

ONE Minute Brief

3 January 2019

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Economic and political news

The South African Reserve Bank's (SARB) Deputy Governor, Francois Groepe, has resigned with effect from 31 January 2019, to pursue other opportunities.

Former President, Jacob Zuma, urged that land should be nationalised as there is too much debate about land expropriation without compensation.

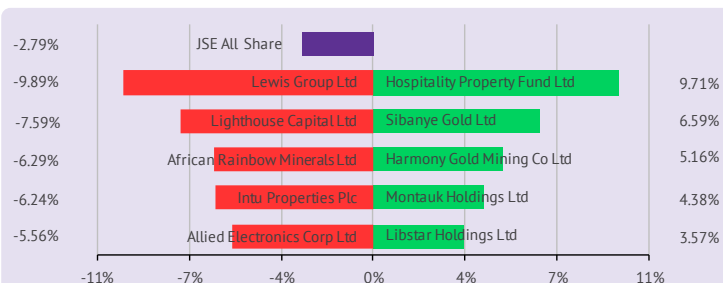
The Democratic Alliance (DA) Federal Council Chairperson, James Selfe, stated that the party would oppose former President, Jacob Zuma's bid to appeal a cost judgement that ordered him to pay back money spent on his legal costs.

Economic Development Minister, Ebrahim Patel, revealed that the total cost of the Competition Commission's inquiry into the private healthcare market amounted to ZAR197mn.

South Africa Market ▼

South African markets closed lower

South African markets closed in the red yesterday, amid concerns over global growth and led by losses in resource sector stocks. The JSE All Share Index fell 2.8% to close at 51,264.06.



UK Market ▲

The FTSE 100 futures are trading in negative territory

UK markets finished higher yesterday, amid weakness in the British Pound. Data indicated that UK's Markit manufacturing PMI unexpectedly rose in December. The FTSE 100 Index rose 0.1% to close at 6,734.23.



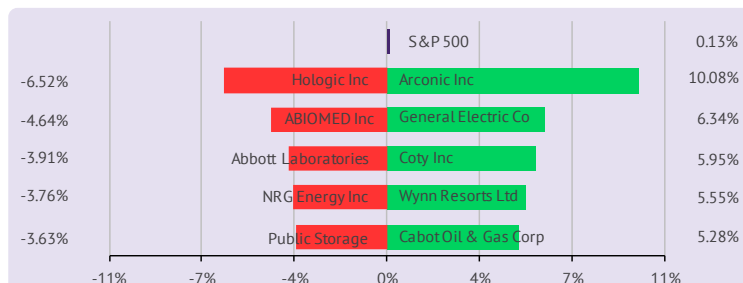
Key indices

	Last close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	51264.06	▼	-1472.80	-2.79	-2.25	-2.79	4.09	-2.79
JSE Top 40	45310.14	▼	-1416.45	-3.03	-2.55	-3.03	4.63	-3.03
FTSE 100	6734.23	▲	6.10	0.09	0.00	0.09	-3.61	0.09
DAX 30	10580.19	▲	21.23	0.20	0.20	0.20	-6.20	0.20
CAC 40	4689.39	▼	-41.30	-0.87	0.23	-0.87	-5.46	-0.87
S&P 500	2510.03	▲	3.18	0.13	0.98	0.13	-9.18	0.13
Nasdaq Composite	6665.94	▲	30.66	0.46	1.24	0.46	-9.48	0.46
DJIA	23346.24	▲	18.78	0.08	1.23	0.08	-8.66	0.08
MSCI Emerging Markets	955.66	▼	-10.27	-1.06	-0.72	-1.06	-2.89	-1.06
MSCI Developed World	1881.15	▼	-2.78	-0.15	0.55	-0.15	-7.71	-0.15

US Market ▲

The S&P 500 futures are trading in the red

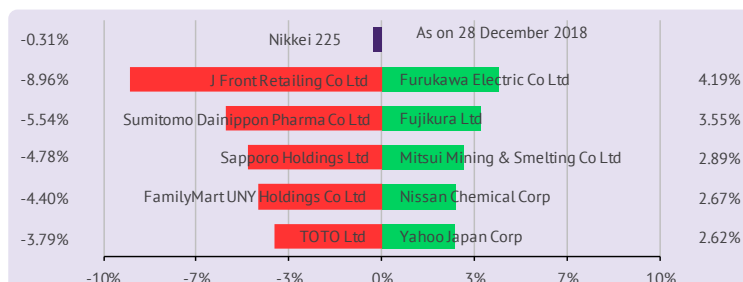
US markets closed higher yesterday, boosted by gains in banking, technology and energy sector stocks. Data revealed that the US Markit manufacturing PMI fell in December. The S&P 500 Index climbed 0.1% to close at 2,510.03.



Asian Market ▼

Trading mostly lower

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



USD ZAR ▲

USD trading higher against ZAR

At 06:00 SAST, the US Dollar gained 0.4% against the South African Rand to trade at R14.5228. Later today, traders will keep a close watch on the US MBA mortgage applications, ADP employment change data, initial jobless claims, ISM manufacturing and construction spending data for further cues.

