

ONE
Minute Brief

23 October 2018



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Economic and political news

South Africa's new Finance Minister, Tito Mboweni, will deliver a medium-term budget speech on Wednesday, targeting spending on agriculture, infrastructure and job creation projects in a bid to boost the country's economy. Separately, the Democratic Alliance wants Mboweni to make an announcement on suspended SARS Commissioner, Tom Moyane's future at the revenue service.

Nkosenhle Mzinyathi, of Mncedisi Ndlovu & Sedumedi Attorneys, for Transnet, stated that the company's former Chief Executive Officer (CEO), Siyabonga Gama, would be "trespassing" if he reports for work today and the firm would be within its rights to then call the law enforcement agencies. Meanwhile, Gama's lawyer, Nano Matlala, advised him to inform Chairman, Popo Molefe, that the termination of his contract was unlawful and that he should continue to report for work.

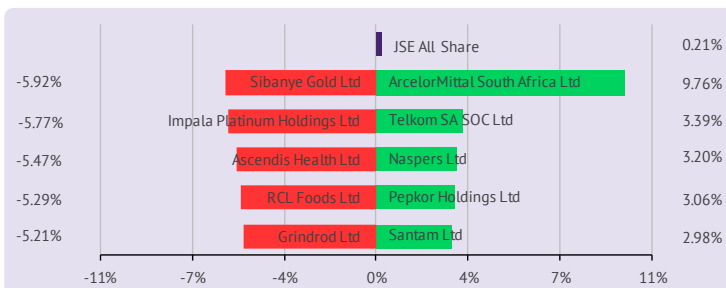
Eskom announced that it has asked the National Energy Regulator of SA (Nersa) for a 15.0% tariff hike per year for the next three years, beginning 2019-2020.

Cape Town councillors would be asked to decide on Thursday whether to report Mayor, Patricia de Lille to the police after a forensic investigation stated that criminal charges should be considered against her and several other officials.

South Africa Market ▲

South African markets closed higher

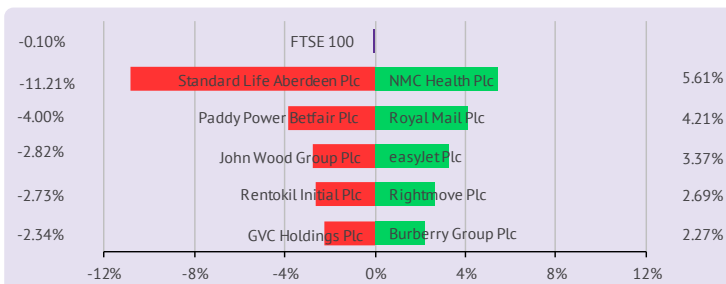
South African markets closed in the green yesterday, boosted by gains in retail, industrial and banking sector stocks. The JSE All Share Index rose 0.2% to close at 52,204.16.



UK Market ▼

The FTSE 100 futures are trading in negative territory

UK markets finished lower yesterday, on Brexit concerns and weighed down by losses in energy sector stocks. The FTSE 100 Index declined 0.1% to close at 7,042.80.



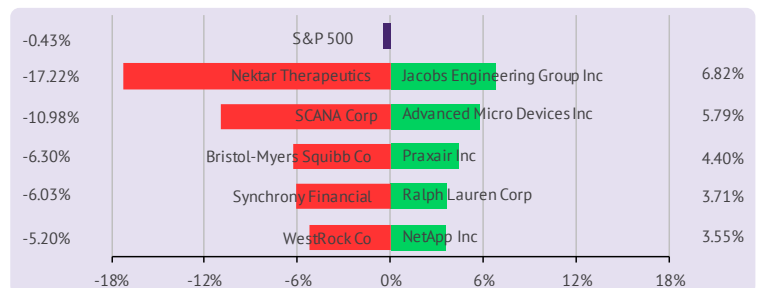
Key indices

	Last close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	52204.16	▲	111.18	0.21	0.21	-6.29	-5.05	-12.27
JSE Top 40	46034.49	▲	139.13	0.30	0.30	-7.04	-5.61	-12.37
FTSE 100	7042.80	▼	-7.00	-0.10	-0.10	-6.22	1.05	-8.39
DAX 30	11524.34	▼	-29.49	-0.26	-0.26	-5.90	-0.95	-10.79
CAC 40	5053.31	▼	-31.35	-0.62	-0.62	-8.01	1.60	-4.88
S&P 500	2755.88	▼	-11.90	-0.43	-0.43	-5.43	0.43	3.08
Nasdaq Composite	7468.63	▲	19.60	0.26	0.26	-7.18	-0.78	8.19
DJIA	25317.41	▼	-126.93	-0.50	-0.50	-4.31	1.90	2.42
MSCI Emerging	982.86	▲	11.40	1.17	1.17	-6.21	-0.76	-15.16
MSCI Developed	2053.44	▼	-8.90	-0.43	-0.43	-5.98	0.39	-2.38

