

ONE  
Minute Brief

23 November 2018

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## Economic and political news

The South African Reserve Bank (SARB) raised its key interest rate for the first time in nearly two years to 6.75%. The central bank lowered its economic growth forecast for this year to 0.6% from 0.7% and kept its 2019 and 2020 forecast unchanged at 1.9% and 2.0%, respectively. The central bank also revised its 2018 headline inflation forecasts to 4.7% from 4.8%.

President, Cyril Ramaphosa, in his cabinet shuffle, appointed Siyabonga Cwele as the new Home Affairs Minister, while Stella Ndabeni-Abrahams has been selected to head the Communications Ministry as well as oversee the department of telecommunications. Ramaphosa stated that the two departments will be merged after the 2019 elections. Additionally, Nomvula Mokonyane has been appointed as Environmental Affairs Minister. Meanwhile, Ramaphosa announced the resignation of the Deputy Energy Minister, Thembu Majola, with effect from 1 January.

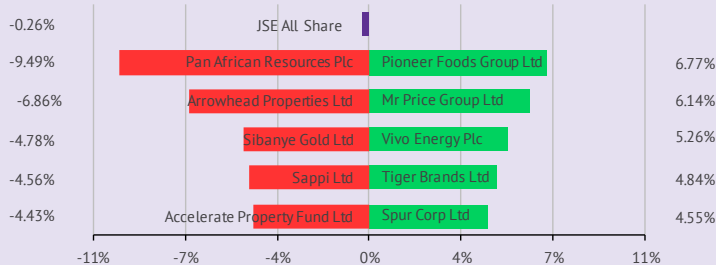
The Labour Court has dismissed Siyabonga Gama's application to be reinstated as CEO of Transnet and ordered him to pay the costs for Transnet, including two of its lawyers.

Deputy President, David Mabuza, stated that underused government-owned land will soon be released to expand access to land and to boost agricultural production.

## South Africa Market ▼

## South African markets closed lower

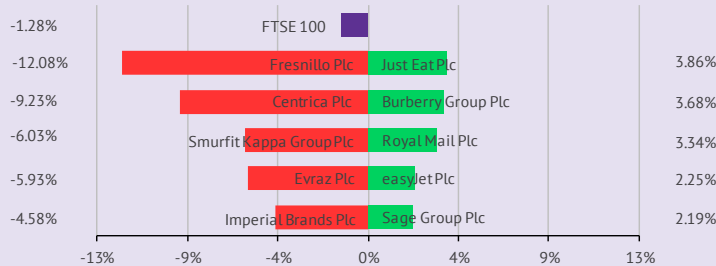
South African markets closed in the red yesterday, as the South African Rand strengthened, after the SARB raised its key interest rates and mining stocks fell. The JSE All Share Index fell 0.3% to close at 51,187.35.



## UK Market ▼

## The FTSE 100 futures are trading in positive territory

UK markets finished lower yesterday, as the British Pound rose, after UK and EU agreed on a draft political declaration for Brexit deal. The FTSE 100 Index declined 1.3% to close at 6,960.32.



## Key indices

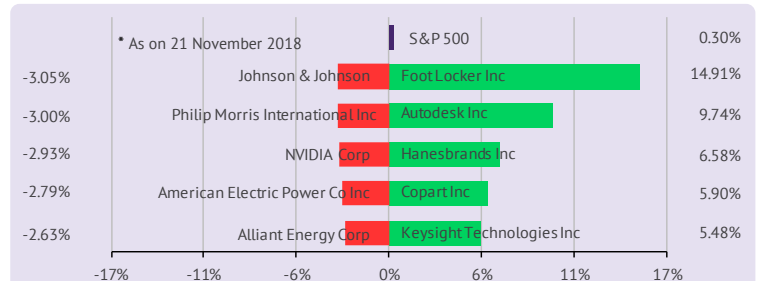
	Last close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	51187.35	▼	-131.30	-0.26	-1.74	-2.29	-5.96
JSE Top 40	44996.30	▼	-135.87	-0.30	-1.86	-2.48	-6.82
FTSE 100	6960.32	▼	-89.91	-1.28	-0.76	-2.35	-5.09
DAX 30	11138.49	▼	-105.68	-0.94	-1.79	-2.70	-6.53
CAC 40	4938.14	▼	-37.36	-0.75	-1.73	-3.05	-7.28
S&P 500*	2649.93	▲	8.04	0.30	-3.16	-2.28	-6.94
Nasdaq Composite*	6972.25	▲	63.43	0.92	-3.80	-4.57	-9.20
DJIA*	24464.69	▼	-0.95	-0.004	-3.73	-2.59	-5.07
MSCI Emerging Markets	975.99	▲	0.95	0.10	-1.05	2.10	-8.78
MSCI Developed World	1984.03	▼	-0.70	-0.04	-2.35	-1.88	-7.42

