

ONE
Minute Brief

20 November 2018

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Economic and political news

The International Monetary Fund (IMF) warned that initial optimism in South Africa's (SA) economic recovery was fading and growing debt within state firms was creating serious constraints on the country's economic recovery plans.

Sibanye-Stillwater stated that the Association of Mineworkers and Construction Union (AMCU) intends to strike on Wednesday at its South African gold operations after wage deal talks failed.

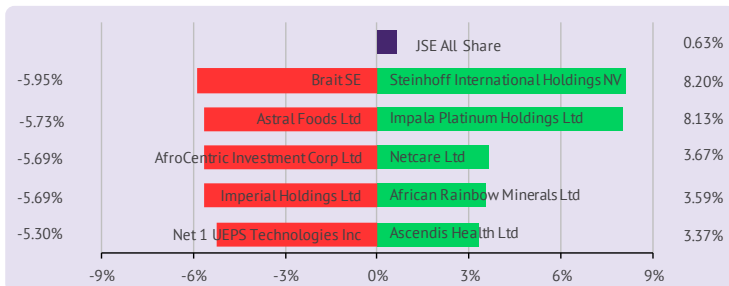
Former South African Revenue Service (Sars) Commissioner, Tom Moyane and former National Prosecuting Authority (NPA) head, Shaun Abrahams, want to cross-examine Public Enterprises Minister, Pravin Gordhan at the state capture inquiry.

Public Enterprises Minister, Pravin Gordhan, in his testimony, at the state capture inquiry stated that the ZAR1tn nuclear deal which former President, Jacob Zuma was pushing for, was beyond SA's financial capacity and was not required.

South Africa Market ▲

South African markets closed higher

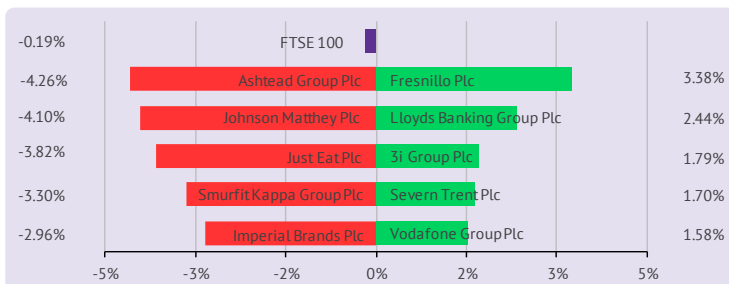
South African markets closed in the green yesterday, boosted by gains in banking, platinum mining and industrial sector stocks. The JSE All Share Index rose 0.6% to close at 52,423.53.



UK Market ▼

The FTSE 100 futures are trading in negative territory

UK markets finished lower yesterday, as the British Pound strengthened, amid Brexit developments. The FTSE 100 Index declined 0.2% to close at 7,000.89.



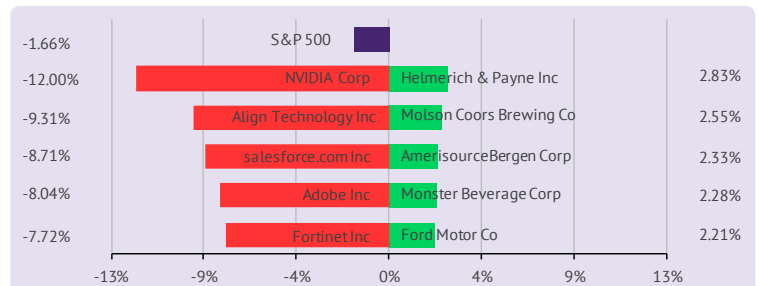
Key indices

	Last close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	52423.53	▲	327.49	0.63	0.63	0.07	-5.96	-11.90
JSE Top 40	46188.84	▲	337.66	0.74	0.74	0.10	-6.82	-12.08
FTSE 100	7000.89	▼	-12.99	-0.19	-0.19	-1.78	-5.09	-8.93
DAX 30	11244.54	▼	-96.46	-0.85	-0.85	-1.77	-6.53	-12.95
CAC 40	4985.45	▼	-39.75	-0.79	-0.79	-2.12	-7.28	-6.16
S&P 500	2690.73	▼	-45.54	-1.66	-1.66	-0.77	-6.94	0.64
Nasdaq Composite	7028.48	▼	-219.40	-3.03	-3.03	-3.80	-9.20	1.81
DIJA	25017.44	▼	-395.78	-1.56	-1.56	-0.39	-5.07	1.21
MSCI Emerging	988.31	▲	2.00	0.20	0.20	3.39	-8.78	-14.69
MSCI Developed	2009.61	▼	-22.15	-1.09	-1.09	-0.61	-7.42	-4.46

