

MORNING NEWS

'Asian stocks subdued' – Asia shares joined the dollar on the defensive on Thursday as the nail-biting U.S. presidential race saw the S&P 500 suffer its longest losing streak in five years. Most regional markets steadied after a brief wobble and MSCI's broadest index of Asia-Pacific shares outside Japan was flat by midday. Shanghai added 0.5 percent. Japan was off on holiday. In currency markets, the euro edged up 0.2 percent to \$1.1116. The dollar's losses deepened on Thursday as positioning for next week's U.S. presidential election overshadowed the Federal Reserve's latest review. In commodity markets, spot gold was firm at \$1,304.10 an ounce, having hit its highest since October 4. Crude oil pared some losses after sliding on Wednesday when data showed weekly U.S. crude inventories rose 14.4 million barrels. Helped by the weaker dollar, WTI crude bounced 40 cents to \$45.74 a barrel, though that followed a near 3 percent drop yesterday.

GLOBAL MARKETS WRAP-UP (02/11/2016)

The dollar hit its lowest level in more than three weeks against the [euro](#) and the [British pound](#) on Wednesday on nervousness about a potential victory for U.S. Republican presidential candidate Donald Trump next week. The euro has risen against the dollar after the latest ABC poll showed that Trump has taken the lead. The dollar index was last down 0.3 percent at 97.403, after falling 0.6 percent to 97.178, its lowest level since October 11. The euro was last up 0.39 percent at \$1.1098 after rising 0.6 percent in afternoon trading to \$1.1123, its highest level since October 11. The dollar pared losses after the Federal Reserve kept interest rates unchanged in its last policy decision before the US election, but signalled it could hike rates in December as the economy gathers momentum and inflation picks up. The pound jumped to its highest in three weeks against the dollar on Wednesday, as investors sold the dollar on worries that Donald Trump could win the U.S. presidential election next week. Sterling hit as high as \$1.2355 earlier in the day, after Prime Minister Theresa May's stated that government would do its best to secure a good deal for the agriculture sector when Britain leaves the EU. Sterling has climbed 1.2 percent this week, boosted on Monday by news that Bank of England (BoE) Governor Mark Carney will extend his tenure to 2019. The pound was up 0.50 percent on the day at \$1.2304.

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[Gold](#) rallied to a one-month high as falling stocks and a lower dollar burnished the appeal of precious metals as a haven from risk. Spot gold prices were up 1.1 percent to \$1,302.10 an ounce while gold futures rose 1.57 percent to close at \$1308.2 an ounce. [Crude oil](#) prices tumbled 3 percent on Wednesday after a record weekly build in U.S. crude inventories stoked investor worries about a global supply glut. WTI crude settled down by \$1.33, or 2.9 percent, at \$45.34 a barrel.

[Economic Data Releases \(02/11/2016\)^](#)

U.S. – Comp sales down 0.3 percent, Retail Economist/Goldman says.

U.K. – Markit manufacturing PMI falls to 54.3 in October against 55.5 in September.

China - Caixin PMI climbed to 51.2 in October from 50.1 the previous month.

China – Official manufacturing PMI climbed to 51.2 in October from 50.4 in September.

Japan – Bank of Japan maintains policy balance rate at -0.1 percent.

India – Nikkei manufacturing PMI rose to 54.4 vs 52.1 in September.

Australia – Reserve bank of Australia holds key rate at 1.5 percent.



[Africa's Focus](#)

South Africa – October Barclays manufacturing PMI falls to 45.9 compared to 48.5 in September.

GRAPHS & TABLES – MAJOR CURRENCIES, COMMODITIES & EQUITIES

Commodities (02/11/2016)*

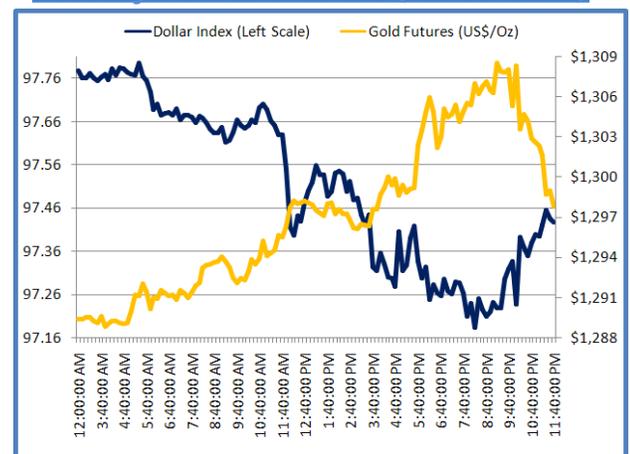
Commodity	Unit	Close	Net Change
Gold	USD/Oz	1308.2	↑ 20.20
Silver	USD/Oz	18.693	↑ 0.28
Platinum	USD/Oz	1001.8	↑ 3.90
Aluminium	USD/MT	1726.5	↓ -8.50
Copper	USD/MT	4920	→ 0.00
Zinc	USD/MT	2426	↓ -39.00
Nickel	USD/MT	10320	↓ -85.00
WTI Crude	USD/barrel	45.34	↓ -1.33
Brent Crude Oil	USD/barrel	46.86	↓ -1.28
Natural Gas	USD/MMBtu	2.792	↓ -0.11
Arabica Coffee	US cents/lb	162.9	↑ 1.45
Robusta Coffee	USD/MT	2164	↑ 6.00
Raw Sugar	US cents/lb	21.7	↑ 0.51
Carbon (Dec15)(€)	EUR/MT	6.24	↑ 0.21
Wheat	US cents/Bushel	417.75	↑ 3.50
Corn	US cents/Bushel	346.25	↓ -2.75
Baltic Dry Index	Points	834	↓ -4.0

