

ONE
Minute Brief

17 December 2019



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Economic and political news

News reports indicate that South Africa (SA) has urged the United Arab Emirates (UAE) to sign the delayed extradition agreement that could be used to extradite members of the Gupta family to face corruption related allegations back in Johannesburg.

Julius Malema has been re-elected as the Economic Freedom Fighters (EFF) commander-in-chief and Floyd Shivambu as Deputy President for another term.

The amaBhungane Centre for Investigative Journalism reported that Public Protector, Busisiwe Mkhwebane, has been accused of misconduct by a whistle-blower. Separately, the Democratic Alliance wants Mkhwebane to be investigated for possibly lying under oath and removed from office.

The Cape High Court has delivered a judgment against credit providers for overcharging on legal fees and interest in contravention of the National Credit Act (NCA) which came into force in 2007.

Key indices

	As at 16 Dec 2019		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)*	56749.12	▲	925.04	1.66	NA	2.53	-1.91	7.61
JSE Top 40 (ZAR)*	50499.02	▲	895.96	1.81	NA	2.86	-2.14	8.07
FTSE 100 (GBP)*	7519.05	▲	165.61	2.25	2.25	2.35	1.35	11.76
DAX 30 (EUR)	13407.66	▲	124.94	0.94	0.94	1.29	2.87	26.98
CAC 40 (EUR)	5991.66	▲	72.64	1.23	1.23	1.46	3.06	26.66
S&P 500 (USD)*	3191.45	▲	22.65	0.71	0.71	1.61	3.40	27.31
Nasdaq Composite (USD)	8814.23	▲	79.35	0.91	0.91	1.72	4.50	32.84
DJIA (USD)*	28235.89	▲	100.51	0.36	0.36	0.66	3.72	21.04
MSCI Emerging Markets (USD)	1087.96	▲	1.04	0.10	0.10	4.61	-0.19	12.63
MSCI Developed World (USD)	2337.45	▲	17.72	0.76	0.76	1.97	2.63	24.07

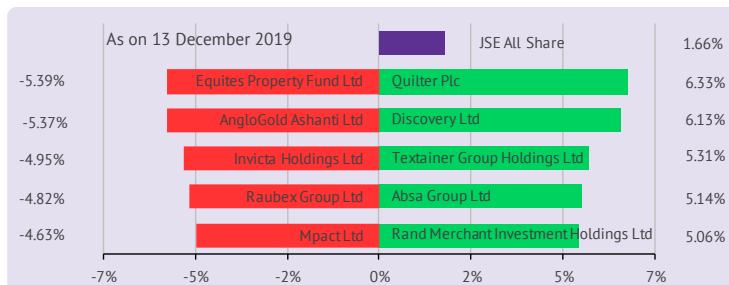
*Values as on 13 December 2019

South Africa Market ▲

South African markets closed higher

South African markets closed in the green on Friday, boosted by gains in banking, financial and resource sector stocks. The JSE All Share Index rose 1.7% to close at 56,749.12.

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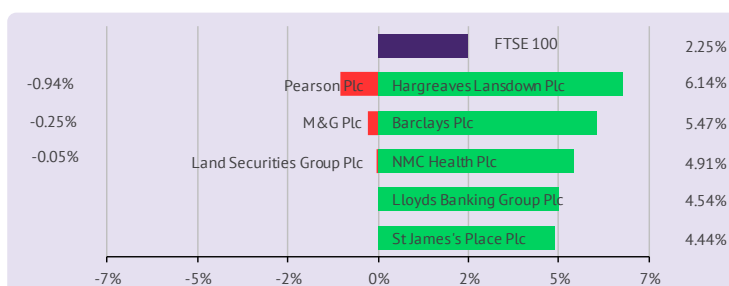


UK Market ▲

UK markets closed in the green

UK markets finished higher yesterday, as Prime Minister, Boris Johnson's electoral win renewed optimism of an orderly Brexit. The FTSE 100 Index advanced 2.3% to close at 7,519.05. Today, the FTSE 100 futures are trading in negative territory.

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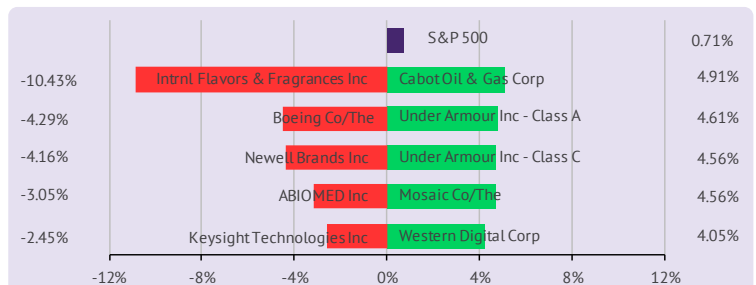


US Market ▲

US markets closed firmer

US markets closed higher yesterday, as a preliminary trade deal between the US and China eased concerns over trade war. The S&P 500 Index climbed 0.7% to close at 3,191.45. Today, the S&P 500 futures are trading in the red.

