

ONE Minute Brief

11 April 2019

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Economic and political news

In South Africa (SA), the business confidence index dropped to 91.80 in March, compared to a reading of 93.40 in the previous month.

The International Monetary Fund has lowered Sub-Saharan Africa's 2019 growth forecast to 3.5% from 3.8% projected earlier.

President, Cyril Ramaphosa, appreciated Nissan's decision to invest ZAR3bn in the economy with a view to creating at least 400 new jobs in the manufacturing operation.

Economic Freedom Fighter's (EFF) leader, Julius Malema, confirmed that Member of Parliament, Thembinkosi Rawula, has resigned amid dispute over the party's financial resources.

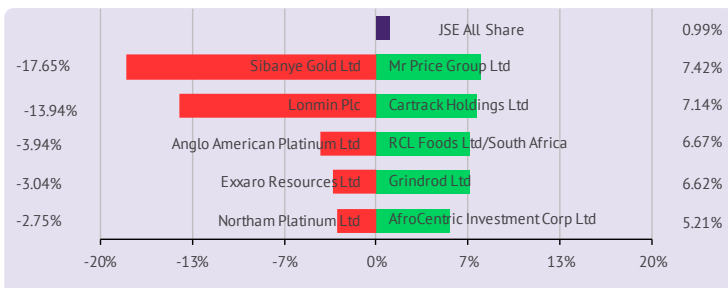
The Paris-based World Organisation for Animal Health (OIE) stated that SA has detected an outbreak of African swine fever on a farm in North West province.

South Africa Market ▲

South African markets closed higher

South African markets closed in the green yesterday, boosted by gains in banking and retail sector stocks. Data revealed that SA's business confidence index fell to a seven-month low level in March. The JSE All Share Index rose 1.0% to close at 58,411.65.

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Key indices

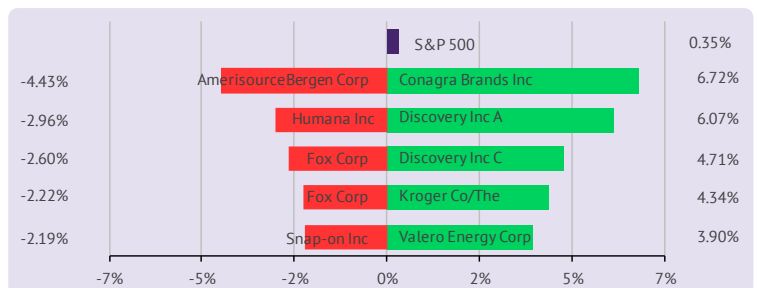
	As at 10 April 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	58411.65	▲ 573.28	0.99	1.10	3.45	0.82	10.76
JSE Top 40 (ZAR)	52161.05	▲ 596.96	1.16	1.25	3.75	1.22	11.63
FTSE 100 (GBP)	7421.91	▼ -3.66	-0.05	-0.34	1.96	2.89	10.31
DAX 30 (EUR)	11905.91	▲ 55.34	0.47	-0.86	3.30	0.09	12.76
CAC 40 (EUR)	5449.88	▲ 13.46	0.25	-0.48	1.86	2.10	15.20
S&P 500 (USD)	2888.21	▲ 10.01	0.35	-0.16	1.90	1.79	15.21
Nasdaq Composite (USD)	7964.24	▲ 54.97	0.69	0.32	3.04	2.61	20.03
DJIA (USD)	26157.16	▲ 6.58	0.03	-1.01	0.88	0.05	12.13
MSCI Emerging Markets (USD)	1096.05	▲ 2.61	0.24	1.01	3.58	0.68	13.47
MSCI Developed World (USD)	2147.99	▲ 4.79	0.22	-0.09	1.91	1.05	14.02

US Market ▲

The S&P 500 futures are trading in the green

US markets closed higher yesterday, after the US Federal Reserve (Fed) indicated that it would keep rates unchanged this year. Data indicated that the US annual consumer price index (CPI) rose more-than-expected in March. The S&P 500 Index climbed 0.4% to close at 2,888.21.

