

ONE Minute Brief

1 July 2019

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Economic and political news

South Africa (SA) posted a trade surplus of ZAR1.74bn in May, compared to a revised deficit of ZAR3.53bn in the prior month. Private sector credit demand growth slowed to 7.66% on a yearly basis in May, compared to an advance of 7.95% in the previous month. M3 money supply climbed to 9.07% on an annual basis in May, compared to an advance of 8.77% in the prior month.

The Central Energy Fund indicated that the price of 93 and 95 octane petrol will fall by 96c/l and 95c/l, respectively, with effect from Wednesday. Additionally, diesel prices will drop by 75c/l.

Trade union, National Union of Metalworkers of SA (Numsa) has called off its nine-day sit-in strike after reaching a settlement with Lanxess Chrome Mine management. In terms of an agreement reached with mine management, the striking workers will not be fired but will be issued with a warning valid for six months, while the case of their 56 dismissed workers will be referred to external arbitration for review.

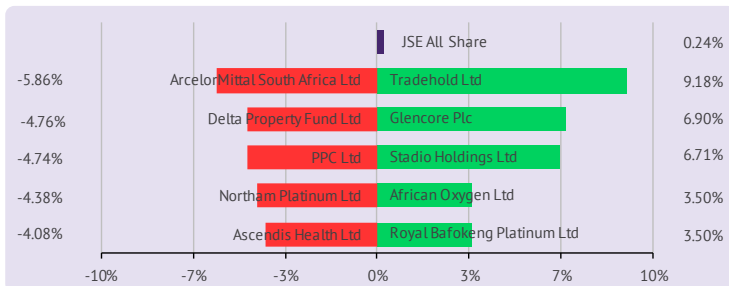
Public Protector, Busisiwe Mkhwebane, has accused President, Cyril Ramaphosa, of failing to comply with the anticorruption watchdog's remedial action against a probe involving Public Enterprises Minister, Pravin Gordhan.

South Africa Market ▲

South African markets closed higher

South African markets closed in the green on Friday, boosted by gains in mining sector stocks. In SA, trade balance recorded a surplus in May. The JSE All Share Index rose 0.2% to close at 58,203.84.

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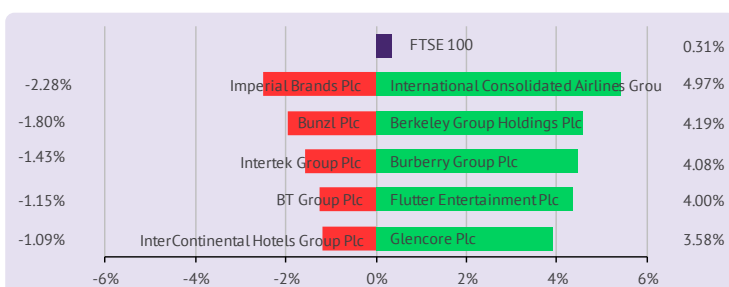


UK Market ▲

UK markets closed higher

UK markets finished higher on Friday, as housebuilding sector stocks rose, amid reports that Boris Johnson, the leading candidate to succeed Prime Minister, Theresa May, is planning to reduce stamp duty and taxes. The FTSE 100 Index advanced 0.3% to close at 7,425.63. Today, the FTSE 100 futures are trading in positive territory.

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Key indices

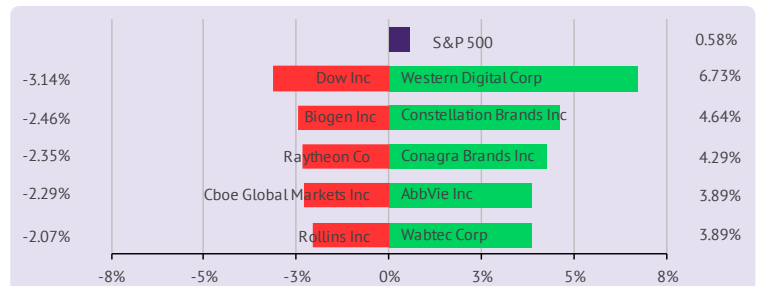
	As at 28 June 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg	
JSE All Share (ZAR)	58203.84	▲	137.19	0.24	NA	NA	4.59	10.37
JSE Top 40 (ZAR)	52198.94	▲	142.58	0.27	NA	NA	5.27	11.71
FTSE 100(GBP)	7425.63	▲	23.30	0.31	NA	NA	3.69	10.37
DAX 30 (EUR)	12398.80	▲	127.77	1.04	NA	NA	5.73	17.42
CAC 40 (EUR)	5538.97	▲	45.36	0.83	NA	NA	6.36	17.09
S&P 500 (USD)	2941.76	▲	16.84	0.58	NA	NA	6.89	17.35
Nasdaq Composite (USD)	8006.24	▲	38.49	0.48	NA	NA	7.42	20.66
DJIA (USD)	26599.96	▲	73.38	0.28	NA	NA	7.19	14.03
MSCI Emerging Markets (USD)	1054.86	▼	0.00	0.00	NA	NA	5.70	9.21
MSCI Developed World (USD)	2178.35	▲	11.87	0.55	NA	NA	6.46	15.63

