

ONE
Minute Brief

9 October 2018

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Economic and political news

The International Monetary Fund (IMF) downgraded South Africa's (SA) economic growth forecasts for this year to 0.8% from 1.5% and 1.4% in 2019, down from a previous estimate of 1.7%.

According to a news report, Finance Minister, Nhlanhla Nene, has asked President, Cyril Ramaphosa to relieve him of his duties, after disclosing his meetings with members of the Gupta family. Meanwhile, President, Cyril Ramaphosa's spokeswoman stated that his office was not aware of Nhlanhla Nene's request.

Fitch Solutions Macro Research, a subsidiary of the Fitch Group, has warned that President, Cyril Ramaphosa's economic stimulus and recovery plan is unlikely to revive growth in the country's mining sector, despite a ZAR400bn infrastructure fund pledge and renewed mining regulatory clarity.

Eskom's Chairman, Jabu Mabuza, stated that Financial Adviser, Lazard will conclude its assessment of which assets Eskom can put up for sale in the next few days. Meanwhile, Public Enterprises Minister, Pravin Gordhan stated that Eskom will not require government cash injections over the next 12 months.

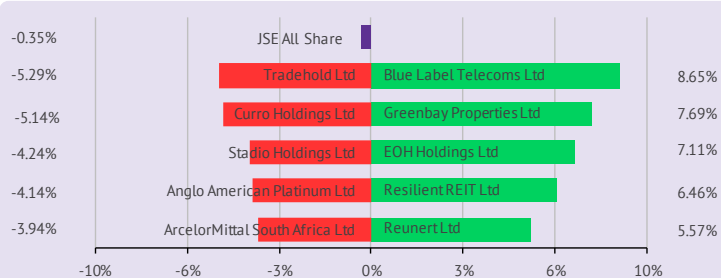
Key indices

	Last close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	54219.20	▼	-190.27	-0.35	-0.35	-2.67	-5.05	-8.88
JSE Top 40	48041.88	▼	-216.26	-0.45	-0.45	-2.99	-5.61	-8.55
FTSE 100	7233.33	▼	-85.21	-1.16	-1.16	-3.69	1.05	-5.91
DAX 30	11947.16	▼	-164.74	-1.36	-1.36	-2.45	-0.95	-7.51
CAC 40	5300.25	▼	-59.11	-1.10	-1.10	-3.52	1.60	-0.23
S&P 500	2884.43	▼	-1.14	-0.04	-0.04	-1.01	0.43	7.89
Nasdaq Composite	7735.95	▼	-52.50	-0.67	-0.67	-3.86	-0.78	12.06
DJIA	26486.78	▲	39.73	0.15	0.15	0.11	1.90	7.15
MSCI Emerging Markets	995.50	▼	-5.26	-0.53	-0.53	-5.00	-0.76	-14.07
MSCI Developed World	2143.57	▼	-7.86	-0.37	-0.37	-1.85	0.39	1.91

South Africa Market ▼

South African markets closed lower

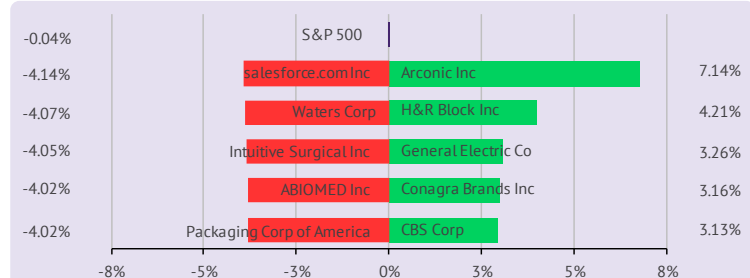
South African markets closed in the red yesterday, amid uncertainty over the future of Finance Minister, Nhlanhla Nene, after he requested President, Ramaphosa to relieve him of his duties. The JSE All Share Index fell 0.4% to close at 54,219.20.



