

# ONE Minute Brief

2 December 2019

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## Economic and political news

In South Africa (SA), trade surplus narrowed to ZAR3.09bn in October, following a revised surplus of ZAR4.53bn in September. Growth in private sector credit demand expanded to 7.28% YoY in October from 6.19% in the previous month. M3 money supply grew 7.28% in October, compared to a revised rise of 6.14% in September.

The Pietermaritzburg High Court has dismissed former President Jacob Zuma's application for a permanent stay of prosecution.

The Department of Public Enterprises has endorsed 'radical restructuring process' at South African Airways (SAA) and has accused trade unions of bringing 'immense damage' to the reputation and finances of the airline. Separately, news reports indicate that SAA might be merged with Ethiopian Airlines, in a bid to grow the West-African travel hub together. News reports indicate that Eskom has permanently shut down its several generation units at older power stations due to its inability to fix them.

The African National Congress' Integrity Commission has instructed the party's National Executive Committee to remove former State Security Minister, Bongani Bongo from all party positions and activities, until he is cleared of corruption charges.

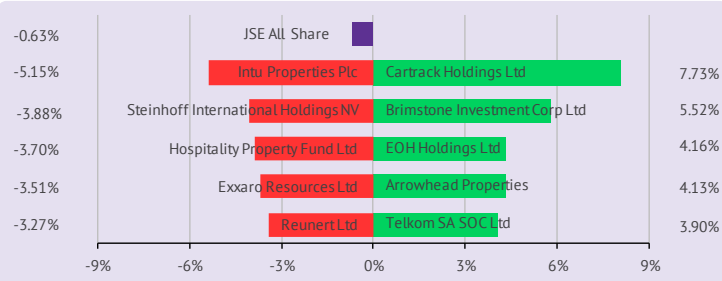
According to the latest forecasts from the Central Energy Fund and the Automobile Association, petrol prices for December are expected to rise by 11c per litre while diesel prices are set to fall by 18c per litre.

## South Africa Market

### South African markets closed lower

South African markets closed in the red on Friday, weighed down by losses in industrial sector stocks. Data revealed that SA's trade surplus narrowed in October. The JSE All Share Index fell 0.6% to close at 55,349.01.

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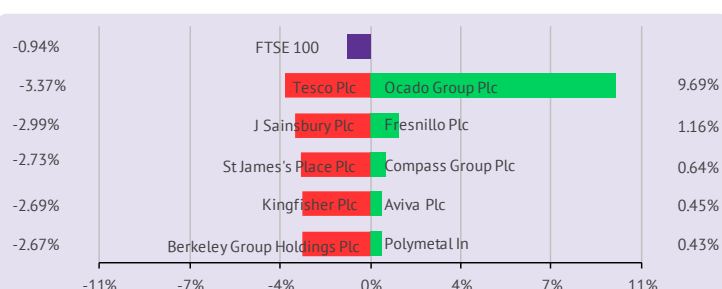


## UK Market

### UK markets closed in the red

UK markets finished lower on Friday, after a poll indicated that Conservative Party's lead over the opposition Labour Party narrowed to 8 points. Data revealed that UK's net consumer credit advanced in October. The FTSE 100 Index declined 0.9% to close at 7,346.53. Today, the FTSE 100 futures are trading in positive territory.

