

# ONE Minute Brief

30 July 2018

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## Economic and political news

The South African Reserve Bank Governor, Lesetja Kganyago, stated that data for the second quarter suggests that the South African economy will make a modest improvement and avoid a second consecutive quarter of contraction, thereby narrowly escaping a recession.

South Africa's (SA) National Treasury stated that it has concluded its investigation of alleged corruption at Eskom and state logistics firm, Transnet and will give the relevant parties two weeks to respond before making its findings public.

President, Cyril Ramaphosa has agreed to discuss a nuclear power deal with Russian President, Vladimir Putin in future.

Deputy Chief Justice, Raymond Zondo, stated that the first hearings in the state-capture inquiry will be held on 20 August and may be extended to two years. However, the first notices to implicated individuals will be sent out today.

According to a news report, Chinese investors have signed agreements to build a USD10bn metallurgical complex in SA and hope to start construction next year.

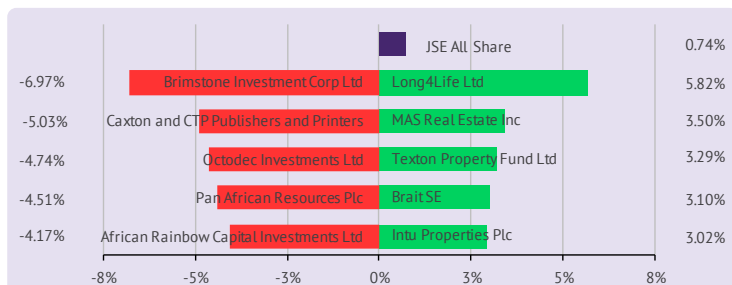
## Key indices

	Last close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	57162.38	▲	419.13	0.74	NA	-0.78	2.59	-3.94
JSE Top 40	51126.90	▲	423.17	0.83	NA	-0.76	3.48	-2.68
FTSE 100	7701.31	▲	38.14	0.50	NA	0.84	-0.54	0.18
DAX 30	12860.40	▲	51.17	0.40	NA	4.51	-2.37	-0.44
CAC 40	5511.76	▲	31.21	0.57	NA	3.54	-1.39	3.75
S&P 500	2818.82	▼	-18.62	-0.66	NA	3.70	0.48	5.43
Nasdaq Composite	7737.42	▼	-114.77	-1.46	NA	3.02	0.92	12.08
DJIA	25451.06	▼	-76.01	-0.30	NA	4.86	-0.59	2.96
MSCI Emerging Markets	1092.36	▲	3.19	0.29	NA	2.14	-4.57	-5.70
MSCI Developed World	2156.11	▼	-5.82	-0.27	NA	3.20	-0.17	2.50

## South Africa Market ▲

### South African markets closed higher

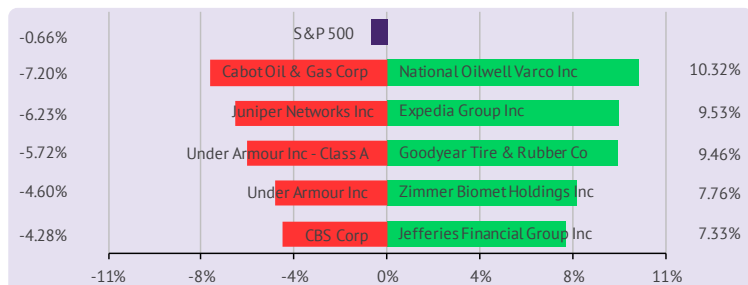
South African markets closed in the green on Friday, boosted by gains in resources, platinum mining and banking sector stocks. The JSE All Share Index rose 0.7% to close at 57,162.38.



