

ONE Minute Brief

4 January 2019

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Economic and political news

Mozambique's former Finance Minister, Manuel Chang who has been arrested on charges related to a debt deal will oppose extradition to the US, according to his lawyer, Rudi Krause. Additionally, he stated that Manuel Chang will apply for bail at a hearing on 8 January.

Eskom spokesperson, Khulu Phasiwe, stated that the utility's coal stocks have improved, but load shedding risk remained.

According to a news report, more than 9,000 councillors across South Africa (SA) are set to receive salary increases as well as additional benefits.

International Relations and Cooperation Minister, Lindiwe Sisulu has issued a warning to South Africans travelling abroad.

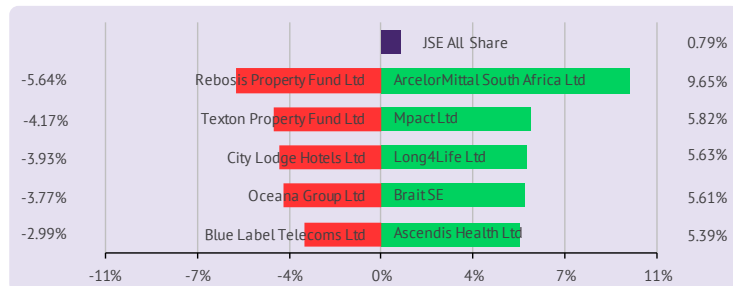
Key indices

	Last close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	51669.94	▲	405.88	0.79	-1.48	-2.02	4.09	-2.02
JSE Top 40	45622.51	▲	312.37	0.69	-1.87	-2.36	4.63	-2.36
FTSE 100	6692.66	▼	-41.57	-0.62	-0.61	-0.53	-3.61	-0.53
DAX 30	10416.66	▼	-163.53	-1.55	-1.35	-1.35	-6.20	-1.35
CAC 40	4611.49	▼	-77.90	-1.66	-1.44	-2.52	-5.46	-2.52
S&P 500	2447.89	▼	-62.14	-2.48	-1.52	-2.35	-9.18	-2.35
Nasdaq Composite	6463.50	▼	-202.43	-3.04	-1.84	-2.59	-9.48	-2.59
DJIA	22686.22	▼	-660.02	-2.83	-1.63	-2.75	-8.66	-2.75
MSCI Emerging Markets	949.57	▼	-6.09	-0.64	-1.36	-1.69	-2.89	-1.69
MSCI Developed World	1853.18	▼	-27.97	-1.49	-0.94	-1.63	-7.71	-1.63

South Africa Market ▲

South African markets closed higher

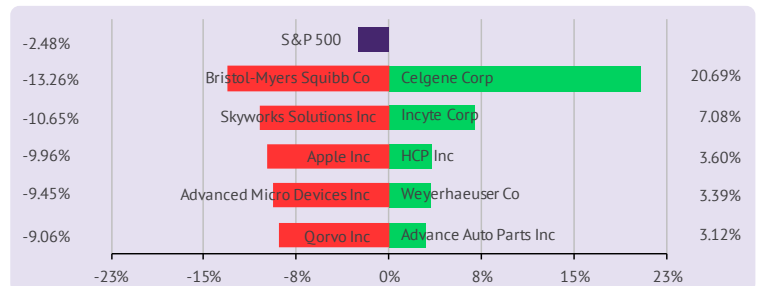
South African markets closed in the green yesterday, boosted by gains in financial and mining sector stocks. The JSE All Share Index rose 0.8% to close at 51,669.94.



US Market ▼

The S&P 500 futures are trading in the green

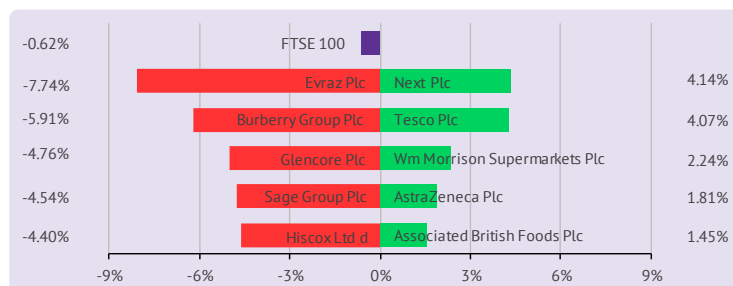
US markets closed lower yesterday, amid disappointing economic data and after Apple downgraded its sales projections. Data revealed that the US ISM manufacturing PMI dropped in December. The S&P 500 Index dropped 2.5% to close at 2,447.89.



