

# ONE Minute Brief

17 September 2018

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## Economic and political news

The Democratic Alliance stated that it will ask parliamentary questions to the Presidency as well as Finance Minister, Nhlanhla Nene to establish full details about a ZAR370bn loan allegedly negotiated by President, Cyril Ramaphosa with China as a “stimulus package” for the country.

Mineral Resources Minister, Gwede Mantashe stated that the third version of the Mining Charter would be completed by today and will be presented to President, Cyril Ramaphosa, early next week and debated in a cabinet meeting on Wednesday, ahead of its implementation.

The Economic Freedom Fighters (EFF) has urged that the huge amounts of land owned by large churches in SA should be state owned.

The judicial commission of inquiry into state capture is expected today to hear evidence from representatives of banks that were involved in the closure of Gupta related bank accounts.

Trade union, Solidarity has accused Sasol of compromising safety by running the Sasolburg plant with staff who “do not have the necessary clearances and certifications”.

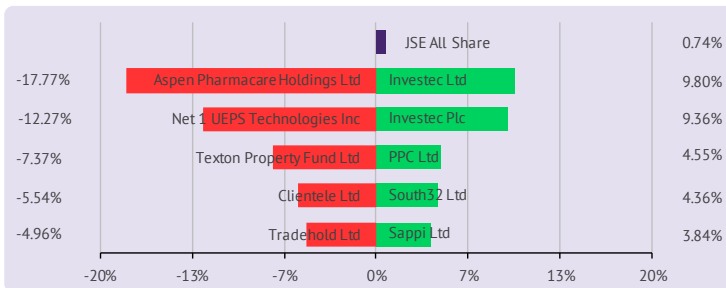
## Key indices

	Last close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	56581.88	▲	415.02	0.74	NA	-3.56	2.15	-4.91
JSE Top 40	50440.98	▲	449.81	0.90	NA	-3.86	2.24	-3.98
FTSE 100	7304.04	▲	22.47	0.31	NA	-1.73	-4.08	-4.99
DAX 30	12124.33	▲	68.78	0.57	NA	-1.94	-3.45	-6.14
CAC 40	5352.57	▲	24.45	0.46	NA	-1.00	-1.90	0.75
S&P 500	2904.98	▲	0.80	0.03	NA	0.12	3.03	8.65
Nasdaq Composite	8010.04	▼	-3.67	-0.05	NA	-1.23	5.71	16.03
DJIA	26154.67	▲	8.68	0.03	NA	0.73	2.16	5.81
MSCI Emerging Markets	1028.53	▲	10.88	1.07	NA	-2.60	-2.90	-11.22
MSCI Developed World	2166.59	▲	3.91	0.18	NA	-0.41	1.04	3.00

## South Africa Market ▲

### South African markets closed higher

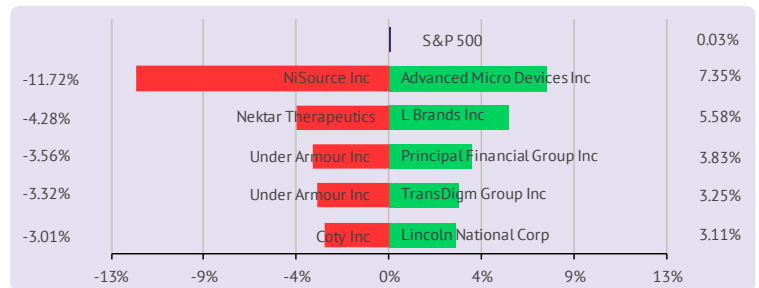
South African markets closed in the green yesterday, as fears over global trade conflict faded. The JSE All Share Index climbed 0.7% to close at 56,581.88.



