

ONE  
Minute Brief

16 October 2018

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## Economic and political news

President, Cyril Ramaphosa, has dismissed a newspaper report which claimed that he was informed about the scam at VBS Mutual Bank, but failed to stop money being illegally siphoned from the bank.

Former Public Protector, Thuli Madonsela, has urged the Economic Freedom Fighters (EFF) to probe its deputy president and MP, Floyd Shivambu's involvement in the VBS scam. Meanwhile, the Democratic Alliance (DA) stated that it would report the EFF MP to Parliament's ethics committee.

Judge Robert Nugent has urged the Constitutional Court to block suspended SA Revenue Service (Sars) Commissioner, Tom Moyane's attempt to challenge the fairness of his tax administration inquiry.

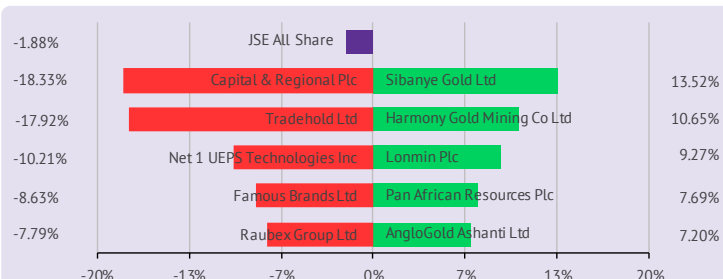
Eskom has indicated that it would not have to implement controlled power outages, about which it had warned earlier.

Workers in the plastics sector began a strike over pay and benefits yesterday.

## South Africa Market ▼

## South African markets closed lower

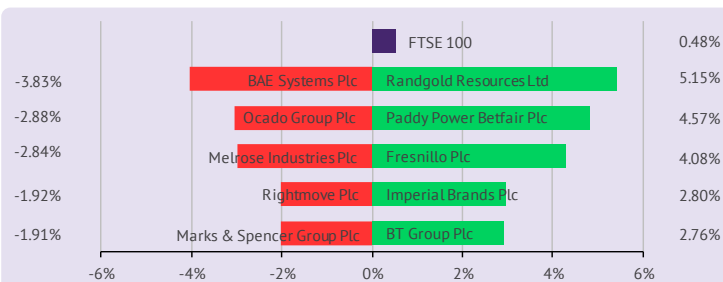
South African markets closed in the red yesterday, weighed down by losses in industrial, banking and retail sector stocks. The JSE All Share Index fell 1.9% to close at 52,466.98.



## UK Market ▲

## The FTSE 100 futures are trading in positive territory

UK markets finished higher yesterday, after the British Prime Minister, Theresa May stated that the government is working on October Brexit deadline. The FTSE 100 Index advanced 0.5% to close at 7,029.22.



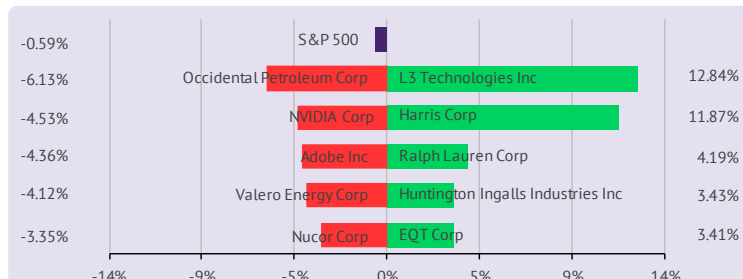
## Key indices

	Last close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	52466.98	▼ -1006.13	-1.88	-1.88	-5.82	-5.05	-11.83
JSE Top 40	46295.03	▼ -977.57	-2.07	-2.07	-6.51	-5.61	-11.87
FTSE 100	7029.22	▲ 33.31	0.48	0.48	-6.40	1.05	-8.57
DAX 30	11614.16	▲ 90.35	0.78	0.78	-5.17	-0.95	-10.09
CAC 40	5095.07	▼ -0.91	-0.02	-0.02	-7.25	1.60	-4.09
S&P 500	2750.79	▼ -16.34	-0.59	-0.59	-5.60	0.43	2.89
Nasdaq Composite	7430.74	▼ -66.15	-0.88	-0.88	-7.65	-0.78	7.64
DJIA	25250.55	▼ -89.44	-0.35	-0.35	-4.56	1.90	2.15
MSCI Emerging	971.67	▼ -8.42	-0.86	-0.86	-7.27	-0.76	-16.12
MSCI Developed	2055.11	▼ -8.33	-0.40	-0.40	-5.90	0.39	-2.30

