

# ONE Minute Brief

1 October 2018

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## Economic and political news

South Africa (SA) has reported a trade surplus of ZAR8.79bn in August, compared to a revised deficit of ZAR5.29bn in the previous month. Private sector credit demand growth advanced to 6.74% on a yearly basis in August, more than market expectations and compared to a rise of 5.41% in July. Annual M3 money supply climbed more-than-anticipated to 6.95% in August, compared to a rise of 6.00% in July.

A senior analyst at S&P Global stated that President, Cyril Ramaphosa's stimulus plan did not affect the stable outlook on SA's sovereign rating.

Deputy Chief Justice, Raymond Zondo, has granted permission to State Capture investigators to admit the "Gupta leaks" emails as evidence.

African National Congress (ANC) official, Ronald Lamola stated that SA's land reforms will include issuing title deeds to small-scale farmers living on tribal lands.

The SA Revenue Service (SARS) and its suspended commissioner, Tom Moyane have withdrawn a ZAR12mn defamation suit against the tax agency's former spokesperson, Adrian Lackay for submission he made in Parliament.

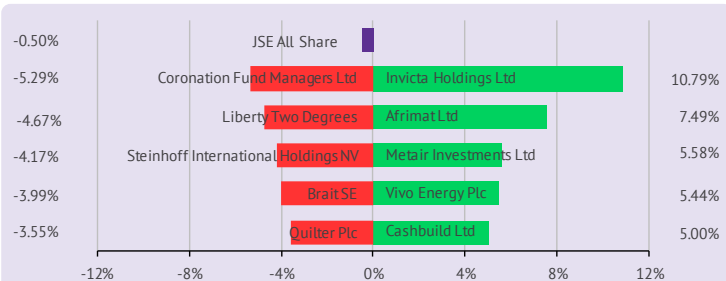
## Key indices

	Last close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	55708.47	▼	-280.10	-0.50	NA	-5.05	-6.38
JSE Top 40	49520.66	▼	-280.12	-0.56	NA	-5.61	-5.73
FTSE 100	7510.20	▼	-35.24	-0.47	NA	1.05	-2.31
DAX 30	12246.73	▼	-188.86	-1.52	NA	-0.95	-5.19
CAC 40	5493.49	▼	-46.92	-0.85	NA	1.60	3.41
S&P 500	2913.98	▼	-0.02	0.00	NA	0.43	8.99
Nasdaq Composite	8046.35	▲	4.39	0.05	NA	-0.78	16.56
DJIA	26458.31	▲	18.38	0.07	NA	1.90	7.04
MSCI Emerging Markets	1047.91	▼	-3.40	-0.32	NA	-0.76	-9.54
MSCI Developed World	2184.01	▼	-4.70	-0.21	NA	0.39	3.83

## South Africa Market ▼

### South African markets closed lower

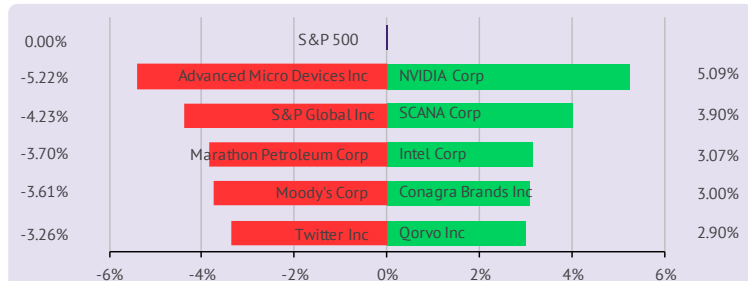
South African markets closed in the red on Friday, led by losses in retail, financial and banking sector stocks. Data indicated that SA's private sector credit demand growth rose more-than-anticipated in August. The JSE All Share Index fell 0.5% to close at 55,708.47.



