

# ONE Minute Brief

27 September 2017

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## Economic and Political News

In South Africa (SA), the leading indicator climbed to 97.30 in July, compared to a revised reading of 95.80 in the prior month.

Bheki Ntshalintshali, the General Secretary of Cosatu, stated that today's strike called by the union is to send a message to both the government and the private sector that workers and citizens were tired of corruption.

Treasury Director General, Dondo Mogajane, stated that SA is in talks with Citibank on ways to settle the R1.8bn loan to the South African Airways due to be repaid at the end of September.

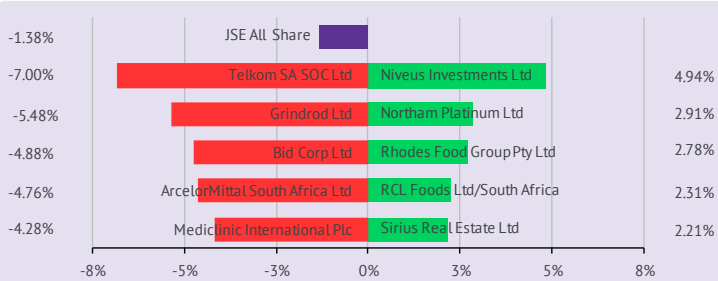
After a meeting with the board of the Public Investment Corp (PIC), Finance Minister, Malusi Gigaba, assured South African pension holders that their pensions are safe and that there were no plans to use funds from the PIC to bail out state-owned enterprises.

The African National Congress's (ANC) urgent application for the motion of no confidence against Johannesburg Mayor, Herman Mashaba and Speaker, Vasco da Gama was scrapped from the urgent court roll by the High Court, citing lack of urgency. The party now plans to approach the Constitutional Court.

## South Africa Market ▼

### South African markets closed lower

South African markets closed in the red yesterday, led by sharp losses in banking and retail sector stocks. Data indicated that South Africa's leading indicator recorded a rise in July. The JSE All Share Index fell 1.4% to close at 55,070.38.



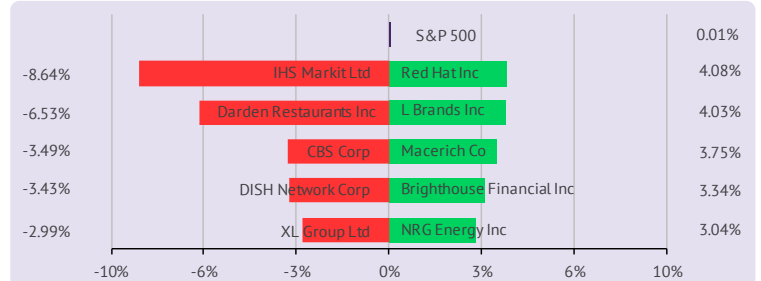
## Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	55070.38	▼ -769.35	-1.38%	-1.38%	-2.57%	2.38%	8.72%
JSE Top 40	48819.35	▼ -745.33	-1.50%	-1.50%	-2.36%	2.30%	11.20%
FTSE 100	7285.74	▼ -15.55	-0.21%	-0.34%	-1.95%	0.80%	2.00%
DAX 30	12605.20	▲ 10.39	0.08%	0.10%	4.56%	-0.52%	9.79%
CAC 40	5268.76	▲ 1.63	0.03%	-0.24%	3.60%	-0.16%	8.36%
S&P 500	2496.84	▲ 0.18	0.01%	-0.22%	1.02%	0.05%	11.52%
Nasdaq Composite	6380.16	▲ 9.57	0.15%	-0.73%	-0.75%	1.27%	18.52%
DJIA	22284.32	▼ -11.77	-0.05%	-0.29%	1.53%	0.26%	12.76%

## US Market ▲

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

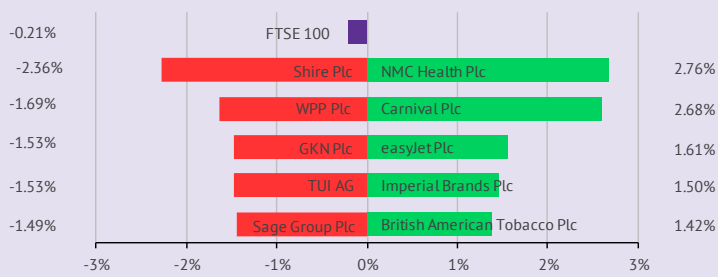
US markets closed a tad higher yesterday, supported by gains in technology sector stocks. Data revealed that US CB consumer confidence index fell more-than-expected in September. The S&P 500 Index marginally rose to close at 2,496.84.



