

# ONE Minute Brief

3 October 2019

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## Economic and political news

Parliament has postponed the date for written submissions on the National Health Insurance (NHI) Bill to 29 November from an initial deadline of 11 October.

The Association of Mineworkers and Construction Union (AMCU) President, Joseph Mathunjwa, stated that the union expects to soon finalise a wage deal with Impala Platinum.

Yesterday, the AMCU filed a court case against manganese and chrome producer, Samancor Chrome, over alleged fraud and profit shifting.

Public Protector, Busisiwe Mkhwebane, stated that former social development minister, Bathabile Dlamini, did not deliberately mislead parliament over the South African Social Security Agency's (Sassa) grants debacle.

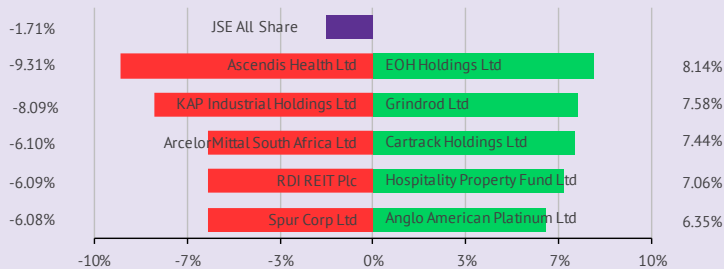
The South African Revenue Service (Sars) announced that suspended group executive of employee relations, Luther Lebelo, and IT executive, Mmamathe Makhekhe-Mokhuane, have resigned from their position, following allegations of serious misconduct.

## South Africa Market ▼

### South African markets closed in negative territory

South African markets closed in the red yesterday, weighed down by losses in resource and industrial sector stocks. The JSE All Share Index fell 1.7% to close at 54,003.82.

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## UK Market ▼

### UK markets closed in the red

UK markets finished sharply lower yesterday, after Prime Minister, Boris Johnson, presented a 'final Brexit offer' and warned that unless the euro bloc compromised, Britain would leave the EU without a deal. The FTSE 100 Index declined 3.2% to close at 7,122.54. Today, the FTSE 100 futures are trading in negative territory.

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## Key indices

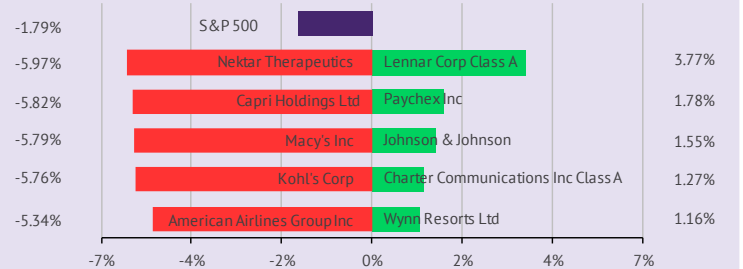
	As at 02 Oct 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	54003.82	▼ -942.07	-1.71	-2.18	-1.50	-0.79	2.40
JSE Top 40 (ZAR)	48005.41	▼ -932.75	-1.91	-2.36	-1.66	-1.03	2.74
FTSE 100 (GBP)	7122.54	▼ -237.78	-3.23	-4.09	-3.86	2.79	5.86
DAX 30 (EUR)	11925.25	▼ -338.58	-2.76	-3.68	-4.05	4.09	12.94
CAC 40 (EUR)	5422.77	▼ -174.86	-3.12	-3.86	-4.49	3.60	14.63
S&P 500 (USD)	2887.61	▼ -52.64	-1.79	-2.50	-2.99	1.72	15.19
Nasdaq Composite (USD)	7785.25	▼ -123.44	-1.56	-1.94	-2.68	0.46	17.33
DJIA (USD)	26078.62	▼ -494.42	-1.86	-2.77	-3.11	1.95	11.79
MSCI Emerging Markets (USD)	989.20	▼ -9.28	-0.93	-1.23	-1.18	1.69	2.41
MSCI Developed World (USD)	2121.47	▼ -37.00	-1.71	-2.49	-2.69	1.94	12.61

## US Market ▼

### US markets closed weaker

US markets closed lower yesterday, amid signs of an economic slowdown, following weak jobs and manufacturing data in the US. Data revealed that the US private sector job growth slowed in September. The S&P 500 Index dropped 1.8% to close at 2,887.61. Today, the S&P 500 futures are trading in the green.