## US Market ▼

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

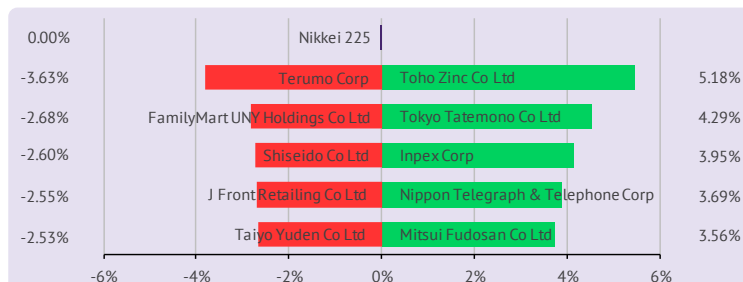
US markets closed lower yesterday, led by losses in technology sector stocks. Data revealed that the US monthly advance retail sales rose less-than-expected in September. The S&P 500 Index dropped 0.6% to close at 2,750.79.



## Asian Market ▼

## Trading mostly lower

Asian markets are trading mostly lower this morning. The Nikkei 225 Index is trading marginally lower at 22,270.52.



## USD ZAR ▼

### USD trading weaker against ZAR

At 06:00 SAST, the US Dollar is trading 0.1% lower against the South African Rand at R14.3581. Later today, traders will keep a close watch on the US JOLTS job openings, NAHB housing market index, industrial and manufacturing production for further cues.

The US Dollar fell against the South African Rand yesterday, after the US advance retail sales rose less than market anticipations on a monthly basis in September. Meanwhile, the nation's business inventories rose at par with market forecast in August. Separately, the South African Rand rose against the US Dollar, following Moody's decision to delay its review on South Africa's sovereign debt.

## GBP ZAR ▼

### GBP trading lower against ZAR

At 06:00 SAST, the British Pound retreated 0.1% against the South African Rand to trade at R18.8738. Ahead in the day, traders will keep an eye on the UK's claimant count rate, ILO unemployment rate and average weekly earnings for further direction.

The British Pound declined against the South African Rand yesterday.

## EUR ZAR ▼

### EUR trading weaker against ZAR

At 06:00 SAST, the Euro is trading 0.1% lower against the South African Rand at R16.6199. Going forward, market participants will keep a tab on the Eurozone's trade balance and ZEW economic sentiment survey index along with Germany's ZEW survey indices for further indication.

The Euro weakened against the South African Rand yesterday.

## AUD ZAR ▼

### AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% weaker against the South African Rand at R10.2356. Earlier in the session, Australia's ANZ Roy Morgan weekly consumer confidence index advanced in the week ended 14 October 2018. Meanwhile, in China, Australia's largest trading partner, consumer price index (CPI) climbed in line with market forecast on a yearly basis in September, notching its highest level in seven months. Additionally, annual producer price index (PPI) recorded a more-than-expected rise in the same month.

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	14.3581	▼	-1.04	-1.04	1.60	-3.73	16.03
GBPZAR	18.8738	▼	-1.07	-1.07	2.53	-3.17	13.01
EURZAR	16.6199	▼	-0.84	-0.84	1.37	-3.68	12.01
AUDZAR	10.2356	▼	-0.85	-0.85	0.26	-3.25	6.01
EURUSD	1.1575	▼	0.16	0.16	-0.22	0.02	-3.55
GBPUSD	1.3145	▼	-0.01	-0.01	0.93	0.55	-2.67
Brent (\$/barrel)	81.0	▲	0.44	0.44	-2.36	6.56	20.80
Gold (\$/oz)	1229.8	▲	0.68	0.68	2.93	-0.84	-6.33
Platinum (\$/oz)	842.5	-	0.75	0.75	2.91	4.01	-9.82
Copper (\$/MT)*	6303.0	▼	-0.25	-0.25	0.63	4.95	-12.54

\*As of previous close

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices edged 0.3% higher to trade at \$1,229.80/oz.

Yesterday, gold prices rose 0.7% to close at \$1226.4/oz, as a weaker US Dollar boosted demand appeal for the dollar denominated commodity.

## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil edged 0.2% higher to trade at \$80.98/bl, on signs that Iranian oil exports would fall further in October.

Yesterday, Brent crude oil advanced 0.4% to settle at \$80.78/bl, amid easing tensions between the US and Saudi Arabia. Meanwhile, the Energy Information Administration forecasted that crude oil production from seven major US shale plays is expected to rise by 98,000 bls a day to 7.714mn bls a day in November.

## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices marginally declined to trade at \$842.50/oz.

Yesterday, platinum prices climbed 0.8% to close at \$846.30/oz.

