

# ONE Minute Brief

11 February 2019

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## Economic and political news

The National Union of Metalworkers of South Africa (NUMSA) stated that it would organise protests and strikes over President, Cyril Ramaphosa's pledge to split Eskom. Separately, the National Union of Mineworkers (NUM) urged Ramaphosa to reconsider his plan to split Eskom into three separate entities, stating that it would lead to large-scale job losses.

Political party, GOOD announced that Patricia de Lille will campaign for the Western Cape Premier's post.

President, Cyril Ramaphosa, has been elected as the African Union Chairperson for 2020.

Eskom's Chief Executive Officer, Phakamani Hadebe, suggested that the best solution to rescue the company would be for the government to assume part of its ZAR419bn debt.

President, Cyril Ramaphosa, has ordered the Special Investigating Unit to probe corruption at the Moretele local municipality in North West province, dating as far back as January 2016.

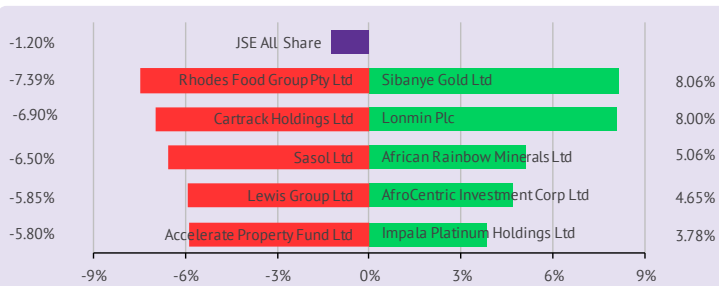
## Key indices

	As at 08 Feb 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	53244.18	▼ -644.67	-1.20	NA	-1.69	2.69	0.96
JSE Top 40 (ZAR)	47001.79	▼ -670.76	-1.41	NA	-1.99	2.63	0.59
FTSE 100(GBP)	7071.18	▼ -22.40	-0.32	NA	1.47	3.58	5.10
DAX 30 (EUR)	10906.78	▼ -115.24	-1.05	NA	-2.38	5.82	3.29
CAC 40 (EUR)	4961.64	▼ -23.92	-0.48	NA	-0.62	5.54	4.88
S&P 500 (USD)	2707.88	▲ 1.83	0.07	NA	0.14	7.87	8.02
Nasdaq Composite (USD)	7298.20	▲ 9.85	0.14	NA	0.23	9.74	9.99
DJIA (USD)	25106.33	▼ -63.20	-0.25	NA	0.43	7.17	7.63
MSCI Emerging Markets (USD)	1036.03	▼ -5.94	-0.57	NA	-1.32	8.70	7.26
MSCI Developed World (USD)	2020.53	▼ -6.40	-0.32	NA	-0.39	7.67	7.25

## South Africa Market ▼

### South African markets closed lower

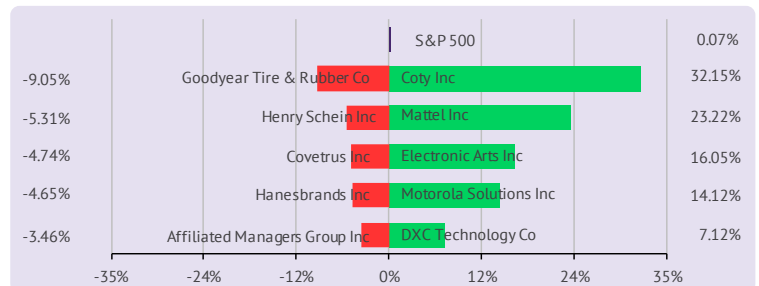
South African markets closed in the red on Friday, weighed down by losses in resources and industrial sector stocks. The JSE All Share Index fell 1.2% to close at 53,244.18.



