

# ONE Minute Brief

18 February 2019

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## Economic and political news

On Friday, Eskom suspended electricity cuts, but warned that the power system remained vulnerable, after five days of power cuts.

South Africa (SA) has provisionally withdrawn an arrest warrant for Ajay Gupta, which had been issued on account of corruption charges.

Former South African ambassador to Iran, Yusuf Saloojee, who was arrested on charges corruption and foreign bribery has been granted a bail of ZAR4,000.

Public Enterprises Minister, Pravin Gordhan, stated that SA wants to talk to independent power producers (IPPs) about lowering the price Eskom pays for electricity from older renewable energy projects.

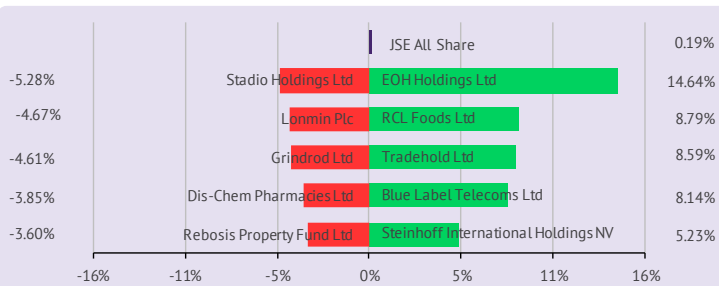
A South African court has denied bail to former Mozambican Finance Minister, Manuel Chang.

South African Airways will pay its rival Comair ZAR1.1bn to settle an anti-competition case.

## South Africa Market ▲

### South African markets closed higher

South African markets closed in the green on Friday, boosted by gains in platinum mining and resources sector stocks. The JSE All Share Index rose 0.2% to close at 54,628.41.



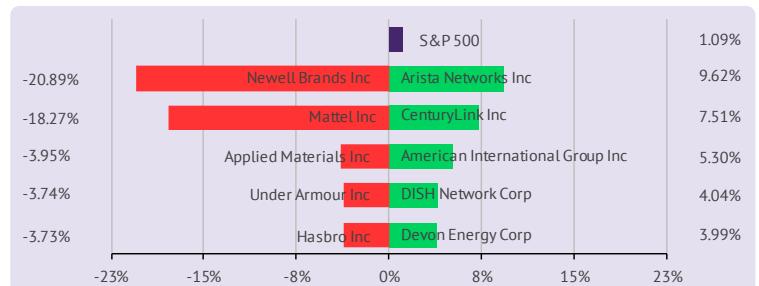
## Key indices

	As at 15 Feb 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg	
JSE All Share (ZAR)	54628.41	▲	101.30	0.19	NA	0.87	2.69	3.59
JSE Top 40 (ZAR)	48446.14	▲	96.32	0.20	NA	1.02	2.63	3.68
FTSE 100(GBP)	7236.68	▲	39.67	0.55	NA	3.84	3.58	7.56
DAX 30 (EUR)	11299.80	▲	210.01	1.89	NA	1.13	5.82	7.02
CAC 40 (EUR)	5153.19	▲	90.67	1.79	NA	3.21	5.54	8.93
S&P 500 (USD)	2775.60	▲	29.87	1.09	NA	2.64	7.87	10.72
Nasdaq Composite (USD)	7472.41	▲	45.45	0.61	NA	2.62	9.74	12.62
DJIA (USD)	25883.25	▲	443.86	1.74	NA	3.53	7.17	10.96
MSCI Emerging Markets (USD)	1030.64	▼	-8.56	-0.82	NA	-1.84	8.70	6.70
MSCI Developed World (USD)	2066.59	▲	19.02	0.93	NA	1.88	7.67	9.70

