

ONE Minute Brief

14 May 2019

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Economic and political news

President, Cyril Ramaphosa, has reinstated the presidency's policy and research unit, in an effort to speed up policy execution.

Yesterday, the ANC's National Executive Committee nominated seven candidates to serve as premiers in the eight provinces it retained in the election.

The Parliament announced that the first sitting of the National Assembly is provisionally set for 22 May 2019. Separately, IFP leader, Mangosuthu Buthelezi, confirmed that next week he will return to parliament as an MP in the newly elected National Assembly.

The agricultural ministry stated that an outbreak of African swine fever has spread to the fourth province in the Heilbron area of the central Free State Province.

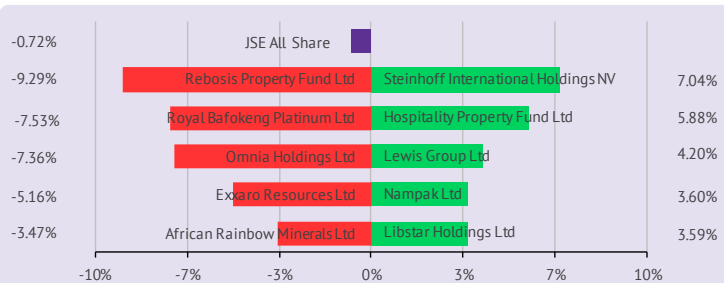
Sipho Mseleku, the co-founder of Sakhumnotho Group Holdings, in his testimony at the Public Investment Corporation (PIC) commission of inquiry, rejected claims that the PIC had played a role in the firm's merger with Kilimanjaro Capital, ahead of it being awarded a BEE stake in Total SA.

South Africa Market ▼

South African markets closed lower

South African markets closed in the red yesterday, amid rising US-China trade tensions and weighed down by losses in platinum mining and banking sector stocks. The JSE All Share Index fell 0.7% to close at 56,373.68.

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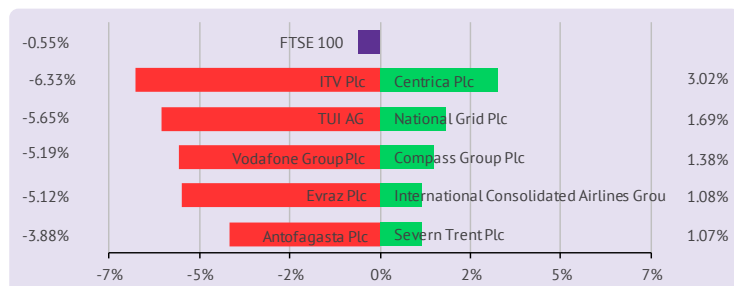


UK Market ▼

UK markets closed lower

UK markets finished lower yesterday, amid escalating trade tensions between the US and China. The FTSE 100 Index declined 0.6% to close at 7,163.68. Today, the FTSE 100 futures are trading in positive territory.

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Key indices

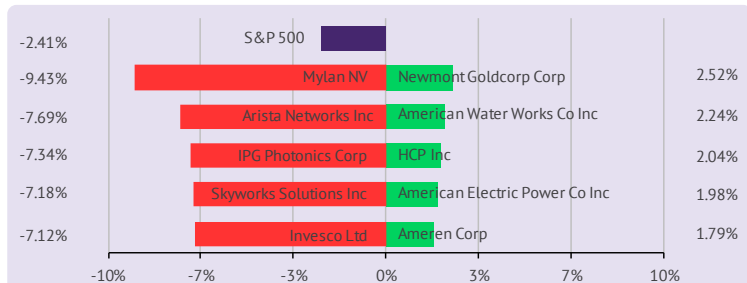
	As at 13 May 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	56373.68	▼ -407.07	-0.72	-0.72	-3.68	3.66	6.90
JSE Top 40 (ZAR)	50181.40	▼ -352.19	-0.70	-0.70	-4.00	3.98	7.39
FTSE 100 (GBP)	7163.68	▼ -39.61	-0.55	-0.55	-3.43	1.91	6.47
DAX 30 (EUR)	11876.65	▼ -183.18	-1.52	-1.52	-3.79	7.10	12.48
CAC 40 (EUR)	5262.57	▼ -64.87	-1.22	-1.22	-5.80	4.41	11.24
S&P 500 (USD)	2811.87	▼ -69.53	-2.41	-2.41	-4.55	3.93	12.17
Nasdaq Composite (USD)	7647.02	▼ -269.92	-3.41	-3.41	-5.54	4.74	15.25
DJIA (USD)	25324.99	▼ -617.38	-2.38	-2.38	-4.77	2.56	8.56
MSCI Emerging Markets (USD)	1016.49	▼ -16.95	-1.64	-1.64	-5.81	1.99	5.23
MSCI Developed World (USD)	2086.46	▼ -39.86	-1.87	-1.87	-4.23	3.37	10.75

