

ONE Minute Brief

10 April 2019

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Economic and political news

The International Monetary Fund has cut South Africa's (SA) economic growth forecast to 1.2% in 2019 and to 1.5% in 2020, citing political and monetary policy uncertainty.

S&P Global Ratings has kept SA's sovereign credit rating unchanged at 'BB' and maintained a stable outlook, amid expectations that the African National Congress (ANC) would win the election and continue with policy reforms they started.

According to a news report, Sibanye-Stillwater is planning to raise ZAR1.8bn in a share placement to protect itself from a potential platinum strike and to restructure its gold mines.

President, Cyril Ramaphosa, has hired 30 members of the presidential commission on the Fourth Industrial Revolution (4IR) to recommend policies, strategies and plans to position SA as a competitive player in the digital space.

A news report indicated that the ANC has stepped back from its decision to cross-examine former Bosasa Chief Operations Officer, Angelo Agrizzi.

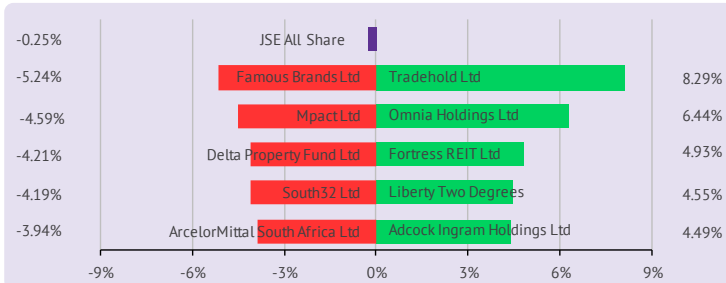
The Electoral Commission of SA (IEC) has dismissed all objections against ANC, Economic Freedom Fighters (EFF) and the Democratic Alliance (DA) candidates nominated by parties, stating that they are based on unproven allegations.

South Africa Market ▼

South African markets closed lower

South African markets closed in the red yesterday, led by losses in resources and banking sector stocks. The JSE All Share Index fell 0.3% to close at 57,838.37.

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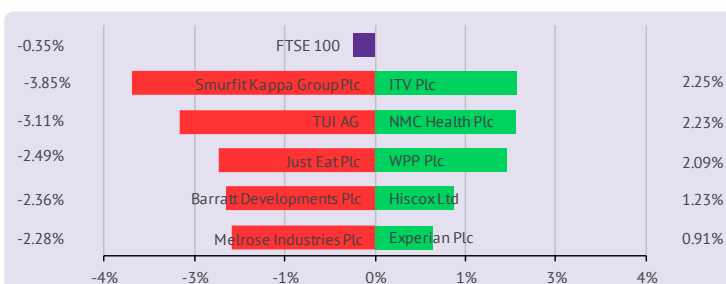


UK Market ▼

The FTSE 100 futures are trading in positive territory

UK markets finished lower yesterday, after the US President, Donald Trump, stated that he would impose tariffs on USD11bn worth of European products. The FTSE 100 Index declined 0.4% to close at 7,425.57.

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Key indices

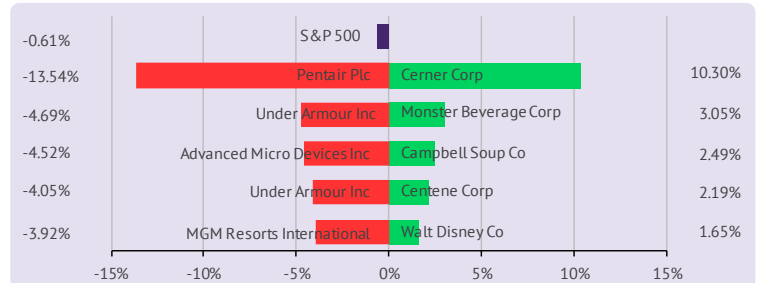
	As at 09 April 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	57838.37	▼ -147.41	-0.25	0.11	2.44	0.82	9.67
JSE Top 40 (ZAR)	51564.09	▼ -141.89	-0.27	0.09	2.57	1.22	10.35
FTSE 100 (GBP)	7425.57	▼ -26.32	-0.35	-0.29	2.01	2.89	10.37
DAX 30 (EUR)	11850.57	▼ -112.83	-0.94	-1.33	2.82	0.09	12.23
CAC 40 (EUR)	5436.42	▼ -35.36	-0.65	-0.73	1.61	2.10	14.92
S&P 500 (USD)	2878.20	▼ -17.57	-0.61	-0.50	1.55	1.79	14.81
Nasdaq Composite (USD)	7909.28	▼ -44.61	-0.56	-0.37	2.33	2.61	19.20
DJIA (USD)	26150.58	▼ -190.44	-0.72	-1.04	0.86	0.05	12.10
MSCI Emerging Markets (USD)	1093.44	▲ 4.94	0.45	0.76	3.34	0.68	13.20
MSCI Developed World (USD)	2143.20	▼ -9.70	-0.45	-0.31	1.68	1.05	13.76

