

ONE Minute Brief

24 December 2018

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Economic and political news

News reports indicated that the African National Congress (ANC) has nominated former President, Jacob Zuma as a member of parliament.

On Friday, the Labour Court ruled that a strike by the Association of Mineworkers and Construction Union (Amcu) workers at Sibanye-Stillwater's South African gold operations is legal.

According to a news report, Eskom is planning to reduce its executive management to 10 from 21.

Namibian Finance Minister, Calle Schlettwein, stated that the country is considering ending its 25-year-old currency peg to the South African Rand.

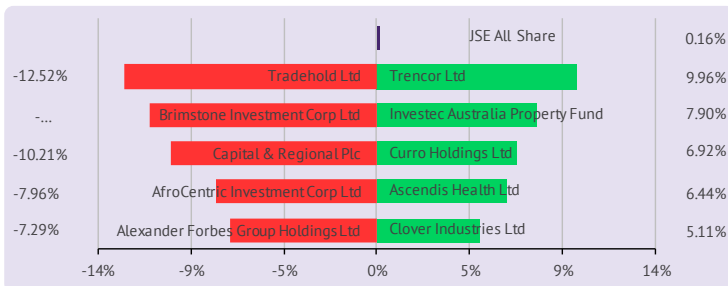
The South Africa (SA) government has released for public comment a draft Expropriation Bill outlining the circumstances under which the state can take land without paying for it.

SA Finance Minister, Tito Mboweni, stated that President, Cyril Ramaphosa, has asked him to consider a process to set up a council of economic advisers.

South Africa Market ▲

South African markets closed higher

South African markets closed in the green on Friday, as shares of Naspers climbed, tracking gains in its Chinese associate Tencent, in which it owns a 31% stake. The JSE All Share Index rose 0.2% to close at 51,430.36.



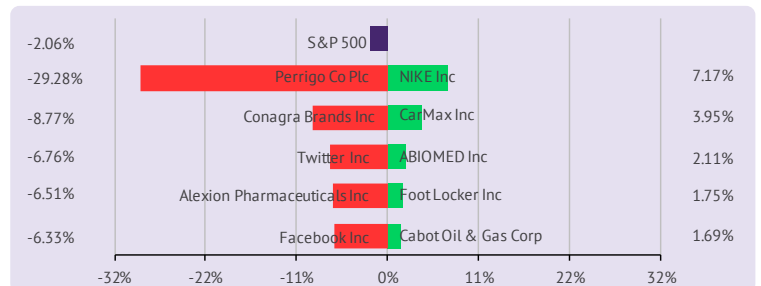
Key indices

	Last close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	51430.36	▲	82.79	0.16	NA	1.51	-3.29	-13.57
JSE Top 40	45554.40	▲	201.54	0.44	NA	2.01	-3.22	-13.28
FTSE 100	6721.17	▲	9.24	0.14	NA	-3.71	-2.07	-12.57
DAX 30	10633.82	▲	22.72	0.21	NA	-5.54	-1.66	-17.68
CAC 40	4694.38	▲	1.92	0.04	NA	-6.19	-1.76	-11.64
S&P 500	2416.62	▼	-50.80	-2.06	NA	-12.45	1.79	-9.61
Nasdaq Composite	6333.00	▼	-195.41	-2.99	NA	-13.61	0.34	-8.26
DJIA	22445.37	▼	-414.23	-1.81	NA	-12.11	1.68	-9.20
MSCI Emerging Markets	957.33	▼	-2.45	-0.26	NA	-3.76	4.06	-17.36
MSCI Developed World	1834.97	▼	-27.85	-1.50	NA	-10.11	0.96	-12.76

US Market ▼

The S&P 500 futures are trading in the green

US markets closed lower on Friday, on global growth concerns and fears of a potential partial US government shutdown. Data indicated that the US quarterly GDP climbed less than initially anticipated in 3Q18. The S&P 500 Index dropped 2.1% to close at 2,416.62.



UK Market ▲

The FTSE 100 futures are trading in positive territory

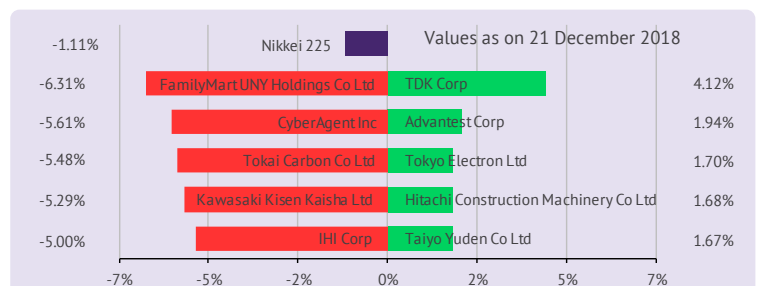
UK markets finished higher on Friday, supported by gains in mining sector stocks. The FTSE 100 Index advanced 0.1% to close at 6,721.17.



