

ONE Minute Brief

30 January 2018

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Economic and Political News

Moody's has warned that Cape Town's water crisis poses a possible threat to social order and is credit-negative as it will reduce revenue.

Eskom has indicated that it will publish its interim financial results today, in time to meet the Jan. 31 deadline set by the JSE. The utility also stated that it had noted the downgrade of its rating by Moody's and that it was on the path to recovery. Meanwhile, McKinsey indicated that Eskom had not given it reasons for its turnaround decision that the ZAR 1bn payment Eskom made to it was legal.

Police Minister, Fikile Mbalula, revealed that new heads of the police Crime Intelligence division and the Hawks would be appointed soon.

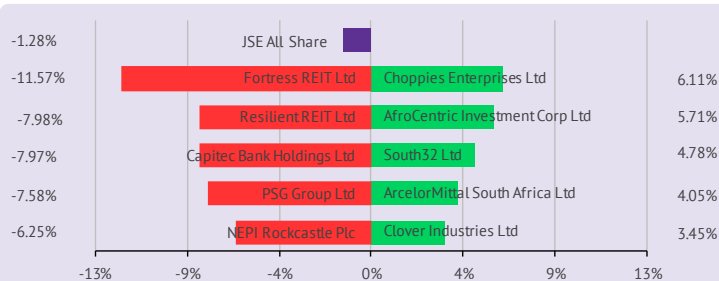
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	60806.90	▼	-788.96	-1.28%	-1.28%	2.19%	-0.45%	2.19%
JSE Top 40	53863.76	▼	-666.87	-1.22%	-1.22%	2.53%	-1.38%	2.53%
FTSE 100	7671.53	▲	5.99	0.08%	0.08%	-0.21%	4.93%	-0.21%
DAX 30	13324.48	▼	-15.69	-0.12%	-0.12%	3.15%	-0.82%	3.15%
CAC 40	5521.59	▼	-7.56	-0.14%	-0.14%	3.93%	-1.12%	3.93%
S&P 500	2853.53	▼	-19.34	-0.67%	-0.67%	6.73%	0.98%	6.73%
Nasdaq Composite	7466.51	▼	-39.27	-0.52%	-0.52%	8.16%	0.43%	8.16%
DJIA	26439.48	▼	-177.23	-0.67%	-0.67%	6.96%	1.84%	6.96%

South Africa Market ▼

South African markets closed lower

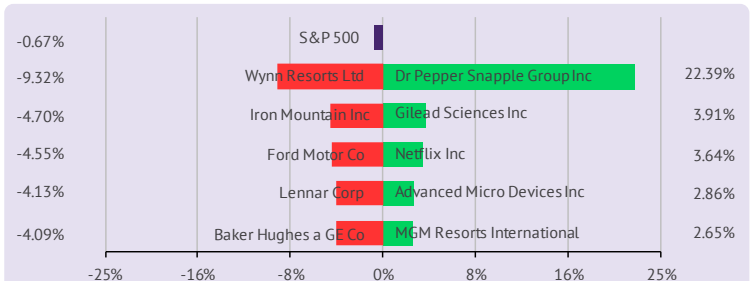
South African markets closed in the red yesterday, amid a sharp sell-off in banking, property and financial sector stocks. The JSE All Share Index fell 1.3% to close at 60,806.90.



US Market ▼

The S&P 500 futures are trading in the red

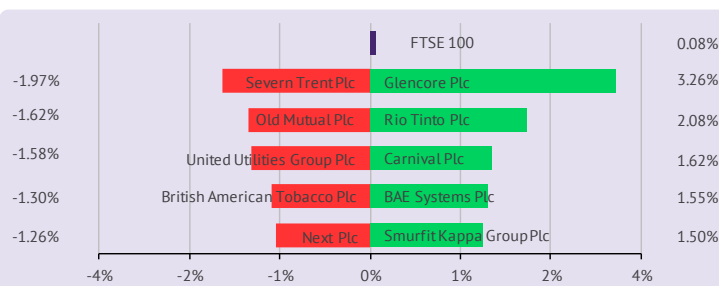
US markets closed lower yesterday, led by losses in utility and real estate sector stocks. Data indicated that the US Dallas Fed manufacturing activity index unexpectedly climbed in January. The S&P 500 Index dropped 0.7% to close at 2,853.53.



