

ONE Minute Brief

6 May 2019

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Economic and political news

In South Africa (SA), new vehicle sales unexpectedly rose 0.7% on a yearly basis in April, compared to a drop of 3.1% in the previous month.

Environmental Affairs Minister, Nomvula Mokonyane, wants to cross-examine former Bosasa COO, Angelo Agrizzi, at the Zondo Commission of state capture inquiry.

According to a news report, Nomfundo Maseti, has been reappointed as acting electricity regulator board member at the National Energy Regulator of South Africa (Nersa) with effect from 1 March, after her previous term expired on 28 February.

During the campaign rally, Democratic Alliance (DA) leader, Mmusi Maimane, pledged to forge coalitions with smaller parties to break the dominance of the ruling African National Congress (ANC), especially at the local level. Additionally, he assured supporters that the party would increase jobs, protect minority rights and unite the country.

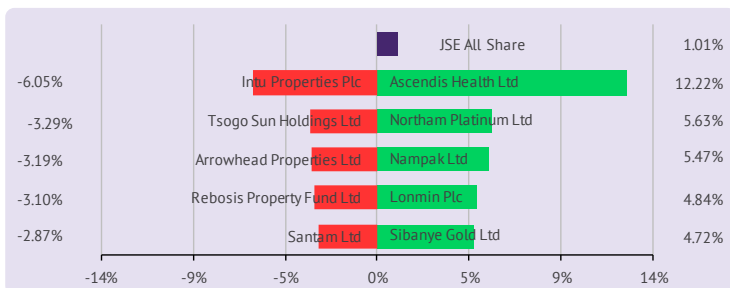
ANC Chairperson, David Makhura, stated that the Gauteng ANC is ready for the upcoming elections and is not prepared to hand over power to their rival political parties.

South Africa Market ▲

South African markets closed higher

South African markets closed in the green on Friday, boosted by gains in mining sector stocks. The JSE All Share Index rose 1.0% to close at 59,335.90.

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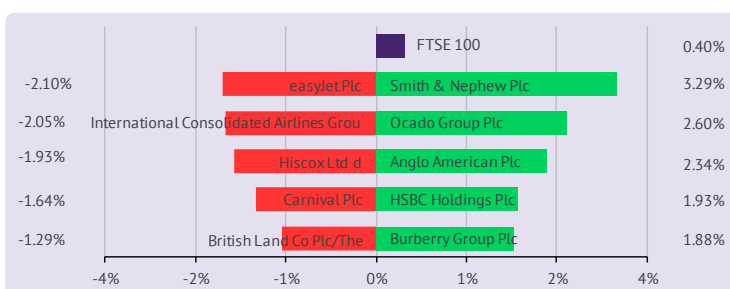


UK Market ▲

UK markets closed stronger

UK markets finished higher on Friday, as HSBC shares climbed, on the back of upbeat results and helped by gains in mining stocks. The FTSE 100 Index advanced 0.4% to close at 7,380.64.

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Key indices

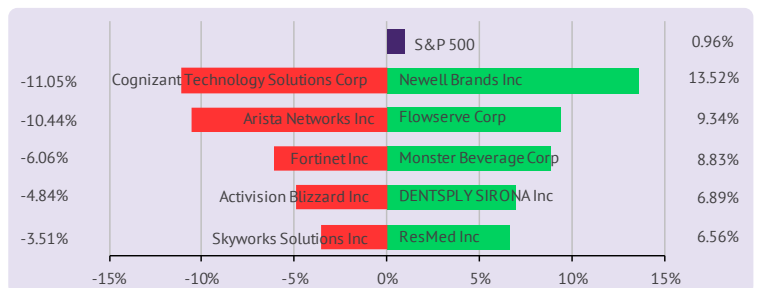
	As at 03 May 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg	
JSE All Share (ZAR)	59335.90	▲	592.34	1.01	NA	1.38	3.66	12.51
JSE Top 40 (ZAR)	53028.35	▲	532.95	1.02	NA	1.44	3.98	13.49
FTSE 100 (GBP)	7380.64	▲	29.33	0.40	NA	-0.51	1.91	9.70
DAX 30 (EUR)	12412.75	▲	67.33	0.55	NA	0.56	7.10	17.56
CAC 40 (EUR)	5548.84	▲	9.98	0.18	NA	-0.67	4.41	17.29
S&P 500 (USD)	2945.64	▲	28.12	0.96	NA	-0.01	3.93	17.50
Nasdaq Composite (USD)	8164.00	▲	127.22	1.58	NA	0.85	4.74	23.04
DJIA (USD)	26504.95	▲	197.16	0.75	NA	-0.33	2.56	13.62
MSCI Emerging Markets (USD)	1082.77	▲	3.82	0.35	NA	0.33	1.99	12.10
MSCI Developed World (USD)	2177.77	▲	16.65	0.77	NA	-0.04	3.37	15.60

