

ONE
Minute Brief

13 December 2018

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Economic and political news

In South Africa (SA), the consumer price index (CPI) advanced 5.2% YoY in November, compared to a rise of 5.1% in October. Annual retail sales rose more-than-expected by 2.2% in October, compared to a revised advance of 0.6% in September.

The High Court in Pretoria will pass a judgment today regarding Democratic Alliance's application that the state is not liable to pay former President, Jacob Zuma's defence costs.

A Nigerian judge has postponed a hearing over an USD8.1bn dispute between South African telecom firm, MTN and the Nigeria's central bank until 22 January 2018.

EFF leader, Julius Malema is expected to appear today in the North Gauteng High Court regarding his calls for land grabs. Meanwhile, the National Prosecuting Authority warned that Julius Malema's calls for people to occupy land could lead to "anarchy" and violence.

The National Union of Mineworkers has called off the union's six-week industrial strike at Gold Fields's South Deep mine.

The South Africa Litigation Centre has welcomed a Constitutional Court judgment that former President, Jacob Zuma's decision to suspend the operations of the Southern African Development Community Tribunal was unconstitutional, unlawful and irrational.

South Africa Market ▲

South African markets closed higher

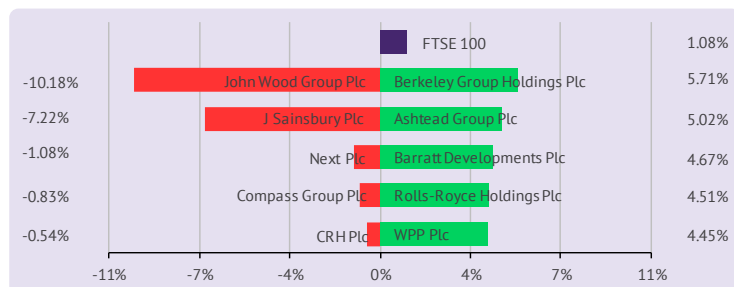
South African markets closed in the green yesterday, on easing US-China trade tensions and boosted by gains in banking, mining and retail sector stocks. The JSE All Share Index rose 0.8% to close at 51,598.10



UK Market ▲

The FTSE 100 futures are trading in positive territory

UK markets finished higher yesterday, after British Prime Minister, Theresa May, survived Brexit-related no-confidence vote. The FTSE 100 Index advanced 1.1% to close at 6,880.19.



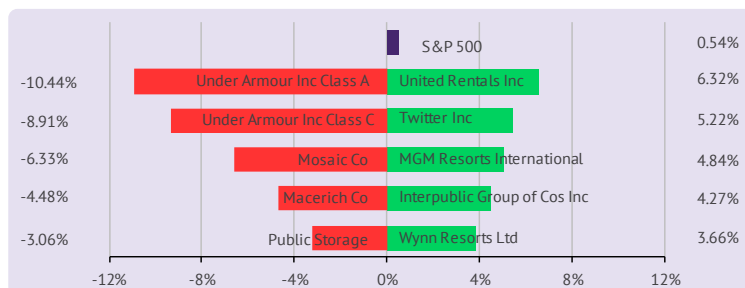
Key indices

	Last close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	51598.10	▲	410.11	0.80	1.10	1.84	-3.29	-13.29
JSE Top 40	45603.19	▲	368.86	0.82	1.33	2.12	-3.22	-13.19
FTSE 100	6880.19	▲	73.25	1.08	1.51	-1.43	-2.07	-10.50
DAX 30	10929.43	▲	148.92	1.38	1.31	-2.91	-1.66	-15.39
CAC 40	4909.45	▲	103.25	2.15	2.00	-1.89	-1.76	-7.59
S&P 500	2651.07	▲	14.29	0.54	0.68	-3.95	1.79	-0.84
Nasdaq Composite	7098.31	▲	66.48	0.95	1.85	-3.17	0.34	2.82
DJIA	24527.27	▲	157.03	0.64	0.57	-3.96	1.68	-0.78
MSCI Emerging Markets	978.90	▲	14.09	1.46	-0.25	-1.59	4.06	-15.50
MSCI Developed World	1975.88	▲	21.23	1.09	0.54	-3.21	0.96	-6.06

US Market ▲

The S&P 500 futures are trading in the green

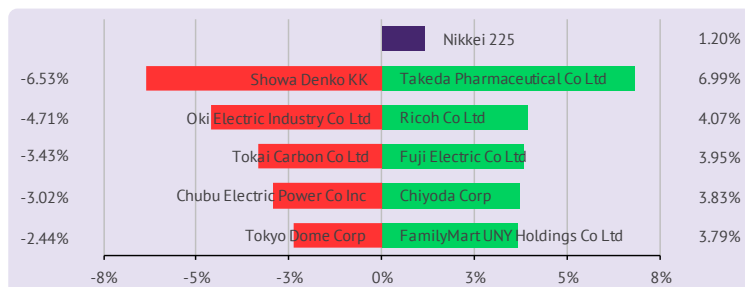
US markets closed higher yesterday, amid positive developments in the US-China trade talks. Data showed that the US annual CPI advanced as expected in November. The S&P 500 Index climbed 0.5% to close at 2,651.07.