## US Market ▲

### The S&P 500 futures are trading in the green

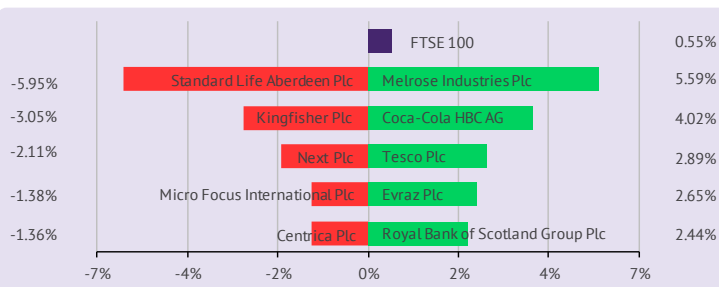
US markets closed higher on Friday, amid hopes over US-China trade deal and led by gains in energy and industrial sector stocks. The S&P 500 Index climbed 1.1% to close at 2,775.60.



## UK Market ▲

### The FTSE 100 futures are trading in negative territory

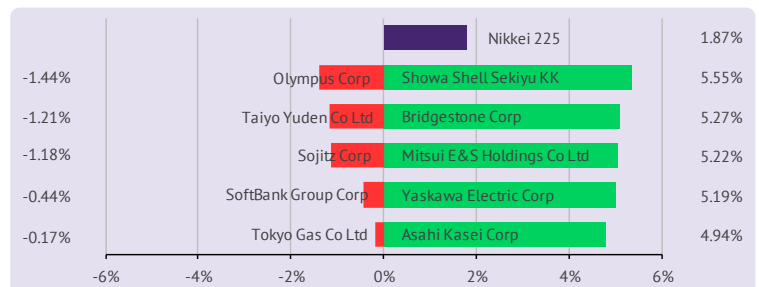
UK markets finished higher on Friday, buoyed by strong retail sales data and amid news of progress in US-China trade talks. The FTSE 100 Index advanced 0.6% to close at 7,236.68.



## Asian Market ▲

### Trading higher

Asian markets are trading higher this morning, amid growing optimism over US-China trade deal. The Nikkei 225 Index is trading 1.9% higher at 21,290.94.



## USD ZAR ▼

### USD trading lower against ZAR

At 06:00 SAST, the US Dollar retreated 0.2% against the South African Rand to trade at R14.0568. Amid no major economic news in the US today, market sentiment will be determined by global macroeconomic news.

The US Dollar fell against the South African Rand on Friday, amid rising hopes of US-China trade deal. On the data front, the US manufacturing production registered an unexpected decline in January. Additionally, industrial production unexpectedly fell for the first time in 8 months on a monthly basis in January. In contrast, the nation's Empire manufacturing PMI climbed more than market expectations in February. Moreover, the Michigan consumer sentiment index recorded a more-than-anticipated advance in February.

## GBP ZAR ▲

### GBP trading higher against ZAR

At 06:00 SAST, the British Pound marginally climbed against the South African Rand to trade at R18.1532. With no major economic news in the UK today, investor sentiment will be determined by global macroeconomic news. Data revealed that UK's Rightmove house prices jumped on a monthly basis in February.

The British Pound advanced against the South African Rand on Friday, after UK's retail sales climbed more than market forecast on a monthly basis in January.

## EUR ZAR ▲

### EUR trading stronger against ZAR

At 06:00 SAST, the Euro is trading 0.1% higher against the South African Rand at R15.9076. Amid no major economic news across the Eurozone, market sentiment will be determined by global macroeconomic news.

The Euro weakened against the South African Rand on Friday. Data indicated that the Eurozone's trade surplus narrowed more than market expectations in December.

## AUD ZAR ▲

### AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.2% higher against the South African Rand at R10.0541.

The Australian Dollar fell against the South African Rand on Friday.