US Market ▼

The S&P 500 futures are trading in the red

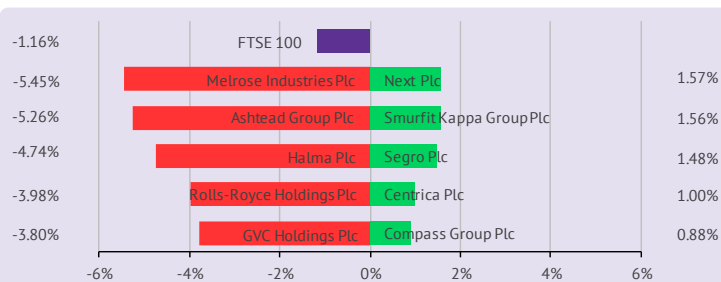
US markets closed mostly lower yesterday, amid rising trade tensions between the US and China and led by losses in technology and energy sector stocks. The S&P 500 Index marginally dropped to close at 2,884.43.



UK Market ▼

The FTSE 100 futures are trading in negative territory

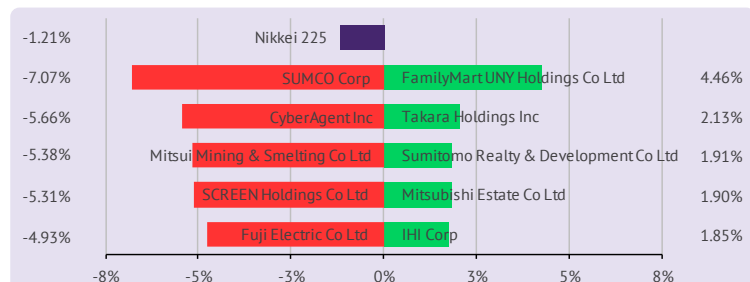
UK markets finished lower yesterday, amid ongoing political tensions in Italy and weighed down by losses in energy sector stocks. The FTSE 100 Index declined 1.2% to close at 7,233.33.



Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning. Data revealed that Japan's trade deficit surplus widened more-than-expected in August. The Nikkei 225 Index is trading 1.2% lower at 23,496.01.



USD ZAR ▲

USD trading firmer against ZAR

At 06:00 SAST, the US Dollar is trading 0.1% higher against the South African Rand at R14.8694. Later today, traders will keep a close watch on the US NFIB small optimism index for further indication.

The US Dollar rose against the South African Rand yesterday. Separately, South Africa's Rand weakened against the US Dollar, amid news that Finance Minister, Nhlanhla Nene, had asked President, Cyril Ramaphosa, to relieve him of his duties.

GBP ZAR ▲

GBP trading higher against ZAR

At 06:00 SAST, the British Pound gained 0.1% against the South African Rand to trade at R19.4658. Data indicated that UK's BRC like-for-like sales unexpectedly declined on an annual 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 advanced 0.1% against the South African Rand to trade at R17.0849. Going forward, market participants will keep a tab on Germany's trade balance for further direction.

The Euro strengthened against the South African Rand yesterday. On the data front, the Eurozone's Sentix investor confidence index dropped more than market forecast in October. Separately, Germany's industrial production registered an unexpected decline on a monthly basis in August, recording its third consecutive fall.

AUD ZAR ▲

AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar gained 0.2% against the South African Rand to trade at R10.5356. Earlier in the session, Australia's Roy Morgan weekly consumer confidence index dropped in the week ended 7 October 2018. Meanwhile, the nation's NAB business confidence index registered an advance in September.

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	14.8694	▲	0.54	0.54	5.00	-3.73	19.91
GBPZAR	19.4658	▲	0.28	0.28	5.48	-3.17	16.26
EURZAR	17.0849	▲	0.29	0.29	3.97	-3.68	14.88
AUDZAR	10.5356	▲	0.92	0.92	2.88	-3.25	8.79
EURUSD	1.1490	▼	-0.28	-0.28	-0.97	0.02	-4.27
GBPUSD	1.3091	▲	-0.23	-0.23	0.45	0.55	-3.13
Brent (\$/barrel)	84.4	▲	-0.30	-0.30	1.43	6.56	25.48
Gold (\$/oz)	1194.7	▲	-1.40	-1.40	-0.60	-0.84	-9.54
Platinum (\$/oz)	820.0	▲	-0.85	-0.85	-0.56	4.01	-12.86
Copper (\$/MT)*	6174.3	▲	0.12	0.12	-1.42	4.95	-14.33

*As of previous close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.9% higher to trade at \$1,194.70/oz.

