

ONE Minute Brief

11 June 2018

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Economic and political news

Former President, Jacob Zuma, stated that corruption charges relating to the USD2.5bn arms deal against him should be dropped because he had done nothing wrong. Meanwhile, the Durban court postponed Zuma's hearing to 27 July and added that it will be moved to the High Court in Pietermaritzburg.

According to a news report, the government has reached a three-year wage agreement with its 1.30mn workers in which public servants will be given hikes of 6.0%-7.0% for the year ended March 2019 and by as much as 1.0% point more than the consumer inflation rate for the following two years.

News reports indicated that South African police have raided offices of India's Bank of Baroda and seized documents as part of an investigation into state corruption under former President, Jacob Zuma.

President, Cyril Ramaphosa, insisted that land reform is essential and stated that if it is well handled, it will help to bind the nation together and produce benefits for everyone.

The Democratic Alliance (DA) has confirmed the election of Natasha Mazzone as the party's Deputy Federal Council Chairperson.

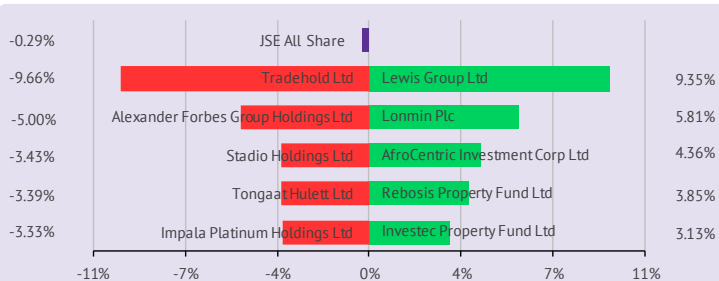
Key indices

	Last close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	58223.72	▼	-167.92	-0.29	NA	3.68	-3.60	-2.15
JSE Top 40	51881.93	▼	-155.76	-0.30	NA	4.21	-3.18	-1.24
FTSE 100	7681.07	▼	-23.33	-0.30	NA	0.04	2.25	-0.09
DAX 30	12766.55	▼	-44.50	-0.35	NA	1.28	-0.06	-1.17
CAC 40	5450.22	▲	1.86	0.03	NA	0.96	-2.21	2.59
S&P 500	2779.03	▲	8.66	0.31	NA	2.73	2.16	3.94
Nasdaq Composite	7645.51	▲	10.44	0.14	NA	2.73	5.32	10.75
DJIA	25316.53	▲	75.12	0.30	NA	3.69	1.05	2.42
MSCI Emerging Markets	1135.39	▼	-14.30	-1.24	NA	1.31	-3.75	-1.99
MSCI Developed World	2137.74	▲	0.18	0.01	NA	2.14	0.31	1.63

South Africa Market ▼

South African markets closed lower

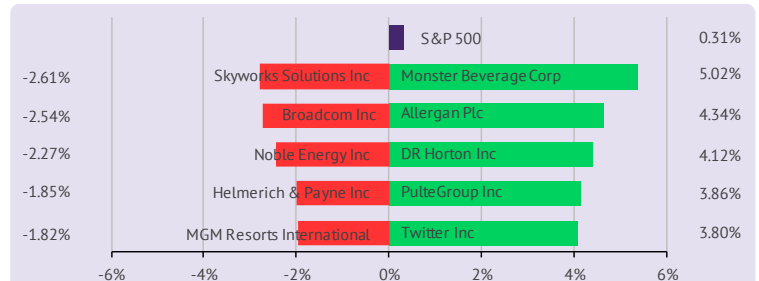
South African markets closed in the red on Friday, weighed down by losses in platinum mining, retail and industrial sector stocks. The JSE All Share Index fell 0.3% to close at 58,223.72.



US Market ▲

The S&P 500 futures are trading in the red

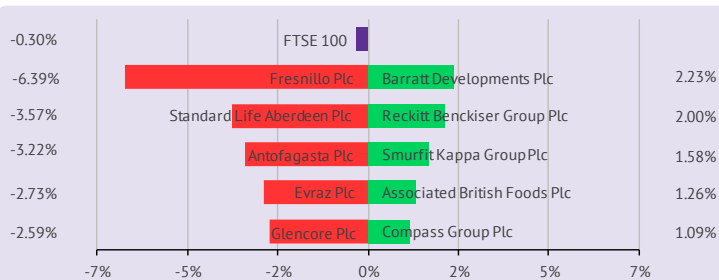
US markets closed higher on Friday, boosted by gains in consumer sector stocks. The S&P 500 Index climbed 0.3% to close at 2,779.03.



