

# ONE Minute Brief

19 November 2018

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## Economic and political news

President, Cyril Ramaphosa, admitted that he lied to the parliament regarding the payment of ZAR500,000 made by Bosasa CEO, Gavin Watson to his son Andile Ramaphosa and which was used to fund his 2017 African National Congress (ANC) presidential campaign. Meanwhile, Ramaphosa's campaign team stated that it will pay back the Bosasa donation given to his presidential campaign. Separately, Democratic Alliance (DA) leader, Mmusi Maimane, has called for a full investigation into the business relationship between Bosasa and the Ramaphosa family.

The National Prosecution Authority in KwaZulu-Natal has confirmed that former President, Jacob Zuma, has filed an application seeking a permanent stay of prosecution in his corruption trial.

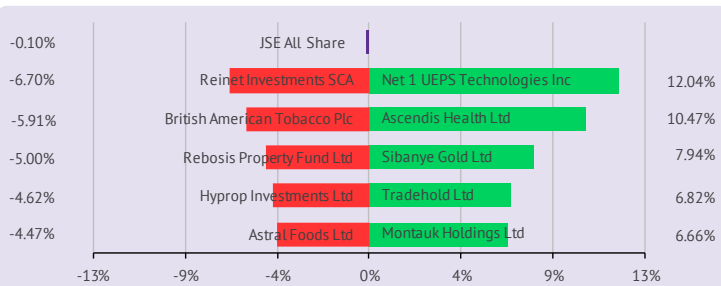
Former Cape Town Mayor, Patricia de Lille, announced that she will launch a new political party to contest the 2019 general elections.

Eskom stated it had revised its coal strategy to focus on contracts that offer long-term, fixed prices and security of supply. Meanwhile, news reports indicated that Eskom is proposing executive job cuts and a reorganisation of management units in order to improve its financial position.

## South Africa Market ▼

### South African markets closed lower

South African markets closed in the red on Friday, amid ongoing Brexit uncertainty and ahead of the South African Reserve Bank interest rate decision. The JSE All Share Index fell 0.1% to close at 52,096.04.



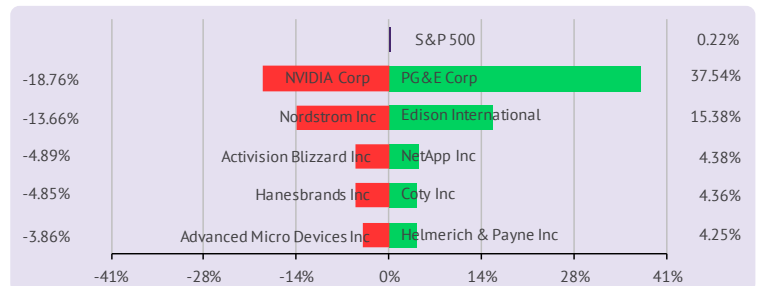
## Key indices

	Last close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	52096.04	▼	-50.00	-0.10	NA	-0.56	-5.96
JSE Top 40	45851.18	▼	-77.85	-0.17	NA	-0.63	-6.82
FTSE 100	7013.88	▼	-24.13	-0.34	NA	-1.60	-5.09
DAX 30	11341.00	▼	-12.67	-0.11	NA	-0.93	-6.53
CAC 40	5025.20	▼	-8.42	-0.17	NA	-1.34	-7.28
S&P 500	2736.27	▲	6.07	0.22	NA	0.90	-6.94
Nasdaq Composite	7247.87	▼	-11.16	-0.15	NA	-0.79	-9.20
DJIA	25413.22	▲	123.95	0.49	NA	1.18	-5.07
MSCI Emerging Markets	986.30	▲	5.45	0.56	NA	3.18	-8.78
MSCI Developed World	2031.76	▲	5.46	0.27	NA	0.48	-7.42