US Market ▼

The S&P 500 futures are trading in the red

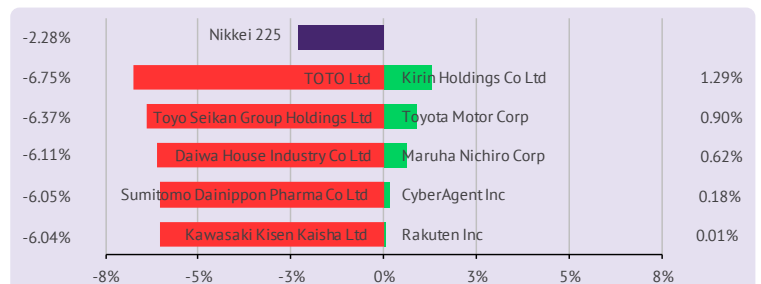
US markets closed mostly lower yesterday, amid disappointing earnings report and led by losses in banking and financial sector stocks. The S&P 500 Index dropped 0.4% to close at 2,755.88.



Asian Market ▼

Trading lower

Asian markets are trading lower this morning, amid rising global tensions. The Nikkei 225 Index is trading 2.3% lower at 22,098.92.



USD ZAR ▲

USD trading stronger against ZAR

At 06:00 SAST, the US Dollar is trading 0.3% higher against the South African Rand at R14.3672. Later today, traders will keep a close watch on the US Richmond Fed manufacturing index for further cues.

The US Dollar fell against the South African Rand yesterday. On the data front, the US Chicago Fed national activity index registered a less-than-expected decline in September.

GBP ZAR ▲

GBP trading higher against ZAR

At 06:00 SAST, the British Pound is trading 0.3% firmer against the South African Rand at R18.6212. Ahead in the day, traders will keep an eye on UK's CBI total trends orders for further indication.

The British Pound declined against the South African Rand yesterday, amid persisting Brexit concerns.

EUR ZAR ▲

EUR trading firmer against ZAR

At 06:00 SAST, the Euro advanced 0.2% against the South African Rand to trade at R16.4547. Going forward, market participants will keep a tab on the Eurozone's consumer confidence index and Germany's producer price index for further direction.

The Euro weakened against the South African Rand yesterday, amid uncertainty over Italy's budget.

AUD ZAR ▲

AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar gained 0.1% against the South African Rand to trade at R10.1508. Earlier in the session, the ANZ Roy Morgan weekly consumer confidence index recorded a drop in the week ended 21 October 2018.

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	14.3672	▲	-0.65	-0.65	1.27	-3.73	15.65
GBPZAR	18.6212	▲	-1.50	-1.50	0.75	-3.17	11.04
EURZAR	16.4547	▲	-1.17	-1.17	0.04	-3.68	10.53
AUDZAR	10.1508	▲	-1.18	-1.18	-0.76	-3.25	4.94
EURUSD	1.1453	▼	-0.43	-0.43	-1.21	0.02	-4.51
GBPUSD	1.2961	▼	-0.86	-0.86	-0.52	0.55	-4.07
Brent (\$/barrel)	79.5	▼	0.06	0.06	-3.51	6.56	19.38
Gold (\$/oz)	1226.5	▲	-0.33	-0.33	2.49	-0.84	-6.73
Platinum (\$/oz)	819.0	-	-1.60	-1.60	0.04	4.01	-12.33
Copper (\$/MT)*	6242.8	▲	0.24	0.24	-0.33	4.95	-13.38

*As of previous close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.4% higher to trade at \$1,226.50/oz.

Yesterday, gold prices fell 0.3% to close at \$1,221.20/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 0.4% lower to trade at \$79.53/bl, after Saudi Arabia pledged to keep energy markets supplied.

Yesterday, Brent crude oil advanced 0.1% to settle at \$79.83/bl.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices are trading marginally lower at \$819.00/oz.

Yesterday, platinum prices declined 1.6% to close at \$822.5/oz.