UK Market ▼

The FTSE 100 futures are trading in positive territory

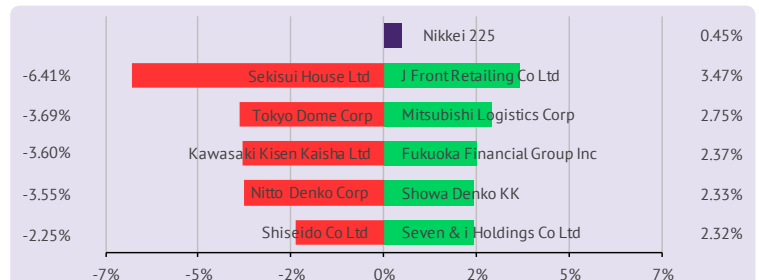
UK markets finished lower on Friday, amid broad selloff in European equities and led by losses in financial and mining sector stocks. The FTSE 100 Index declined 0.3% to close at 7,681.07.



Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning. The Nikkei 225 Index is trading 0.5% higher at 22,796.46.



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USD ZAR ▼

USD trading weaker against ZAR

At 06:00 SAST, the US Dollar is trading marginally lower against the South African Rand at R13.0664. Amid lack of macroeconomic releases in the US today, investor sentiment will be determined by macroeconomic factors.

The US Dollar rose against the South African Rand on Friday.

GBP ZAR ▲

GBP trading higher against ZAR

At 06:00 SAST, the British Pound climbed 0.1% against the South African Rand to trade at R17.5209. Later today, traders will keep an eye on UK's NEISR gross domestic product, trade balance, industrial and manufacturing production for further cues.

The British Pound advanced against the South African Rand on Friday. On the macro front, UK's consumer inflation expectations remained unchanged for the next 12 months.

EUR ZAR ▲

EUR trading firmer against ZAR

At 06:00 SAST, the Euro is trading 0.2% higher against the South African Rand at R15.4097. With no major economic news across the Eurozone, market sentiment will be determined by global macroeconomic news.

The Euro strengthened against the South African Rand on Friday. On the data front, Germany's trade surplus narrowed in April. Further, industrial production recorded an unexpected decline on a monthly basis in the same month.

AUD ZAR ▲

AUD trading stronger against ZAR

At 06:00 SAST, the Australian Dollar climbed 0.1% against the South African Rand to trade at R9.9396. Meanwhile, in China, Australia's largest trading partner, the consumer price index rose annually in line with expectations in May. Further, the producer price index rose more than market forecast on an annual basis in the same month.

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	13.0664	▼	0.71	NA	2.90	1.91	5.53
GBPZAR	17.5209	▲	0.28	NA	3.65	-1.58	4.68
EURZAR	15.4097	▲	0.31	NA	3.57	-1.31	3.54
AUDZAR	9.9396	▲	0.19	NA	3.37	2.42	2.80
EURUSD	1.1793	▲	-0.26	NA	0.65	-3.19	-1.97
GBPUSD	1.3410	▲	-0.13	NA	0.80	-3.38	-0.80
Brent (\$/barrel)	76.5	▲	-1.11	NA	-1.42	3.84	14.34
Gold (\$/oz)	1303.5	▲	-0.05	NA	-0.15	-1.45	-0.86
Platinum (\$/oz)	911.3	▲	0.60	NA	-0.48	0.63	-3.05
Copper (\$/MT)*	7324.0	▼	-0.09	NA	7.00	1.10	1.62

*As of previous close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices advanced 0.4% to trade at \$1,303.50/oz.

On Friday, gold prices fell 0.1% to close at \$1,298.10/oz, amid strength in the US Dollar.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil marginally rose to trade at \$76.49/bl.

On Friday, Brent crude oil dropped 1.1% to settle at \$76.46/bl, amid growing concerns over rising US production and falling demand in China. Additionally, Baker Hughes reported that US oil rig count rose by 1 to 862 last week, notching its highest level since March 2015.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged 0.6% higher to trade at \$911.30/oz.

On Friday, platinum prices climbed 0.6% to close at \$905.70/oz.

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Major South African corporate news

Harmony Gold Mining

The company announced that one of its employees was fatally injured in a fall of ground incident at its Bambanani mine in the Free State and has tragically succumbed to his injuries and that an investigation into the accident is underway.

Murray & Roberts Holdings Limited

The contractor expressed its disappointment regarding ATON GmbH's media statements setting out its views and assumptions on the potential combination of Murray & Roberts and Aveng Limited and added that the Board has applied to the Competition Tribunal for appropriate relief.

Major global economic news

Eurozone

In Germany, seasonally adjusted trade surplus narrowed to EUR20.40bn in April, compared to a surplus of EUR25.20bn in the previous month.

In Germany, seasonally adjusted industrial production unexpectedly eased 1.0% on a monthly basis in April, compared to a revised advance of 1.7% in the prior month.