## US Market ▲

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

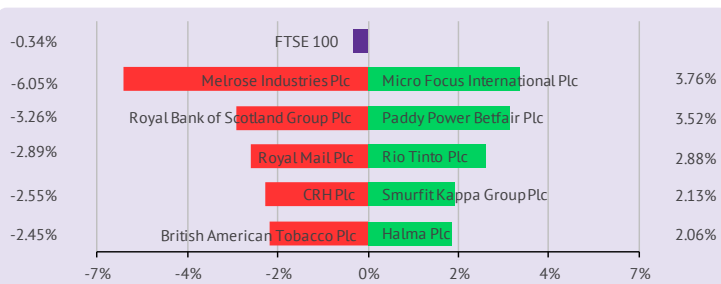
US markets closed mostly higher on Friday, after President, Donald Trump's comments fuelled hopes that the US-China trade dispute would be resolved. The S&P 500 Index climbed 0.2% to close at 2,736.27.



## UK Market ▼

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

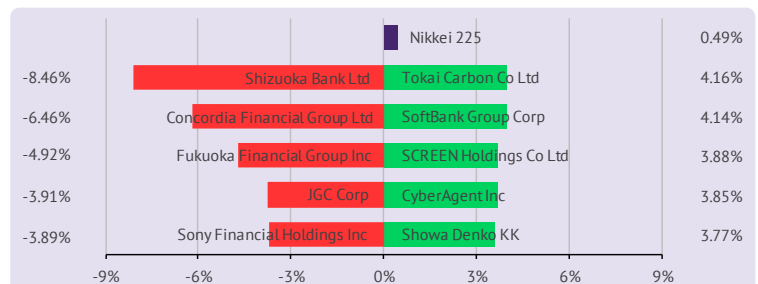
UK markets finished lower on Friday, as the British Pound strengthened and amid ongoing Brexit turmoil. The FTSE 100 Index declined 0.3% to close at 7,013.88.



## Asian Market ▲

### Trading mostly higher

Asian markets are trading mostly higher this morning. Data revealed that Japan posted a more-than-expected trade deficit in October. The Nikkei 225 Index is trading 0.5% higher at 21,785.65.



## USD ZAR ▲

### USD trading higher against ZAR

At 06:00 SAST, the US Dollar is trading 0.2% firmer against the South African Rand at R14.0252. Later today, traders will keep a close watch on the US NAHB housing market index for further indication.

The US Dollar fell against the South African Rand on Friday, as the Federal Reserve officials expressed concerns over the global growth and made cautious comments on the outlook for interest rate hikes. On the macro front, the US industrial production rose less than market expectations on a monthly basis in October. In contrast, manufacturing production climbed more than market forecast in the same month.

## GBP ZAR ▲

### GBP trading firmer against ZAR

At 06:00 SAST, the British Pound gained 0.2% against the South African Rand to trade at R18.0009. With no major economic news in the UK today, investor sentiment will be determined by global macroeconomic news. Data indicated that UK's Rightmove house prices declined on a monthly basis in November.

The British Pound declined against the South African Rand on Friday.

## EUR ZAR ▲

### EUR trading stronger against ZAR

At 06:00 SAST, the Euro is trading 0.1% higher against the South African Rand at R15.9970. Going forward, market participants will keep a tab on the Eurozone's current account balance and construction output for further direction.

The Euro weakened against the South African Rand on Friday. On the data front, the Eurozone's consumer price index (CPI) advanced in line with market expectations on an annual basis in October.

## AUD ZAR ▲

### AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% firmer against the South African Rand at R10.2572.

The Australian Dollar fell against the South African Rand on Friday.

