

## MORNING NEWS

**'Upbeat China factory surveys buoy Asian stocks'** – Stronger-than-expected factory growth in China helped Asian stocks erase early losses on Tuesday but trading cautiously ahead of two major central bank meetings later in the day. MSCI's broadest index of Asia-Pacific shares outside Japan rose 0.3 percent, after earlier hitting its lowest level since September 19. Hong Kong stocks rose 0.7 percent while Shanghai stocks also crept in the black. Australian shares fell 0.6 percent ahead of its central bank rate decision. The euro was down 0.2 percent against the dollar at 1.0960, while the dollar index was slightly higher at 98.467. Sterling slipped 0.1 percent against the dollar to \$1.2230 but was underpinned by news that Bank of England (BoE) Governor Mark Carney stated that he would stay in his job for an extra year, until the end of June 2019. WTI crude oil futures stabilized around \$46.9 per barrel after falling nearly 4 percent yesterday.

## GLOBAL MARKETS WRAP-UP (31/10/2016)

The dollar surrendered gains to trade little changed against a basket of major currencies on Monday on renewed concerns about how an FBI probe into Hillary Clinton's use of a private email server might impact on the U.S. presidential election. The **euro**, which was last roughly flat against the dollar, edged down 0.04 percent at \$1.0981, but fell about 2.3 percent in October to post its worst month in five. The euro headed for its biggest monthly decline since May amid speculation the European Central Bank (ECB) will extend its asset-purchase program as the Federal Reserve prepares to raise interest rates. The **British pound** rose on clarity over the BoE's leadership. Sterling was up 0.47 percent against the dollar at \$1.2242 after BoE Governor Mark Carney stated that he would stay in his job for an extra year, until the end of June 2019. **Gold** steadied on Monday, coming off lows as the dollar pared gains, though concerns over the outlook for the US election and Fed policy kept the metal pinned near the previous session's highest level in nearly four weeks. The precious metal surged as much as 1.3 percent to \$1,284.20 an ounce on Friday, the highest price since October 4. Spot gold prices were down 0.04 percent to \$1,275.42 an ounce. Gold futures slipped 0.29 percent to close at \$1,273.1 an ounce on Monday. **Crude oil** prices settled at one-month lows on Monday after dropping

over 3 percent on doubts about OPEC's ability to implement its planned production cuts, with the market further weighed by expectations that the cartel had record output in October. WTI crude futures were trading down \$1.84, or 3.78 percent, at \$46.86 a barrel after falling to \$46.71 a barrel.

### [Economic Data Releases \(31/10/2016\)](#)

**Eurozone** - GDP expands 0.3 percent (QoQ) and 1.6 percent (YoY) in 3Q.

**Eurozone** – October flash CPI rose 0.5 percent (YoY). October core CPI rise 0.8 percent (YoY).

**Germany** – September retail sales rise 0.4 percent (YoY) but fell 1.4 percent (MoM).

**U.K.** – Mortgage approvals rise to 62,932 in Sept.

**Japan** – Sept. industrial output unchanged (MoM) but rise 0.9 percent (YoY). Sept. retail sales unchanged (MoM).

**India** – September key industries' output rises 5 percent (YoY).

### [Africa's Focus](#)

**South Africa** – Sept. trade surplus at 6.7 billion rand.

**Kenya** – CPI rises to 6.5 percent (YoY) in Oct. from 6.3 percent (YoY) in Sept. CPI rise 0.6 percent (MoM) in Oct.

**Uganda** – CPI rose 4.1 percent (YoY) in Oct. compared to 4.2 percent (YoY) in Sept. CPI increased 0.9 percent (MoM) in Oct.

