

ONE Minute Brief

19 September 2018

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Economic and political news

Democratic Alliance (DA) leader, Mmusi Maimane has decided to decline the request for him to stand as the DA's candidate for Western Cape Premier. Meanwhile, the DA announced that veteran politician, Dan Plato will take over as Cape Town's new Mayor when Patricia de Lille steps down in October.

Congress of South African Trade Unions (Cosatu)'s Deputy President, Zingiswa Losi has been elected as the first female President of Cosatu.

The High Court in Pretoria dismissed an application by former Transnet Director, Seth Radebe to set aside Public Enterprises Minister, Pravin Gordhan's decision to remove him from the Transnet board.

South Africa's Constitutional Court has legalised the private use of marijuana, upholding a lower court's ruling that found the criminalisation of cannabis was unconstitutional.

Eskom stated that it had delayed the completion date of its new long-term strategy which would assess whether its current business model is sustainable, or whether the firm should be broken up into separate entities overseeing power generation, distribution and transmission.

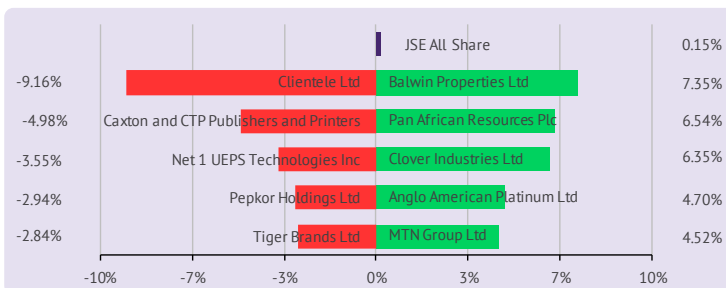
Key indices

	Last close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	56381.30	▲	82.65	0.15	-0.35	-3.90	2.15	-5.25
JSE Top 40	50219.77	▲	22.85	0.05	-0.44	-4.28	2.24	-4.40
FTSE 100	7300.23	▼	-1.87	-0.03	-0.05	-1.78	-4.08	-5.04
DAX 30	12157.67	▲	61.26	0.51	0.27	-1.67	-3.45	-5.88
CAC 40	5363.79	▲	14.92	0.28	0.21	-0.80	-1.90	0.96
S&P 500	2904.31	▲	15.51	0.54	-0.02	0.10	3.03	8.63
Nasdaq Composite	7956.11	▲	60.31	0.76	-0.67	-1.89	5.71	15.25
DJIA	26246.96	▲	184.84	0.71	0.35	1.09	2.16	6.18
MSCI Emerging Markets	1019.74	▲	3.31	0.33	-0.85	-3.43	-2.90	-11.97
MSCI Developed World	2172.27	▲	11.74	0.54	0.26	-0.15	1.04	3.27

South Africa Market ▲

South African markets closed higher

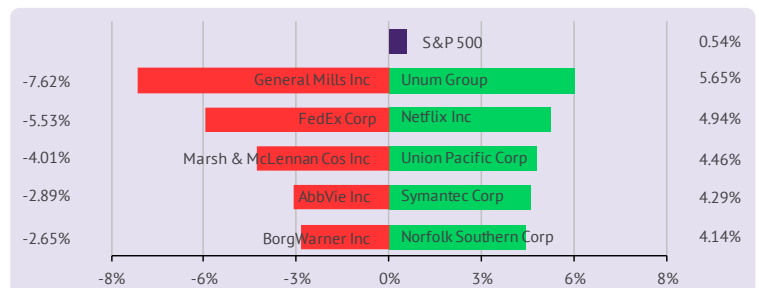
South African markets closed in the green yesterday, boosted by gains in mining, banking and financial sector stocks. The JSE All Share Index rose 0.2% to close at 56,381.30.