US Market ▲

US markets closed firmer

US markets closed higher on Friday, supported by gains in banking sector stocks and ahead of a key meeting between the US President, Donald Trump and Chinese President, Xi Jinping. The S&P 500 Index climbed 0.6% to close at 2,941.76. Today, the S&P 500 futures are trading in the green.

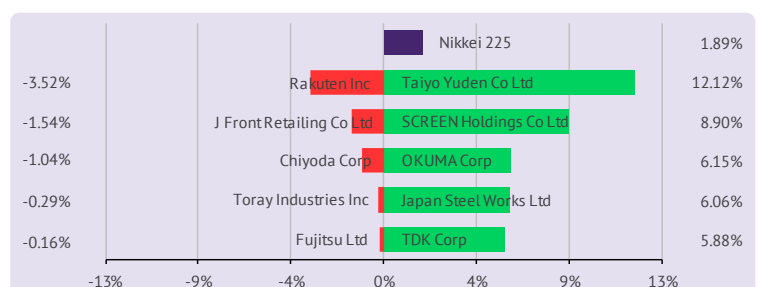
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Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning. Data showed that Japan's Nikkei manufacturing activity contracted further in June. The Nikkei 225 Index is trading 1.9% higher at 21,677.58.



USD ZAR ▲

USD trading lower against ZAR

At 06:00 SAST, the US Dollar declined 0.1% against the South African Rand to trade at R14.0730. Later today, traders will keep a close watch on the US Markit manufacturing PMI, ISM manufacturing index data and construction spending data for further cues.

The US Dollar fell against the South African Rand on Friday. On the data front, the US Chicago Purchasing Managers' index (PMI) registered a more-than-expected decline in June. Additionally, the Michigan consumer sentiment index dropped in June. Further, personal spending advanced less than market forecast on a monthly basis in May. On the flipside, the nation's monthly personal income climbed more than market expectations in May. Separately, SA posted a trade surplus in May. Additionally, annual M3 money supply advanced in May. Meanwhile, the nation's private sector credit demand growth slowed on an annual basis in May.

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 R17.8720. Ahead in the day, traders will keep an eye on UK's net consumer credit, mortgage approvals and the Markit manufacturing PMI for further indication.

The British Pound declined against the South African Rand on Friday. On the macro front, UK's GDP climbed in line with market expectations on a quarterly basis in the first quarter of 2019. Meanwhile, the nation's current account deficit widened in 1Q19, recording its biggest level since the third quarter of 2016.

EUR ZAR ▲

EUR trading lower against ZAR

At 06:00 SAST, the Euro declined 0.3% against the South African Rand to trade at R15.9756. Going forward, market participants will keep a tab on the Markit manufacturing PMI across the Eurozone and Germany's unemployment rate for further direction.

The Euro weakened against the South African Rand on Friday. Data indicated that Eurozone's consumer price index (CPI) advanced at par with market forecast on an annual basis in June.

AUD ZAR ▲

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar fell 0.3% against the South African Rand to trade at R9.8553. Earlier in the session, Australia's CBA manufacturing index recorded a rise in June. On the other hand, the nation's AiG performance of manufacturing index declined in the same month. Meanwhile, in China, Australia's largest trading partner, the Caixin manufacturing PMI dropped more-than-anticipated in June.

