

ONE Minute Brief

29 January 2018

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Economic and Political News

Global rating agency, Moody's has downgraded Eskom's long-term corporate family rating and zero coupon Eurobonds family rating to B1 from Ba3, with a warning that the rating will remain under review for further downgrades.

A search-and-seizure operation at African National Congress (ANC) secretary-general and Free State premier, Ace Magashule's office was conducted on Friday as part of probe into allegations that funds allocated for a dairy and farming project unlawfully went to members of the Gupta family. The Democratic Alliance (DA) stated that it will table a motion of no confidence against Ace Magashule in the provincial legislature.

The National Prosecuting Authority (NPA) has denied reports that it plans to charge Mineral Resources Minister, Mosebenzi Zwane, three Gupta brothers and their associates for money laundering in a few weeks.

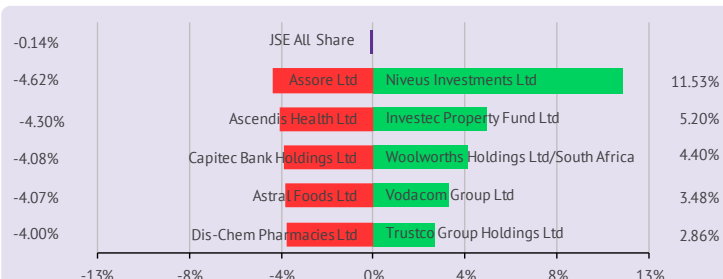
Terming reports of an exit deal for Zuma as betrayal to the people of South Africa, the DA stated that President Jacob Zuma and those responsible for state capture deserved to be sentenced to jail.

The Weather Service has indicated that the drought-stricken southwest is expected to continue experiencing higher average temperatures.

South Africa Market ▼

South African markets closed lower

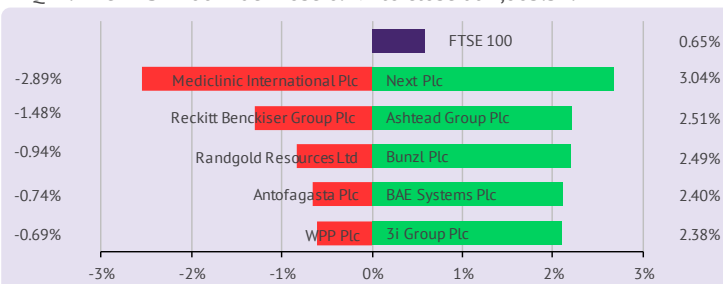
South African markets closed in the red on Friday, led by losses in gold mining, financial and banking sector stocks. The JSE All Share Index fell 0.1% to close at 61,595.86.



UK Market ▲

The FTSE 100 futures are trading in negative territory

UK markets finished higher on Friday, supported by gains in drugmaker stocks, on positive news from AstraZeneca and GlaxoSmithKline. Data showed that UK's economy grew at a faster pace on quarterly basis in 4Q17. The FTSE 100 Index rose 0.7% to close at 7,665.54.



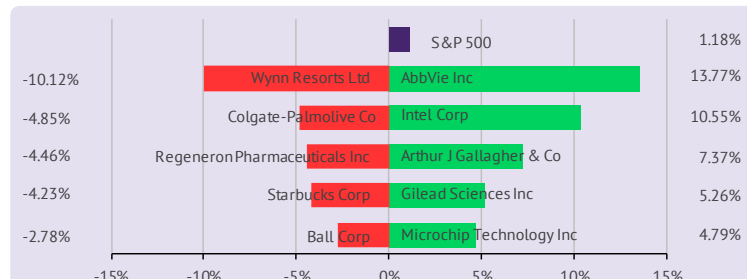
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	61595.86	▼	-88.91	-0.14%	NA	3.51%	-0.45%	3.51%
JSE Top 40	54530.63	▼	-27.39	-0.05%	NA	3.80%	-1.38%	3.80%
FTSE 100	7665.54	▲	49.70	0.65%	NA	-0.29%	4.93%	-0.29%
DAX 30	13340.17	▲	41.81	0.31%	NA	3.27%	-0.82%	3.27%
CAC 40	5529.15	▲	47.94	0.87%	NA	4.08%	-1.12%	4.08%
S&P 500	2872.87	▲	33.62	1.18%	NA	7.45%	0.98%	7.45%
Nasdaq Composite	7505.77	▲	94.61	1.28%	NA	8.73%	0.43%	8.73%
DJIA	26616.71	▲	223.92	0.85%	NA	7.68%	1.84%	7.68%