US Market ▼

US markets closed lower

US markets closed lower yesterday, after China announced that it will impose retaliatory tariffs on USD60bn worth of US imports from 1 June 2019. The S&P 500 Index dropped 2.4% to close at 2,811.87. Today, the S&P 500 futures are trading in the green.

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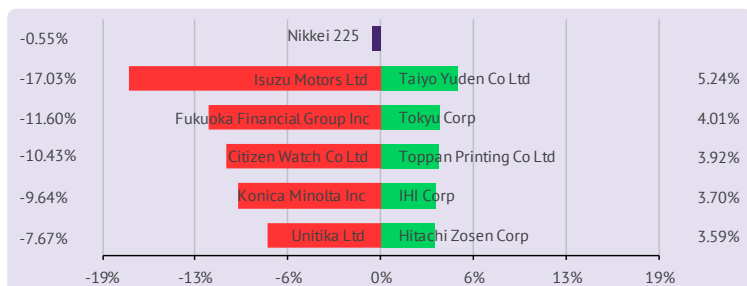


Asian Market ▼

Trading mostly lower

Asian markets are trading mostly lower this morning, after China announced plans to raise tariffs on US goods. Data revealed that Japan's trade surplus widened less-than-expected in March. The Nikkei 225 Index is trading 0.6% lower at 21,073.81.

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USD ZAR ▲

USD trading lower against ZAR

At 06:00 SAST, the US Dollar is trading 0.3% weaker against the South African Rand at R14.2879. Later today, traders will keep a close watch on the US NFIB small optimism index for further cues.

The US Dollar rose against the South African Rand yesterday.

GBP ZAR ▲

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound fell 0.3% against the South African Rand to trade at R18.5193. Ahead in the day, traders will keep an eye on UK's ILO unemployment rate and average weekly earnings for further indication.

The British Pound advanced against the South African Rand yesterday.

EUR ZAR ▲

EUR trading lower against ZAR

At 06:00 SAST, the Euro is trading 0.2% weaker against the South African Rand at R16.0601. Going forward, market participants will keep a tab on the ZEW survey indices across the Eurozone, the Eurozone's industrial production and Germany's consumer price index for further direction.

The Euro strengthened against the South African Rand yesterday.

AUD ZAR ▲

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar retreated 0.1% against the South African Rand to trade at R9.9363. Earlier in the session, Australia's ANZ Roy Morgan weekly consumer confidence index registered a decline in the week ended 12 May 2019. Additionally, the NAB business conditions index recorded a fall in April, while the NAB business confidence index improved in the same month.

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	14.2879	▲	1.21	1.21	0.23	-1.40	-0.11
GBPZAR	18.5193	▲	0.87	0.87	-0.35	-1.36	1.37
EURZAR	16.0601	▲	1.16	1.16	0.32	-1.44	-2.25
AUDZAR	9.9363	▲	0.41	0.41	-1.27	-2.06	-1.70
EURUSD	1.1240	▼	-0.10	-0.10	0.06	-0.03	-2.14
GBPUSD	1.2961	▼	-0.31	-0.31	-0.57	-0.02	1.60
Brent (\$/barrel)	70.5	▲	-0.55	-0.55	-2.54	6.63	30.54
Gold (\$/oz)	1300.1	▼	1.12	1.12	1.25	-0.56	1.60
Platinum (\$/oz)	864.2	▲	-1.24	-1.24	-4.13	5.04	7.41
Copper (\$/MT)*	5986.5	▼	-1.99	-1.99	-6.85	-0.92	0.63

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

Gold ▼

Trading in the red

At 06:00 SAST, gold prices edged 0.1% lower to trade at \$1,300.10/oz.

