

# ONE Minute Brief

5 February 2018

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## Economic and Political News

News reports indicate that in a meeting with the ANC's top leadership on Sunday night, President Jacob Zuma refused to step down. Following this development, 20 members of the party's national working committee have been called to a special meeting on Monday afternoon. On Friday, ANC treasurer-general, Paul Mashatile, stated that the best way forward is for the President to exit. Meanwhile, Zuma faces a no-confidence vote on February 22, after Parliament speaker, Baleka Mbete, agreed to a request from the EFF.

The public enterprises ministry stated that government has approved an application by Eskom to buy more renewable power from independent producers (IPP).

DA leader Mmusi Maimane has warned the party to be vigilant about being consumed by division and infighting.

The Democratic Alliance (DA) has elected a new leadership in KwaZulu-Natal (KZN).

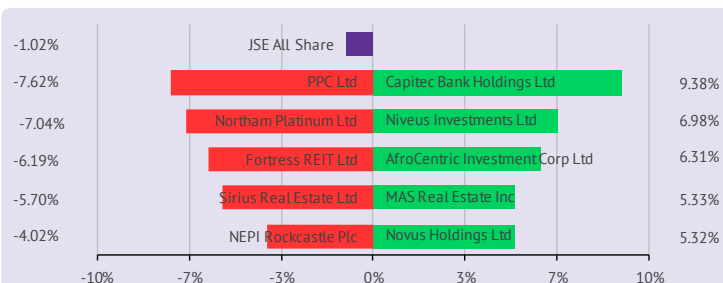
## Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	58656.82	▼	-601.55	-1.02%	NA	-1.43%	0.00%	-1.42%
JSE Top 40	51908.17	▼	-545.53	-1.04%	NA	-1.34%	0.16%	-1.19%
FTSE 100	7443.43	▼	-46.96	-0.63%	NA	-1.20%	-2.01%	-3.18%
DAX 30	12785.16	▼	-218.74	-1.68%	NA	-3.07%	2.10%	-1.03%
CAC 40	5364.98	▼	-89.57	-1.64%	NA	-2.13%	3.19%	0.99%
S&P 500	2762.13	▼	-59.85	-2.12%	NA	-2.18%	5.62%	3.31%
Nasdaq Composite	7240.95	▼	-144.92	-1.96%	NA	-2.30%	7.36%	4.89%
DJIA	25520.96	▼	-665.75	-2.54%	NA	-2.40%	5.79%	3.24%

## South Africa Market ▼

### South African markets closed lower

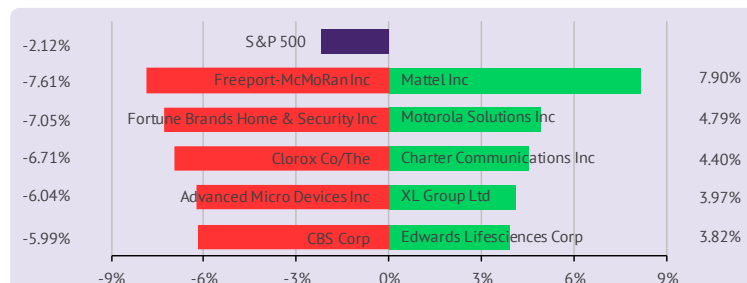
South African markets closed lower for the sixth consecutive session on Friday, led by losses in property, platinum mining and retail sector stocks. The JSE All Share Index fell 1.0% to close at 58,656.82.



## US Market ▼

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

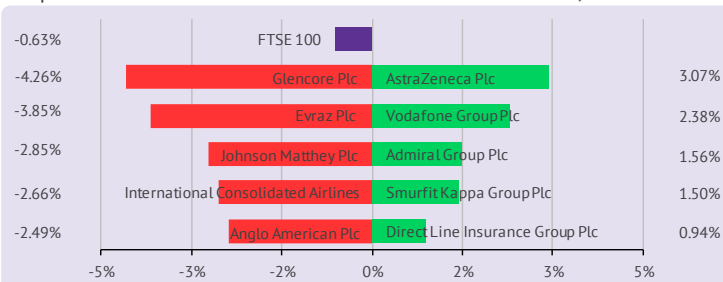
US markets closed in the red on Friday, amid concerns over rising interest rates, following better-than-expected US jobs report. Data indicated that the US Michigan consumer sentiment index rose more-than-expected in January. The S&P 500 Index fell 2.1% to 2,762.13.



