

ONE Minute Brief

16 January 2019

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Economic and political news

In South Africa, mining production unexpectedly fell 5.6% on a yearly basis in November, compared to a revised rise of 0.2% in the previous month. Annual gold production plunged 14.0% in November, compared to a revised drop of 14.8% in October. Meanwhile, platinum production rose 0.9% on an annual basis in November, compared to a surge of 21.4% in October.

The Automobile Association (AA) stated that petrol price is expected to drop by 12 cents per litre and diesel price by 36 cents per litre in February.

Eskom's Chief Financial Officer, Calib Cassim stated that the firm expects to report a loss of more than ZAR15bn for the year ended 31 March 2019.

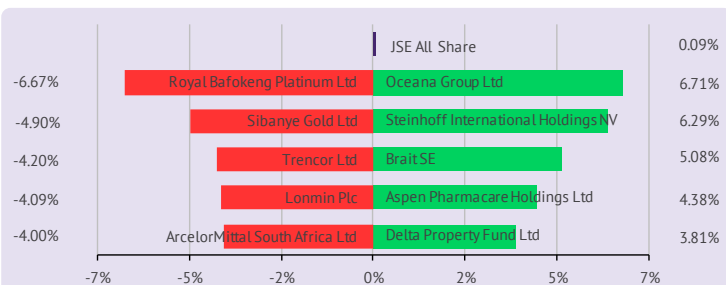
South African Airways (SAA) announced that it has appointed Advocate, Vusi Pikoli, as its Chief Risk and Compliance Officer, with effect from 01 February 2019.

Sibanye-Stillwater stated that it had agreed to extend the long stop date for the acquisition of platinum group, Lonmin to 30 June from 28 February.

South Africa Market ▲

South African markets closed higher

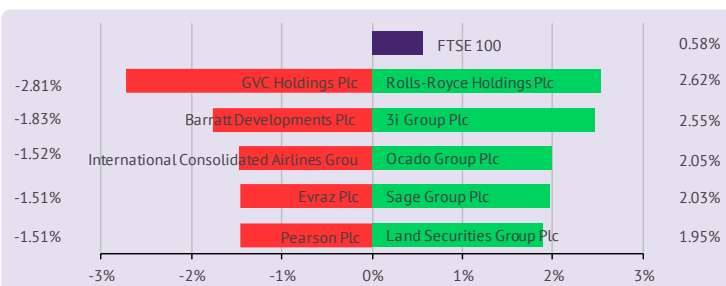
South African markets closed in the green yesterday, supported by gains in property, financial and banking sector stocks. Data revealed that SA's annual mining production declined in November. The JSE All Share Index rose 0.1% to close at 53,533.54.



UK Market ▲

The FTSE 100 futures are trading in positive territory

UK markets finished higher yesterday, amid hopes that China will implement measure to stabilise its slowing economy. The FTSE 100 Index advanced 0.6% to close at 6,895.02.



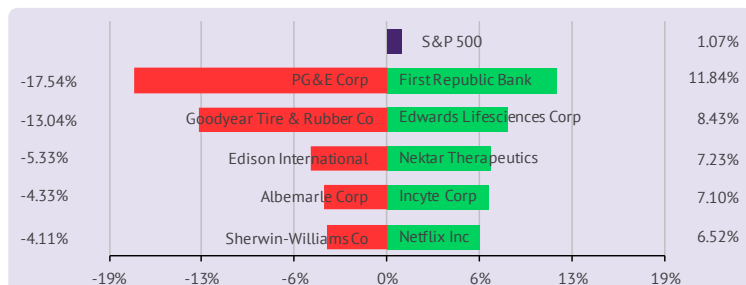
Key indices

	As at 15 Jan 2019		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	53533.54	▲	47.95	0.09	-0.22	1.51	4.09	1.51
JSE Top 40 (ZAR)	47382.46	▲	46.87	0.10	-0.23	1.40	4.63	1.40
FTSE 100 (GBP)	6895.02	▲	40.00	0.58	-0.33	2.48	-3.61	2.48
DAX 30 (EUR)	10891.79	▲	35.88	0.33	0.04	3.15	-6.20	3.15
CAC 40 (EUR)	4786.17	▲	23.42	0.49	0.10	1.17	-5.46	1.17
S&P 500 (USD)	2610.30	▲	27.69	1.07	0.54	4.13	-9.18	4.13
Nasdaq Composite (USD)	7023.83	▲	117.92	1.71	0.75	5.86	-9.48	5.86
DJIA (USD)	24065.59	▲	155.75	0.65	0.29	3.16	-8.66	3.16
MSCI Emerging Markets (USD)	1005.11	▲	12.41	1.25	0.40	4.06	-2.89	4.06
MSCI Developed World (USD)	1963.61	▲	15.45	0.79	0.33	4.23	-7.71	4.23