## US Market ▲

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

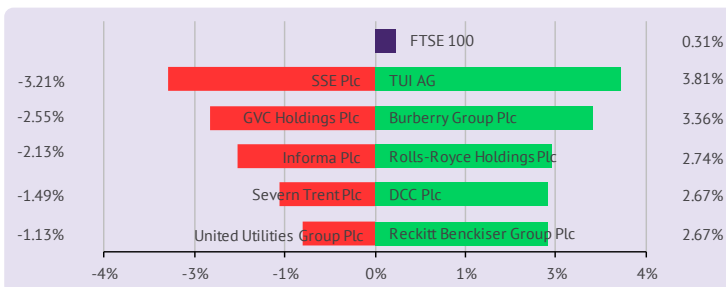
US markets closed mostly higher yesterday, amid gains in technology and banking sector stocks. Data revealed that the US monthly advance retail sales rose less-than-expected in August. The S&P 500 Index marginally advanced to close at 2,904.98.



## UK Market ▲

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

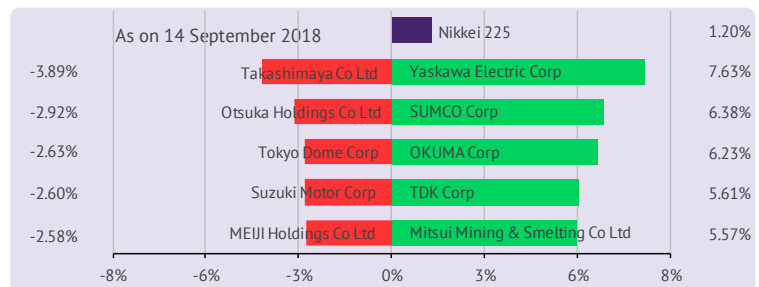
UK markets finished higher yesterday, amid easing trade tensions and supported by gains in industrial and material sector stocks. The FTSE 100 Index advanced 0.3% to close at 7,304.04.



## Asian Market ▼

### Trading lower

Asian markets are trading lower this morning, amid resurfacing US-China trade worries. Japanese markets are closed today on account of a holiday. On Friday, the Nikkei 225 Index rose 1.2% to close at 23,094.67.



## USD ZAR ▲

### USD trading higher against ZAR

At 06:00 SAST, the US Dollar marginally gained against the South African Rand to trade at R14.9391. Later today, traders will keep a close watch on the US Empire manufacturing index for further indication.

The US Dollar rose against the South African Rand yesterday. On the data front, the US Michigan consumer sentiment index climbed more than market expectations in September. Additionally, monthly industrial production jumped more-than-anticipated for a consecutive third month in August. Further, business inventories advanced in line with market forecast in July. In contrast, the nation's advance retail sales rose at a slowed-than-expected pace on a monthly basis in August. Moreover, manufacturing production recorded a less-than-expected rise on a monthly basis in the same month.

## GBP ZAR ▲

### GBP trading firmer against ZAR

At 06:00 SAST, the British Pound advanced 0.1% against the South African Rand to trade at R19.5397. Data indicated that the UK's Rightmove house price index rebounded on a monthly basis in September.

The British Pound advanced against the South African Rand yesterday.

## EUR ZAR ▲

### EUR trading stronger against ZAR

At 06:00 SAST, the Euro is trading 0.1% higher against the South African Rand at R17.3815. Going forward, market participants will keep a tab on the Eurozone's consumer price index for further direction.

The Euro strengthened against the South African Rand yesterday. On the macro front, the Eurozone's trade surplus narrowed to its lowest level in four years in July.

## 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 R10.6917.

The Australian Dollar rose against the South African Rand yesterday.

## Key currencies & commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	14.9391	▲	1.09	NA	1.66	10.65	20.59
GBPZAR	19.5397	▲	0.80	NA	2.53	9.25	16.71
EURZAR	17.3815	▲	0.54	NA	1.89	9.80	16.89
AUDZAR	10.6917	▲	0.60	NA	1.16	7.15	10.56
EURUSD	1.1635	▲	-0.56	NA	0.20	-0.76	-3.17
GBPUSD	1.3079	▲	-0.31	NA	0.83	-1.25	-3.29
Brent (\$/barrel)	78.0	▼	-0.12	NA	0.58	4.62	16.78
Gold (\$/oz)	1199.9	▲	-0.55	NA	-0.45	-1.81	-8.64
Platinum (\$/oz)	793.8	▼	-0.59	NA	1.46	-6.94	-14.52
Copper (\$/MT)*	5950.8	▼	-1.04	NA	-0.29	-4.96	-17.43

\*As of previous close

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices advanced 0.3% to trade at \$1,199.90/oz, amid reports that the US is set to impose a new round of tariffs on Chinese imports.

