

# ONE Minute Brief

24 July 2018

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## Economic and political news

Eskom stated that it was considering reducing staff and selling assets after reporting a ZAR2.3bn loss for 2017/18. Meanwhile, the firm added that it was in discussions with the government to reduce its headcount in order to boost productivity.

Finance Minister, Nhlanhla Nene, announced that he will hold a hearing and take decisive steps against Public Investment Corporation's (PIC) CEO, Dan Matjila, before the end of the week. Separately, PIC's Non-Executive Director, Claudia Manning has resigned, citing discontent with the leadership of Chairman, Mondli Gungubele.

Newly elected ANC KwaZulu-Natal Chairman, Sihle Zikalala, has pledged not to support former President, Jacob Zuma during his corruption trial.

Trade unions and the Democratic Alliance (DA) have welcomed the resignation of former Home Affairs Director-General, Mkuseli Apleni.

The New Development Bank, set up by the BRICS group, has approved loans of USD300mn for energy projects in South Africa (SA).

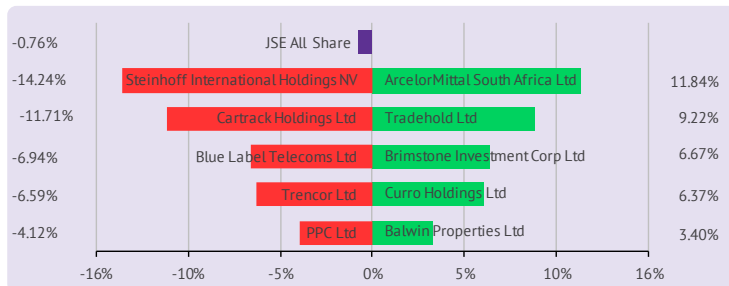
## Key indices

	Last close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	56556.81	▼	-433.39	-0.76	-0.76	-1.83	2.59	-4.95
JSE Top 40	50481.32	▼	-422.88	-0.83	-0.83	-2.01	3.48	-3.91
FTSE 100	7655.79	▼	-23.00	-0.30	-0.30	0.25	-0.54	-0.42
DAX 30	12548.57	▼	-12.85	-0.10	-0.10	1.97	-2.37	-2.86
CAC 40	5378.25	▼	-20.07	-0.37	-0.37	1.03	-1.39	1.24
S&P 500	2806.98	▲	5.15	0.18	0.18	3.26	0.48	4.99
Nasdaq Composite	7841.87	▲	21.67	0.28	0.28	4.41	0.92	13.59
DJIA	25044.29	▼	-13.83	-0.06	-0.06	3.18	-0.59	1.32
MSCI Emerging	1069.52	▼	-0.55	-0.05	-0.05	0.00	-4.57	-7.68
MSCI Devel-	2139.44	▲	0.27	0.01	0.01	2.40	-0.17	1.71

## South Africa Market ▼

### South African markets closed lower

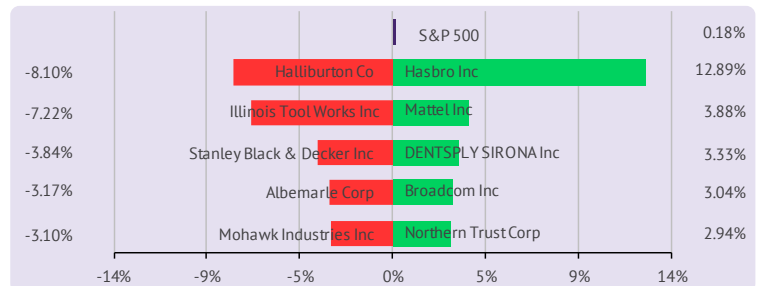
South African markets closed in the red yesterday, led by losses in industrial and banking sector stocks. The JSE All Share Index fell 0.8% to close at 56,556.81.



