

ONE Minute Brief

13 May 2019

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Economic and political news

On Saturday, the Electoral Commission revealed that the ruling African National Congress (ANC) has won South Africa's (SA) parliamentary elections with 57.5% votes.

SA's Competition Appeals Court will hold a ruling on the Association of Mineworkers and Construction Union's (AMCU) appeal to block the mining deal in which Sibanye-Stillwater intends to acquire Lonmin.

National Director of Public Prosecutions, Shamila Batohi, has expressed serious concern over the withdrawal of the case against Eastern Cape ANC leader, Pumlanzi Mkolo and 10 others implicated in the Nelson Mandela memorial fraud scandal.

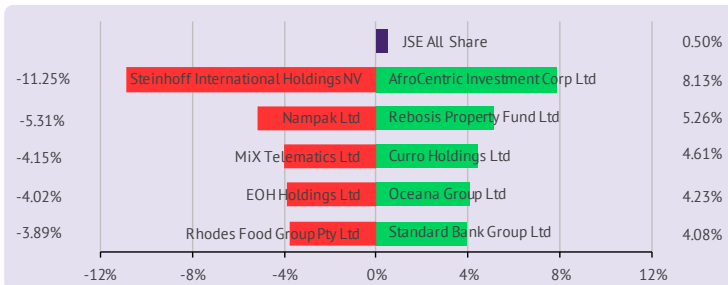
News report indicated that President, Cyril Ramaphosa, will reinstate a policy and research advisory unit in the presidency, which will give him a clear line of sight over the government, particularly the design and implementation of economic and investment policies.

South Africa Market ▲

South African markets closed higher

South African markets closed in the green on Friday, amid hopes of US-China trade deal and helped by gains in banking sector stocks. The JSE All Share Index rose 0.5% to close at 56,780.75.

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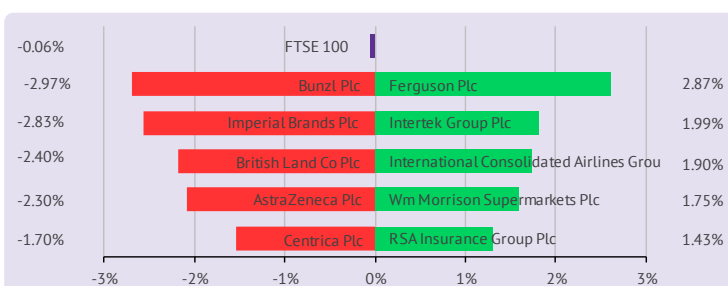


UK Market ▼

UK markets closed lower

UK markets finished lower on Friday, led by losses in export stocks. Data revealed that UK's quarterly gross domestic product (GDP) rose as expected in 1Q19. The FTSE 100 Index declined 0.1% to close at 7,203.29. Today, the FTSE 100 futures are trading in negative territory.

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Key indices

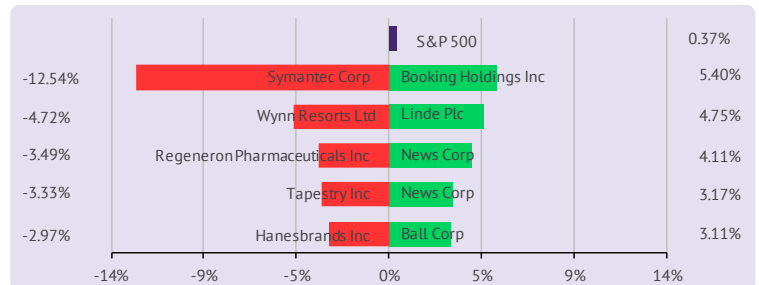
	As at 10 May 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg	
JSE All Share (ZAR)	56780.75	▲	284.67	0.50	NA	-2.99	3.66	7.67
JSE Top 40 (ZAR)	50533.59	▲	269.39	0.54	NA	-3.33	3.98	8.15
FTSE 100(GBP)	7203.29	▼	-4.12	-0.06	NA	-2.90	1.91	7.06
DAX 30 (EUR)	12059.83	▲	85.91	0.72	NA	-2.30	7.10	14.21
CAC 40 (EUR)	5327.44	▲	14.28	0.27	NA	-4.64	4.41	12.61
S&P 500 (USD)	2881.40	▲	10.68	0.37	NA	-2.19	3.93	14.94
Nasdaq Composite (USD)	7916.94	▲	6.35	0.08	NA	-2.20	4.74	19.32
DJIA (USD)	25942.37	▲	114.01	0.44	NA	-2.45	2.56	11.21
MSCI Emerging Markets (USD)	1033.44	▲	5.04	0.49	NA	-4.24	1.99	6.99
MSCI Developed World (USD)	2126.32	▲	7.01	0.33	NA	-2.40	3.37	12.87