US Market ▲

US markets closed firmer

US markets ended higher on Friday, following upbeat US jobs data. The S&P 500 Index climbed 1.0% to close at 2,945.64. Today, the S&P 500 futures are trading in the red.

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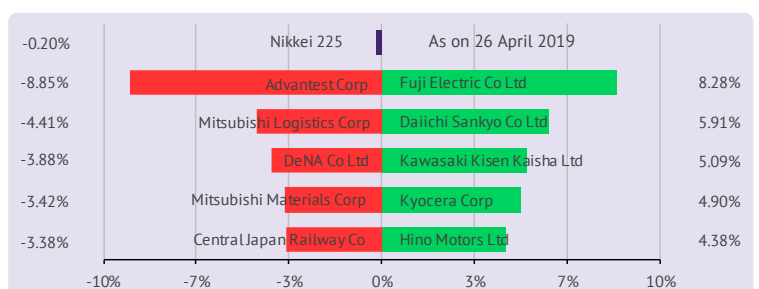


Asian Market ▼

Trading lower

Asian markets are trading lower this morning, after US President, Donald Trump, threatened to raise tariffs on Chinese goods worth USD200bn. Markets in Japan are closed today on account of public holiday.

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USD ZAR ▼

USD trading higher against ZAR

At 06:00 SAST, the US Dollar climbed 0.8% against the South African Rand to trade at R14.4688. Amid lack of major economic releases in the US today, investor sentiment would be determined by global macroeconomic news.

The US Dollar fell against the South African Rand on Friday, amid dismal US manufacturing data. Data showed that the US services PMI dropped in April. Additionally, ISM services index unexpectedly declined in the same month. Further, advance goods trade deficit widened in March. Meanwhile, unemployment rate dropped to a 49-year low level in April. Non-farm payrolls increased more than expected in April. Average hourly earnings rose in April. Separately, in South Africa, new vehicle sales rose in April.

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GBP ZAR ▼

GBP trading stronger against ZAR

At 06:00 SAST, the British Pound climbed 0.4% against the South African Rand to trade at R18.9858. Amid no major economic releases in the UK today, investor sentiment would be determined by global macroeconomic factors.

The British Pound declined against the South African Rand on Friday. On the macro front, Britain's services PMI rose in line with market expectations in April.

EUR ZAR ▼

EUR trading firmer against ZAR

At 06:00 SAST, the Euro rose 0.8% against the South African Rand to trade at R16.1956. Going forward, market participants will keep a tab on the Eurozone's Sentix investor confidence index, retail sales along with the services PMI across the euro area for further direction.

The Euro weakened against the South African Rand on Friday. Data showed that Eurozone's consumer price index (CPI) climbed to a 5-month high level in April. However, the producer price index (PPI) eased for the first time in three months in March.

AUD ZAR ▼

AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.2% higher against the South African Rand at R10.0944. Meanwhile, in China, Australia's largest trading partner, the Caixin services PMI unexpectedly rose in April.

The Australian Dollar fell against the South African Rand on Friday.