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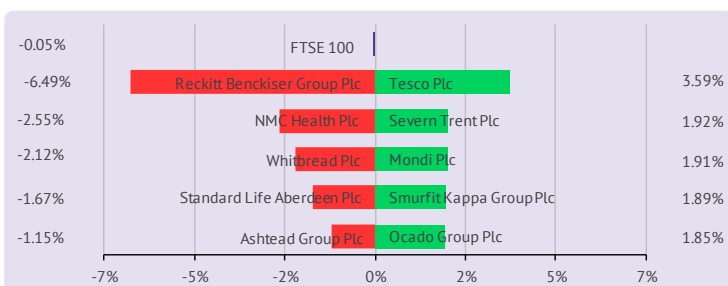


UK Market ▼

The FTSE 100 futures are trading in negative territory

UK markets finished lower yesterday, amid US-EU trade concerns and caution ahead of the European Union's Brexit summit. Data showed that UK's monthly gross domestic product (GDP) unexpectedly rose in February. The FTSE 100 Index declined 0.1% to close at 7,421.91.

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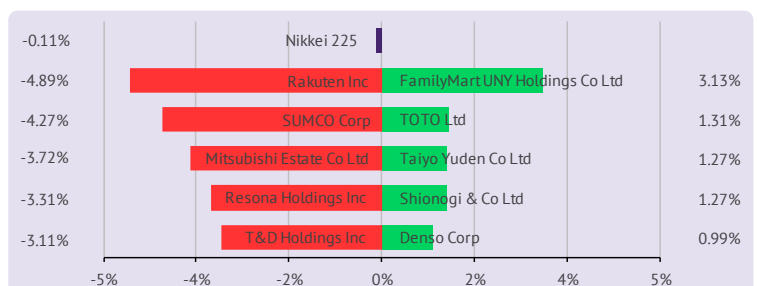


Asian Market ▼

Trading lower

Asian markets are trading lower this morning, amid global growth concerns. The Nikkei 225 Index is trading 0.1% lower at 21,662.77.

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USD ZAR

USD trading firmer against ZAR

At 06:00 SAST, the US Dollar rose 0.1% against the South African Rand to trade at R13.9293. Later today, traders will keep a close watch on the US producer price index (PPI) and initial jobless claims for further indication.

The US Dollar fell against the South African Rand yesterday, following dovish FOMC minutes. On the macro front, the US CPI climbed more than market forecast on an annual basis in March. Additionally, monthly budget statement narrowed more than market expectations in March. Moreover, average weekly earnings jumped on a yearly basis in March. Separately, in SA, the business confidence index dropped to a seven-month low level in March.

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GBP ZAR

GBP trading stronger against ZAR

At 06:00 SAST, the British Pound is trading 0.2% firmer against the South African Rand at R18.2433. With no major economic news in the UK today, investor sentiment will be determined by global macroeconomic news. Data revealed that the RICS house price balance recorded an unexpected advance in March.

The British Pound declined against the South African Rand yesterday. On the data front, UK's trade deficit narrowed less than market forecast in February. Meanwhile, the nation's GDP unexpectedly advanced on a monthly basis in February. Additionally, monthly construction output surprised with a rise in February. Moreover, industrial production jumped more than market anticipations in February. Also, manufacturing production recorded a more-than-expected rise in the same month.

EUR ZAR

EUR trading higher against ZAR

At 06:00 SAST, the Euro is trading 0.1% firmer against the South African Rand at R15.7080. Going forward, market participants will keep a tab on Germany's CPI for further direction.

The Euro weakened against the South African Rand yesterday.







AUD ZAR

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% lower against the South African Rand at R9.9699. Earlier in the session, Australia's consumer inflation expectations dropped in April. Meanwhile, in China, Australia's largest trading partner, the annual CPI advanced in line with market forecast in March. Additionally, the yearly PPI rose as expected in the same month.