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	14.0730	▲	-0.58	NA	NA	-3.38	-1.81
GBPZAR	17.8720	▲	-0.39	NA	NA	-2.92	-2.40
EURZAR	15.9756	▲	-0.54	NA	NA	-1.65	-2.65
AUDZAR	9.8553	▲	-0.45	NA	NA	-2.20	-2.33
EURUSD	1.1352	▼	0.04	NA	NA	1.83	-0.82
GBPUSD	1.2698	▲	0.17	NA	NA	0.53	-0.45
Brent (\$/barrel)	66.3	▲	-2.72	NA	NA	4.44	20.33
Gold (\$/oz)	1394.9	▼	0.12	NA	NA	8.26	10.33
Platinum (\$/oz)	835.5	-	2.82	NA	NA	5.20	4.98
Copper (\$/MT)*	5982.0	▲	0.09	NA	NA	3.03	0.55

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

Gold ▼

Trading in the red

At 06:00 SAST, gold prices fell 1.3% to trade at \$1,394.90/oz.

On Friday, gold prices rose 0.1% to close at \$1,413.70/oz, amid uncertainty over ease in trade tensions between the US and China.

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Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil rose 2.4% to trade at \$66.27/bl.

On Friday, Brent crude oil dropped 2.7% to settle at \$64.74/bl, after Baker Hughes reported that the number of active US oil rigs rose by 4 to 793 last week.

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Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices are trading marginally lower at \$835.50/oz.

On Friday, platinum prices climbed 2.8% to close at \$835.50/oz.

Major South African corporate news

Hudaco Industries Limited

In its 1H19 results, the company announced that revenues increased to ZAR3.18bn from ZAR2.96bn posted in the corresponding period of the previous year. Its diluted EPS rose 2.9% to 526.00c from an EPS of 511.00c in the prior year. The company declared a dividend of 190.00c per share.

Major global economic news

US

In the US, the final Michigan consumer sentiment index fell to a level of 98.20 in June, compared to a reading of 100.00 in the prior month. The preliminary figures had indicated a fall to 97.90.

In the US, the Chicago Fed PMI eased more-than-anticipated to 49.70 in June, compared to a reading of 54.20 in the previous month.

In May, personal income rose 0.5% on a monthly basis in the US, higher than market expectations. In the previous month, personal income had registered a similar rise.

In the US, personal spending registered a less-than-expected rise of 0.4% on a monthly basis in May. Personal spending had climbed by a revised 0.6% in the prior month.

Asia

In Japan, the final Nikkei manufacturing PMI dropped to 49.30 in June, compared to a reading of 49.80 in the previous month. The preliminary figures had indicated a fall to 49.50.

In China, the Caixin manufacturing PMI fell to a level of 49.40 in June, compared to a reading of 50.20 in the prior month.

In Australia, the AiG performance of manufacturing index fell to a level of 49.40 in June, compared to a reading of 52.70 in the previous month.

UK

In the UK, the final GDP climbed 0.5% on a quarterly basis in 1Q19, as expected and compared to a rise of 0.2% in the previous quarter. The preliminary figures had indicated a rise of 0.5%.

In the UK, current account deficit widened to GBP30.00bn in 1Q19, compared to a deficit of GBP23.70bn in the prior quarter.

