

ONE
Minute Brief

15 November 2018

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Economic and political news

In South Africa (SA), retail sales recorded a less-than-expected rise of 0.7% on a yearly basis in September, compared to an advance of 2.5% in August.

Sibanye-Stillwater has signed a three-year wage agreement with the National Union of Mineworkers (NUM), Solidarity and UASA unions for a 5.5% pay hike for miners, artisans and officials in the first year and 5.5% or CPI, whichever was greater, in years two and three of the agreement.

Democratic Alliance (DA) MP Glynnis Breytenbach, has withdrawn her candidacy for the position of National Director of Public Prosecutions.

Former National Director of Public Prosecutions, Shaun Abrahams, has agreed to testify at the Zondo commission of inquiry.

The DA has agreed to President, Cyril Ramaphosa's request for an extension to decide on the future of some of his cabinet ministers.

President, Cyril Ramaphosa, assured the European Parliament that SA will enact land reforms in accordance with the country's constitution, while respecting the human rights of all its citizens.

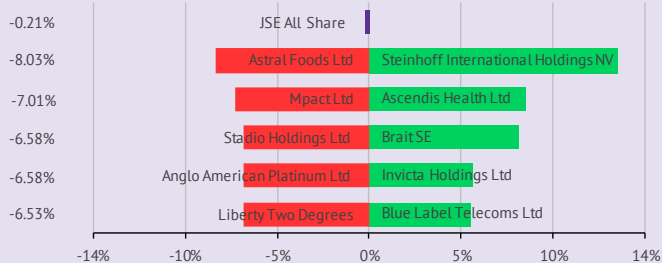
Key indices

	Last close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	51999.45	▼	-110.35	-0.21	-2.43	-0.74	-5.96	-12.61
JSE Top 40	45805.40	▼	-27.81	-0.06	-2.33	-0.73	-6.82	-12.81
FTSE 100	7033.79	▼	-19.97	-0.28	-1.01	-1.32	-5.09	-8.51
DAX 30	11412.53	▼	-59.69	-0.52	-1.01	-0.31	-6.53	-11.65
CAC 40	5068.85	▼	-33.00	-0.65	-0.74	-0.48	-7.28	-4.59
S&P 500	2701.58	▼	-20.60	-0.76	-2.86	-0.37	-6.94	1.05
Nasdaq Composite	7136.39	▼	-64.48	-0.90	-3.65	-2.32	-9.20	3.38
DJIA	25080.50	▼	-205.99	-0.81	-3.50	-0.14	-5.07	1.46
MSCI Emerging Markets	968.14	▲	2.12	0.22	-0.82	1.28	-8.78	-16.43
MSCI Developed World	2015.14	▼	-11.38	-0.56	-2.33	-0.34	-7.42	-4.20

South Africa Market ▼

South African markets closed lower

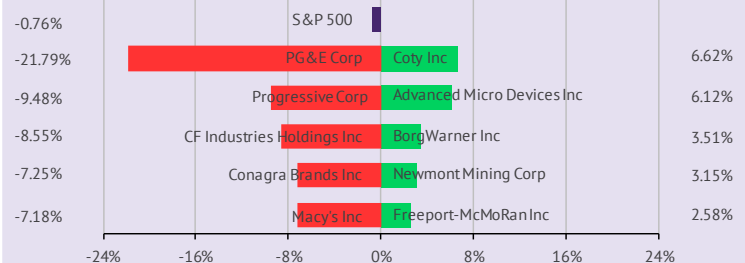
South African markets closed in the red yesterday, weighed down by losses in platinum mining, resources and banking sector stocks. Data indicated that annual retail sales advanced less-than-expected in September. The JSE All Share Index fell 0.2% to close at 51,999.45.



US Market ▼

The S&P 500 futures are trading in the red

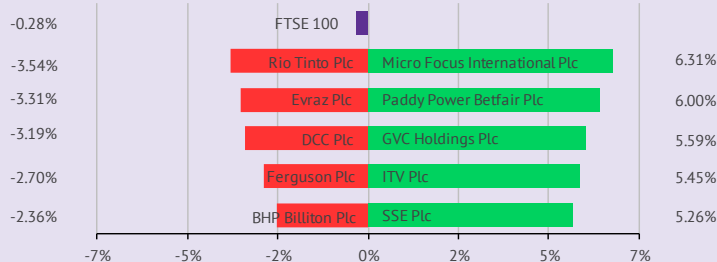
US markets closed lower yesterday, amid losses in banking and technology sector stocks and concerns over slowing global growth. Data revealed that the US annual consumer price index (CPI) rose as expected in October. The S&P 500 Index fell 0.8% to close at 2,701.58.