US Market ▲

The S&P 500 futures are trading in the green

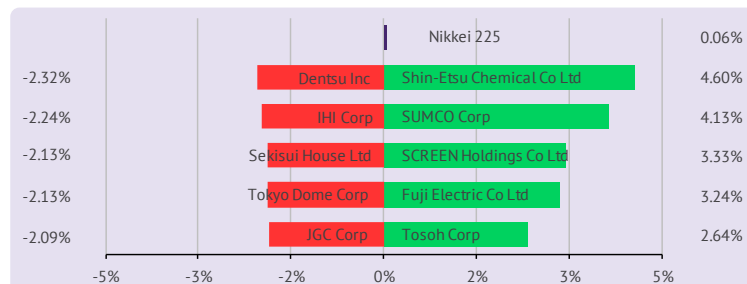
US markets closed higher on Friday, on upbeat quarterly earnings reports. Data indicated that the US annualised gross domestic product (GDP) rose at a slower pace on a quarterly basis in 4Q17. The S&P 500 Index climbed 1.2% to close at 2,872.87.



Asian Market ◀▶

Trading mixed

Asian markets are trading mixed this morning. The Nikkei 225 Index is trading 0.1% higher at 23,646.04.



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USDZAR ▲

USD trading stronger against ZAR

At 06:00 SAST, the US Dollar is trading 0.1% firmer against the South African Rand at R11.8748. Later today, traders will keep a close watch on the US Dallas Fed manufacturing activity index, personal income and personal spending data for further direction.

The US Dollar fell against the South African Rand on Friday, after the US economic growth unexpectedly slowed down on a quarterly basis in the fourth quarter of 2017, as robust consumer spending resulted in increased imports. Moreover, the nation's advance goods trade deficit unexpectedly widened in December. Furthermore, flash wholesale inventories rose less-than-anticipated on a monthly basis in December. In contrast, preliminary durable goods orders surged to its highest level since June 2017 in December, boosted by increased demand for civilian aircraft and aviation parts.

GBPZAR ▼

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound marginally declined against the South African Rand to trade at R16.7952. 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 on Friday. On the data front, UK's GDP advanced at a faster pace on quarterly basis in 4Q17.

EURZAR ▲

EUR trading firmer against ZAR

At 06:00 SAST, the Euro is trading marginally higher against the South African Rand at R14.7445. With no major economic news in the Eurozone today, investor sentiment will be determined by global macroeconomic news.

The Euro strengthened against the South African Rand on Friday.

AUDZAR ▼

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% weaker against the South African Rand at R9.6107.

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	11.8748	▲	-0.06%	NA	-4.20%	-9.60%	-4.20%
GBPZAR	16.7952	▼	-0.17%	NA	0.46%	-9.84%	0.46%
EURZAR	14.7445	▲	0.16%	NA	-0.76%	-8.96%	-0.76%
AUDZAR	9.6107	▼	0.65%	NA	-0.43%	-6.85%	-0.43%
EURUSD	1.2419	▼	0.25%	NA	3.52%	0.85%	3.52%
GBPUSD	1.4144	▼	0.13%	NA	4.79%	-0.09%	4.79%
Brent (\$/barrel)	70.4	▼	0.14%	NA	5.46%	6.77%	5.46%
Gold (\$/oz)	1352.8	▲	-0.79%	NA	3.27%	2.84%	3.27%
Platinum (\$/oz)	1015.0	=	-1.39%	NA	8.65%	-0.88%	8.65%
Copper (\$/MT)*	7042.5	▼	-0.82%	NA	-2.28%	7.01%	-2.28%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.1% higher to trade at \$1,352.80/oz, amid weakness in the US Dollar.

