

ONE Minute Brief

12 April 2019

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Economic and political news

In South Africa (SA), manufacturing production rose 0.6% on a yearly basis in February, compared to a revised advance of 0.9% in January. Platinum production surged 17.8% on an annual basis in February, compared to an advance of 28.1% in the previous month. Annual mining production fell 7.5% in February, compared to a fall of 3.3% in the previous month. Gold production plunged 20.6% on a yearly basis in February, compared to a revised drop of 22.8% in the prior month.

Public Protector, Busisiwe Mkhwebane, has issued a second subpoena to Public Enterprises Minister, Pravin Gordhan, to submit an affidavit related to the so-called SA Revenue Service's (SARS) 'rogue unit'.

President, Cyril Ramaphosa, has asked suspended senior National Prosecuting Authority officials, Nomgcobo Jiba and Lawrence Mrwebi, to make representations by 16 April 2019, in response to the Mokgoro inquiry report into their fitness to hold office.

Former Finance Minister, Trevor Manuel has taken legal action against the Economic Freedom Fighters' leader, Julius Malema, and its spokesperson, Mbuyiseni Ndlozi, for accusing him of influencing the appointment of a new boss at SARS.

Key indices

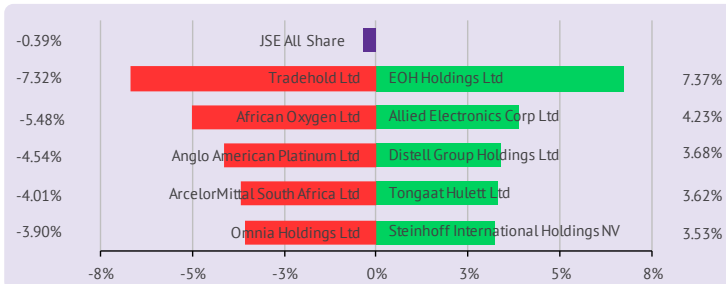
	As at 11 April 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	58186.19	▼ -225.46	-0.39	0.71	3.05	0.82	10.33
JSE Top 40 (ZAR)	51942.03	▼ -219.02	-0.42	0.82	3.32	1.22	11.16
FTSE 100 (GBP)	7417.95	▼ -3.96	-0.05	-0.39	1.91	2.89	10.25
DAX 30 (EUR)	11935.20	▲ 29.29	0.25	-0.62	3.55	0.09	13.03
CAC 40 (EUR)	5485.72	▲ 35.84	0.66	0.17	2.53	2.10	15.96
S&P 500 (USD)	2888.32	▲ 0.11	0.00	-0.15	1.90	1.79	15.22
Nasdaq Composite (USD)	7947.36	▼ -16.88	-0.21	0.11	2.82	2.61	19.77
DJIA (USD)	26143.05	▼ -14.11	-0.05	-1.07	0.83	0.05	12.07
MSCI Emerging Markets (USD)	1087.49	▼ -8.56	-0.78	0.22	2.78	0.68	12.58
MSCI Developed World (USD)	2147.61	▼ -0.38	-0.02	-0.10	1.89	1.05	14.00

South Africa Market ▼

South African markets closed lower

South African markets closed in the red yesterday, amid global growth concerns and led by losses in mining sector stocks. Data showed that SA's annual mining production fell more-than-expected in February. The JSE All Share Index fell 0.4% to close at 58,186.19.

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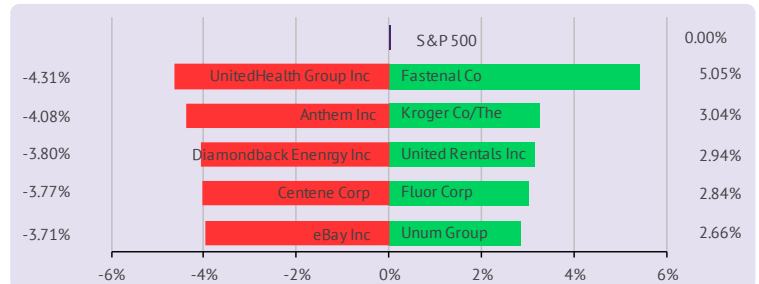


US Market ▼

The S&P 500 futures are trading in the green

US markets closed mostly lower yesterday, ahead of the release of the US corporate earnings. Data revealed that the US annual producer price index (PPI) rose more-than-expected in March. The S&P 500 Index closed marginally higher at 2,888.32.

