

ONE Minute Brief

29 November 2018

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Economic and political news

In South Africa (SA), the consumer confidence index dropped to 7.00 in 3Q18, compared to a level of 22.00 in the prior quarter.

The Automobile Association has forecasted that petrol price will drop by ZAR1.85 per litre and diesel by ZAR1.40 per litre in December.

News reports indicate that the National Prosecuting Authority (NPA) has decided to provisionally withdraw its case against Gupta family members and associates implicated in the Estina dairy farm project scam.

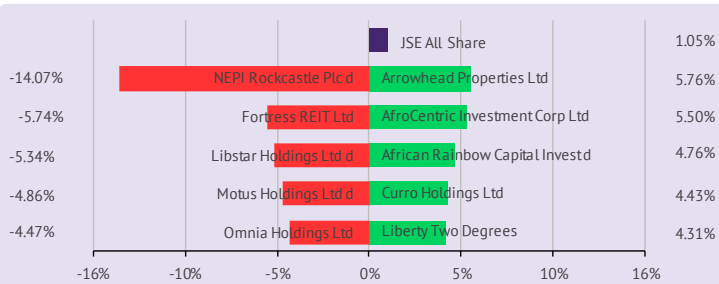
Deputy Reserve Bank Governor, Daniel Mminele, warned that the South African rand will remain volatile in 2019, making monetary policy complicated.

According to a news report, Afriforum, an advocacy group representing white Afrikaners, will challenge in court President, Cyril Ramaphosa's plan to change the constitution to allow land expropriation without compensation.

South Africa Market ▲

South African markets closed higher

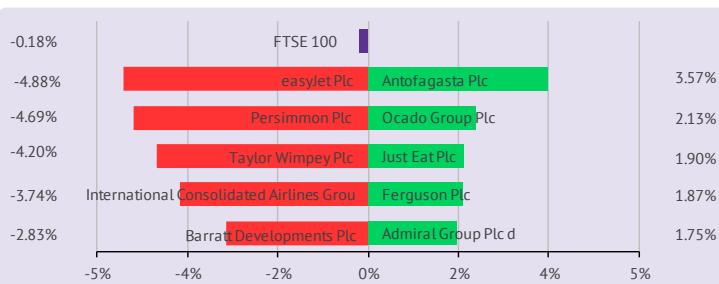
South African markets closed in the green yesterday, boosted by gains in industrial and banking sector stocks. Data showed that SA's consumer confidence index fell in 3Q18. The JSE All Share Index rose 1.1% to close at 51,895.12.



UK Market ▼

The FTSE 100 futures are trading in negative territory

UK markets finished lower yesterday, amid worries over the impact of a no-deal Brexit on Britain's economy. The FTSE 100 Index declined 0.2% to close at 7,004.52.



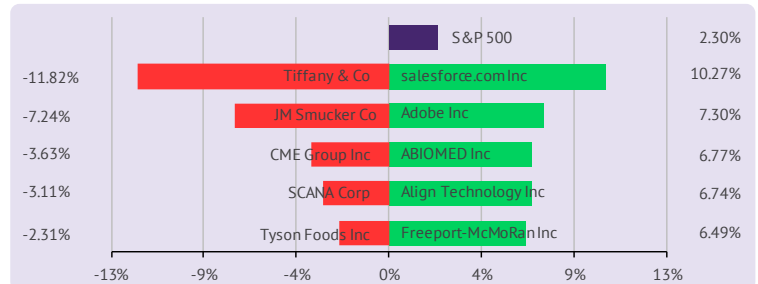
Key indices

	Last close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	51895.12	▲	541.14	1.05	2.36	-0.94	-5.96
JSE Top 40	45799.08	▲	574.44	1.27	2.84	-0.74	-6.82
FTSE 100	7004.52	▼	-12.33	-0.18	0.74	-1.73	-5.09
DAX 30	11298.88	▼	-10.23	-0.09	0.95	-1.30	-6.53
CAC 40	4983.24	▲	0.09	0.002	0.73	-2.16	-7.28
S&P 500	2743.79	▲	61.62	2.30	4.23	1.18	-6.94
Nasdaq Composite	7291.59	▲	208.89	2.95	5.08	-0.20	-9.20
DJIA	25366.43	▲	617.70	2.50	4.45	1.00	-5.07
MSCI Emerging Markets	991.67	▲	11.51	1.17	2.32	3.74	-8.78
MSCI Developed World	2029.78	▲	29.70	1.48	2.77	0.39	-7.42