Yesterday, gold prices fell 1.4% to close at \$1184.4/oz, as strength in the US Dollar dented demand for the precious yellow metal.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged 0.5% higher to trade at \$84.37/bl, amid signs that crude exports from Iran are decreasing, ahead of the re-imposition of US sanctions and as a hurricane moved across the Gulf of Mexico.

Yesterday, Brent crude oil dropped 0.3% to settle at \$83.91/bl, after the US President, Donald Trump's administration indicated that the US could soften sanctions against Iran.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged 0.7% higher to trade at \$820.00/oz.

Yesterday, platinum prices declined 0.8% to close at \$818.3/oz.

Major South African corporate news

DataTec Limited

The company announced that its Australian subsidiary, Thomas Duryea Logicalis, has acquired Computer Network Integration Pty Limited (CNI), a Microsoft Certified Gold Partner based in Melbourne. The acquisition of CNI with its extensive Azure experience, unique IP and highly prized Microsoft Tier 1 CSP certification will enable the company to compete more effectively in the rapid build and deployment of Azure-based hybrid cloud applications.

Major global economic news

Asia

In Australia, the ANZ Roy Morgan weekly consumer confidence index recorded a drop to a level of 117.30 in the week ended 7 October 2018, compared to a reading of 118.10 in the previous week.

In Australia, the NAB business confidence index registered a rise to 6.00 in September, compared to a revised level of 5.00 in the previous month.

Japan reported a (BOP basis) trade deficit of JPY219.30bn in August, compared to a deficit of JPY1.00bn in the previous month.

Eurozone

In the Eurozone, the Sentix investor confidence index fell to a level of 11.40 in October, more than market expectations. In the prior month, the index had registered a reading of 12.00.

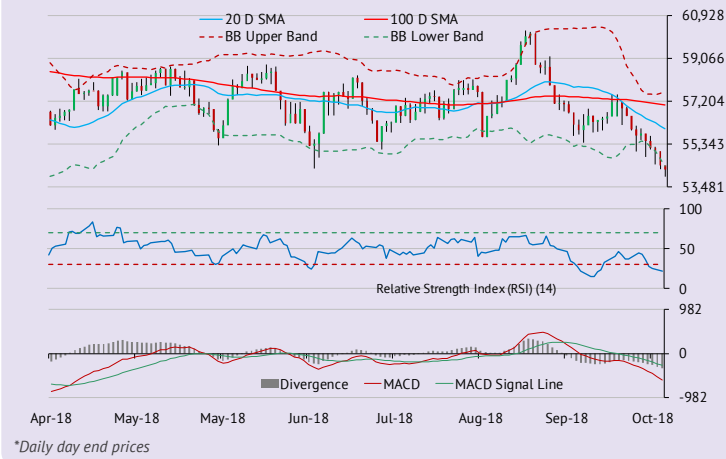
In Germany, seasonally adjusted industrial production unexpectedly eased 0.3% on a monthly basis in August, compared to a fall of 1.1% in the previous month.

UK

In the UK, retail sales across all sectors recorded an unexpected drop of 0.2% on a yearly basis in September, compared to an advance of 0.2% in the previous month.

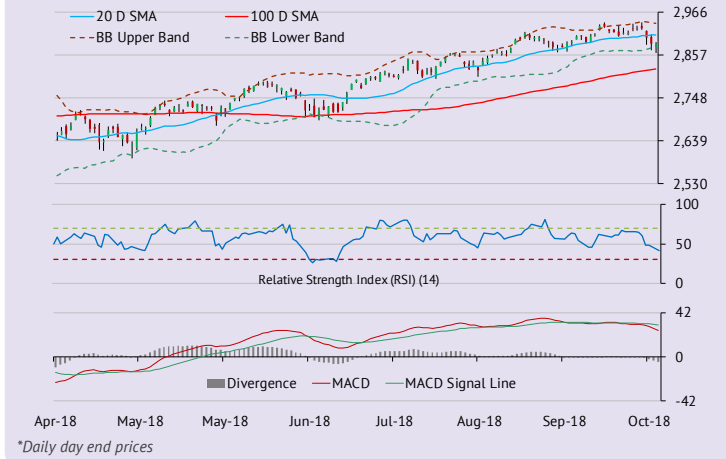
Technical snapshot

JSE All Share



The JSE All Share index is expected to find support at 53,491.13, and a fall through could take it to the next support level of 52,763.06. The index is expected to find its first resistance at 55,368.51, and a rise through could take it to the next resistance level of 56,517.82.