US Market ▼

The S&P 500 futures are trading in the red

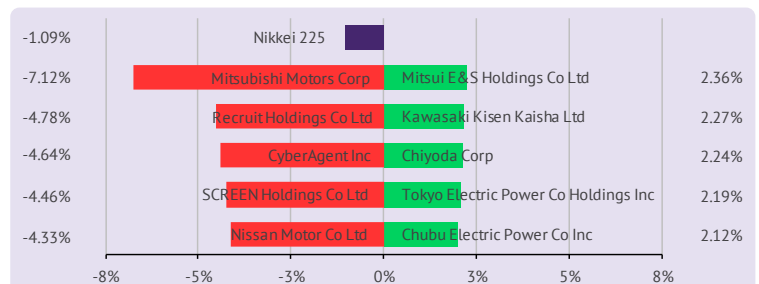
US markets closed lower yesterday, weighed down by losses in technology sector stocks. The S&P 500 Index dropped 1.7% to close at 2,690.73.



Asian Market ▼

Trading lower

Asian markets are trading lower this morning, tracking overnight losses on Wall Street. The Nikkei 225 Index is trading 1.1% lower at 21,583.46.



USD ZAR ▲

USD trading firmer against ZAR

At 06:00 SAST, the US Dollar climbed 0.3% against the South African Rand to trade at R14.0634. Later today, traders will keep a close watch on the US housing starts and building permits for further cues.

The US Dollar rose against the South African Rand yesterday. On the data front, the US NAHB housing market index registered a more-than-anticipated decline in November, marking its lowest level since August 2016.

GBP ZAR ▲

GBP trading stronger against ZAR

At 06:00 SAST, the British Pound is trading 0.3% higher against the South African Rand at R18.0842. Ahead in the day, traders will keep an eye on the UK's total trend orders for further direction.

The British Pound advanced against the South African Rand yesterday, as British Prime Minister, Theresa May, sought to win support for her draft Brexit deal.

EUR ZAR ▲

EUR trading higher against ZAR

At 06:00 SAST, the Euro is trading 0.3% firmer against the South African Rand at R16.1083. Going forward, market participants will keep a tab on Germany's producer price index for further indication.

The Euro strengthened against the South African Rand yesterday. Data indicated that the Eurozone's construction output rebounded on a monthly basis in September. Meanwhile, the region's current account surplus narrowed in September.

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 R10.2505. Earlier in the session, Australia's ANZ Roy Morgan weekly consumer confidence index registered a decline in the week ended 18 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	14.0634	▲	0.24	0.24	-5.14	4.56	13.27
GBPZAR	18.0842	▲	0.37	0.37	-4.44	2.35	7.81
EURZAR	16.1083	▲	0.49	0.49	-3.94	1.89	8.15
AUDZAR	10.2505	▲	-0.18	-0.18	-2.09	2.26	5.87
EURUSD	1.1454	=	0.34	0.34	1.26	-2.52	-4.59
GBPUSD	1.2859	▲	0.16	0.16	0.69	-2.03	-4.88
Brent (\$/barrel)	66.5	▼	0.04	0.04	-10.99	-9.30	-0.12
Gold (\$/oz)	1222.6	▼	0.19	0.19	0.85	1.97	-6.42
Platinum (\$/oz)	855.1	▼	1.30	1.30	1.73	2.97	-8.20
Copper (\$/MT)*	6292.5	▲	1.11	1.11	4.24	-3.62	-12.69

*As of previous close

Gold ▼

Trading in the red

At 06:00 SAST, gold prices dropped 0.2% to trade at \$1,222.60/oz.

Yesterday, gold prices rose 0.2% to close at \$1,225.30/oz, as weakness in the US Dollar increased demand for the safe haven asset.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil declined 0.4% to trade at \$66.54/bl, amid surge in US crude oil production.

Yesterday, Brent crude oil marginally advanced to settle at \$66.79/bl, following reports that the European Union backed a decision by the French government to sanction Iranian nationals linked to a bomb plot in France.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged 0.3% lower to trade at \$855.10/oz.

Yesterday, platinum prices climbed 1.3% to close at \$857.6/oz.