UK Market ▼

The FTSE 100 futures are trading in negative territory

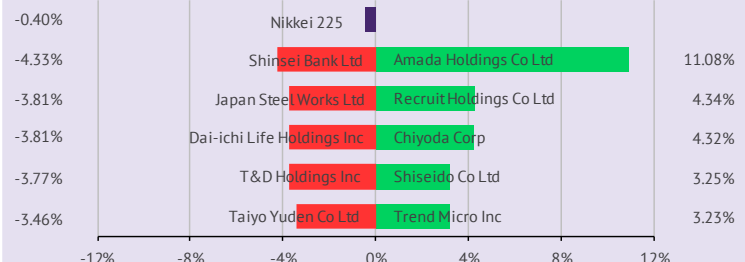
UK markets finished lower yesterday, led by losses in mining sector stocks and amid concerns over the outcome of UK government's cabinet meeting regarding a draft Brexit agreement. The FTSE 100 Index declined 0.3% to close at 7,033.79.



Asian Market ◀▶

Trading mixed

Asian markets are trading mixed this morning. The Nikkei 225 Index is trading 0.4% lower at 21,760.09.



USD ZAR ▼

USD trading lower against ZAR

At 06:00 SAST, the US Dollar is trading 0.4% weaker against the South African Rand at R14.3347. Later today, traders will keep a close watch on the US Philadelphia Fed business outlook, advance retail sales, initial jobless claims and business inventories for further indication.

The US Dollar fell against the South African Rand yesterday. On the data front, the US MBA mortgage applications recorded a fall in the week ended 9 November 2018. In contrast, the nation's CPI climbed at par with market expectations on a yearly basis in October. Additionally, annual average hourly earnings advanced in October. Separately, in SA, retail sales recorded a less-than-expected rise on an annual basis in September.

GBP ZAR ▼

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound dropped 0.3% against the South African Rand to trade at R18.6412. Ahead in the day, traders will keep an eye on UK's retail sales data for further direction.

The British Pound declined against the South African Rand yesterday, amid reports that British Prime Minister, Theresa May, could face no confidence vote. On the macro front, UK's CPI advanced less than market forecast on an annual basis in October. Meanwhile, the nation's yearly producer price index (PPI) climbed more-than-anticipated in the same month. Additionally, the house price index rose more than market expectations on a yearly basis in September.

EUR ZAR ▼

EUR trading lower against ZAR

At 06:00 SAST, the Euro retreated 0.2% against the South African Rand to trade at R16.2421. Going forward, market participants will keep a tab on the Eurozone's trade balance data for further cues.

The Euro weakened against the South African Rand yesterday. Data indicated that the Eurozone's gross domestic product (GDP) advanced in line with market expectations on a quarterly basis in the third quarter of 2018. Further, industrial production dropped less than market forecast on a monthly basis in September. Separately, Germany's quarterly GDP registered a more-than-expected decline in 3Q18, marking its first drop since early 2015.

AUD ZAR ▲

AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar climbed 0.2% against the South African Rand to trade at R10.4258. Earlier in the session, Australia's consumer inflation expectations registered a decline in November. Meanwhile, unemployment rate recorded an unchanged reading in October.

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	14.3347	▼	-0.43	0.25	-2.65	4.56	16.25
GBPZAR	18.6412	▼	-0.28	0.14	-0.84	2.35	11.86
EURZAR	16.2421	▼	-0.26	0.01	-2.64	1.89	9.61
AUDZAR	10.4258	▲	-0.24	0.35	-0.38	2.26	7.72
EURUSD	1.1331	▲	0.18	-0.23	-0.02	-2.52	-5.79
GBPUSD	1.3005	▲	0.12	0.15	1.77	-2.03	-3.86
Brent (\$/barrel)	65.9	▼	0.99	-5.79	-11.89	-9.30	-1.12
Gold (\$/oz)	1210.9	▲	0.72	0.12	-0.40	1.97	-7.58
Platinum (\$/oz)	837.1	▲	-0.89	-2.59	-1.09	2.97	-10.75
Copper (\$/MT)*	6107.5	▲	0.31	0.48	1.18	-3.62	-15.26

*As of previous close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices advanced 0.1% to trade at \$1,210.90/oz.

Yesterday, gold prices rose 0.7% to close at \$1,210.10/oz.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil retreated 0.4% to trade at \$65.86/bl, amid ongoing concerns over rising crude oil supplies.

Yesterday, Brent crude oil advanced 1.0% to settle at \$66.12/bl, amid hopes that OPEC and other producers would discuss supply cuts at a meeting next month. Meanwhile, the American Petroleum Institute reported that US crude supplies rose by 8.8mn bls in the week ended 9 November 2018.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices climbed 0.4% to trade at \$837.10/oz.

Yesterday, platinum prices declined 0.9% to close at \$833.8/oz.

Major South African corporate news

SPAR Group Limited

In its FY18 results, the company announced that its revenues increased to ZAR103.01bn, compared to ZAR97.21bn posted in the corresponding period of the previous year. Its diluted EPS rose 0.3% to 942.20c, compared to the same period of the prior year. The company has declared a final dividend of 729.00c per share, compared to 675.00c per share recorded in the comparable period of the preceding year.

Major global economic news

US

Federal Reserve (Fed) Chairman, Jerome Powell, expressed confidence in the US economic strength and attributed the growth to Fed's monetary policy. Powell stated that political criticism would not affect the Fed's policies. Further, he signalled that the Fed may now raise rates at any of its eight regular policy meetings and not just the four. However, he cautioned against potential risks of a slowdown in global growth.

