

ONE Minute Brief

12 February 2018

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Economic and Political News

The African National Congress (ANC) has scheduled a special national executive committee meeting today. Deputy President and ANC head, Cyril Ramaphosa, stated that the party was working to resolve issues around the position of the President of the country and that the party executive committee would discuss the transition of power. Terming 2018 as the year to transform South Africa, Ramaphosa, in his address at the ANC's celebrations of Nelson Mandela's centenary, stated that the corrupt would be brought to justice and that any attempt to capture state institutions for self-enrichment would be resisted.

The Democratic Alliance stated that it had noted reports of President, Jacob Zuma, having demanded a host of conditions as part of his exit package. Terming it as an insult to the people of South Africa, the DA demanded that Zuma be prosecuted and, if found guilty, be sent to prison.

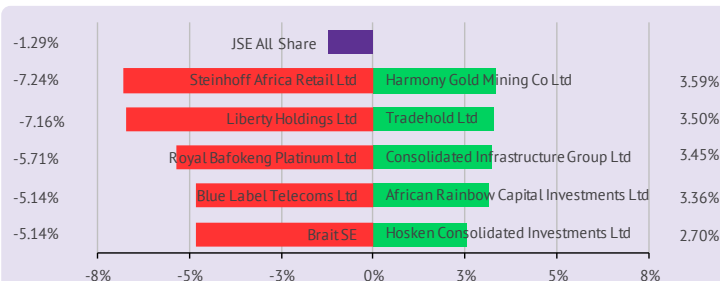
Gwede Mantashe, the national chairperson of the ANC, has called on South Africans to have patience with ANC president Cyril Ramaphosa, as he holds transition talks with President Jacob Zuma.

Parliament's Portfolio Committee on Justice and Correctional Services has summoned Public Protector, Busisiwe Mkhwebane, to explain her recent statements over the Vrede Dairy Farm report.

South Africa Market ▼

South African markets closed lower

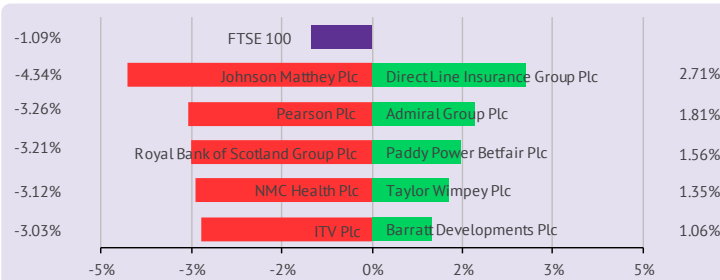
South African markets closed in the red on Friday, led by losses in platinum mining, property and retail sector stocks. The JSE All Share Index fell 1.3% to close at 55,902.62.



UK Market ▼

The FTSE 100 futures are trading in positive territory

UK markets finished lower on Friday, amid broad sell-off in global markets. Data revealed that UK's trade balance unexpectedly widened in December. The FTSE 100 Index declined 1.1% to close at 7,092.43.



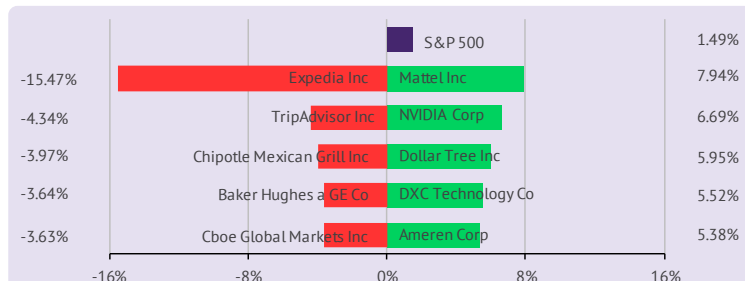
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	55902.62	▼ -733.07	-1.29%	NA	-6.06%	0.00%	-6.05%
JSE Top 40	49287.45	▼ -647.34	-1.30%	NA	-6.32%	0.16%	-6.18%
FTSE 100	7092.43	▼ -78.26	-1.09%	NA	-5.86%	-2.01%	-7.74%
DAX 30	12107.48	▼ -152.81	-1.25%	NA	-8.20%	2.10%	-6.27%
CAC 40	5079.21	▼ -72.47	-1.41%	NA	-7.35%	3.19%	-4.39%
S&P 500	2619.55	▲ 38.55	1.49%	NA	-7.23%	5.62%	-2.02%
Nasdaq Composite	6874.49	▲ 97.33	1.44%	NA	-7.25%	7.36%	-0.42%
DJIA	24190.90	▲ 330.44	1.38%	NA	-7.49%	5.79%	-2.14%

