

# ONE Minute Brief

22 January 2018

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## Economic and Political News

News reports indicate that the ANC's national executive committee (NEC), in its meeting on Friday night, discussed setting up a process to ask President Jacob Zuma to resign. Meanwhile, the Umkhonto we Sizwe Military Veterans Association (MKMVA) indicated that it will support any decision taken by the NEC, including the removal of Jacob Zuma as President.

Telkom Chairman, Jabu Mabuza, has been appointed Chairman of a new board at Eskom. The government also recommended the appointment of Phakamani Hadebe as acting group Chief Executive of the utility. Opposition parties have welcomed the appointment of the new board, stating that it will bring stability to Eskom. Meanwhile, Public Enterprises Minister, Lynne Brown, has expressed confidence in the new board members.

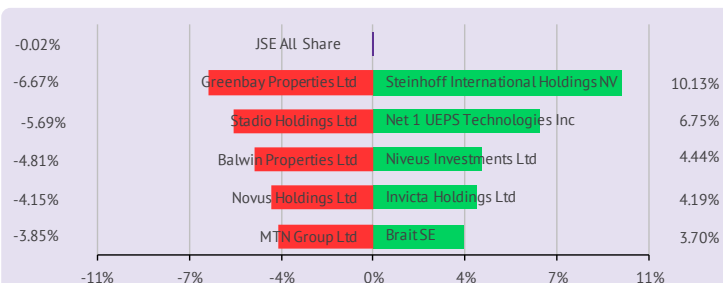
The Social Development Ministry has admitted that it had agreed to pay SABC to conduct an interview with minister, Bathabile Dlamini. The SABC has indicated that this breached its own editorial policy and that it will no longer be invoicing the department for the interview.

Deputy President, Cyril Ramaphosa, will lead the nation's delegation to participate in the World Economic Forum's (WEF) annual meeting in Davos, Switzerland, scheduled for 23-26 January.

## South Africa Market ▼

### South African markets closed lower

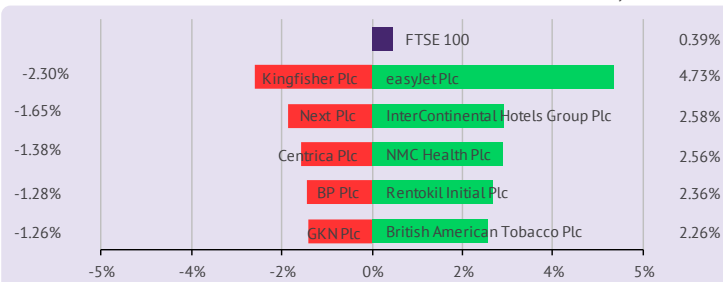
South African markets closed a tad lower on Friday, weighed down by losses in banking, financial and property sector stocks. The JSE All Share Index marginally fell to close at 60,912.88.



## UK Market ▲

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

UK markets finished higher on Friday, led by gains in consumer staples, mining and healthcare sector stocks. Data revealed that UK's monthly retail sales fell to its lowest level since June 2016 Brexit referendum vote in December. The FTSE 100 Index rose 0.4% to close at 7,730.79.



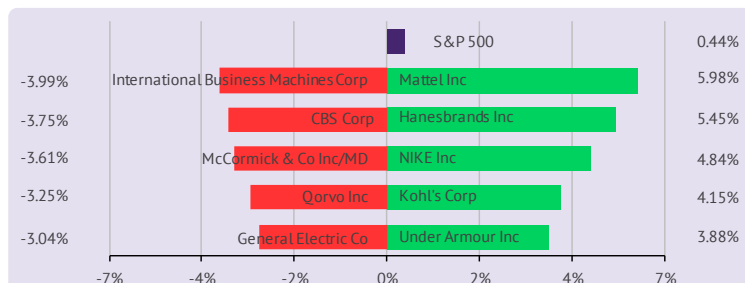
## Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	60912.88	▼	-9.67	-0.02%	NA	2.37%	-0.45%	2.37%
JSE Top 40	54058.74	▲	48.25	0.09%	NA	2.90%	-1.38%	2.90%
FTSE 100	7730.79	▲	29.83	0.39%	NA	0.56%	4.93%	0.56%
DAX 30	13434.45	▲	153.02	1.15%	NA	4.00%	-0.82%	4.00%
CAC 40	5526.51	▲	31.68	0.58%	NA	4.03%	-1.12%	4.03%
S&P 500	2810.30	▲	12.27	0.44%	NA	5.11%	0.98%	5.11%
Nasdaq Composite	7336.38	▲	40.33	0.55%	NA	6.27%	0.43%	6.27%
DJIA	26071.72	▲	53.91	0.21%	NA	5.47%	1.84%	5.47%

