

ONE
Minute Brief

15 January 2019



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Economic and political news

Rating agency, Moody's stated that growth in South Africa's (SA) gross domestic product (GDP) will accelerate to 1.3% in 2019 from an estimated 0.5% in 2018. Additionally, the agency stated that 15 of the 21 sovereigns in the Sub-Saharan Africa (SSA) region have a stable outlook, while six hold a negative outlook.

Yesterday, Eskom's Chief Executive Officer, Phakamani Hadebe, requested for a 15% tariff increase over the next three years as well as a massive government bailout, in order to save the troubled utility.

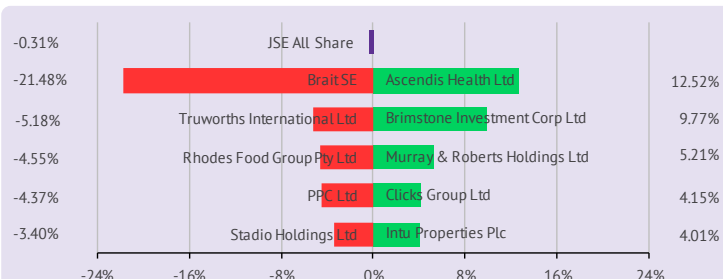
The Association of Mineworkers and Construction Union (AMCU) stated that it is planning to strike at Sibanye-Stillwater's local platinum operations from 22 January, in support of the strike at its gold operations.

The Agricultural Business Chamber indicated that SA is likely to miss forecasts for corn production this year due to dry weather conditions.

South Africa Market ▼

South African markets closed lower

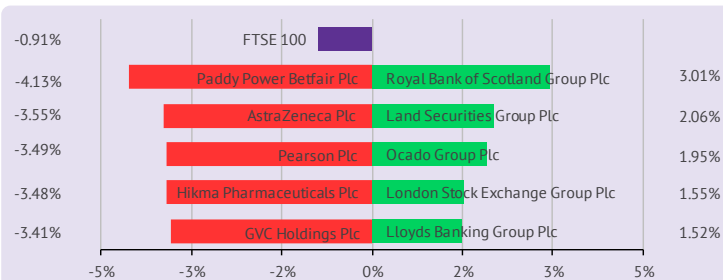
South African markets closed in the red yesterday, weighed down by losses in mining, industrial and retail sector stocks. The JSE All Share Index fell 0.3% to close at 53,485.59.



UK Market ▼

The FTSE 100 futures are trading in positive territory

UK markets finished lower yesterday, ahead of the crucial UK parliamentary vote on Brexit deal. The FTSE 100 Index declined 0.9% to close at 6,855.02.



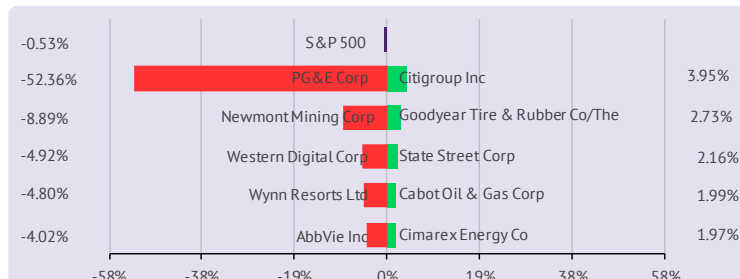
Key indices

	As at 14 Jan 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	53485.59	▼ -167.79	-0.31	-0.31	1.42	4.09	1.42
JSE Top 40 (ZAR)	47335.59	▼ -155.79	-0.33	-0.33	1.30	4.63	1.30
FTSE 100 (GBP)	6855.02	▼ -63.16	-0.91	-0.91	1.89	-3.61	1.89
DAX 30 (EUR)	10855.91	▼ -31.55	-0.29	-0.29	2.81	-6.20	2.81
CAC 40 (EUR)	4762.75	▼ -18.59	-0.39	-0.39	0.68	-5.46	0.68
S&P 500 (USD)	2582.61	▼ -13.65	-0.53	-0.53	3.02	-9.18	3.02
Nasdaq Composite (USD)	6905.92	▼ -65.56	-0.94	-0.94	4.08	-9.48	4.08
DJIA (USD)	23909.84	▼ -86.11	-0.36	-0.36	2.50	-8.66	2.50
MSCI Emerging Markets (USD)	992.71	▼ -8.40	-0.84	-0.84	2.77	-2.89	2.77
MSCI Developed World (USD)	1948.16	▼ -9.00	-0.46	-0.46	3.41	-7.71	3.41