US Market ▲

The S&P 500 futures are trading in the green

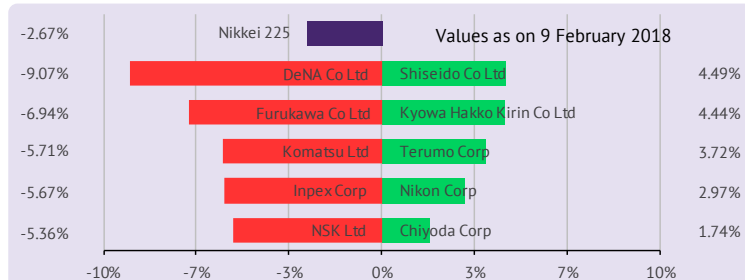
US markets closed higher on Friday, supported by gains in technology sector stocks. Data indicated that monthly US wholesale inventories rose at a faster-than-expected pace in December. The S&P 500 Index climbed 1.5% to close at 2,619.55.



Asian Market ▲

Trading higher

Asian markets are trading higher this morning. Markets in Japan are closed on account of a public holiday. On Friday, the Nikkei 225 Index edged 2.7% lower to close at 21,382.62.



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USDZAR ▼

USD trading weaker against ZAR

At 06:00 SAST, the US Dollar fell 0.2% against the South African Rand to trade at R11.9750. Later today, traders will keep a close watch on the US monthly budget statement for further direction.

The US Dollar fell against the South African Rand on Friday. Data indicated that US wholesale inventories recorded a more-than-anticipated rise on a monthly basis in December.

GBPZAR ▲

GBP trading firmer against ZAR

At 06:00 SAST, the British Pound advanced 0.1% against the South African Rand to trade at R16.6050. 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, after UK's trade balance unexpectedly widened in December. Further, the nation's industrial production dropped more-than-expected on a monthly basis in December, reaching its lowest level since September 2012. Meanwhile, monthly manufacturing production rose in line with market expectations in the same month. Additionally, the NIESR gross domestic product estimate rose at par with market forecast in three months to January.

EURZAR ▲

EUR trading higher against ZAR

At 06:00 SAST, the Euro is trading 0.1% firmer against the South African Rand at R14.7146. Amid no major economic news across the Eurozone, investor sentiment will be determined by global macroeconomic news.

The Euro weakened against the South African Rand on Friday.

AUDZAR ▲

AUD trading stronger against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.2% firmer against the South African Rand at R9.3837.

The Australian Dollar fell against the South African Rand on Friday. Data revealed that Australia's monthly home loans fell more than market forecast in December.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	11.9750	▼	-1.44%	NA	1.20%	-4.29%	-3.14%
GBPZAR	16.6050	▲	-1.98%	NA	-1.26%	0.50%	-0.77%
EURZAR	14.7146	▲	-1.41%	NA	-0.11%	-0.98%	-1.09%
AUDZAR	9.3837	▲	-1.06%	NA	-1.85%	-1.24%	-3.07%
EURUSD	1.2288	▲	0.04%	NA	-1.30%	3.41%	2.06%
GBPUSD	1.3861	▲	-0.62%	NA	-2.57%	5.02%	2.32%
Brent (\$/barrel)	63.3	▲	-3.12%	NA	-8.85%	3.02%	-6.10%
Gold (\$/oz)	1325.4	▲	-0.29%	NA	-1.93%	2.27%	0.29%
Platinum (\$/oz)	974.2	▲	-1.73%	NA	-4.26%	7.50%	2.92%
Copper (\$/MT)*	6711.8	▼	-1.35%	NA	-5.18%	-1.78%	-6.87%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.9% higher to trade at \$1,325.40/oz, as dollar reversed its previous session gains and ahead of US inflation data.