Major South African corporate news

Lonmin Plc

The mining company, in its 4Q18 production update, announced that net cash advanced to USD114.00mn compared to USD103.00mn posted in the corresponding period of the previous year. Platinum sales for the fourth quarter were 217,710.00oz. Total saleable refined platinum production rose 5.8% to 217,951.00oz compared to the same period of the preceding year. Further, gross cash improved to USD264.00mn compared to USD253.00mn recorded in the comparable period of the prior year.

Royal Bafokeng Platinum Limited

In its production report for the period 1 July to 30 September 2018, indicated that total tonnes delivered to concentrators for the reporting period increased by 18.4% to 939.00kt. Total tonnes milled increased by 18.9% to 981.00kt, supported by the higher delivered volumes. Cash operating costs rose 5.1% compared with the same period of the preceding year to ZAR761.00mn. Total capital expenditure for the period increased to R945.80mn.

Octodec Investments Limited

In its FY18 results, the company announced that its revenues increased to ZAR1.90bn, compared to ZAR1.83bn posted in the corresponding period of the previous year. Its diluted EPS fell 22.9% from the same period of the prior year to 202.90c. The company has declared a total dividend of 203.40c per share compared to 203.10c per share recorded in the comparable period of the preceding year.

Major global economic news

US

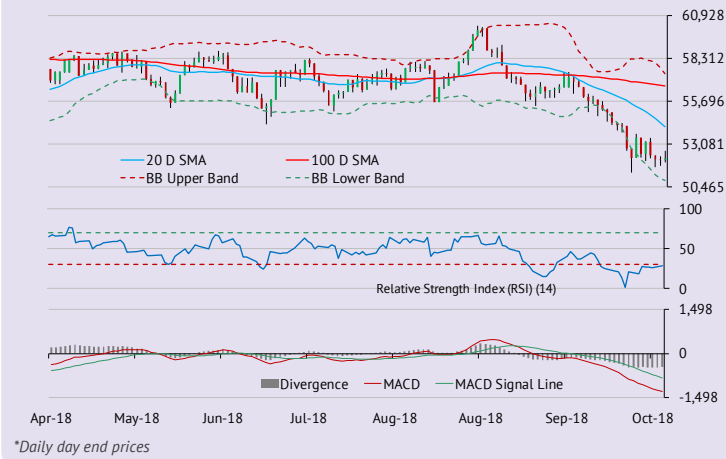
In the US, the Chicago Fed national activity index dropped to 0.17 in September, less than market expectations. The index had recorded a revised reading of 0.27 in the previous month.

Asia

In Australia, the ANZ Roy Morgan weekly consumer confidence index fell to a level of 112.3 in the week ended 21 October 2018, compared to a reading of 119.5 in the prior week.

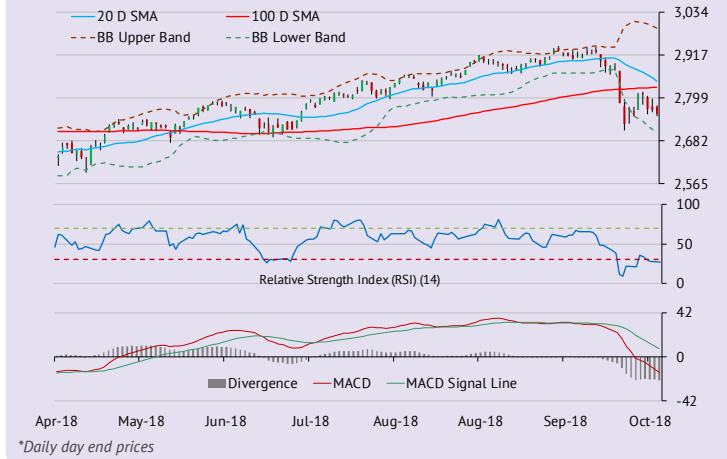
Technical snapshot

JSE All Share



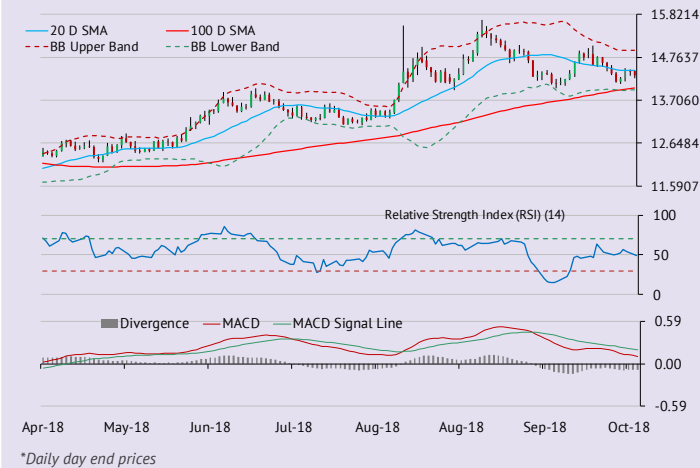
The JSE All Share index is expected to find support at 51,423.86, and a fall through could take it to the next support level of 50,643.56. The index is expected to find its first resistance at 53,212.25, and a rise through could take it to the next resistance level of 54,220.34.

