

ONE
Minute Brief

6 November 2018

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Economic and political news

Members of trade union, Solidarity have rejected a proposal by Denel management to cut salaries by around 20.0% from the end of November.

The Democratic Alliance (DA) wants President, Cyril Ramaphosa, to immediately fire Home Affairs Minister, Malusi Gigaba and Minister for Women in the Presidency, Bathabile Dlamini. Meanwhile, DA's court bid to review President, Cyril Ramaphosa's appointment of Malusi Gigaba and Bathabile Dlamini will be heard in March.

News reports revealed that a draft Parliamentary report into state capture at Eskom, has implicated Home Affairs Minister, Malusi Gigaba and former Public Enterprises Minister, Lynne Brown.

State-owned freight company, Transnet has appointed Tau Morwe as acting group Chief Executive with effect from 1 November 2018.

Presidency spokesperson, Khusela Diko, stated that the signing into law of the national minimum wage bill, which was passed by the National Council of Provinces in August 2018, is "imminent".

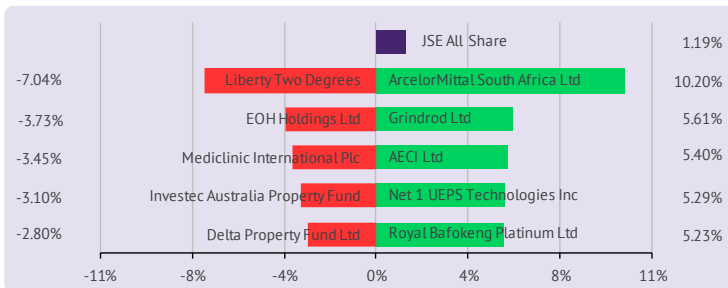
Key indices

	Last close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	54915.66	▲	644.47	1.19	1.19	4.82	-5.96	-7.71
JSE Top 40	48537.25	▲	593.58	1.24	1.24	5.19	-6.82	-7.61
FTSE 100	7103.84	▲	9.72	0.14	0.14	-0.34	-5.09	-7.60
DAX 30	11494.96	▼	-24.03	-0.21	-0.21	0.41	-6.53	-11.01
CAC 40	5101.39	▼	-0.74	-0.01	-0.01	0.16	-7.28	-3.97
S&P 500	2738.31	▲	15.25	0.56	0.56	0.98	-6.94	2.42
Nasdaq Composite	7328.85	▼	-28.14	-0.38	-0.38	0.31	-9.20	6.16
DJIA	25461.70	▲	190.87	0.76	0.76	1.38	-5.07	3.00
MSCI Emerging	992.38	▼	-4.34	-0.44	-0.44	3.81	-8.78	-14.34
MSCI Developed	2040.68	▲	3.98	0.20	0.20	0.92	-7.42	-2.98

South Africa Market ▲

South African markets closed higher

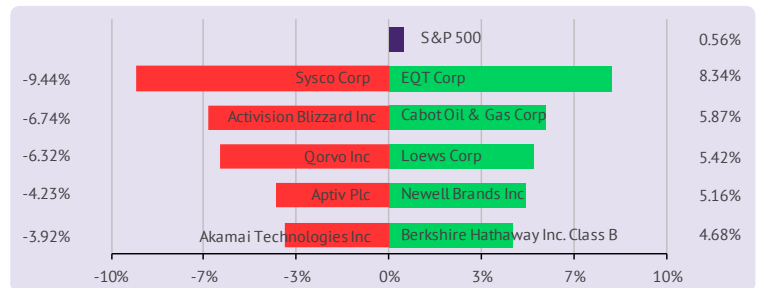
South African markets closed in the green yesterday, boosted by gains in retail, gold mining and banking sector stocks. The JSE All Share Index rose 1.2% to close at 54,915.66.



US Market ▲

The S&P 500 futures are trading in the green

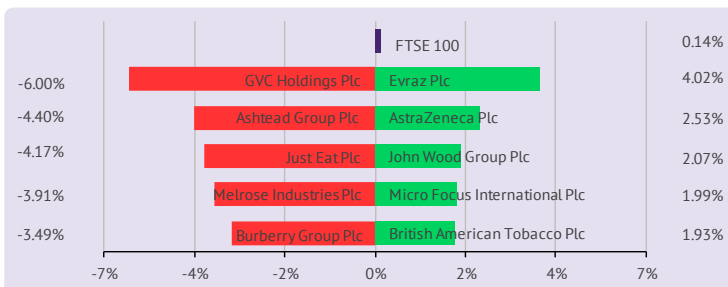
US markets closed higher yesterday, ahead of the US midterm elections and boosted by gains in banking and healthcare sector stocks. The S&P 500 Index climbed 0.6% to close at 2,738.31.