US Market ▲

The S&P 500 futures are trading in the red

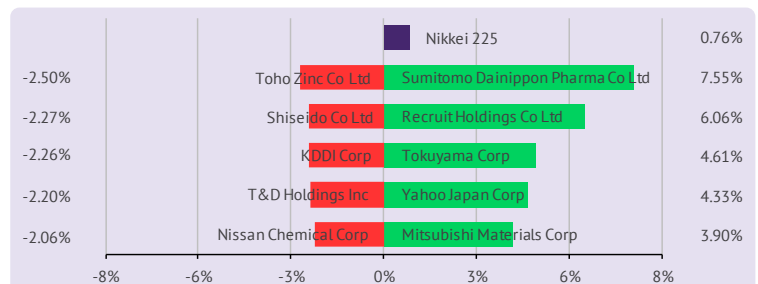
US markets closed higher yesterday, following dovish comments from the Federal Reserve (Fed) Chairman, Jerome Powell on US rate hikes. Data showed that the US quarterly gross domestic product (GDP) advanced in 3Q18. The S&P 500 Index rose 2.3% to close at 2,743.79.



Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning. Data indicated that Japan's monthly retail trade rose more-than-expected in October. The Nikkei 225 Index is trading 0.8% higher at 22,344.47.



USD ZAR ▼

USD trading lower against ZAR

At 06:00 SAST, the US Dollar declined 0.1% against the South African Rand to trade at R13.7621. Later today, traders will keep a close watch on the FOMC meeting minutes, the US initial jobless claims, personal income, personal spending and pending home sales data for further cues.

The US Dollar fell against the South African Rand yesterday, as the Fed Chairman, Jerome Powell, hinted at fewer rate hikes in the US. On the macroeconomic front, the US advance goods trade deficit widened more-than-anticipated in October. Further, monthly new home sales unexpectedly declined in October. Moreover, the Richmond Fed manufacturing index registered an unexpected drop in November. In contrast, the nation's GDP advanced in line with market expectations on a quarterly basis in the third quarter of 2018. Additionally, the MBA mortgage applications recorded a rise in the week ended 23 November 2018. Separately, in SA, the consumer confidence index declined in the third quarter of 2018.

GBP ZAR ▲

GBP trading higher against ZAR

At 06:00 SAST, the British Pound slightly advanced against the South African Rand to trade at R17.6647. Ahead in the day, traders will keep an eye on UK's net consumer credit and mortgage approvals for further indication.

The British Pound declined against the South African Rand yesterday.

EUR ZAR ▼

EUR trading weaker against ZAR

At 06:00 SAST, the Euro is trading marginally lower against the South African Rand at R15.6604. Going forward, market participants will keep a tab on the Eurozone's business climate indicator, economic and business confidence index along with Germany's consumer price index and unemployment rate for further direction.

The Euro weakened against the South African Rand yesterday. On the data front, Germany's GfK consumer confidence index fell more than market forecast in December.

AUD ZAR ▼

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar slightly fell against the South African Rand to trade at R10.0575.

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	13.7621	▼	-1.11	-0.63	-6.85	4.56	11.23
GBPZAR	17.6647	▲	-0.54	-0.55	-6.38	2.35	5.61
EURZAR	15.6604	▼	-0.39	-0.32	-6.34	1.89	5.44
AUDZAR	10.0575	▼	-0.01	0.40	-3.71	2.26	4.12
EURUSD	1.1379	▲	0.68	0.26	0.48	-2.52	-5.32
GBPUSD	1.2834	▲	0.61	0.09	0.46	-2.03	-5.09
Brent (\$/barrel)	59.0	▲	-2.41	-0.07	-21.70	-9.30	-12.13
Gold (\$/oz)	1229.4	▲	0.84	0.03	0.71	1.97	-6.55
Platinum (\$/oz)	829.0	▲	-1.08	-2.21	-1.98	2.97	-11.55
Copper (\$/MT)*	6244.0	▲	1.44	0.12	3.44	-3.62	-13.36

*As of previous close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.5% higher to trade at \$1,229.40/oz.

Yesterday, gold prices rose 0.8% to close at \$1,223.60/oz, as the US Dollar weakened, following dovish remarks by the Fed Chairman, Jerome Powell.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil advanced 0.4% to trade at \$58.97/bl.

Yesterday, Brent crude oil dropped 2.4% to settle at \$58.76/bl, after the US Energy Information Administration reported that crude oil inventories rose by 3.6mn bls in the week ended 23 November 2018.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices advanced 0.3% to trade at \$829.00/oz.

Yesterday, platinum prices declined 1.1% to close at \$826.3/oz.

Major South African corporate news

Arrowhead Properties Limited

The company, in its final results for the year ended 30 September 2018, announced that its revenues increased to ZAR2.51bn, from ZAR2.17bn reported in the previous year. Its diluted loss per share stood at 19.08c. Further, the company stated that it has declared a total dividend of 74.10c per share.