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## Key indices

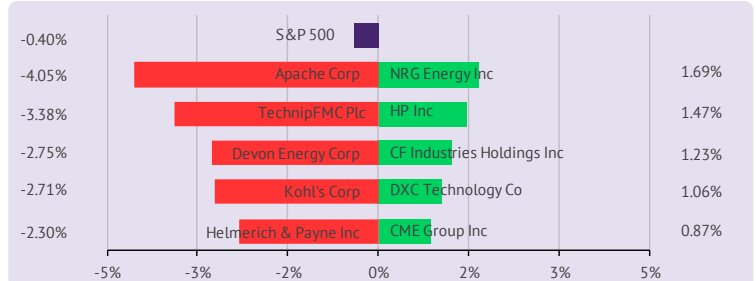
|                             | As at 29 Nov 2019 | 1 Day Chg | 1 D % Chg | WTD % Chg | MTD % Chg | Prev. month % Chg | YTD % Chg |
|-----------------------------|-------------------|-----------|-----------|-----------|-----------|-------------------|-----------|
| JSE All Share (ZAR)         | 55349.01          | ▼ -353.44 | -0.63     | NA        | NA        | -1.91             | 4.95      |
| JSE Top 40 (ZAR)            | 49093.16          | ▼ -377.39 | -0.76     | NA        | NA        | -2.14             | 5.06      |
| FTSE 100(GBP)               | 7346.53           | ▼ -69.90  | -0.94     | NA        | NA        | 1.35              | 9.19      |
| DAX 30 (EUR)                | 13236.38          | ▼ -9.20   | -0.07     | NA        | NA        | 2.87              | 25.36     |
| CAC 40 (EUR)                | 5905.17           | ▼ -7.55   | -0.13     | NA        | NA        | 3.06              | 24.83     |
| S&P 500 (USD)               | 3140.98           | ▼ -12.65  | -0.40     | NA        | NA        | 3.40              | 25.30     |
| Nasdaq Composite (USD)      | 8665.47           | ▼ -39.70  | -0.46     | NA        | NA        | 4.50              | 30.60     |
| DJIA (USD)                  | 28051.41          | ▼ -112.59 | -0.40     | NA        | NA        | 3.72              | 20.25     |
| MSCI Emerging Markets (USD) | 1040.05           | ▼ -10.35  | -0.99     | NA        | NA        | -0.19             | 7.67      |
| MSCI Developed World (USD)  | 2292.26           | ▼ -9.53   | -0.41     | NA        | NA        | 2.63              | 21.67     |

## US Market

### US markets closed weaker

US markets closed lower on Friday, after China warned that it would retaliate against a US law backing Hong Kong protestors. The S&P 500 Index dropped 0.4% to close at 3,140.98. Today, the S&P 500 futures are trading in the green.

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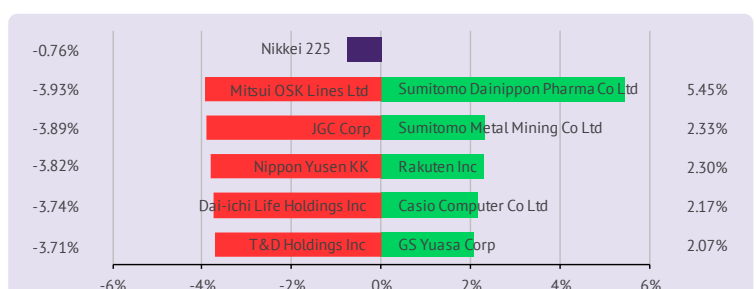


## Asian Market

### Trading mostly higher

Asian markets are trading mostly higher this morning, following upbeat Chinese economic data. Data showed that China's Caixin manufacturing PMI unexpectedly rose in November. The Nikkei 225 Index is trading 0.8% lower at 23,552.66.

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## USD ZAR ▲

### USD trading lower against ZAR

At 06:00 SAST, the US Dollar dropped 0.2% against the South African Rand to trade at R14.6341. Later today, traders will keep a close watch on the US construction spending, the Markit manufacturing PMI and the ISM manufacturing PMI for further directions.

The US Dollar fell against the South African Rand on Friday.

## GBP ZAR ▲

### GBP trading weaker against ZAR

At 06:00 SAST, the British Pound dropped 0.3% against the South African Rand to trade at R18.9007. Ahead in the day, traders will keep an eye on UK's Markit manufacturing PMI for further indications.

The British Pound declined against the South African Rand on Friday. Data indicated that UK's number of mortgage approvals for house purchases dropped more than market forecast in October. Meanwhile, nation's net consumer credit increased more than market consensus in the same month.

## EUR ZAR ▲

### EUR trading lower against ZAR

At 06:00 SAST, the Euro dropped 0.2% against the South African Rand to trade at R16.1237. Going forward, market participants will keep a tab on the Markit manufacturing PMIs across the Eurozone for further cues.

The Euro weakened against the South African Rand on Friday. On the data front Eurozone's consumer price index (CPI) advanced on an annual basis in November. Moreover, the regions' unemployment rate declined to its lowest since July 2008 in October. Separately, Germany's retail sales dropped on a monthly basis in October. Meanwhile, the country's unemployment rate remained unchanged in November.