Key currencies & commodities

	Current#		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	14.4688	▼	-1.26	NA	0.37	-1.40	0.03
GBPZAR	18.9858	▼	-0.21	NA	1.44	-1.36	3.19
EURZAR	16.1956	▼	-1.01	NA	0.24	-1.44	-2.32
AUDZAR	10.0944	▼	-0.95	NA	-0.01	-2.06	-0.44
EURUSD	1.1192	▲	0.23	NA	-0.15	-0.03	-2.35
GBPUSD	1.3121	▲	1.08	NA	1.08	-0.02	3.29
Brent (\$/barrel)	69.2	▼	0.14	NA	-1.68	6.63	31.69
Gold (\$/oz)	1284.7	▲	0.73	NA	-0.34	-0.56	0.00
Platinum (\$/oz)	865.7	▼	2.41	NA	-1.90	5.04	9.91
Copper (\$/MT)*	6229.3	▲	1.03	NA	-3.07	-0.92	4.71

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

Gold ▲

Trading in the green

At 06:00 SAST, gold prices advanced 0.3% to trade at \$1,284.70/oz, after US threatened to raise tariffs on Chinese goods.

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On Friday, gold prices rose 0.7% to close at \$1,281.30/oz, as weakness in the US Dollar increased demand for the precious yellow metal.

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Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 2.3% lower to trade at \$69.24/bl, amid escalating trade tensions between the US and China.

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On Friday, Brent crude oil advanced 0.1% to settle at \$70.85/bl, following robust US economic data. Additionally, US sanctions against Iran and Venezuela and OPEC-led supply cuts further boosted oil prices. Meanwhile, Baker Hughes reported that US oil rig count rose by 2 to 807 last week.

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Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged 1% lower to trade at \$865.70/oz.

On Friday, platinum prices climbed 2.4% to close at \$874.80/oz.

Major South African corporate news

Intu Properties Plc

In its trading update for the period from 1 January 2019 to 2 May 2019, the company stated that it would focus on reducing loan value to below 50.0% by retaining cash generated from operations within the business, without final dividend paid for 2018 and carry out disposal and part disposal of assets, both in the UK and Spain along with reduction in capital expenditure pipeline. During the period, the firm introduced a new long-term equity partner, creating a joint venture to dispose of 50.0% of Intu Derby for GBP186.00mn, in line with the December 2018 valuation.

MTN Group Limited

The company announced that it has appointed former Deputy Finance Minister, Mcebisi Jonas, as Chairman following a series of regulatory issues that cost it more than USD1bn.

Major global economic news

US

US advance goods trade deficit widened to USD71.4bn in March, compared to a deficit of USD70.9bn in the previous month.

US non-farm payrolls increased more than expected by 263.00K in April, compared to a revised level of 189.00K in the previous month.

In the US, unemployment rate dropped to 3.6% in April, compared to a rate of 3.8% in the previous month.

US average hourly earnings rose 3.2% on an annual basis in April, compared to a similar rise in the prior month.

In the US, final services PMI dropped to 53.0 in April, compared to a reading of 55.3 in March. The preliminary figures had indicated a drop to a level of 52.9.

US ISM services index unexpectedly declined to 55.5 in April, following a reading of 56.1 in the previous month.

Eurozone

In the Eurozone, the PPI eased 2.9% on a yearly basis in March, compared to 3.0% in the previous month. fell for the first time in three months.

Eurozone's CPI climbed 1.7% on an annual basis in April, more than market forecast. In the prior month, the index had recorded a rise of 1.4%.















UK

In the UK, the services PMI rose to 50.40 in April, at par with market expectations. In the previous month, the index had recorded a reading of 48.90.

