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CJS Securities Morning Note

12 August 2015

ZAR	12.86	0.96%
EUR	14.2382	1.84%
BRT	46.82	-2.03%
XAU	1110.4	1.01%
XPT	980.4	0.04%
TOPI	46622.58	0.41%
DOW	17402.84	-1.21%
S&P	2084.07	-0.96%
AXJO	5385.40	-1.72%



TOP 40 Daily

The chart could be headed higher. However we would advise taking some risk off the table. A close above the 47 400 level could see the chart test the all-time highs.



S&P Daily

*The chart still looks to be consolidating, previous highs could be tested. Resistance may be seen at the **2130** level.*



DOW Daily

*The chart could still be in a consolidation phase however we do not like the current state of affairs. We would not like to take a position as yet. The chart could fall to the **17 156** level.*



AXJO Daily

The chart has reached the **5418** level as expected. If this level fails to provide support, the chart could very well fall to the **5149** level.

DAILY COMMENT

South Africa: The JSE Top40 started off strongly however ended **0.41%** in the green yesterday. Local markets were supported by the rise in commodity prices as China took on stimulatory measures by devaluing its currency, the Yuan by 2% against the dollar. Gold bounced from 5-year lows, Harmony added **4.79%**. The weak rand continues to boost rand hedges, British American Tobacco trading in record territory, adding **1.43%** and SABMiller gaining **1.64%**.

USA: The Dow closed **1.21%** down yesterday. The S&P closed **0.96%** in the red yesterday. U.S. markets were weaker yesterday after China's devaluation of the Yuan makes investors wary as to how the U.S. will fare as the Federal Reserve looks to raise rates for the first time since 2006. Exporters and shares with Chinese exposure were sold-off yesterday. Apple Inc. falling 5.20% as their products will be more expensive in China. Intel and Yum brands also falling **4.87%** and **2.26%** respectively.

Europe: The FTSE closed down **1.06%** yesterday. The CAC also ending **1.86%** in the red. The DAX plummeting **2.68%** yesterday. European stocks were also affected by the Chinese yuan devaluation, especially export-orientated Germany. BMW, Volkswagen and Daimler were all hit hard, falling **4.25%**, **3.66%** and **4.42%** respectively. Anglo American and Bhp Billiton fell hard in the U.K. losing **4.16%** and **5%** respectively.

Japan: The Nikkei is currently down **1.45%**. Japanese markets are weaker, following global markets into the red as well. Toyota Corp. and Yamaha Corp. affected by the yuan devaluation, losing **1.55%** and **2.23%** respectively.

ECONOMIC CALENDAR					
Tuesday 11					
0201	UK	BRC retail sales monitor	1.20%	1.00%	1.80%
1100	EU	German ZEW current situation	65.7	64.2	63.9
1100	EU	German ZEW economic sentiment	25	31.9	29.7
1100	EU	EU economic sentiment	47.6		42.7
1500	US	NFIB small business optimism	95.4	95.1	94.1
1530	US	Non-farm productivity	1.30%	1.60%	-1.10%
1530	US	Unit labour costs	0.50%	0.00%	2.30%
1600	US	Wholesale inventories	0.90%	0.40%	0.60%
0250	Japan	Money supply	4.10%	3.90%	3.90%
0700	Japan	Machine tool orders	1.60%		6.60%
1300	SA	Manufacturing production	-0.40%		-1.40%
Wednesday 12					
1030	UK	Claimant count change			7.0k
1030	UK	Average weekly earnings			2.80%
1030	UK	ILO unemployment rate			5.60%
0800	EU	EU industrial production (y/y)			1.60%
0800	EU	EU industrial production (m/m)		0.20%	-0.40%
1300	US	MBA mortgage applications			4.70%
1600	US	JOLTS jobs openings			5.363m
1630	US	Crude inventories			-4407k
2000	US	Federal Budget		-103.0b	51.8b
0201	Japan	Corporate goods price index	-3.00%	-2.90%	-2.40%
0640	Japan	Industrial production (y/y)	2.30%		2.00%
0630	Japan	Tertiary industry index	0.30%	0.10%	-0.60%
0330	China	Industrial production	6.00%	6.60%	6.80%
0330	China	Retail sales	10.50%	10.60%	10.60%
1800	World	Agricultural demand/supply estimates			
		Corn ending stocks (mt)			190.0
		Wheat ending stocks (mt)			219.8
		Soybean ending stocks (mt)			91.8
1200	SA	Sagis Imports/Exports			
	SA	Expiry August Quanto contracts			

Source: Bloomberg, Reuters, SARB, Statistics SA, Kagiso, DAFF, Sagis, Naamsa, Dstatis, US Dept of Labour, US Federal Reserve, BOE, ECB, UK National Statistics, Eurostat, EIA, Stats Japan, Stats China, Dailyfx, IMF, IFO, Markit Economics.