## US Market ▼

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

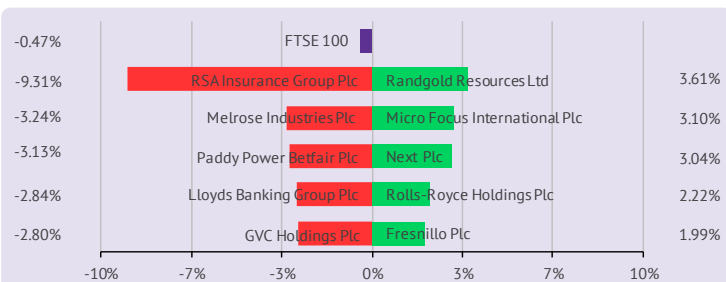
US markets closed mostly higher on Friday, boosted by gains in healthcare, industrial and technology sector stocks. The S&P 500 Index marginally dropped to close at 2,913.98.



## UK Market ▼

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

UK markets finished lower on Friday, after the Italian government agreed to set a higher than expected budget deficit target. The FTSE 100 Index declined 0.5% to close at 7,510.20.



## Asian Market ◀▶

### Trading mixed

Asian markets are trading mixed this morning. Data showed that Japan's manufacturing PMI dropped in September. The Nikkei 225 Index is trading 0.5% higher at 24,249.76.



## USD ZAR ▼

### USD trading weaker against ZAR

At 06:00 SAST, the US Dollar is trading slightly lower against the South African Rand at R14.1350. Later today, traders will keep a close watch on the US Markit manufacturing PMI, construction spending data and the ISM manufacturing PMI for further indication.

The US Dollar rose against the South African Rand on Friday. Data indicated that the US personal spending climbed in line with market expectations in August. Meanwhile, the nation's Chicago purchasing managers' index registered a more-than-expected decline in September. Further, personal income rose less than market anticipations in August. Additionally, the Michigan consumer sentiment index advanced less than market forecast in September. Separately, SA posted a trade surplus in August. Additionally, annual private sector credit growth advanced in August. Moreover, M3 money supply climbed more than market forecast on a yearly basis in August.

## GBP ZAR ▼

### GBP trading lower against ZAR

At 06:00 SAST, the British Pound declined 0.1% against the South African Rand to trade at R18.4180. Ahead in the day, traders will keep an eye on UK's Markit manufacturing PMI, net consumer credit and mortgage approvals for further cues.

The British Pound declined against the South African Rand on Friday. On the data front, UK's GDP advanced in line with market forecast on a quarterly basis in the second quarter of 2018, posting its weakest six-monthly growth in seven years. Meanwhile, current account deficit widened more-than-anticipated in 2Q18.

## EUR ZAR ▼

### EUR trading weaker against ZAR

At 06:00 SAST, the Euro is trading 0.2% lower against the South African Rand at R16.3880. Going forward, market participants will keep a tab on the Markit manufacturing PMI across the Eurozone along with Eurozone's unemployment rate and Germany's retail sales for further direction.

The Euro weakened against the South African Rand on Friday. On the macro front, the Eurozone's consumer price index (CPI) climbed in line with market expectations on a yearly basis in September. Separately, Germany's unemployment rate unexpectedly declined in September, marking its lowest level since the German reunification in 1990.

## AUD ZAR ▼

### AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar retreated 0.2% against the South African Rand to trade at R10.2030. Earlier in the session, Australia's AiG performance of manufacturing index jumped in September. Meanwhile, in China, Australia's largest trading partner, manufacturing PMI fell more than market forecast in September. On the contrary, the nation's services PMI unexpectedly rose in the same month.

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	14.1350	▼	0.11	NA	NA	-3.73	14.20
GBPZAR	18.4180	▼	-0.24	NA	NA	-3.17	10.22
EURZAR	16.3880	▼	-0.19	NA	NA	-3.68	10.49
AUDZAR	10.2030	▼	0.35	NA	NA	-3.25	5.74
EURUSD	1.1594	▼	-0.32	NA	NA	0.02	-3.34
GBPUSD	1.3031	*	-0.37	NA	NA	0.55	-3.57
Brent (\$/barrel)	83.2	▲	1.24	NA	NA	6.56	23.72
Gold (\$/oz)	1192.8	▲	0.78	NA	NA	-0.84	-9.00
Platinum (\$/oz)	818.7	*	1.04	NA	NA	4.01	-12.36
Copper (\$/MT)*	6263.5	▲	1.32	NA	NA	4.95	-13.09

\*As of previous close

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices gained 0.1% to trade at \$1,192.80/oz.

On Friday, gold prices rose 0.8% to close at \$1191.5/oz.

## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil edged 0.6% higher to trade at \$83.23/bl.

On Friday, Brent crude oil advanced 1.2% to settle at \$82.73/bl, after Baker Hughes reported that US oil rig count fell by 3 to 863 in the week ended 28 September 2018.

## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices edged marginally lower to trade at \$818.70/oz.

On Friday, platinum prices climbed 1.0% to close at \$822.4/oz.

## Major South African corporate news

### Life Healthcare Group Holdings Limited

In its FY18 trading update, the company announced that it expects revenue to grow between 10.0% and 14.0% compared to the corresponding period of the previous year. The company expects normalised EBITDA to increase in the range of 8.0% to 10.0% compared to the same period of the preceding year. Further, in the company's international operations, Scanmed S.A. has continued to perform in line with 1H18. Alliance Medical Group Limited delivered a solid performance for FY18 in the Irish, Italian and northern Europe diagnostic businesses.

## Major global economic news

### US

In the US, the Chicago Fed purchasing managers index (PMI) fell more-than-expected to a level of 60.40 in September, compared to a reading of 63.60 in the prior month.

In the US, personal income recorded a rise of 0.3% on a monthly basis in August, less-than-anticipated and compared to a similar rise in the previous month.

In the US, personal spending advanced 0.3% in August on a monthly basis, meeting market expectations. In the previous month, personal spending had registered a rise of 0.4%.

In the US, the final Michigan consumer sentiment index rose less-than-expected to a level of 100.10 in September. In the previous month, the index had recorded a level of 96.20. The preliminary figures had indicated an advance to 100.80.

### Eurozone

In the Eurozone, the final CPI climbed 2.1% on a yearly basis in September, meeting market forecast and compared to a rise of 2.0% in the previous month. The preliminary figures had indicated an advance of 2.0%.

In Germany, seasonally adjusted unemployment rate unexpectedly dropped to a rate of 5.1% in September, compared to a reading of 5.2% in the previous month.

### Asia

In China, the final manufacturing PMI dropped more than market forecast to a level of 50.8 in September, compared to a reading of 51.3 in the previous month.

In Japan, the final manufacturing PMI remained unchanged at 52.50 in September. The preliminary figures had indicated an advance to 52.90.

In Australia, the AiG performance of manufacturing index advanced to a level of 59.0 in September, compared to a reading of 56.7 in the prior month.

### UK

In the UK, final GDP advanced 0.4% on a quarterly basis in 2Q18, in line with market expectations and compared to a rise of 0.2% in the prior quarter. The preliminary figures had also recorded an advance of 0.4%.

In the UK, current account deficit widened more than market forecast to GBP20.30bn in 2Q18, compared to a revised deficit of GBP15.70bn in the previous quarter.

## 40 best performers on the All Share Index

Company name	Last close	1 Week % change	MTD % change	YTD % change
Old Mutual Ltd	3029	-2.16	NA	-20.29
Capevin Holdings Ltd	NA	NA	NA	NA
Murray & Roberts Holdings Ltd	1659	1.10	NA	36.99
Anglo American Platinum Ltd	46200	-3.76	NA	33.19
Sasol Ltd	54753	1.60	NA	31.24
Anglo American Plc	31979	-1.94	NA	31.04
Mondi Plc	38863	-3.58	NA	30.87
BHP Billiton Plc	30941	-0.99	NA	30.81
Mondi Ltd	38850	-3.86	NA	30.47
Lewis Group Ltd	3211	7.03	NA	30.09
Santam Ltd	32900	-0.86	NA	27.06
EPP NV	2055	-0.63	NA	26.54
South32 Ltd	3965	-1.54	NA	22.86
Emira Property Fund Ltd	1492	-1.32	NA	21.86
Stenprop Ltd	2150	-3.15	NA	18.21
Clover Industries Ltd	1507	3.22	NA	16.91
PSG Konsult Ltd	1000	2.04	NA	15.91
Investec Plc	9975	-5.41	NA	13.89
Investec Ltd	9953	-5.49	NA	13.67
Octodec Investments Ltd	2030	2.01	NA	13.03
Raubex Group Ltd	2215	3.99	NA	12.72
Reunert Ltd	7600	3.97	NA	12.58
Telkom SA SOC Ltd	5166	7.40	NA	12.49
Adcock Ingram Holdings Ltd	6286	2.32	NA	10.65
RCL Foods Ltd	1655	2.16	NA	9.75
AECI Ltd	10473	2.66	NA	9.54
African Oxygen Ltd	3000	-0.83	NA	9.07
Nedbank Group Ltd	26463	-2.80	NA	8.65
Trustco Group Holdings Ltd	955	-6.28	NA	7.30
Transaction Capital Ltd	1769	1.67	NA	7.24
JSE Ltd	15919	3.63	NA	7.02
Cie Financiere Richemont SA	11607	-3.92	NA	6.36
Exxaro Resources Ltd	14536	-0.83	NA	5.20
RDI REIT Plc	617	-0.48	NA	4.68
Hudaco Industries Ltd	14464	-1.61	NA	4.27
Investec Australia Property Fund	1250	-3.85	NA	4.13
African Rainbow Minerals Ltd	12859	3.99	NA	3.96
Sun International Ltd	6054	0.90	NA	3.26
Harmony Gold Mining Co Ltd	2335	-13.49	NA	2.91
FirstRand Ltd	6787	-4.72	NA	2.85
<b>JSE All Share Index</b>	<b>55708</b>	<b>-2.55</b>	<b>NA</b>	<b>-6.38</b>

