

ONE Minute Brief

30 November 2018

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Economic and political news

In South Africa (SA), the producer price index (PPI) advanced 6.90% on an annual basis in October, compared to a rise of 6.20% in September. Private sector credit demand growth slowed to 5.82% on a yearly basis in October, compared to a growth of 6.27% in September. Growth in M3 money supply eased to 5.99% on an annual basis in October, compared to a rise of 7.00% in the prior month.

Mineral Resources Minister, Gwede Mantashe, stated that SA will amend a moratorium on gas and oil exploration licences implemented earlier this year.

Ratings agency, Standard & Poor's has kept Eskom's foreign and local currency long-term ratings at CCC+, with a negative outlook.

The Western Cape High Court will today hand down judgement on Afriforum's land reform case.

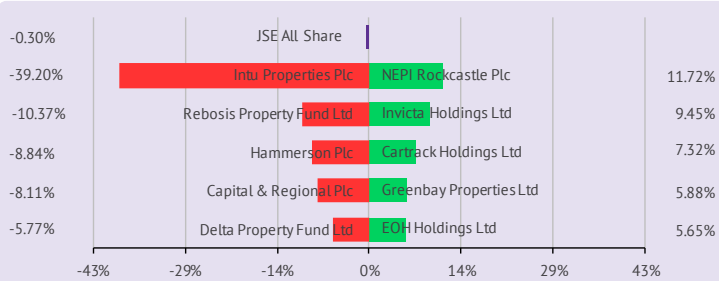
According to a news report, the North Gauteng High Court in Pretoria has ordered the South African Social Security Agency (Sassa) to pay social grants into accounts chosen by grant beneficiaries.

President, Cyril Ramaphosa, in response to former SA Revenue Service (Sars) Commissioner's court challenge, stated that Tom Moyane is neither fit nor entitled to lead the Sars.

South Africa Market ▼

South African markets closed lower

South African markets closed in the red yesterday, led by losses in industrial and retail sector stocks. Data revealed that SA's annual PPI climbed more-than-expected in October. The JSE All Share Index fell 0.3% to close at 51,737.56.



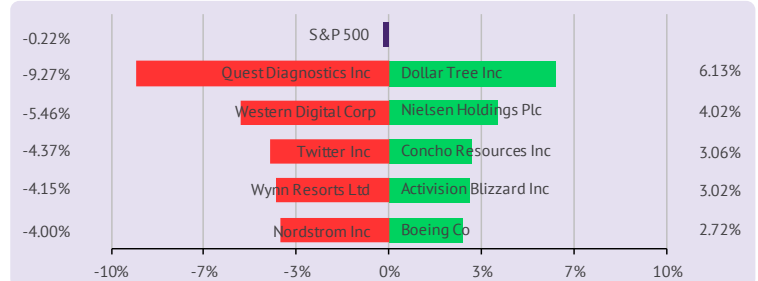
Key indices

	Last close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	51737.56	▼ -157.56	-0.30	2.05	-1.24	-5.96	-13.05
JSE Top 40	45703.17	▼ -95.91	-0.21	2.62	-0.95	-6.82	-13.00
FTSE 100	7038.95	▲ 34.43	0.49	1.24	-1.25	-5.09	-8.44
DAX 30	11298.23	▼ -0.65	-0.01	0.94	-1.30	-6.53	-12.54
CAC 40	5006.25	▲ 23.01	0.46	1.20	-1.71	-7.28	-5.77
S&P 500	2737.76	▼ -6.03	-0.22	4.00	0.96	-6.94	2.40
Nasdaq Composite	7273.08	▼ -18.51	-0.25	4.81	-0.45	-9.20	5.36
DJIA	25338.84	▼ -27.59	-0.11	4.34	0.89	-5.07	2.51
MSCI Emerging Markets	998.05	▲ 6.38	0.64	2.98	4.41	-8.78	-13.85
MSCI Developed World	2034.89	▲ 5.11	0.25	3.03	0.64	-7.42	-3.26