Major South African corporate news

Astral Foods Limited

In its FY18 results, the company reported that its revenues advanced 4.5% to ZAR12.98bn, compared to the same period of the preceding year. Its diluted EPS stood at 3,687.00c, compared to 1,962.00c recorded in the corresponding period of the previous year. The company has declared a total dividend of 2,050.00c per share compared to 1,055.00c per share reported in the comparable period of the prior year.

Netcare Limited

In its FY18 results, the company announced that its revenues advanced 8.4% to ZAR20.72bn, compared to the same period of the preceding year. Its diluted EPS stood at 67.70c, compared to 179.70c recorded in the corresponding period of the previous year. The company has proposed a final dividend of 104.00c per share compared to 95.00c per share posted in the comparable period of the prior year.

Barloworld Limited

In its FY18 results, the company announced that its revenues rose to ZAR63.42bn, compared to ZAR61.96bn posted in the corresponding period of the previous year. Its diluted EPS increased to 1,036.50c from 901.50c recorded in the same period of the prior year. The company has declared a final dividend of 317.00c per share, from 265.00c per share posted in the comparable period of the previous year.

Pioneer Foods Group Limited

In its FY18 results, the company stated that its revenues increased to ZAR20.15bn, compared to ZAR19.58bn posted in the corresponding period of the previous year. Its diluted EPS rose to 546.50c from 366.00c recorded in the same period of the prior year. The company has declared a total gross dividend of 365.00c per share.

Invicta Holdings Limited

In its 1H18 results, the company stated that its revenues increased to ZAR5.28bn, compared to ZAR5.04bn posted in the corresponding period of the previous year. Its diluted EPS fell 97.0% from the same period of the prior year to 8.00c. The company has declared an interim dividend of 50.00c per share, which is 28.0% lower compared to the corresponding period of the preceding year.

Major global economic news

Asia

The Reserve Bank of Australia, in its November monetary policy meeting minutes, provided an upbeat assessment on the country's economy and signaled for a possible "pronounced decline" in the country's unemployment rate. Further, the minutes indicated that policymakers expect above-trend growth this year and next year, driven by record low interest rates at 1.50%.

In Australia, the ANZ Roy Morgan weekly consumer confidence index fell to a level of 117.8 in the week ended 18 November 2018, following a reading of 119.8 in the previous week.

Eurozone

In the Eurozone, seasonally adjusted current account surplus narrowed to EUR17.00bn in September, compared to a revised surplus of EUR24.30bn in the prior month.

In the Eurozone, seasonally adjusted construction output registered a rise of 2.0% on a monthly basis in September. In the previous month, construction output had dropped by a revised 0.6%.

US

In the US, the NAHB housing market index registered a drop to 60.00 in November, more than market expectations. The index had recorded a reading of 68.00 in the previous month.