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	13.9293		-1.25	-1.27	-4.04	2.96	-3.01
GBPZAR	18.2433		-0.97	-0.86	-3.61	1.15	-0.60
EURZAR	15.7080		-1.15	-0.76	-3.59	1.59	-4.68
AUDZAR	9.9699		-0.57	-0.30	-3.04	3.00	-1.43
EURUSD	1.1276		0.10	0.52	0.50	-1.35	-1.68
GBPUSD	1.3098		0.30	0.41	0.43	-1.72	2.64
Brent (\$/barrel)	71.4		1.59	1.98	6.14	1.92	33.33
Gold (\$/oz)	1310.4		0.43	1.45	1.25	-1.76	2.17
Platinum (\$/oz)	903.2	-	1.04	0.24	6.40	-3.01	13.48
Copper (\$/MT)*	6448.5		-0.43	0.99	-0.59	-1.05	8.40

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

Gold

Trading in the green

At 06:00 SAST, gold prices rose 0.1% to trade at \$1,310.40/oz.

Yesterday, gold prices rose 0.4% to close at \$1,309.10/oz, on the back of dovish stance from key central banks.

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Brent Crude Oil

Trading weaker

At 06:00 SAST, Brent crude oil edged 0.4% lower to trade at \$71.44/bl.

Yesterday, Brent crude oil advanced 1.6% to settle at \$71.73/bl, amid sharp decline in Venezuelan oil production. Meanwhile, the Energy Information Administration reported that the US crude supplies climbed by 7.0mn bls in the week ended 5 April 2019.

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Platinum

Trading in negative territory

At 06:00 SAST, platinum prices edged marginally lower to trade at \$903.20/oz.

Yesterday, platinum prices climbed 1.0% to close at \$903.20/oz.

Major South African corporate news

Grand Parade Investments Limited

The company announced that funds advised by Value Capital Partners Proprietary Limited have acquired 20.9% of the issued ordinary shares of the company.

Major global economic news

UK

In the UK, GDP unexpectedly advanced 0.2% on a monthly basis in February. In the previous month, GDP had registered a rise of 0.5%.

In February, total trade deficit narrowed less-than-expected to GBP4.86bn in the UK. The UK had registered a revised total deficit of GBP5.34bn in the previous month.

In the UK, construction output unexpectedly advanced 0.4% on a monthly basis in February. In the prior month, construction output had registered a revised rise of 3.5%.

In the UK, industrial production rose 0.6% on a monthly basis in February, more than market expectations. Industrial production had climbed by a revised 0.7% in the previous month.

In the UK, manufacturing production climbed 0.9% on a monthly basis in February, more than market expectations. Manufacturing production had recorded a revised rise of 1.1% in the prior month.

In the UK, the RICS house price balance unexpectedly climbed to a level of -24.00 in March. In the prior month, the RICS house price balance had registered a revised reading of -27.00.

Eurozone

The European Central Bank's (ECB), in its latest monetary policy decision held its key interest unchanged at 0.0% and maintained its forward guidance. Further, the central bank stated that it expects the key interest rates to remain at their present levels at least through the end of 2019.

ECB President, Mario Draghi warned over the potential threat of US tariffs and Brexit to the Eurozone's economy. He stated that growth in the economy was threatened by "the persistence of uncertainties related to geopolitical factors, the threat of protectionism and vulnerabilities in emerging markets."

US

The US Fed, in its March meeting minutes, revealed that the central bank expects interest rates to remain steady this year, amid sluggish US and global economic growth and subdued inflation. Additionally, members suggested that inflation might not be able to meet the bank's longstanding target of 2%. Moreover, the Fed expects the growth rate of real GDP to be lower than the pace seen over 2018.

In the US, the CPI recorded a more-than-anticipated rise of 1.9% on an annual basis in March, compared to a rise of 1.5% in the previous month.

In the US, budget deficit narrowed more-than-expected to USD146.90bn in March, compared to a revised deficit of USD208.70bn in the previous month.

In the US, average weekly earnings recorded a rise of 1.3%, compared to a reading of 1.6% in the previous month.

Asia

In Australia, the consumer inflation expectations eased to 3.9% in April. The consumer inflation expectations had registered a level of 4.1% in the prior month.