Asian Market ▼

Trading lower

Asian markets are trading mostly lower this morning, mirroring Friday's losses in US equities. Japanese markets are closed today on account of a public holiday.



USD ZAR ▼

USD trading lower against ZAR

At 06:00 SAST, the US Dollar dropped 0.8% against the South African Rand to trade at R14.5263. Later today, traders will keep a close watch on the US Chicago Fed National activity index for further direction.

The US Dollar rose against the South African Rand on Friday, amid looming government shutdown. On the data front, the US GDP rose less than forecast on a quarterly basis in the third quarter of 2018. Further, personal income advanced less than anticipated on a monthly basis in November. Meanwhile, US personal spending increased more than expected on a monthly basis in November. The Michigan consumer sentiment index unexpectedly rose in December. Additionally, durable goods orders rebounded on a monthly basis in November.

GBP ZAR ▼

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound declined 0.5% against the South African Rand to trade at R18.4037. With no major economic news in the UK today, investor sentiment will be determined by global macroeconomic news.

The British Pound advanced against the South African Rand on Friday. Data indicated that UK's GDP climbed in line with market forecast on a quarterly basis in 3Q18. Further, public sector net borrowing deficit widened less than market expectations in November. Meanwhile, the nation's current account deficit widened more than market forecast in the third quarter of 2018.

EUR ZAR ▼

EUR trading weaker against ZAR

At 06:00 SAST, the Euro is trading 0.6% lower against the South African Rand at R16.5453. Amid no major economic news across the Eurozone, market sentiment will be determined by global macroeconomic news.

The Euro strengthened against the South African Rand on Friday. On the macro front, the Eurozone's consumer confidence index dropped in December. Separately, Germany's GfK consumer confidence index recorded an unchanged reading in January.

AUD ZAR ▼

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar declined 0.4% against the South African Rand to trade at R10.2574.

The Australian Dollar rose against the South African Rand on Friday.

Key currencies & commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	14.5263	▼	1.59	NA	5.57	-6.20	18.25
GBPZAR	18.4037	▼	1.35	NA	4.55	-6.23	10.59
EURZAR	16.5453	▼	0.95	NA	6.07	-6.12	12.11
AUDZAR	10.2574	▼	0.52	NA	1.59	-2.97	6.60
EURUSD	1.1389	▲	-0.65	NA	0.49	0.04	-5.27
GBPUSD	1.2672	▲	-0.09	NA	-0.82	-0.13	-6.42
Brent (\$/barrel)	54.3	▲	-0.98	NA	-9.49	-20.76	-19.52
Gold (\$/oz)	1266.7	▲	-0.78	NA	2.75	0.43	-4.24
Platinum (\$/oz)	793.9	▼	0.00	NA	-0.50	-5.12	-14.81
Copper (\$/MT)*	5967.5	▼	-0.17	NA	-4.17	3.16	-17.20

*As of previous close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices climbed 1.0% to trade at \$1,266.70/oz. as risk appetite decreased among investors, amid political uncertainty in the US.

On Friday, gold prices fell 0.8% to close at \$1,253.80/oz, as strength in the US Dollar dampened demand for the dollar denominated commodity.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil advanced 1.0% to trade at \$54.34/bl.

On Friday, Brent crude oil dropped 1.0% to settle at \$53.82/bl, after Baker Hughes reported that US oil rig count rose by 10 to 883 in the week ended 21 December and amid slowdown in crude demand.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged 0.2% lower to trade at \$793.90/oz.

On Friday, platinum prices remained steady at \$795.80/oz.

Major South African corporate news

Anglo American Plc

The mining company announced the resumption of operations at its Minas-Rio iron ore operation in Brazil. The restart of the integrated iron ore operation follows an extensive and detailed technical inspection of the 529.00km pipeline that carries the iron ore in slurry form from the mine to the port, the pre-emptive repair of certain sections of the pipeline, and receipt of the appropriate regulatory approvals.

Major global economic news

US

In the US, the final annualised GDP rose 3.4% on a quarterly basis in 3Q 2018, less than market forecasts. In the prior quarter, the annualised GDP had risen 4.2%. The preliminary figures had recorded a rise of 3.5%.