UK Market ▲

The FTSE 100 futures are trading in positive territory

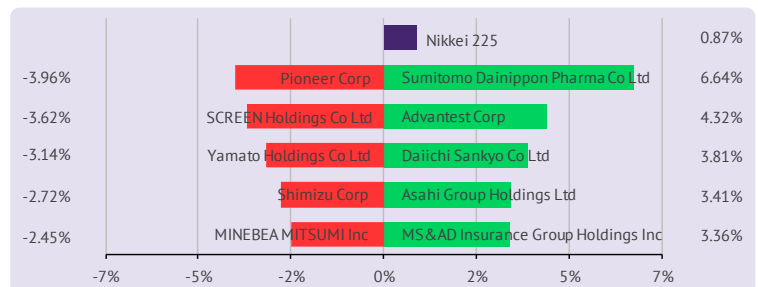
UK markets finished higher yesterday, supported by gains in defensive sector stocks and amid weakness in the British pound. The FTSE 100 Index advanced 0.1% to close at 7,103.84.



Asian Market ◀▶

Trading mixed

Asian markets are trading mixed this morning. The Nikkei 225 Index is trading 0.9% higher at 22,088.42.



USD ZAR ▲

USD trading firmer against ZAR

At 06:00 SAST, the US Dollar is trading 0.2% higher against the South African Rand at R14.1819. Later today, traders will keep a close watch on the US job JOLTS openings for further direction.

The US Dollar fell against the South African Rand yesterday, ahead of the US midterm elections. Data indicated that the US Markit services PMI advanced more than market anticipations in October.

GBP ZAR ▲

GBP trading higher against ZAR

At 06:00 SAST, the British Pound rose 0.3% against the South African Rand to trade at R18.5130. Data revealed that BRC like-for-like sales rose at a slower-than-expected pace on an annual basis in October.

The British Pound declined against the South African Rand yesterday. On the macroeconomic front, UK's Markit services PMI registered a more-than-expected decline in October, marking its lowest level in seven months.

EUR ZAR ▲

EUR trading stronger against ZAR

At 06:00 SAST, the Euro is trading 0.2% higher against the South African Rand at R16.1747. Going forward, market participants will keep a tab on the Eurozone's producer price index, the Markit services PMI across the Eurozone and Germany's factory orders for further indication.

The Euro weakened against the South African Rand yesterday. On the data front, the Eurozone's investor confidence index declined for a third consecutive month in November, recording its lowest reading in two years.

AUD ZAR ▲

AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.2% higher against the South African Rand at R10.2264. Earlier in the session, Australia's ANZ Roy Morgan weekly consumer confidence index advanced in the week ended 4 November 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	14.1819	▲	-1.00	-1.00	-4.26	4.56	14.32
GBPZAR	18.5130	▲	-0.50	-0.50	-2.13	2.35	10.41
EURZAR	16.1747	▲	-0.84	-0.84	-3.44	1.89	8.70
AUDZAR	10.2264	▲	-0.79	-0.79	-2.33	2.26	5.62
EURUSD	1.1405	▼	0.17	0.17	0.84	-2.52	-4.98
GBPUSD	1.3053	▲	0.55	0.55	2.15	-2.03	-3.49
Brent (\$/barrel)	72.9	▼	0.47	0.47	-2.49	-9.30	9.42
Gold (\$/oz)	1230.8	▼	-0.08	-0.08	1.42	1.97	-5.88
Platinum (\$/oz)	867.9	▼	-0.72	-0.72	3.13	2.97	-6.94
Copper (\$/MT)*	6206.5	▼	-1.78	-1.78	2.82	-3.62	-13.88

*As of previous close

Gold ▼

Trading in the red

At 06:00 SAST, gold prices edged 0.1% lower to trade at \$1,230.80/oz.

Yesterday, gold prices fell 0.1% to close at \$1,232.30/oz, ahead of the US congressional elections.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil dropped 0.4% to trade at \$72.90/bl.

Yesterday, Brent crude oil advanced 0.5% to settle at \$73.17/bl.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices declined 0.2% to trade at \$867.90/oz.

Yesterday, platinum prices declined 0.7% to close at \$869.4/oz.