## US Market ▲

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

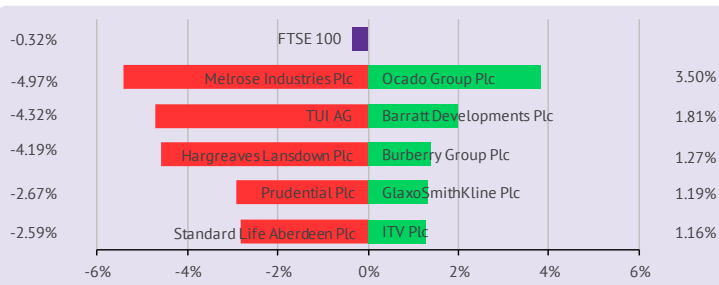
US markets closed mostly higher on Friday, boosted by gains in technology, consumer staples and utilities sector stocks. The S&P 500 Index climbed 0.1% to close at 2,707.88.



## UK Market ▼

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

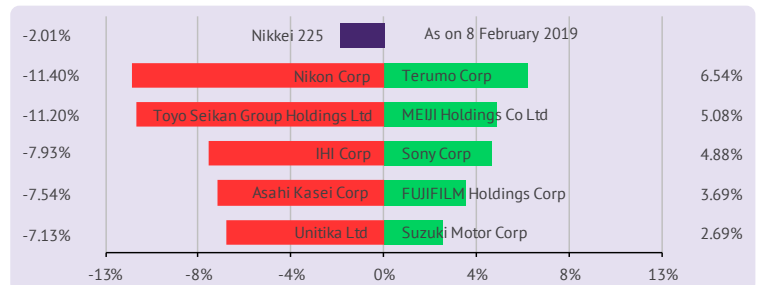
UK markets finished lower on Friday, led by losses in energy sector stocks and as worries over US-China trade dispute raised fears of a slowdown in the world economy. The FTSE 100 Index declined 0.3% to close at 7,071.18.



## Asian Market ▲

### Trading mostly higher

Asian markets are trading mostly higher this morning. Markets in Japan are closed today on account of a public holiday.



## USD ZAR ▼

### USD trading weaker against ZAR

At 06:00 SAST, the US Dollar declined 0.1% against the South African Rand to trade at R13.6100. 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.

## GBP ZAR ▼

### GBP trading lower against ZAR

At 06:00 SAST, the British Pound is trading 0.2% weaker against the South African Rand at R17.5954. Ahead in the day, traders will keep an eye on UK's gross domestic product, trade balance, construction output, manufacturing and industrial production for further direction.

The British Pound declined against the South African Rand on Friday.

## EUR ZAR ▼

### EUR trading weaker against ZAR

At 06:00 SAST, the Euro retreated 0.1% against the South African Rand to trade at R15.4086. 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 on Friday. On the data front, Germany's trade surplus narrowed more than market expectations in December. Additionally, current account surplus unexpectedly narrowed in December.

## AUD ZAR ▼

### AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar marginally dropped against the South African Rand to trade at R9.6564.

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	13.6100	▼	-0.03	NA	2.79	-7.61	-5.03
GBPZAR	17.5954	▼	-0.10	NA	1.49	-5.16	-3.74
EURZAR	15.4086	▼	-0.15	NA	1.71	-7.83	-6.25
AUDZAR	9.6564	▼	-0.19	NA	0.22	-4.79	-4.57
EURUSD	1.1320	▼	-0.16	NA	-1.09	-0.17	-1.26
GBPUSD	1.2929	▼	-0.06	NA	-1.26	2.78	1.49
Brent (\$/barrel)	61.6	▼	0.76	NA	2.07	13.09	15.43
Gold (\$/oz)	1315.4	▲	0.33	NA	-0.45	3.00	2.53
Platinum (\$/oz)	796.0	▼	0.65	NA	-2.69	3.62	0.83
Copper (\$/MT)*	6190.8	▼	-0.60	NA	0.64	3.40	4.06

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

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices climbed 0.1% to trade at \$1,315.40/oz.

Yesterday, gold prices rose 0.3% to close at \$1,313.70/oz, amid weakness in global stocks.

