

# ONE Minute Brief

21 November 2018

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## Economic and political news

In South Africa (SA), the leading indicator eased to 104.70 in September, compared to a reading of 104.90 in the prior month.

Credit ratings agency, Moody's, stated that Eskom's proposals to hike electricity tariffs by 15.0% a year would be credit positive, if approved. Separately, Eskom announced that it would be expanding its load shedding plan to eight stages, allowing for up to 8 000 MW to be shed from the national grid.

The High Court in Pretoria has ordered Eskom to refrain from cutting electricity supply to the Musina Local Municipality, because of the municipality's failure to make payments to the utility.

Yesterday, Finance Minister, Tito Mboweni, introduced the Carbon Tax Bill in the National Assembly.

Former President, Jacob Zuma, has teamed up with former South African Revenue (Sars) Commissioner, Tom Moyane for Constitutional Court legal challenge.

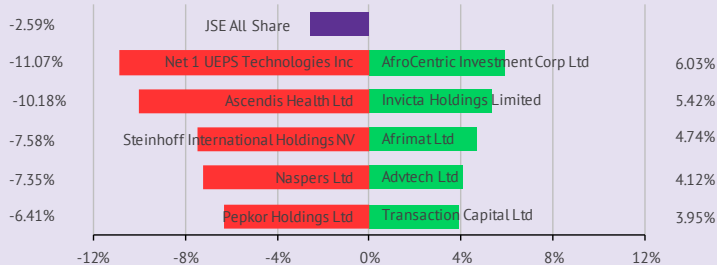
## Key indices

	Last close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	51067.78	▼	-1355.75	-2.59	-1.97	-2.52	-5.96
JSE Top 40	44843.58	▼	-1345.26	-2.91	-2.20	-2.81	-6.82
FTSE 100	6947.92	▼	-52.97	-0.76	-0.94	-2.53	-5.09
DAX 30	11066.41	▼	-178.13	-1.58	-2.42	-3.33	-6.53
CAC 40	4924.89	▼	-60.56	-1.21	-2.00	-3.31	-7.28
S&P 500	2641.89	▼	-48.84	-1.82	-3.45	-2.58	-6.94
Nasdaq Composite	6908.82	▼	-119.65	-1.70	-4.68	-5.44	-9.20
DJIA	24465.64	▼	-551.80	-2.21	-3.73	-2.59	-5.07
MSCI Emerging Markets	972.58	▼	-15.73	-1.59	-1.39	1.74	-8.78
MSCI Developed World	1976.91	▼	-32.70	-1.63	-2.70	-2.23	-7.42

## South Africa Market ▼

### South African markets closed lower

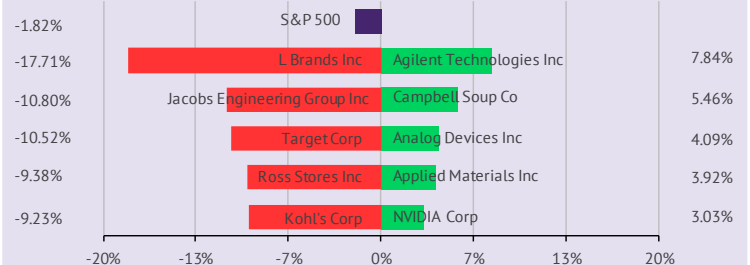
South African markets closed in the red yesterday, amid sell-off in global equities. Data showed that SA's leading indicator fell more-than-anticipated in September. The JSE All Share Index fell 2.6% to close at 51,067.78.



## US Market ▼

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

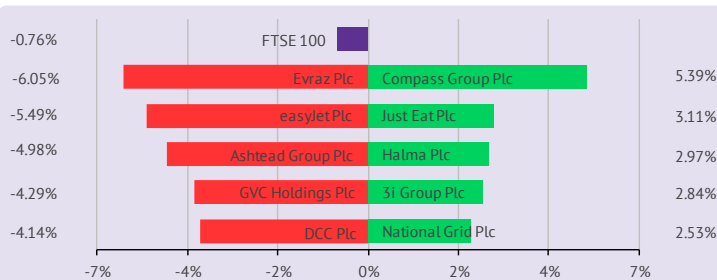
US markets closed lower yesterday, led by sharp losses in technology and retail sector stocks. Data indicated that, the US monthly housing starts advanced in October. The S&P 500 Index dropped 1.8% to close at 2,641.89.



