

ONE Minute Brief

13 August 2018

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Economic and political news

According to a news report, President, Cyril Ramaphosa's administration is planning to lay off 30,000 public servants in the next three years as part of the government's cost-cutting measures.

Advocates, Nomgcobo Jiba and Lawrence Mrwebi have filed submissions to President, Cyril Ramaphosa, on why they should not be suspended.

Today, the Constitutional Court will rule on the legality of Shaun Abrahams's appointment as National Director of Public Prosecutions (NDPP).

Johannesburg Mayor, Herman Mashaba, has decided to approach the Equality Court in a bid to seek legal action against the Gupta brothers, over their corrupt activities and racist behaviour towards black South Africans.

The panel on value-added tax, in its report, has recommended that white bread, flour, school uniforms, nappies and sanitary towels should be made zero-rated items.

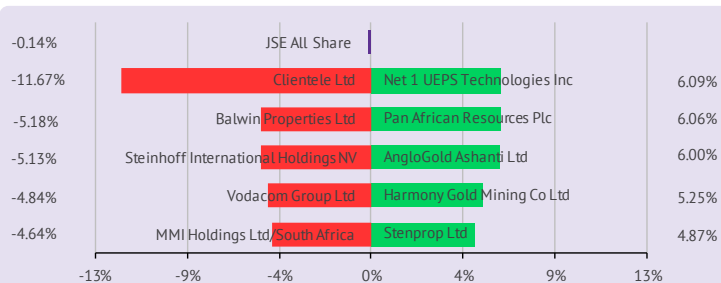
Key indices

	Last close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	57703.02	▼	-83.29	-0.14	NA	0.47	-0.31
JSE Top 40	51577.23	▼	-38.63	-0.07	NA	0.51	-0.39
FTSE 100	7667.01	▼	-74.76	-0.97	NA	1.46	-0.27
DAX 30	12424.35	▼	-251.76	-1.99	NA	2.98	-3.82
CAC 40	5414.68	▼	-87.57	-1.59	NA	1.75	1.92
S&P 500	2833.28	▼	-20.30	-0.71	NA	3.60	5.97
Nasdaq Composite	7839.11	▼	-52.67	-0.67	NA	2.15	13.55
DJIA	25313.14	▼	-196.09	-0.77	NA	4.71	2.40
MSCI Emerging Markets	1062.37	▼	-16.30	-1.51	NA	1.68	-8.29
MSCI Developed World	2139.84	▼	-23.85	-1.10	NA	3.05	1.73

South Africa Market ▼

South African markets closed lower

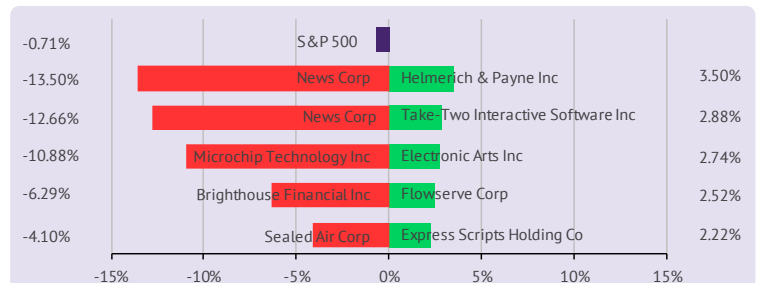
South African markets closed in the red on Friday, weighed down by losses in banking, financial and retail sector stocks. The JSE All Share Index fell 0.1% to close at 57,703.02.



US Market ▼

The S&P 500 futures are trading in the red

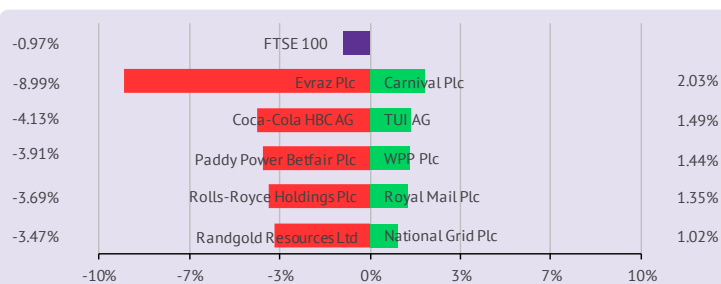
US markets closed lower on Friday, as ongoing tensions in Turkey deepened, after the US President, Donald Trump doubled tariffs on aluminium and steel imports from Turkey. The S&P 500 Index dropped 0.7% to close at 2,833.28.



