

ONE Minute Brief

29 January 2019

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Economic and political news

Bosasa's Ex-Chief Operating Officer, Angelo Agrizzi, in his testimony, disclosed that the company agreed to pay ZAR300,000 a month to former President, Jacob Zuma's charitable foundation to shield it from prosecution.

South Africa's Transport Minister, Blade Nzimande, stated that the government is keen to see South African Airways (SAA) debt restructured at the earliest. Meanwhile, SAA Chief Executive Officer, Vuyani Jarana, stated that commercial banks have in principle approved ZAR3.5bn of the funding SAA requires for operating expenses until April.

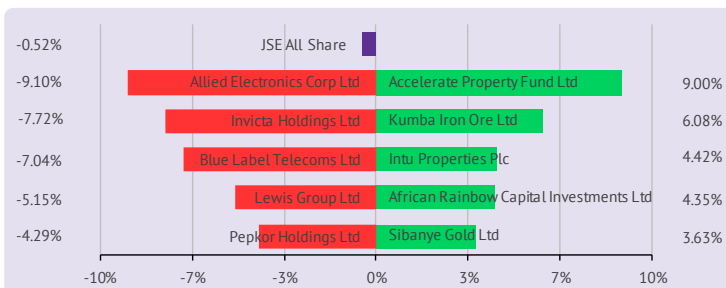
Trade union, Solidarity, stated that former South African Broadcasting Corporation Chief Operating Officer, Hlaudi Motsoeneng, has made his first payment of ZAR300,000 to the union.

The Gauteng High Court in Pretoria has dismissed the African National Congress' legal bid for nullifying the September 27 Tshwane council sitting where Mayor, Solly Msimanga, survived the party's motion of no confidence against him.

South Africa Market ▼

South African markets closed lower

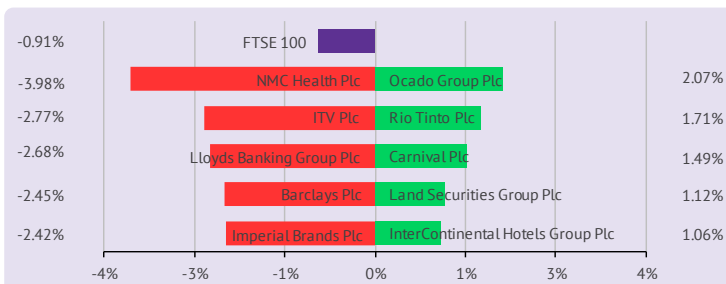
South African markets closed in the red yesterday, amid ongoing global tensions. The JSE All Share Index fell 0.5% to close at 53,767.47.



UK Market ▼

The FTSE 100 futures are trading in negative territory

UK markets finished lower yesterday, amid worries over economic slowdown in China and strength in the British Pound. The FTSE 100 Index declined 0.9% to close at 6,747.10.



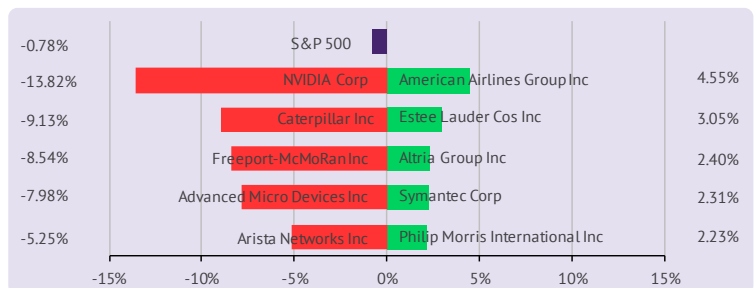
Key indices

	As at 28 Jan 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	53767.47	▼ -282.76	-0.52	-0.52	1.95	4.09	1.95
JSE Top 40 (ZAR)	47600.25	▼ -292.16	-0.61	-0.61	1.87	4.63	1.87
FTSE 100 (GBP)	6747.10	▼ -62.12	-0.91	-0.91	0.28	-3.61	0.28
DAX 30 (EUR)	11210.31	▼ -71.48	-0.63	-0.63	6.17	-6.20	6.17
CAC 40 (EUR)	4888.58	▼ -37.24	-0.76	-0.76	3.34	-5.46	3.34
S&P 500 (USD)	2643.85	▼ -20.91	-0.78	-0.78	5.47	-9.18	5.47
Nasdaq Composite (USD)	7085.69	▼ -79.18	-1.11	-1.11	6.79	-9.48	6.79
DJIA (USD)	24528.22	▼ -208.98	-0.84	-0.84	5.15	-8.66	5.15
MSCI Emerging Markets (USD)	1028.06	▼ -4.28	-0.41	-0.41	6.43	-2.89	6.43
MSCI Developed World (USD)	1989.18	▼ -12.68	-0.63	-0.63	5.59	-7.71	5.59

US Market ▼

The S&P 500 futures are trading in the red

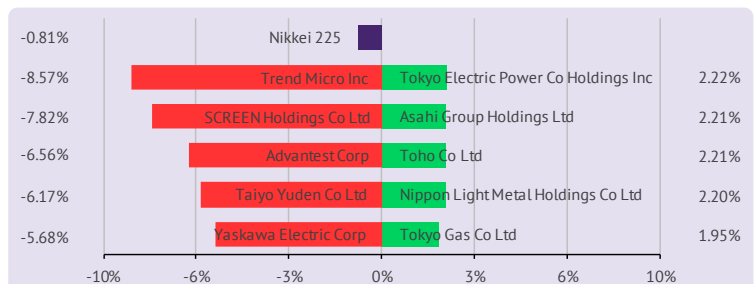
US markets closed lower yesterday, amid weaker-than-expected quarterly earnings from Caterpillar and downbeat revenue guidance from Nvidia. The S&P 500 Index dropped 0.8% to close at 2,643.85.