US Market ▲

US markets closed higher

US markets closed higher on Friday, after the US President, Donald Trump stated that talks with China would continue. The S&P 500 Index climbed 0.4% to close at 2,881.40. Today, the S&P 500 futures are trading in the red.

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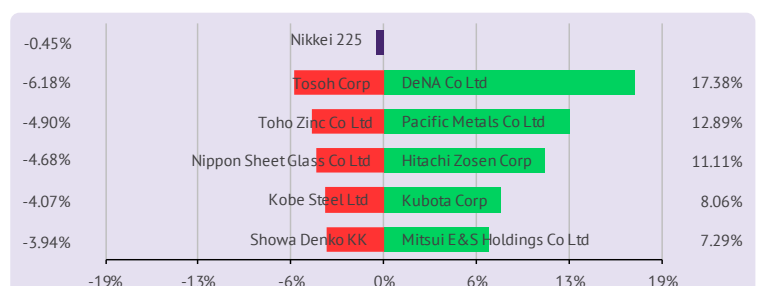


Asian Market ▼

Trading lower

Asian markets are trading lower this morning, amid uncertainty over US-China trade deal. The Nikkei 225 Index is trading 0.5% lower at 21,247.82.

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USD ZAR ▼

USD trading higher against ZAR

At 06:00 SAST, the US Dollar rose 0.4% against the South African Rand to trade at R14.2206. Amid no major economic news in the US, market sentiment will be determined by global macroeconomic news.

The US Dollar fell against the South African Rand on Friday, after the US CPI rose less than market forecast on an annual basis in April. On the other hand, the nation's yearly average weekly earnings registered an advance in April. Additionally, monthly budget surplus narrowed less-than-expected in April.

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GBP ZAR ▼

GBP trading stronger against ZAR

At 06:00 SAST, the British Pound climbed 0.5% against the South African Rand to trade at R18.5014. With no major economic news in the UK today, investor sentiment will be determined by global macroeconomic news.

The British Pound declined against the South African Rand on Friday. Data indicated that UK's GDP climbed in line with market expectations on a quarterly basis in the first quarter of 2019. Additionally, monthly industrial production jumped more-than-anticipated in March. Moreover, manufacturing production registered an unexpected advance on a monthly basis in March. Meanwhile, the nation's trade deficit narrowed in March. Further, construction output recorded a more-than-expected fall on a monthly basis in March.

EUR ZAR ▼

EUR trading firmer against ZAR

At 06:00 SAST, the Euro is trading 0.4% higher against the South African Rand at R15.9688. Amid no major economic news across the Eurozone, market sentiment will be determined by global macroeconomic news.

The Euro weakened against the South African Rand on Friday. On the macro front, Germany's trade surplus widened more than market anticipations in March. Additionally, current account surplus widened more than market forecast in the same month.

AUD ZAR ▼

AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar rose 0.1% against the South African Rand to trade at R9.9220. Earlier in the session, Australia's home loans registered a more-than-anticipated decline on a monthly basis in March.

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	14.2206	▼	-1.30	NA	-0.97	-1.40	-1.30
GBPZAR	18.5014	▼	-1.32	NA	-1.21	-1.36	0.50
EURZAR	15.9688	▼	-1.15	NA	-0.83	-1.44	-3.37
AUDZAR	9.9220	▼	-1.16	NA	-1.68	-2.06	-2.11
EURUSD	1.1229	▲	0.16	NA	0.16	-0.03	-2.04
GBPUSD	1.3011	▼	-0.12	NA	-0.26	-0.02	1.91
Brent (\$/barrel)	70.8	▲	0.33	NA	-2.00	6.63	31.26
Gold (\$/oz)	1284.3	▼	0.17	NA	0.13	-0.56	0.48
Platinum (\$/oz)	854.9	▼	1.67	NA	-2.93	5.04	8.76
Copper (\$/MT)*	6108.0	▲	0.31	NA	-4.96	-0.92	2.67

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

Gold ▼

Trading in the red

At 06:00 SAST, gold prices dropped 0.2% to trade at \$1,284.30/oz.

