

ONE Minute Brief

2 January 2019

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Economic and political news

In South Africa (SA), private sector credit demand growth slowed to 5.56% on a yearly basis in November, compared to a growth of 5.82% in October. Annual M3 money supply rose 5.69% in November, less than market expectations and compared to a rise of 5.99% in October.

Yesterday, SA introduced its first minimum wage at ZAR20 per hour.

Mozambique's former Finance Minister, Manuel Chang, who signed secret loans worth USD2bn, has been arrested in SA at the request of the United States.

SA has officially assumed its seat as a non-permanent member of the United Nations Security Council.

According to a written reply by Public Enterprises Minister, Pravin Gordhan, two security contracts that state-owned airline SA Express had with facilities management company Bosasa, resulted in over ZAR1mn of irregular expenditure.

Key indices

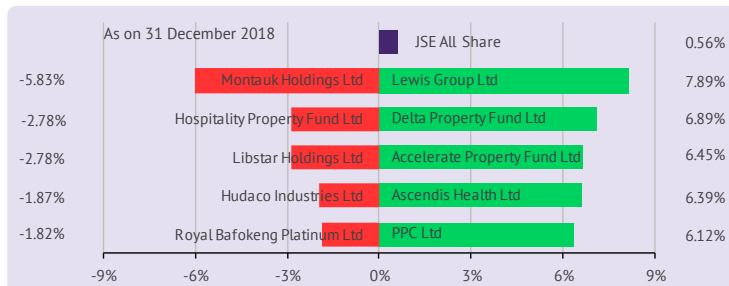
	Last close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share#	52736.86	▲	291.97	0.56	0.56	NA	4.09
JSE Top 40#	46726.59	▲	232.80	0.50	0.50	NA	4.63
FTSE 100#	6728.13	▼	-5.84	-0.09	-0.09	NA	-3.61
DAX 30*	10558.96	▲	177.45	1.71	0.00	NA	-6.20
CAC 40#	4730.69	▲	51.95	1.11	1.11	NA	-5.46
S&P 500#	2506.85	▲	21.11	0.85	0.85	NA	-9.18
Nasdaq Composite#	6635.28	▲	50.76	0.77	0.77	NA	-9.48
DJIA#	23327.46	▲	265.06	1.15	1.15	NA	-8.66
MSCI Emerging Markets#	965.93	▲	3.30	0.34	0.34	NA	-2.89
MSCI Developed World#	1883.93	▲	13.13	0.70	0.70	NA	-7.71

*Values as on 28 December 2018 #Values as on 31 December 2018

South Africa Market ▲

South African markets closed higher

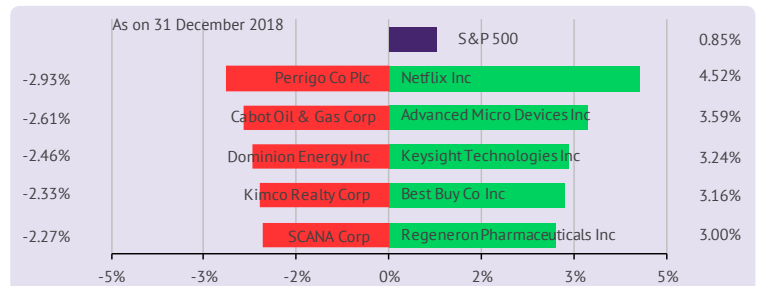
South African markets closed in the green on Monday, boosted by gains in resources, banking and insurance sector stocks. Data showed that SA's private sector credit demand growth slowed in November. The JSE All Share Index rose 0.6% to close at 52,736.8.



US Market ▲

The S&P 500 futures are trading in the red

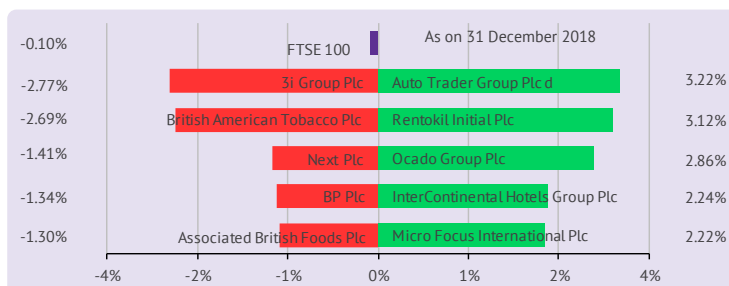
US markets closed higher on Monday, on optimism over US-China trade deal. The S&P 500 Index climbed 0.9% to close at 2,506.85.