In the US, the CPI climbed 2.5% on a yearly basis in October, meeting market expectations and compared to a rise of 2.3% in the previous month.

In the US, average hourly earnings recorded a rise of 0.7% on an annual basis in October, compared to a rise of 0.5% in the previous month.

In the US, the MBA mortgage applications dropped 3.2% on a weekly basis in the week ended 9 November 2018. In the previous week, the MBA mortgage applications had fallen by a revised 0.7%.

Eurozone

In the Eurozone, seasonally adjusted second estimate of GDP registered a rise of 0.2% on a quarterly basis in 3Q18, meeting market expectations. GDP had advanced 0.4% in the prior quarter. The preliminary figures had also recorded an advance of 0.2%.

In the Eurozone, seasonally adjusted industrial production slid 0.3% on a monthly basis in September, less than market expectations. Industrial production had advanced by 1.0% in the prior month.

In Germany, seasonally adjusted preliminary GDP eased 0.2% on a quarterly basis in 3Q18, more than market expectations. In the prior quarter, GDP had recorded a rise of 0.5%.

UK

In the UK, the CPI recorded a less-than-expected rise of 2.4% on an annual basis in October, compared to a similar rise in the prior month.

In October, the non-seasonally adjusted output PPI climbed 3.3% on a yearly basis in the UK, more than market expectations. The output PPI had risen 3.1% in the previous month.

In the UK, the house price index registered a more-than-anticipated rise of 3.5% on a yearly basis in September. The index had registered a revised rise of 3.1% in the prior month.

In the UK, the retail price index rose 3.3% on an annual basis in October, less than market forecast. In the prior month, the index had registered a similar rise.

Asia

In Japan, housing loans climbed 2.4% on an annual basis in 3Q18. Housing loans had recorded a rise of 2.7% in the previous quarter.

In Australia, consumer inflation expectations recorded a drop to 3.6% in November. In the prior month, the consumer inflation expectations had recorded a level of 4.0%.

In Australia, seasonally adjusted unemployment rate remained unchanged at 5.0% in October.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
 US	01:00	Fed's Powell to Discuss Economy at Dallas Fed Event	✓✓✓	-	-	As scheduled
 Japan	01:50	Housing Loans (YoY) (Q3)	✓	2.40%*	2.70%	Quarterly
 UK	11:30	Retail Sales (MoM) (Oct)	✓✓✓	0.20%	-0.80%	Monthly
 UK	11:30	Retail Sales (YoY) (Oct)	✓✓✓	2.80%	3.00%	Monthly
 UK	11:30	Retail Sales ex-Fuel (MoM) (Oct)	✓✓✓	0.20%	-0.80%	Monthly
 UK	11:30	Retail Sales ex-Fuel (YoY) (Oct)	✓✓✓	3.40%	3.20%	Monthly
 Eurozone	12:00	Trade Balance n.s.a. (Sep)	✓✓	-	EUR11.70bn	Monthly
 Eurozone	12:00	Trade Balance s.a. (Sep)	✓✓✓	EUR16.30bn	EUR16.60bn	Monthly
 Eurozone	14:15	ECB's Coeure Speaks in Basel	✓	-	-	As scheduled
 UK	15:00	MPC Member Tenreiro Speech	✓✓	-	-	As scheduled
 Eurozone	15:10	ECB's Praet Speaks in Brussels	✓	-	-	As scheduled
 US	15:30	Advance Retail Sales (MoM) (Oct)	✓✓✓	0.50%	0.10%	Monthly
 US	15:30	Retail Sales ex Autos (MoM) (Oct)	✓✓✓	0.50%	-0.10%	Monthly
 US	15:30	Export Price Index (MoM) (Oct)	✓	0.10%	0.00%	Monthly
 US	15:30	Continuing Jobless Claims (03-Nov)	✓✓✓	1625.00K	1623.00K	Weekly
 US	15:30	Initial Jobless Claims (10-Nov)	✓✓✓	213.00K	214.00K	Weekly
 US	15:30	NY Empire State Manufacturing Index (Nov)	✓✓	20.00	21.10	Monthly
 US	15:30	Philadelphia Fed Manufacturing Survey (Nov)	✓✓	20.00	22.20	Monthly
 US	15:30	Retail Sales Ex Auto & Gas (Oct)	✓✓✓	0.40%	0.00%	Monthly
 Eurozone	16:35	ECB Vice President de Guindos Speaks in Amsterdam	✓	-	-	As scheduled
 US	17:00	Business Inventories (Sep)	✓	0.30%	0.50%	Monthly
 US	17:00	Fed's Quarles to Appear before Senate Banking Panel	✓	-	-	As scheduled
 US	18:30	Fed's Powell Speech	✓✓✓	-	-	As scheduled
 US	20:00	FOMC Member Bostic speech	✓✓	-	-	As scheduled
 US	22:00	Fed's Kashkari Speaks to Minnesota AgriGrowth Council	✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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