US Market ▼

The S&P 500 futures are trading in the green

US markets closed lower yesterday, amid trade tensions between the European Union and the US and after the IMF downgraded its global growth outlook. Data revealed that the US JOLTS job openings fell more than-expected in February. The S&P 500 Index dropped 0.6% to close at 2,878.20.

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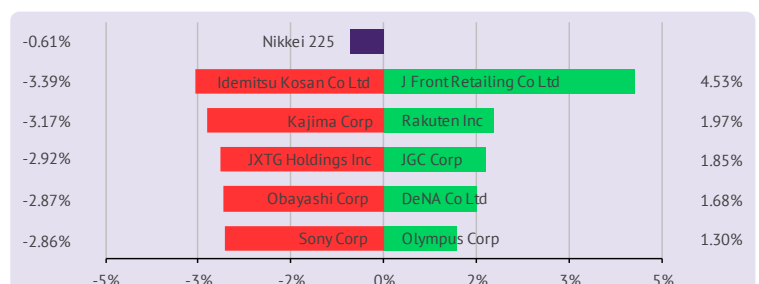


Asian Market ▼

Trading mostly lower

Asian markets are trading mostly lower this morning, amid renewed worries over global economic slowdown and heightened trade tensions. Data showed that Japan's monthly machinery orders rose less-than-anticipated in February. The Nikkei 225 Index is trading 0.6% lower at 21,669.52.

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USD ZAR ▼

USD trading weaker against ZAR

At 06:00 SAST, the US Dollar is trading slightly lower against the South African Rand at R14.0854. Later today, traders will keep a close watch on the FOMC interest rate decision, the US consumer price index, monthly budget statement and average weekly earnings for further indication.

The US Dollar fell against the South African Rand yesterday, amid concerns over US-EU trade tensions. On the macro front, the US JOLTS job openings declined more than market expectations to an 11-month low level in February. Meanwhile, the nation's NFIB small optimism index rose in March.

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GBP ZAR ▼

GBP trading lower against ZAR

At 06:00 SAST, the British Pound marginally retreated against the South African Rand to trade at R18.3895. Ahead in the day, traders will keep an eye on UK's gross domestic product, trade balance, construction output, the RICS house price balance, industrial and manufacturing output for further cues.

The British Pound declined against the South African Rand yesterday, after the IMF cut UK's growth forecast to 1.2% this year and warned that a no-deal Brexit would push the economy into a two-year recession.

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EUR ZAR ▼

EUR trading weaker against ZAR

At 06:00 SAST, the Euro dropped 0.1% against the South African Rand to trade at R15.8608. Going forward, market participants will keep a tab on the European Central Bank's (ECB) interest rate decision and ECB President, Mario Draghi's speech for further direction.

The Euro weakened against the South African Rand yesterday.

AUD ZAR ▲

AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar advanced 0.1% against the South African Rand to trade at R10.0428. Earlier in the session, Australia's Westpac consumer confidence index advanced in April.

The Australian Dollar fell against the South African Rand yesterday.

Key currencies & commodities

	Current#		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	14.0854	▼	-0.15	-0.02	-2.83	2.96	-1.79
GBPZAR	18.3895	▼	-0.23	0.11	-2.67	1.15	0.38
EURZAR	15.8608	▼	-0.16	0.40	-2.47	1.59	-3.58
AUDZAR	10.0428	▲	-0.20	0.28	-2.48	3.00	-0.86
EURUSD	1.1261	▼	0.00	0.42	0.40	-1.35	-1.78
GBPUSD	1.3056	▲	-0.07	0.11	0.13	-1.72	2.34
Brent (\$/barrel)	70.6	▲	-0.69	0.38	4.48	1.92	31.25
Gold (\$/oz)	1306.7	▲	0.49	1.02	0.81	-1.76	1.73
Platinum (\$/oz)	893.9	-	-1.51	-0.79	5.30	-3.01	12.31
Copper (\$/MT)*	6476.3	▲	0.26	1.43	-0.16	-1.05	8.86

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

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.2% higher to trade at \$1,306.70/oz.

Yesterday, gold prices rose 0.5% to close at \$1,303.50/oz, amid weakness in the US Dollar and led by global growth concerns.