UK Market ▼

The FTSE 100 futures are trading in negative territory

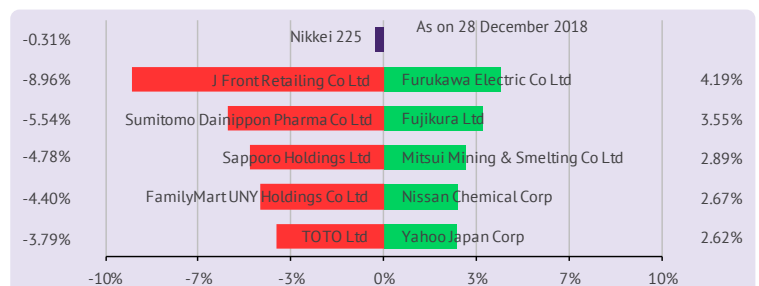
UK markets finished lower on Monday, amid global slowdown and uncertainty over Brexit. The FTSE 100 Index declined 0.1% to close at 6,728.13.



Asian Market ▼

Trading lower

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



USD ZAR ▲

USD trading higher against ZAR

At 06:00 SAST, the US Dollar climbed 0.3% against the South African Rand to trade at R14.3888. Later today, traders will keep a close watch on the US Markit manufacturing PMI further indication.

The US Dollar rose against the South African Rand yesterday. Separately, in SA, annual private sector credit demand growth slowed in November. Additionally, M3 money supply registered a less-than-expected advance on a yearly basis in November.

GBP ZAR ▼

GBP trading lower against ZAR

At 06:00 SAST, the British Pound dropped marginally against the South African Rand to trade at R18.3200. Ahead in the day, traders will keep an eye on UK's Markit manufacturing PMI for further direction.

The British Pound advanced against the South African Rand yesterday.

EUR ZAR ▲

EUR trading stronger against ZAR

At 06:00 SAST, the Euro is trading 0.1% higher against the South African Rand at R16.4703. Going forward, market participants will keep a tab on the Markit manufacturing PMI across the Eurozone for further cues.

The Euro strengthened against the South African Rand yesterday.

AUD ZAR ▼

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar retreated 0.4% against the South African Rand to trade at R10.0792. Earlier in the session, Australia's manufacturing PMI recorded a rise in December. Meanwhile, in China, Australia's largest trading partner, the manufacturing PMI dropped in December, recording its first decline since May 2017.

The Australian Dollar rose against the South African Rand yesterday.

Key currencies & commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	14.3888	▼	0.33	-0.27	0.33	3.44	0.33
GBPZAR	18.3200	▼	0.12	0.11	0.12	3.58	0.12
EURZAR	16.4703	▼	0.32	-0.03	0.32	4.83	0.32
AUDZAR	10.0792	▼	0.29	-0.04	0.29	-0.16	0.29
EURUSD	1.1445	▼	-0.02	0.18	-0.02	1.33	-0.02
GBPUSD	1.2730	▼	-0.11	0.32	-0.11	0.04	-0.11
Brent (\$/barrel)**	53.4	▼	1.11	NA	NA	-9.52	NA
Gold (\$/oz)**	1284.7	▲	-0.13	NA	NA	5.01	NA
Platinum (\$/oz)**	791.6	▼	0.80	NA	NA	-0.49	NA
Copper (\$/MT)**	5949.0	▼	-0.63	NA	NA	-4.46	NA

*As of previous close **Values as on 31 December 2018

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.3% higher to trade at \$1,284.70/oz.

On Monday, gold prices fell 0.1% to close at \$1,281.30/oz.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 0.8% lower to trade at \$53.39/bl, amid rising US crude oil production and concerns over a global economic slowdown in 2019.

On Monday, Brent crude oil advanced 1.1% to settle at \$53.80/bl.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged 0.5% lower to trade at \$791.60/oz.

On Monday, platinum prices climbed 0.5% to close at \$800.6/oz.

Major South African corporate news

Huge Group Limited

The company announced the resignation of Mr Zunaid Bulbulia as a Director of the company and its subsidiary companies with effect from 31 December 2018.

Major global economic news

Asia

In Australia, the Markit manufacturing PMI index advanced to 54.00 in December. The Markit manufacturing PMI index had recorded a level of 53.70 in the prior month.

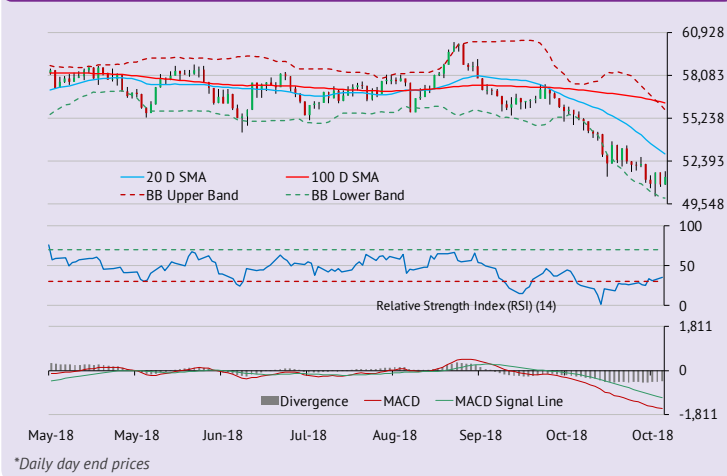
In China, the Markit manufacturing PMI index eased to 49.70 in December, compared to a level of 50.20 in the prior month.