US Market ▲

The S&P 500 futures are trading in the green

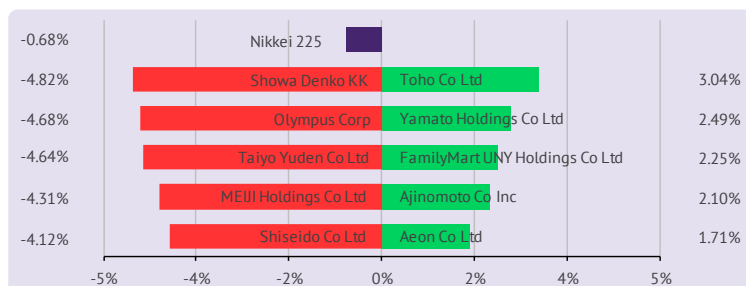
US markets closed higher yesterday, boosted by gains in technology sector stocks. Data indicated that the US annual producer price index (PPI) rose as expected in December. The S&P 500 Index climbed 1.1% to close at 2,610.30.



Asian Market ▼

Trading mostly lower

Asian markets are trading mostly lower this morning. The Nikkei 225 Index is trading 0.7% lower at 20,415.23.



USD ZAR ▲

USD trading higher against ZAR

At 06:00 SAST, the US Dollar gained 0.1% against the South African Rand to trade at R13.7496. Later today, traders will keep a close watch on the US advance retail sales, business inventories, the NAHB housing market index and the MBA mortgage applications for further cues.

The US Dollar fell against the South African Rand yesterday. On the macro front, the US Empire State manufacturing index registered a more-than-expected decline to its lowest level in a year in January. On the flipside, the nation's PPI climbed in line with market anticipations on an annual basis in December. Separately, in SA, mining production recorded an unexpected drop to its lowest level since August 2018 on a yearly basis in November. Additionally, annual gold production fell for a 14th consecutive month in November. Meanwhile, the nation's platinum production advanced for a third straight month in November.

GBP ZAR ▲

GBP trading stronger against ZAR

At 06:00 SAST, the British Pound is trading slightly firmer against the South African Rand at R17.6773. Ahead in the day, traders will keep an eye on the Bank of England Governor, Mark Carney's speech along with UK's consumer price index (CPI), PPI and house price index for further direction.

The British Pound declined against the South African Rand yesterday.

EUR ZAR ▲

EUR trading firmer against ZAR

At 06:00 SAST, the Euro is trading marginally higher against the South African Rand at R15.6832. Going forward, market participants will keep a tab on Germany's CPI for further indication.

The Euro weakened against the South African Rand yesterday, after the European Central Bank President, Mario Draghi, warned that the Eurozone's economy has unexpectedly weakened. On the data front, the Eurozone's trade surplus widened more than market expectations in November. Separately, Germany's gross domestic product (GDP) climbed in line with market forecast on an annual basis in the fourth quarter of 2018, recording its weakest growth in five years.

AUD ZAR ▲

AUD trading stronger against ZAR

At 06:00 SAST, the Australian Dollar gained 0.1% against the South African Rand to trade at R9.9029. Earlier in the session, Australia's Westpac consumer confidence index recorded a fall in January.

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	13.7496	▲	-0.28	-0.74	-4.24	3.44	-4.24
GBPZAR	17.6773	▲	-0.28	-0.56	-3.56	3.58	-3.56
EURZAR	15.6832	▲	-0.76	-1.24	-4.73	4.83	-4.73
AUDZAR	9.9029	▲	-0.21	-0.93	-2.27	-0.16	-2.27
EURUSD	1.1407	▼	-0.49	-0.49	-0.47	1.33	-0.47
GBPUSD	1.2855	▼	-0.02	0.13	0.84	0.04	0.84
Brent (\$/barrel)	60.5	▼	2.80	0.26	12.71	-9.52	12.71
Gold (\$/oz)	1288.8	▲	-0.22	-0.09	0.55	5.01	0.55
Platinum (\$/oz)	795.6	-	-0.40	-2.14	-0.04	-0.49	-0.04
Copper (\$/MT)*	5886.0	▲	0.32	-0.57	-1.06	-4.46	-1.06

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

Gold ▲

Trading in the green

At 06:00 SAST, gold prices marginally rose to trade at \$1,288.80/oz, on expectations of a pause in the US interest rate hikes and Brexit vote failure.