US Market ▼

The S&P 500 futures are trading in the red

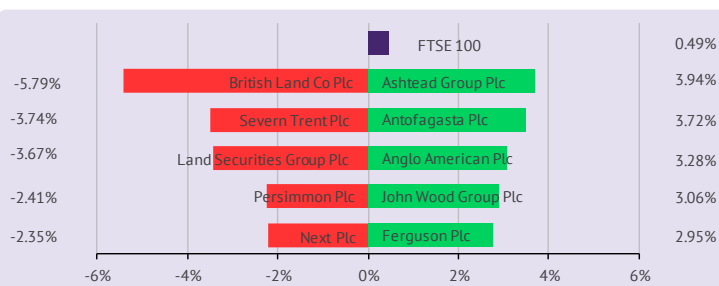
US markets closed lower yesterday, led by losses in banking and technology sector stocks and on uncertainty over the outcome of upcoming G20 summit. The S&P 500 Index dropped 0.2% to close at 2,737.76.



UK Market ▲

The FTSE 100 futures are trading in negative territory

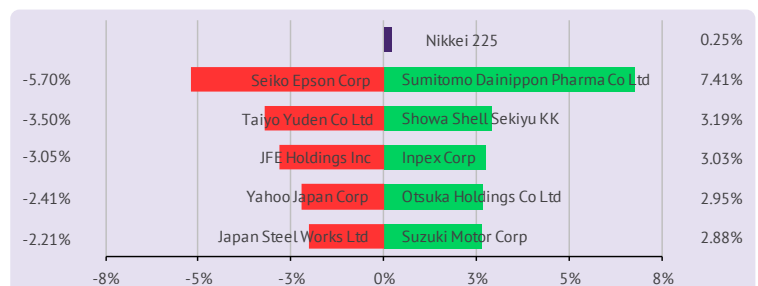
UK markets finished higher yesterday, buoyed by gains in mining and commodity sector stocks. The FTSE 100 Index rose 0.5% to close at 7,038.95.



Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning. Data showed that Japan's jobless rate unexpectedly rose in October. The Nikkei 225 Index is trading 0.3% higher at 22,318.96.



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 R13.6591. Later today, traders will keep a close watch on the US Chicago purchasing manager's index for further indication.

The US Dollar fell against the South African Rand yesterday. On the data front, the US initial jobless claims unexpectedly climbed in the week ended 24 November 2018. Additionally, pending home sales unexpectedly declined on a monthly basis in October. Meanwhile, the nation's personal income recorded an advance in October. Moreover, personal spending jumped more than market forecast in October. Separately, in SA, the annual PPI recorded a more-than-expected advance in October. Meanwhile, the nation's private sector credit demand rose less than market forecast on a yearly basis in October. Additionally, M3 money supply jumped less than market anticipations on an annual basis in October.

GBP ZAR ▼

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound dropped 0.1% against the South African Rand to trade at R17.4565. Ahead in the day, traders will keep an eye on UK's Nationwide house price index for further cues.

The British Pound declined against the South African Rand yesterday. On the macro front, UK's net consumer credit advanced less than market expectations in October. In contrast, the nation's mortgage approvals recorded an unexpected rise in the same month.

EUR ZAR ▼

EUR trading lower against ZAR

At 06:00 SAST, the Euro is trading 0.1% weaker against the South African Rand at R15.5634. Going forward, market participants will keep a tab on the Eurozone's consumer price index (CPI), unemployment rate and Germany's retail sales for further direction.

The Euro weakened against the South African Rand yesterday. Data indicated that the Eurozone's economic confidence index declined less-than-anticipated in November. Moreover, the final consumer confidence index dropped in November. Meanwhile, the region's consumer confidence index recorded a steady reading in the same month. Separately, Germany's CPI advanced less-than-expected on an annual basis in November. In contrast, the nation's unemployment rate registered an unexpected drop in November.

AUD ZAR ▼

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% lower against the South African Rand at R9.9950. Earlier in the session, Australia's private sector credit demand recorded a steady reading in October. Meanwhile, in China, Australia's largest trading partner, the manufacturing PMI registered an unexpected decline in November.