On Friday, gold prices fell 0.3% to close at \$1,313.10/oz, as stronger US Dollar dented demand for the precious yellow metal.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged 0.9% higher to trade at \$63.34/bl.

On Friday, Brent crude oil dropped 3.1% to settle at \$62.79/bl, after Baker Hughes reported that US oil rig count surged by 26 to 791 last week, marking its highest level since April 2, 2015 and thereby raising concerns of a rise in supply.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices gained 1.3% to trade at \$974.20/oz.

On Friday, platinum prices declined 1.7% to close at \$961.50/oz.



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Major South Africa Corporate News

Harmony Gold Mining Company Limited

In its 1H18 trading statement, the company indicated that it expects HEPS to be in the range of 210.00c to 240.00c, which is 40.0% to 60.0% higher, compared to the corresponding period of the previous year.

Net 1 UEPS Technologies Inc

In its 2Q18 results, the company revealed that its revenue declined 2.0% from the same period of the preceding year to USD148.42mn. Its diluted EPS stood at USD0.17, compared to USD0.35 recorded in the corresponding period of the previous year.

Kumba Iron Ore Limited

In its FY17 trading statement, the company stated that it expects HEPS to be in the range of ZAR29.13 and ZAR31.27, which is an increase of 7.0% to 15.0% compared to the previous year. Further, basic EPS is expected to be in the range of ZAR36.94 and ZAR39.65, which is an increase of 37.0% to 47.0% compared to the prior year.

Northam Platinum Limited

In its FY17 trading statement, the company stated that it expects loss per share to be in the range of 77.70c to 90.70c compared to the loss per share of 64.80c reported in the previous year. Further, the headline loss per share is estimated to range between 77.60c and 90.50c, compared to headline loss per share of 64.70c in the previous year.

Liberty Holdings Limited

In its FY17 trading statement, the company stated that basic EPS and HEPS are expected to be 40.0% to 55.0% higher, compared to the corresponding period of the previous year.

Pioneer Food Limited

In its trading update for the three months ended December 31, 2017, the company stated that the total volumes increased by 5.2%. However, its turnover decreased by 2.4%, due to sales price deflation in soft commodities.

Major Global Economic News

UK

In the UK, total trade deficit unexpectedly expanded to GBP4.90bn in December, following a revised total deficit of GBP3.65bn in the previous month.

In December, Industrial production fell more-than-anticipated by 1.3% on a monthly basis in the UK, compared to a revised rise of 0.3% in the previous month.

In the UK, monthly manufacturing production registered a rise of 0.3% in December, meeting market expectations. In the previous month, manufacturing production had recorded a revised gain of 0.2%.

In the UK, NIESR estimated GDP advanced 0.5% on a monthly basis in the November-January 2018 period, at par with market anticipation and compared to a rise of 0.6% in the October-December 2017 period.

US

In the US, the seasonally adjusted final wholesale inventories advanced more than market expectations 0.4% on a monthly basis in December, compared to a rise of 0.8% in the previous month. The preliminary figures had indicated an advance of 0.2%.

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40 Best Performers on the All Share Index

