

ONE Minute Brief

30 January 2019

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Economic and political news

Public Enterprises Minister, Pravin Gordhan, stated that the government will soon debate whether to split up Eskom to make it financially viable.

Suspended KwaZulu-Natal prisons' chief, Mnikelwa Nxele, told the Commission of Inquiry into State Capture that he wants to cross-examine Angelo Agrizzi, after he was named as receiving bribes from Bosasa.

The Gauteng High Court in Pretoria, prohibited government from acting on Public Protector, Mkhwebane's findings that Western Cape Premier, Helen Zille violated the executive members' ethics code.

Deputy Chief Justice, Raymond Zondo, has dismissed an application from Ajay Gupta to cross-examine former Finance Minister, Trevor Manuel.

According to a news report, the Special Investigating Unity will further investigate Bosasa's contracts with the department of correctional services.

Public Investment Corporation has called an emergency board meeting, following reports over fresh corruption allegations against a board member.

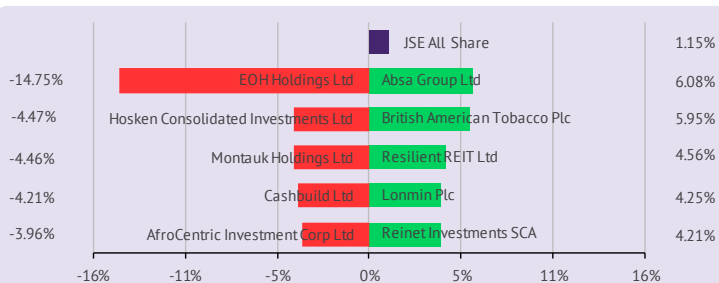
Key indices

	As at 29 Jan 2019		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	54387.70	▲	620.23	1.15	0.62	3.13	4.09	3.13
JSE Top 40 (ZAR)	48201.00	▲	600.75	1.26	0.64	3.16	4.63	3.16
FTSE 100 (GBP)	6833.93	▲	86.83	1.29	0.36	1.57	-3.61	1.57
DAX 30 (EUR)	11218.83	▲	8.52	0.08	-0.56	6.25	-6.20	6.25
CAC 40 (EUR)	4928.18	▲	39.60	0.81	0.05	4.17	-5.46	4.17
S&P 500 (USD)	2640.00	▼	-3.85	-0.15	-0.93	5.31	-9.18	5.31
Nasdaq Composite (USD)	7028.29	▼	-57.39	-0.81	-1.91	5.92	-9.48	5.92
DIJA (USD)	24579.96	▲	51.74	0.21	-0.64	5.37	-8.66	5.37
MSCI Emerging Markets (USD)	1029.75	▲	1.69	0.16	-0.25	6.61	-2.89	6.61
MSCI Developed World (USD)	1989.60	▲	0.41	0.02	-0.61	5.61	-7.71	5.61

South Africa Market ▲

South African markets closed higher

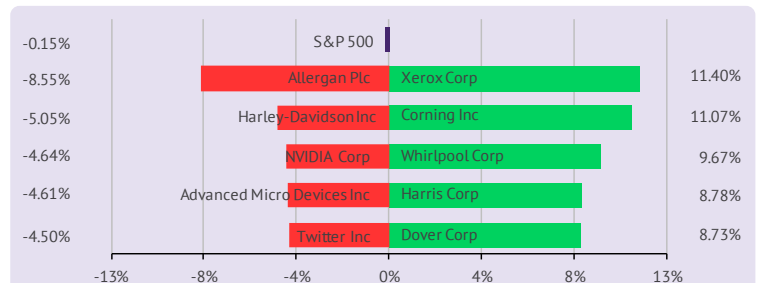
South African markets closed in the green yesterday, boosted by gains in banking, gold mining and property sector stocks. The JSE All Share Index rose 1.2% to close at 54,387.70.



US Market ▼

The S&P 500 futures are trading in the green

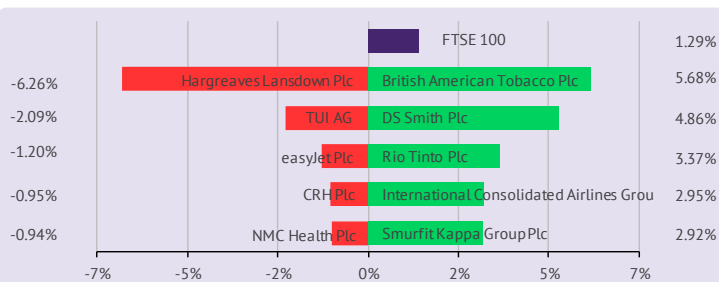
US markets closed mostly lower yesterday, weighed down by losses in technology and communication services sector stocks. Data revealed that the US consumer confidence index fell more-than-expected in January. The S&P 500 Index dropped 0.2% to close at 2,640.00.