## GRAPHS & TABLES – MAJOR CURRENCIES, COMMODITIES & EQUITIES

### Commodities (31/10/2016)\*

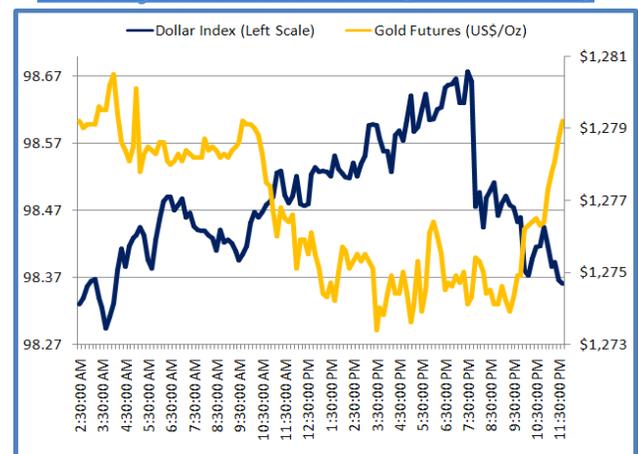
Commodity	Unit	Close	Net Change
Gold	USD/Oz	1273.1	↓ -3.70
Silver	USD/Oz	17.796	→ 0.00
Platinum	USD/Oz	978.6	↓ -2.80
Aluminium	USD/MT	1734	↑ 15.00
Copper	USD/MT	4853	↑ 10.00
Zinc	USD/MT	2458	↑ 61.50
Nickel	USD/MT	10475	↑ 45.00
WTI Crude	USD/barrel	46.86	↓ -1.84
Brent Crude Oil	USD/barrel	48.61	↓ -2.07
Natural Gas	USD/MMBtu	3.026	↓ -0.08
Arabica Coffee	US cents/lb	164.15	↓ -1.35
Robusta Coffee	USD/MT	2184	↓ -3.00
Raw Sugar	US cents/lb	21.57	↓ -0.59
Carbon (Dec15)(€)	EUR/MT	5.9	↑ 0.02
Wheat	US cents/Bushel	416.25	↑ 7.75
Corn	US cents/Bushel	354.75	↓ -0.25
Baltic Dry Index	Points	857	↑ 23.0

\*Source: Bloomberg. Note: MMBTU stands for Million Metric British Thermal Units, MT for Metric Tons and Oz for Ounces.

### Closing Spot Rates on 31<sup>st</sup> October 2016 & Forward Spreads\*

Currency	Close	% Change	3 month spread(pips)
USD/JPY	104.82	↑ 0.08	-40.55
EUR/USD	1.0981	↓ -0.04	47.32
GBP/USD	1.2242	↑ 0.47	26.22
AUD/USD	0.7609	↑ 0.13	-16.95
USD/CHF	0.989	↑ 0.09	-53.89
USD/ZAR	13.4741	↓ -2.61	2504
USD/INR^	66.78	↓ -0.13	84
USD/MUR	35.8856	↓ -0.02	-0.0577