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
Japan	1:50	Tankan Large ALL Industry Capex (Q3)	✓✓	13.40%*	13.60%	Quarterly
Japan	1:50	Tankan Large Manufacturing Outlook (Q3)	✓✓	19.00*	21.00	Quarterly
Japan	1:50	Tankan Non - Manufacturing Index (Q3)	✓✓	22.00*	24.00	Quarterly
Japan	1:50	Tankan Non - Manufacturing Outlook (Q3)	✓✓	22.00*	21.00	Quarterly
Japan	2:30	Nomura/ JMMA Manufacturing PMI (Sep) (F)	✓✓✓	52.50*	52.90**	Monthly
Japan	7:00	Vehicle Sales (YoY) (Sep)	✓	-	-0.20%	Monthly
Germany	9:00	Short-Term Interest Rate (Aug)	✓	-	-0.32%	Monthly
Germany	9:55	Markit Manufacturing PMI (Sep) (F)	✓✓✓	53.70	53.70**	Monthly
Eurozone	10:00	Markit Manufacturing PMI (Sep) (F)	✓✓✓	53.30	53.30**	Monthly
UK	10:30	Markit Manufacturing PMI (Sep)	✓✓✓	52.50	52.80	Monthly
UK	10:30	Net Consumer Credit (Aug)	✓✓	GBP1.30bn	GBP0.80bn	Monthly
UK	10:30	Net Lending Sec. on Dwellings (Aug)	✓✓	GBP3.50bn	GBP3.20bn	Monthly
UK	10:30	Mortgage Approvals (Aug)	✓✓✓	64.50K	64.80K	Monthly
Eurozone	11:00	Unemployment Rate (Aug)	✓✓✓	8.10%	8.20%	Monthly
South Africa	11:00	PMI Manufacturing (Sep)	✓✓	44.60	43.40	Monthly
US	15:02	Fed's Bostic Speaks on Economic Development	✓	-	-	As scheduled
US	15:45	Markit Manufacturing PMI (Sep) (F)	✓✓✓	55.60	55.60**	Monthly
US	16:00	ISM Employment (Sep)	✓	-	58.50	Monthly
US	16:00	ISM New Orders (Sep)	✓	-	65.10	Monthly
US	16:00	Construction Spending (MoM) (Aug)	✓✓	0.40%	0.10%	Monthly
US	16:00	ISM Manufacturing PMI (Sep)	✓✓✓	60.00	61.30	Monthly
US	16:00	ISM Prices Paid (Sep)	✓✓	71.40	72.10	Monthly
US	17:00	Fed's Kashkari Speaks in Minnetonka, Minnesota	✓	-	-	As scheduled
US	18:15	Fed's Rosengren Speaks on the U.S. Outlook and Monetary Policy	✓	-	-	As scheduled
South Africa	-	Naamsa Vehicle Sales (YoY) (Sep)	✓	-	-2.50%	Monthly

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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