## US Market ▲

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

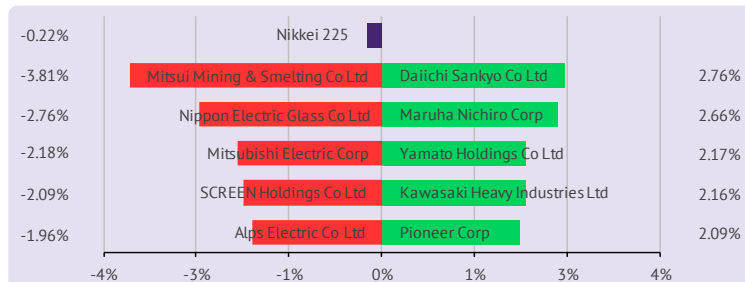
US markets closed higher on Friday, amid gains in consumer staples sector stocks. In major news, the US Senate will take a decision regarding the US government shutdown today, as it failed to strike a deal in the prior week. The S&P 500 Index climbed 0.4% to 2,810.30.



## Asian Market ◀▶

### Trading mixed

Asian markets are trading mixed this morning. The Nikkei 225 Index is trading 0.2% lower at 23,755.19.



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## USDZAR ▼

### USD trading lower against ZAR

At 06:00 SAST, the US Dollar dropped 0.6% against the South African Rand to trade at R12.1225, amid continuing worries over the US government shutdown. Later today, traders will keep a close watch on the US Chicago Fed National activity index for further cues.

The US Dollar rose against the South African Rand on Friday. On the macro front, the US preliminary Michigan consumer sentiment index unexpectedly declined in January, marking its lowest level in six months.

## GBPZAR ▼

### GBP trading weaker against ZAR

At 06:00 SAST, the British Pound retreated 0.3% against the South African Rand to trade at R16.8124. With no major economic news in the UK today, investor sentiment will be determined by global macroeconomic news.

The British Pound advanced against the South African Rand on Friday. In economic news, UK's retail sales retreated more-than-expected on a monthly basis in December, marking its lowest level since June 2016 Brexit referendum vote.

## EURZAR ▼

### EUR trading lower against ZAR

At 06:00 SAST, the Euro is trading 0.5% weaker against the South African Rand at R14.8223. Amid lack of major economic releases in the Eurozone today, investor sentiment will be determined by global macroeconomic news.

The Euro strengthened against the South African Rand on Friday. On the data front, Eurozone's current account surplus widened in November. Meanwhile, Germany's producer price index (PPI) grew at a slower pace, in line with market expectations on an annual basis in December.

## AUDZAR ▼

### AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.4% lower against the South African Rand at R9.6914.

The Australian Dollar rose against the South African Rand on Friday.

## Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	12.1225	▼	0.53%	NA	-1.51%	-9.60%	-1.51%
GBPZAR	16.8124	▼	0.03%	NA	0.84%	-9.84%	0.84%
EURZAR	14.8223	▼	0.39%	NA	0.32%	-8.96%	0.32%
AUDZAR	9.6914	▼	0.22%	NA	0.65%	-6.85%	0.65%
EURUSD	1.2228	▲	-0.13%	NA	1.81%	0.85%	1.81%
GBPUSD	1.3870	▲	-0.26%	NA	2.55%	-0.09%	2.55%
Brent (\$/barrel)	68.9	▲	-1.01%	NA	2.60%	6.77%	2.60%
Gold (\$/oz)	1330.9	▼	0.44%	NA	1.82%	2.84%	1.82%
Platinum (\$/oz)	1016.2	=	1.11%	NA	8.78%	-0.88%	8.78%
Copper (\$/MT)*	6999.3	▼	-0.47%	NA	-2.88%	7.01%	-2.88%

\*As of Previous Close

## Gold ▼

### Trading in the red

At 06:00 SAST, gold prices edged 0.2% lower to trade at \$1,330.90/oz.

On Friday, gold prices rose 0.4% to close at \$1,333.10/oz, as the US dollar declined, amid rising concerns over the government shutdown.

## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil edged 0.4% higher to trade at \$68.87/bl, after Saudi Arabia's Energy Minister, asked OPEC and non-OPEC nations to extend their production cuts agreement into 2019.

On Friday, Brent crude oil dropped 1.0% to settle at \$68.61/bl, after the International Energy Agency projected that US crude production would increase above 10.0mn bls per day in 2018, a level not reached since 1970. Meanwhile, Baker Hughes reported that the number of US active oil-drilling rigs fell by 5 to 747 last week.

## Platinum ◀▶

### Trading flat

At 06:00 SAST, platinum prices traded flat at \$1,016.20/oz.

On Friday, platinum prices climbed 1.1% to close at \$1,016.20/oz.



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## Major South Africa Corporate News

### PPC Limited

The company announced that it would be able to improve its liquidity position by finalising a capital repayment moratorium with funders of its DRC operation. Therefore, the total capital requirements for its subsidiary, PPC Barnet DRC will be limited to interest payments from January 2018 up to January 2020.