## US Market ▲

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

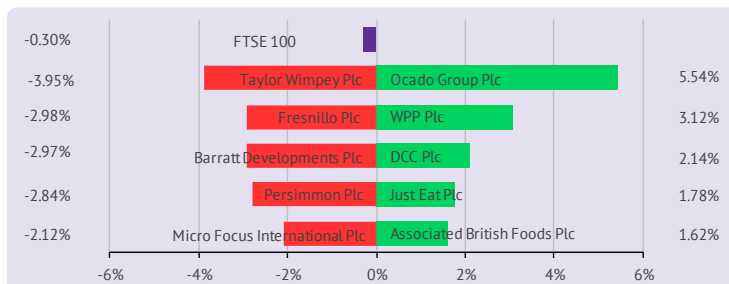
US markets closed mostly higher yesterday, supported by gains in financial and technology sector stocks. Data showed that the Chicago Fed national activity index climbed more than expected in June. The S&P 500 Index climbed 0.2% to close at 2,806.98.



## UK Market ▼

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

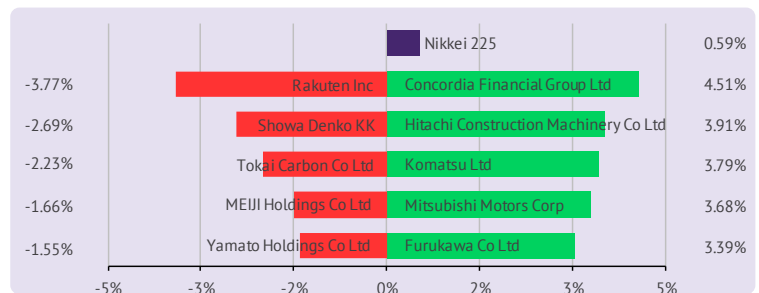
UK markets finished lower yesterday, amid ongoing trade tensions and weighed down by losses in cyclical and airline sector stocks. The FTSE 100 Index declined 0.3% to close at 7,655.79.



## Asian Market ▲

### Trading higher

Asian markets are trading higher this morning. The Nikkei 225 Index is trading 0.6% higher at 22,528.49.



## USD ZAR ▲

### USD trading higher against ZAR

At 06:00 SAST, the US Dollar is trading 0.1% firmer against the South African Rand at R13.4737. Later today, traders will keep a close watch on the flash US Markit manufacturing & services PMI, house price index and the Richmond Fed manufacturing index for further direction.

The US Dollar rose against the South African Rand yesterday. On the data front, the Chicago Fed national activity index advanced more than expected in June. On the contrary, US existing homes sales unexpectedly fell for the third consecutive month in June.

## GBP ZAR ▲

### GBP trading stronger against ZAR

At 06:00 SAST, the British Pound is trading marginally higher against the South African Rand at R17.6456. Ahead in the day, traders will keep an eye on the CBI industrial trend orders for further indication.

The British Pound advanced against the South African Rand yesterday.

## EUR ZAR ▲

### EUR trading firmer against ZAR

At 06:00 SAST, the Euro is trading 0.1% stronger against the South African Rand at R15.7466. Going forward, market participants will keep a tab on the flash Markit manufacturing & services PMI across the Eurozone.

The Euro strengthened against the South African Rand yesterday. On the macro front, Eurozone's flash consumer confidence index fell less-than-expected in July, marking its lowest level in nine months.

## AUD ZAR ▲

### AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar advanced 0.1% against the South African Rand to trade at R9.9434. Earlier in the session, Australia's Roy Morgan weekly consumer confidence index eased in the week ended 22 July.

The Australian Dollar fell against the South African Rand yesterday.