Eurozone

In the Eurozone, the preliminary CPI rose 1.2% on a yearly basis in June, as expected and compared to a similar rise 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	6975	2.42	NA	90.16
Kumba Iron Ore Ltd	49938	3.49	NA	84.03
Lonmin Plc	1480	0.00	NA	76.40
Sibanye Gold Ltd	1676	9.26	NA	67.27
Anglo American Platinum Ltd	83693	2.93	NA	57.17
Gold Fields Ltd	7675	-0.44	NA	56.12
Allied Electronics Corp Ltd	2655	2.87	NA	50.22
Telkom SA SOC Ltd	9219	-3.54	NA	49.41
Libstar Holdings Ltd	969	2.00	NA	42.26
AngloGold Ashanti Ltd	25401	4.97	NA	40.43
Royal Bafokeng Platinum Ltd	3460	6.46	NA	39.09
Cartrack Holdings Ltd	1975	4.55	NA	38.99
Northam Platinum Ltd	5900	-0.42	NA	36.38
African Rainbow Minerals Ltd	18217	2.15	NA	30.99
Assore Ltd	36678	1.47	NA	30.11
Exxaro Resources Ltd	17199	-4.36	NA	29.04
BHP Group Plc	36076	1.22	NA	27.68
Cie Financiere Richemont SA	11954	-0.47	NA	27.65
Anglo American Plc	40260	3.02	NA	27.42
DataTec Ltd	3476	-0.86	NA	27.05
Metair Investments Ltd	2355	-2.89	NA	26.13
Harmony Gold Mining Co Ltd	3174	6.01	NA	25.95
Tradehold Ltd	1201	13.84	NA	25.25
MTN Group Ltd	10675	-3.24	NA	24.41
Fortress REIT Ltd	2144	3.28	NA	22.39
Distell Group Holdings Ltd	12970	-3.12	NA	22.35
Naspers Ltd	341952	-0.64	NA	21.93
Investec Australia Property Fund	1430	2.88	NA	20.36
Transaction Capital Ltd	1997	-2.35	NA	19.03
NEPI Rockcastle Plc	12941	-1.72	NA	18.61
Capitec Bank Holdings Ltd	129874	-0.87	NA	17.13
Bid Corp Ltd	30699	-5.98	NA	17.08
Alexander Forbes Group Holdings Ltd	579	4.14	NA	16.99
Quilter Plc	2509	-2.45	NA	16.99
Investec Property Fund Ltd	1530	-0.26	NA	16.88
Afrimat Ltd	3200	-4.19	NA	16.70
Investec Ltd	9186	-0.90	NA	16.28
Pan African Resources Plc	186	-6.06	NA	16.25
Barloworld Ltd	12800	2.68	NA	15.74
Raubex Group Ltd	1941	1.46	NA	15.43
JSE All Share Index	58204	-1.25	NA	10.37

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
Japan	01:50	Tankan Large Manufacturing Outlook (Q2)	✓✓	7.00*	8.00	Quarterly
Japan	02:30	Nomura/ JIMMA Manufacturing PMI (Jun) (F)	✓✓✓	49.30*	49.50**	Monthly
China	03:45	Caixin/Markit Manufacturing PMI (Jun)	✓✓✓	49.40*	50.20	Monthly
Japan	07:00	Vehicle Sales (YoY) (Jun)	✓	-	4.80%	Monthly
Japan	07:00	Consumer Confidence Index (Jun)	✓✓	39.20	39.40	Monthly
Germany	08:00	Retail Sales (YoY) (May)	✓✓✓	-	4.00%	Monthly
Germany	08:00	Retail Sales (MoM) (May)	✓✓✓	0.50%	-2.00%	Monthly
Eurozone	08:45	ECB Vice President Guindos Speaks in Frankfurt	✓	-	-	As scheduled
Spain	09:15	Markit Manufacturing PMI (Jun)	✓	49.80	50.10	Monthly
Germany	09:55	Unemployment Rate s.a. (Jun)	✓✓✓	5.00%	5.00%	Monthly
Germany	09:55	Markit Manufacturing PMI (Jun) (F)	✓✓✓	45.40	45.40**	Monthly
Germany	09:55	Unemployment Change (Jun)	✓✓✓	2.50K	60.00K	Monthly
Eurozone	10:00	Markit Manufacturing PMI (Jun) (F)	✓✓✓	47.80	47.80**	Monthly
UK	10:30	Markit Manufacturing PMI (Jun)	✓✓✓	49.20	49.40	Monthly
UK	10:30	Mortgage Approvals (May)	✓✓✓	65.60K	66.30K	Monthly
UK	10:30	Net Consumer Credit (May)	✓✓	GBP0.80bn	GBP0.90bn	Monthly
Eurozone	11:00	Unemployment Rate (May)	✓✓✓	7.50%	7.60%	Monthly
South Africa	11:00	PMI Manufacturing (Jun)	✓✓	-	45.40	Monthly
US	15:45	Markit Manufacturing PMI (Jun) (F)	✓✓✓	-	50.10**	Monthly
US	16:00	ISM Employment (Jun)	✓	-	53.70	Monthly
US	16:00	Construction Spending (MoM) (May)	✓✓	0.00%	0.00%	Monthly
US	16:00	ISM Manufacturing PMI (Jun)	✓✓✓	51.20	52.10	Monthly
South Africa	-	Naamsa Vehicle Sales (YoY) (Jun)	✓	-	-	Monthly
US	-	OPEC Meeting	✓✓	-	-	As scheduled

Note: ✓✓✓High ✓✓Medium ✓Low

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