US Market ▼

The S&P 500 futures are trading in the green

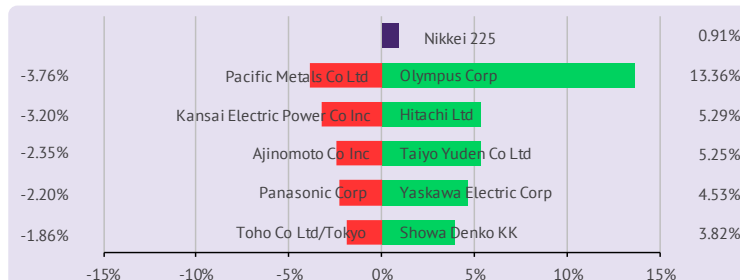
US markets closed lower yesterday, ahead of the US corporate earnings season and as weaker-than-expected China trade data raised worries over global economic growth. The S&P 500 Index dropped 0.5% to close at 2,582.61.



Asian Market ▲

Trading higher

Asian markets are trading higher this morning. The Nikkei 225 Index is trading 0.9% higher at 20,544.93.



USD ZAR ▼

USD trading lower against ZAR

At 06:00 SAST, the US Dollar is trading 0.1% weaker against the South African Rand at R13.7639. Later today, traders will keep a close watch on the US producer price index and Empire State manufacturing index for further indication.

The US Dollar fell against the South African Rand yesterday, amid speculations that the US Federal Reserve will not raise rates this year.

GBP ZAR ▲

GBP trading higher against ZAR

At 06:00 SAST, the British Pound climbed 0.2% against the South African Rand to trade at R17.7538. With no major economic news in the UK today, investor sentiment will be determined by global macroeconomic news.

The British Pound declined against the South African Rand yesterday.

EUR ZAR ▲

EUR trading stronger against ZAR

At 06:00 SAST, the Euro slightly gained against the South African Rand to trade at R15.8043. Going forward, market participants will keep a tab on the European Central Bank Governor, Mario Draghi's speech along with the Eurozone's GDP and trade balance data for further direction.

The Euro weakened against the South African Rand yesterday. On the data front, the Eurozone's industrial production declined more than market forecast on a monthly basis in November, marking its sharpest monthly drop since February 2016.

AUD ZAR ▲

AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% firmer against the South African Rand at R9.9275. Earlier in the session, the ANZ Roy Morgan weekly consumer confidence index climbed in the week ended 13 January 2019.

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	13.7639	▼	-0.46	-0.46	-3.98	3.44	-3.98
GBPZAR	17.7538	▲	-0.28	-0.28	-3.29	3.58	-3.29
EURZAR	15.8043	▲	-0.48	-0.48	-4.00	4.83	-4.00
AUDZAR	9.9275	▲	-0.72	-0.72	-2.06	-0.16	-2.06
EURUSD	1.1483	▲	0.00	0.00	0.02	1.33	0.02
GBPUSD	1.2899	▲	0.16	0.16	0.86	0.04	0.86
Brent (\$/barrel)	59.7	▲	-2.46	-2.46	9.65	-9.52	9.65
Gold (\$/oz)	1291.4	▲	0.14	0.14	0.78	5.01	0.78
Platinum (\$/oz)	798.8	=	-1.75	-1.75	0.36	-0.49	0.36
Copper (\$/MT)*	5867.0	▼	-0.90	-0.90	-1.38	-4.46	-1.38

*As of previous close, #As on 06:00 SAST

Gold ▲

Trading in the green

At 06:00 SAST, gold prices are trading marginally higher at \$1,291.40/oz.

Yesterday, gold prices rose 0.1% to close at \$1,291.30/oz, as weakness in the US Dollar increased demand for the safe haven asset.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged 1.2% higher to trade at \$59.69/bl, amid crude supply cuts led by OPEC and Russia.

Yesterday, Brent crude oil dropped 2.5% to settle at \$58.99/bl, as dismal economic data from China raised concerns over global growth.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices are trading marginally lower at \$798.80/oz.

Yesterday, platinum prices declined 1.9% to close at \$802.5/oz.

Major South African corporate news

Tongaat Hulett Limited

The company announced that it has appointed Mr John Gavin Hudson as the Chief Executive Officer and Executive Director, with effect from 1 February 2019.

Major global economic news












Eurozone

In the Eurozone, seasonally adjusted industrial production dropped 1.7% on a monthly basis in November, more-than-expected and compared to a revised advance of 0.1% in the previous month.