UK Market ▲

The FTSE 100 futures are trading in negative territory

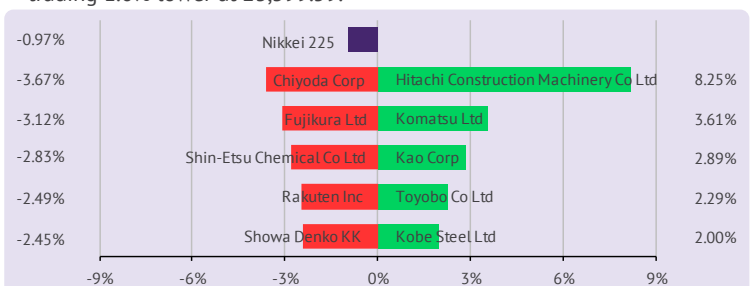
UK markets finished higher yesterday, amid weakness in the British Pound and gains in mining and energy sector stocks. The FTSE 100 Index advanced 0.1% to close at 7,671.53.



Asian Market ▼

Trading lower

Asian markets are trading weaker this morning, tracking overnight losses on Wall Street. Data revealed that Japan's unemployment rate recorded an unexpected rise in December. The Nikkei 225 Index is trading 1.0% lower at 23,399.59.



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USDZAR ▲

USD trading stronger against ZAR

At 06:00 SAST, the US Dollar climbed 0.3% against the South African Rand to trade at R11.9826. Later today, traders will keep a close watch on US consumer confidence index for further direction.

The US Dollar rose against the South African Rand yesterday, as US bond yields climbed, ahead of the Federal Reserve's meeting and US jobs data. Adding to the bullish sentiment, data showed that the US Dallas Fed manufacturing activity index surprised with a rise in January. Moreover, personal income advanced more-than-anticipated in December. Further, the nation's personal spending rose in line with market expectations in December.

GBPZAR ▲

GBP trading firmer against ZAR

At 06:00 SAST, the British Pound advanced 0.2% against the South African Rand to trade at R16.8396. Later today, traders will keep an eye on the Bank of England Governor, Mark Carney's speech along with UK's mortgage approvals and net consumer credit data for further cues.

The British Pound advanced against the South African Rand yesterday.

EURZAR ▲

EUR trading stronger against ZAR

At 06:00 SAST, the Euro gained 0.3% against the South African Rand to trade at R14.8333. Going forward, market participants will keep a tab on Eurozone's gross domestic product (GDP) figures and business climate indicator along with economic confidence index and consumer confidence index for further direction. Meanwhile, Germany's consumer price index will be on investors radar.

The Euro strengthened against the South African Rand yesterday.

AUDZAR ▲

AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.2% firmer against the South African Rand at R9.6879. Earlier in the session, Australia's NAB business confidence index surged in December. Further, NAB business condition index recorded a rise in the same month.

The Australian Dollar rose against the South African Rand yesterday.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	11.9826 ▲		0.67%	0.67%	-3.56%	-9.60%	-3.56%
GBPZAR	16.8396 ▲		0.06%	0.06%	0.52%	-9.84%	0.52%
EURZAR	14.8333 ▲		0.32%	0.32%	-0.45%	-8.96%	-0.45%
AUDZAR	9.6879 ▲		0.46%	0.46%	0.02%	-6.85%	0.02%
EURUSD	1.2378 ▼		-0.35%	-0.35%	3.15%	0.85%	3.15%
GBPUSD	1.4056 ▼		-0.61%	-0.61%	4.15%	-0.09%	4.15%
Brent (\$/barrel)	69.1 ▼		-1.50%	-1.50%	3.87%	6.77%	3.87%
Gold (\$/oz)	1341.0 ▲		-0.87%	-0.87%	2.37%	2.84%	2.37%
Platinum (\$/oz)	1002.6 ▼		-0.23%	-0.23%	8.40%	-0.88%	8.40%
Copper (\$/MT)*	7041.0 ▼		-0.02%	-0.02%	-2.30%	7.01%	-2.30%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices advanced 0.1% to trade at \$1,341.00/oz.

Yesterday, gold prices fell 0.9% to close at \$1,340.30/oz, as a firmer US Dollar dented demand for the precious yellow metal.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil declined 0.5% to trade at \$69.10/bl.

Yesterday, Brent crude oil dropped 1.5% to settle at \$69.49/bl, as strength in the greenback and rising US crude production weighed on the prices. Meanwhile, Iraq's oil Minister indicated that the nation would comply with the OPEC led crude production cut agreement despite its efforts to increase oil export capacity.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged 1.0% lower to trade at \$1,002.60/oz.

Yesterday, platinum prices declined 0.2% to close at \$1012.70/oz.



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Major South Africa Corporate News

Anglo American Plc

The company announced that its 73.0%-held subsidiary Anglo American Inyosi Coal (Proprietary) Limited would sell the New Largo thermal coal project and Old New Largo closed colliery in South Africa to New Largo Coal Proprietary Limited for a consideration of ZAR850.00mn.

