

ONE Minute Brief

2 February 2018

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Economic and Political News

In South Africa (SA), the manufacturing PMI climbed higher than market expectations, to a nine month high of 49.90 in January, compared to a reading of 44.90 in December. Meanwhile, South Africa's new vehicle sales fell 8.9% YoY to 45,888 units in January.

The SABC has reported that President Jacob Zuma will meet the top six officials of the ANC over his future this weekend. Meanwhile SA's Parliament stated that the President will deliver the state-of-the-nation address as planned on Feb 8.

The government has asked the financial services regulator to consider probing Viceroy Research following its report on Capitec, which led to a sell-off in the stock.

The Democratic Alliance (DA) has formally requested Deputy Chief Justice Raymond Zondo to let it participate in the commission of inquiry into state capture, citing that it could share valuable evidence and shed more light on the extent of corruption.

The DA has urged ANC president, Cyril Ramaphosa, to take action against the party's secretary general, Ace Magashule, who has been accused of corruption linked to the Gupta family.

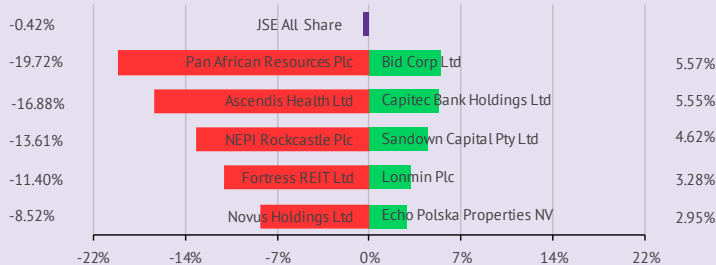
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	59258.37	▼	-247.75	-0.42%	-3.79%	-0.42%	0.00%
JSE Top 40	52453.70	▼	-160.95	-0.31%	-3.81%	-0.31%	0.16%
FTSE 100	7490.39	▼	-43.16	-0.57%	-2.28%	-0.57%	-2.01%
DAX 30	13003.90	▼	-185.58	-1.41%	-2.52%	-1.41%	2.10%
CAC 40	5454.55	▼	-27.38	-0.50%	-1.35%	-0.50%	3.19%
S&P 500	2821.98	▼	-1.83	-0.06%	-1.77%	-0.06%	5.62%
Nasdaq Composite	7385.86	▼	-25.62	-0.35%	-1.60%	-0.35%	7.36%
DJIA	26186.71	▲	37.32	0.14%	-1.62%	0.14%	5.79%

South Africa Market ▼

South African markets closed lower

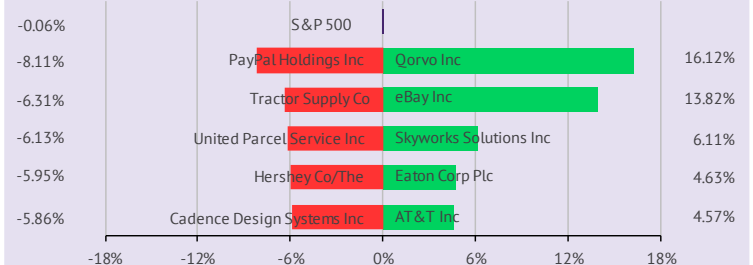
South African markets closed in the red yesterday, driven by losses in property, retailers and industrial sector stocks. Data showed that South Africa's manufacturing PMI advanced more-than-anticipated in January. The JSE All Share Index fell 0.4% to close at 59,258.37.



US Market ▼

The S&P 500 futures are trading in the red

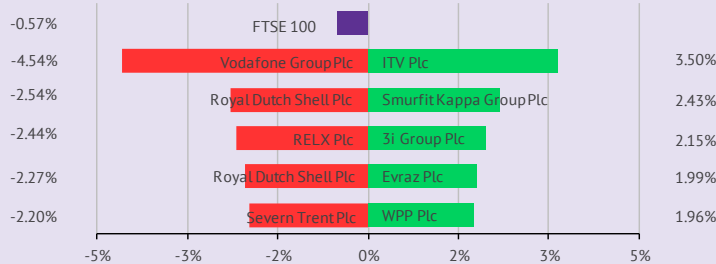
US markets closed lower yesterday, led by losses in technology stocks ahead of corporate earnings. Data revealed that the preliminary non-farm business productivity unexpectedly declined on a quarterly basis in 4Q17. The S&P 500 Index fell 0.1% to close at 2,821.98.