## AUD ZAR ▼

### AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar is trading slightly higher against the South African Rand at R9.9164. Earlier in the session, Australia's Commonwealth Bank manufacturing PMI declined at par with market forecast in November. Further, the AiG performance of manufacturing index eased in November. Additionally, Australia's building approvals fell more than market forecast on a monthly basis in October. Elsewhere, in China, Australia's largest trading partner, the Caixin manufacturing PMI unexpectedly climbed in November. Additionally, the NBS manufacturing PMI advanced more than market consensus in November.

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            | 14.6341  | ▲ | -0.26     | NA        | NA        | -2.85             | 2.26      |
| GBPZAR            | 18.9007  | ▲ | -0.22     | NA        | NA        | -3.00             | 3.43      |
| EURZAR            | 16.1237  | ▲ | -0.25     | NA        | NA        | -4.08             | -1.85     |
| AUDZAR            | 9.9164   | ▼ | -0.43     | NA        | NA        | -4.73             | -2.06     |
| EURUSD            | 1.1018   | - | 0.08      | NA        | NA        | -1.20             | -3.92     |
| GBPUSD            | 1.2913   | ▼ | 0.10      | NA        | NA        | -0.13             | 1.34      |
| Brent (\$/barrel) | 61.3     | ▲ | -5.29     | NA        | NA        | 1.46              | 12.43     |
| Gold (\$/oz)      | 1465.3   | ▼ | 0.84      | NA        | NA        | -3.25             | 14.38     |
| Platinum (\$/oz)  | 899.0    | ▼ | 0.56      | NA        | NA        | -3.57             | 13.13     |
| Copper (\$/MT)*   | 5843.3   | ▼ | -0.44     | NA        | NA        | 1.28              | -1.78     |

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

## Gold ▼

### Trading in the red

At 06:00 SAST, gold prices edged marginally lower to trade at \$1,465.30/oz.

On Friday, gold prices rose 0.8% to close at \$1,465.60/oz, as concerns over the US-China trade deal resurfaced.

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## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil edged 1.3% higher to trade at \$61.28/bl, amid hopes that the Organization of Oil Exporting Countries (OPEC) might deepen output cuts at its meeting this week.

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On Friday, Brent crude oil declined 5.3% to settle at \$60.49/bl, amid uncertainty over the OPEC oil production cut extensions.

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## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices fell 0.2% to trade at \$899.00/oz.

On Friday, platinum prices climbed 0.6% to close at \$900.40/oz.

## Major South African corporate news

### Investec Limited

The company announced the details of the proposed demerger and public listing of its global asset management business. Post demerger, the asset management business (currently known as Investec Asset Management) would be known as Ninety-one. Ninety One Plc is expected to have a premium listing on the London Stock Exchange and a secondary inward listing on the Johannesburg Stock Exchange along with primary listing on the Johannesburg Stock Exchange.

### Standard Bank Group Limited

The company announced the appointment of Bafelelang Priscillah Mabelane and Nonkululeko Merina Cheryl Nyembezi as its Board of Directors.

## Major global economic news

### Asia

In Australia, the AiG performance of manufacturing index eased to 48.10 in November, compared to a level of 51.60 in the prior month.

In October, seasonally adjusted building approvals fell 8.1% on a monthly basis in Australia, more than market forecast and compared to a revised rise of 7.2% in the previous month.

In Australia, the Commonwealth Bank manufacturing PMI declined to 49.90 in November, at par with market forecast. In the prior month, the index had registered a revised reading of 50.00.

In November, the Caixin manufacturing PMI unexpectedly rose to a level of 51.80 in China. In the previous month, the Caixin manufacturing PMI had registered a level of 51.70.

In China, the NBS manufacturing PMI advanced to a level of 50.20 in November, more than market expectations and compared to a level of 49.30 in the previous month.

### UK

In the UK, the number of mortgage approvals for house purchases dropped to a level of 64.60K in October, compared to a revised level of 65.80K in the prior month.

In October, net consumer credit rose to GBP1.33bn in the UK, more than market expectations. Net consumer credit had recorded a revised rise of GBP0.79bn in the previous month.