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Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil gained 0% to trade at \$70.62/bl, amid OPEC-led supply cuts and US sanctions against Iran and Venezuela.

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Yesterday, Brent crude oil dropped 0.7% to settle at \$70.61/bl, after Russia signalled an end of the OPEC-led production cuts deal after the end of June. Additionally, the American Petroleum Institute reported that the US crude supplies rose by 4.1mn barrels in the week ended 5 April 2019. Separately, the Energy Information Administration (EIA) forecasted that the US crude production will rise by 0.7% to 12.39mn bls a day in 2019. Further, the EIA raised its output forecast by 0.5% to 13.1mn bls a day for 2020.

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Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices retreated marginally to trade at \$893.90/oz.

Yesterday, platinum prices declined 1.5% to close at \$893.90/oz.

Major South African corporate news

Anglo American Plc

The company announced that the value of rough diamond sales for De Beers' third sales cycle of 2019, amounted to USD575.00mn compared to USD496.00m reported in cycle 2 2019.

Major global economic news

US

In the US, the NFIB small business optimism index advanced to a level of 101.80 in March, compared to a level of 101.70 in the prior month.

In the US, the JOLTs job openings registered a more-than-expected drop to 7087.00K in February, compared to a revised level of 7625.00K in the prior month.

Asia

In Japan, machinery orders climbed 1.8% on a monthly basis in February, less-than-anticipated and compared to a fall of 5.4% in the previous month.

In Australia, the Westpac consumer confidence index registered a rise of 1.9% to a level of 100.70 on a monthly basis in April, compared to a level of 98.80 in the prior month.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
Japan	01:50	Machinery Orders (MoM) (Feb)	✓	1.80%*	-5.40%	Monthly
Japan	01:50	Machinery Orders (YoY) (Feb)	✓✓	-5.50%*	-2.90%	Monthly
Japan	08:00	Machine Tool Orders (YoY) (Mar) (P)	✓✓✓	-	-29.30%	Monthly
UK	10:30	Industrial Production (MoM) (Feb)	✓✓✓	0.10%	0.60%	Monthly
UK	10:30	Manufacturing Production (MoM) (Feb)	✓✓✓	0.20%	0.80%	Monthly
UK	10:30	Manufacturing Production (YoY) (Feb)	✓✓✓	-0.60%	-1.10%	Monthly
UK	10:30	Industrial Production (YoY) (Feb)	✓✓✓	-0.90%	-0.90%	Monthly
UK	10:30	Construction Output s.a. (YoY) (Feb)	✓	2.30%	1.80%	Monthly
UK	10:30	Total Trade Balance (Feb)	✓✓✓	-GBP3.79bn	-GBP3.83bn	Monthly
UK	10:30	Trade Balance; non-EU (Feb)	✓✓✓	-GBP4.36bn	-GBP4.98bn	Monthly
UK	10:30	Visible Trade Balance (Feb)	✓✓✓	-GBP12.88bn	-GBP13.08bn	Monthly
UK	10:30	Industrial Production (Feb)	✓	-	102.10	Monthly
UK	10:30	Manufacturing Production (Feb)	✓	-	103.00	Monthly
South Africa	11:30	SACCI Business Confidence Index (Mar)	✓	93.00	93.40	Monthly
US	13:00	MBA Mortgage Applications (05-Apr)	✓	-	18.60%	Weekly
Eurozone	13:45	ECB Interest Rate Decision	✓✓✓	0.00%	0.00%	As scheduled
US	14:30	Consumer Price Index (YoY) (Mar)	✓✓✓	1.80%	1.50%	Monthly
Eurozone	14:30	ECB's Draghi Speaks in Frankfurt After Policy Decision	✓	-	-	As scheduled
Eurozone	14:30	ECB Monetary Policy Statement and Press Conference	✓✓✓	-	-	As scheduled
US	14:30	Consumer Price Index (MoM) (Mar)	✓✓✓	0.40%	0.20%	Monthly
US	14:30	Consumer Price Index n.s.a. (Mar)	✓	254.19	252.78	Monthly
US	17:50	Fed's Quarles speech	✓✓	-	-	As scheduled
Eurozone	18:00	European Council Meeting	✓✓✓	-	-	As scheduled
UK	18:00	European Council Summit on Brexit	✓✓✓	-	-	As scheduled
US	20:00	Fed Releases Minutes of FOMC Meeting	✓✓✓	-	-	As scheduled
US	20:00	Monthly Budget Statement (Mar)	✓✓✓	-USD181.00bn	-USD234.00bn	Monthly
Eurozone	20:00	ECB's Coeure Participates in Panel Discussion in Washington	✓✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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