Asian Market ▲

Trading higher

Asian markets are trading higher this morning, tracking overnight gains on Wall Street. The Nikkei 225 Index is trading 1.2% higher at 21,861.05.



USD ZAR ▼

USD trading weaker against ZAR

At 06:00 SAST, the US Dollar fell 0.1% against the South African Rand to trade at R14.1027. Later today, traders will keep a close watch on the US initial jobless claims and budget statement for further indication.

The US Dollar fell against the South African Rand yesterday. Data indicated that the US CPI climbed in line with market expectations on a yearly basis in November. Additionally, annual average hourly earnings recorded a rise in November. Moreover, the MBA mortgage applications registered an advance in the week ended 7 December 2018, notching its highest level in two months. Separately, in SA, CPI climbed more than market forecast on an annual basis in November. Additionally, retail sales registered a more-than-anticipated advance on a yearly basis in October.

GBP ZAR ▼

GBP trading lower against ZAR

At 06:00 SAST, the British Pound is trading 0.2% weaker against the South African Rand at R17.7906. With no major economic news in the UK today, investor sentiment will be determined by global macroeconomic news. On the macro front, UK's RICS house price balance unexpectedly dropped in November, marking its lowest level since September 2012.

The British Pound declined against the South African Rand yesterday.

EUR ZAR ▼

EUR trading weaker against ZAR

At 06:00 SAST, the Euro retreated 0.1% against the South African Rand to trade at R16.0321. Going forward, market participants will keep a tab on the European Central Bank's interest rate decision and Germany's CPI for further direction.

The Euro weakened against the South African Rand yesterday. On the data front, the Eurozone's industrial production rebounded on a monthly basis in October.

AUD ZAR ▲

AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar marginally advanced against the South African Rand to trade at R10.1939. Earlier in the session, Australia's consumer inflation expectations climbed in December.

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	14.1027	▼	-1.60	-0.36	1.76	-6.20	13.98
GBPZAR	17.7906	▼	-0.51	-1.09	0.77	-6.23	6.59
EURZAR	16.0321	▼	-1.15	-0.49	2.18	-6.12	8.00
AUDZAR	10.1939	▲	-1.40	-0.14	0.50	-2.97	5.45
EURUSD	1.1368	▼	0.46	-0.09	0.46	0.04	-5.30
GBPUSD	1.2615	▼	1.14	-0.76	-0.94	-0.13	-6.54
Brent (\$/barrel)	60.5	▲	-0.08	-2.46	1.16	-20.76	-10.05
Gold (\$/oz)	1249.5	▲	0.20	-0.19	1.98	0.43	-4.96
Platinum (\$/oz)	806.1	▼	2.75	2.11	0.91	-5.12	-13.61
Copper (\$/MT)*	6144.8	▼	-0.42	-0.07	-1.32	3.16	-14.74

*As of previous close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.4% higher to trade at \$1,249.50/oz.

Yesterday, gold prices rose 0.2% to close at \$1,244.40/oz, amid weakness in the US dollar.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged 0.5% higher to trade at \$60.48/bl, on hopes of easing trade war tensions between the US and China.

Yesterday, Brent crude oil dropped 0.1% to settle at \$60.15/bl, amid reports that Iran's Oil Minister, Bijan Zanganeh stated that divisions exist within the Organisation of the Petroleum Exporting Countries (OPEC) and after the US government data showed that domestic crude supplies declined less than market expectations. The US Energy Information Administration reported that crude oil inventories fell by 1.2mn bls in the week ended 7 December 2018, marking its second consecutive weekly fall.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged 0.1% lower to trade at \$806.10/oz.

Yesterday, platinum prices climbed 2.8% to close at \$807.10/oz.

Major South African corporate news

Anglo American Platinum Limited

The company announced that all conditions precedent to the sale and purchase agreement with Royal Bafokeng Platinum Limited (RBPlat) and Royal Bafokeng Resources Proprietary Limited (RBR) have been satisfied. Further, the company announced that its wholly-owned subsidiary, Rustenburg Platinum Mines Limited (RPM) has completed the disposal of its 33.0% interest in the Bafokeng Rasimone Platinum Mine joint venture, with effect from 11 December 2018.

