

# ONE Minute Brief

27 November 2019

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## Economic and political news

In South Africa (SA), the leading index dropped to 103.20 in September, compared to a reading of 103.80 in the previous month.

Ratings agency, S&P Global Ratings, stated that the timeline for SA's plan to overhaul its power sector by splitting up state utility Eskom over the next three years is "somewhat optimistic". Meanwhile, President Cyril Ramaphosa stated that Eskom would not be sold or privatised.

Yesterday, the portfolio committee on justice and correctional services decided that advocates Nomgcobo Jiba and Lawrence Mrwebi should not be reinstated at the National Prosecuting Authority (NPA).

The African National Congress (ANC) has nominated former Finance Minister, Malusi Gigaba's former legal adviser, Kholeka Gcaleka, for the position of Deputy Public Protector.

The Economic Freedom Fighters (EFF) has nominated Musa Novela as its candidate for the position of Johannesburg mayor.

## Key indices

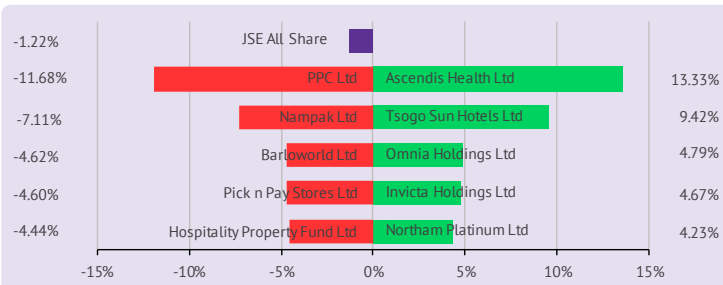
	As at 26 Nov 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	56053.38	▼ -694.50	-1.22	-1.24	-0.66	2.92	6.29
JSE Top 40 (ZAR)	49818.42	▼ -656.49	-1.30	-1.32	-0.70	2.78	6.62
FTSE 100 (GBP)	7403.14	▲ 6.85	0.09	1.04	2.14	-2.16	10.03
DAX 30 (EUR)	13236.42	▼ -10.03	-0.08	0.55	2.87	3.53	25.36
CAC 40 (EUR)	5929.62	▲ 4.76	0.08	0.62	3.49	0.92	25.34
S&P 500 (USD)	3140.52	▲ 6.88	0.22	0.97	3.39	2.04	25.28
Nasdaq Composite (USD)	8647.93	▲ 15.44	0.18	1.50	4.29	3.66	30.33
DJIA (USD)	28121.68	▲ 55.21	0.20	0.88	3.98	0.48	20.55
MSCI Emerging Markets (USD)	1047.84	▼ -5.64	-0.53	-0.07	0.56	4.09	8.48
MSCI Developed World (USD)	2294.78	▲ 4.13	0.18	0.92	2.74	2.45	21.81

## South Africa Market ▼

### South African markets closed lower

South African markets closed in the red yesterday, weighed down by losses in banking and financial sector stocks. Data revealed that SA's leading indicator dropped in September. The JSE All Share Index fell 1.2% to close at 56,053.38.

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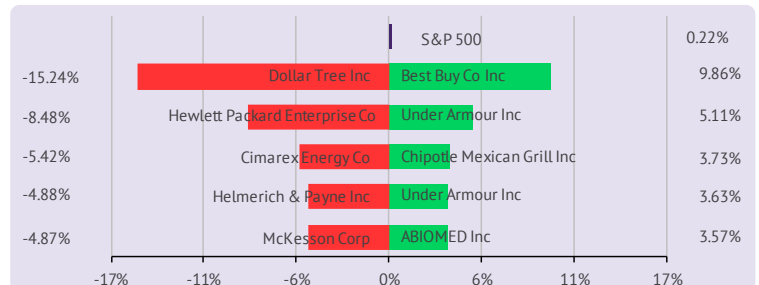


## US Market ▲

### US markets closed firmer

US markets closed higher yesterday, amid optimism over US-China trade talks and following positive comments from the US Federal Reserve (Fed) Chairman, Jerome Powell. Data revealed that US advance goods trade deficit narrowed in October. The S&P 500 Index climbed 0.2% to close at 3,140.52. Today, the S&P 500 futures are trading in the red.