## Key currencies & commodities

	Current#		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	14.0568	▼	-0.35	NA	6.24	-7.61	-1.85
GBPZAR	18.1532	▲	0.29	NA	4.42	-5.16	-0.97
EURZAR	15.9076	▲	-0.41	NA	4.78	-7.83	-3.43
AUDZAR	10.0541	▲	-0.03	NA	4.15	-4.79	-0.83
EURUSD	1.1317	▲	0.01	NA	-1.33	-0.17	-1.49
GBPUSD	1.2915	▲	0.67	NA	-1.68	2.78	1.06
Brent (\$/barrel)	66.2	▼	2.60	NA	8.89	13.09	23.14
Gold (\$/oz)	1327.9	▲	0.63	NA	-0.12	3.00	2.87
Platinum (\$/oz)	809.1	▲	2.24	NA	-2.16	3.62	1.38
Copper (\$/MT)*	6193.0	▲	0.91	NA	0.68	3.40	4.10

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

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices climbed 0.7% to trade at \$1,327.90/oz.

On Friday, gold prices rose 0.6% to close at \$1,318.10/oz, as weak economic data boosted expectations that the US Federal Reserve would not raise interest rates.

## Brent Crude Oil ▼

### Trading weaker

At 06:00 SAST, Brent crude oil declined 0.1% to trade at \$66.20/bl.

On Friday, Brent crude oil advanced 2.6% to settle at \$66.25/bl, on signs of tighter global supplies and progress in US-China trade talks. Meanwhile, Baker Hughes reported that US oil rig count rose by 3 to 857 last week.

## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices edged 0.3% higher to trade at \$809.10/oz.

On Friday, platinum prices climbed 2.2% to close at \$806.90/oz.

## Major South African corporate news

### African Rainbow Minerals Limited

In its 1H19 trading statement, the company announced that it expects HEPS to increase between 8.0% and 15.0% to be in the range of 1,100.00c to 1,180.00c, compared to the corresponding period of the preceding year. Further, the company expects EPS to be between 650.00c and 700.00c, which is 24.0% to 30.0% lower from the same period of the previous year.

### Discovery Limited

In its 1H19 trading statement, the company announced that it expects HEPS to decrease by 18.0% to 347.40c, compared to the corresponding period of the prior year. Further, the company expects EPS to decline by 14.0% to 352.70c, compared to the same period of the prior year.

### Gold Fields Limited

In its FY18 results, the company announced that its revenues decreased to USD2.58bn, from USD2.76bn posted in the corresponding period of the previous year. Its diluted loss per share stood at 42.00c compared to 4.00c recorded in the same period of the prior year.

### Mondi Limited

In its FY18 trading statement, the company indicated that it expects HEPS to be between EUR182.00 and EUR188.00, representing an increase of 25.0% to 29.0% compared to the same period of the previous year. Further, the company expects EPS to be in the range of EUR167.00 to EUR173.00, which is 21.0% to 25.0% higher compared to the corresponding period of the preceding year.

### Pioneer Foods Group Limited

In its trading update for the four months ended 31 January 2019, the company indicated that its turnover increased by 7.8% during the period, excluding the contribution of the acquired Wellington's and Lizi's businesses. Overall like-for-like volume advanced by 2.0%, excluding the contribution of the acquired businesses, thus implying basket inflation of 5.8%.

## Major global economic news

### US

In the US, manufacturing production unexpectedly dropped 0.9% on a monthly basis in January. In the previous month, manufacturing production had risen by a revised 0.8%.

In the US, industrial production unexpectedly fell 0.6% on a monthly basis in January, compared to a revised rise of 0.1% in the prior month.

In February, the NY Empire State manufacturing index registered a more-than-expected rise to 8.80 in the US. In the prior month, the index had registered a reading of 3.90.

In the US, the preliminary Michigan consumer sentiment index registered a rise to 95.50 in February, compared to a reading of 91.20 in the previous month.

### Asia

In Japan, machinery orders dropped 0.1% on a monthly basis in December. In the previous month, machinery orders had registered a flat reading.

### UK







In the UK, retail sales registered a rise of 1.0% on a monthly basis, in January, more than market expectations. In the prior month, retail sales had dropped by a revised 0.7%.

In the UK, the Rightmove house price index registered a rise of 0.7% on a monthly basis in February. The index had recorded a rise of 0.4% in the previous month.