UK Market ▼

The FTSE 100 futures are trading in negative territory

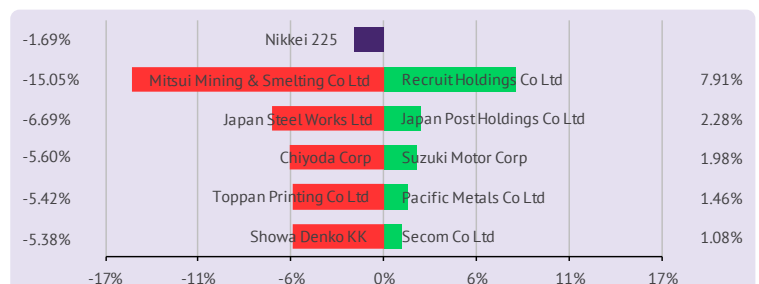
UK markets finished lower on Friday, amid worries over Turkey's currency crisis. The FTSE 100 Index declined 1.0% to close at 7,667.01.



Asian Market ▼

Trading lower

Asian markets are trading lower this morning. The Nikkei 225 Index is trading 1.7% lower at 21,920.79.



USD ZAR ▲

USD trading higher against ZAR

At 06:00 SAST, the US Dollar is trading 4.1% firmer against the South African Rand at R14.6744. Amid no major economic news in the US today, market sentiment will be determined by global macroeconomic news.

The US Dollar rose against the South African Rand on Friday, after the US consumer price index (CPI) advanced at par with market forecast on a monthly basis in July. On the contrary, the nation's monthly budget deficit widened more-than-expected in the same month, recording its biggest deficit in six years. Additionally, average hourly earnings recorded a drop on a yearly basis in July.

GBP ZAR ▲

GBP trading firmer against ZAR

At 06:00 SAST, the British Pound advanced 4.2% against the South African Rand to trade at R18.7245. With no major economic news in the UK today, investor sentiment will be determined by global macroeconomic factors.

The British Pound advanced against the South African Rand on Friday, after UK's quarterly gross domestic product (GDP) recorded a rise in line with market expectations in the second quarter of 2018. Additionally, trade deficit narrowed more than market forecast in June. Moreover, industrial production climbed more-than-anticipated on a monthly basis in June, recording its first rise in four months. Further, monthly manufacturing production recorded a more-than-expected advance in the same month. Also, construction output surprised with a rise on a monthly basis in June.

EUR ZAR ▲

EUR trading stronger against ZAR

At 06:00 SAST, the Euro is trading 3.9% higher against the South African Rand at R16.7097. Amid no major economic news across the Eurozone, market sentiment will be determined by global macroeconomic events.

The Euro strengthened against the South African Rand on Friday.

AUD ZAR ▲

AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar gained 4.0% against the South African Rand to trade at R10.6832.

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	14.6744	▲	2.81	NA	6.16	-3.28	13.81
GBPZAR	18.7245	▲	2.21	NA	3.13	-3.90	7.45
EURZAR	16.7097	▲	1.77	NA	3.61	-3.22	8.24
AUDZAR	10.6832	▲	1.67	NA	4.25	-3.03	6.34
EURUSD	1.1382	▼	-0.99	NA	-2.38	0.06	-4.93
GBPUSD	1.2760	▲	-0.51	NA	-2.79	-0.63	-5.59
Brent (\$/barrel)	72.7	▼	1.03	NA	-1.89	-6.34	8.88
Gold (\$/oz)	1215.3	▲	-0.07	NA	-1.03	-2.46	-7.50
Platinum (\$/oz)	819.0	▼	-0.54	NA	-1.92	-0.77	-11.20
Copper (\$/MT)*	6160.3	▼	-0.62	NA	-1.90	-5.22	-14.52

*As of previous close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.3% higher to trade at \$1,215.30/oz.

On Friday, gold prices fell 0.1% to close at \$1,211.10/oz, as the US dollar rallied.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 0.2% lower to trade at \$72.66/bl, as rising geopolitical trade tensions dampened demand for the commodity.

On Friday, Brent crude oil advanced 1.0% to settle at \$72.81/bl, after the International Energy Agency increased its forecast for global oil demand growth by 110,000bls a day to 1.5mn bls for 2019. Meanwhile, Baker Hughes reported that US oil rig count rose by 10 to 869 in the week ended 10 August 2018.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged lower 1.3% to trade at \$819.00/oz.

On Friday, platinum prices declined 0.5% to close at \$829.60/oz.

Major South African corporate news

BHP Billiton Plc

The company has announced that it has reached an agreement to settle the class action complaint filed in the US District Court of the Southern District of New York on behalf of purchasers of American Depositary Receipts of BHP Billiton Limited and BHP Billiton Plc between 25 September 2014 and 30 November 2015 in relation to the Samarco dam failure on 5 November 2015. Under the terms of the agreement, BHP has agreed to pay the plaintiffs USD50.00mn, with no admission of liability. The agreement is subject to approval by the District Court.

Life Healthcare Group Holdings Limited

The company announced that clients of Coronation Asset Management have, in aggregate, acquired an interest in the ordinary shares of the company, such that the total interest in the ordinary shares of the company held by Coronation's clients now amounts to 5.4% of the total issued ordinary shares of the company.