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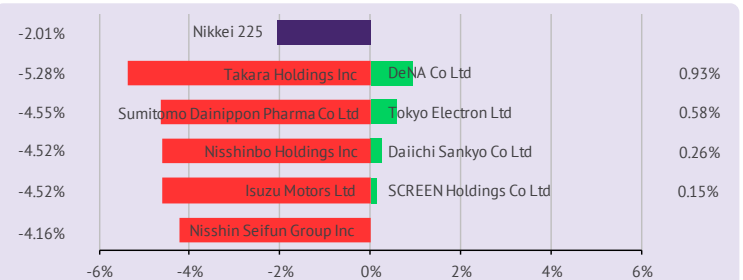


## Asian Market ▼

### Trading lower

Asian markets are trading weaker this morning, after the US announced tariffs on European goods. The Nikkei 225 Index is trading 2.0% lower at 21,341.90.

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## USD ZAR ▲

### USD trading weaker against ZAR

At 06:00 SAST, the US Dollar is trading 0.2% lower against the South African Rand at R15.2680. Later today, traders will keep a close watch on the US Markit services PMI, initial jobless claims and factory orders for further indication.

The US Dollar fell against the South African Rand yesterday, after the US ADP employment advanced less than market anticipations in September. Meanwhile, the nation's MBA mortgage applications rebounded in the week ended 27 September 2019.

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## GBP ZAR ▲

### GBP trading lower against ZAR

At 06:00 SAST, the British Pound fell 0.1% against the South African Rand to trade at R18.7831. Ahead in the day, traders will keep an eye on UK's Markit services PMI for further direction.

The British Pound declined against the South African Rand yesterday. Data indicated that UK's Markit construction PMI unexpectedly declined in September, recording its lowest level since June 2009.

## EUR ZAR ▲

### EUR trading weaker against ZAR

At 06:00 SAST, the Euro is trading 0.2% lower against the South African Rand at R16.7273. Going forward, market participants will keep a tab on Eurozone's producer price index, retail sales and the Markit services PMI across the Eurozone for further cues.

The Euro weakened against the South African Rand yesterday.

## AUD ZAR ▲

### AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar is trading slightly lower against the South African Rand at R10.2522. Earlier in the session, Australia's the AiG performance of services index climbed in September. On the other hand, the nation's trade surplus narrowed more than market expectations in August.

The Australian Dollar fell against the South African Rand yesterday.

## Key currencies & commodities

	Current#		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	15.2680	▲	-0.28	1.08	1.02	-0.39	6.58
GBPZAR	18.7831	▲	-0.31	1.18	1.07	0.78	2.67
EURZAR	16.7273	▲	-0.03	1.26	1.59	-1.13	1.83
AUDZAR	10.2522	▲	-0.24	0.22	0.39	-0.10	1.32
EURUSD	1.0955	▼	0.24	0.17	0.55	-0.76	-4.43
GBPUSD	1.2303	-	0.01	0.09	0.11	1.09	-3.54
Brent (\$/barrel)	57.7	▲	-2.04	-6.82	-2.63	0.00	7.23
Gold (\$/oz)	1504.9	▲	1.28	0.13	2.41	-3.76	17.15
Platinum (\$/oz)	889.4	▲	0.99	-4.59	0.55	-5.18	11.61
Copper (\$/MT)*	5643.0	▼	-0.22	-1.63	-0.92	0.70	-5.14

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

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices rose 0.3% to trade at \$1,504.90/oz.

Yesterday, gold prices rose 1.3% to close at \$1,501.00/oz, as weaker than expected US jobs data stoked concerns about a recession in the US.

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## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil edged 0.1% higher to trade at \$57.73/bl.