Yesterday, gold prices fell 0.2% to close at \$1,288.40/oz.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged lower 0.2% to trade at \$60.49/bl. Meanwhile, the American Petroleum Institute reported that crude oil inventories declined by 560,000 bls in the week ended 11 January 2019.

Yesterday, Brent crude oil advanced 2.8% to settle at \$60.64/bl, on hopes of China stimulus. Meanwhile, the US Energy Information Administration reduced its 2019 price forecast for Brent crude by 0.8% to USD60.52 per barrel.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices are trading marginally lower at \$795.60/oz.

Yesterday, platinum prices declined 0.3% to close at \$800.10/oz.

Major South African corporate news

Sibanye Gold Limited

The company announced that it has received a formal notification that Investec Limited has, in aggregate, acquired an interest in the ordinary shares of the company, such that the total interest held by Investec amounts to 5.0% of the total issued shares of the company.

Major global economic news

Eurozone

In Germany, non-seasonally adjusted final GDP advanced 1.5% on a yearly basis in 4Q18, at par with market expectations. GDP had recorded a rise of 1.1% in the prior quarter. The preliminary figures had recorded a rise of 2.2%.

In the Eurozone, seasonally adjusted trade surplus widened more-than-expected to EUR15.10bn in November, compared to a surplus of EUR13.50bn in the previous month.

US

In the US, the PPI advanced 2.5% on an annual basis in December, meeting market forecast and compared to a similar rise in the prior month.

In January, the NY Empire State manufacturing index recorded a more-than-expected drop to 3.90 in the US, compared to a revised reading of 11.50 in the prior month.

Asia

In Australia, the Westpac consumer confidence index dropped to a level of 99.6 in January, compared to a reading of 104.4 in the prior month.

In Japan, machinery orders remained flat on a monthly basis in November, compared to an advance of 7.6% in the prior month.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
Japan	01:50	Machinery Orders (MoM) (Nov)	✓	0.00%*	7.60%	Monthly
Japan	01:50	Machinery Orders (YoY) (Nov)	✓✓	0.80%*	4.50%	Monthly
Japan	06:30	Tertiary Industry Index (MoM) (Nov)	✓✓	-0.30%*	1.90%	Monthly
Germany	09:00	Consumer Price Index (YoY) (Dec) (F)	✓✓✓	1.70%	1.70%**	Monthly
Eurozone	10:40	ECB's Nowotny Speaks at Euromoney Conference in Vienna	✓	-	-	As scheduled
UK	11:15	BoE Governor Carney Testifies on Financial Stability Report	✓✓✓	-	-	As scheduled
UK	11:30	Consumer Price Index Core (YoY) (Dec)	✓✓✓	1.80%	1.80%	Monthly
UK	11:30	PPI Core Output n.s.a. (YoY) (Dec)	✓✓	2.40%	2.40%	Monthly
UK	11:30	Retail Price Index (MoM) (Dec)	✓✓✓	0.50%	0.00%	Monthly
UK	11:30	BBA Mortgage Approvals (Dec)	✓✓	-	39.40K	Monthly
UK	11:30	Retail Price Index (Dec)	✓	286.00	284.60	Monthly
UK	11:30	Consumer Price Index (YoY) (Dec)	✓✓✓	2.10%	2.30%	Monthly
UK	11:30	Producer Price Index - Output n.s.a. (YoY) (Dec)	✓✓	2.90%	3.10%	Monthly
UK	11:30	Retail Price Index (YoY) (Dec)	✓✓	2.90%	3.20%	Monthly
Italy	12:00	Consumer Price Index (YoY) (Dec) (F)	✓✓✓	1.20%	1.10%**	Monthly
South Africa	13:00	Retail Sales (MoM) (Nov)	✓✓	2.40%	0.60%	Monthly
South Africa	13:00	Retail Sales (YoY) (Nov)	✓✓	2.00%	2.20%	Monthly
US	14:00	MBA Mortgage Applications (11-Jan)	✓	-	23.50%	Weekly
US	15:30	Advance Retail Sales (MoM) (Dec)	✓✓✓	0.30%	0.20%	Monthly
US	15:30	Retail Sales Ex Auto & Gas (Dec)	✓✓✓	0.50%	0.50%	Monthly
US	15:30	Retail Sales ex Autos (MoM) (Dec)	✓✓✓	0.20%	0.20%	Monthly
US	17:00	Business Inventories (Nov)	✓	0.30%	0.60%	Monthly
US	17:00	NAHB Housing Market Index (Jan)	✓	56.00	56.00	Monthly
US	21:00	Fed's Beige Book	✓✓✓	-	-	As scheduled
US	23:00	Net Long-Term TIC Flows (Nov)	✓✓	-	USD31.30bn	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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