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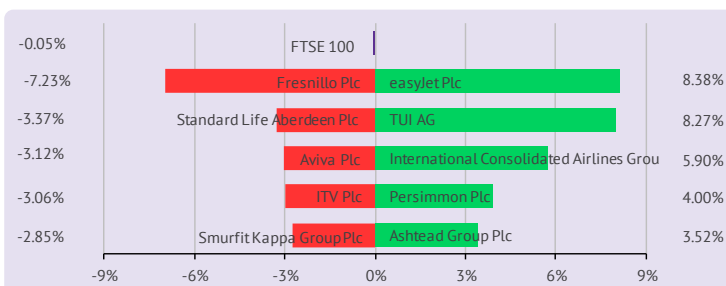


UK Market ▼

The FTSE 100 futures are trading in positive territory

UK markets finished lower yesterday, amid growing tensions over global economic slowdown and ongoing Brexit crisis. The FTSE 100 Index declined 0.1% to close at 7,417.95.

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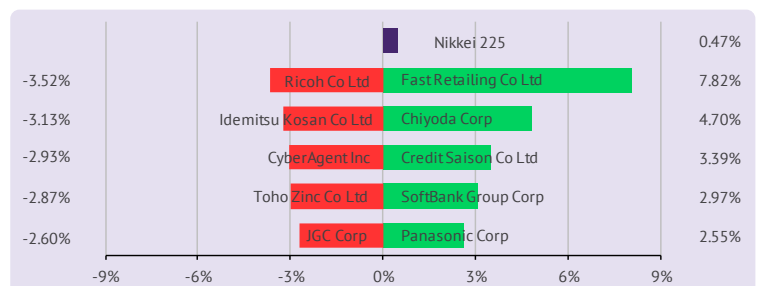


Asian Market ◀▶

Trading mixed

Asian markets are trading mixed this morning. The Nikkei 225 Index is trading 0.5% higher at 21,814.07.

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USD ZAR ▼

USD trading lower against ZAR

At 06:00 SAST, the US Dollar is trading 0.2% weaker against the South African Rand at R13.9776. Later today, traders will keep a close watch on the US Michigan consumer sentiment index for further indication.

The US Dollar rose against the South African Rand yesterday, amid robust US economic data. On the data front, the US PPI climbed more than market expectations on an annual basis in March, hitting its highest level in 5-months. Additionally, initial jobless claims recorded an unexpected drop to its lowest level since early October 1969 in the week ended 6 April 2019. Separately, in SA, manufacturing production climbed more than market expectations on an annual basis in February. Additionally, annual platinum production rose more than market forecast in February. Meanwhile, yearly mining production registered a more-than-anticipated decline in February. Moreover, gold production dropped for the 17th consecutive month in February.

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GBP ZAR ▼

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound fell 0.1% against the South African Rand to trade at R18.2768. With no major economic news in the UK today, investor sentiment will be determined by global macroeconomic news.

The British Pound advanced against the South African Rand yesterday, after the European Union agreed to delay Brexit until 31 October 2019.

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EUR ZAR ▲

EUR trading higher against ZAR

At 06:00 SAST, the Euro is trading 0.1% higher against the South African Rand at R15.7813. Going forward, market participants will keep a tab on the Eurozone's in industrial production for further direction.

The Euro strengthened against the South African Rand yesterday. Data indicated that Germany's consumer price inflation slowed to its lowest level since April 2018 on a yearly basis in March.

AUD ZAR ▼

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% lower against the South African Rand at R9.9680.

The Australian Dollar rose against the South African Rand yesterday.

Key currencies & commodities

	Current#		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	13.9776	▼	0.66	-0.61	-3.41	2.96	-2.37
GBPZAR	18.2768	▼	0.41	-0.45	-3.22	1.15	-0.19
EURZAR	15.7813	▲	0.48	-0.28	-3.12	1.59	-4.22
AUDZAR	9.9680	▼	0.01	-0.29	-3.03	3.00	-1.42
EURUSD	1.1290	▲	-0.19	0.33	0.31	-1.35	-1.87
GBPUSD	1.3076	▲	-0.25	0.15	0.18	-1.72	2.38
Brent (\$/barrel)	71.0	▲	-1.25	0.70	4.81	1.92	31.65
Gold (\$/oz)	1294.5	▲	-1.57	-0.14	-0.34	-1.76	0.57
Platinum (\$/oz)	890.3	-	-1.43	-1.19	4.88	-3.01	11.86
Copper (\$/MT)*	6390.5	▼	-0.90	0.08	-1.48	-1.05	7.42

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

Gold ▲

Trading in the green

At 06:00 SAST, gold prices rose 0.5% to trade at \$1,294.50/oz.