## UK Market ▼

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

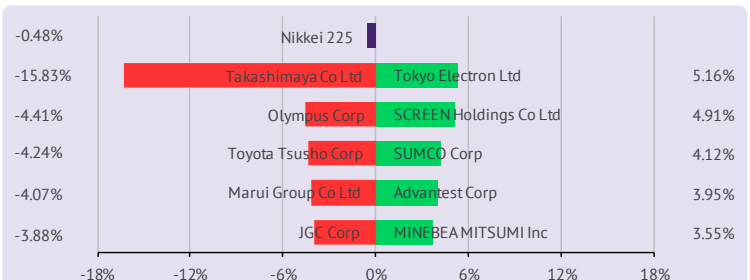
UK markets finished lower yesterday, weighed down by losses in financial, energy and mining sector stocks, amid ongoing Brexit concerns. The FTSE 100 Index declined 0.8% to close at 6,947.92.



## Asian Market ▼

### Trading lower

Asian markets are trading lower this morning, tracking overnight losses on Wall Street. The Nikkei 225 Index is trading 0.5% lower at 21,478.82.



## USD ZAR ▲

### USD trading firmer against ZAR

At 06:00 SAST, the US Dollar is trading marginally higher against the South African Rand at R14.0995. Later today, traders will keep a close watch on the US MBA mortgage applications, durable goods orders, initial jobless claims, leading index, existing home sales and the Michigan consumer sentiment index for further cues.

The US Dollar rose against the South African Rand yesterday, after the US housing starts rebounded on a monthly basis in October. Further, building permits declined less than market anticipations in October. Separately, in SA, the leading indicator declined more than market forecast in September.

## GBP ZAR ▲

### GBP trading higher against ZAR

At 06:00 SAST, the British Pound advanced 0.1% against the South African Rand to trade at R18.0334. Ahead in the day, traders will keep an eye on UK's public sector net borrowing for further indication.

The British Pound declined against the South African Rand yesterday, amid ongoing Brexit turmoil. On the data front, UK's total trend orders rebounded in November.

## EUR ZAR ▲

### EUR trading stronger against ZAR

At 06:00 SAST, the Euro rose 0.1% against the South African Rand to trade at R16.0365. Going forward, market participants will keep a tab on the Eurozone's OECD economic outlook for further direction.

The Euro weakened against the South African Rand yesterday. Data indicated that Germany's producer price index (PPI) climbed at par with market expectations on an annual basis in October, notching its highest level since April 2017.

## AUD ZAR ▲

### AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.3% firmer against the South African Rand at R10.1999. Earlier in the session, Australia's Westpac consumer confidence index recorded a rise on a monthly basis 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	14.0995	▲	0.49	0.72	-4.68	4.56	13.82
GBPZAR	18.0334	▲	-0.02	0.35	-4.45	2.35	7.79
EURZAR	16.0365	▲	-0.24	0.25	-4.17	1.89	7.89
AUDZAR	10.1999	▲	-0.63	-0.81	-2.71	2.26	5.21
EURUSD	1.1373	▲	-0.73	-0.39	0.51	-2.52	-5.29
GBPUSD	1.2791	▲	-0.51	-0.36	0.17	-2.03	-5.37
Brent (\$/barrel)	63.4	▲	-6.38	-6.34	-16.67	-9.30	-6.49
Gold (\$/oz)	1221.4	▲	-0.33	-0.15	0.51	1.97	-6.73
Platinum (\$/oz)	844.7	▼	-1.24	0.05	0.47	2.97	-9.33
Copper (\$/MT)*	6206.0	▼	-1.37	-0.28	2.81	-3.62	-13.89

\*As of previous close

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices are trading marginally higher at \$1,221.40/oz.

Yesterday, gold prices fell 0.3% to close at \$1,221.20/oz, as strength in the US Dollar dampened demand for the safe haven asset.

## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil edged 1.3% higher to trade at \$63.35/bl, after the American Petroleum Institute reported that the US crude supplies unexpectedly fell by 1.5mn bls to 439.2mn in the week ended 16 November 2018.

Yesterday, Brent crude oil dropped 6.4% to settle at \$62.53/bl, amid ongoing concerns over rising global supplies and growing fears of an economic slowdown.

## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices edged 0.3% lower to trade at \$844.70/oz.

Yesterday, platinum prices declined 1.2% to close at \$847.00/oz.

## Major South African corporate news

### Coronation Fund Managers Limited

In its FY18 results, the company announced that its revenues declined 2.0% to ZAR3.85bn, compared to the same period of the preceding year. Its diluted EPS stood at 420.70c, compared to 435.40c recorded in the corresponding period of the previous year. The company has declared a final dividend of 197.00c per share compared to 217.00c per share reported in the comparable period of the prior year.

### Niveus Investments Limited

In its 1H18 trading statement, the company indicated that it expects headline loss per share to be between 15.10c and 26.70c. Further, the company expects EPS to be in the range of -3.40c to 7.90c.