## UK Market ▼

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

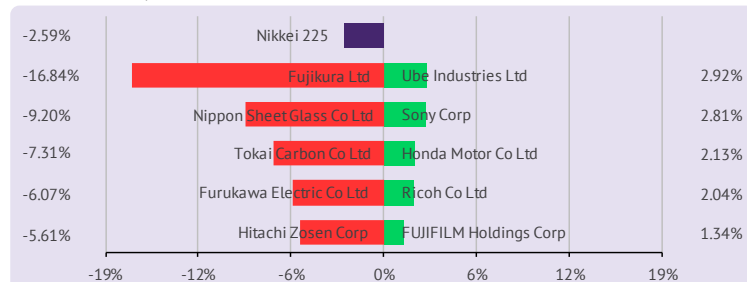
UK markets finished lower for the fourth straight session on Friday, as UK bond yields rose and weighed down by losses in mining sector stocks. Data revealed that UK's Markit construction PMI fell more-than-expected. The FTSE 100 Index declined 0.6% to close at 7,443.43.



## Asian Market ▼

### Trading lower

Asian markets are trading lower this morning, tracking Friday's losses on Wall Street. On the macro front, Japan's Nikkei services PMI unexpectedly rose in January. The Nikkei 225 Index is trading 2.6% lower at 22,671.03.



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## USDZAR ▼

### USD trading lower against ZAR

At 06:00 SAST, the US Dollar fell 0.5% against the South African Rand to trade at R12.0321. Later today, traders will keep a close watch on the US Markit and ISM services PMI for further indication.

The US Dollar rose against the South African Rand on Friday, after US non-farm payrolls jumped more than anticipated in January. Also, data showed that the US Michigan consumer sentiment index rose more than market forecast in January. Further, the nation's unemployment rate showed a steady reading in the same month, reaching its lowest level since December 2000. Moreover, the average hourly earnings recorded a more than-expected rise on a monthly basis in January. Additionally, factory orders advanced more-than-expected in December. Meanwhile, the final durable goods grew at a slower pace in December.

## GBPZAR ▼

### GBP trading weaker against ZAR

At 06:00 SAST, the British Pound is trading 0.5% lower against the South African Rand at R16.9834. Later today, traders will keep an eye on UK's Markit services PMI for further direction.

The British Pound advanced against the South African Rand on Friday. Data indicated that UK's Markit construction PMI dropped more than market forecast in January.

## EURZAR ▼

### EUR trading lower against ZAR

At 06:00 SAST, the Euro dropped 0.5% against the South African Rand to trade at R14.9876. Going forward, market participants will keep a tab on Eurozone's Markit services PMI, the Sentix Investor Confidence index and retail sales data along with Germany's Markit services PMI for further cues.

The Euro strengthened against the South African Rand on Friday. Data showed that Eurozone's producer price index (PPI) rose at a slower pace on an annual basis in December.

## AUDZAR ▼

### AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.4% weaker against the South African Rand at R9.5371. Earlier in the session, Australia's AiG performance of service index advanced in January. Meanwhile, in China, Australia's largest trading partner, the Caixin services PMI unexpectedly climbed in January.

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	12.0321	▼	1.94%	NA	1.99%	-4.29%	-2.38%
GBPZAR	16.9834	▼	0.97%	NA	1.58%	0.50%	2.09%
EURZAR	14.9876	▼	1.60%	NA	2.45%	-0.98%	1.44%
AUDZAR	9.5371	▼	0.50%	NA	0.38%	-1.24%	-0.87%
EURUSD	1.2456	▼	-0.38%	NA	0.39%	3.41%	3.82%
GBPUSD	1.4115	▼	-1.02%	NA	-0.51%	5.02%	4.48%
Brent (\$/barrel)	67.9	▼	-1.54%	NA	-0.45%	3.02%	2.56%
Gold (\$/oz)	1333.2	▼	-0.79%	NA	-0.40%	2.27%	1.86%
Platinum (\$/oz)	993.2	▼	-0.83%	NA	-0.49%	7.50%	6.98%
Copper (\$/MT)*	7003.8	▼	-1.04%	NA	-1.06%	-1.78%	-2.82%

\*As of Previous Close

## Gold ▼

### Trading in the red

At 06:00 SAST, gold prices retreated 0.2% to trade at \$1,333.20/oz, after robust US jobs data last week increased the possibility of more interest rate hikes in the US this year.

On Friday, gold prices fell 0.8% to close at \$1,333.70/oz, as strength in the US Dollar lowered demand for the safe haven asset.

## Brent Crude Oil ▼

### Trading weaker

At 06:00 SAST, Brent crude oil edged 1.0% lower to trade at \$67.90/bl.