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Asian Market ▲

Trading higher

Asian markets are trading higher this morning, after the US and China announced that they have reached a phase one trade deal. At 6:00 SAST, the Nikkei 225 Index is trading 0.4% higher at 24,056.78.

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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 R14.3748. Later today, traders will keep a close watch on US industrial production, housing starts, the JOLTS job openings for further direction.

The US Dollar fell against the South African Rand yesterday. On the macro front, the US NY Empire State manufacturing index climbed in December. Moreover, the preliminary Markit services PMI advanced in December. Additionally, the housing market index unexpectedly increased in December. Meanwhile, the preliminary Markit manufacturing PMI declined in line with market expectations in December.

GBP ZAR ▲

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound fell 0.2% against the South African Rand to trade at R19.1182. Ahead in the day, traders will keep an eye on UK's ILO unemployment rate, average earnings, CBI industrial trends survey for further indications.

The British Pound declined against the South African Rand yesterday. Data indicated that the Rightmove house price index fell on a monthly basis in December. Moreover, the flash manufacturing PMI unexpectedly fell in December, hitting its lowest level in 41-months. Additionally, the flash Markit services PMI unexpected slid in December.

EUR ZAR ▼

EUR trading firmer against ZAR

At 06:00 SAST, the Euro rose 0.1% against the South African Rand to trade at R16.0230. Going forward, market participants will keep a tab on Eurozone's trade balance for further cues.

The Euro weakened against the South African Rand yesterday. On the data front, Eurozone's preliminary services PMI rose more than market anticipations in December. Meanwhile, region's flash manufacturing PMI unexpectedly declined to a 11-month low level in December. Separately, Germany's Markit services PMI advanced in line with market consensus in December. On the contrary, the preliminary manufacturing PMI unexpectedly dropped in December.

AUD ZAR ▲

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar declined 0.2% against the South African Rand to trade at R9.8710. Earlier in the session, Australia's seasonally adjusted home loan approvals advanced on a monthly basis in October.

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	14.3748	▼	-1.15	-1.15	-2.09	-2.85	0.12
GBPZAR	19.1182	▲	-1.09	-1.09	1.09	-3.00	4.56
EURZAR	16.0230	▼	-0.99	-0.99	-0.87	-4.08	-2.71
AUDZAR	9.8710	▲	-0.92	-0.92	-0.24	-4.73	-2.29
EURUSD	1.1146	▲	0.21	0.21	1.14	-1.20	-2.82
GBPUSD	1.3296	▼	0.01	0.01	3.15	-0.13	4.53
Brent (\$/barrel)	65.3	▼	0.18	0.18	8.02	1.46	21.45
Gold (\$/oz)	1481.0	▲	-0.04	-0.04	0.64	-3.25	15.12
Platinum (\$/oz)	931.4	▲	0.27	0.27	3.43	-3.57	17.01
Copper (\$/MT)*	6193.0	▲	1.43	1.43	5.99	1.28	4.10

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

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.4% higher to trade at \$1,481.00/oz.

Yesterday, gold prices marginally fell to close at \$1,475.00/oz, amid strength in the US treasury yields.

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Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged marginally lower to trade at \$65.32/bl.

Yesterday, Brent crude oil advanced 0.2% to settle at \$65.34/bl, amid progress over the US-China trade deal.

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Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices slightly rose to trade at \$931.40/oz.

Yesterday, platinum prices climbed 0.3% to close at \$931.30/oz.

Major South African corporate news

EOH Holdings Limited

The company announced that its wholly-owned subsidiary EOH Abantu Proprietary Limited has entered into a sale of shares agreement with Afrocentric Health (RF) Proprietary Limited in terms of which EOH Abantu will dispose of all of its shares in Dental Information Systems Holdings Proprietary Limited to the buyer on such terms that it will receive total value of ZAR250mn.

Nampak Limited

The company announced that it has entered into an agreement for the sale of Nampak Plastics Europe Limited for an undisclosed amount to Bellcave Limited. The sale is unconditional which includes the pension fund liability with immediate effect.