\* Values as on 21 November 2018

## US Market

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

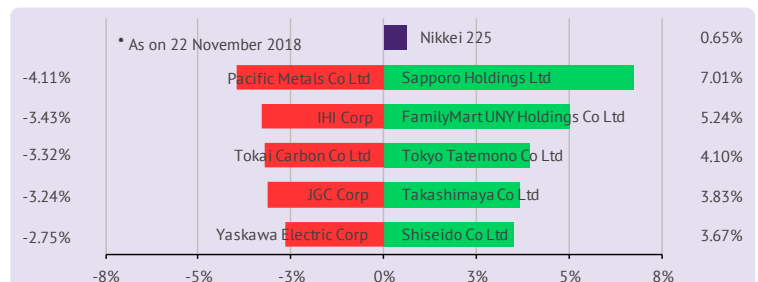
Markets in the US were closed yesterday on account of a public holiday.



## Asian Market ▼

## Trading lower

Asian markets are trading lower this morning. Markets in Japan are closed today on account of national holiday.



## USD ZAR ▲

### USD trading higher against ZAR

At 06:00 SAST, the US Dollar climbed 0.1% against the South African Rand to trade at R13.7611. Later today, traders will keep a close watch on the US manufacturing and services PMI for further indication.

The US Dollar fell against the South African Rand yesterday. Separately, the South African Rand rose against the US Dollar, after the SARB increased its benchmark interest rates for the first time since 2016.

## GBP ZAR ▲

### GBP trading firmer against ZAR

At 06:00 SAST, the British Pound advanced 0.1% against the South African Rand to trade at R17.7259. With no major economic news in the UK today, investor sentiment will be determined by global macroeconomic news.

The British Pound declined against the South African Rand yesterday.

## EUR ZAR ▲

### EUR trading higher against ZAR

At 06:00 SAST, the Euro rose 0.2% against the South African Rand to trade at R15.7088. Going forward, market participants will keep a tab on Germany's gross domestic product along with the Markit manufacturing and services PMIs across the Eurozone for further direction.

The Euro weakened against the South African Rand yesterday. On the data front, the Eurozone's consumer confidence index declined more than market forecast in November.

## AUD ZAR ▲

### AUD trading stronger against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% higher against the South African Rand at R9.9831. Earlier in the session, Australia's CBA manufacturing PMI remained unchanged in November. Further, the CBA services PMI recorded a rise in the same month.

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	13.7611	▲	-1.10	-1.72	-7.00	4.56	11.06
GBPZAR	17.7259	▲	-0.45	-1.39	-6.11	2.35	5.92
EURZAR	15.7088	▲	-0.98	-1.91	-6.24	1.89	5.56
AUDZAR	9.9831	▲	-1.40	-2.68	-4.54	2.26	3.22
EURUSD	1.1416	▲	0.17	-0.11	0.80	-2.52	-5.01
GBPUSD	1.2881	▲	0.77	0.34	0.87	-2.03	-4.71
Brent (\$/barrel)	62.0	▼	-1.39	-6.23	-16.58	-9.30	-6.39
Gold (\$/oz)	1228.6	▲	0.00	0.41	1.07	1.97	-6.21
Platinum (\$/oz)	849.9	▼	0.00	0.47	0.90	2.97	-8.95
Copper (\$/MT)*	6286.3	▲	0.28	1.01	4.14	-3.62	-12.78

\*As of previous close

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices are trading slightly higher at \$1,228.60/oz.

Trading in gold was closed yesterday on account of Thanksgiving holiday.

## Brent Crude Oil ▼

### Trading weaker

At 06:00 SAST, Brent crude oil edged 1.0% lower to trade at \$61.97/bl, amid concerns over rising crude oil supplies.