US Market ▲

The S&P 500 futures are trading in the red

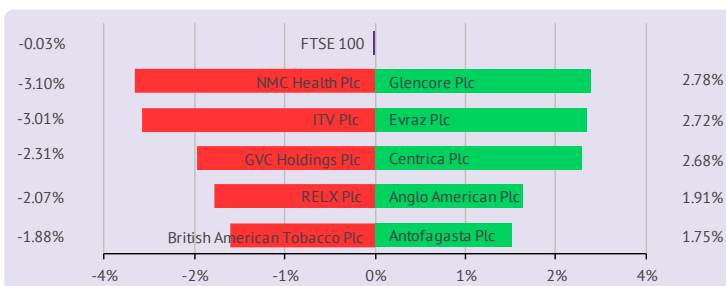
US markets closed higher yesterday, as investors shrugged off worries over US-China trade conflict and supported by gains in technology sector stocks. The S&P 500 Index climbed 0.5% to close at 2,904.31.



UK Market ▼

The FTSE 100 futures are trading in positive territory

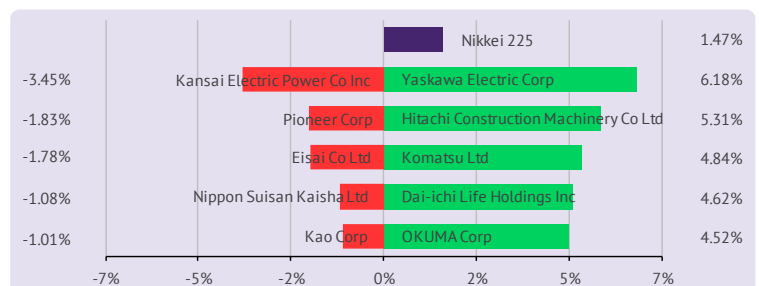
UK markets finished lower yesterday, amid losses in tobacco stocks. The FTSE 100 Index marginally declined to close at 7,300.23.



Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning. Data revealed that Japan's trade deficit widened less-than-expected in August. The Nikkei 225 Index is trading 1.5% higher at 23,763.70.



USD ZAR ▼

USD trading lower against ZAR

At 06:00 SAST, the US Dollar is trading 0.2% weaker against the South African Rand at R14.8742. Later today, traders will keep a close watch on the US current account balance, MBA mortgage applications, housing starts and building permits for further indication.

The US Dollar fell against the South African Rand yesterday. On the macroeconomic front, the US NAHB housing market index recorded an unchanged reading in September.

GBP ZAR ▼

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound retreated 0.1% against the South African Rand to trade at R19.5558. Ahead in the day, traders will keep an eye on UK's consumer and producer price indices along with house price index for further direction.

The British Pound declined against the South African Rand yesterday.

EUR ZAR ▼

EUR trading lower against ZAR

At 06:00 SAST, the Euro declined 0.2% against the South African Rand to trade at R17.3587. Going forward, market participants will keep a tab on the Eurozone's current account balance and construction output data for further cues.

The Euro weakened against the South African Rand yesterday.

AUD ZAR ▲

AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% firmer against the South African Rand at R10.7655. Earlier in the session, Australia's Westpac leading index registered an advance on a monthly basis in August.

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	14.8742	▼	-0.08	-0.18	1.48	10.65	20.37
GBPZAR	19.5558	▼	-0.22	0.36	2.90	9.25	17.12
EURZAR	17.3587	▼	-0.24	0.13	2.03	9.80	17.04
AUDZAR	10.7655	▲	0.37	0.64	1.80	7.15	11.26
EURUSD	1.1672	▲	-0.14	0.36	0.56	-0.76	-2.82
GBPUSD	1.3150	▲	-0.07	0.61	1.45	-1.25	-2.70
Brent (\$/barrel)	79.0	▼	1.26	1.20	1.79	4.62	18.18
Gold (\$/oz)	1205.1	▲	-0.22	0.19	-0.26	-1.81	-8.46
Platinum (\$/oz)	817.7	▲	1.75	2.04	3.53	-6.94	-12.77
Copper (\$/MT)*	6064.0	▲	2.43	1.90	1.61	-4.96	-15.86

*As of previous close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices rose 0.6% to trade at \$1,205.10/oz.

Yesterday, gold prices fell 0.2% to close at \$1198.5/oz, as strength in the US Dollar dampened demand for the safe haven asset.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil retreated 0.1% to trade at \$78.96/bl, after the American Petroleum Institute reported that crude oil inventories advanced by 1.25mn bls in the week ended 16 September 2018.

Yesterday, Brent crude oil advanced 1.3% to settle at \$79.03/bl, amid rising geopolitical tensions, after Russia blamed Israel for the loss of one of its reconnaissance planes shot down overnight by Syrian defense systems.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices advanced 0.3% to trade at \$817.70/oz.