40 best performers on the All Share Index

Company name	Last close	1 Week % change	MTD % change	YTD % change
Kumba Iron Ore Ltd	44343	2.71	3.45	63.41
Impala Platinum Holdings Ltd	5927	-6.66	3.51	61.59
Lonmin PLC	1278	-6.72	-1.62	52.32
Northam Platinum Ltd	6000	-4.44	0.67	38.70
Anglo American Platinum Ltd	73334	-4.14	1.57	37.72
Telkom SA SOC Ltd	8501	0.90	0.26	34.32
Assore Ltd	37800	1.71	1.78	34.09
Naspers Ltd	372235	0.79	1.84	32.73
Royal Bafokeng Platinum Ltd	3281	-6.20	-2.29	31.89
Sibanye Gold Ltd	1310	-8.07	-2.60	30.74
Quilter PLC	2790	1.97	1.68	30.09
Distell Group Holdings Ltd	13641	-0.9	-0.79	28.68
Clover Industries Ltd	2300	0.00	0.40	27.97
Coronation Fund Managers Ltd	5275	-5.80	3.17	27.57
Metair Investments Ltd	2330	-0.72	-0.72	24.79
Raubex Group Ltd	2112	-2.22	-3.07	24.24
DataTec Ltd	3380	2.27	3.49	23.54
MTN Group Ltd	10530	1.20	1.87	22.72
Capitec Bank Holdings Ltd	135623	-0.18	1.46	22.31
Ascendis Health Ltd	505	21.69	14.00	21.39
African Rainbow Minerals Ltd	16805	-5.32	-1.18	20.84
Stenprop Ltd	2130	0.38	-0.23	20.57
Reunert Ltd	8113	6.04	4.67	20.45
AECI Ltd	9650	-0.52	0.70	20.07
Astral Foods Ltd	17978	3.61	-1.22	20.05
Exxaro Resources Ltd	16450	-2.40	0.72	19.32
BHP Group PLC	33710	-0.68	-0.20	19.31
Foschini Group Ltd/The	19438	5.12	5.21	19.30
Grindrod Ltd	720	-3.36	-6.25	19.26
Standard Bank Group Ltd	20677	5.02	3.90	18.96
Investec Ltd	9370	2.72	2.57	18.61
Anglo American PLC	37451	0.14	1.90	18.53
British American Tobacco PLC	54670	-0.34	-1.89	18.41
MiX Telematics Ltd	1000	0.30	-3.38	17.98
Hospitality Property Fund Ltd	1030	3.00	0.00	17.71
Investec Property Fund Ltd	1615	0.94	1.57	17.45
Libstar Holdings Ltd	800	0.00	0.38	17.45
Barloworld Ltd	13095	0.74	2.91	16.94
Investec PLC	9300	2.89	2.94	16.75
Steinhoff International Holdings NV	199	4.19	-2.93	15.70
JSE All Share Index	59336	0.75	1.38	12.51

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
 China	03:45	HSBC China Composite PMI (Apr)	✓✓✓	52.70*	52.90	Monthly
 China	03:45	Caixin/Markit Services PMI (Apr)	✓✓✓	54.50*	54.40	Monthly
 Spain	09:00	Unemployment Change (Apr)	✓✓✓	-	-34.00 K	Monthly
 Spain	09:15	Markit Services PMI (Apr)	✓✓✓	55.10	56.80	Monthly
 Eurozone	09:30	ECB's Lautenschlaeger Speaks in Frankfurt	✓	-	-	As scheduled
 Italy	09:45	Markit Services PMI (Apr)	✓✓✓	51.80	53.10	Monthly
 France	09:50	Markit Services PMI (Apr) (F)	✓✓✓	50.50	50.50**	Monthly
 Germany	09:55	Markit Services PMI (Apr) (F)	✓✓✓	55.60	55.60**	Monthly
 Eurozone	10:00	Markit Composite PMI (Apr) (F)	✓✓✓	51.30	51.30**	Monthly
 Eurozone	10:00	Markit Services PMI (Apr) (F)	✓✓✓	52.50	52.50**	Monthly
 Eurozone	10:30	Sentix Investor Confidence (May)	✓✓✓	-	-0.30	Monthly
 Eurozone	11:00	Retail Sales (MoM) (Mar)	✓✓✓	-0.10%	0.40%	Monthly
 Eurozone	11:00	Retail Sales (YoY) (Mar)	✓✓✓	1.80%	2.80%	Monthly
 US	15:30	Fed's Harker speech	✓✓	-	-	As scheduled
 Eurozone	17:00	ECB Chief Economist Praet Speaks in Frankfurt	✓	-	-	As scheduled
 Canada	19:45	BoC's Governor Poloz speech	✓✓✓	-	-	As scheduled

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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