Yesterday, Brent crude oil dropped 1.4% to settle at \$62.60/bl, amid increase in the US crude oil inventories.

## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices declined 0.1% to trade at \$849.90/oz.

Trading in platinum was closed yesterday on account of Thanksgiving holiday.

## Major South African corporate news

### Lonmin Plc

The company announced that the South African Competition Tribunal has approved the proposed acquisition of Lonmin by Sibanye-Stillwater, subject to agreed conditions, and the subsequent announcement made by Sibanye-Stillwater. The acquisition remains subject to the approvals of Sibanye-Stillwater and Lonmin shareholders and the sanction of the UK court. The companies aim to close the transaction in 1Q19.

### Tiger Brands Limited

In its FY18 results, the company indicated that its revenues fell to ZAR28.47bn, compared to ZAR31.30bn posted in the corresponding period of the previous year. Its diluted EPS decreased to 1,444.60c from 1,812.10c recorded in the same period of the prior year. The company has declared a gross final cash dividend of 702.00c per share.

### Mr Price Group Limited

In its 1H18 results, the company announced that its revenues advanced 7.8% to ZAR10.54bn, compared to the same period of the preceding year. Its diluted EPS stood at 482.40c, compared to 432.10c recorded in the corresponding period of the previous year. The company has declared an interim dividend of 311.40c per share compared to 279.00c per share posted in the comparable period of the prior year.

## Major global economic news

### Asia





















In Australia, the CBA manufacturing PMI recorded an unchanged reading at 54.50 in November.

In Australia, the CBA services PMI advanced to a level of 52.60 in November, compared to a reading of 51.70 in the previous month.

### Eurozone

In the Eurozone, the flash consumer confidence index registered a drop to -3.90 in November, more than market expectations. The index had recorded a reading of -2.70 in the previous month.

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus	Previous/ **Previous est.	Frequency
 Germany	09:00	Gross Domestic Product n.s.a. (YoY) (Q3) (F)	✓✓	1.10%	1.10%**	Quarterly
 Germany	09:00	Gross Domestic Product s.a. (QoQ) (Q3) (F)	✓✓✓	-0.20%	-0.20%**	Quarterly
 Germany	09:00	Gross Domestic Product w.d.a. (YoY) (Q3) (F)	✓✓	1.10%	1.10%**	Quarterly
 Germany	09:00	Domestic Demand s.a. (QoQ) (Q3)	✓	0.30%	0.90%	Quarterly
 Germany	09:00	Private Consumption (QoQ) (Q3)	✓	-0.10%	0.30%	Quarterly
 Germany	09:00	Capital Investment (QoQ) (Q3)	✓	0.40%	0.50%	Quarterly
 Germany	09:00	Construction Investment (QoQ) (Q3)	✓	0.40%	0.60%	Quarterly
 Germany	09:00	Government Spending (QoQ) (Q3)	✓	0.20%	0.60%	Quarterly
 Germany	09:00	Exports (QoQ) (Q3)	✓	-0.30%	0.70%	Quarterly
 Germany	09:00	Imports (QoQ) (Q3)	✓	0.70%	1.70%	Quarterly
 Germany	10:30	Markit Manufacturing PMI (Nov) (P)	✓✓✓	52.20	52.20	Monthly
 Germany	10:30	Markit Services PMI (Nov) (P)	✓✓✓	54.50	54.70	Monthly
 Eurozone	11:00	Markit Composite PMI (Nov) (P)	✓✓✓	53.00	53.10	Monthly
 Eurozone	11:00	Markit Manufacturing PMI (Nov) (P)	✓✓✓	52.00	52.00	Monthly
 Eurozone	11:00	Markit Services PMI (Nov) (P)	✓✓✓	53.60	53.70	Monthly
 UK	13:00	CBI Distributive Trades Survey - Realised (Nov)	✓✓	-	5.00%	Monthly
 Eurozone	14:00	ECB Vice President Luis de Guindos Speaks in Madrid	✓	-	-	As scheduled
 US	16:45	Markit Composite PMI (Nov) (P)	✓✓✓	-	54.90	Monthly
 US	16:45	Markit Services PMI (Nov) (P)	✓✓✓	55.00	54.80	Monthly
 US	16:45	Markit Manufacturing PMI (Nov) (P)	✓✓✓	55.70	55.70	Monthly

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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