Yesterday, gold prices rose 1.1% to close at \$1,301.80/oz, amid fall in the US equities.

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Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged 0.4% higher to trade at \$70.48/bl.

Yesterday, Brent crude oil dropped 0.6% to settle at \$70.23/bl, as rising US-China trade tensions fuelled concerns over global economic growth.

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Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged 1.1% higher to trade at \$864.20/oz.

Yesterday, platinum prices declined 1.2% to close at \$854.90/oz.

Major South African corporate news

Astral Foods Limited

In its 1H19 results, the company announced that its revenues rose to ZAR6.78bn from ZAR6.60bn posted in the corresponding period of the previous year. Its diluted EPS decreased 51.6% to ZAR9.47 from an EPS of ZAR19.56 in the prior year. The company also recommended an interim dividend of ZAR4.75 per share.

Octodec Investments Limited

In its 1H19 results, the company revealed that its revenues advanced 4.9% to ZAR976.18mn, compared to ZAR930.92mn reported in the same period of the preceding year. Its diluted EPS stood at 78.70c, compared to 123.80c recorded in the corresponding period of the previous year. The company declared an interim dividend of 101.70c per share.

Investec Australia Property Fund

In its distribution update, the company stated that it has entered into a forward exchange contract to convert the AUD and NZD distribution to ZAR such that unitholders are given at least 1 weeks' notice ahead of the last day to trade of the exchange rate locked in.

Raubex Group Limited

In its FY19 results, the company reported that revenues declined 0.3% to ZAR8.52bn from the preceding year. Its diluted EPS stood at 31.80c, compared with 233.50c recorded in the previous year. The company also declared a final dividend of 22.00c per share.

Netcare Limited

In its 1H19 results, the company indicated that its revenues increased 5.6% to ZAR10.52bn, compared to ZAR9.97bn posted in the corresponding period of the previous year. Its diluted EPS fell 71.7% to 78.10c, compared to an EPS of 275.70c in the prior year. The company declared an interim dividend of 47.00c per share.

Rebosis Property Fund Limited

The company announced that it has entered into a sale of rental enterprise agreement with Vukile Property Fund Limited to dispose of three retail properties comprising Mdantsane City Shopping Centre, Sunnypark Shopping Centre and Bloedstreet Mall along with the rental enterprises conducted by Rebosis. The company stated that the proceeds of the disposals will be used to reduce the existing debt of the company.

Major global economic news

Asia

In Australia, the ANZ Roy Morgan weekly consumer confidence index dropped to a level of 114.80 in the week ended 12 May 2019, compared to a reading of 117.30 in the previous week.

In Australia, the NAB business confidence index improved in April.

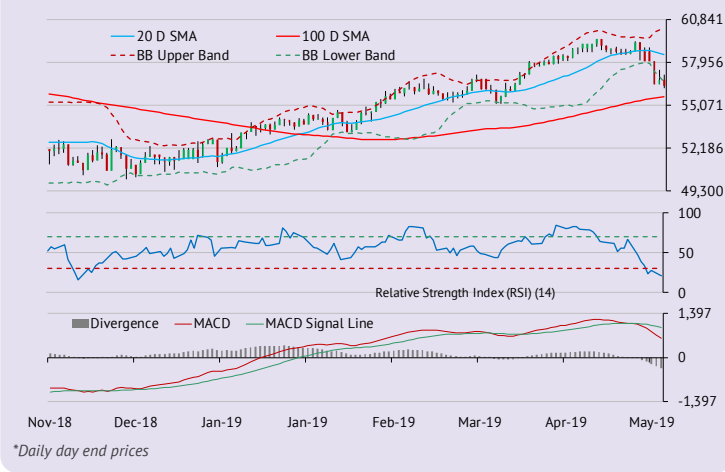
In Australia, the NAB business conditions index registered a drop to 3.00 in April. The index had registered a level of 7.00 in the prior month.