Yesterday, gold prices fell 1.6% to close at \$1,288.60/oz, as the US Dollar strengthened, on the back of upbeat US economic data.

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Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged 0.3% higher to trade at \$71.03/bl, amid ongoing supply cuts led by the Organization of the Petroleum Exporting Countries (OPEC) and the US sanctions on Iran and Venezuela.

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Yesterday, Brent crude oil dropped 1.3% to settle at \$70.83/bl, amid speculation that the OPEC might raise output from July if Venezuelan and Iranian supplies fall further.

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Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged marginally lower to trade at \$890.30/oz.

Yesterday, platinum prices declined 1.4% to close at \$890.30/oz.

Major South African corporate news

Allied Electronics Corporation Limited

The company, in its FY19 trading statement, announced that it expects HEPS to be between 180.00c and 196.00c, which is 49.0% to 62.0% higher compared to the same period of the previous year. Further, the company expects EPS to be in the range of 186.00c to 194.00c compared to the corresponding period of the preceding year.

Zeder Investments Limited

The company, in its FY19 trading statement, indicated that it expects HEPS to be between 44.70c and 45.50c, which is 80.2% to 83.5% higher compared to HEPS of 2.80c reported in the same period of the previous year. Further, the company expects EPS to be in the range of 4.70c to 5.70c, which is 61.5% to 68.2% lower compared to an EPS of 14.80 in the corresponding period of the preceding year.

Cashbuild Limited

The company, in its 3Q19 operational update, stated that revenue increased by 3.0% compared with the same period of the previous year. Transactions through the tills during the third quarter increased by 1.0% compared to the corresponding period of the preceding year, with new stores contributing 3.0% of the increase, while existing store contribution decreased by 2.0%. Selling inflation stood at 3.0% at the end of March 2019. Gross profit margin percentage remained at similar levels to those reported at half year end.

Intu Properties Plc

The company announced that Barbara Gibbes has been appointed as the interim Chief Financial Officer, with effect from 29 April 2019.

Major global economic news

US

In the US, the PPI advanced 2.2% on a yearly basis in March, more than market expectations. In the prior month, the PPI had registered a rise of 1.9%.

In the US, seasonally adjusted initial jobless claims unexpectedly fell to a level of 196.00K in the week ended 6 April 2019. Initial jobless claims had recorded a revised reading of 204.00K in the prior week.

Eurozone

In Germany, the final consumer price index (CPI) climbed 1.3% on an annual basis in March, meeting market forecast and compared to an advance of 1.5% in the prior month. The preliminary figures had also recorded a rise of 1.3%.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus	Previous	Frequency
Germany	08:00	Wholesale Price Index (MoM) (Mar)	✓	-	0.30%	Monthly
Germany	08:00	Wholesale Price Index (YoY) (Mar)	✓	-	1.60%	Monthly
Eurozone	11:00	Industrial Production s.a. (MoM) (Feb)	✓✓✓	-0.50%	1.40%	Monthly
Eurozone	11:00	Industrial Production w.d.a. (YoY) (Feb)	✓✓✓	-0.90%	-1.10%	Monthly
Eurozone	11:00	Industrial Production (Feb)	✓	-	105.10	Monthly
US	14:30	Export Price Index (YoY) (Mar)	✓	-	0.30%	Monthly
US	14:30	Export Price Index (Mar)	✓	-	126.20	Monthly
US	14:30	Import Price Index (Mar)	✓	-	125.20	Monthly
US	14:30	Import Price Index (MoM) (Mar)	✓	0.40%	0.60%	Monthly
US	14:30	Export Price Index (MoM) (Mar)	✓	0.20%	0.60%	Monthly
US	14:30	Import Price Index (YoY) (Mar)	✓	-0.60%	-1.30%	Monthly
Eurozone	14:45	ECB's Praet Speaks in Washington	✓	-	-	As scheduled
US	16:00	Reuters/Michigan Consumer Sentiment Index (Apr) (P)	✓✓✓	98.10	98.40	Monthly
China	-	Exports (YoY) (Mar)	✓✓	6.50%	-20.70%	Monthly
China	-	Imports (YoY) (Mar)	✓✓	0.20%	-5.20%	Monthly
China	-	Trade Balance (Mar)	✓✓	USD5.70bn	USD4.12bn	Monthly

Note: ✓✓✓High ✓✓Medium ✓Low

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