### Eurozone

In the Eurozone, the preliminary CPI advanced 1.0% on an annual basis in November, compared to a rise of 0.7% in the previous month.

In October, the unemployment rate declined to 7.5% in the Eurozone, in line with market expectations and compared to an upwardly revised rate of 7.6% in the previous month.

In Germany, retail sales registered a drop of 1.9% on a monthly basis October, following a revised flat reading in the prior month.

In November, the seasonally adjusted unemployment rate remained steady at 5.0% in Germany, at par with market forecast.

## 40 best performers on the All Share Index

| Company name                     | Last close   | 1 Week % change | MTD % change | YTD % change |
|----------------------------------|--------------|-----------------|--------------|--------------|
| Impala Platinum Holdings Ltd     | 11260        | 0.26            | NA           | 206.98       |
| Sibanye Gold Ltd                 | 2888         | 4.03            | NA           | 188.22       |
| Northam Platinum Ltd             | 10700        | 1.16            | NA           | 147.34       |
| Anglo American Platinum Ltd      | 121248       | -2.31           | NA           | 130.84       |
| Cartrack Holdings Ltd            | 2689         | 7.56            | NA           | 89.24        |
| Harmony Gold Mining Co Ltd       | 4502         | -4.15           | NA           | 78.65        |
| Royal Bafokeng Platinum Ltd      | 4379         | 1.13            | NA           | 76.03        |
| Gold Fields Ltd                  | 7695         | -0.94           | NA           | 57.58        |
| AngloGold Ashanti Ltd            | 27407        | -2.89           | NA           | 51.50        |
| Kumba Iron Ore Ltd               | 37588        | -1.58           | NA           | 48.60        |
| Sirius Real Estate Ltd           | 1512         | 5.00            | NA           | 41.32        |
| Lighthouse Capital Ltd           | 885          | 0.99            | NA           | 38.42        |
| Astral Foods Ltd                 | 19919        | 3.15            | NA           | 36.96        |
| Raubex Group Ltd                 | 2247         | 3.96            | NA           | 34.97        |
| Pioneer Foods Group Ltd          | 10775        | -0.05           | NA           | 33.88        |
| Clicks Group Ltd                 | 25045        | -2.10           | NA           | 33.45        |
| AECI Ltd                         | 10528        | 2.51            | NA           | 33.30        |
| Reinet Investments SCA           | 28522        | -4.77           | NA           | 32.28        |
| Allied Electronics Corp Ltd      | 2300         | -2.21           | NA           | 31.72        |
| Quilter PLC                      | 2765         | 3.75            | NA           | 30.70        |
| Transaction Capital Ltd          | 2190         | 0.46            | NA           | 30.53        |
| DataTec Ltd                      | 3464         | -2.94           | NA           | 30.50        |
| British American Tobacco PLC     | 57750        | 2.44            | NA           | 29.59        |
| Capitec Bank Holdings Ltd        | 141727       | -2.41           | NA           | 28.52        |
| Resilient REIT Ltd               | 6670         | -0.22           | NA           | 27.61        |
| Stenprop Ltd                     | 2176         | 0.79            | NA           | 26.98        |
| Metair Investments Ltd           | 2360         | -0.20           | NA           | 26.40        |
| Pan African Resources PLC        | 202          | -1.94           | NA           | 26.25        |
| Distell Group Holdings Ltd       | 13106        | -6.18           | NA           | 26.02        |
| Spur Corp Ltd                    | 2645         | -4.48           | NA           | 25.86        |
| Investec Australia Property Fund | 1460         | -2.14           | NA           | 25.53        |
| Anglo American PLC               | 38543        | -0.94           | NA           | 25.45        |
| Tradehold Ltd                    | 1200         | 0.00            | NA           | 25.14        |
| Libstar Holdings Ltd             | 850          | 4.29            | NA           | 24.79        |
| Mediclinic International PLC     | 7377         | -1.44           | NA           | 24.58        |
| Bid Corp Ltd                     | 32263        | -6.01           | NA           | 24.31        |
| Afrimat Ltd                      | 3339         | 2.96            | NA           | 23.11        |
| Cie Financiere Richemont SA      | 11145        | -0.06           | NA           | 22.13        |
| BHP Group PLC                    | 32456        | 0.62            | NA           | 19.24        |
| NEPI Rockcastle PLC              | 12402        | -2.35           | NA           | 17.89        |
| <b>JSE All Share Index</b>       | <b>55349</b> | <b>-2.49</b>    | <b>NA</b>    | <b>4.95</b>  |