## US Market ▼

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

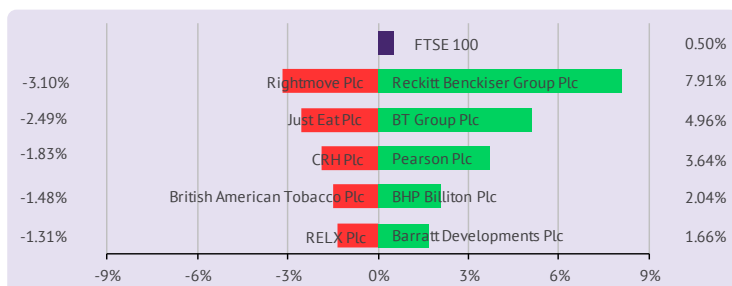
US markets closed lower on Friday, led by losses in technology sector stocks, amid downbeat corporate earnings. Data revealed that the US gross domestic product (GDP) grew less-than-expected in 2Q18. The S&P 500 Index dropped 0.7% to close at 2,818.82.



## UK Market ▲

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

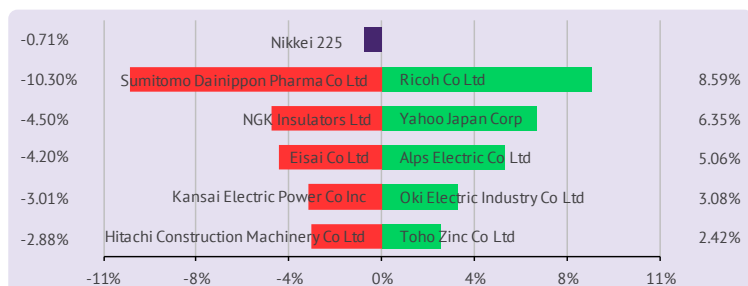
UK markets finished higher on Friday, amid upbeat earnings reports and easing trade tensions. The FTSE 100 Index advanced 0.5% to close at 7,701.31.



## Asian Market ▼

### Trading lower

Asian markets are trading lower this morning. The Nikkei 225 Index is trading 0.7% lower at 22,552.38.



## USD ZAR ▲

### USD trading firmer against ZAR

At 06:00 SAST, the US Dollar gained 0.2% against the South African Rand to trade at R13.2041. Later today, traders will keep a close watch on the US pending home sales and the Dallas Fed manufacturing activity index for further cues.

The US Dollar fell against the South African Rand on Friday, following weaker-than-expected US GDP growth. Data indicated that the US GDP grew less-than-expected on a quarterly basis in the second quarter of 2018. Further, the Michigan consumer sentiment index declined to a six-month low level in July.

## GBP ZAR ▲

### GBP trading lower against ZAR

At 06:00 SAST, the British Pound rose 0.3% against the South African Rand to trade at R17.3021. Ahead in the day, traders will keep an eye on the UK's net consumer credit and mortgage approvals for further indication.

The British Pound declined against the South African Rand on Friday.

## EUR ZAR ▲

### EUR trading stronger against ZAR

At 06:00 SAST, the Euro is trading 0.2% higher against the South African Rand at R15.3886. Going forward, market participants will keep a tab on the Eurozone's economic and consumer confidence index along with Germany's consumer price index for further direction.

The Euro weakened against the South African Rand on Friday.

## AUD ZAR ▲

### AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% firmer against the South African Rand at R9.7590.

The Australian Dollar fell against the South African Rand on Friday.

## Key currencies & commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	13.2041	▲	-0.54	NA	-4.03	8.08	6.38
GBPZAR	17.3021	▲	-0.61	NA	-4.81	7.34	3.20
EURZAR	15.3886	▲	-0.39	NA	-4.23	7.98	3.39
AUDZAR	9.7590	▲	-0.20	NA	-4.08	5.77	0.89
EURUSD	1.1654	▼	0.12	NA	-0.23	-0.08	-2.90
GBPUSD	1.3103	▼	-0.03	NA	-0.77	-0.68	-3.02
Brent (\$/barrel)	74.3	▲	-0.34	NA	-6.24	2.15	11.10
Gold (\$/oz)	1229.2	▲	-0.22	NA	-2.51	-3.51	-6.59
Platinum (\$/oz)	825.7	▼	-0.08	NA	-2.43	-6.34	-10.97
Copper (\$/MT)*	6274.3	▲	0.12	NA	-5.29	-3.21	-12.94

\*As of previous close

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices edged 0.5% higher to trade at \$1,229.20/oz.