## Key currencies & commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	13.4737	▲	0.42	0.42	-1.93	8.08	8.70
GBPZAR	17.6456	▲	0.17	0.17	-2.71	7.34	5.48
EURZAR	15.7466	▲	0.15	0.15	-1.86	7.98	5.95
AUDZAR	9.9434	▲	-0.03	-0.03	-2.25	5.77	2.82
EURUSD	1.1687	▼	-0.27	-0.27	0.07	-0.08	-2.61
GBPUSD	1.3096	▼	-0.27	-0.27	-0.80	-0.68	-3.05
Brent (\$/barrel)	72.9	▼	-0.01	-0.01	-7.79	2.15	9.26
Gold (\$/oz)	1231.2	▲	-0.45	-0.45	-2.30	-3.51	-6.39
Platinum (\$/oz)	825.8	-	0.27	0.27	-3.12	-6.34	-11.60
Copper (\$/MT)*	6096.8	▼	-0.42	-0.42	-7.97	-3.21	-15.41

\*As of previous close

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices climbed 0.5% to trade at \$1,231.20/oz.

Yesterday, gold prices fell 0.5% to close at \$1,225.60/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 0.3% lower to trade at \$72.87/bl.

Yesterday, Brent crude oil dropped marginally to settle at \$ 73.06/bl, amid oversupply worries.

## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices fell marginally to trade at \$825.80/oz.

Yesterday, platinum prices climbed 0.3% to close at \$825.80/oz.

## Major South African corporate news

### Anglo American Platinum Limited

The company, in its reviewed 1H18 results, indicated that revenues rose to ZAR33.49bn from ZAR27.31bn posted in the corresponding period of the previous year. Its diluted EPS stood at 828.00c, compared with a loss per share of 452.00c, posted in the same period of the prior year. Separately, the company announced that its wholly-owned subsidiary, Rustenburg Platinum Mines Limited, has signed a sale and purchase agreement with Glencore Operations South Africa Proprietary Limited to purchase its 39.0% interest in the Mototolo joint venture.

### AngloGold Ashanti Limited

The company announced that it has appointed Kelvin Dushnisky as Chief Executive Officer (CEO) and Executive Director, with effect from 1 September 2018.

### BHP Billiton Plc

The company confirmed that it has been served with a class action proceeding filed in the Federal Court of Australia in Victoria and that the company intends to defend the claim.

### Curro Holdings Limited

The company, in its 1H18 trading statement, indicated that HEPS will be between 32.30c and 34.20c, representing an increase in the range of 20.0% and 27.0%, compared to the corresponding period of the prior year. Further, its EPS is expected to increase in the range of 19.0% to 26.0% from the same period of the preceding year.

### Harmony Gold Mining Company Limited

The company, in its FY18 production update, stated that it has exceeded annual production guidance by 4.0%. Gold production of 1.23mn oz has been achieved, while South African operations recorded a 14.0% increase in gold production. Further, the USD200.00mn bridge facility raised for the Moab Khotsong transaction has been fully repaid utilising available cash resources and the proceeds received from the share placement.

## Major global economic news

### US

In June, the Chicago Fed national activity index climbed to 0.43, higher than market expectations for an advance to a level of 0.25. The Chicago Fed national activity index had recorded a revised level of -0.45 in the previous month.

Existing home sales in the US unexpectedly fell by 0.6% on monthly basis to a level of 5.38mn in June, compared to a revised level of 5.41mn in the prior month.

### Asia

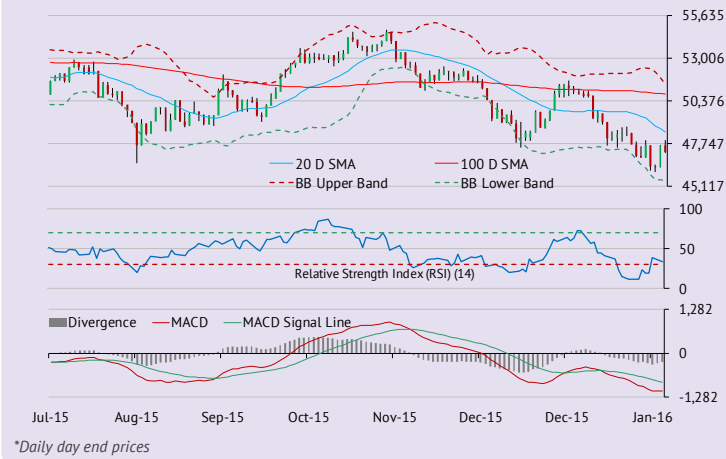
In Japan, the preliminary manufacturing PMI fell to a level of 51.60 in July, compared to a level of 53.00 in the previous month.