Yesterday, platinum prices climbed 1.8% to close at \$814.9/oz.

Major South African corporate news

BHP Billiton Plc

In its FY18 annual financial report, the company announced that sales into China generated USD22.90bn of its FY18 revenues compared to USD18.90bn generated in the corresponding period of the previous year. Sales into China by commodity included 52.0% iron ore, 31.0% copper, 15.0% coal and 2.0% nickel. Further, the company announced that continued slowdown in China's economic growth and demand could result in lower prices for the company's products and materially and adversely impact its results, including cash flows.

Sibanye Gold Limited

The company announced that the South African Competition Commission has recommended the South African Competition Tribunal to approve the company's proposed acquisition of Lonmin Plc, subject to certain conditions, which are agreeable to both Sibanye-Stillwater and the Commission.

Major global economic news

Asia

In Japan, merchandise total trade deficit widened less-than-expected to JPY444.60bn in August, following a deficit of JPY231.20bn in the prior month.

In Australia, the Westpac leading index rose 0.06% on a monthly basis in August. In the previous month, the index had advanced by a revised 0.02%.

US

In the US, the NAHB housing market index remained steady at 67.00 in September.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	1:50	Trade Balance - BOP Basis (Aug)	✓✓✓	-	-JPY1.00bn	Monthly
Japan	1:50	Adjusted Merchandise Trade Balance (Aug)	✓✓✓	-JPY190.40bn*	-JPY45.60bn	Monthly
Japan	1:50	Merchandise Trade Balance Total (Aug)	✓✓✓	-JPY444.60bn*	-JPY231.20bn	Monthly
Japan	4:00	BoJ Monetary Policy Statement	✓✓✓	-	-	As scheduled
Switzerland	7:45	SECO September 2018 Economic Forecasts	✓	-	-	As scheduled
Eurozone	10:00	Current Account s.a (Jul)	✓✓✓	-	EUR23.50bn	Monthly
South Africa	10:00	Consumer Price Index (MoM) (Aug)	✓	0.20%	0.80%	Monthly
South Africa	10:00	Consumer Price Index (YoY) (Aug)	✓✓	5.20%	5.10%	Monthly
UK	10:00	MPC Member Haldane Speech	✓✓	-	-	As scheduled
UK	10:30	Consumer Price Index (MoM) (Aug)	✓✓✓	0.50%	0.00%	Monthly
UK	10:30	Consumer Price Index (YoY) (Aug)	✓✓✓	2.40%	2.50%	Monthly
UK	10:30	Producer Price Index - Output n.s.a. (YoY) (Aug)	✓✓	2.90%	3.10%	Monthly
UK	10:30	Retail Price Index (Aug)	✓	283.40	281.70	Monthly
UK	10:30	Producer Price Index - Input n.s.a. (YoY) (Aug)	✓	9.10%	10.90%	Monthly
UK	10:30	Retail Price Index (MoM) (Aug)	✓✓✓	0.60%	0.10%	Monthly
UK	10:30	Retail Price Index (YoY) (Aug)	✓✓	3.20%	3.20%	Monthly
Eurozone	11:00	Construction Output s.a. (MoM) (Jul)	✓✓✓	-	0.20%	Monthly
Eurozone	11:00	Construction Output w.d.a. (YoY) (Jul)	✓	-	2.60%	Monthly
US	13:00	MBA Mortgage Applications (14-Sep)	✓	-	-1.80%	Weekly
US	14:30	Building Permits (Aug)	✓✓✓	1310.00K	1311.00K	Monthly
US	14:30	Housing Starts (MoM) (Aug)	✓✓✓	5.70%	0.90%	Monthly
US	14:30	Building Permits (MoM) (Aug)	✓✓✓	0.50%	1.50%	Monthly
US	14:30	Current Account Balance (Q2)	✓✓	-USD103.40bn	-USD124.10bn	Quarterly
US	14:30	Housing Starts (Aug)	✓✓✓	1238.00K	1168.00K	Monthly
Eurozone	15:00	ECB's Draghi speaks in Berlin	✓✓✓	-	-	As scheduled

Note: ✓✓✓High ✓✓Medium ✓Low

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