US

In the US, the Dallas Fed manufacturing business index dropped more-than-expected to -5.10 in December. In the prior month, the index had registered a reading of 17.60.

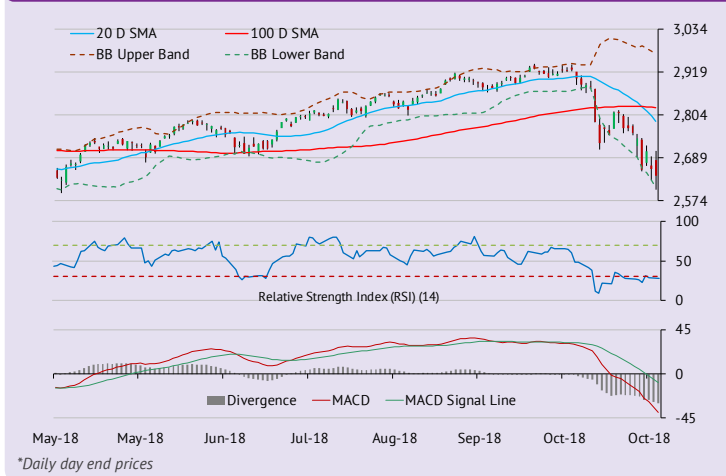
Technical snapshot

JSE All Share



The JSE All Share index is expected to find support at 50,167.45, and a fall through could take it to the next support level of 49,014.39. The index is expected to find its first resistance at 52,338.87, and a rise through could take it to the next resistance level of 53,357.23.

S&P 500



The S&P 500 index is expected to find support at 2,578.66, and a fall through could take it to the next support level of 2,516.08. The index is expected to find its first resistance at 2,728.71, and a rise through could take it to the next resistance level of 2,816.18.

USD ZAR



The pair is expected to find support at 14.3265, and a fall through could take it to the next support level of 13.9323. The pair is expected to find its first resistance at 14.9347, and a rise through could take it to the next resistance level of 15.1487.

XAU USD



Gold is expected to find support at \$1,222.07/oz, and a fall through could take it to the next support level of \$1,216.53/oz. The precious metal is expected to find its first resistance at \$1,235.87/oz, and a rise through could take it to the next resistance level of \$1,244.13/oz.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
China	3:45	Caixin/Markit Manufacturing PMI (Dec)	✓✓✓	49.70*	50.20	Monthly
Spain	10:15	Markit Manufacturing PMI (Dec)	✓	52.40	52.60	Monthly
Italy	10:45	Markit Manufacturing PMI (Dec)	✓✓✓	48.40	48.60	Monthly
France	10:50	Markit Manufacturing PMI (Dec) (F)	✓✓✓	49.70	49.70**	Monthly
Germany	10:55	Markit Manufacturing PMI (Dec) (F)	✓✓✓	51.50	51.50**	Monthly
Eurozone	11:00	Markit Manufacturing PMI (Dec) (F)	✓✓✓	51.40	51.40**	Monthly
UK	11:30	Markit Manufacturing PMI (Dec)	✓✓✓	52.50	53.10	Monthly
US	15:55	Redbook Index s.a. (MoM) (28-Dec)	✓	-	0.10%	Weekly
US	16:45	Markit Manufacturing PMI (Dec) (F)	✓✓✓	53.90	53.90**	Monthly
US	-	Wholesale Inventories (MoM) (Nov) (P)	✓✓✓	0.50%	0.80%	Monthly
Germany	-	Retail Sales (MoM) (Nov)	✓✓✓	0.40%	-0.30%	Monthly
Germany	-	Retail Sales (YoY) (Nov)	✓✓✓	-0.90%	5.00%	Monthly
Spain	-	Unemployment Change (Dec)	✓✓✓	-	-1.80 K	Monthly
US	-	New Home Sales (MoM) (Nov)	✓✓✓	4.40%	-8.90%	Monthly
South Africa	-	Electricity Consumption (YoY) (Nov)	✓	-	2.20%	Monthly
South Africa	-	Electricity Production (YoY) (Nov)	✓	-	0.80%	Monthly
US	-	New Home Sales (Nov)	✓✓✓	568.00K	544.00K	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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