### Eurozone

In the Eurozone, the preliminary consumer confidence index dropped to -0.60 in July, compared to market expectations for a drop to a level of -0.70. In the previous month, the consumer confidence index had registered a reading of -0.50.

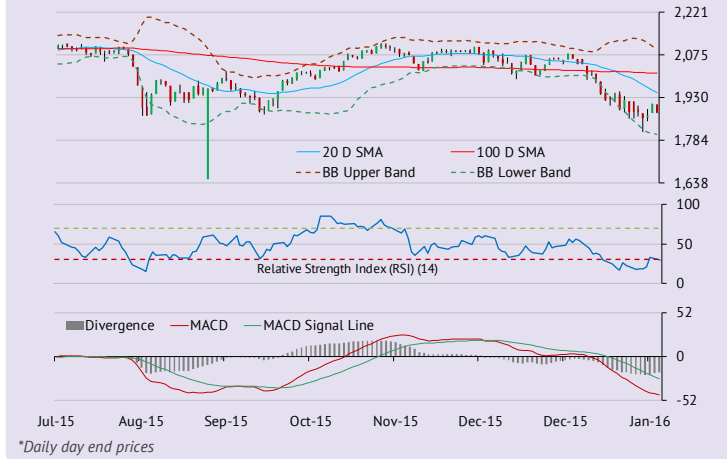
## Technical snapshot

### JSE All Share



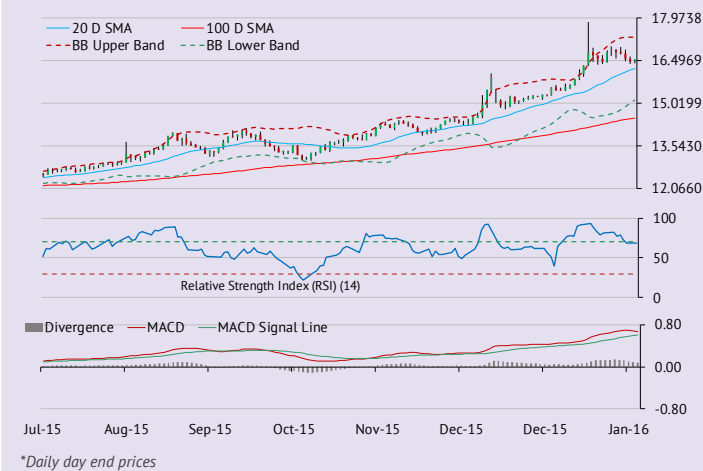
The JSE All Share index is expected to find support at 55,425.26, and a fall through could take it to the next support level of 54,293.72. The index is expected to find its first resistance at 57,353.59, and a rise through could take it to the next resistance level of 58,150.38.

### S&P 500



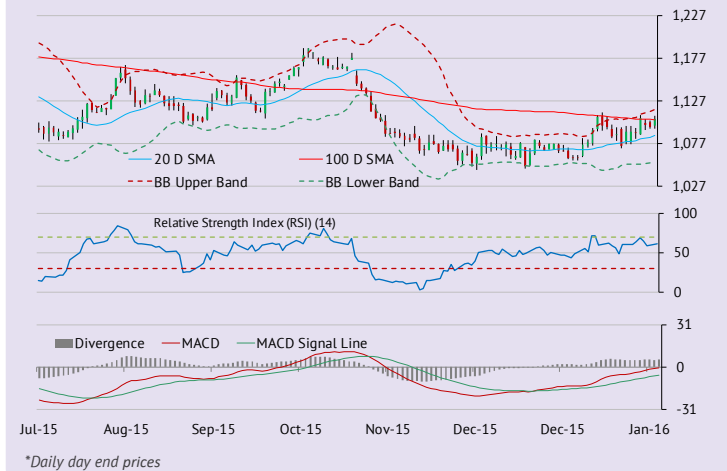
The S&P 500 index is expected to find support at 2,791.89, and a fall through could take it to the next support level of 2,776.81. The index is expected to find its first resistance at 2,819.41, and a rise through could take it to the next resistance level of 2,831.85.