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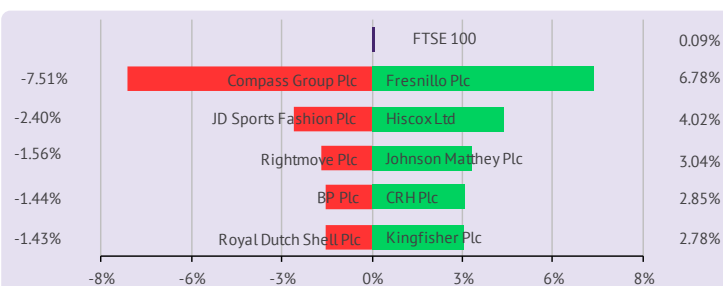


## UK Market ▲

### UK markets closed in the green

UK markets finished higher yesterday, as the British Pound weakened after two polls showed Conservative Party's lead was narrowing ahead of the December election. The FTSE 100 Index advanced 0.1% to close at 7,403.14. Today, the FTSE 100 futures are trading in positive territory.

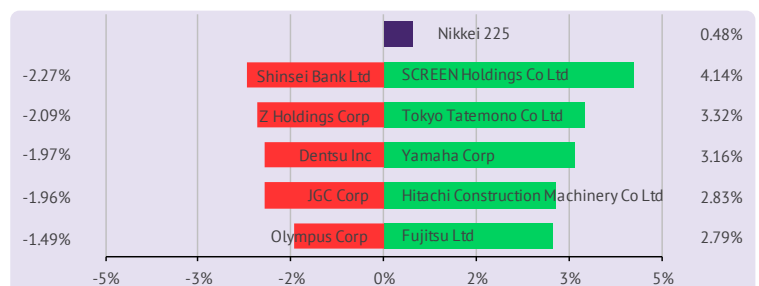
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## Asian Market ▲

### Trading higher

Asian markets are trading higher this morning. The Nikkei 225 Index is trading 0.5% higher at 23,485.17.



## USD ZAR ▼

### USD trading higher against ZAR

At 06:00 SAST, the US Dollar slightly rose against the South African Rand to trade at R14.8073. Later today, traders will keep a close watch on the US annualised gross domestic product, the MBA mortgage applications, personal income, durable goods orders, initial jobless claims, personal spending, pending home sales and Fed's Beige Book report for further direction.

The US Dollar rose against the South African Rand yesterday. On the macro front, the US advance goods trade deficit narrowed to a 17-month low in October. Additionally, the housing price index rose more than market anticipations on a monthly basis in September. Meanwhile, new home sales declined on monthly basis in October. Moreover, the CB consumer confidence index fell for the fourth consecutive month in November. Further, the Richmond Fed manufacturing index dropped in the same month. Separately, SA's leading indicator eased in September.

## GBP ZAR ▲

### GBP trading weaker against ZAR

At 06:00 SAST, the British Pound is trading 0.1% lower against the South African Rand at R19.0328. With no major economic releases in the UK today, investor sentiment will be determined by global macroeconomic news.

The British Pound declined against the South African Rand yesterday, after second polls indicated that the British Conservative Party's lead is narrowing before the December general election. On the data front, UK's BRC shop price index fell on an annual basis in November. Moreover, the BBA mortgage approvals declined in October.

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## EUR ZAR ▲

### EUR trading lower against ZAR

At 06:00 SAST, the Euro is trading marginally lower against the South African Rand at R16.3091. Amid no major economic releases across the Eurozone today, market sentiment will be determined by global macroeconomic news.

The Euro strengthened against the South African Rand yesterday. Data indicated that, Germany's GfK consumer confidence index unexpectedly advanced in December.

## AUD ZAR ▲

### AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar slightly fell against the South African Rand to trade at R10.0438.

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	14.8073	▼	0.17	0.58	-1.98	-0.23	3.17
GBPZAR	19.0328	▲	-0.09	0.78	-2.53	4.97	3.94
EURZAR	16.3091	▲	0.22	0.59	-3.14	2.09	-0.88
AUDZAR	10.0438	▲	0.31	0.62	-3.45	1.86	-0.75
EURUSD	1.1014	▼	0.06	0.00	-1.17	2.32	-3.89
GBPUSD	1.2854	▼	-0.26	0.25	-0.59	5.31	0.88
Brent (\$/barrel)	64.1	▼	0.97	1.39	7.80	0.62	19.46
Gold (\$/oz)	1466.5	▲	0.23	-0.23	-3.60	3.35	13.97
Platinum (\$/oz)	908.5	▼	1.25	2.14	-2.36	5.69	14.55
Copper (\$/MT)*	5907.8	▲	0.97	1.20	2.40	1.30	-0.69

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

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices edged 0.4% higher to trade at \$1,466.50/oz.

Yesterday, gold prices rose 0.2% to close at \$1,460.30/oz.

## Brent Crude Oil ▼

### Trading weaker

At 06:00 SAST, Brent crude oil edged 0.2% lower to trade at \$64.13/bl, after the American Petroleum Institute (API) reported that crude oil inventories rose by 3.60mn bls to 449.60mn last week.

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Yesterday, Brent crude oil advanced 0.1% to settle at \$64.27/bl, amid renewed optimism over US-China trade talks and expectations that OPEC would continue oil production cuts after its March 2020 expiry.