On Friday, gold prices fell 0.2% to close at \$1,223.00/oz.

## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil advanced 0.1% to trade at \$74.34/bl.

On Friday, Brent crude oil dropped 0.3% to settle at \$74.29/bl, after Russia's Energy Minister indicated that a coalition of producers could pump more crude than agreed by the end of the year. Additionally, Baker Hughes reported that US oil rig count rose by 3 to 861 last week.

## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices edged 0.7% lower to trade at \$825.70/oz.

On Friday, platinum prices declined 0.1% to close at \$831.70/oz.

## Major South African corporate news

### BHP Billiton Plc

The company announced that it has entered into agreements for the sale of its entire interests in the Eagle Ford, Haynesville, Permian and Fayetteville onshore US oil and gas assets for a combined cash consideration of USD10.80bn. BP American Production Company, a wholly owned subsidiary of BP Plc, has agreed to acquire 100.0% of the issued share capital of Petrohawk Energy Corporation, the subsidiary which holds the assets, for a total consideration of USD10.50bn.

### Lonmin Plc

In its 3Q18 production report, the company indicated that total platinum production decreased 2.0% compared to the corresponding period of the prior year. Further, total platinum sales reduced 2.3%, compared to the same period of the preceding year. The company also entered into a conditional Sale of Shares Agreement to sell the 50.0% interest in Petrozim Line (Private) Limited for a total cash consideration of USD14.75bn to the National Oil Infrastructure Company of Zimbabwe (Private) Limited.

### Investec Property Fund Limited

The company announced that Nick Riley would be stepping down as the Chief Executive Officer with effect from 1 December 2018. Further, the company announced that Andrew Wooler and Darryl Mayers have been appointed as Joint Chief Executive Officers, effective from 1 December 2018.

## Major global economic news

### US

In the US, the preliminary annualised GDP registered a rise of 4.1% on a quarterly basis in 2Q18. In the prior quarter, the annualised GDP had recorded a rise of 2.0%.

In the US, the final Michigan consumer sentiment index recorded a drop to 97.90 in July. In the prior month, the index had recorded a reading of 98.20. The preliminary figures had recorded a fall to 97.10.

### Asia

In Japan, retail trade recorded a rise of 1.8% on an annual basis in June, more than market expectations. In the previous month, retail trade had climbed 0.6%.

## 40 best performers on the All Share Index

Company name	Last close	1 Week % change	MTD % change	YTD % change
Murray & Roberts Holdings Ltd	1786	2.64	2.00	47.48
Clover Industries Ltd	1615	2.22	-1.52	25.29
Sasol Ltd	51738	2.89	2.89	22.32
Reunert Ltd	8180	-0.24	1.91	21.17
BHP Billiton Plc	29550	3.56	-4.91	21.17
Emira Property Fund Ltd	1554	-2.26	8.37	20.79
Mondi Plc	36000	-0.38	-3.44	20.13
Mondi Ltd	36030	-0.05	-3.04	19.79
Astral Foods Ltd	29803	-2.40	4.41	19.39
Anglo American Plc	29298	3.82	-4.70	17.24
Santam Ltd	30210	3.39	5.84	15.31
PSG Konsult Ltd	994	1.43	2.90	15.21
RCL Foods Ltd	1720	-3.10	-0.46	14.06
Anglo American Platinum Ltd	39800	11.83	10.86	13.69
EPP NV	1820	-1.62	4.66	12.07
Lewis Group Ltd	2749	-1.01	-8.65	11.38
Netcare Ltd	2690	-1.39	-1.08	11.10
Adcock Ingram Holdings Ltd	6345	1.88	5.49	10.14
Octodec Investments Ltd	1971	-7.90	-1.45	9.75
Famous Brands Ltd	11249	-0.45	-0.71	9.22
JSE Ltd	16207	-3.56	-0.02	8.96
Investec Plc	9510	1.24	-0.16	8.58
Investec Ltd	9479	1.23	1.11	8.26
Accelerate Property Fund Ltd	525	-4.49	8.62	7.57
South32 Ltd	3553	2.39	-3.48	7.44
Nedbank Group Ltd	26862	-0.10	7.63	7.43
Pick n Pay Stores Ltd	7319	-0.76	-2.13	7.36
City Lodge Hotels Ltd	15250	1.51	7.53	7.28
Stenprop Ltd	1950	-0.44	-3.71	7.22
Raubex Group Ltd	2105	4.83	8.62	7.12
AECI Ltd	10380	-2.99	-1.84	7.03
Sappi Ltd	9369	2.19	2.39	6.99
Clicks Group Ltd	18835	-0.08	-4.16	5.87
Hudaco Industries Ltd	14700	-2.97	-2.94	4.58
Telkom SA SOC Ltd	4794	-0.89	-2.24	4.39
Standard Bank Group Ltd	19928	0.11	3.86	4.31
Brait SE	4325	-0.12	1.57	3.82
Cie Financiere Richemont SA	11558	-2.73	-0.62	3.43
RMB Holdings Ltd	8010	2.88	5.69	3.32
RDI REIT Plc	607	-2.10	-3.65	2.99
<b>JSE All Share Index</b>	<b>57162</b>	<b>0.30</b>	<b>-0.78</b>	<b>-3.94</b>