Bidvest Group Limited

In its trading update for the four months ended October 2018, the company stated that the operating performance, year to date, has been solid despite sluggish economic growth, political instability and waning business confidence in SA. However, businesses exposed to the infrastructure, construction and manufacturing sectors witnessed further contraction in demand. Progress on the company's Freight's ZAR1.00bn Liquefied Petroleum Gas project is on schedule and civil work is progressing well.

Major global economic news

US

In the US, the second estimate of annualised GDP climbed 3.5% on a quarterly basis in 3Q18, at par with market expectations. In the prior quarter, the annualised GDP had climbed 4.2%. The preliminary figures had also indicated an advance of 3.5%.

In the US, the MBA mortgage applications rebounded 5.5% on a weekly basis in the week ended 23 November 2018. The MBA mortgage applications had recorded a drop of 0.1% in the previous week.

In October, advance goods trade deficit widened more-than-expected to USD77.20bn in the US, compared to a revised deficit of USD76.30bn in the previous month.

In October, new home sales unexpectedly dropped 8.9% to a level of 544.00K on a monthly basis in the US. New home sales had registered a revised level of 597.00K in the prior month.

In the US, the Richmond Fed manufacturing index unexpectedly fell to 14.00 in November. In the previous month, the index had registered a reading of 15.00.

Eurozone

In Germany, the GfK consumer confidence index eased more-than-anticipated to 10.40 in December. In the prior month, the index had registered a level of 10.60.

Asia

In Japan, retail trade recorded a more-than-expected rise of 1.2% on a monthly basis in October, compared to a drop of 0.2% in the previous month.

In October, large retailers' sales fell 0.8% on a monthly basis in Japan. In the prior month, large retailers' sales had advanced 0.4%.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
Japan	01:50	Retail Trade s.a. (MoM) (Oct)	✓✓✓	1.20%*	-0.20%	Monthly
Japan	01:50	Retail Trade (YoY) (Oct)	✓✓✓	3.50%*	2.10%	Monthly
Japan	03:30	BoJ Masai speaks in Fukuoka	✓	-	-	As scheduled
South Africa	08:00	M3 Money Supply (YoY) (Oct)	✓	7.00%	7.00%	Monthly
South Africa	08:00	Private Sector Credit (YoY) (Oct)	✓	6.35%	6.26%	Monthly
Eurozone	10:00	ECB President Draghi Speaks in Frankfurt	✓	-	-	As scheduled
Germany	10:55	Unemployment Rate s.a. (Nov)	✓✓✓	5.10%	5.10%	Monthly
Germany	10:55	Unemployment Change (Nov)	✓✓✓	-10.00K	-11.00K	Monthly
South Africa	11:30	Producer Price Index (MoM) (Oct)	✓✓	0.80%	0.50%	Monthly
South Africa	11:30	Producer Price Index (YoY) (Oct)	✓✓	6.30%	6.20%	Monthly
UK	11:30	Net Consumer Credit (Oct)	✓✓	GBP1.00bn	GBP0.80bn	Monthly
UK	11:30	Mortgage Approvals (Oct)	✓✓✓	64.60K	65.30K	Monthly
Eurozone	12:00	Business Climate Indicator (Nov)	✓✓	0.96	1.01	Monthly
Eurozone	12:00	Consumer Confidence (Nov) (F)	✓✓✓	-3.90	-3.90**	Monthly
Eurozone	12:00	Economic Sentiment Indicator (Nov)	✓	109.10	109.80	Monthly
Eurozone	12:00	Industrial Confidence (Nov)	✓	2.50	3.00	Monthly
Eurozone	12:00	Services Sentiment Indicator (Nov)	✓	13.10	13.60	Monthly
Eurozone	13:30	ECB Publishes Financial Stability Review	✓	-	-	As scheduled
Germany	15:00	Consumer Price Index (MoM) (Nov) (P)	✓✓✓	0.20%	0.20%	Monthly
Germany	15:00	Consumer Price Index (YoY) (Nov) (P)	✓✓✓	2.40%	2.50%	Monthly
US	15:30	Initial Jobless Claims (24-Nov)	✓✓✓	220.00K	224.00K	Weekly
US	15:30	Continuing Jobless Claims (17-Nov)	✓✓✓	1663.00K	1668.00K	Weekly
US	17:00	Pending Home Sales (MoM) (Oct)	✓✓	0.50%	0.50%	Monthly
US	17:00	Pending Home Sales (YoY) (Oct)	✓	-2.80%	-3.40%	Monthly
US	21:00	Fed Releases Minutes of FOMC Meeting	✓✓✓	-	-	As scheduled
US	21:00	Fed's Evans Speaks on Panel on Inclusion at Boston Fed	✓	-	-	As scheduled

Note: ✓✓✓High ✓✓Medium ✓Low

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