## UK Market ▼

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

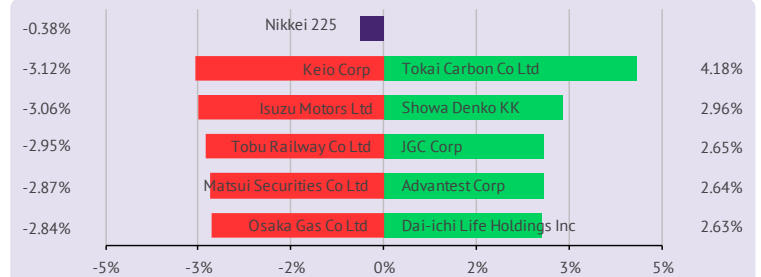
UK markets finished lower yesterday, amid a decline in consumer discretionary sector stocks. Data showed that UK's BBA mortgage approvals advanced to its highest level in six months in August. The FTSE 100 Index declined 0.2% to close at 7,285.74.



## Asian Market ▲

### Trading mostly higher

Asian markets are trading mostly higher this morning. On the data front, China's industrial profits accelerated on an annual basis in August, notching its highest level since the January-February period. The Nikkei 225 Index is trading 0.4% lower at 20,252.10.



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## USDZAR ▼

### USD trading weaker against ZAR

At 06:00 SAST, the US Dollar is trading 0.1% lower against the South African Rand at R13.3649. Later today, traders will keep a close watch on US preliminary durable goods orders and pending home sales data for further cues.

The US Dollar rose against the South African Rand yesterday. The Federal Reserve (Fed) Chairwoman, Janet Yellen, indicated that the central bank may have overstated the strength of the US labour market and inflation rate and that downward pressures on inflation could prove to be unexpectedly persistent. However, she added that it would be appropriate to continue gradual interest rate hikes, while warning against waiting too long to raise interest rates in order to avoid the economy from overheating. On the data front, US CB consumer confidence index dropped more than market expectations in September. Further, monthly new home sales surprisingly plunged to its lowest level in 8 months in August. Separately, South Africa's leading indicator advanced in July.

## GBPZAR ▼

### GBP trading lower against ZAR

At 06:00 SAST, the British Pound dropped 0.2% against the South African Rand to trade at R17.9607. Later today, traders will keep an eye on UK's CBI total trends orders data for further direction.

The British Pound advanced against the South African Rand yesterday, after data showed that UK's BBA mortgage approvals jumped higher than market forecast in August, notching its strongest level since February.

## EURZAR ▼

### EUR trading weaker against ZAR

At 06:00 SAST, the Euro declined 0.1% against the South African Rand to trade at R15.7577. With no major economic news in the Eurozone today, investor sentiment will be determined by global macroeconomic news.

The Euro weakened against the South African Rand yesterday. On the macro front, Germany's import price index climbed in line with market anticipations on a yearly basis in August.

## AUDZAR ▼

### AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar dropped 0.2% against the South African Rand to trade at R10.5255. Earlier in the session, in China, Australia's largest trading partner, industrial profits rose at a faster pace on a yearly basis in August and reported its highest rise since the January-February period.

The Australian Dollar fell against the South African Rand yesterday. Data indicated that Australia's ANZ Roy Morgan consumer confidence index declined for the week ended September 24, 2017.

## Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.3649	▼	0.32%	0.92%	2.85%	-1.39%	-2.60%
GBPZAR	17.9607	▼	0.26%	0.67%	7.03%	-3.47%	6.35%
EURZAR	15.7577	▼	-0.16%	-0.42%	1.82%	-0.81%	9.21%
AUDZAR	10.5255	▼	-0.32%	0.03%	2.05%	-2.31%	6.47%
EURUSD	1.1790	▼	-0.46%	-1.32%	-0.98%	0.57%	12.18%
GBPUSD	1.3438	▼	-0.06%	-0.34%	4.08%	-2.16%	9.10%
Brent (\$/barrel)	58.6	▲	-0.98%	2.78%	10.56%	0.27%	2.85%
Gold (\$/oz)	1297.9	▲	-0.72%	0.34%	-1.58%	4.10%	12.68%
Platinum (\$/oz)	927.8	▲	-1.65%	-0.79%	-7.39%	6.14%	2.56%
Copper (\$/MT)*	6353.0	▼	-0.80%	-0.98%	-6.01%	6.68%	15.03%

\*As of Previous Close

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices marginally rose to trade at \$1,297.90/oz.