Major global economic news

UK

In the UK, preliminary GDP climbed 0.4% on a quarterly basis in 2Q18, meeting market forecast and compared to a rise of 0.2% in the prior quarter.

In June, total trade deficit narrowed more-than-expected to GBP1.86bn in the UK, from a revised deficit of GBP3.14bn in the previous month.

In the UK, industrial production rose 0.4% on a monthly basis in June, higher than market expectations. Industrial production had fallen by a revised 0.2% in the prior month.

In the UK, manufacturing production advanced 0.4% on a monthly basis in June, more than market expectations. Manufacturing production had recorded a revised rise of 0.6% in the prior month.

In June, construction output unexpectedly rose 1.4% on a monthly basis in the UK. In the previous month, construction output had risen 2.9%.








US

In the US, the CPI advanced 0.2% on a monthly basis in July, at par with market expectations. The CPI had registered a rise of 0.1% in the previous month.

In the US, monthly budget deficit widened more than market expectations to USD76.9bn in July, compared to a deficit of USD42.9bn in the previous month.

In the US, average hourly earnings declined by 0.2% on an annual basis in July, compared to a flat reading in the prior month.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus	Previous/ **Previous est.	Frequency
 Italy	10:00	Consumer Price Index (EU Norm) (MoM) (Jul) (F)	✓✓✓	-	-1.40%**	Monthly
 Italy	10:00	Consumer Price Index (EU Norm) (YoY) (Jul) (F)	✓✓✓	-	1.50%**	Monthly
 Italy	10:00	Consumer Price Index (MoM) (Jul) (F)	✓✓✓	-	0.30%**	Monthly
 Italy	10:00	Consumer Price Index (YoY) (Jul) (F)	✓✓✓	-	1.50%**	Monthly
 Italy	10:00	Consumer Price Index (Jul) (F)	✓	-	102.70%**	Monthly
 US	-	Mortgage Delinquencies (Q2)	✓	-	4.63%	Quarterly
 US	-	MBA Mortgage Foreclosures (Q2)	✓	-	1.16%	Quarterly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

40 best performers on the All Share Index

Company name	Last close	1 Week % change	MTD % change	YTD % change
Murray & Roberts Holdings Ltd	1718	-4.02	-4.93	41.87
Clover Industries Ltd	1822	1.39	11.51	41.35
Mondi PLC	38989	1.56	8.04	30.11
Mondi Ltd	38881	1.39	7.68	29.39
Sasol Ltd	52749	2.38	1.79	24.71
BHP Billiton PLC	30354	3.61	0.46	24.47
Anglo American Platinum Ltd	42366	3.42	5.70	22.13
Emira Property Fund Ltd	1566	-0.38	0.13	21.72
Reunert Ltd	8187	-0.16	0.33	21.28
ArcelorMittal South Africa Ltd	469	10.35	46.56	21.19
Anglo American PLC	29729	1.90	-0.16	18.97
Octodec Investments Ltd	2099	3.09	4.22	16.87
Santam Ltd	30500	0.33	1.00	16.42
Sappi Ltd	10090	3.17	7.51	15.22
EPP NV	1860	0.59	1.25	14.53
PSG Konsult Ltd	985	0.92	-1.01	14.17
Netcare Ltd	2762	-1.15	2.14	14.08
African Oxygen Ltd	3130	5.42	10.48	13.79
Adcock Ingram Holdings Ltd	6524	0.03	1.54	13.25
Astral Foods Ltd	28245	-4.97	-3.27	13.15
RCL Foods Ltd/South Africa	1700	1.55	-0.87	12.73
Stenprop Ltd	2045	2.25	5.41	12.44
South32 Ltd	3702	8.06	4.96	11.94
Lewis Group Ltd	2731	-5.86	-8.66	10.65
Cie Financiere Richemont SA	12262	5.73	6.49	9.73
Telkom SA SOC Ltd	4979	-1.21	-1.19	8.41
AECI Ltd	10477	-3.01	-1.02	8.03
Pick n Pay Stores Ltd	7309	-1.20	-1.88	7.21
Raubex Group Ltd	2100	0.33	5.79	6.87
Clicks Group Ltd	19000	-2.85	-1.69	6.80
Accelerate Property Fund Ltd	520	0.19	-0.95	6.54
Investec PLC	9294	0.25	-2.68	6.11
Investec Ltd	9181	0.34	-3.49	4.85
AVI Ltd	11400	3.82	4.11	4.73
JSE Ltd	15500	-4.91	-6.79	4.21
Delta Property Fund Ltd	621	-0.16	3.50	3.87
Hammerson PLC	9078	3.11	0.68	3.44
Famous Brands Ltd	10605	-2.46	-6.04	2.97
Transaction Capital Ltd	1698	1.62	-1.22	2.93
Nedbank Group Ltd	25685	-4.26	-5.87	2.73
JSE All Share Index	57703	1.02	0.47	-3.03

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