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	13.6591	▼	-0.76	-1.39	-7.56	4.56	10.38
GBPZAR	17.4565	▼	-1.01	-1.55	-7.32	2.35	4.55
EURZAR	15.5634	▼	-0.57	-0.90	-6.88	1.89	4.84
AUDZAR	9.9950	▼	-0.57	-0.17	-4.25	2.26	3.53
EURUSD	1.1394	▲	0.24	0.49	0.72	-2.52	-5.10
GBPUSD	1.2780	▼	-0.27	-0.18	0.20	-2.03	-5.34
Brent (\$/barrel)	59.7	▲	1.28	1.21	-20.70	-9.30	-11.01
Gold (\$/oz)	1230.3	▲	0.04	0.07	0.75	1.97	-6.51
Platinum (\$/oz)	818.6	▼	-0.65	-2.85	-2.62	2.97	-12.13
Copper (\$/MT)*	6247.5	▲	0.06	0.18	3.50	-3.62	-13.31

*As of previous close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices rose 0.5% to trade at \$1,230.30/oz.

Yesterday, gold prices slightly rose to close at \$1,224.10/oz.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged 0.4% higher to trade at \$59.72/bl.

Yesterday, Brent crude oil advanced 1.3% to settle at \$59.5/bl, amid reports that Russian officials would consider production cuts together with the Organisation of the Petroleum Exporting Countries.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices dropped 0.3% to trade at \$818.60/oz.

Yesterday, platinum prices declined 0.6% to close at \$820.9/oz.

Major South African corporate news

Lonmin Plc

The company, in its final results for the year ended 30 September 2018, announced that revenues advanced to USD1.35bn, compared to USD1.17bn posted in the same period of the preceding year. Its diluted EPS stood at 14.80c. The company has decided not to declare a final dividend for the period.

Vukile Property Fund Limited

In its 1H18 results, the company stated that its gross property revenues increased to ZAR1.26bn, compared to ZAR0.95bn posted in the corresponding period of the previous year. Its diluted EPS fell to 102.00c from 137.00c recorded in the same period of the prior year. The company has declared an interim dividend of 78.10c per share, which is 7.5% higher compared to the corresponding period of the preceding year.

Major global economic news

US

The Federal Open Market Committee (FOMC) meeting minutes indicated that an interest rate increase is likely at next month's meeting. Almost all officials expressed the view that another increase in the target range for the federal funds rate was likely to be warranted fairly soon. However, a few participants expressed uncertainty regarding the timing of future rate hikes.

In the US, seasonally adjusted initial jobless claims unexpectedly rose to a level of 234.00K in the week ended 24 November 2018, compared to a reading of 224.00K in the previous week.

In the US, personal income rose 0.50% on a monthly basis in October, more than market expectations. Personal income had climbed 0.2% in the previous month.

In October, personal spending registered a more-than-anticipated rise of 0.6% on a monthly basis in the US. Personal spending had risen by a revised 0.2% in the prior month.

In October, pending home sales registered an unexpected drop of 2.6% on a monthly basis in the US. In the previous month, pending home sales had registered a revised rise of 0.7%.

Asia

In Japan, unemployment rate recorded an unexpected rise to 2.4% in October. In the previous month, unemployment rate had registered a reading of 2.3%.

In Japan, preliminary industrial production registered a rise of 2.9% on a monthly basis in October, more than market expectations. Industrial production had fallen 0.4% in the prior month.

In November, the Tokyo CPI recorded a less-than-expected rise of 0.8% on a yearly basis in Japan. In the previous month, the CPI had advanced 1.5%.

In China, the manufacturing PMI registered an unexpected drop to 50.00 in November. In the previous month, the manufacturing PMI had registered a level of 50.20.

In Australia, private sector credit demand recorded a steady reading of 0.4% on a monthly basis in October, meeting market forecast.

Eurozone

In the Eurozone, the business climate indicator unexpectedly advanced to 1.09 in November, compared to a reading of 1.01 in the prior month.