On Friday, Brent crude oil dropped 1.5% to settle at \$68.58/bl, as monthly US crude production reached a record high. Further, Baker Hughes reported that the number of active US oil rigs climbed by 6 to 765 for a second consecutive week in the last week.

## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices edged 0.6% lower to trade at \$993.20/oz.

On Friday, platinum prices declined 0.8% to close at \$999.40/oz.



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## Major South Africa Corporate News

### Fortress REIT Limited

In its 1H18 results, the company revealed that its rental revenue advanced 4.3% to ZAR1.70bn compared to the same period of the preceding year. Its diluted EPS stood at 354.83c, compared to 72.74c recorded in the corresponding period of the previous year.

### Hudaco Industries Limited

In its FY17 results, the company revealed that its revenue advanced 6.6% from the same period of the preceding year to ZAR5.90bn. Its diluted EPS stood at 1,241.00c, compared to 1,222.00c recorded in the corresponding period of the previous year.

### Murray & Roberts Holdings Limited

In its 1H18 trading update, the company revealed that it expects an improvement of at least 20.0% in HEPS and EPS compared to the corresponding period of the previous year.

### PPC Limited

In its operational update for 9M18, the company stated that its revenue and EBITDA have shown an improvement compared to the corresponding period of the previous year. However, due to lack of large infrastructure projects, cement volume growth in South Africa continues to be hampered.

### Sibanye Gold Limited

The company announced that all underground employees at its Beatrix operations in the Free State have safely returned to the surface following last week's power outage.

### Steinhoff International Holdings NV

The company announced that it is likely to voluntarily agree not to declare, make or pay any dividend for the interim period to June 30, 2018. The purpose of the waiver proposals is to continue to create a window of stability until June 30, 2018 for the company. Separately, it announced that Mr Stephanus Johannes Grobler and Ms Mariza Nel have resigned as Directors of the company with immediate effect.

## Major Global Economic News

### US

In the US, the final Michigan consumer sentiment index rose more-than-expected to 95.70 in January, compared to a level of 95.90 in the prior month. The preliminary figures had recorded a fall to 94.40.

In the US, non-farm payrolls advanced more-than-anticipated by 200.00K in January. Non-farm payrolls had recorded a revised increase of 160.00K in the prior month.

In January, unemployment rate remained unchanged at 4.1% in the US. Market anticipation was for unemployment rate to record a flat reading.

In the US, average hourly earnings of all employees recorded a rise of 0.3% on a monthly basis in January, more than market expectations for a rise of 0.2%. In the previous month, average hourly earnings of all employees had recorded a revised rise of 0.4%.

In December, the final durable goods orders climbed 2.8% on a monthly basis in the US. Durable goods orders had registered a revised rise of 1.7% in the previous month. The preliminary figures had indicated a rise of 2.9%.

In the US, factory orders climbed 1.7% on a monthly basis in December, higher than market expectations for a rise of 1.5%. In the prior month, factory orders had registered a revised similar rise.

### Eurozone

In the Eurozone, PPI climbed at a slower pace by 2.2% on an annual basis in December, compared to an advance of 2.8% in the previous month.

### Asia

In Australia, the AIG performance of services index rose to a level of 54.90 in January, compared to a level of 52.00 in the previous month.

In China, the Caixin services PMI index unexpectedly rose to a level of 54.70 in January, compared to a reading of 53.90 in the prior month.

In Japan, Nikkei services PMI registered a rise to 51.90 in January, compared to a reading of 51.10 in the prior month.

### UK

In the UK, the construction PMI eased more-than-expected to 50.20 in January. In the prior month, the construction PMI had recorded a level of 52.20.