UK Market ▼

The FTSE 100 futures are trading in negative territory

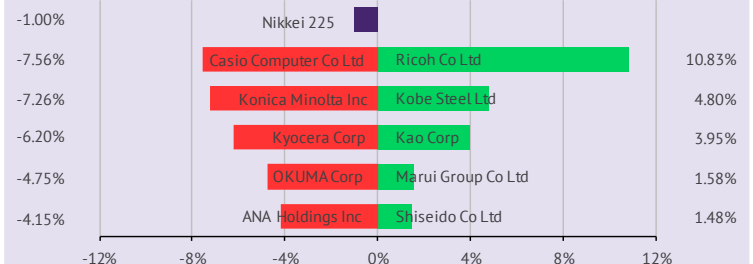
UK markets finished weaker yesterday, amid losses in shares of Royal Dutch Shell and Vodafone, following dismal earnings report. Data indicated that UK's Markit manufacturing PMI unexpectedly dropped in January. The FTSE 100 Index declined 0.6% to close at 7,490.39.



Asian Market ▼

Trading mostly lower

Asian markets are trading mostly lower this morning. The Nikkei 225 Index is trading 1.0% lower at 23,251.46.



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USDZAR ▲

USD trading stronger against ZAR

At 06:00 SAST, the US Dollar gained 0.3% against the South African Rand to trade at R11.8955. Later today, traders will keep a close watch on the US Michigan consumer sentiment index, change in non-farm payrolls and unemployment rate along with average hourly earnings, final durable goods and factory orders data for further cues.

The US Dollar rose against the South African Rand yesterday, after the US initial jobless claims fell last week, remaining near historically low levels. Moreover, the ISM manufacturing PMI fell less than expected in January. Further, data revealed that the Markit manufacturing PMI remained unchanged in January. Meanwhile, the preliminary non-farm business productivity unexpectedly declined on a QoQ basis in 4Q 2017. Separately, South Africa's manufacturing PMI rose more than market forecast in January.

GBPZAR ▲

GBP trading higher against ZAR

At 06:00 SAST, the British Pound is trading 0.4% firmer against the South African Rand at R16.9793. Later today, traders will keep an eye on UK's Markit construction PMI for further direction.

The British Pound advanced against the South African Rand yesterday. On the macro front, UK's Markit manufacturing PMI unexpectedly dropped in January. In contrast, the nationwide house price index advanced at a faster pace than market forecast on a monthly basis in January, notching its highest level since March 2017.

EURZAR ▲

EUR trading firmer against ZAR

At 06:00 SAST, the Euro is trading 0.2% higher against the South African Rand at R14.8683. Going forward, market participants will keep a tab on Eurozone's producer price index for further indication.

The Euro strengthened against the South African Rand yesterday, amid rising investor optimism in the Eurozone. Data indicated that Eurozone's Markit manufacturing PMI recorded a steady reading in January, in line with market expectations. Meanwhile, Germany's Markit manufacturing PMI dropped in January.

AUDZAR ▼

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% weaker against the South African Rand at R9.5242. Earlier in the session, Australia's Producer Price Index (PPI) advanced on a quarterly basis in 4Q17.

The Australian Dollar fell against the South African Rand yesterday. Data revealed that Australia's Building approvals fell more-than-anticipated on a monthly basis in December.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	11.8955	▲	0.05%	-0.04%	0.05%	-4.29%	-4.24%
GBPZAR	16.9793	▲	0.61%	0.65%	0.61%	0.50%	1.11%
EURZAR	14.8683	▲	0.84%	0.62%	0.84%	-0.98%	-0.15%
AUDZAR	9.5242	▼	-0.12%	-0.94%	-0.12%	-1.24%	-1.36%
EURUSD	1.2498	▼	0.77%	0.67%	0.77%	3.41%	4.21%
GBPUSD	1.4272	▲	0.51%	0.73%	0.51%	5.02%	5.56%
Brent (\$/barrel)	69.9	▲	1.10%	-1.23%	1.10%	3.02%	4.16%
Gold (\$/oz)	1351.1	▲	0.40%	-0.58%	0.40%	2.27%	2.67%
Platinum (\$/oz)	1008.9	▲	0.35%	-0.71%	0.35%	7.50%	7.88%
Copper (\$/MT)*	7077.5	▼	-0.02%	0.50%	-0.02%	-1.78%	-1.80%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices rose 0.5% to trade at \$1,351.10/oz.

Yesterday, gold prices rose 0.4% to close at \$1,344.30/oz, as weakness in the US Dollar, spurred demand for the safe haven asset.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil climbed 0.3% to trade at \$69.85/bl.

Yesterday, Brent crude oil advanced 1.1% to settle at \$69.65/bl, after Organisation of the Petroleum Exporting Countries and other producers continued their strong adherence to supply cuts.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices climbed 0.1% to trade at \$1,008.90/oz.

Yesterday, platinum prices climbed 0.3% to close at \$1007.80/oz.