Yesterday, gold prices fell 0.6% to close at \$1196.2/oz, as strength in the US Dollar dented demand for the safe haven asset.

## Brent Crude Oil ▼

### Trading weaker

At 06:00 SAST, Brent crude oil edged 0.1% lower to trade at \$77.99/bl, as resurfacing trade fears weighed on the demand outlook.

Yesterday, Brent crude oil dropped 0.1% to settle at \$78.09/bl, after Baker Hughes reported that US oil rig count rose by 7 to 867 in the week ended 14 September 2018.

## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices retreated 0.6% to trade at \$793.80/oz.

Yesterday, platinum prices declined 0.6% to close at \$ 798.6/oz.

## Major South African corporate news

### Investec Limited

In its 1H18 briefing statement, the company announced that its revenues are expected to be moderately ahead of the prior period. Recurring income as a percentage of total operating income is expected to be approximately 78.0%. Further, the company expects to implement the Foundation Internal Ratings-Based (FIRB) approach in South Africa by the end of FY19, subject to final regulatory approval.

### Trencor Limited

The company announced that Hilliard C. Terry, the Executive Vice President and Chief Financial Officer (CFO) of Textainer Group Holdings Limited will be leaving the company, effective from 30 September 2018. He would be succeeded by Michael K. Chan, currently the company's Senior Vice President of Finance.

### Pan African Resources Plc

In its FY18 trading statement, the company reported that it expects HEPS to be between 16.77c and 20.65c, a decrease of 47.0% to 57.0% compared to the same period of the previous year. Further, the company expects EPS to be in the range of 8.92c to 13.40c, 70.0% to 80.0% lower compared to the corresponding period of the preceding year.

## Major global economic news

### US

In the US, advance retail sales recorded a rise of 0.1% on a monthly basis in August, less than market expectations. Advance retail sales had climbed by a revised 0.7% in the prior month.

In the US, the preliminary Michigan consumer sentiment index advanced more-than-expected to 100.80 in September, compared to a reading of 96.20 in the previous month.

In the US, business inventories registered a rise of 0.6% on a monthly basis in July, in line with market expectations. In the previous month, business inventories had recorded a rise of 0.1%.

In the US, industrial production climbed 0.4% on a monthly basis in August, more than market forecast and compared to a revised similar rise in the prior month.

In the US, manufacturing production climbed 0.2% on a monthly basis in August, less than market estimates. In the previous month, manufacturing production had climbed 0.3%.

### UK

The Bank of England Governor, Mark Carney assured that the bank is prepared to face all potential outcomes of Brexit and the policy response will not be automatic. However, Carney warned that the impact of a no-deal Brexit could be as dangerous as the 2008 financial crisis and could worsen property markets and increase unemployment. Meanwhile, he forecasted a rebound of GBP16bn in favour of the UK economy, provided Britain follows Theresa May's Chequers Brexit proposal.

In the UK, the Rightmove house price index rebounded 0.70% on a monthly basis in September. In the previous month, the index had registered a drop of 2.3%.
















### Eurozone

In the Eurozone, seasonally adjusted trade surplus narrowed more-than-expected to EUR12.80bn in July, following a revised surplus of EUR16.50bn in the prior month.