On Friday, gold prices fell 0.8% to close at \$1,352.10/oz, reversing its previous session gains.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 0.1% lower to trade at \$70.43/bl.

On Friday, Brent crude oil advanced 0.1% to settle at \$70.52/bl, boosted by robust demand, weaker US Dollar and ongoing crude oil supply cuts by the OPEC and Russia. Meanwhile, Baker Hughes reported that the number of active US rigs drilling for oil climbed by 12 to 759 last week.

Platinum ◀▶

Trading flat

At 06:00 SAST, platinum prices traded flat at \$1,015.00/oz.

On Friday, platinum prices declined 1.4% to close at \$1015.00/oz.



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Major South Africa Corporate News

Anglo American Platinum Limited

The company announced the completion of all conditions precedent in relation to the sale of its 85.0% interest in Union Mine and its 50.1% interest in MASA Chrome Company Proprietary Limited by its wholly owned subsidiary Rustenburg Platinum Mines Limited to a subsidiary of Siyanda Resources Proprietary Limited. The effective date of completion would be February 1, 2018.

Spur Corporation Limited

The company announced the appointment of Mr. Phillip Matthee as Financial Director and Executive Director with effect from April 1, 2018.

Major Global Economic News

US

In the US, the flash annualized GDP registered a rise of 2.6% on a quarterly basis in 4Q17, compared to an advance of 3.2% in the prior quarter. Market anticipation was for the annualized GDP to climb 3.0%.

In December, advance goods trade deficit expanded to USD71.60bn in the US, compared to a revised trade deficit of USD70.00bn in the prior month. Markets were anticipating the country's advance goods trade deficit to narrow to USD68.90bn.

In the US, the flash durable goods orders recorded a rise of 2.9% on a monthly basis in December, higher than market expectations for an advance of 0.8%. Durable goods orders had recorded a rise of 1.3% in the previous month.

In December, the seasonally adjusted preliminary wholesale inventories climbed 0.2% on a monthly basis in the US, compared to an advance of 0.8% in the previous month. Market expectation was for the wholesale inventories to climb 0.4%.

UK

In the UK, the flash GDP registered a rise of 0.5% on quarterly basis in 4Q17, more than market expectations for a rise of 0.4%. GDP had risen 0.4% in the prior quarter.

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40 Best Performers on the All Share Index