UK Market ▼

The FTSE 100 futures are trading in positive territory

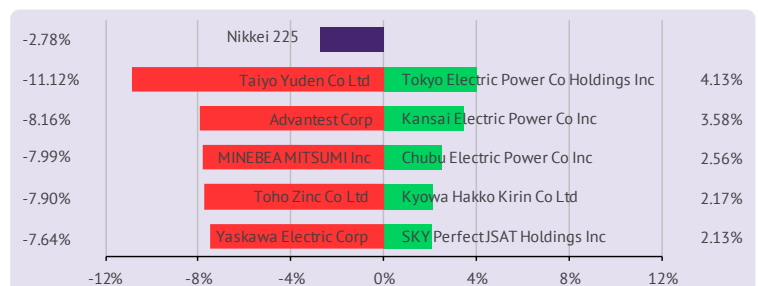
UK markets finished lower yesterday, as Apple's profit warning added to growth concerns. Data showed that UK's Markit construction PMI fell in December. The FTSE 100 Index declined 0.6% to close at 6,692.66.



Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning. Data indicated that Japan's Nikkei manufacturing PMI advanced in December. The Nikkei 225 Index is trading 2.8% lower at 19,459.34.



USD ZAR ▼

USD trading lower against ZAR

At 06:00 SAST, the US Dollar is trading marginally weaker against the South African Rand at R14.2947. Later today, traders will keep a close watch on the US unemployment rate, change in non-farm payrolls, average hourly earnings and the Markit services PMI for further indication.

The US Dollar fell against the South African Rand yesterday. On the macro front, the US ISM manufacturing activity index fell more than market expectations in December, hitting its lowest level since November 2016. Additionally, the MBA mortgage applications recorded a drop in the week ended 28 December 2018. Moreover, initial jobless claims unexpectedly climbed to a four-week high level in the week ended 29 December 2018. Meanwhile, the nation's private sector employment advanced more than market forecast in December, notching its highest level since February 2017.

GBP ZAR ▼

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound slightly dropped against the South African Rand to trade at R18.0684. Ahead in the day, traders will keep an eye on UK's Markit services PMI, consumer credit data, mortgage approvals and the Nationwide house price index for further direction. On the data front, UK's annual BRC shop price index advanced in December.

The British Pound declined against the South African Rand yesterday. Data indicated that UK's Markit construction PMI dropped more than market forecast in December, recording its lowest level in three months.

EUR ZAR ▲

EUR trading stronger against ZAR

At 06:00 SAST, the Euro is trading marginally higher against the South African Rand at R16.2923. Going forward, market participants will keep a tab on the Markit services PMI across the Eurozone along with Eurozone's consumer and producer price indices and Germany's unemployment rate for further cues.

The Euro weakened against the South African Rand yesterday.

AUD ZAR ▲

AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.3% firmer against the South African Rand at R10.0477. Earlier in the session, Australia's services PMI registered an advance in December. Meanwhile, in China, Australia's largest trading partner, the Caixin services PMI unexpectedly jumped in December.

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	14.2947	▼	-1.13	-0.93	-0.34	3.44	-0.34
GBPZAR	18.0684	▼	-0.89	-1.37	-1.36	3.58	-1.36
EURZAR	16.2923	▲	-0.70	-1.36	-1.02	4.83	-1.02
AUDZAR	10.0477	▲	-0.84	-1.38	-1.05	-0.16	-1.05
EURUSD	1.1397	▲	0.44	-0.44	-0.64	1.33	-0.64
GBPUSD	1.2642	▲	0.17	-0.56	-0.99	0.04	-0.99
Brent (\$/barrel)	56.0	=	1.89	5.15	4.00	-9.52	4.00
Gold (\$/oz)	1297.3	▲	0.83	0.92	1.05	5.01	1.05
Platinum (\$/oz)	794.5	=	-0.58	0.62	-0.18	-0.49	-0.18
Copper (\$/MT)*	5713.8	▼	-1.81	-4.56	-3.95	-4.46	-3.95

*As of previous close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.2% higher to trade at \$1,297.30/oz.

Yesterday, gold prices rose 0.8% to close at \$1,294.80/oz, on global growth fears.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil is trading marginally lower at \$55.95/bl.

Yesterday, Brent crude oil advanced 1.9% to settle at \$55.95/bl, after the American Petroleum Institute reported that the US crude supplies fell by 4.5mn bls in the week ended 28 December 2018.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices marginally dropped to trade at \$794.50/oz.

Yesterday, platinum prices declined 0.6% to close at \$794.50/oz.

Major South African corporate news

Anglo American Plc

The company announced that Chief Executive Officer (CEO), Ruben Fernandes, will succeed Duncan Wanblad as the CEO of Base Metals with effect from 1 March 2019. Further, Wilfred Bruijn has been appointed as the CEO of the company in Brazil, succeeding Ruben Fernandes.