Major South African corporate news

AngloGold Ashanti Limited

In its 3Q18 market update report, the company indicated that total cash costs improved 11.0% annually to USD722.00/oz. Net debt decreased by 15.0% annually to USD1.75bn. The company reported a robust 3Q18, demonstrating another progressive improvement in performance across its portfolio. Production from retained operations remained steady year-on-year, as stronger output from Mponeng, in South Africa and a fully-ramped up Kibali, in the DRC, offset a weaker quarter from both Siguiri, in Guinea and AGA Mineração, in Brazil.

Massmart Holdings Limited

In its sales update for the 43 weeks ended 28 October 2018, the company announced that all four divisions and the four major product categories reported higher sales growth, apart for Massbuild and the DIY category where sales growth slowed slightly after week 33. The company's total like-on-like sales amounted to ZAR70.50bn, an increase of 3.5%, with comparable like-on-like store sales increasing by 1.7%.

Barloworld Limited

In its FY18 trading statement, the company indicated that it expects HEPS to be between 1,101.20c and 1,198.60c, a 13.0% to 23.0% increase compared to the same period of the preceding year. Further, the company expects EPS to be in the range of 997.90c to 1,088.60c, which is 10.0% to 20.0% higher compared to the corresponding period of the preceding year.

Redefine Properties Limited

In its FY18 results, the company indicated that its revenues rose to ZAR8.44bn, compared to ZAR7.79bn posted in the corresponding period of the previous year. Its diluted EPS increased to 123.01c compared to 65.98c recorded in the same period of the prior year. The company has declared a final dividend of 49.80c per share compared to 47.18c per share posted in the comparable period of the preceding year.

Delta Property Fund Limited

In its 1H18 results, the company announced that its revenues decreased to ZAR779.64mn, compared to ZAR781.64mn posted in the corresponding period of the previous year. Its diluted EPS rose to 39.51c compared to 33.99c recorded in the same period of the prior year. The company has declared an interim dividend of 39.40c per share.

Major global economic news

UK

In the UK, the services PMI registered a drop to 52.20 in October, more-than-anticipated and compared to a level of 53.90 in the prior month.

In the UK, retail sales across all sectors climbed 0.1% on an annual basis in October, less than market expectations. Retail sales across all sectors had dropped 0.2% in the prior month.

Asia

The Reserve Bank of Australia, in its latest monetary policy meeting kept its benchmark interest rate unchanged at 1.5%, as widely expected.

In Australia, the ANZ Roy Morgan weekly consumer confidence index recorded a rise to a level of 116.8 in the week ended 4 November 2018, compared to a reading of 114.6 in the prior week.

Eurozone

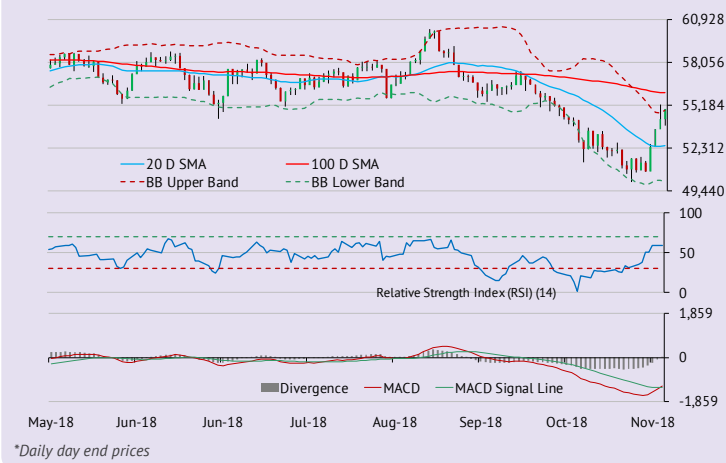
In the Eurozone, the Sentix investor confidence index dropped more-than-expected to 8.80 in November, compared to a level of 11.40 in the previous month.

US

In the US, the final Markit services PMI climbed more-than-expected to 54.80 in October, compared to a reading of 53.50 in the previous month. The preliminary figures had recorded a rise to 54.70.