In Japan, (BOP basis) trade surplus widened less-than-expected to JPY700.10bn in March, compared to a surplus of JPY489.20bn in the previous month.

In March, non-seasonally adjusted current account surplus widened to JPY2847.90bn in Japan, less than market forecast and compared to a surplus of JPY2676.80bn in the prior month.

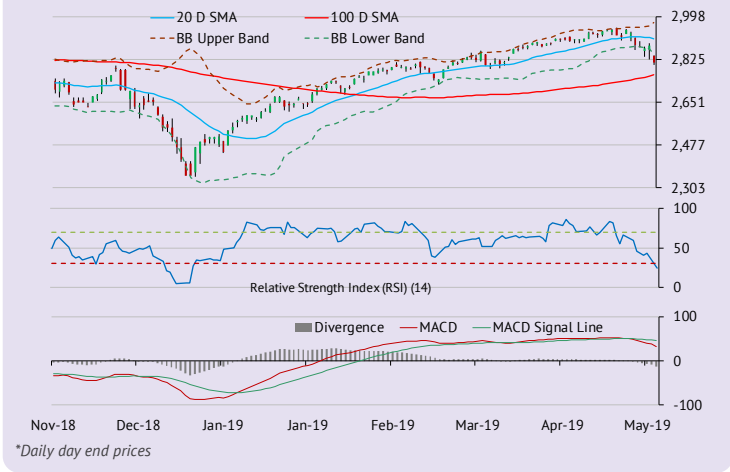
Technical snapshot

JSE All Share



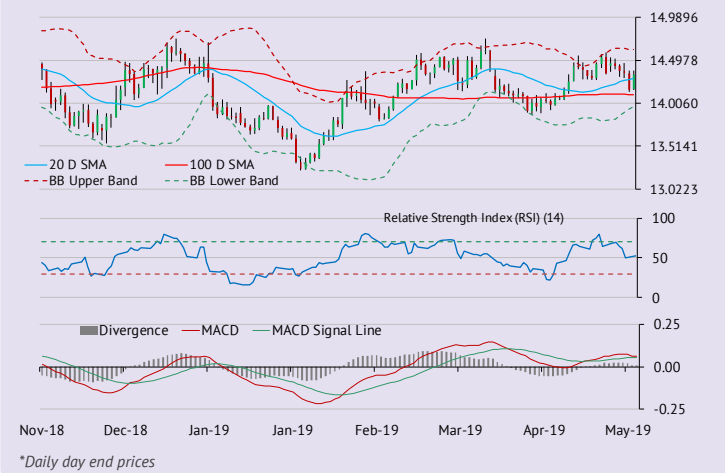
The JSE All Share index is expected to find support at 55,392.96, and a fall through could take it to the next support level of 54,412.24. The index is expected to find its first resistance at 58,163.99, and a rise through could take it to the next resistance level of 59,954.30.

S&P 500



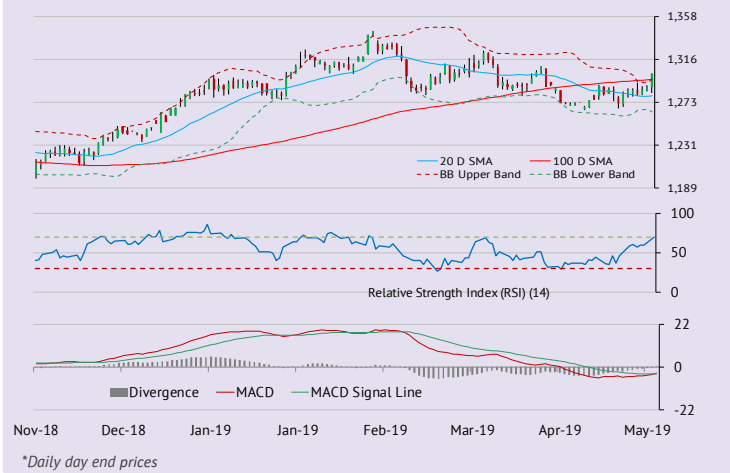
The S&P 500 index is expected to find support at 2,771.19, and a fall through could take it to the next support level of 2,730.51. The index is expected to find its first resistance at 2,882.79, and a rise through could take it to the next resistance level of 2,953.71.