Major global economic news

US

In the US, the MBA mortgage applications fell 8.5% on a weekly basis in the week ended 28 December 2018. The MBA mortgage applications had registered a drop of 5.8% in the previous week.

In the US, the ADP private sector employment recorded a more-than-expected rise of 271.00K in December. Private sector employment had recorded a revised increase of 157.00K in the prior month.

In the US, seasonally adjusted initial jobless claims unexpectedly rose to 231.00K in the week ended 29 December 2018, compared to a revised reading of 221.00K in the previous week.

In December, the ISM manufacturing activity index dropped more-than-anticipated to 54.10 in the US. In the prior month, the index had registered a level of 59.30.

UK

In the UK, the Markit construction PMI dropped to 52.80 in December, more-than-expected and compared to a level of 53.40 in the previous month.

In the UK, the BRC shop price index registered a rise of 0.3% on an annual basis in December. In the prior month, the index had registered a rise of 0.1%.

Asia

In Australia, the CBA services PMI rose to a level of 52.7 in December, compared to a reading of 52.2 in the prior month.

In Japan, the final manufacturing PMI climbed to 52.60 in December. The Manufacturing PMI had recorded a level of 52.20 in the previous month. The preliminary figures had indicated a rise to 52.40.

In China, the Markit services PMI index unexpectedly climbed to a level of 53.90 in December. In the previous month, the Markit services PMI index had registered a reading of 53.80.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
UK	02:01	BRC Shop Price Index (YoY) (Dec)	✓✓✓	0.30%*	0.10%	Monthly
Japan	02:30	Nomura/ JMMA Manufacturing PMI (Dec) (F)	✓✓✓	52.60*	52.40**	Monthly
China	03:45	Caixin/Markit Services PMI (Dec)	✓✓✓	53.90*	53.80	Monthly
UK	09:00	Nationwide House Prices s.a. (MoM) (Dec)	✓✓✓	0.10%	0.30%	Monthly
France	09:45	Consumer Price Index (EU norm) (YoY) (Dec) (P)	✓✓✓	2.00%	2.20%	Monthly
Germany	10:55	Unemployment Rate s.a. (Dec)	✓✓✓	5.00%	5.00%	Monthly
Germany	10:55	Markit Services PMI (Dec) (F)	✓✓✓	52.50	52.50**	Monthly
Germany	10:55	Unemployment Change (Dec)	✓✓✓	-13.00K	-16.00K	Monthly
Eurozone	11:00	Markit Services PMI (Dec) (F)	✓✓✓	51.40	51.40**	Monthly
UK	11:30	Markit Services PMI (Dec)	✓✓✓	50.70	50.40	Monthly
UK	11:30	Net Consumer Credit (Nov)	✓✓	GBP1.00bn	GBP0.90bn	Monthly
UK	11:30	Mortgage Approvals (Nov)	✓✓✓	66.00K	67.10K	Monthly
Eurozone	12:00	Producer Price Index (MoM) (Nov)	✓✓✓	-0.20%	0.80%	Monthly
Eurozone	12:00	Producer Price Index (YoY) (Nov)	✓✓✓	4.20%	4.90%	Monthly
Italy	12:00	Consumer Price Index (YoY) (Dec) (P)	✓✓✓	1.50%	1.60%	Monthly
Eurozone	12:00	Consumer Price Index (YoY) (Dec) (P)	✓✓✓	1.80%	1.90%	Monthly
US	15:30	Average Hourly Earnings All Employees (MoM) (Dec)	✓✓	0.30%	0.20%	Monthly
US	15:30	Average Hourly Earnings All Employees (YoY) (Dec)	✓✓	3.00%	3.10%	Monthly
US	15:30	Unemployment Rate (Dec)	✓✓✓	3.70%	3.70%	Monthly
US	15:30	Change in Manufacturing Payrolls (Dec)	✓	20.00K	27.00K	Monthly
US	15:30	Change in Private Payrolls (Dec)	✓✓	185.00K	161.00K	Monthly
US	15:30	Change in Non-farm Payrolls (Dec)	✓✓✓	184.00K	155.00K	Monthly
US	16:45	Markit Services PMI (Dec) (F)	✓✓✓	53.40	53.40**	Monthly
US	17:15	Fed Chair Powell plus Bernanke and Yellen interviewed at AEA	✓✓✓	-	-	As scheduled
US	20:30	Fed's Barkin Speaks on Outlook for Growth	✓	-	-	As scheduled
US	20:30	Fed's Bullard speech	✓✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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