## Economic calendar

| Country      | SAST  | Economic indicator                                     | Relevance | Consensus/<br>*Actual | Previous/<br>**Previous est. | Frequency    |
|--------------|-------|--|-----------|-----------------------|------------------------------|--------------|
| Japan        | 01:50 | Loans & Discounts Corp (YoY) (Oct)                     | ✓         | 7.10%*                | 1.90%                        | Monthly      |
| China        | 03:45 | Caixin/Markit Manufacturing PMI (Nov)                  | ✓✓✓       | 51.80*                | 51.70                        | Monthly      |
| Japan        | 07:00 | Vehicle Sales (YoY) (Nov)                              | ✓         | -                     | -26.40%                      | Monthly      |
| Switzerland  | 09:30 | Real Retail Sales (YoY) (Oct)                          | ✓✓        | -0.40%                | 0.90%                        | Monthly      |
| Spain        | 10:15 | Markit Manufacturing PMI (Nov)                         | ✓         | 47.50                 | 46.80                        | Monthly      |
| Switzerland  | 10:30 | SVME - PMI (Nov)                                       | ✓✓        | -                     | 49.40                        | Monthly      |
| Italy        | 10:45 | Markit Manufacturing PMI (Nov)                         | ✓✓✓       | 47.60                 | 47.70                        | Monthly      |
| France       | 10:50 | Markit Manufacturing PMI (Nov) (F)                     | ✓✓✓       | 50.50                 | 51.60**                      | Monthly      |
| Germany      | 10:55 | Markit Manufacturing PMI (Nov) (F)                     | ✓✓✓       | 43.80                 | 43.80**                      | Monthly      |
| South Africa | 11:00 | PMI Manufacturing (Nov)                                | ✓✓        | -                     | 48.10                        | Monthly      |
| Eurozone     | 11:00 | Markit Manufacturing PMI (Nov) (F)                     | ✓✓✓       | 45.70                 | 46.60**                      | Monthly      |
| UK           | 11:30 | Markit Manufacturing PMI (Nov)                         | ✓✓✓       | 48.10                 | 49.60                        | Monthly      |
| Eurozone     | 16:00 | ECB President Lagarde Testifies at European Parliament | ✓         | -                     | -                            | As scheduled |
| US           | 16:45 | Markit Manufacturing PMI (Nov) (F)                     | ✓✓✓       | 52.20                 | 52.20**                      | Monthly      |
| US           | 17:00 | ISM New Export Orders (Nov)                            | ✓         | -                     | 50.40                        | Monthly      |
| US           | 17:00 | ISM Imports (Nov)                                      | ✓         | -                     | 45.30                        | Monthly      |
| US           | 17:00 | ISM Backlog Orders (Nov)                               | ✓         | -                     | 44.10                        | Monthly      |
| US           | 17:00 | ISM Inventories (Nov)                                  | ✓         | -                     | 48.90                        | Monthly      |
| US           | 17:00 | ISM Production (Nov)                                   | ✓         | -                     | 46.20                        | Monthly      |
| US           | 17:00 | ISM New Orders (Nov)                                   | ✓         | -                     | 49.10                        | Monthly      |
| US           | 17:00 | ISM Employment (Dec)                                   | ✓         | -                     | 47.70                        | Monthly      |
| US           | 17:00 | Construction Spending (MoM) (Oct)                      | ✓✓        | 0.30%                 | 0.50%                        | Monthly      |
| US           | 17:00 | ISM Prices Paid (Dec)                                  | ✓✓        | 49.90                 | 45.50                        | Monthly      |
| US           | 17:00 | ISM Manufacturing PMI (Dec)                            | ✓✓✓       | 49.40                 | 48.30                        | Monthly      |
| South Africa | -     | Naamsa Vehicle Sales (YoY) (Nov)                       | ✓         | -                     | -                            | Monthly      |

Note: ✓✓✓High    ✓✓Medium    ✓Low

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