## Brent Crude Oil ▼

### Trading weaker

At 06:00 SAST, Brent crude oil edged 0.8% lower to trade at \$61.61/bl.

Yesterday, Brent crude oil advanced 0.8% to settle at \$62.10/bl. Meanwhile, Baker Hughes reported that the number of active US rigs drilling for oil rose by 7 to 854 last week.

## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices edged 0.8% lower to trade at \$796.00/oz.

Yesterday, platinum prices climbed 0.7% to close at \$802.50/oz.

## Major South African corporate news

### Harmony Gold Mining Company Limited

In its 1H19 operating overview and trading statement, the company announced that gold production increased by 34.0% compared to the same period of the prior year to 751,000.00oz. Further, the company expects HEPS to be in the range of 7.00c to 29.00c, which is 87.0% to 97.0% lower compared to the same period of the previous year. The company expects EPS to be between 6.00c and 26.00c, which is 87.0% to 97.0% lower compared to the corresponding period of the preceding year.

### Sasol Limited

In its 1H19 trading statement, the company announced that it expects HEPS to be between ZAR22.97 and ZAR23.68, which is 30.0% to 34.0% higher compared to the corresponding period of the previous year. Further, the company expects EPS to be in the range of ZAR23.71 to ZAR24.16 compared to the same period of the preceding year.

### Lonmin Plc

In its 1Q19 production report, the company indicated that mining production decreased by 7.0% compared to the same period of the previous year to 2.20mn tonnes. Refined platinum production declined by 10.4% compared to the corresponding period of the prior year to 144,651.00oz, due to reduced mining tonnes, lower grades and recoveries. Platinum sales were 4.6% lower and Platinum group metals sales were 12.7% lower at 140,488.00oz and 255,152.00oz, respectively. Further, the twelve-month rolling total injury frequency rate to 31 December 2018 was 10.08 per million-man hours.

### Net 1 UEPS Technologies Inc

In its 2Q19 results, the company announced that its revenues decreased to USD97.15mn from USD148.42mn posted in the corresponding period of the previous year. Its diluted loss per share stood at USD1.12 compared with an EPS of USD0.17 recorded in the same period of the prior year.

## Major global economic news

### Eurozone












In Germany, non-seasonally adjusted current account surplus unexpectedly narrowed to EUR21.00bn in December, following a revised surplus of EUR21.60bn in the prior month.

In Germany, non-seasonally adjusted trade surplus narrowed more-than-expected to EUR13.90bn in December, compared to a surplus of EUR20.40bn in the previous month.

## 40 best performers on the All Share Index

Company name	Last close	1 Week % change	MTD % change	YTD % change
Sibanye Gold Ltd	1421	17.44	26.31	41.82
Lonmin Plc	1174	22.80	27.61	39.93
Grindrod Ltd	801	2.82	4.84	30.24
Ascendis Health Ltd	530	0.95	-2.93	27.40
Kumba Iron Ore Ltd	35447	4.07	4.67	25.23
Assore Ltd	35863	3.41	4.34	23.67
Impala Platinum Holdings Ltd	4525	16.77	17.08	23.36
Anglo American Platinum Ltd	65150	2.43	2.12	21.11
Clover Industries Ltd	2200	10.00	10.55	20.95
Octodec Investments Ltd	2053	2.65	3.17	19.92
Harmony Gold Mining Co Ltd	2980	10.66	12.20	18.25
Accelerate Property Fund Ltd	390	-0.76	-0.76	18.18
Northam Platinum Ltd	5078	4.70	5.09	17.38
Mpact Ltd	2461	14.79	14.47	17.13
Arrowhead Properties Ltd	459	-1.71	0.88	14.18
Pan African Resources Plc	181	0.56	-2.16	13.13
Investec Property Fund Ltd	1551	1.24	0.06	12.80
African Rainbow Minerals Ltd	15969	8.40	7.80	12.18
Stenprop Ltd	1981	1.59	1.59	12.14
Resilient REIT Ltd	6380	-1.59	-1.25	11.93
MiX Telematics Ltd	951	0.11	5.67	11.88
Hyprop Investments Ltd	9070	0.78	0.78	11.29
RDI REIT Plc	2870	4.74	4.36	11.24
NEPI Rockcastle Plc	12559	0.18	0.12	11.14
Libstar Holdings Ltd	775	-2.76	-4.32	10.71
AECI Ltd	9220	3.53	3.60	10.41
Reunert Ltd	7420	1.62	5.25	10.16
SA Corporate Real Estate Ltd	369	-1.34	-1.60	9.82
Tradehold Ltd	1100	6.28	5.77	9.45
Growthpoint Properties Ltd	2550	-0.66	-1.81	9.44
Exxaro Resources Ltd	15052	-3.82	-2.22	9.18
Absa Group Ltd	17598	-3.78	-4.77	8.75
Attacq Ltd	1603	0.31	0.75	8.68
Hammerson Plc	6590	0.87	0.15	8.35
Hospitality Property Fund Ltd	945	-0.53	-0.53	8.00
Investec Ltd	8507	-1.72	-2.29	7.68
Redefine Properties Ltd	1041	-0.10	-1.33	7.65
Emira Property Fund Ltd	1593	0.82	0.82	7.64
Royal Bafokeng Platinum Ltd	2850	-0.87	-0.87	7.63
Distell Group Holdings Ltd	11538	-0.52	-0.53	7.43
<b>JSE All Share Index</b>	<b>53244</b>	<b>-1.27</b>	<b>-1.69</b>	<b>0.96</b>