S&P 500



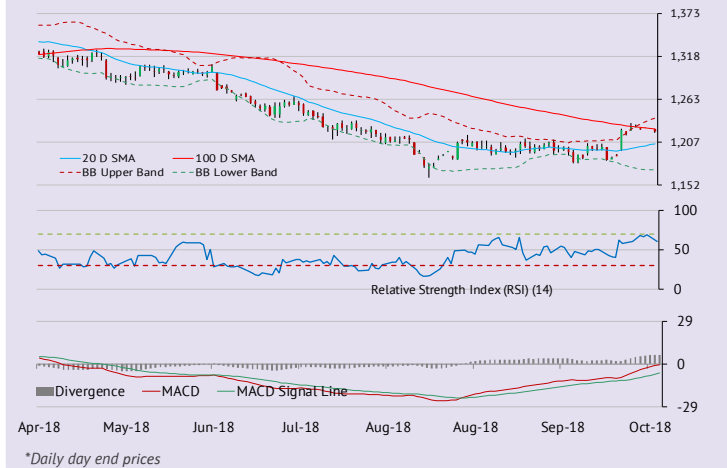
The S&P 500 index is expected to find support at 2,731.09, and a fall through could take it to the next support level of 2,706.29. The index is expected to find its first resistance at 2,798.81, and a rise through could take it to the next resistance level of 2,841.73.

USD ZAR



The pair is expected to find support at 14.1212, and a fall through could take it to the next support level of 13.9220. The pair is expected to find its first resistance at 14.5050, and a rise through could take it to the next resistance level of 14.6896.

XAU USD



Gold is expected to find support at \$1,217.03/oz, and a fall through could take it to the next support level of \$1,212.87/oz. The precious metal is expected to find its first resistance at \$1,227.93/oz, and a rise through could take it to the next resistance level of \$1,234.67/oz.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus	Previous/ **Previous est.	Frequency
Japan	07:00	Supermarket Sales (YoY) (Sep)	✓	-	0.10%	Monthly
Japan	07:30	Nationwide Department Store Sales (YoY) (Sep)	✓	-	-0.20%	Monthly
Japan	07:30	Tokyo Department Store Sales (YoY) (Sep)	✓	-	1.60%	Monthly
Japan	08:00	Machine Tool Orders (YoY) (Sep) (F)	✓✓✓	-	2.80%**	Monthly
Germany	08:00	Producer Price Index (MoM) (Sep)	✓✓✓	0.30%	0.30%	Monthly
Germany	08:00	Producer Price Index (YoY) (Sep)	✓✓✓	3.00%	3.10%	Monthly
South Africa	09:00	Leading Indicator (Aug)	✓	-	105.40	Monthly
UK	12:00	CBI Business Optimism (Oct)	✓	-4.00	-3.00	Quarterly
UK	12:00	CBI Industrial Trends Survey - Orders (Oct)	✓	2.00	-1.00	Monthly
UK	12:30	MPC Member Haldane Speech	✓✓	-	-	As scheduled
US	14:55	Redbook Index (YoY) (19-Oct)	✓	-	5.80%	Weekly
US	14:55	Redbook Index s.a. (MoM) (19-Oct)	✓	-	0.10%	Weekly
US	15:30	Fed's Kashkari Speaks at Early Childhood Development Event	✓	-	-	As scheduled
US	16:00	Richmond Fed Manufacturing Index (Oct)	✓	24.00	29.00	Monthly
Eurozone	16:00	Consumer Confidence (Oct) (P)	✓✓✓	-3.20	-2.90	Monthly
UK	17:20	BoE's Carney Speaks at a Conference	✓✓✓	-	-	As scheduled
US	19:30	Fed's Bostic Speaks on Economy and Monetary Policy	✓	-	-	As scheduled
US	20:15	Fed's Kaplan Speaks at Economic Development Event in Texas	✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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