The US Dollar rose against the South African Rand yesterday, amid global growth fears. On the data front, the US Markit manufacturing PMI dropped in December, marking its lowest level in 15 months.

GBP ZAR ▼

GBP trading lower against ZAR

At 06:00 SAST, the British Pound is trading 0.1% weaker against the South African Rand at R18.2181. Ahead in the day, traders will keep an eye on UK's Markit construction PMI for further direction.

The British Pound declined against the South African Rand yesterday. On the macro front, UK's Markit manufacturing PMI recorded an unexpected rise in December, notching its highest level in six months.

EUR ZAR ▲

EUR trading stronger against ZAR

At 06:00 SAST, the Euro is trading 0.6% higher against the South African Rand at R16.4999. Amid no major economic news across the Eurozone, market sentiment will be determined by global macroeconomic news.

The Euro weakened against the South African Rand yesterday. Data indicated that the Eurozone's Markit manufacturing PMI dropped in line with market expectations in December, recording its lowest level since February 2016. Separately, Germany's Markit manufacturing PMI declined to a 33-month low level in December.

AUD ZAR ▼

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.3% lower against the South African Rand at R10.0725.

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	14.5228	▲	0.46	0.20	0.80	3.44	0.80
GBPZAR	18.2181	▼	-0.59	-0.49	-0.47	3.58	-0.47
EURZAR	16.4999	▲	-0.64	-0.67	-0.32	4.83	-0.32
AUDZAR	10.0725	▼	-0.50	-0.54	-0.21	-0.16	-0.21
EURUSD	1.1363	▲	-1.06	-0.87	-1.07	1.33	-1.07
GBPUUSD	1.2549	▼	-1.04	-0.72	-1.15	0.04	-1.15
Brent (\$/barrel)	54.3	▼	2.06	3.19	2.06	-9.52	2.06
Gold (\$/oz)	1290.1	▲	0.22	0.09	0.22	5.01	0.22
Platinum (\$/oz)	799.1	-	0.40	1.20	0.40	-0.49	0.40
Copper (\$/MT)*	5819.0	▼	-2.19	-2.81	-2.19	-4.46	-2.19

*As of previous close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices advanced 0.5% to trade at \$1,290.10/oz.

Yesterday, gold prices rose 0.2% to close at \$1,284.10/oz, as global growth fears boosted demand for safe haven assets.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 1.1% lower to trade at \$54.31/bl, amid escalating fears of an economic slowdown in 2019.

Yesterday, Brent crude oil advanced 2.1% to settle at \$54.91/bl, amid drop in December crude exports from Saudi Arabia and ahead of output cuts by the Organization of the Petroleum Exporting Countries and its allies.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices are trading marginally lower at \$799.10/oz.

Yesterday, platinum prices climbed 0.4% to close at \$799.10/oz.

Major South African corporate news

Growthpoint Properties Limited

The company announced that Company Secretary, Mr R A Krabbenhöft has stepped down from his position, with effect from 31 December 2018, pursuant to his retirement.

Major global economic news

Eurozone

In the Eurozone, the final manufacturing PMI dropped to 51.40 in December, meeting market expectations and compared to a level of 51.80 in the previous month. The preliminary figures had also recorded a fall to 51.40.

In Germany, the final manufacturing PMI registered a drop to 51.50 in December, at par with market expectations. In the previous month, the manufacturing PMI had registered a level of 51.80. The preliminary figures had also recorded a fall to 51.50.













US

In the US, the final Markit manufacturing PMI dropped to 53.80 in December. In the prior month, the Markit manufacturing PMI had registered a reading of 55.30. The preliminary figures had indicated a drop to 53.90.

UK

In the UK, the manufacturing PMI unexpectedly advanced to a level of 54.20 December, compared to a revised reading of 53.60 in the prior month.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus	Previous	Frequency
 Eurozone	11:00	M3 Money Supply (YoY) (Nov)	✓	3.80%	3.90%	Monthly
 Eurozone	11:00	Private Loans (YoY) (Nov)	✓	3.30%	3.20%	Monthly
 Eurozone	11:00	M3 Money Supply (3m) (Nov)	✓	-	3.70%	Monthly
 UK	11:30	Markit Construction PMI (Dec)	✓✓✓	52.90	53.40	Monthly
 US	14:00	MBA Mortgage Applications (28-Dec)	✓	-	-5.80%	Weekly
 US	14:30	Challenger Job Cuts (YoY) (Dec)	✓	-	51.50%	Monthly
 US	15:15	ADP Employment Change (Dec)	✓✓✓	180.00K	179.00K	Monthly
 US	15:30	Initial Jobless Claims (29-Dec)	✓✓✓	220.00K	216.00K	Weekly
 US	15:30	Continuing Jobless Claims (22-Dec)	✓✓✓	1689.00K	1701.00K	Weekly
 US	17:00	ISM Employment (Dec)	✓	-	58.40	Monthly
 US	17:00	Construction Spending (MoM) (Nov)	✓✓	0.30%	-0.10%	Monthly
 US	17:00	ISM Manufacturing PMI (Dec)	✓✓✓	57.50	59.30	Monthly
 US	-	Total Vehicle Sales (Dec)	✓	17.24mn	17.40mn	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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