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
Japan	1:50	Retail Trade (YoY) (Jun)	✓✓✓	1.80%*	0.60%	Monthly
Japan	1:50	Retail Trade s.a. (MoM) (Jun)	✓✓✓	1.50%*	-1.70%	Monthly
Japan	1:50	Large Retailer's Sales (Jun)	✓✓	1.50%*	-2.00%	Monthly
South Africa	8:00	M3 Money Supply (YoY) (Jun)	✓	5.80%	5.73%	Monthly
South Africa	8:00	Private Sector Credit (YoY) (Jun)	✓	5.07%	4.56%	Monthly
UK	10:30	M4 Ex IOFCs 3M Annualised (Jun)	✓	-	3.40%	Monthly
UK	10:30	M4 Money Supply (MoM) (Jun)	✓	-	0.40%	Monthly
UK	10:30	M4 Money Supply (YoY) (Jun)	✓	-	1.80%	Monthly
UK	10:30	Net Consumer Credit (Jun)	✓✓	GBP1.40bn	GBP1.40bn	Monthly
UK	10:30	Net Lending Sec. on Dwellings (Jun)	✓✓	GBP3.90bn	GBP3.90bn	Monthly
UK	10:30	Mortgage Approvals (Jun)	✓✓✓	65.50K	64.50K	Monthly
Eurozone	11:00	Consumer Confidence (Jul) (F)	✓✓✓	-0.60	-0.60**	Monthly
Eurozone	11:00	Industrial Confidence (Jul)	✓	6.70	6.90	Monthly
Eurozone	11:00	Services Sentiment Indicator (Jul)	✓	14.20	14.40	Monthly
Eurozone	11:00	Business Climate Indicator (Jul)	✓✓	1.35	1.39	Monthly
Eurozone	11:00	Economic Sentiment Indicator (Jul)	✓	112.00	112.30	Monthly
Germany	14:00	Consumer Price Index (MoM) (Jul) (P)	✓✓✓	0.40%	0.10%	Monthly
Germany	14:00	Consumer Price Index (YoY) (Jul) (P)	✓✓✓	2.10%	2.10%	Monthly
Germany	14:00	Harmonised Index of Consumer Prices (HICP) (MoM) (Jul) (P)	✓✓✓	0.40%	0.10%	Monthly
Germany	14:00	Harmonised Index of Consumer Prices (HICP) (YoY) (Jul) (P)	✓✓✓	2.10%	2.10%	Monthly
US	16:00	Pending Home Sales (YoY) (Jun)	✓	-	-2.80%	Monthly
US	16:00	Pending Home Sales (MoM) (Jun)	✓✓	0.20%	-0.50%	Monthly
US	16:30	Dallas Fed Manufacturing Business Index (Jul)	✓✓✓	31.00	36.50	Monthly

Note: ✓✓✓High    ✓✓Medium    ✓Low

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