## Major South African corporate news

### Adcorp Holdings Limited

In its 1H18 results, the company stated that its revenues increased to ZAR7.97bn, compared to ZAR7.75bn posted in the corresponding period of the previous year. Its diluted EPS stood at 87.30c compared to a diluted loss per share of 118.80c recorded in the same period of the prior year. For FY18, the company expects to stabilise operations, stem losses from its training business and unlock short-term wins as the company develops a blueprint for its future.

### Famous Brands Limited

In its 1H18 trading statement, the company announced that the company expects HEPS to be between 175.00c and 194.00c, an increase of 3.0% to 14.0% compared to the same period of the previous year. Further, the company expects loss per share to be in the range of 566.00c to 623.00c, which is 431.0% to 465.0% lower compared to the corresponding period of the preceding year.

## Major global economic news

### Asia

The minutes of the Reserve Bank of Australia's October policy meeting indicated that policymakers held its key interest rate unchanged at 1.5%. The minutes showed that the next move in interest rates is expected to be upward, however, there is no strong case for a move anytime soon, citing potential gradual progress in unemployment and inflation.

In Australia, the ANZ Roy Morgan weekly consumer confidence index recorded a rise to a level of 119.5 in the week ended 14 October 2018, compared to a reading of 117.3 in the prior week.

In China, the CPI advanced 2.5% on a yearly basis in September, meeting market expectations and compared to an advance of 2.3% in the previous month.

In China, the PPI recorded a more than expected rise of 3.6% on an annual basis in September. In the previous month, the PPI had climbed 4.1%.

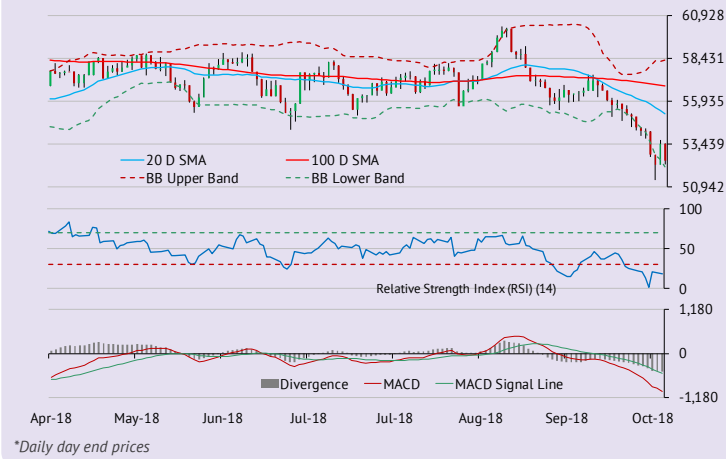
### US

In the US, advance retail sales climbed 0.1% on a monthly basis in September, less than market anticipations and compared to a similar rise in the previous month.

In the US, business inventories recorded a rise of 0.5% on a monthly basis in August, in line with market expectations. Business inventories had risen by a revised 0.7% in the prior month.

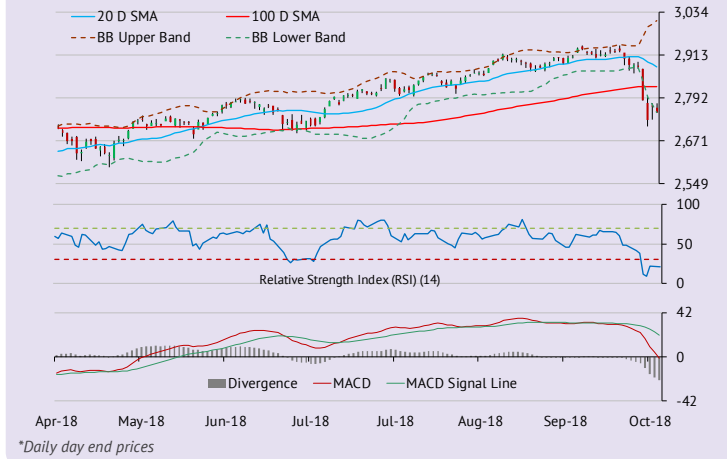
## Technical snapshot

### JSE All Share



The JSE All Share index is expected to find support at 51,097.03, and a fall through could take it to the next support level of 49,727.07. The index is expected to find its first resistance at 54,092.93, and a rise through could take it to the next resistance level of 55,718.87.