S&P 500



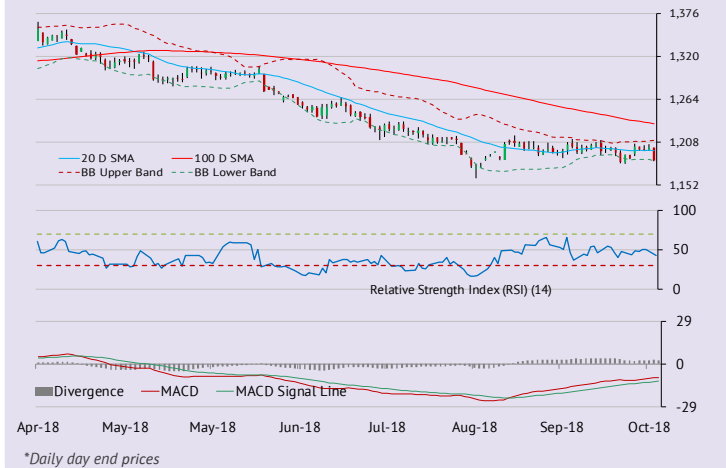
The S&P 500 index is expected to find support at 2,851.05, and a fall through could take it to the next support level of 2,817.68. The index is expected to find its first resistance at 2,928.83, and a rise through could take it to the next resistance level of 2,973.24.

USD ZAR



The pair is expected to find support at 14,375.1, and a fall through could take it to the next support level of 13,902.4. The pair is expected to find its first resistance at 15,153.3, and a rise through could take it to the next resistance level of 15,458.8.

XAU USD



Gold is expected to find support at \$1,176.73/oz, and a fall through could take it to the next support level of \$1,169.07/oz. The precious metal is expected to find its first resistance at \$1,199.03/oz, and a rise through could take it to the next resistance level of \$1,213.67/oz.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
UK	1:01	BRC Sales Like-For-Like (YoY) (Sep)	✓✓✓	-0.20%*	0.20%	Monthly
Japan	1:50	Adjusted Current Account Total (Aug)	✓	JPY1428.80bn*	JPY1484.70bn	Monthly
Japan	1:50	Trade Balance - BOP Basis (Aug)	✓✓✓	-JPY219.30bn*	-JPY1.00bn	Monthly
Japan	1:50	Current Account n.s.a. (Aug)	✓	JPY1838.40bn*	JPY2009.70bn	Monthly
Eurozone	3:00	IMF World Economic Outlook Report	✓✓	-	-	As scheduled
Japan	6:30	Bankruptcies (YoY) (Sep)	✓✓	-	8.60%	Monthly
Japan	7:00	Eco Watchers Survey: Current (Sep)	✓✓	47.00	48.70	Monthly
Japan	7:00	Eco Watchers Survey: Outlook (Sep)	✓✓	50.80	51.40	Monthly
Germany	8:00	Exports (Aug)	✓	-	EUR111.00bn	Monthly
Germany	8:00	Imports (Aug)	✓	-	EUR94.50bn	Monthly
Germany	8:00	Current Account n.s.a. (Aug)	✓	EUR16.20bn	EUR15.30bn	Monthly
Germany	8:00	Exports s.a. (MoM) (Aug)	✓	0.40%	-0.90%	Monthly
Germany	8:00	Trade Balance n.s.a. (Aug)	✓✓✓	EUR16.20bn	EUR16.50bn	Monthly
Germany	8:00	Imports s.a. (MoM) (Aug)	✓	-0.10%	2.80%	Monthly
UK	10:30	FPC Statement	✓	-	-	As scheduled
US	12:00	NFIB Small Business Optimism (Sep)	✓	108.30	108.80	Monthly
US	14:00	Fed's Kaplan Speaks to Economic Club of New York	✓	-	-	As scheduled
US	16:00	Fed's Evans Speech	✓	-	-	As scheduled
UK	16:35	BoE's Broadbent testifies to Parliament.	✓	-	-	As scheduled
US	19:00	Fed's Harker Speaks on Importance of Education to the Economy	✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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