Arcelormittal South Africa Limited

The company announced the appointment of Premium Corporate Consulting Services as its interim Company Secretary with effect from January 26, 2018.

Aspen Pharmacare Holdings Limited

The company announced that it has been exploring options to enhance the value of its global nutritionals business and has decided to formalise its review of strategic options for the same. Further, the firm appointed Centerview Partners UK LLP as Financial Advisor to assist in the strategic review process.

MTN Group Limited

In its FY17 trading statement, the company stated that it expects to report an improvement of at least 20.0% in both HEPS and EPS during the period, compared to an HEPS of 77.00c and attributable loss per share of 144.00c for the prior financial year. However, the company would announce its FY17 results on Thursday, March 8, 2018.

Spur Corporation Limited

In its sales update for 2H17, the company indicated that sales declined by 2.6% to ZAR3.7bn. Locally, 35 new outlets were opened and 13 were closed during the period.

Major Global Economic News

Asia

In Japan, unemployment rate unexpectedly rose to 2.8% in December, compared to market expectations of an unchanged reading. Unemployment rate had registered a reading of 2.7% in the previous month.

In December, retail trade unexpectedly rose 0.9% on a monthly basis in Japan, compared to market expectations for a fall of 0.4%. Retail trade had risen by a revised 1.8% in the previous month.

In Australia, the NAB business confidence index advanced to 11.00 in December. In the prior month, the index had recorded a revised level of 7.00.

In December, the NAB business conditions index rose to 13.00 in Australia, compared to a reading of 12.00 in the prior month.

US

In the US, the Dallas Fed manufacturing business index registered an unexpected rise to 33.40 in January, compared to market expectations of a drop to 25.40. In the previous month, the index had registered a level of 29.70

In December, personal spending advanced 0.4% on a monthly basis in the US, compared to a revised rise of 0.8% in the previous month. Markets were anticipating personal spending to rise 0.4%.

In the US, personal income recorded a rise of 0.4% on a monthly basis in December, compared to a rise of 0.3% in the prior month. Markets were expecting personal income to climb 0.3%.

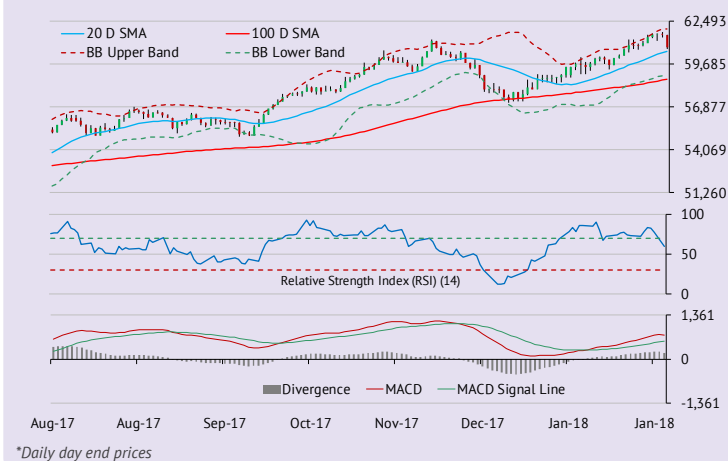
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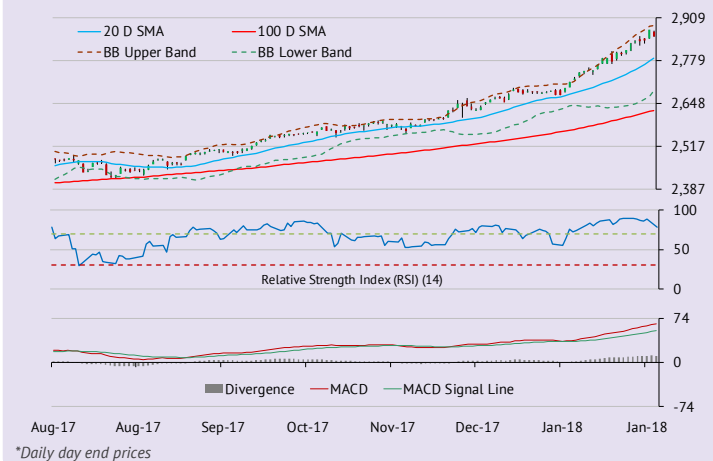
Technical Snapshot