UK Market ▲

The FTSE 100 futures are trading in negative territory

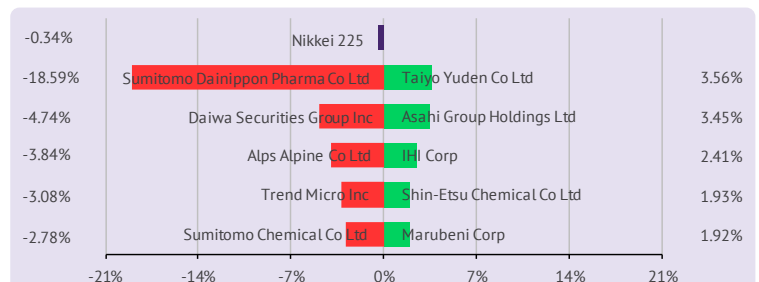
UK markets finished higher yesterday, ahead of the parliamentary vote over the British Prime Minister, Theresa May's updated Brexit deal. The FTSE 100 Index advanced 1.3% to close at 6,833.93.



Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning. Data showed that Japan's monthly retail trade rebounded in December. The Nikkei 225 Index is trading 0.3% lower at 20,593.73.



USD ZAR ▲

USD trading higher against ZAR

At 06:00 SAST, the US Dollar marginally climbed against the South African Rand to trade at R13.6034. Later today, traders will keep a close watch on the FOMC interest rate decision along with the US gross domestic product, the MBA mortgage applications, the ADP employment change and pending home sales for further direction.

The US Dollar fell against the South African Rand yesterday, after the US consumer sentiment deteriorated for a consecutive third month in January, marking its lowest level in 18 months.

GBP ZAR ▲

GBP trading firmer against ZAR

At 06:00 SAST, the British Pound is trading 0.2% higher against the South African Rand at R17.7982. Ahead in the day, traders will keep an eye on UK's net consumer credit and mortgage approvals for further indication. Data indicated that UK's BRC shop price index registered an advance on an annual basis in January, recording its highest rate of increase since April 2013.

The British Pound declined against the South African Rand yesterday, after the UK policymakers rejected an amendment to extend the deadline for Brexit.

EUR ZAR ▲

EUR trading higher against ZAR

At 06:00 SAST, the Euro gained 0.1% against the South African Rand to trade at R15.5588. Going forward, market participants will keep a tab on the Eurozone's business climate indicator, economic and consumer confidence indices along with Germany's consumer price index (CPI) and GfK consumer confidence index for further cues.

The Euro weakened against the South African Rand yesterday.

AUD ZAR ▲

AUD trading stronger against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.5% firmer against the South African Rand at R9.7851. Earlier in the session, Australia's CPI climbed more than market expectations on an annual basis in 4Q18.

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	13.6034	▲	-0.48	-0.14	-5.20	3.44	-5.20
GBPZAR	17.7982	▲	-1.17	-1.11	-3.01	3.58	-3.01
EURZAR	15.5588	▲	-0.48	0.08	-5.54	4.83	-5.54
AUDZAR	9.7851	▲	-0.62	-0.50	-3.86	-0.16	-3.86
EURUSD	1.1436	▲	0.04	0.24	-0.30	1.33	-0.30
GBPUSD	1.3087	▲	-0.74	-0.99	2.45	0.04	2.45
Brent (\$/barrel)	61.6	▲	2.32	-0.52	13.98	-9.52	13.98
Gold (\$/oz)	1318.3	▲	0.45	0.83	2.15	5.01	2.15
Platinum (\$/oz)	818.8	▲	0.75	0.28	2.50	-0.49	2.50
Copper (\$/MT)*	6032.5	▲	0.89	-0.08	1.40	-4.46	1.40

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

Gold ▲

Trading in the green

At 06:00 SAST, gold prices rose 0.7% to trade at \$1,318.30/oz.

Yesterday, gold prices rose 0.5% to close at \$1,308.90/oz, amid ongoing uncertainties over US-China trade war.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged 0.4% higher to trade at \$61.56/bl.

Yesterday, Brent crude oil advanced 2.3% to settle at \$61.32/bl, following the US Treasury's decision to impose sanctions on Venezuela's state-owned oil firm, Petróleos de Venezuela SA. Meanwhile, the American Petroleum Institute reported that US crude supplies rose less-than-expected by 2.1mn bls in the week ended 25 January 2019.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged 0.4% higher to trade at \$818.80/oz.

Yesterday, platinum prices climbed 0.2% to close at \$815.80/oz.