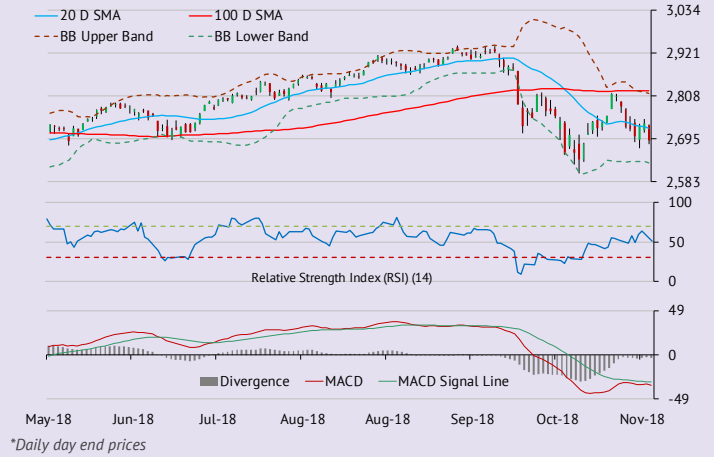
Technical snapshot

JSE All Share



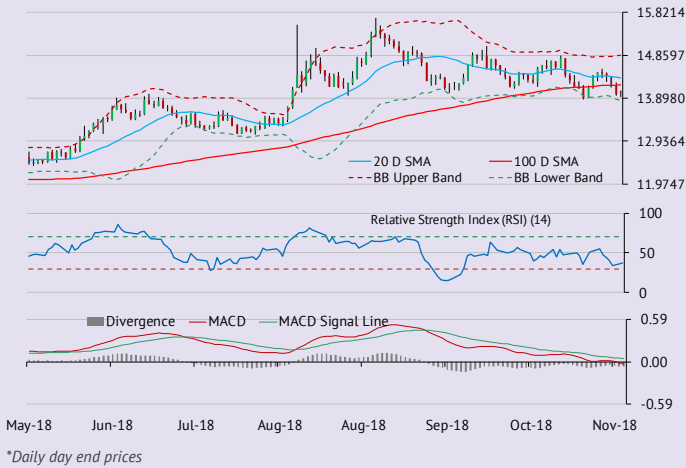
The JSE All Share index is expected to find support at 51,415.76, and a fall through could take it to the next support level of 50,408.00. The index is expected to find its first resistance at 53,078.31, and a rise through could take it to the next resistance level of 53,733.10.

S&P 500



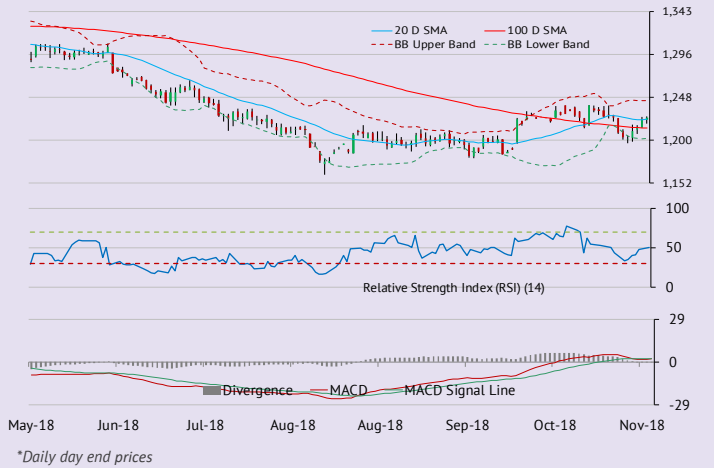
The S&P 500 index is expected to find support at 2,656.12, and a fall through could take it to the next support level of 2,621.51. The index is expected to find its first resistance at 2,739.97, and a rise through could take it to the next resistance level of 2,789.21.

USD ZAR



The pair is expected to find support at 13.7758, and a fall through could take it to the next support level of 13.5257. The pair is expected to find its first resistance at 14.4212, and a rise through could take it to the next resistance level of 14.8165.

XAU USD



Gold is expected to find support at \$1,205.77/oz, and a fall through could take it to the next support level of \$1,186.23/oz. The precious metal is expected to find its first resistance at \$1,235.67/oz, and a rise through could take it to the next resistance level of \$1,246.03/oz.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus	Previous	Frequency
Japan	04:00	BoJ Monetary Policy Statement and Press Conference	✓✓✓	-	-	As scheduled
Japan	09:00	Convenience Store Sales (YoY) (Oct)	✓	-	3.50%	Monthly
Germany	09:00	Producer Price Index (YoY) (Oct)	✓✓✓	3.30%	3.20%	Monthly
South Africa	09:00	Leading Indicator (Sep)	✓	104.60	104.90	Monthly
Germany	09:00	Producer Price Index (MoM) (Oct)	✓✓✓	0.30%	0.50%	Monthly
Eurozone	11:00	ECB's Nowotny Presents Austrian Financial Stability Report	✓	-	-	As scheduled
UK	12:00	BoE's Governor Carney speech	✓✓✓	-	-	As scheduled
UK	12:00	Inflation Report Hearings	✓✓	-	-	As scheduled
UK	13:00	CBI Trends Selling Prices (Nov)	✓✓	-	10.00	Monthly
US	15:30	Building Permits (MoM) (Oct)	✓✓✓	-0.80%	-0.60%	Monthly
US	15:30	Building Permits (Oct)	✓✓✓	1260.00K	1241.00K	Monthly
US	15:30	Housing Starts (Oct)	✓✓✓	1225.00K	1201.00K	Monthly
US	15:30	Housing Starts (MoM) (Oct)	✓✓✓	1.80%	-5.30%	Monthly
US	15:55	Redbook Index (YoY) (16-Nov)	✓	-	6.10%	Weekly
US	15:55	Redbook Index s.a. (MoM) (16-Nov)	✓	-	0.20%	Weekly
Germany	17:00	German Buba President Weidmann speech	✓✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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