Asian Market ▼

Trading lower

Asian markets are trading lower this morning, mirroring overnight losses on Wall Street. The Nikkei 225 Index is trading 0.8% lower at 20,482.03.



USD ZAR ▲

USD trading higher against ZAR

At 06:00 SAST, the US Dollar is trading 0.1% firmer against the South African Rand at R13.6782. Later today, traders will keep a close watch on the US advance goods trade balance, wholesale inventories and consumer confidence index for further direction.

The US Dollar rose against the South African Rand yesterday. On the macro front, the US Chicago Fed National activity index registered an advance in December. Additionally, the Dallas Fed manufacturing activity index rebounded in January.

GBP ZAR ▲

GBP trading firmer against ZAR

At 06:00 SAST, the British Pound marginally advanced against the South African Rand to trade at R17.9885. With no major economic news in the UK today, investor sentiment will be determined by global macroeconomic news.

The British Pound advanced against the South African Rand yesterday, amid reports that the British Prime Minister, Theresa May could take no-deal Brexit off the table.

EUR ZAR ▲

EUR trading stronger against ZAR

At 06:00 SAST, the Euro is trading 0.1% higher against the South African Rand at R15.6351. Amid no major economic news across the Eurozone, market sentiment will be influenced by global macroeconomic news.

The Euro strengthened against the South African Rand yesterday.

AUD ZAR ▲

AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar slightly rose against the South African Rand to trade at R9.7976. Earlier in the session, Australia's NAB business confidence index recorded an unchanged reading in December.

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	13.6782	▲	0.34	0.34	-4.75	3.44	-4.75
GBPZAR	17.9885	▲	0.06	0.06	-1.86	3.58	-1.86
EURZAR	15.6351	▲	0.56	0.56	-5.09	4.83	-5.09
AUDZAR	9.7976	▲	0.12	0.12	-3.26	-0.16	-3.26
EURUSD	1.1431	▲	0.19	0.19	-0.34	1.33	-0.34
GBPUSD	1.3151	▼	-0.25	-0.25	3.21	0.04	3.21
Brent (\$/barrel)	60.1	▲	-2.77	-2.77	11.39	-9.52	11.39
Gold (\$/oz)	1308.7	▲	0.39	0.39	1.70	5.01	1.70
Platinum (\$/oz)	810.9	▲	-0.47	-0.47	1.73	-0.49	1.73
Copper (\$/MT)*	5979.0	▼	-0.97	-0.97	0.50	-4.46	0.50

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

Gold ▲

Trading in the green

At 06:00 SAST, gold prices climbed 0.4% to trade at \$1,308.70/oz.

Yesterday, gold prices rose 0.4% to close at \$1,303.10/oz, ahead of the 2-day FOMC meeting due to commence later today.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged 0.2% higher to trade at \$60.05/bl.

Yesterday, Brent crude oil dropped 2.8% to settle at \$59.93/bl, amid concerns over crude oil supply and sluggish demand from China.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices climbed 0.1% to trade at \$810.90/oz.

Yesterday, platinum prices declined 0.5% to close at \$814.50/oz.

Major South African corporate news

Trencor Limited

In its FY18 trading statement, the company announced that it expects headline loss per share to be between 1,850.00c and 1,880.00c compared to a HEPS of 149.40c posted in the same period of the previous year. Further, the company expects EPS to be in the range of 1,255.00c to 1,290.00c compared to a loss per share of 181.50c recorded in the corresponding period of the preceding year.

Major global economic news

US

In the US, the Chicago Fed national activity index climbed to 0.27 in December. The index had registered a revised reading of 0.21 in the previous month.

In the US, the Dallas Fed manufacturing business index registered a rise to 1.00 in January, compared to a reading of -5.10 in the prior month.

Asia

In Australia, the NAB business confidence index remained unchanged at a level of 3.00 in December.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus	Previous/ **Previous est.	Frequency
France	09:45	Consumer Confidence (Jan)	✓✓✓	-	87.00	Monthly
Spain	10:00	Unemployment Rate (Survey) (Q4)	✓	14.44%	14.55%	Quarterly
Italy	11:00	Producer Price Index (MoM) (Dec)	✓✓	-	-0.80%	Monthly
Italy	11:00	Producer Price Index (YoY) (Dec)	✓	-	5.70%	Monthly
UK	11:15	BoE's Woods Speaks on Financial Regulation	✓	-	-	As scheduled
Eurozone	12:20	ECB's Villeroy speaks in Paris	✓	-	-	As scheduled
US	15:30	Wholesale Inventories (MoM) (Dec) (P)	✓✓✓	-	-	Monthly
US	16:00	S&P/Case-Shiller Home Price Index (Nov)	✓	-	206.03	Monthly
US	16:00	S&P/Case-Shiller 20 City s.a. (MoM) (Nov)	✓✓✓	0.40%	0.41%	Monthly
US	16:00	S&P/Case-Shiller Composite-20 (YoY) (Nov)	✓✓	4.90%	5.03%	Monthly
US	17:00	Consumer Confidence (Jan)	✓✓✓	124.60	128.10	Monthly
US	-	Durable Goods Orders (Dec) (P)	✓✓✓	1.70%	-	Monthly
US	-	Wholesale Inventories (MoM) (Nov) (F)	✓✓✓	-	0.80%**	Monthly
US	-	New Home Sales (Dec)	✓✓✓	575.00K	-	Monthly
US	-	Durable Goods Orders ex Transportation (Dec) (P)	✓✓	0.10%	-	Monthly
US	-	New Home Sales (MoM) (Dec)	✓✓✓	5.70%	-	Monthly
UK	-	UK Parliamentary vote on Brexit Plan B	✓✓✓	-	-	-

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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