Major South African corporate news

Anglo American Plc

The company announced that the value of rough diamond sales for De Beers' first sales cycle of 2019, amounted to USD505.00mn.

Grand Parade Investments Limited

The company announced that its current Chief Operations Officer, Mohsin Tajbhai, has been appointed as acting Chief Executive Officer, with effect from 28 January 2019.

Major global economic news

Asia

In Australia, the CPI rose 1.8% on a yearly basis in 4Q18, more than market expectations. The CPI had advanced 1.9% in the prior quarter.

In Japan, retail trade rose 0.9% on a monthly basis in December, more than market forecast. Retail trade had dropped 1.0% in the previous month.

UK

In the UK, the BRC shop price index advanced 0.4% on an annual basis in January. The index had risen 0.3% in the prior month.

US

In the US, the consumer confidence index registered a more-than-expected drop to 120.20 in January, compared to a revised level of 126.60 in the previous month.

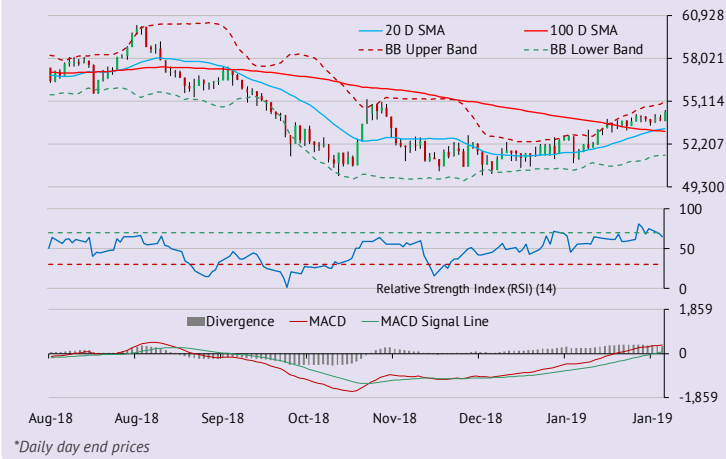
Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
Japan	01:50	Retail Trade s.a. (MoM) (Dec)	✓✓✓	0.90%*	-1.00%	Monthly
Japan	01:50	Retail Trade (YoY) (Dec)	✓✓✓	1.30%*	1.40%	Monthly
UK	02:01	BRC Shop Price Index (YoY) (Jan)	✓✓✓	0.40%*	0.30%	Monthly
Japan	07:00	Consumer Confidence Index (Jan)	✓✓	42.40	42.70	Monthly
South Africa	08:00	M3 Money Supply (YoY) (Dec)	✓	-	5.69%	Monthly
South Africa	08:00	Private Sector Credit (YoY) (Dec)	✓	-	5.56%	Monthly
Germany	09:00	GfK Consumer Confidence Survey (Feb)	✓✓✓	10.30	10.40	Monthly
UK	11:30	M4 Ex IOFCs 3M Annualised (Dec)	✓	-	1.70%	Monthly
UK	11:30	M4 Money Supply (MoM) (Dec)	✓	-	0.00%	Monthly
UK	11:30	M4 Money Supply (YoY) (Dec)	✓	-	0.80%	Monthly
UK	11:30	Net Consumer Credit (Dec)	✓✓	GBP0.80bn	GBP0.90bn	Monthly
UK	11:30	Net Lending Sec. on Dwellings (Dec)	✓✓	GBP3.60bn	GBP3.50bn	Monthly
Eurozone	12:00	Consumer Confidence (Jan) (F)	✓✓✓	-7.90	-7.90**	Monthly
Eurozone	12:00	Industrial Confidence (Jan)	✓	0.50	1.10	Monthly
Eurozone	12:00	Business Climate Indicator (Jan)	✓✓	0.77	0.82	Monthly
Eurozone	12:00	Economic Sentiment Indicator (Jan)	✓	106.80	107.30	Monthly
US	14:00	MBA Mortgage Applications (25-Jan)	✓	-	-2.70%	Weekly
Germany	15:00	Consumer Price Index (MoM) (Jan) (P)	✓✓✓	-0.80%	0.10%	Monthly
Germany	15:00	Consumer Price Index (YoY) (Jan) (P)	✓✓✓	1.60%	1.70%	Monthly
US	15:15	ADP Employment Change (Jan)	✓✓✓	181.00 K	271.00 K	Monthly
US	15:30	Gross Domestic Purchases Price Index (QoQ) (Q4) (P)	✓✓✓	1.70%	1.80%	Quarterly
US	15:30	Personal Consumption (QoQ) (Q4) (P)	✓✓✓	3.80%	3.50%	Quarterly
US	17:00	Pending Home Sales (MoM) (Dec)	✓✓	0.50%	-0.70%	Monthly
US	21:00	Fed Interest Rate Decision	✓✓✓	2.50%	2.50%	As scheduled
US	21:00	Fed's Monetary Policy Statement	✓✓✓	-	-	As scheduled
US	21:30	Fed Chairman Powell Holds Post-FOMC Press Conference	✓✓✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