On Friday, gold prices rose 0.2% to close at \$1,287.40/oz, after the US increased tariffs on Chinese goods.

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Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil gained 0.3% to trade at \$70.84/bl.

On Friday, Brent crude oil advanced 0.3% to settle at \$70.62/bl, after Baker Hughes reported that US oil rig count fell by 2 to 805 last week.

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Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices retreated 1.2% to trade at \$854.90/oz.

On Friday, platinum prices climbed 1.7% to close at \$865.60/oz.

Major South African corporate news

Clover Industries Limited

In its FY19 operational and trading update, the company stated that it continues to increase its market share in various categories on the back of marketing investment and additional trade support, despite challenges in retail and fast-moving consumer goods sector. Moreover, the firm expects its EPS to be more than 182.70c compared to the same period of the previous year. Also, the company expects HEPS to be 180.50c, higher than the corresponding period of the prior year.

Lonmin Plc

In its 2Q19 production and business update, the company revealed that its platinum sales rose to 146,459oz from 140,533oz recorded in the corresponding period of prior year. Refined platinum production rose 16.0%, compared to the same period of preceding year at 142,260oz. Further, the firm stated that operating profit for 1H19 stood at USD70.00mn, compared to a loss of USD 32.00mn recorded in the same period of previous year.

Net 1 UEPS Technologies Inc

In its 3Q19 results, the company stated that its revenues decreased to USD86.48mn from USD162.72mn posted in the corresponding period of the previous year. Its diluted loss per share stood at USD0.96 compared to EPS of USD0.57 in the same period of the prior year.

Rebosis Property Fund Limited

In its FY19 trading statement, the company indicated that it expects its distributable income to be 52.0% to 62.0% lower compared to the same period of last year, due to an increase in the cost of debt on renewing expiring facilities. Further, dividend per A share is expected to grow by 5.0%, whereas dividend per B share is expected to be between 22.00c and 24.00c.

Major global economic news

UK

In the UK, the flash GDP advanced 0.5% on a quarterly basis in 1Q19, meeting market forecast and compared to a rise of 0.2% in the prior quarter.

In the UK, industrial production registered a more-than-expected rise of 0.7% on a monthly basis in March, compared to a rise of 0.6% in the previous month.

In the UK, manufacturing production unexpectedly rose 0.9% on a monthly basis in March. In the prior month, manufacturing production had advanced by a revised 1.0%.

In the UK, total trade deficit narrowed to GBP5.41bn in March, from a revised total deficit of GBP6.22bn in the previous month.

In March, construction output fell 1.9% on a monthly basis in the UK, more than market expectations. In the prior month, construction output had risen by a revised 0.5%.

Eurozone

In Germany, seasonally adjusted trade surplus widened more-than-expected to EUR22.70bn in March, compared to a surplus of EUR17.90bn in the previous month.

In March, non-seasonally adjusted current account surplus widened to EUR30.20bn in Germany, more-than-anticipated and compared to a revised surplus of EUR17.50bn in the previous month.

US

In the US, the consumer price index (CPI) registered a rise of 2.0% on a yearly basis in April, less than market expectations. In the previous month, the CPI had climbed 1.9%.

In the US, yearly average weekly earnings recorded a rise of 0.9% in April, compared to an advance of 1.3% in the previous month.

In April, budget surplus narrowed to USD160.30bn in the US. The US had registered a surplus of USD214.30bn last year.

Asia

In Australia, seasonally adjusted home loan approvals slid 2.8% on a monthly basis in March, more-than-expected and compared to a revised advance of 0.5% in the previous month.