Rebosis Property Fund Limited

In its FY19 results, the company announced that its property income decreased to ZAR1.84bn from ZAR2.26bn posted in the corresponding period of the previous year. Its diluted EPS for class A shares rose from the same period of the prior year to 265.50c and loss per class B shares stood at 632.87c.

Major global economic news

US

In the US, the NY Empire State manufacturing index rose to 3.50 in December, compared to 2.90 in the previous month.

In December, the preliminary Markit services PMI climbed to a level of 52.20 in the US, compared to a level of 51.60 in the previous month.

In the US, the preliminary Markit manufacturing PMI dropped to a level of 52.50 in December, in line with market forecast and compared to a level of 52.60 in the prior month.

In December, the housing market index unexpectedly advanced to 76.00 in the US, compared to a revised level of 71.00 in the prior month.

Eurozone

In the Eurozone, the preliminary services PMI rose to a level of 52.40 in December, more than market anticipations and compared to a level of 51.90 in the prior month.

In the December, the flash manufacturing PMI unexpectedly fell to a level of 45.90 in the Eurozone, compared to a reading of 46.90 in the prior month.

In Germany, the preliminary Markit services PMI rose to 52.00 in December, in line with market consensus and compared to a reading of 51.70 in the previous month.

In December, the preliminary manufacturing PMI unexpectedly eased to 43.40 in Germany. In the prior month, the manufacturing PMI had recorded a level of 44.10.

UK

In the UK, the Rightmove house price index fell 0.9% on a monthly basis in December. In the prior month, the index had fallen 1.3%.

In December, the flash manufacturing PMI unexpectedly dropped to a level of 47.40 in the UK, compared to a level of 48.90 in the prior month.

In the UK, the flash Markit services PMI unexpectedly declined to a level of 49.00 in December. In the previous month, the PMI had registered a level of 49.30.

Asia

In Australia, seasonally adjusted home loan approvals advanced 2.0% on a monthly basis in October. In the previous month, home loan approvals had recorded a rise 3.6%.

The Reserve Bank of Australia (RBA), in its meeting minutes showed that the central bank was "prepared to ease monetary policy further if needed." Additionally, minutes indicated that the RBA will "reassess" the economic outlook at its February 2020 meeting, when the central bank would prepare its updated forecasts.

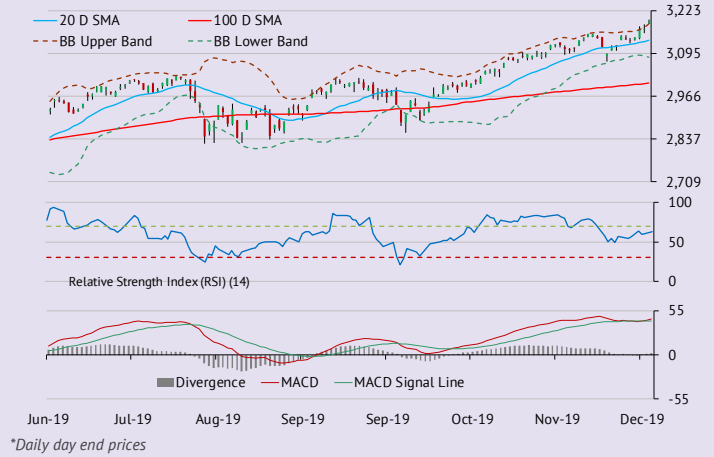
Technical snapshot

JSE All Share



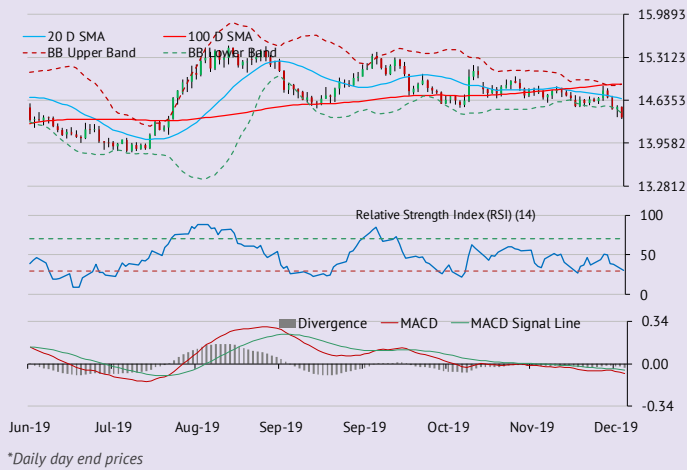
The JSE All Share index is expected to find support at 55,211.34, and a fall through could take it to the next support level of 53,673.57. The index is expected to find its first resistance at 57,707.60, and a rise through could take it to the next resistance level of 58,666.09.