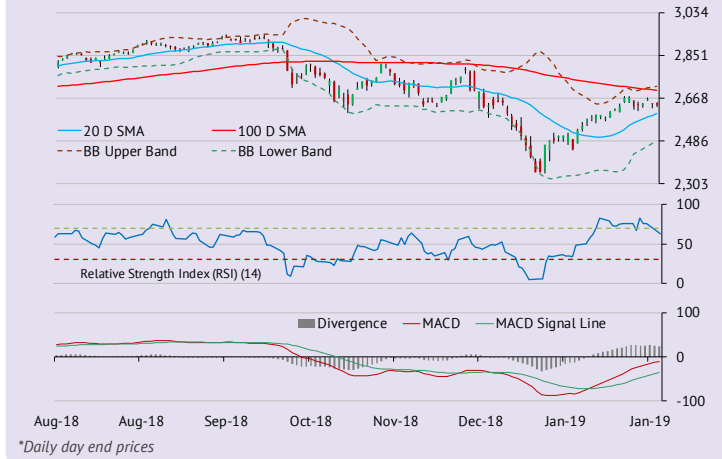
Technical snapshot

JSE All Share



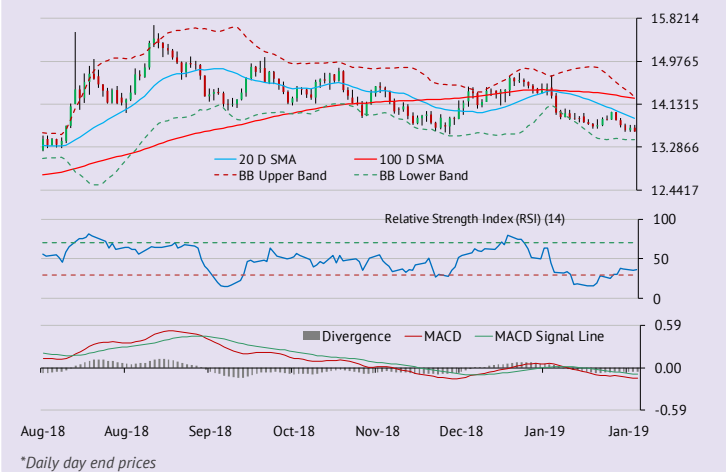
The JSE All Share index is expected to find support at 53,713.84, and a fall through could take it to the next support level of 53,039.97. The index is expected to find its first resistance at 54,783.07, and a rise through could take it to the next resistance level of 55,178.43.

S&P 500



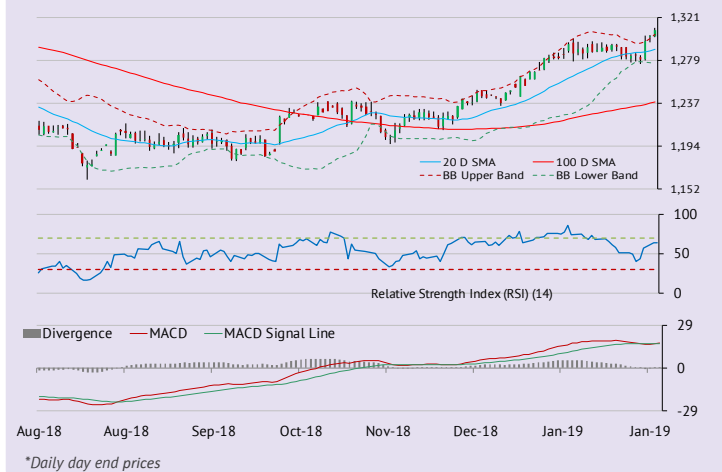
The S&P 500 index is expected to find support at 2,611.11, and a fall through could take it to the next support level of 2,582.23. The index is expected to find its first resistance at 2,670.63, and a rise through could take it to the next resistance level of 2,701.27.

USD ZAR



The pair is expected to find support at 13.4655, and a fall through could take it to the next support level of 13.3310. The pair is expected to find its first resistance at 13.8560, and a rise through could take it to the next resistance level of 14.1120.

XAU USD



Gold is expected to find support at \$1,285.87/oz, and a fall through could take it to the next support level of \$1,262.83/oz. The precious metal is expected to find its first resistance at \$1,321.37/oz, and a rise through could take it to the next resistance level of \$1,333.83/oz.

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