### S&P 500



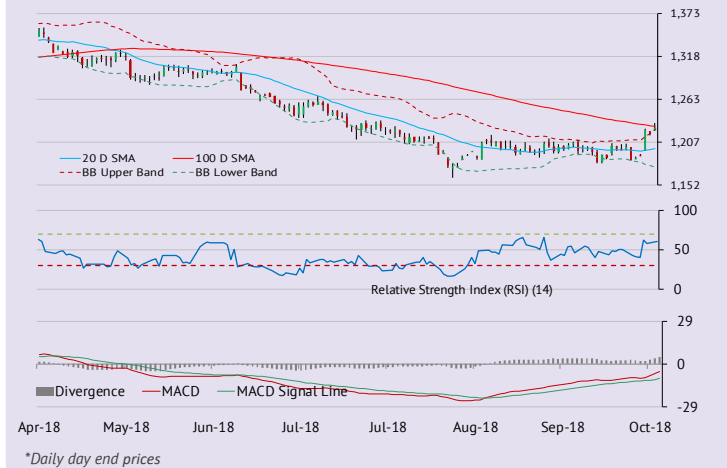
The S&P 500 index is expected to find support at 2,675.92, and a fall through could take it to the next support level of 2,601.06. The index is expected to find its first resistance at 2,860.24, and a rise through could take it to the next resistance level of 2,969.70.

### USD ZAR



The pair is expected to find support at 14.1075, and a fall through could take it to the next support level of 13.8471. The pair is expected to find its first resistance at 14.8453, and a rise through could take it to the next resistance level of 15.3227.

### XAU USD



Gold is expected to find support at \$1,197.23/oz, and a fall through could take it to the next support level of \$1,168.07/oz. The precious metal is expected to find its first resistance at \$1,243.93/oz, and a rise through could take it to the next resistance level of \$1,261.47/oz.

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
China	03:30	Consumer Price Index (YoY) (Sep)	✓✓✓	2.50%*	2.30%	Monthly
China	03:30	Producer Price Index (YoY) (Sep)	✓✓✓	3.60%*	4.10%	Monthly
Japan	06:00	Tokyo Condominium Sales (YoY) (Sep)	✓	-	-28.50%	Monthly
Germany	08:00	Import Price Index (Aug)	✓	-	104.80	Monthly
Germany	08:00	Import Price Index n.s.a. (YoY) (Aug)	✓✓	5.20%	5.00%	Monthly
Germany	08:00	Import Price Index s.a. (MoM) (Aug)	✓✓	0.00%	-0.20%	Monthly
UK	10:30	Claimant Count Change (Sep)	✓✓✓	-	8.70K	Monthly
UK	10:30	Claimant Count Rate s.a. (Sep)	✓✓	-	2.60%	Monthly
UK	10:30	Average Earnings Excluding Bonus (3Mo/Yr) (Aug)	✓	2.90%	2.90%	Monthly
UK	10:30	Average Earnings Including Bonus (3Mo/Yr) (Aug)	✓✓	2.60%	2.60%	Monthly
UK	10:30	ILO Unemployment Rate (3M) (Aug)	✓✓✓	4.00%	4.00%	Monthly
UK	10:30	Employment Change (3M/3M) (Aug)	✓✓✓	15.00K	3.00K	Monthly
Eurozone	11:00	Trade Balance n.s.a. (Aug)	✓✓	-	EUR17.60bn	Monthly
Italy	11:00	Consumer Price Index (MoM) (Sep) (F)	✓✓✓	-	-0.40%**	Monthly
Italy	11:00	Consumer Price Index (YoY) (Sep) (F)	✓✓✓	-	1.50%**	Monthly
Eurozone	11:00	ZEW Survey - Economic Sentiment (Oct)	✓✓	-	-7.20	Monthly
Germany	11:00	ZEW Survey - Current Situation (Oct)	✓✓	74.40	76.00	Monthly
Germany	11:00	ZEW Survey - Economic Sentiment (Oct)	✓✓✓	-12.00	-10.60	Monthly
Eurozone	11:00	Trade Balance s.a. (Aug)	✓✓✓	EUR14.70bn	EUR12.80bn	Monthly
Italy	12:00	Trade Balance (Aug)	✓✓✓	-	EUR5676.00mn	Monthly
Canada	14:30	Foreign Portfolio Investment in Canadian Securities (Aug)	✓	-	CAD12.65bn	Monthly
US	15:15	Industrial Production (MoM) (Sep)	✓✓✓	0.20%	0.40%	Monthly
US	15:15	Manufacturing (SIC) Production (MoM) (Sep)	✓✓✓	0.20%	0.20%	Monthly
US	16:00	JOLTs Job Openings (Aug)	✓	6900.00K	6939.00K	Monthly
US	16:00	NAHB Housing Market Index (Oct)	✓	66.00	67.00	Monthly

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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