## Key currencies & commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	14.0252	▲	-1.30	NA	-5.37	4.56	13.00
GBPZAR	18.0009	▲	-0.83	NA	-4.79	2.35	7.41
EURZAR	15.9970	▲	-0.46	NA	-4.41	1.89	7.62
AUDZAR	10.2572	▲	-0.64	NA	-1.91	2.26	6.06
EURUSD	1.1405	▼	0.77	NA	0.91	-2.52	-4.91
GBPUSD	1.2833	▼	0.47	NA	0.53	-2.03	-5.02
Brent (\$/barrel)	67.3	▲	0.21	NA	-11.03	-9.30	-0.16
Gold (\$/oz)	1221.1	▼	0.66	NA	0.66	1.97	-6.59
Platinum (\$/oz)	848.0	▲	0.15	NA	0.43	2.97	-9.38
Copper (\$/MT)*	6223.5	▲	0.41	NA	3.10	-3.62	-13.65

\*As of previous close

## Gold ▼

### Trading in the red

At 06:00 SAST, gold prices edged 0.2% lower to trade at \$1,221.10/oz.

On Friday, gold prices rose 0.7% to close at \$1,223.00/oz, amid weakness in the greenback.

## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil edged 0.8% higher to trade at \$67.32/bl, amid expectations that the OPEC might cut production.

On Friday, Brent crude oil advanced 0.2% to settle at \$66.76/bl. Meanwhile, Baker Hughes reported that US oil rig count rose by 2 to 888 last week.

## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices edged 0.2% higher to trade at \$848.00/oz.

On Friday, platinum prices climbed 0.2% to close at \$846.6/oz.

## Major South African corporate news

### Reinet Investments SCA

In its 1H18 results, the company announced that its total income declined to EUR123.00mn, compared to EUR186.00mn posted in the corresponding period of the previous year. Its unadjusted loss per share stood at EUR1.28 compared to EUR2.92 recorded in the same period of the prior year. The company has declared a gross dividend per share of EUR0.18, from EUR0.17 reported in the comparable period of the preceding year.

## Major global economic news

### Eurozone

The European Central Bank President, Mario Draghi, stated that the Eurozone's economy has slowed in recent months, however, he sees "no reason" for the economy to stop expanding. Further, he expects the current expansion to remain "resilient" and inflation to not rise as quickly as earlier expected. Draghi reiterated that the central bank would stick to its plan to end its stimulus program at the end of this year. Further, he warned that uncertainties around the medium-term outlook have increased significantly.

In the Eurozone, the final CPI climbed 2.2% on a yearly basis in October, at par with market expectations. The CPI had registered a rise of 2.1% in the prior month. The preliminary figures had indicated a rise to 2.1%.

### Asia

Japan posted a more-than-anticipated trade deficit of JPY449.3bn in October, compared to a surplus of JPY131.3bn in the previous month.

### US

In the US, manufacturing production rose 0.3% on a monthly basis in October, more than market expectations. Manufacturing production had registered a similar revised rise in the previous month.

In October, industrial production recorded a less-than-expected growth of 0.1% on a monthly basis in the US. Industrial production had recorded a revised rise of 0.2% in the prior month.















### UK

In November, on a monthly basis, the Rightmove house price index eased 1.70% in the UK. In the previous month, the Rightmove house price index had risen 1.00%.