### Eurozone

In the Eurozone, seasonally adjusted trade surplus narrowed more-than-expected to EUR15.60bn in December, compared to a revised trade surplus of EUR15.80bn in the previous month.

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
 Japan	01:50	Machinery Orders (MoM) (Dec)	✓	-0.10%*	0.00%	Monthly
 Japan	01:50	Machinery Orders (YoY) (Dec)	✓✓	0.90%*	0.80%	Monthly
 UK	02:01	Rightmove House Price Index (MoM) (Feb)	✓	0.70%*	0.40%	Monthly
 UK	02:01	Rightmove House Price Index (YoY) (Feb)	✓	0.20%*	0.40%	Monthly
 Eurozone	18:15	SSM Chair Enria Speaks in Brussels	✓	-	-	As scheduled
 Japan	-	Nationwide Department Store Sales (YoY) (Jan)	✓	-	-0.70%	Monthly

Note: ✓✓✓High    ✓✓Medium    ✓Low

## 40 best performers on the All Share Index

Company name	Last close	1 Week % change	MTD % change	YTD % change
Sibanye Gold Ltd	1426	0.35	26.76	42.32
Lonmin Plc	1184	0.85	28.70	41.12
Grindrod Ltd	828	3.37	8.38	34.63
Kumba Iron Ore Ltd	37516	5.84	10.78	32.54
Impala Platinum Holdings Ltd	4842	7.01	25.28	32.01
Anglo American Platinum Ltd	69091	6.05	8.29	28.44
Ascendis Health Ltd	510	-3.77	-6.59	22.60
Octodec Investments Ltd	2050	-0.15	3.02	19.74
Assore Ltd	34700	-3.24	0.95	19.66
Pan African Resources Plc	190	4.97	2.70	18.75
MiX Telematics Ltd	1006	5.78	11.78	18.35
Mpact Ltd	2460	-0.04	14.42	17.09
Clover Industries Ltd	2105	-4.32	5.78	15.72
Northam Platinum Ltd	4989	-1.75	3.25	15.33
Accelerate Property Fund Ltd	380	-2.56	-3.31	15.15
Stenprop Ltd	2022	2.07	3.69	14.46
Exxaro Resources Ltd	15777	4.82	2.49	14.43
Mondi Ltd	35300	8.80	7.59	14.03
Royal Bafokeng Platinum Ltd	3000	5.26	4.35	13.29
Hammerson Plc	6888	4.52	4.68	13.25
Investec Ltd	8933	5.01	2.61	13.08
Mondi Plc	34295	7.55	6.18	12.79
BHP Group Plc	32427	7.75	9.74	12.02
South32 Ltd	3828	9.53	13.49	11.93
Investec Plc	8899	5.43	2.65	11.71
Barloworld Ltd	12501	4.11	3.31	11.63
Net 1 UEPS Technologies Inc	5600	23.10	17.03	11.44
Investec Property Fund Ltd	1528	-1.48	-1.42	11.13
Bid Corp Ltd	29300	4.47	3.40	10.57
Telkom SA SOC Ltd	6979	5.25	3.98	10.27
British American Tobacco Plc	51735	8.92	11.05	10.24
Anglo American Plc	35317	3.74	3.24	9.59
Harmony Gold Mining Co Ltd	2749	-7.75	3.50	9.09
RCL Foods Ltd/South Africa	1523	1.53	-1.61	8.79
NEPI Rockcastle Plc	12288	-2.16	-2.04	8.74
Hospitality Property Fund Ltd	950	0.53	0.00	8.57
Aspen Pharmacare Holdings Ltd	14630	1.77	0.70	8.52
Tradehold Ltd	1087	-1.18	4.52	8.16
Reunert Ltd	7280	-1.89	3.26	8.09
Cie Financiere Richemont SA	10116	10.67	11.40	8.02
<b>JSE All Share Index</b>	<b>54628</b>	<b>2.60</b>	<b>0.87</b>	<b>3.59</b>

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