## 40 best performers on the All Share Index

Company name	Last close	1 Week % change	MTD % change	YTD % change
Trustco Group Holdings Ltd	1298	4.26	-3.78	45.84
Mondi Ltd	41812	2.69	1.93	40.41
Mondi Plc	41610	2.11	1.5	40.12
Sasol Ltd	56845	1.11	0.06	36.25
Murray & Roberts Holdings Ltd	1614	-1.59	4.06	33.28
EPP NV	2114	1.63	8.13	30.17
South32 Ltd	4093	10.52	14.16	26.83
BHP Billiton Plc	29859	-0.33	-2.27	26.24
Stenprop Ltd	2284	1.42	3.82	25.58
Anglo American Platinum Ltd	43429	0.01	1.00	25.20
Lewis Group Ltd	3060	4.76	8.13	23.98
Anglo American Plc	29851	2.94	0.60	22.32
Emira Property Fund Ltd	1491	-4.05	-1.90	21.77
Santam Ltd	31000	-3.30	2.25	18.33
Reunert Ltd	7987	2.31	5.04	18.31
Investec Ltd	10329	8.60	7.40	17.96
Investec Plc	10330	8.28	6.75	17.94
RCL Foods Ltd	1760	4.14	3.65	16.71
Clover Industries Ltd	1480	-4.33	-13.45	14.82
PSG Konsult Ltd	990	1.64	2.06	14.75
Harmony Gold Mining Co Ltd	2596	-2.74	8.53	14.41
Netcare Ltd	2765	-2.98	-5.79	14.20
Octodec Investments Ltd	2050	0.05	-0.39	14.15
Cie Financiere Richemont SA	12588	-2.06	-3.56	12.64
Sappi Ltd	9825	1.47	-2.13	12.20
Telkom SA SOC Ltd	5089	2.79	1.19	10.81
Adcock Ingram Holdings Ltd	6382	-7.18	-10.44	10.78
African Oxygen Ltd	3002	4.24	1.04	9.14
Nedbank Group Ltd	26111	-0.62	-3.57	7.20
Bid Corp Ltd	31861	0.51	1.60	6.98
RDI REIT Plc	630	0.64	-2.63	6.89
Clicks Group Ltd	18943	-3.48	-6.68	6.48
AECI Ltd	10160	-3.26	-2.37	6.27
Exxaro Resources Ltd	15142	0.28	1.73	5.73
JSE Ltd	15454	-0.32	-4.58	3.90
Hammerson Plc	8876	1.24	-1.05	3.46
Oceana Group Ltd	8643	6.05	9.54	3.14
Transaction Capital Ltd	1700	-1.85	-2.86	3.05
Astral Foods Ltd	25676	2.03	-0.82	2.86
AVI Ltd	11150	-0.13	-3.89	2.44
<b>JSE All Share Index</b>	<b>56582</b>	<b>-0.85</b>	<b>-3.56</b>	<b>-4.91</b>

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
 UK	01:01	Rightmove House Price Index (MoM) (Sep)	✓	0.70%*	-2.30%	Monthly
 UK	01:01	Rightmove House Price Index (YoY) (Sep)	✓	1.20%*	1.10%	Monthly
 Italy	10:00	Trade Balance EU (Jul)	✓✓✓	-	EUR1.52bn	Monthly
 Italy	10:00	Trade Balance Non-EU (Jul)	✓✓✓	-	EUR3.55bn	Monthly
 Italy	10:00	Exports (Jul)	✓	-	EUR42171.00mn	Monthly
 Italy	10:00	Imports (Jul)	✓	-	EUR37100.00mn	Monthly
 Italy	10:00	Trade Balance (Jul)	✓✓✓	-	EUR5071.00mn	Monthly
 Eurozone	11:00	Consumer Price Index - Core (YoY) (Aug) (F)	✓✓✓	1.00%	1.00%**	Monthly
 Eurozone	11:00	Consumer Price Index (MoM) (Aug)	✓✓✓	0.20%	-0.30%	Monthly
 Eurozone	11:00	Consumer Price Index (YoY) (Aug) (F)	✓✓✓	2.00%	2.00%**	Monthly
 Eurozone	11:00	ECB's Coeure Speaks in Berlin	✓	-	-	As scheduled
 Eurozone	12:15	ECB's Praet Speaks in Brussels	✓	-	-	As scheduled
 Canada	14:30	Canadian Portfolio Investment in Foreign Securities (Jul)	✓	-	CAD11.29bn	Monthly
 Canada	14:30	Foreign Portfolio Investment in Canadian Securities (Jul)	✓	-	CAD11.55bn	Monthly
 US	14:30	NY Empire State Manufacturing Index (Sep)	✓✓	23.00	25.60	Monthly
 Canada	15:00	Existing Home Sales (MoM) (Aug)	✓	-	1.90%	Monthly

Note: ✓✓✓High    ✓✓Medium    ✓Low

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