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus	Previous	Frequency
 Eurozone	10:00	ECB Vice President Luis de Guindos Speaks in Madrid	✓	-	-	As scheduled
 UK	11:30	Index of Services (3M/3M) (Dec)	✓	-	0.30%	Monthly
 UK	11:30	Construction Output s.a. (YoY) (Dec)	✓	-	3.00%	Monthly
 UK	11:30	Total Business Investment (QoQ) (Q4) (P)	✓	-	-1.10%	Quarterly
 UK	11:30	Total Business Investment (YoY) (Q4) (P)	✓	-	-1.80%	Quarterly
 UK	11:30	Gross Fixed Capital Formation (Q4) (P)	✓	-	0.80%	Quarterly
 UK	11:30	Government Spending (Q4) (P)	✓	-	0.40%	Quarterly
 UK	11:30	Trade Balance; non-EU (Dec)	✓✓✓	-	-GBP3.93bn	Monthly
 UK	11:30	Exports (QoQ) (Q4) (P)	✓	-	-3.60%	Quarterly
 UK	11:30	Imports (QoQ) (Q4) (P)	✓	-	-0.80%	Quarterly
 UK	11:30	Private Consumption (QoQ) (Q4) (P)	✓	-	0.50%	Quarterly
 UK	11:30	Gross Domestic Product s.a. (QoQ) (Q4) (P)	✓✓✓	0.30%	0.60%	Quarterly
 UK	11:30	Gross Domestic Product s.a. (YoY) (Q4) (P)	✓✓✓	1.40%	1.50%	Quarterly
 UK	11:30	Index of Services (MoM) (Dec)	✓	0.10%	0.30%	Monthly
 UK	11:30	Industrial Production (MoM) (Dec)	✓✓✓	0.30%	-0.40%	Monthly
 UK	11:30	Industrial Production (YoY) (Dec)	✓✓✓	-0.30%	-1.50%	Monthly
 UK	11:30	Manufacturing Production (MoM) (Dec)	✓✓✓	0.30%	-0.30%	Monthly
 UK	11:30	Manufacturing Production (YoY) (Dec)	✓✓✓	-1.00%	-1.10%	Monthly
 UK	11:30	Total Trade Balance (Dec)	✓✓✓	-GBP3.00bn	-GBP2.90bn	Monthly
 UK	11:30	Visible Trade Balance (Dec)	✓✓✓	-GBP11.80bn	-GBP12.02bn	Monthly

Note: ✓✓✓High    ✓✓Medium    ✓Low

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