USD ZAR



The pair is expected to find support at 14,1397, and a fall through could take it to the next support level of 13,9484. The pair is expected to find its first resistance at 14,5190, and a rise through could take it to the next resistance level of 14,7070.

XAU USD



Gold is expected to find support at \$1,286.53/oz, and a fall through could take it to the next support level of \$1,271.27/oz. The precious metal is expected to find its first resistance at \$1,309.63/oz, and a rise through could take it to the next resistance level of \$1,317.47/oz.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
Japan	01:50	Trade Balance - BOP Basis (Mar)	✓✓✓	JPY700.10bn*	JPY489.20bn	Monthly
Japan	01:50	Current Account n.s.a. (Mar)	✓	JPY2847.90bn*	JPY2676.80bn	Monthly
Japan	01:50	Adjusted Current Account Total (Mar)	✓	JPY1271.00bn*	JPY1896.70bn	Monthly
Germany	08:00	Wholesale Price Index (MoM) (Apr)	✓	-	0.30%	Monthly
Germany	08:00	Wholesale Price Index (YoY) (Apr)	✓	-	1.80%	Monthly
Germany	08:00	Consumer Price Index (MoM) (Apr) (F)	✓✓✓	1.00%	1.00%**	Monthly
Germany	08:00	Consumer Price Index (YoY) (Apr) (F)	✓✓✓	2.00%	2.00%**	Monthly
US	09:15	Fed's Williams Speaks at SNB/IMF Event in Zurich	✓	-	-	As scheduled
UK	10:30	Claimant Count Change (Apr)	✓✓✓	-	28.30K	Monthly
UK	10:30	Claimant Count Rate s.a. (Apr)	✓✓	-	3.00%	Monthly
UK	10:30	Average Earnings Excluding Bonus (3Mo/Yr) (Mar)	✓	3.30%	3.40%	Monthly
UK	10:30	Average Earnings Including Bonus (3Mo/Yr) (Mar)	✓✓	3.40%	3.50%	Monthly
UK	10:30	ILO Unemployment Rate (3M) (Mar)	✓✓✓	3.90%	3.90%	Monthly
UK	10:30	Employment Change (3M/3M) (Mar)	✓✓✓	140.00K	179.00K	Monthly
Eurozone	11:00	ZEW Survey - Economic Sentiment (May)	✓✓	-	4.50	Monthly
Germany	11:00	ZEW Survey - Economic Sentiment (May)	✓✓✓	5.00	3.10	Monthly
Eurozone	11:00	Industrial Production s.a. (MoM) (Mar)	✓✓✓	-0.30%	-0.20%	Monthly
Eurozone	11:00	Industrial Production w.d.a. (YoY) (Mar)	✓✓✓	-0.80%	-0.30%	Monthly
Eurozone	11:00	Industrial Production (Apr)	✓	-	105.40	Monthly
Germany	11:00	ZEW Survey - Current Situation (May)	✓✓	6.30	5.50	Monthly
South Africa	11:30	Unemployment Rate (Q1)	✓✓	27.40%	27.10%	Quarterly
US	12:00	NFIB Small Business Optimism (Apr)	✓	102.00	101.80	Monthly
US	18:45	Fed's George Speaks to Economic Club of Minnesota	✓	-	-	As scheduled
US	-	Mortgage Delinquencies (Q1)	✓	-	4.06%	Quarterly
US	-	MBA Mortgage Foreclosures (Q1)	✓	-	0.95%	Quarterly

Note: ✓✓✓High ✓✓Medium ✓Low

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