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

Closing Spot Rates on 2nd November 2016 & Forward Spreads*

Currency	Close	% Change	3 month spread(pips)
USD/JPY	103.3	↓ -0.82	-41.23
EUR/USD	1.1098	↑ 0.39	47.55
GBP/USD	1.2304	↑ 0.50	25.88
AUD/USD	0.7661	↑ 0.12	-17.7
USD/CHF	0.9732	↓ -0.23	-53.86
USD/ZAR	13.4647	↓ -1.07	2542
USD/INR	66.72	↑ 0.01	82.3
USD/MUR	35.9	↓ -0.03	-0.0921

Intraday Price Movements (02/11/2016)*



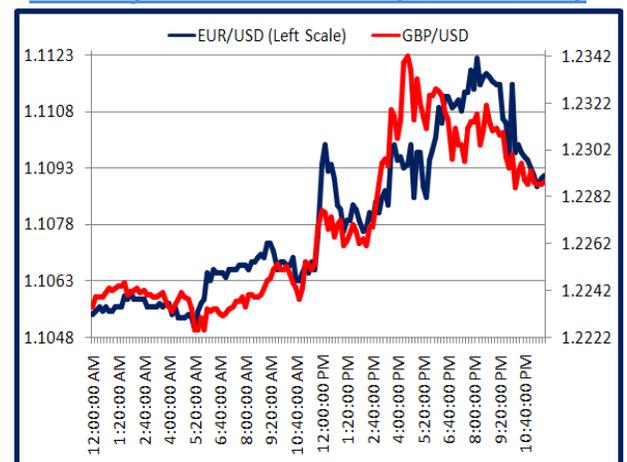
*Source: Bloomberg, GMT+4

Global Stocks Indices (02/11/2016)*

Index	Close	Net Change	% Change
Dow Jones	17959.64	-77.46	↓ -0.43
S&P	2097.94	-13.78	↓ -0.65
NASDAQ	5153.577	-48.012	↓ -0.93
NIKKEI	17134.68	-307.72	↓ -1.76
HANG SENG	22810.5	-336.57	↓ -1.45
KOSPI	1978.94	-28.45	↓ -1.42
SENSEX	27527.22	-349.39	↓ -1.25
NIFTY	8514	-112.25	↓ -1.30
FTSE 100	6845.42	-71.72	↓ -1.04
CAC 40	4414.67	-55.61	↓ -1.24
DAX 30	10370.93	-155.23	↓ -1.47

Source: *Bloomberg.

Intraday Price Movements (02/11/2016)*



*Source: Bloomberg, GMT+4



African Currencies Snapshot

African Currencies	02/11/2016 Close (per US\$)	% Change from Previous Close	Year-to-Date
Botswana Pula	10.4276	↓ -0.52%	↓ -7.61%
Tanzanian Shilling	2,183.00	↓ -0.05%	↑ 0.14%
Ghana Cedi	3.9825	↑ 0.30%	↑ 4.60%
South African Rand	13.4647	↓ -1.07%	↓ -13.89%
Kenyan Shilling	101.55	↑ 0.04%	↓ -0.73%
Zambian Kwacha	9.81	↑ 0.56%	↓ -10.90%
Nigerian Naira	315.52	↑ 1.66%	↑ 58.51%
Mauritian Rupee	35.90	↓ -0.09%	↓ -0.28%

Source: Bloomberg;

The South African rand reversed earlier losses to trade at new five-month highs against the dollar after President Jacob Zuma withdrew a court challenge to the release of a report by the Public Protector anti-corruption investigator on allegations that his wealthy friends had undue influence in the government. The rand gained as much as 2 percent against the dollar on Wednesday, reaching a 2-1/2 month high after a court ordered release of a report on alleged influence peddling by close allies of President Jacob Zuma. The rand hit a session high of 13.3150/dollar after the court ruling, its strongest since August 18, and was trading at 13.5175, up 0.68 percent from Tuesday's close. The Kenyan shilling was under pressure against the dollar on Wednesday due to importers and manufacturers buying dollars, traders also said the regulator was in the market yesterday inquiring on the price but did not intervene. Commercial banks quoted the Kenyan shilling at 101.50/70 to the dollar, compared with 101.40/60 at Tuesday's close.

Economic Data Releases – Today*

Data Release	Expected	Prior
U.S. Challenger Job Cuts YoY (Oct) – (15:30)	--	-24.7%
U.S. Nonfarm Productivity (3Q P) – (16:30)	2.1%	-0.6%
U.S. Initial Jobless Claims (Oct 29) – (16:30)	256K	258K
U.S. Continuing Claims (Oct 22) – (16:30)	2043K	2039K
U.S. Markit Services PMI (Oct F) – (17:45)	54.8	54.8
U.S. Markit Composite PMI (Oct F) – (17:45)	--	54.9
U.S. ISM Non-Manf. Composite (Oct) – (18:00)	56.0	57.1
U.S. Factory Orders (Sep) – (18:00)	0.2%	0.2%
U.S. Durable Goods Orders (Sep F) – (18:00)	-0.1%	-0.1%
U.S. Durables Ex Transportation (Sep F) – (18:00)	0.1%	0.2%
U.K. Markit/CIPS Services PMI (Oct) – (13:30)	52.5	52.6
Bank of England Bank Rate (Nov 3) – (16:00)	0.25%	0.25%
U.K. BOE Asset Purchase Target (Nov) – (16:00)	435b	435b

*Source: Bloomberg. GMT+4

Research & Product Development Team

Prasad Dalavai
 Senior Manager

Phone Number: + (230) 404 0009
research@bourseafrica.com or
prasad.dalavai@bourseafrica.com

Business Development:
BD@bourseafrica.com

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