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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	658	-12.85%	-3.80%	41.51%
Lewis Group Ltd	3499	9.00%	4.45%	37.13%
JSE Ltd	18398	-1.71%	-2.03%	19.59%
Royal Bafokeng Platinum Ltd	3240	4.52%	1.25%	15.71%
Niveus Investments Ltd	1150	-4.09%	7.78%	15.12%
Mpact Ltd	2805	3.89%	4.28%	14.96%
Clover Industries Ltd	1499	3.38%	0.00%	14.43%
Vodacom Group Ltd	16506	1.26%	0.95%	13.30%
Adcock Ingram Holdings Ltd	6596	1.01%	0.59%	13.04%
Choppies Enterprises Ltd	335	7.72%	1.52%	12.79%
RCL Foods Ltd/South Africa	1701	1.86%	-1.90%	11.91%
Santam Ltd	29883	3.40%	-0.16%	11.90%
Invicta Holdings Ltd	5699	-0.02%	1.05%	11.64%
Anglo American PLC	28459	-3.20%	-1.75%	11.33%
Mr Price Group Ltd	27094	-4.85%	-5.27%	10.65%
Bidvest Group Ltd/The	23775	-3.44%	-4.90%	9.01%
Emira Property Fund Ltd	1463	-4.38%	-1.08%	8.69%
Shoprite Holdings Ltd	24036	-2.49%	-2.59%	8.67%
Hosken Consolidated Investments Ltd	15100	-1.48%	0.43%	8.63%
Reunert Ltd	7393	-0.58%	-0.96%	7.79%
KAP Industrial Holdings Ltd	856	-3.39%	0.23%	7.67%
Super Group Ltd/South Africa	4450	0.56%	-0.78%	7.62%
Famous Brands Ltd	11070	-6.36%	-0.43%	7.49%
Coronation Fund Managers Ltd	7887	-3.16%	0.14%	6.73%
South32 Ltd	3616	-0.74%	-0.63%	6.35%
Hudaco Industries Ltd	15300	6.24%	4.08%	6.25%
MMI Holdings Ltd/South Africa	2225	-5.56%	-1.85%	5.95%
Impala Platinum Holdings Ltd	3435	-1.94%	-5.50%	5.89%
Accelerate Property Fund Ltd	545	-0.91%	-0.73%	5.83%
BHP Billiton PLC	26494	-0.37%	0.22%	5.74%
Netcare Ltd	2600	2.16%	-0.19%	5.72%
Sun International Ltd/South Africa	6357	-8.56%	-4.29%	5.14%
Liberty Holdings Ltd	13074	-3.75%	-0.31%	5.07%
Investec PLC	9409	-0.43%	0.89%	4.82%
Pallinghurst Resources Ltd	314	-1.88%	-0.63%	4.67%
Raubex Group Ltd	2083	-6.17%	-2.11%	4.46%
AECI Ltd	10420	-1.20%	1.17%	4.20%
Telkom SA SOC Ltd	5010	-5.49%	-2.81%	4.11%
Investec Ltd	9338	-1.55%	0.51%	4.08%
Old Mutual PLC	3947	-2.62%	-0.03%	3.87%
<b>JSE All Share Index</b>	<b>58657</b>	<b>-4.77%</b>	<b>-1.43%</b>	<b>-1.42%</b>

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## Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	02:30	Nikkei Japan Services PMI (Jan)	✓✓	51.90*	51.10	Monthly
Japan	02:30	Nikkei Japan Composite PMI (Jan)	✓✓✓	52.80*	52.20	Monthly
China	03:45	Caixin/Markit Services PMI (Jan)	✓✓✓	54.70*	53.90	Monthly
China	03:45	HSBC China Composite PMI (Jan)	✓✓✓	53.70*	53.00	Monthly
Spain	10:15	Markit Services PMI (Jan)	✓✓✓	-	54.60	Monthly
Italy	10:45	Markit Services PMI (Jan)	✓✓✓	56.00	55.40	Monthly
France	10:50	Markit Services PMI (Jan) (F)	✓✓✓	-	59.30**	Monthly
Germany	10:55	Markit Services PMI (Jan) (F)	✓✓✓	57.00	57.00**	Monthly
Eurozone	11:00	Markit Composite PMI (Jan) (F)	✓✓✓	58.60	58.60**	Monthly
Eurozone	11:00	Markit Services PMI (Jan) (F)	✓✓✓	57.60	57.60**	Monthly
Eurozone	11:30	Sentix Investor Confidence (Feb)	✓✓✓	34.50	32.90	Monthly
UK	11:30	Markit Services PMI (Jan)	✓✓✓	54.00	54.20	Monthly
UK	11:30	Official Reserves (Changes) (Jan)	✓✓	-	-USD44.00mn	Monthly
Eurozone	12:00	Retail Sales (Dec)	✓✓	-	107.20	Monthly
Eurozone	12:00	Retail Sales (MoM) (Dec)	✓✓✓	-1.00%	1.50%	Monthly
Eurozone	12:00	Retail Sales (YoY) (Dec)	✓✓✓	1.80%	2.80%	Monthly
US	16:45	Markit Services PMI (Jan) (F)	✓✓✓	-	53.30**	Monthly
US	16:45	Markit Composite PMI (Jan) (F)	✓✓✓	-	53.80**	Monthly
US	17:00	ISM Non-Manufacturing PMI (Jan)	✓✓✓	56.50	55.90	Monthly
Eurozone	-	European Commission Economic Forecasts	✓	-	-	As scheduled

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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