Group Five Limited

The company announced that it has appointed Anthony Clacher as its Chief Financial Officer, with immediate effect.

British American Tobacco Plc

In its 2H18 pre-close trading update, the company stated that the business continues to perform well and that the full year guidance remains unchanged. The company sees continued good market share growth in combustibles, driven by the Strategic Brands. The US is performing well with volume in line with expectations. For FY18, the company expects industry volume to decline by around 3.5%. On the outlook front, the group remains on track for a strong performance in 2018 and is well placed to manage US regulatory proposals.

Major global economic news

US

In the US, the CPI advanced 2.2% on an annual basis in November, at par with market expectations. In the previous month, the CPI had registered a rise of 2.5%.

In the US, average hourly earnings rose 0.8% on a yearly basis in November, compared to an advance of 0.6% in the previous month.

In the US, the MBA mortgage applications climbed 1.6% on a weekly basis in the week ended 7 December 2018. The MBA mortgage applications had increased 2.0% in the previous week.

UK

In the UK, the RICS house price balance unexpectedly fell to a level of -11.0% in November. In the prior month, house price balance had registered a revised reading of -10.0%.

Eurozone

In the Eurozone, seasonally adjusted industrial production recorded a rise of 0.2% on a monthly basis in October. In the previous month, industrial production had registered a revised drop of 0.6%.

Asia

In Australia, consumer inflation expectations rose to a level of 4.0% in December. The consumer inflation expectations had recorded a reading of 3.6% in the previous month.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
Japan	01:50	Foreign Buying Japan Bonds (07-Dec)	✓	JPY1717.50bn*	JPY733.10bn	Weekly
Japan	01:50	Japan Buying Foreign Bonds (07-Dec)	✓	JPY1241.40bn*	JPY1053.50bn	Weekly
Japan	01:50	Foreign Buying Japan Stocks (07-Dec)	✓	-JPY446.60bn*	-JPY137.90bn	Weekly
Japan	01:50	Japan Buying Foreign Stocks (07-Dec)	✓	-JPY111.80bn*	-JPY75.00bn	Weekly
UK	02:01	RICS Housing Price Balance (Nov)	✓✓✓	-11.00%*	-10.00%	Monthly
Japan	04:00	Tokyo Average Office Vacancies (Nov)	✓	1.98%*	2.20%	Monthly
Germany	09:00	Consumer Price Index (MoM) (Nov) (F)	✓✓✓	0.10%	0.10%**	Monthly
Germany	09:00	Consumer Price Index (YoY) (Nov) (F)	✓✓✓	2.30%	2.30%**	Monthly
Germany	09:00	Harmonised Index of Consumer Prices (HICP) (MoM) (Nov) (F)	✓✓✓	0.10%	0.10%**	Monthly
Germany	09:00	Harmonised Index of Consumer Prices (HICP) (YoY) (Nov) (F)	✓✓✓	2.20%	2.20%**	Monthly
South Africa	11:30	Producer Price Index (MoM) (Nov)	✓✓	0.40%	1.40%	Monthly
South Africa	11:30	Producer Price Index (YoY) (Nov)	✓✓	6.80%	6.90%	Monthly
Eurozone	14:45	ECB Interest Rate Decision	✓✓✓	0.00%	0.00%	As scheduled
US	15:30	Export Price Index (YoY) (Nov)	✓	-	3.10%	Monthly
US	15:30	Export Price Index (Nov)	✓	-	127.80	Monthly
US	15:30	Import Price Index (Nov)	✓	-	128.40	Monthly
Eurozone	15:30	ECB Monetary policy statement and press conference	✓✓✓	-	-	As scheduled
US	15:30	Continuing Jobless Claims (01-Dec)	✓✓✓	1649.00K	1631.00K	Weekly
US	15:30	Export Price Index (MoM) (Nov)	✓	-0.30%	0.40%	Monthly
US	15:30	Import Price Index (MoM) (Nov)	✓	-1.00%	0.50%	Monthly
US	15:30	Import Price Index (YoY) (Nov)	✓	1.30%	3.50%	Monthly
US	15:30	Initial Jobless Claims (08-Dec)	✓✓✓	226.00K	231.00K	Weekly
Germany	-	Wholesale Price Index (MoM) (Nov)	✓	-	0.30%	Monthly
Germany	-	Wholesale Price Index (YoY) (Nov)	✓	-	4.00%	Monthly
Eurozone	-	EU Brexit Summit	✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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