### Reunert Limited

In its FY18 results, the company announced that its revenues rose 7.0% to ZAR10.49bn, compared to the same period of the preceding year. Its diluted EPS stood at 705.00c, compared to 670.00c recorded in the corresponding period of the previous year. The company has declared a cash dividend of 493.00c per share, which is 4.0% higher compared to the same period of the prior year.

### Transaction Capital Limited

In its FY18 results, the company indicated that its net interest income rose to ZAR1.10bn, compared to ZAR1.01bn posted in the corresponding period of the previous year. Its diluted EPS increased to 110.60c, compared to 92.20c recorded in the same period of the prior year. Further, the company announced a total dividend of 50.00c per share compared to 40.00c per share reported in the comparable period of the preceding year.

### Tsogo Sun Holdings Limited

The entertainment holding company, in its 1H18 trading statement, revealed that the company expects HEPS to be in the range of 27.40c to 29.50c, which is 26.0% to 28.0% lower compared with the corresponding period of the preceding year. Further, the company expects EPS to be between 32.70c and 36.90c, which is 31.0% to 35.0% lower from the same period of the previous year.

## Major global economic news

### US

In the US, building permits dropped less-than-expected 0.6% to an annual rate of 1263.00K on a monthly basis in October. In the prior month, building permits had recorded a revised level of 1270.00K.

In October, housing starts climbed 1.5% to an annual rate of 1228.00K on a monthly basis in the US, compared to a revised level of 1210.00K in the prior month.

### Eurozone

In Germany, the PPI rose 3.3% on a yearly basis in October, in line with market expectations and compared to a rise of 3.2% in the prior month.

### Asia

In Australia, the Westpac leading index climbed 0.08% on a monthly basis in October. In the previous month, the index had dropped by a revised 0.02%.

In Japan, the all industry activity index slid 0.9% on a monthly basis in September, meeting market expectations and compared to a revised advance of 0.4% in the previous month.

### UK

In the UK, the balance of firms reporting total order book above normal unexpectedly climbed to a level of 10.00 in November, compared to a reading of -6.00 in the prior month.

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
Canada	00:00	BoC Gov Council Member Lane Speech	✓	-	-	As scheduled
Japan	06:30	All Industry Activity Index (MoM) (Sep)	✓✓✓	-0.90%*	0.50%	Monthly
Japan	07:00	Supermarket Sales (YoY) (Oct)	✓	-	1.90%	Monthly
Japan	07:30	Nationwide Department Store Sales (YoY) (Oct)	✓	-	-3.00%	Monthly
Japan	07:30	Tokyo Department Store Sales (YoY) (Oct)	✓	-	0.30%	Monthly
South Africa	10:00	Consumer Price Index (YoY) (Oct)	✓✓	5.20%	4.90%	Monthly
South Africa	10:00	Consumer Price Index (MoM) (Oct)	✓✓	0.60%	0.50%	Monthly
Eurozone	11:00	Istat Releases Economic Forecast for 2018 and 2019	✓✓	-	-	As scheduled
UK	11:30	Public Sector Net Cash Requirement (Oct)	✓✓	-	GBP15.80bn	Monthly
UK	11:30	Public Sector Net Borrowing (Oct)	✓✓	-	GBP3.30bn	Monthly
UK	11:30	PSNB ex Interventions (Oct)	✓	GBP6.10bn	GBP4.10bn	Monthly
Eurozone	12:00	OECD Economic Outlook	✓✓✓	-	-	As scheduled
US	14:00	MBA Mortgage Applications (16-Nov)	✓	-	-3.20%	Weekly
US	15:30	Continuing Jobless Claims (10-Nov)	✓✓✓	1650.00K	1676.00K	Weekly
US	15:30	Initial Jobless Claims (17-Nov)	✓✓✓	215.00K	216.00K	Weekly
US	15:30	Cap Goods Orders Nondef Ex Air (Oct) (P)	✓	0.20%	-0.10%	Monthly
US	15:30	Cap Goods Ship Nondef Ex Air (Oct) (P)	✓	0.30%	-0.10%	Monthly
US	15:30	Durable Goods Orders (Oct) (P)	✓✓✓	-2.60%	0.70%	Monthly
US	15:30	Durable Goods Orders ex Transportation (Oct) (P)	✓✓	0.40%	0.00%	Monthly
US	17:00	Leading Indicator (MoM) (Oct)	✓✓✓	0.10%	0.50%	Monthly
US	17:00	Reuters/Michigan Consumer Sentiment Index (Nov) (F)	✓✓✓	98.30	98.30**	Monthly
US	17:00	Existing Home Sales (MoM) (Oct)	✓✓✓	1.00%	-3.40%	Monthly
US	17:00	Existing Home Sales (Oct)	✓✓✓	5.20mn	5.15mn	Monthly

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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