US

In the US, on a monthly basis, the seasonally adjusted final wholesale inventories registered an unexpected rise of 0.1% in April, compared to a revised advance of 0.2% in the previous month. The preliminary figures had indicated a flat reading.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	01:50	Machinery Orders (MoM) (Apr)	✓	10.10%*	-3.90%	Monthly
Japan	01:50	Machinery Orders (YoY) (Apr)	✓✓	9.60%*	-2.40%	Monthly
Japan	01:50	Money Supply M3 (YoY) (May)	✓	2.70%*	2.80%	Monthly
Japan	01:50	Money Supply M2+CD (YoY) (May)	✓	3.20%*	3.30%	Monthly
Japan	08:00	Machine Tool Orders (YoY) (May) (P)	✓✓✓	-	22.00%	Monthly
Italy	10:00	Industrial Production n.s.a. (YoY) (Apr)	✓✓	-	-1.10%	Monthly
Italy	10:00	Industrial Production s.a. (Apr)	✓✓	-	117.80	Monthly
Italy	10:00	Industrial Production s.a. (MoM) (Apr)	✓✓	-0.50%	1.20%	Monthly
Italy	10:00	Industrial Production w.d.a.(YoY) (Apr)	✓✓	3.60%	3.60%	Monthly
UK	10:30	Industrial Production (YoY) (Apr)	✓✓✓	2.70%	2.90%	Monthly
UK	10:30	Manufacturing Production (MoM) (Apr)	✓✓✓	0.30%	-0.10%	Monthly
UK	10:30	Manufacturing Production (YoY) (Apr)	✓✓✓	3.10%	2.90%	Monthly
UK	10:30	Industrial Production (MoM) (Apr)	✓✓✓	0.10%	0.10%	Monthly
UK	10:30	Construction Output s.a. (YoY) (Apr)	✓	-1.40%	-4.90%	Monthly
UK	10:30	Total Trade Balance (Apr)	✓✓✓	-GBP2.50bn	-GBP3.09bn	Monthly
UK	10:30	Trade Balance; non-EU (Apr)	✓✓✓	-GBP3.20bn	-GBP3.64bn	Monthly
UK	10:30	Visible Trade Balance (Apr)	✓✓✓	-GBP11.40bn	-GBP12.29bn	Monthly
UK	13:00	NIESR GDP Estimate (3M) (May)	✓✓✓	0.30%	0.10%	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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40 best performers on the All Share Index

Company name	Last close	1 Week % change	MTD % change	YTD % change
Murray & Roberts Holdings Ltd	1726	-7.70	-5.06	42.53
Clover Industries Ltd	1695	-3.03	-5.20	31.50
Lewis Group Ltd	3346	-2.68	0.21	31.14
Anglo American Plc	32580	4.83	7.70	30.38
BHP Billiton Plc	30985	6.34	7.09	27.05
Mondi Plc	36777	4.70	4.49	22.73
JSE Ltd	18179	1.41	0.15	22.22
Mondi Ltd	36700	5.07	4.64	22.02
Netcare Ltd	2990	0.34	0.98	21.58
Emira Property Fund Ltd	1526	-0.91	-0.91	18.61
RCL Foods Ltd	1778	-1.22	-1.22	17.90
Sasol Ltd	49249	2.28	7.65	16.43
Santam Ltd	30482	-0.88	-1.67	16.35
Octodec Investments Ltd	2084	0.77	-0.29	16.04
South32 Ltd	3800	4.11	7.04	14.91
PSG Konsult Ltd	990	2.17	3.45	14.75
Echo Polska Properties NV	1849	0.54	-1.60	13.85
Clicks Group Ltd	20336	0.89	0.68	13.73
Accelerate Property Fund Ltd	585	1.74	2.81	13.59
PPC Ltd	790	-0.63	-2.59	13.34
Raubex Group Ltd	2225	-3.26	-1.51	13.23
Reunert Ltd	7760	-1.97	-2.63	13.14
Hudaco Industries Ltd	15774	-0.79	-0.25	12.22
Famous Brands Ltd	11500	4.55	4.45	11.66
Pick n Pay Stores Ltd	7574	2.02	2.77	11.10
Telkom SA SOC Ltd	5285	0.40	1.95	9.83
Cie Financiere Richemont SA	12258	5.44	5.12	9.69
Nedbank Group Ltd	27062	-2.41	-1.09	8.23
Investec Plc	9673	3.12	3.68	7.77
AECI Ltd	10433	-3.40	-3.39	7.58
Vukile Property Fund Ltd	2225	2.53	1.74	7.23
Glencore Plc	6766	5.32	8.19	7.16
Standard Bank Group Ltd	20462	-3.06	-1.34	7.10
Hammerson Plc	9385	1.22	1.00	6.94
Adcock Ingram Holdings Ltd	6150	-3.91	-5.95	6.76
Investec Ltd	9547	2.55	3.63	6.41
Investec Property Fund Ltd	1748	-0.06	3.43	5.94
City Lodge Hotels Ltd	15044	-3.27	-3.61	5.83
Shoprite Holdings Ltd	23200	0.12	-0.88	5.71
Stenprop Ltd	1985	4.47	4.47	5.35
JSE All Share Index	58224	1.64	3.68	-2.15

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