In November, the economic sentiment indicator dropped to 109.50 in the Eurozone, compared to a revised reading of 109.70 in the prior month.

In the Eurozone, the final consumer confidence index fell to a level of -3.90 in November, in line with market expectations. The index had recorded a reading of -2.70 in the previous month.

In Germany, the flash CPI registered a less-than-anticipated rise of 2.3% on an annual basis in November. In the previous month, the CPI had risen 2.5%.

In Germany, seasonally adjusted unemployment rate unexpectedly fell to a rate of 5.0% in November. In the previous month, unemployment rate had recorded a reading of 5.1%.

UK

In the UK, net consumer credit climbed GBP0.90bn in October, less-than-expected and compared to a revised similar rise in the previous month.

In the UK, mortgage approvals for house purchases unexpectedly climbed to a level of 67.10K in October. Number of mortgage approvals for house purchases had registered a revised reading of 65.70K in the prior month.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
Japan	01:30	Job-To-Applclicant Ratio (Oct)	✓	1.62*	1.64	Monthly
Japan	01:30	Unemployment Rate (Oct)	✓✓	2.40%*	2.30%	Monthly
Japan	01:30	Tokyo Consumer Price Index (YoY) (Nov)	✓✓✓	0.80%*	1.50%	Monthly
Japan	01:50	Industrial Production (MoM) (Oct) (P)	✓✓✓	2.90%*	-0.40%	Monthly
Japan	01:50	Industrial Production (YoY) (Oct) (P)	✓✓✓	4.20%*	-2.50%	Monthly
China	03:00	NBS Manufacturing PMI (Nov)	✓✓	50.00*	50.20	Monthly
Japan	07:00	Consumer Confidence Index (Nov)	✓✓	42.90*	43.00	Monthly
Japan	07:00	Annualised Housing Starts (Oct)	✓✓	0.95mn units*	0.94mn units	Monthly
Japan	07:00	Housing Starts (YoY) (Oct)	✓	0.30%*	-1.50%	Monthly
Germany	09:00	Short-Term Interest Rate (Oct)	✓	-	-0.32%	Monthly
Germany	09:00	Import Price Index (Oct)	✓	-	103.70	Monthly
UK	09:00	Nationwide House Prices n.s.a. (YoY) (Nov)	✓✓	1.70%	1.60%	Monthly
UK	09:00	Nationwide House Prices s.a. (MoM) (Nov)	✓✓✓	0.10%	0.00%	Monthly
Germany	09:00	Retail Sales (MoM) (Oct)	✓✓✓	0.40%	0.10%	Monthly
Germany	09:00	Retail Sales (YoY) (Oct)	✓✓✓	1.40%	-2.60%	Monthly
Eurozone	12:00	Consumer Price Index (YoY) (Nov) (P)	✓✓✓	-	2.20%	Monthly
Italy	12:00	Consumer Price Index (MoM) (Nov) (P)	✓✓✓	-	0.00%	Monthly
Italy	12:00	Consumer Price Index (YoY) (Nov) (P)	✓✓✓	-	1.60%	Monthly
Italy	12:00	Consumer Price Index (Nov) (P)	✓	-	102.60	Monthly
Eurozone	12:00	Consumer Price Index - Core (YoY) (Nov) (P)	✓✓✓	1.10%	1.10%	Monthly
Eurozone	12:00	Unemployment Rate (Oct)	✓✓✓	8.00%	8.10%	Monthly
South Africa	14:00	Trade Balance (Oct)	✓✓	-ZAR5.00bn	-ZAR3.00bn	Monthly
Eurozone	14:45	ECB's Coeure Is Moderating a Panel in Frankfurt	✓	-	-	As scheduled
US	16:00	Fed's Williams Speaks on Global Economy at G30 in New York	✓	-	-	As scheduled
US	16:45	Chicago PMI (Nov)	✓✓✓	58.50	58.40	Monthly
Eurozone	-	G20 Meeting	✓✓	-	-	As scheduled

Note: ✓✓✓High ✓✓Medium ✓Low

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