Company Name	Last Close	1 Week % Change	MTD % Change	YTD % Change
Lewis Group Ltd	3401	-2.80%	1.52%	28.63%
Steinhoff International Holdings NV	594	-9.73%	-13.16%	27.74%
Consolidated Infrastructure Group Ltd	450	21.95%	21.62%	19.05%
JSE Ltd	18250	-0.80%	-2.82%	18.63%
Royal Bafokeng Platinum Ltd	3300	1.85%	3.13%	17.86%
Clover Industries Ltd	1525	1.73%	1.73%	16.41%
Mpact Ltd	2770	-1.25%	2.97%	13.52%
RCL Foods Ltd/South Africa	1700	-0.06%	-1.96%	11.84%
Investec PLC	10000	6.28%	7.23%	11.41%
PPC Ltd	775	8.39%	-4.32%	11.19%
Choppies Enterprises Ltd	330	-1.49%	0.00%	11.11%
Investec Ltd	9951	6.56%	7.10%	10.91%
Adcock Ingram Holdings Ltd	6470	-1.91%	-1.33%	10.88%
Mr Price Group Ltd	26743	-1.30%	-6.49%	9.21%
Vodacom Group Ltd	15892	-3.72%	-2.80%	9.09%
Santam Ltd	29111	-2.58%	-2.74%	9.01%
Hosken Consolidated Investments Ltd	14994	-0.70%	-0.28%	7.87%
Famous Brands Ltd	11100	0.27%	-0.16%	7.78%
Emira Property Fund Ltd	1449	-0.96%	-2.03%	7.65%
Nedbank Group Ltd	27500	4.17%	4.16%	7.38%
Hudaco Industries Ltd	15412	0.73%	4.84%	7.03%
Shoprite Holdings Ltd	23650	-1.61%	-4.15%	6.92%
MMI Holdings Ltd/South Africa	2245	0.90%	-0.97%	6.90%
Brimstone Investment Corp Ltd	1194	3.38%	3.38%	6.13%
Anglo American PLC	27000	-5.13%	-6.79%	5.63%
Arrowhead Properties Ltd	690	3.76%	2.99%	5.34%
Niveus Investments Ltd	1050	-8.70%	-1.59%	5.11%
KAP Industrial Holdings Ltd	835	-2.45%	-2.22%	5.03%
Pallinghurst Resources Ltd	315	0.32%	-0.32%	5.00%
Bidvest Group Ltd/The	22843	-3.92%	-8.62%	4.74%
Super Group Ltd/South Africa	4298	-3.42%	-4.17%	3.94%
Coronation Fund Managers Ltd	7680	-2.62%	-2.49%	3.92%
City Lodge Hotels Ltd	15000	1.69%	2.04%	3.90%
Accelerate Property Fund Ltd	535	-1.83%	-2.55%	3.88%
Invicta Holdings Ltd	5301	-6.98%	-6.01%	3.84%
Sun International Ltd/South Africa	6250	-1.68%	-5.90%	3.37%
Wilson Bayly Holmes-Ovcon Ltd	15978	0.18%	0.33%	2.79%
Investec Property Fund Ltd	1685	3.69%	0.42%	2.12%
Truworths International Ltd	9639	0.01%	-1.64%	2.03%
AECI Ltd	10191	-2.20%	-1.06%	1.91%
JSE All Share Index	55903	-4.70%	-6.06%	-6.05%

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Switzerland	10:15	Harmonised Index of Consumer Prices (HICP) (MoM) (Jan)	✓✓	-	0.20%	Monthly
Switzerland	10:15	Harmonised Index of Consumer Prices (HICP) (YoY) (Jan)	✓✓	-	1.10%	Monthly
Switzerland	10:15	Consumer Price Index (MoM) (Jan)	✓✓	-0.20%	0.00%	Monthly
Switzerland	10:15	Consumer Price Index (YoY) (Jan)	✓✓	0.80%	0.80%	Monthly
Portugal	13:00	Consumer Price Index (MoM) (Jan)	✓	-	0.00%	Monthly
Portugal	13:00	Consumer Price Index (YoY) (Jan)	✓	-	1.50%	Monthly
US	21:00	Monthly Budget Statement (Jan)	✓✓✓	-	-USD23.20bn	Monthly
China	-	FDI - Foreign Direct Investment YTD (YoY) (Jan)	✓	-	-9.20%	Monthly
China	-	M0 Money Supply (YoY) (Jan)	✓	4.20%	3.40%	Monthly
China	-	M1 Money Supply (YoY) (Jan)	✓	13.50%	11.80%	Monthly
China	-	M2 Money Supply (YoY) (Jan)	✓✓✓	8.20%	8.20%	Monthly
Spain	-	Composite Leading Indicator (Dec)	✓	100.30*	100.20	Monthly
UK	-	Composite Leading Indicator (Dec)	✓	99.30*	99.30	Monthly
China	-	New Yuan Loans (Jan)	✓✓	CNY2050.00bn	CNY584.40bn	Monthly
China	-	Aggregate Financing (Jan)	✓	CNY3150.00bn	CNY1140.00bn	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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