40 best performers on the All Share Index

Company name	Last close	1 Week % change	MTD % change	YTD % change
Impala Platinum Holdings Ltd	5785	-2.40	1.03	57.72
Kumba Iron Ore Ltd	42324	-4.55	-1.26	55.97
Lonmin Plc	1184	-7.36	-8.85	41.12
Anglo American Platinum Ltd	71263	-2.82	-1.29	33.83
Royal Bafokeng Platinum Ltd	3305	0.73	-1.58	32.86
Northam Platinum Ltd	5700	-5.00	-4.36	31.76
Telkom SA SOC Ltd	8262	-2.81	-2.56	30.54
Assore Ltd	36749	-2.78	-1.05	30.36
Distell Group Holdings Ltd	13550	-0.67	-1.45	27.82
Coronation Fund Managers Ltd	5273	-0.04	3.13	27.52
Metair Investments Ltd	2359	1.24	0.51	26.34
Clover Industries Ltd	2265	-1.52	-1.09	26.02
Astral Foods Ltd	18714	4.09	2.82	24.97
Grindrod Ltd	750	4.17	-2.34	24.23
Quilter Plc	2648	-5.09	-3.50	23.47
Sibanye Gold Ltd	1236	-5.65	-8.10	23.35
Allied Electronics Corp Ltd	2215	8.10	7.52	23.06
Exxaro Resources Ltd	16316	2.59	3.33	22.41
AECI Ltd	9830	1.87	2.58	22.31
Naspers Ltd	342510	-7.99	-6.29	22.13
Capitec Bank Holdings Ltd	134496	-0.83	0.62	21.29
Ascendis Health Ltd	500	-0.99	12.87	20.19
Stenprop Ltd	2118	-0.56	-0.80	19.89
Tradehold Ltd	1200	9.09	9.09	19.40
African Rainbow Minerals Ltd	16435	-2.20	-3.36	18.18
Raubex Group Ltd	2008	-4.92	-7.85	18.12
Foschini Group Ltd	19162	-1.42	3.71	17.60
Standard Bank Group Ltd	20360	-1.53	2.31	17.13
DataTec Ltd	3191	-5.59	-2.30	16.63
Hospitality Property Fund Ltd	1020	-0.97	-0.97	16.57
Mpact Ltd	2386	1.53	0.25	16.17
Investec Property Fund Ltd	1595	-1.24	0.31	16.00
Reunert Ltd	7781	-4.09	0.39	15.52
Cartrack Holdings Ltd	1645	-0.30	2.17	15.03
British American Tobacco Plc	52809	-3.40	-5.23	14.38
Libstar Holdings Ltd	779	-2.63	-2.26	14.37
BHP Group Plc	32259	-4.30	-4.49	14.17
Octodec Investments Ltd	1950	-1.22	-2.99	13.90
SA Corporate Real Estate Ltd	360	2.27	1.41	13.72
Transaction Capital Ltd	1930	-0.10	0.99	13.46
JSE All Share Index	56781	-4.31	-2.99	7.67

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
Japan	01:50	Japan Foreign Reserves (Apr)	✓	USD1293.50bn*	USD1291.80bn	Monthly
Japan	07:00	Coincident Index (Mar) (P)	✓	99.60	100.40	Monthly
Japan	07:00	Leading Economic Index (Mar) (P)	✓✓✓	96.30	97.10	Monthly
France	08:30	Bank of France Business Sentiment (Apr)	✓✓✓	100.00	100.00	Monthly
Portugal	12:00	Consumer Price Index (MoM) (Apr) (F)	✓	-	0.60%**	Monthly
Portugal	12:00	Consumer Price Index (YoY) (Apr) (F)	✓	-	0.80%**	Monthly
US	15:05	Fed's Rosengren, Clarida Makes Remarks at Fed Listens Event	✓	-	-	As scheduled
US	17:00	MBA Mortgage Foreclosures (Q1)	✓	-	0.95%	Quarterly
US	19:20	Fed's Kaplan Speaks At Community Forum In Brownsville, Texas	✓	-	-	As scheduled
US	-	Composite Leading Indicator (Mar)	✓	-	99.06	Monthly
US	-	Mortgage Delinquencies (Q1)	✓	-	4.06%	Quarterly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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