Company Name	Last Close	1 Week % Change	MTD % Change	YTD % Change
Steinhoff International Holdings NV	755	-0.79%	62.37%	62.37%
JSE Ltd	18719	8.52%	21.68%	21.68%
Lewis Group Ltd	3210	38.02%	21.41%	21.41%
PPC Ltd	842	6.18%	20.80%	20.80%
Niveus Investments Ltd	1199	21.48%	20.02%	20.02%
Mr Price Group Ltd	28475	12.89%	16.29%	16.29%
Anglo American Plc	29400	-1.05%	15.01%	15.01%
Sun International Ltd/South Africa	6952	6.12%	14.99%	14.99%
Famous Brands Ltd	11822	5.13%	14.79%	14.79%
Emira Property Fund Ltd	1530	7.90%	13.67%	13.67%
Bidvest Group Ltd	24622	18.25%	12.90%	12.90%
MMI Holdings Ltd/South Africa	2356	5.18%	12.19%	12.19%
Adcock Ingram Holdings Ltd	6530	-3.04%	11.91%	11.91%
Vodacom Group Ltd	16300	10.03%	11.89%	11.89%
Invicta Holdings Ltd	5700	0.87%	11.66%	11.66%
Shoprite Holdings Ltd	24651	3.10%	11.45%	11.45%
KAP Industrial Holdings Ltd	886	6.49%	11.45%	11.45%
Raubex Group Ltd	2220	3.54%	11.33%	11.33%
Royal Bafokeng Platinum Ltd	3100	-2.36%	10.71%	10.71%
Clover Industries Ltd	1450	-1.69%	10.69%	10.69%
Mpact Ltd	2700	-5.00%	10.66%	10.66%
Hosken Consolidated Investments Ltd	15327	4.19%	10.27%	10.27%
Barloworld Ltd	17593	7.55%	10.26%	10.26%
Coronation Fund Managers Ltd	8144	6.67%	10.20%	10.20%
Telkom SA SOC Ltd	5301	11.13%	10.16%	10.16%
RCL Foods Ltd/South Africa	1670	3.09%	9.87%	9.87%
Tsogo Sun Holdings Ltd	2675	5.73%	9.81%	9.81%
Nedbank Group Ltd	27968	7.98%	9.21%	9.21%
Liberty Holdings Ltd	13584	4.03%	9.17%	9.17%
Santam Ltd	28900	6.95%	8.22%	8.22%
Transaction Capital Ltd	1805	6.87%	8.08%	8.08%
Impala Platinum Holdings Ltd	3503	3.24%	7.98%	7.98%
Investec Property Fund Ltd	1779	6.02%	7.82%	7.82%
AngloGold Ashanti Ltd	13858	3.60%	7.74%	7.74%
South32 Ltd	3643	-2.96%	7.15%	7.15%
Super Group Ltd/South Africa	4425	8.14%	7.01%	7.01%
Accelerate Property Fund Ltd	550	2.80%	6.80%	6.80%
Standard Bank Group Ltd	20875	7.33%	6.69%	6.69%
Pallinghurst Resources Ltd	320	3.90%	6.67%	6.67%
Old Mutual Plc	4053	1.25%	6.66%	6.66%
JSE All Share Index	61596	1.12%	3.51%	3.51%

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus	Previous	Frequency
Germany	09:00	Export price index (Dec)	✓	-	106.10	Monthly
Germany	09:00	Import Price Index (Dec)	✓	-	101.90	Monthly
Germany	09:00	Import Price Index s.a. (MoM) (Dec)	✓✓	0.20%	0.80%	Monthly
UK	09:00	Nationwide House Prices n.s.a. (YoY) (Jan)	✓✓	-	2.60%	Monthly
UK	09:00	Nationwide House Prices s.a. (MoM) (Jan)	✓✓✓	-	0.60%	Monthly
Germany	09:00	Import Price Index n.s.a. (YoY) (Dec)	✓✓	1.10%	2.70%	Monthly
Spain	10:00	Retail Sales (YoY) (Dec)	✓✓✓	2.20%	2.00%	Monthly
Italy	11:00	Producer Price Index (MoM) (Dec)	✓✓	-	0.40%	Monthly
Italy	11:00	Producer Price Index (YoY) (Dec)	✓	-	2.80%	Monthly
Italy	11:00	Producer Price Index (Dec)	✓	-	104.00	Monthly
US	15:30	Personal Income (MoM) (Dec)	✓✓	0.30%	0.30%	Monthly
US	15:30	Personal Consumption Expenditure Core (MoM) (Dec)	✓✓	0.20%	0.10%	Monthly
US	15:30	Personal Consumption Expenditure Deflator (MoM) (Dec)	✓	0.10%	0.20%	Monthly
US	15:30	Personal Consumption Expenditure Deflator (YoY) (Dec)	✓	1.70%	1.80%	Monthly
US	15:30	Personal Spending (Dec)	✓✓	0.40%	0.60%	Monthly
US	15:30	Personal Consumption Expenditure Core (YoY) (Dec)	✓✓	1.50%	1.50%	Monthly
US	17:30	Dallas Fed Manufacturing Business Index (Jan)	✓✓✓	25.40	29.70	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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