## Major Global Economic News

### Eurozone

In the Eurozone, the seasonally adjusted current account surplus expanded to EUR32.50bn in November, compared to a revised current account surplus of EUR30.30bn in the previous month.

In Germany, the PPI recorded a rise of 2.3% on a yearly basis in December, at par with market expectations. In the prior month, the PPI had climbed 2.5%.

### UK

In the UK, retail sales slid 1.5% on a monthly basis in December, compared to a revised advance of 1.0% in the prior month. Markets were anticipating retail sales to fall 1.0%.

### US

In the US, the flash Reuters/Michigan consumer sentiment index registered an unexpected drop to a level of 94.40 in January, compared to market expectations of a rise to 97.00. The index had registered a level of 95.90 in the previous month.



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## 40 Best Performers on the All Share Index

Company Name	Last Close	1 Week % Change	MTD % Change	YTD % Change
Reinet Investments SCA	26600	1.10%	-	-
Kumba Iron Ore Ltd	37000	-7.01%	156.45%	153.31%
Trustco Group Holdings Ltd	950	0.00%	120.42%	127.82%
Astral Foods Ltd	26199	-1.84%	70.73%	113.32%
Exxaro Resources Ltd	15756	-4.51%	58.04%	87.06%
Naspers Ltd	371781	2.88%	37.27%	85.08%
Assore Ltd	40700	4.11%	118.61%	81.45%
Niveus Investments Ltd	987	0.00%	56.88%	69.77%
Trencor Ltd	4698	-2.53%	41.08%	69.10%
Mr Price Group Ltd	25224	3.72%	75.22%	64.73%
Dis-Chem Pharmacies Ltd	3571	4.23%	24.57%	60.75%
Discovery Ltd	17779	1.59%	39.73%	57.39%
Anglo American Plc	29711	-0.33%	73.72%	56.70%
Clicks Group Ltd	17365	4.52%	28.28%	53.80%
Glencore Plc	6910	-0.43%	42.52%	50.54%
Capitec Bank Holdings Ltd	102000	0.35%	31.72%	49.15%
Barloworld Ltd	16358	1.67%	44.29%	45.45%
Sanlam Ltd	8767	8.23%	27.74%	45.14%
Imperial Holdings Ltd	25401	2.42%	55.73%	44.15%
African Rainbow Minerals Ltd	13289	-2.39%	74.46%	43.82%
South32 Ltd	3754	-1.86%	48.55%	43.76%
PPC Ltd	793	8.48%	29.15%	43.40%
Anglo American Platinum Ltd	37772	0.45%	35.43%	42.85%
Adcock Ingram Holdings Ltd	6735	16.60%	10.34%	42.82%
Shoprite Holdings Ltd	23909	11.80%	16.10%	42.77%
Equites Property Fund Ltd	2100	-0.47%	25.92%	41.32%
African Oxygen Ltd	2556	-5.33%	31.95%	41.10%
Cashbuild Ltd	46720	3.82%	37.17%	39.18%
Standard Bank Group Ltd	19450	3.05%	36.08%	35.24%
BHP Billiton Plc	27289	-2.40%	38.68%	30.82%
RCL Foods Ltd/South Africa	1620	-1.82%	9.44%	30.19%
Northam Platinum Ltd	5240	-5.18%	19.15%	29.38%
Cie Financiere Richemont SA	11405	-0.12%	5.29%	28.34%
FirstRand Ltd	6447	4.57%	34.24%	27.51%
Hudaco Industries Ltd	14001	-1.40%	8.29%	27.49%
Liberty Holdings Ltd	13058	8.82%	17.20%	25.58%
Foschini Group Ltd	18489	6.84%	39.71%	24.10%
Vukile Property Fund Ltd	2110	2.93%	21.78%	22.89%
Mondi Plc	33386	1.94%	-2.41%	22.82%
Gold Fields Ltd	5214	-3.87%	13.14%	22.27%
<b>JSE All Share Index</b>	<b>60913</b>	<b>1.38%</b>	<b>2.37%</b>	<b>2.37%</b>

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


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## Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous	Frequency
 Japan	06:00	Tokyo Condominium Sales (YoY) (Dec)	✓	-7.50%*	24.60%	Monthly
 Japan	09:00	Convenience Store Sales (YoY) (Dec)	✓	-	-0.30%	Monthly
 Switzerland	10:00	M3 Money Supply (YoY) (Dec)	✓	-	4.40%	Monthly
 Canada	15:30	Wholesale Sales (MoM) (Nov)	✓	1.20%	1.50%	Monthly
 US	15:30	Chicago Fed National Activity Index (Dec)	✓✓✓	0.22	0.15	Monthly
 Greece	-	Current Account (Nov)	✓	-	-EUR0.62bn	Monthly
 Germany	-	German Buba Monthly Report	✓	-	-	As scheduled

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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