Yesterday, Brent crude oil dropped 2.0% to settle at \$57.69/bl, amid rising concerns over energy demand and global economic growth. Additionally, the Energy Information Administration reported that US crude supplies rose for a third consecutive week by 3.1mn bls for the week ended 27 September 2019.

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## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices gained 0.1% to trade at \$889.40/oz.

Yesterday, platinum prices climbed 1.0% to close at \$888.30/oz.

## Major South African corporate news

### Cartrack Holdings Limited

In its 1H20 trading statement, the company expects HEPS and EPS to be between 69.00c and 75.00c, which is 20.0% to 30.0% higher from the same period last year.

## Major global economic news

### Asia

In Australia, the AiG performance of services index advanced to 51.50 in September, compared to a reading of 51.40 in the previous month.

In August, seasonally adjusted trade surplus narrowed to AUD5926.00mn in Australia, more than market forecast and compared to a revised surplus of AUD7253.00mn in the previous month.

In Japan, the Nikkei services PMI fell to a level of 52.80 in September. In the prior month, the Nikkei services PMI had registered a level of 53.30.

### US

In the US, the ADP private sector employment increased by 135.00K in September, less than market expectations and compared to a revised rise of 157.00K in the previous month.

In the US, the MBA mortgage applications rose 8.1% on a weekly basis in the week ended 27 September 2019. In the prior week, the MBA mortgage applications had dropped 10.1%.

### UK

In the UK, the Markit construction PMI unexpectedly dropped to a level of 43.30 in September. In the previous month, the Markit construction PMI had registered a reading of 45.00.

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
Japan	02:30	Nikkei Japan Services PMI (Sep)	✓✓	52.80*	53.30	Monthly
Germany	09:55	Markit Services PMI (Sep) (F)	✓✓✓	52.50	52.50**	Monthly
Eurozone	10:00	Markit Services PMI (Sep) (F)	✓✓✓	52.00	52.00**	Monthly
UK	10:30	Official Reserves (Changes) (Sep)	✓✓	-	USD1918.00mn	Monthly
UK	10:30	Markit Services PMI (Sep)	✓✓✓	50.30	50.60	Monthly
Eurozone	11:00	Retail Sales Index s.a. (Aug)	✓✓	-	108.20	Monthly
Eurozone	11:00	Retail Sales (MoM) (Aug)	✓✓✓	0.30%	-0.60%	Monthly
Eurozone	11:00	Retail Sales (YoY) (Aug)	✓✓✓	1.90%	2.20%	Monthly
Eurozone	11:00	Producer Price Index (MoM) (Aug)	✓✓✓	-0.20%	0.20%	Monthly
Eurozone	11:00	Producer Price Index (YoY) (Aug)	✓✓✓	-0.40%	0.20%	Monthly
South Africa	13:00	Electricity Consumption (YoY) (Aug)	✓	-	-1.90%	Monthly
South Africa	13:00	Electricity Production (YoY) (Aug)	✓	-	-0.60%	Monthly
US	14:30	Continuing Jobless Claims (21-Sep)	✓✓✓	-	1650.00K	Weekly
US	14:30	Initial Jobless Claims (28-Sep)	✓✓✓	215.00K	213.00K	Weekly
US	14:30	Fed's Quarles speech	✓✓	-	-	As scheduled
US	15:45	Markit Services PMI (Sep) (F)	✓✓✓	50.90	50.90**	Monthly
US	16:00	Durable Goods Orders (Aug) (F)	✓✓✓	-	0.20%**	Monthly
US	16:00	Durable Goods Orders ex Transportation (Aug) (F)	✓✓	-	0.50%**	Monthly
US	16:00	Factory Orders (MoM) (Aug)	✓✓✓	0.50%	1.40%	Monthly
US	16:00	ISM Non-Manufacturing PMI (Sep)	✓✓✓	55.00	56.40	Monthly
US	16:00	BoE's Tenreyro speech	✓✓	-	-	As scheduled
UK	16:00	ISM Non-Manufacturing PMI (Sep)	✓✓✓	55.00	56.40	Monthly
US	21:30	Total Vehicle Sales (Sep)	✓	-	16.97mn	Monthly

Note: ✓✓✓High    ✓✓Medium    ✓Low

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