In China, the CPI registered a rise of 2.3% on an annual basis in March, meeting market expectations. The CPI had recorded a rise of 1.5% in the prior month.

In China, the PPI advanced 0.4% on a yearly basis in March, at par with market expectations. The PPI had risen 0.1% in the previous month.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
UK	01:01	RICS Housing Price Balance (Mar)	✓✓✓	-24.00%*	-27.00%	Monthly
Japan	01:50	Money Supply M3 (YoY) (Mar)	✓	2.10%*	2.10%	Monthly
Japan	01:50	Money Supply M2+CD (YoY) (Mar)	✓	2.40%*	2.40%	Monthly
China	03:30	Consumer Price Index (YoY) (Mar)	✓✓✓	2.30%*	1.50%	Monthly
China	03:30	Producer Price Index (YoY) (Mar)	✓✓✓	0.40%*	0.10%	Monthly
China	03:30	Consumer Price Index (MoM) (Mar)	✓✓✓	-0.40%*	1.00%	Monthly
Japan	04:00	Tokyo Average Office Vacancies (Mar)	✓	1.78%*	1.78%	Monthly
Germany	08:00	Consumer Price Index (MoM) (Mar) (F)	✓✓✓	0.40%	0.40%**	Monthly
Germany	08:00	Consumer Price Index (YoY) (Mar) (F)	✓✓✓	1.30%	1.30%**	Monthly
France	08:45	Consumer Price Index (Mar)	✓	-	103.70	Monthly
Eurozone	10:00	ECB Survey of Professional Forecasters	✓	-	-	As scheduled
Greece	11:00	Unemployment Rate (Jan)	✓	-	18.00%	Monthly
South Africa	11:30	Gold Production (YoY) (Feb)	✓	-	-22.50%	Monthly
South Africa	11:30	Mining Production (YoY) (Feb)	✓✓	-2.50%	-3.30%	Monthly
South Africa	13:00	Manufacturing Production Index (YoY) (Feb)	✓✓	0.50%	0.30%	Monthly
South Africa	13:00	Manufacturing Production s.a. (MoM) (Feb)	✓✓	-1.30%	-2.00%	Monthly
US	14:30	Producer Price Index (Mar)	✓	-	117.20	Monthly
US	14:30	Producer Price Index (MoM) (Mar)	✓✓✓	0.30%	0.10%	Monthly
Canada	14:30	New Housing Price Index (MoM) (Feb)	✓✓	0.00%	-0.10%	Monthly
US	14:30	Continuing Jobless Claims (30-Mar)	✓✓✓	1735.00 K	1717.00 K	Weekly
US	14:30	Initial Jobless Claims (06-Apr)	✓✓✓	210.00 K	202.00 K	Weekly
US	15:30	Fed's Clarida Speaks at Annual IIF Meeting in Washington	✓	-	-	As scheduled
US	15:40	Fed's Bullard Speaks on Economy and Monetary Policy	✓	-	-	As scheduled
US	16:30	EIA Natural Gas Storage Change (05-Apr)	✓✓✓	-	23.00 Bcf	Weekly
US	17:50	Fed's Quarles Takes Part in FSB Roundtable	✓	-	-	As scheduled
Canada	19:00	BoC's Wilkins speech	✓✓	-	-	As scheduled
US	20:00	Fed's Kashkari to Hold Q&A Via Twitter	✓	-	-	As scheduled
US	22:00	Fed's Bowman Speaks on Community Banking	✓✓	-	-	As scheduled
China	-	FDI - Foreign Direct Investment YTD (YoY) (Mar)	✓	-	6.60%	Monthly

Note: ✓✓✓High ✓✓Medium ✓Low

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formerly Grant Thornton Capital

a GTC @Grant Thornton, The Wanderers Office Part,
52 Corlett Drive, Illovo, 2196
p P O Box 55118, Illovo, 2118

t +27 (0) 10 597 6800
f +27 (0) 10 597 6801
w www.gtc.co.za

GTC (Pty) Ltd.
reg. no. 1996/001488/07
Directors: G.K. Mockler, F.Dildar

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