S&P 500



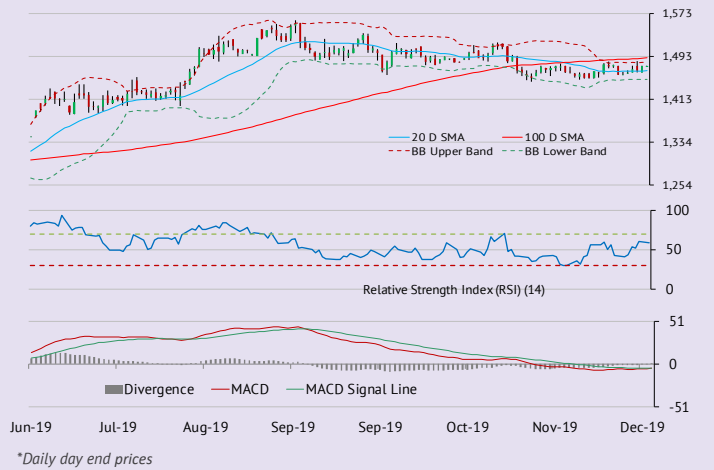
The S&P 500 index is expected to find support at 3,145.79, and a fall through could take it to the next support level of 3,100.13. The index is expected to find its first resistance at 3,217.41, and a rise through could take it to the next resistance level of 3,243.37.

USD ZAR



The pair is expected to find support at 14.1772, and a fall through could take it to the next support level of 13.9901. The pair is expected to find its first resistance at 14.7101, and a rise through could take it to the next resistance level of 15.0559.

XAU USD



Gold is expected to find support at \$1,462.50/oz, and a fall through could take it to the next support level of \$1,450.00/oz. The precious metal is expected to find its first resistance at \$1,485.70/oz, and a rise through could take it to the next resistance level of \$1,496.40/oz.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus	Previous	Frequency
US	01:30	Fed's Kashkari Speaks in Minnesota	✓	-	-	As scheduled
Eurozone	09:00	EU 27 New Car Registrations (YoY) (Nov)	✓	-	8.70%	Monthly
Japan	09:00	Tokyo Condominium Sales (YoY) (Nov)	✓	-	-29.50%	Monthly
South Africa	09:00	Leading Indicator (Oct)	✓	-	103.20	Monthly
UK	11:30	Claimant Count Rate s.a. (Nov)	✓✓	-	3.40%	Monthly
UK	11:30	Employment Change (3M/3M) (Oct)	✓✓✓	-	-58.00K	Monthly
UK	11:30	Claimant Count Change (Nov)	✓✓✓	20.20 K	33.00K	Monthly
UK	11:30	ILO Unemployment Rate (3M) (Oct)	✓✓✓	3.90%	3.80%	Monthly
UK	11:30	Average Earnings Including Bonus (3Mo/Yr) (Oct)	✓✓	3.40%	3.60%	Monthly
UK	11:30	Average Earnings Excluding Bonus (3Mo/Yr) (Oct)	✓	3.40%	3.60%	Monthly
Eurozone	12:00	Trade Balance n.s.a. (Oct)	✓✓	EUR17.00bn	EUR18.70bn	Monthly
Eurozone	12:00	Trade Balance s.a. (Oct)	✓✓✓	EUR19.30bn	EUR18.30bn	Monthly
UK	13:00	CBI Trends Selling Prices (Dec)	✓✓	-	-1.00	Monthly
UK	13:00	CBI Industrial Trends Survey - Orders (Dec)	✓	-	-26.00	Monthly
US	15:30	Building Permits (MoM) (Nov)	✓✓✓	-	5.00%	Monthly
US	15:30	Housing Starts (MoM) (Nov)	✓✓✓	-	3.80%	Monthly
US	15:30	Building Permits (Nov)	✓✓✓	1410.00K	1461.00K	Monthly
US	15:30	Housing Starts (Nov)	✓✓✓	1340.00K	1314.00K	Monthly
US	15:55	Redbook Index (YoY) (13-Dec)	✓	-	5.00%	Weekly
US	15:55	Redbook Index s.a. (MoM) (13-Dec)	✓	-	-3.60%	Weekly
US	16:15	Manufacturing (SIC) Production (MoM) (Nov)	✓✓✓	-	-0.60%	Monthly
US	16:15	Industrial Production (MoM) (Nov)	✓✓✓	0.80%	-0.80%	Monthly
US	16:15	Capacity Utilisation (Nov)	✓	77.20%	76.70%	Monthly
US	17:00	JOLTs Job Openings (Oct)	✓	7111.00K	7024.00K	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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