### USD ZAR



The pair is expected to find support at 13.2239, and a fall through could take it to the next support level of 12.9876. The pair is expected to find its first resistance at 13.6609, and a rise through could take it to the next resistance level of 13.8616.

### XAU USD



Gold is expected to find support at \$1,209.17/oz, and a fall through could take it to the next support level of \$1,192.73/oz. The precious metal is expected to find its first resistance at \$1,243.57/oz, and a rise through could take it to the next resistance level of \$1,261.53/oz.

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
Japan	02:30	Nomura/ JMMA Manufacturing PMI (Jul) (P)	✓✓✓	51.60*	53.00	Monthly
Japan	07:00	Coincident Index (May) (F)	✓	-	116.10**	Monthly
Japan	07:00	Leading Economic Index (May) (F)	✓✓✓	-	106.90**	Monthly
Japan	07:00	Supermarket Sales (YoY) (Jun)	✓	-	-2.30%	Monthly
Japan	07:30	Nationwide Department Store Sales (YoY) (Jun)	✓	-	-2.00%	Monthly
Japan	07:30	Tokyo Department Store Sales (YoY) (Jun)	✓	-	1.30%	Monthly
France	08:45	Business Survey Overall Demand (Jul)	✓	-	17.00	Monthly
France	08:45	Business Climate (Jul)	✓	107.00	106.00	Monthly
France	08:45	Own-Company Production Outlook (Jul)	✓	25.00	22.00	Monthly
France	08:45	Production Outlook Indicator (Jul)	✓	13.00	14.00	Monthly
South Africa	09:00	Leading Indicator (May)	✓	-	105.90	Monthly
France	09:00	Markit Manufacturing PMI (Jul) (P)	✓✓✓	52.50	52.50	Monthly
France	09:00	Markit Services PMI (Jul) (P)	✓✓✓	55.70	55.90	Monthly
Germany	09:30	Markit Services PMI (Jul) (P)	✓✓✓	54.50	54.50	Monthly
Germany	09:30	Markit Manufacturing PMI (Jul) (P)	✓✓✓	55.50	55.90	Monthly
Eurozone	10:00	Markit Composite PMI (Jul) (P)	✓✓✓	54.80	54.90	Monthly
Eurozone	10:00	Markit Manufacturing PMI (Jul) (P)	✓✓✓	54.70	54.90	Monthly
Eurozone	10:00	Markit Services PMI (Jul) (P)	✓✓✓	55.10	55.20	Monthly
UK	12:00	CBI Trends Selling Prices (Jul)	✓✓	15.00	13.00	Monthly
UK	12:00	CBI Business Optimism (7/)	✓	-6.00	-4.00	Quarterly
UK	12:00	CBI Industrial Trends Survey - Orders (Jul)	✓	8.00	13.00	Monthly
US	14:55	Redbook Index (YoY) (20-Jul)	✓	-	3.30%	Weekly
US	14:55	Redbook Index s.a. (MoM) (20-Jul)	✓	-	0.10%	Weekly
US	15:00	Housing Price Index (MoM) (May)	✓	0.30%	0.10%	Monthly
US	15:45	Markit Composite PMI (Jul) (P)	✓✓✓	-	56.20	Monthly
US	15:45	Markit Manufacturing PMI (Jul) (P)	✓✓✓	55.10	55.40	Monthly
US	15:45	Markit Services PMI (Jul) (P)	✓✓✓	56.30	56.50	Monthly
US	16:00	Richmond Fed Manufacturing Index (Jul)	✓	18.00	20.00	Monthly

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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