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Major South Africa Corporate News

Ascension Properties Ltd

The company announced that Sandarie Le Roux has been appointed as the new Financial Director of the company with immediate effect.

Sibanye Gold Ltd

The company confirmed that 955 miners have been trapped in its gold mine in Welkom, following an electric cable outage. Further, it stated that the miners are still not been freed and said the rescue team was working round the clock to restore power.

Pan African Resources Plc

In its 1H18 operational update, the company stated that gold production decreased to 85,282oz compared with 91,613oz reported in the in the corresponding period of the previous year. For FY18, the company expects production to be in the range of 177,000oz to 181,000oz. Further, it expects HEPS to be in the range of 1.88c to 5.14c, which is 88.0% to 68.0% lower compared with the same period of the preceding year.

Major Global Economic News

US

In the US, the final Markit manufacturing PMI registered a rise to 55.50 in January, at par with market expectations. The preliminary figures had also recorded an advance to 55.50. In the prior month, the Markit manufacturing PMI had recorded a reading of 55.10.

In January, the ISM manufacturing activity index unexpectedly rose to 59.10 in the US, compared to a revised level of 59.30 in the prior month.

In the US, the seasonally adjusted initial jobless claims unexpectedly fell to 230.00K in the week ended January 27 2018. In the prior week, initial jobless claims had registered a revised reading of 231.00K.

UK

In the UK, the manufacturing PMI unexpectedly fell to 55.30 in January. In the prior month, the manufacturing PMI had registered a revised level of 56.20.

In the UK, the seasonally adjusted house prices rose more-than-expected of 0.6% on a monthly basis in January, compared to a similar rise in the prior month.

Eurozone

In the Eurozone, the final manufacturing PMI eased to 59.60 in January, meeting market expectations. The preliminary figures had also recorded a drop to 59.60. In the previous month, the manufacturing PMI had registered a reading of 60.60.

In Germany, the final manufacturing PMI eased to 61.10 in January, Compared to a reading of 63.30 in the previous month. The preliminary figures had recorded a fall to 61.20.

Asia

In Australia, the producer price index climbed 0.6% On a quarterly basis, in 4Q17. In the previous quarter, the producer price index had advanced 0.2%.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:50	Monetary Base (YoY) (Jan)	✓	9.70%*	11.20%	Monthly
Japan	01:50	Monetary Base (Jan)	✓✓✓	Yen476.70tn*	Yen480.00tn	Monthly
UK	11:30	Markit Construction PMI (Jan)	✓✓✓	52.00	52.20	Monthly
Eurozone	12:00	Producer Price Index (MoM) (Dec)	✓✓✓	0.20%	0.60%	Monthly
Eurozone	12:00	Producer Price Index (YoY) (Dec)	✓✓✓	2.30%	2.80%	Monthly
Eurozone	12:00	ECB's Coeure Speaks in Kranj, Slovenia	✓	-	-	As scheduled
US	15:30	Average Hourly Earnings (Jan)	✓✓	-	USD22.30	Monthly
US	15:30	Average Weekly Hours All Employees (Jan)	✓	34.50	34.50	Monthly
US	15:30	Unemployment Rate (Jan)	✓✓✓	4.10%	4.10%	Monthly
US	15:30	Underemployment Rate (Jan)	✓✓	-	8.10%	Monthly
US	15:30	Average Hourly Earnings All Employees (MoM) (Jan)	✓✓	0.20%	0.30%	Monthly
US	15:30	Average Hourly Earnings All Employees (YoY) (Jan)	✓✓	2.60%	2.50%	Monthly
US	15:30	Change in Manufacturing Payrolls (Jan)	✓	20.00K	25.00K	Monthly
US	15:30	Change in Non-farm Payrolls (Jan)	✓✓✓	180.00K	148.00K	Monthly
US	15:30	Change in Private Payrolls (Jan)	✓✓	181.00K	146.00K	Monthly
US	16:45	ISM New York Index (Jan)	✓	-	56.30	Monthly
US	17:00	Cap Goods Orders Nondef Ex Air (Dec) (F)	✓	-	-0.30%**	Monthly
US	17:00	Cap Goods Ship Nondef Ex Air (Dec) (F)	✓	-	0.60%**	Monthly
US	17:00	Durable Goods Orders (Dec) (F)	✓✓✓	-	2.90%**	Monthly
US	17:00	Durable Goods Orders ex Transportation (Dec) (F)	✓✓	-	0.60%**	Monthly
US	17:00	Reuters/Michigan Consumer Sentiment Index (Jan) (F)	✓✓✓	95.00	94.40**	Monthly
US	17:00	Factory Orders (MoM) (Dec)	✓✓✓	1.50%	1.30%	Monthly
US	22:30	Fed's Williams Speaks in San Francisco	✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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