Asia

In Australia, the ANZ Roy Morgan weekly consumer confidence index rose to a level of 116.8 in the week ended 13 January 2019, compared to a level of 115.2 in the previous week.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
 Japan	01:50	Money Supply M3 (YoY) (Dec)	✓	2.10%*	2.10%	Monthly
 Japan	01:50	Money Supply M2+CD (YoY) (Dec)	✓	2.40%*	2.30%	Monthly
 Japan	06:30	Bankruptcies (YoY) (Dec)	✓✓	-1063%*	6.05%	Monthly
 Japan	08:00	Machine Tool Orders (YoY) (Dec) (P)	✓✓✓	-	-17.00%	Monthly
 Germany	11:00	Gross Domestic Product n.s.a. (YoY) (Q4) (F)	✓✓	1.50%	2.20%**	Quarterly
 South Africa	11:30	Gold Production (YoY) (Nov)	✓	-	-15.10%	Monthly
 South Africa	11:30	Mining Production (YoY) (Nov)	✓✓	0.00%	0.50%	Monthly
 Eurozone	12:00	Trade Balance n.s.a. (Nov)	✓✓	-	EUR14.00bn	Monthly
 Eurozone	12:00	Trade Balance s.a. (Nov)	✓✓✓	EUR12.60bn	EUR12.50bn	Monthly
 US	15:30	Producer Price Index (MoM) (Dec)	✓✓✓	-0.10%	0.10%	Monthly
 US	15:30	Producer Price Index ex Food & Energy (MoM) (Dec)	✓✓	0.20%	0.30%	Monthly
 US	15:30	Producer Price Index (YoY) (Dec)	✓✓✓	2.50%	2.50%	Monthly
 US	15:30	NY Empire State Manufacturing Index (Jan)	✓✓	10.00	10.90	Monthly
 US	15:30	Producer Price Index ex Food & Energy (YoY) (Dec)	✓✓	3.00%	2.70%	Monthly
 Eurozone	17:00	ECB's Draghi Presents 2017 Annual Report in Strasbourg	✓	-	-	As scheduled
 US	18:30	Fed's Kashkari Speaks on Regional Economy in Minnesota	✓	-	-	As scheduled
 US	20:00	Fed's George Speaks on Economy and Monetary Policy Outlook	✓	-	-	As scheduled
 US	20:00	Fed's Kaplan Speaks in Plano, Texas	✓	-	-	As scheduled
 UK	-	UK Parliamentary vote on Brexit	✓✓✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

Technical snapshot

JSE All Share



The JSE All Share index is expected to find support at 52,319.22, and a fall through could take it to the next support level of 51,152.84. The index is expected to find its first resistance at 54,292.05, and a rise through could take it to the next resistance level of 55,098.50.

S&P 500



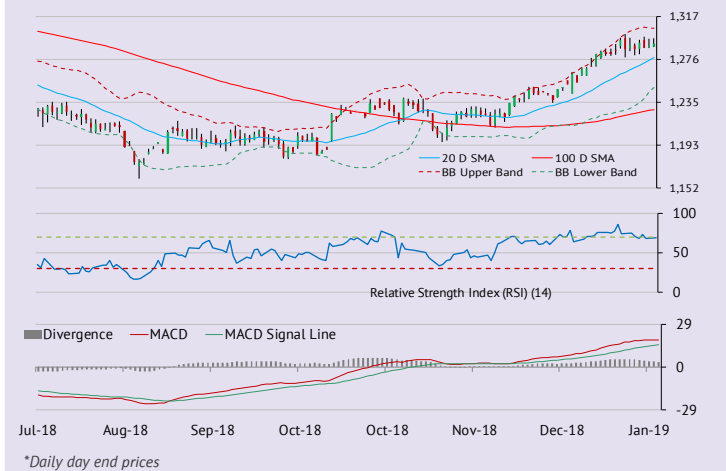
The S&P 500 index is expected to find support at 2,554.17, and a fall through could take it to the next support level of 2,525.74. The index is expected to find its first resistance at 2,604.43, and a rise through could take it to the next resistance level of 2,626.26.

USD ZAR



The pair is expected to find support at 13.6715, and a fall through could take it to the next support level of 13.5667. The pair is expected to find its first resistance at 13.9651, and a rise through could take it to the next resistance level of 14.1539.

XAU USD



Gold is expected to find support at \$1,281.67/oz, and a fall through could take it to the next support level of \$1,272.03/oz. The precious metal is expected to find its first resistance at \$1,299.47/oz, and a rise through could take it to the next resistance level of \$1,307.63/oz.

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