JSE All Share



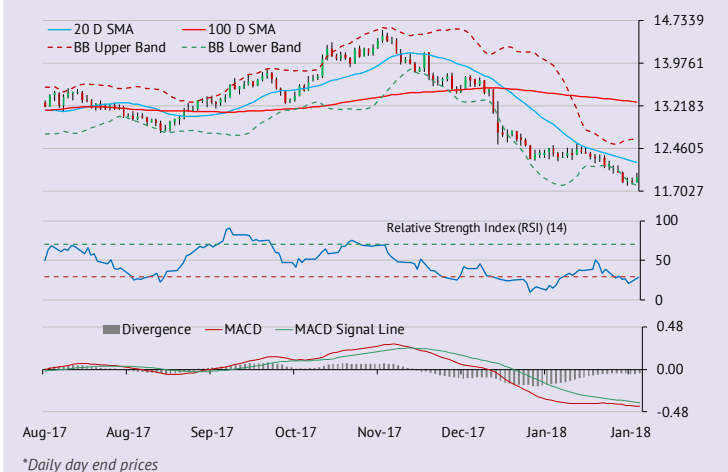
The JSE All Share index is expected to find support at 60,410.45, and a fall through could take it to the next support level of 60,014.01. The index is expected to find its first resistance at 61,490.01, and a rise through could take it to the next resistance level of 62,173.13.

S&P 500



The S&P 500 index is expected to find support at 2,827.94, and a fall through could take it to the next support level of 2,802.34. The index is expected to find its first resistance at 2,876.00, and a rise through could take it to the next resistance level of 2,898.46.

USDZAR



The pair is expected to find support at 11,772.6, and a fall through could take it to the next support level of 11,603.7. The pair is expected to find its first resistance at 12,135.0, and a rise through could take it to the next resistance level of 12,328.5.

XAU/USD



Gold is expected to find support at \$1,325.53/oz, and a fall through could take it to the next support level of \$1,310.77/oz. The precious metal is expected to find its first resistance at \$1,360.23/oz, and a rise through could take it to the next resistance level of \$1,380.17/oz.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:30	Job-To-Applicant Ratio (Dec)	✓	1.59*	1.56	Monthly
Japan	01:30	Unemployment Rate (Dec)	✓✓	2.80%*	2.70%	Monthly
Japan	01:30	Household Spending (YoY) (Dec)	✓✓	-0.10%*	1.70%	Monthly
Japan	01:50	Large Retailer's Sales (Dec)	✓✓	1.10%*	-0.70%	Monthly
Japan	01:50	Retail Trade (YoY) (Dec)	✓✓✓	3.60%*	2.10%	Monthly
Japan	01:50	Retail Trade s.a. (MoM) (Dec)	✓✓✓	0.90%*	1.80%	Monthly
South Africa	08:00	Private Sector Credit (YoY) (Dec)	✓✓	6.00%	6.45%	Monthly
South Africa	08:00	M3 Money Supply (YoY) (Dec)	✓✓	5.90%	6.61%	Monthly
UK	11:30	Net Consumer Credit (Dec)	✓✓	GBP1.40bn	GBP1.40bn	Monthly
UK	11:30	Mortgage Approvals (Dec)	✓✓✓	63.50K	65.10K	Monthly
UK	11:30	Net Lending Sec. on Dwellings (Dec)	✓✓	GBP3.40bn	GBP3.50bn	Monthly
Eurozone	12:00	Gross Domestic Product s.a. (QoQ) (Q4) (P)	✓✓✓	0.60%	0.60%	Quarterly
Eurozone	12:00	Gross Domestic Product s.a. (YoY) (Q4) (P)	✓✓	2.70%	2.60%	Quarterly
Eurozone	12:00	Consumer Confidence (Jan) (F)	✓✓✓	1.30	1.30**	Monthly
Eurozone	12:00	Business Climate Indicator (Jan)	✓✓	1.68	1.66	Monthly
Eurozone	12:00	Economic Sentiment Indicator (Jan)	✓	116.20	116.00	Monthly
Eurozone	12:00	Industrial Confidence (Jan)	✓	8.90	9.10	Monthly
Eurozone	12:00	Services Sentiment Indicator (Jan)	✓	18.50	18.40	Monthly
Germany	15:00	Consumer Price Index (MoM) (Jan) (P)	✓✓✓	-0.60%	0.60%	Monthly
Germany	15:00	Consumer Price Index (YoY) (Jan) (P)	✓✓✓	1.70%	1.70%	Monthly
US	16:00	S&P/Case-Shiller 20 City s.a. (MoM) (Nov)	✓✓✓	0.60%	0.70%	Monthly
US	16:00	S&P/Case-Shiller Composite-20 (YoY) (Nov)	✓✓	6.30%	6.38%	Monthly
US	17:00	Consumer Confidence (Jan)	✓✓✓	123.00	122.10	Monthly
UK	17:30	BoE's Governor Carney speech	✓✓✓	-	-	As scheduled
Eurozone	18:30	ECB's Mersch speaks in Frankfurt	✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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