USD38.17bn	Monthly
Japan	07:00	Eco Watchers Survey: Current (Nov)	✓✓	52.10	52.20	Monthly
Japan	07:00	Eco Watchers Survey: Outlook (Nov)	✓✓	54.00	54.90	Monthly
Germany	09:00	Labour Costs s.a. (QoQ) (Q3)	✓✓	-	0.30%	Quarterly
Germany	09:00	Current Account n.s.a. (Oct)	✓	EUR20.00bn	EUR25.40bn	Monthly
Germany	09:00	Trade Balance n.s.a. (Oct)	✓✓✓	EUR21.90bn	EUR24.10bn	Monthly
UK	11:30	Industrial Production (MoM) (Oct)	✓✓✓	0.00%	0.70%	Monthly
UK	11:30	Manufacturing Production (MoM) (Oct)	✓✓✓	0.00%	0.70%	Monthly
UK	11:30	Construction Output s.a. (YoY) (Oct)	✓	1.80%	1.10%	Monthly
UK	11:30	Total Trade Balance (Oct)	✓✓✓	-GBP3.00bn	-GBP2.75bn	Monthly
UK	15:00	NIESR GDP Estimate (3M) (Nov)	✓✓✓	0.40%	0.50%	Monthly
US	15:30	Average Hourly Earnings (Nov)	✓✓	-	USD22.22	Monthly
US	15:30	Average Hourly Earnings All Employees (MoM) (Nov)	✓✓	0.30%	0.00%	Monthly
US	15:30	Average Weekly Hours All Employees (Nov)	✓	34.40	34.40	Monthly
US	15:30	Unemployment Rate (Nov)	✓✓✓	4.10%	4.10%	Monthly
US	15:30	Average Hourly Earnings All Employees (YoY) (Nov)	✓✓	2.70%	2.40%	Monthly
US	15:30	Change in Non-farm Payrolls (Nov)	✓✓✓	195.00K	261.00K	Monthly
US	17:00	Reuters/Michigan Consumer Sentiment Index (Dec) (P)	✓✓✓	99.00	98.50	Monthly
US	17:00	Wholesale Inventories (MoM) (Oct) (F)	✓✓✓	-0.40%	-0.40%**	Monthly
US	-	US Government Shutdown Limit	✓✓✓	-	-	As scheduled

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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