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## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices fell 0.4% to trade at \$908.50/oz.

Yesterday, platinum prices climbed 1.3% to close at \$911.70/oz.

## Major South African corporate news

### Omnia Holdings Limited

In its 1H20 results, the company announced that revenues increased to ZAR8.72bn from ZAR8.65bn posted in the corresponding period of the previous year. Its diluted EPS stood at 38.00c, compared to a loss per share of 120.00c in the same period of the prior year.

### Transaction Capital Limited

In its FY19 results, the company announced that net interest income increased to ZAR1.22bn from ZAR1.10bn posted in the corresponding period of the previous year. Its diluted EPS rose 6.1% from the same period of the prior year to 117.40c

## Major global economic news

### US

In the US, advance goods trade deficit narrowed to USD66.53bn in October, compared to a revised deficit of USD70.55bn in the prior month.

In September, the housing price index rose 0.6% on a monthly basis in the US, more than market expectations. In the previous month, the index had advanced 0.2%.

In the US, new home sales dropped 0.7% on monthly basis to a level of 733.00K in October, compared to a revised reading of 738.00K in the previous month.

In November, the CB consumer confidence index eased to 125.50 in the US. In the prior month, the index had recorded a revised level of 126.10.

In the US, the Richmond Fed manufacturing index fell to -1.00 in November, compared to a reading of 8.00 in the previous month.

### UK

In the UK, the BRC shop price index declined 0.5% on an annual basis in November. In the previous month, the BRC shop price index had fallen 0.4%.

In October, the BBA mortgage approvals dropped to 41.22K in the UK, compared to a revised level of 42.22K in the prior month.

### Eurozone

In Germany, the GfK consumer confidence index unexpectedly rose to 9.70 in December, compared to a level of 9.60 in the prior month.

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus	Previous/ **Previous est.	Frequency
UK	2:01	BRC Shop Price Index (YoY) (Nov)	✓✓✓	-0.50%*	-0.40%	Monthly
Japan	3:30	BoJ's Sakurai speech	✓✓	-	-	As scheduled
Germany	9:00	Retail Sales (MoM) (Oct)	✓✓✓	-	0.50%	Monthly
Germany	9:00	Retail Sales (YoY) (Oct)	✓✓✓	-	3.20%	Monthly
Germany	9:00	Import Price Index s.a. (MoM) (Oct)	✓✓	-0.20%	0.60%	Monthly
Germany	9:00	Import Price Index n.s.a. (YoY) (Oct)	✓✓	-3.60%	-2.50%	Monthly
US	14:00	MBA Mortgage Applications (22-Nov)	✓	-	-2.20%	Weekly
US	15:30	Gross Domestic Purchases Price Index (QoQ) (Q3) (S)	✓✓✓	-	1.50%**	Quarterly
US	15:30	Personal Consumption Expenditure Core (QoQ) (Q3) (S)	✓✓✓	-	2.20%**	Quarterly
US	15:30	Durable Goods Orders (Oct) (P)	✓✓✓	-0.70%	-1.20%	Monthly
US	15:30	Gross Domestic Product Annualised (QoQ) (Q3) (S)	✓✓✓	1.90%	1.90%**	Quarterly
US	15:30	Continuing Jobless Claims (16-Nov)	✓✓✓	1690.00 K	1695.00 K	Weekly
US	15:30	Durable Goods Orders ex Transportation (Oct) (P)	✓✓	0.10%	-0.40%	Monthly
US	15:30	Initial Jobless Claims (23-Nov)	✓✓✓	220.00 K	227.00 K	Weekly
US	15:30	Personal Consumption (QoQ) (Q3) (S)	✓✓✓	2.80%	2.90%**	Quarterly
US	16:45	Chicago PMI (Nov)	✓✓✓	47.00	43.20	Monthly
US	17:00	Pending Home Sales (Oct)	✓	-	108.70	Monthly
US	17:00	Personal Consumption Expenditure Core (YoY) (Oct)	✓✓✓	1.70%	1.70%	Monthly
US	17:00	Personal Consumption Expenditure Core (MoM) (Oct)	✓✓✓	0.10%	0.00%	Monthly
US	17:00	Personal Income (MoM) (Oct)	✓✓	0.30%	0.30%	Monthly
US	17:00	Personal Spending (Oct)	✓✓	0.30%	0.20%	Monthly
US	17:00	Pending Home Sales (MoM) (Oct)	✓✓	-0.10%	1.50%	Monthly
US	21:00	Fed's Beige Book	✓✓✓	-	-	As scheduled
UK	-	Inflation Report Hearings	✓✓	-	-	As scheduled

Note: ✓✓✓High    ✓✓Medium    ✓Low

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