## 40 best performers on the All Share Index

Company name	Last close	1 Week % change	MTD % change	YTD % change
Murray & Roberts Holdings Ltd	1700	0.00	0.06	44.77
Clover Industries Ltd	1751	-2.99	6.57	40.20
Anglo American Platinum Ltd	46650	-9.58	-3.20	34.48
Emira Property Fund Ltd	1579	-1.00	5.97	28.96
EPP NV	1981	-5.03	-4.30	28.09
Anglo American Plc	30833	-1.03	-2.31	26.35
BHP Billiton Plc	28974	-0.97	-2.40	22.50
Telkom SA SOC Ltd	5526	-2.95	3.00	20.32
Lewis Group Ltd	2960	-9.31	-5.88	19.92
PSG Konsult Ltd	1024	0.39	-3.40	19.53
Santam Ltd	30067	-4.14	-3.17	16.12
RCL Foods Ltd	1700	0.00	1.49	14.47
Octodec Investments Ltd	1950	-0.51	6.16	14.26
Reunert Ltd	7657	-1.58	-3.99	13.43
Exxaro Resources Ltd	15578	4.89	3.23	12.74
JSE Ltd	16750	1.86	2.14	12.61
Stenprop Ltd	2044	-3.45	-5.76	12.39
Hudaco Industries Ltd	15497	-1.71	10.25	11.72
ArcelorMittal South Africa Ltd	430	1.65	12.86	11.11
Transaction Capital Ltd	1815	0.83	2.20	10.03
Mondi Ltd	32216	-2.35	-8.71	8.19
Mondi Plc	31991	-2.37	-9.05	7.73
AngloGold Ashanti Ltd	13743	-0.28	-3.77	7.55
Nedbank Group Ltd	26170	-0.23	5.13	7.45
Adcock Ingram Holdings Ltd	6080	3.35	6.00	7.02
Harmony Gold Mining Co Ltd	2428	-0.94	-13.07	7.01
African Rainbow Minerals Ltd	13201	4.31	5.70	6.73
FirstRand Ltd	6852	-1.20	6.55	6.20
Sasol Ltd	44297	-6.34	-8.48	6.17
South32 Ltd	3420	-4.36	-11.15	5.98
Clicks Group Ltd	18810	-3.29	0.05	5.73
African Oxygen Ltd	2845	-3.56	-2.10	5.26
RMB Holdings Ltd	7960	-1.64	6.90	5.21
Investec Australia Property Fund	1255	1.87	0.80	4.55
Sun International Ltd	6116	-0.68	3.93	4.32
Oceana Group Ltd	8710	-1.02	0.11	3.94
Investec Plc	9096	-2.19	-0.77	3.85
Investec Ltd	9088	-2.28	-0.97	3.79
RDI REIT Plc	611	-3.78	-3.02	3.67
Vukile Property Fund Ltd	2040	-4.23	0.49	3.15
<b>JSE All Share Index</b>	<b>52096</b>	<b>-2.25</b>	<b>-0.56</b>	<b>-12.45</b>

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
 Japan	01:50	Adjusted Merchandise Trade Balance (Oct)	✓✓✓	-JPY302.70bn*	-JPY238.90bn	Monthly
 Japan	01:50	Merchandise Trade Balance Total (Oct)	✓✓✓	-JPY449.30bn*	JPY139.60bn	Monthly
 Japan	01:50	Exports (YoY) (Oct)	✓✓	8.20%*	-1.20%	Monthly
 Japan	01:50	Imports (YoY) (Oct)	✓✓	19.90%*	7.00%	Monthly
 UK	02:01	Rightmove House Price Index (MoM) (Nov)	✓	-1.70%*	1.00%	Monthly
 UK	02:01	Rightmove House Price Index (YoY) (Nov)	✓	-0.20%*	0.90%	Monthly
 Japan	05:30	BoJ Kuroda speaks at EuroPlus in Tokyo	✓✓✓	-	-	As scheduled
 Eurozone	11:00	Current Account n.s.a. (Sep)	✓	-	EUR20.50bn	Monthly
 Eurozone	11:00	Current Account s.a (Sep)	✓✓✓	-	EUR23.90bn	Monthly
 Eurozone	12:00	Construction Output s.a. (MoM) (Sep)	✓✓✓	-	-0.50%	Monthly
 Eurozone	12:00	Construction Output w.d.a. (YoY) (Sep)	✓	-	2.50%	Monthly
 US	17:00	NAHB Housing Market Index (Nov)	✓	67.00	68.00	Monthly
 US	17:45	Fed's Williams Speaks in Moderated Q&A in the Bronx	✓	-	-	As scheduled
 UK	-	CBI Trends Selling Prices (Nov)	✓✓	-	10.00	Monthly
 UK	-	CBI Industrial Trends Survey - Orders (Nov)	✓	-4.00	-6.00	Monthly
 Germany	-	German Buba Monthly Report	✓✓	-	-	As scheduled

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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