Yesterday, gold prices fell 0.7% to close at \$1,297.70/oz, as the US Dollar strengthened after the US Fed Chairwoman, Janet Yellen, reinforced expectations for another interest rate hike in 2017.

## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil edged 0.3% higher to trade at \$58.62/bl.

Yesterday, Brent crude oil dropped 1.0% to settle at \$58.44/bl, on expectations that the Energy Information Administration will report a fourth straight weekly rise of 1.3mn bls for US crude inventories. Meanwhile, the American Petroleum Institute reported that crude oil inventories surprisingly declined by 0.76mn bls for the week ended September 22, 2017.

## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices edged 0.3% higher to trade at \$927.80/oz.

Yesterday, platinum prices declined 1.6% to close at \$924.70/oz.

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## Major South Africa Corporate News

### Aveng Limited

The company, in its FY 2017 results, reported that its revenue fell to R23.5 billion from R33.8 billion posted in the previous year. Its loss after tax stood at R6.7 billion compared to loss after tax of R65.0 million. Its basic loss per share stood at 1690.6c compared to basic loss per share of 25.4c posted in the prior year.

## Major Global Economic News

### US

The Fed Chairwoman, Janet Yellen, stated that the central bank may have overstated the strength of the US labour market and inflation rate and that downward pressures on inflation could prove to be unexpectedly persistent. However, she added that it would be appropriate to continue gradual interest rate hikes, while warning against waiting too long to raise interest rates in order to avoid the economy from overheating.

In the US, the CB consumer confidence index registered a drop to 119.80 in September, compared to a revised reading of 120.40 in the prior month. Market expectation was for the index to drop to a level of 120.00.

In August, new home sales unexpectedly eased by 3.4% on a monthly basis, to a level of 560.00K in the US, compared to market expectations of 585.00K. In the prior month, new home sales had registered a revised reading of 580.00K.

### Eurozone

In Germany, the import price index registered a rise of 2.1% on an annual basis in August, at par with market expectations. In the prior month, the index had recorded a rise of 1.9%.

### UK

In the UK, the BBA mortgage approvals climbed to 41.81K in August, higher than market expectations of an advance to a level of 41.70K. In the previous month, BBA mortgage approvals had recorded a revised level of 41.64K.

### Asia

In China, industrial profits registered a rise of 24.0% on an annual basis in August. In the previous month, industrial profits had registered a rise of 16.5%.

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## Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
China	03:30	Industrial Profits (YoY) (Aug)	✓✓	24.00%*	16.50%	Monthly
Japan	07:00	Small Business Confidence (Sep)	✓	49.50	49.00	Monthly
Japan	08:00	Machine Tool Orders (YoY) (Aug) (F)	✓✓	-	36.30%**	Monthly
Eurozone	10:00	M3 Money Supply (YoY) (Aug)	✓	4.60%	4.50%	Monthly
UK	12:00	CBI Distributive Trades Survey - Realised (Sep)	✓	8.00%	-10.00%	Monthly
US	13:00	MBA Mortgage Applications (22-Sep)	✓	-	-9.70%	Weekly
US	14:30	Cap Goods Orders Nondef Ex Air (Aug) (P)	✓	0.30%	1.00%	Monthly
US	14:30	Durable Goods Orders (Aug) (P)	✓✓✓	1.00%	-6.80%	Monthly
US	14:30	Durable Goods Orders ex Transportation (Aug) (P)	✓✓	0.20%	0.60%	Monthly
US	16:00	Pending Home Sales (MoM) (Aug)	✓	-0.50%	-0.80%	Monthly
US	16:00	Pending Home Sales (YoY) (Aug)	✓	-0.50%	-0.50%	Monthly
US	19:30	Fed's Bullard Speaks on Economy and Monetary Policy	✓✓✓	-	-	As scheduled
US	20:00	FOMC Member Brainard Speech	✓✓✓	-	-	As scheduled

Note: ✓✓✓High    ✓✓Medium    ✓Low

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