In November, personal income advanced 0.2% on a monthly basis in the US, less than market anticipations and compared to a rise of 0.5%.

In the US, the final Reuters/Michigan consumer sentiment index climbed unexpectedly to a level of 98.3 in December, compared to a reading of 97.5 in the prior month.

In November, the preliminary durable goods orders rebounded 0.8% on a monthly basis in the US, compared to a drop of 4.3% in the previous month.

In November, personal spending rose 0.4% on a monthly basis in the US, more than market expectations. In the prior month, personal spending had climbed by a revised 0.8%.

UK

In the UK, final GDP recorded a rise of 0.6% on a quarterly basis in 3Q18, meeting market expectations. In the previous quarter, GDP had climbed 0.4%. The preliminary figures had also indicated an advance of 0.6%.

In the UK, public sector net borrowing deficit widened less-than-expected to GBP6.35bn in November, following a revised deficit of GBP5.57bn in the prior month.

In the UK, current account deficit widened more-than-anticipated to GBP26.50bn in 3Q18, compared to a revised current account deficit of GBP19.95bn in the prior quarter.

Eurozone

The Eurozone's preliminary consumer confidence index eased to -6.20 in December, higher than market expectations and compared to a drop -3.90 in the previous month.

In Germany, the GfK consumer confidence index remained unchanged at a level of 10.40 in January.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus	Previous	Frequency
 US	15:30	Chicago Fed National Activity Index (Nov)	✓✓✓	0.20	0.24	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

40 best performers on the All Share Index

Company name	Last close	1 Week % change	MTD % change	YTD % change
Anglo American Platinum Ltd	53900	1.70	21.12	55.38
Montauk Holdings Ltd	8200	7.18	9.00	52.27
Clover Industries Ltd	1829	6.83	2.70	46.44
Allied Electronics Corp Ltd	1724	-4.12	-2.60	44.97
Lewis Group Ltd	3500	-3.95	21.15	41.80
AngloGold Ashanti Ltd	17622	3.16	26.66	37.91
Telkom SA SOC Ltd	6166	1.67	8.73	37.04
MiX Telematics Ltd	890	-3.47	-11.00	36.87
Pepkor Holdings Ltd	2085	2.21	-1.74	30.72
Anglo American PLC	31327	1.86	13.10	28.37
BHP Group PLC	29762	1.54	12.88	25.83
PSG Konsult Ltd	1051	-1.31	-4.45	22.68
EPP NV	1843	-1.65	-3.76	19.17
Emira Property Fund Ltd	1457	-2.35	-1.89	19.00
Investec Australia Property Fund	1338	8.78	14.26	16.28
Santam Ltd	29352	-5.62	-7.41	13.35
JSE Ltd	16360	-2.18	-1.20	9.99
Nedbank Group Ltd	26725	0.71	0.54	9.73
African Rainbow Minerals Ltd	13484	-1.04	11.50	9.01
Murray & Roberts Holdings Ltd	1277	-14.87	-16.92	8.75
Sun International Ltd/South Africa	6331	0.51	5.48	7.98
Harmony Gold Mining Co Ltd	2422	6.18	16.05	6.74
Clicks Group Ltd	18868	4.25	0.47	6.05
Netcare Ltd	2556	-1.01	-0.16	5.57
Octodec Investments Ltd	1800	-3.38	-3.69	5.48
Impala Platinum Holdings Ltd	3403	-5.16	3.12	4.90
Adcock Ingram Holdings Ltd	5950	-2.27	2.59	4.74
Transaction Capital Ltd	1700	-4.44	-6.17	4.71
Reunert Ltd	6988	0.55	-4.74	3.52
Fortress REIT Ltd	1750	0.00	3.18	2.70
Vukile Property Fund Ltd	1950	1.98	-4.68	2.67
SPAR Group Ltd/The	19986	1.38	4.47	2.08
Sirius Real Estate Ltd	1086	-0.73	7.30	2.07
Mondi Ltd	30187	0.59	-1.03	1.37
RMB Holdings Ltd	7664	0.05	-2.04	1.30
Pick n Pay Stores Ltd	6835	-2.15	-6.53	0.77
KAP Industrial Holdings Ltd	775	-5.49	-5.49	0.59
South32 Ltd	3232	-5.75	4.29	0.15
Mr Price Group Ltd	23593	2.21	-0.82	-0.59
Mondi PLC	29400	0.05	-2.81	-0.99
JSE All Share Index	51430	-0.25	1.51	-13.57

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