### Intraday Price Movements (31/10/2016)\*



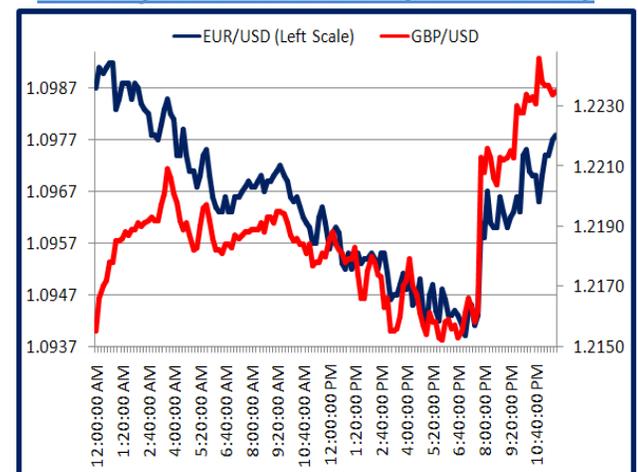
\*Source: Bloomberg, GMT+4

### Global Stocks Indices (31/10/2016)\*

Index	Close	Net Change	% Change
Dow Jones	18142.42	-18.77	↓ -0.10
S&P	2126.15	-0.26	↓ -0.01
NASDAQ	5190.104	-0.969	↓ -0.02
NIKKEI	17425.02	-21.39	↓ -0.12
HANG SENG	22934.54	-20.27	↓ -0.09
KOSPI	2008.19	-11.23	↓ -0.56
SENSEX^	27930.21	-11.3	↓ -0.04
NIFTY^	8625.7	-12.3	↓ -0.14
FTSE 100	6954.22	-42.04	↓ -0.60
CAC 40	4509.26	-39.32	↓ -0.86
DAX 30	10665.01	-31.18	↓ -0.29

Source: \*Bloomberg. ^ - Closing data as of 28<sup>th</sup> October as market was closed on 31<sup>st</sup> October due to a public holiday.

### Intraday Price Movements (31/10/2016)\*



\*Source: Bloomberg, GMT+4



### African Stock Markets Snapshot

African Indices	Closing Value		Weekly % Changes
	24/10/2016	31/10/2016	
Botswana Gaborone Index	9710.49	9727.67 ↑	0.18%
Tanzania All Share Index	2492.08	2490.98 ↓	-0.04%
Ghana Stock Exchange Composite Index	1752.54	1728.37 ↓	-1.38%
JSE Africa All Share Index	51683.39	50590.08 ↓	-2.12%
Nairobi Securities Exchange Ltd. All Share Index <sup>^</sup>	136.81	137.04 ↑	0.17%
FTSE JSE Namibia Overall Index	1031.05	1037.3 ↑	0.61%
Nigerian Stock Exchange All Share Index	27575.03	27220.09 ↓	-1.29%

Source: Bloomberg; <sup>^</sup> - Closing data as of 28<sup>th</sup> October as market was closed on 31<sup>st</sup> October due to a public holiday.

Broader emerging assets were lacklustre, with stocks witnessing first monthly fall since May. MSCI's emerging equity index slipped 0.1 percent with export-driven Asian economies feeling the heat on news of an FBI review of U.S. presidential candidate Hillary Clinton's emails. South Africa's rand neared a five-week high and banking stocks rallied on Monday after the state prosecutor dropped fraud charges against Finance Minister Pravin Gordhan, easing concerns about his possible removal. In the South African stock market, banking shares were buoyed by news of the dropped charges against the minister, with the banking index up 4.35 percent on the day. However, the benchmark Top-40 index closed 0.65 percent weaker at 44,019 points while the All-Share index fell 0.41 percent to 50,590 points. Offshore investors sold a net 76.9 million rand (\$5.7 million) of South African stocks and 752.7 million rand in bonds last week.

### Economic Data Releases – Today\*

Data Release	Expected	Prior
U.S. Markit Manufacturing PMI (Oct F) – (17:45)	53.2	53.2
U.S. Construction Spending MoM (Sep) – (18:00)	0.5%	-0.7%
U.S. ISM Manufacturing (Oct) – (18:00)	0.1%	0.2%
U.S. ISM Prices Paid (Oct) – (18:00)	54.3	53.0
U.S. ISM New Orders (Oct) – (18:00)	--	55.1
U.K. Markit Manufacturing PMI (Oct) – (13:30)	54.5	55.4
Japan Nikkei Manufacturing PMI (Oct F) – (04:30)	--	51.7
China Manufacturing PMI (Oct) – (05:00)	50.3	50.4
China Non-manufacturing PMI (Oct) – (05:00)	--	53.7
China Caixin Manufacturing PMI (Oct) – (05:45)	50.1	50.1
India Nikkei Manufacturing PMI (Oct) – (09:00)	--	52.1
Bank of Japan Policy Rate (Nov 1) – (11/01)	-0.10%	-0.10%
South Africa Barclays Manufacturing PMI (Oct) – (13:00)	--	49.5

\*Source: Bloomberg. GMT+4

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