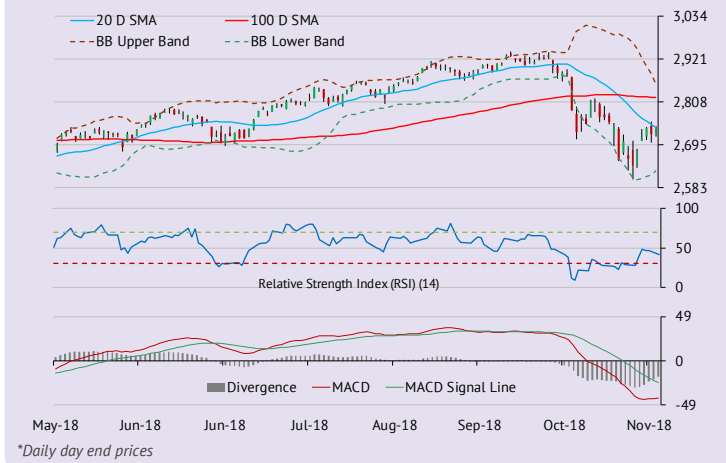
Technical snapshot

JSE All Share



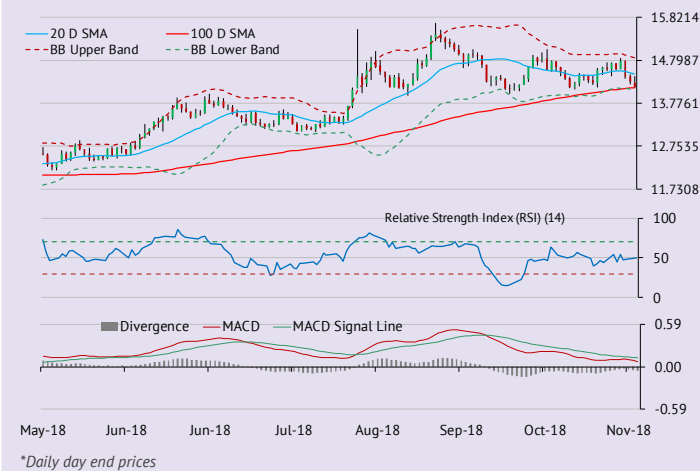
The JSE All Share index is expected to find support at 51,993.45, and a fall through could take it to the next support level of 49,071.23. The index is expected to find its first resistance at 56,545.29, and a rise through could take it to the next resistance level of 58,174.91.

S&P 500



The S&P 500 index is expected to find support at 2,663.58, and a fall through could take it to the next support level of 2,588.86. The index is expected to find its first resistance at 2,784.79, and a rise through could take it to the next resistance level of 2,831.28.

USD ZAR



The pair is expected to find support at 13.9148, and a fall through could take it to the next support level of 13.6738. The pair is expected to find its first resistance at 14.6245, and a rise through could take it to the next resistance level of 15.0932.

XAU USD



Gold is expected to find support at \$1,217.37/oz, and a fall through could take it to the next support level of \$1,202.43/oz. The precious metal is expected to find its first resistance at \$1,243.27/oz, and a rise through could take it to the next resistance level of \$1,254.23/oz.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
Japan	01:30	Household Spending (YoY) (Sep)	✓✓	-1.60%*	2.80%	Monthly
UK	02:01	BRC Sales Like-For-Like (YoY) (Oct)	✓✓✓	0.10%*	-0.20%	Monthly
Germany	09:00	Factory Orders n.s.a. (YoY) (Sep)	✓✓✓	-2.80%	-2.10%	Monthly
Germany	09:00	Factory Orders s.a. (MoM) (Sep)	✓✓	-0.50%	2.00%	Monthly
Eurozone	09:30	ECB's Praet on Panel in Brussels	✓	-	-	As scheduled
Germany	10:55	Markit Services PMI (Oct) (F)	✓✓✓	53.60	53.60**	Monthly
Eurozone	11:00	Markit Composite PMI (Oct) (F)	✓✓✓	52.70	52.70**	Monthly
Eurozone	11:00	Markit Services PMI (Oct) (F)	✓✓✓	53.30	53.30**	Monthly
Eurozone	12:00	Producer Price Index (MoM) (Sep)	✓✓✓	0.40%	0.30%	Monthly
Eurozone	12:00	Producer Price Index (YoY) (Sep)	✓✓✓	4.30%	4.20%	Monthly
Eurozone	13:15	ECB's Coeure on Panel in Brussels	✓	-	-	As scheduled
Eurozone	14:00	ECB's Lautenschlaeger Speaks in Frankfurt	✓	-	-	As scheduled
US	15:55	Redbook Index (YoY) (02-Nov)	✓	-	5.90%	Weekly
US	15:55	Redbook Index s.a. (MoM) (02-Nov)	✓	-	0.10%	Weekly
US	17:00	JOLTs Job Openings (Sep)	✓	7085.00K	7136.00K	Monthly
US	-	US Mid-term Elections	✓✓✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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