

ONE Minute Brief

15 January 2020

GTC
consult • partner • manage

Economic and political news

In South Africa (SA), the BER consumer confidence index remained unchanged at -7 in 4Q19.

Eskom has rejected media reports claiming that Stage 8 load shedding is imminent and has called the claims as "erroneous and incorrect". Meanwhile, the power utility has indicated that it does not expect load shedding today also.

Deputy Chief Justice, Raymond Zondo, has accepted former President, Jacob Zuma's legal team's submission that he would be undergoing intense medical treatment overseas and hence would not be available to testify this month.

Finance Minister, Tito Mboweni, tweeted that the African National Congress' (ANC) resolution to nationalise the SA Reserve Bank was a mistake and has called for a "fundamental national debate" on the issue.

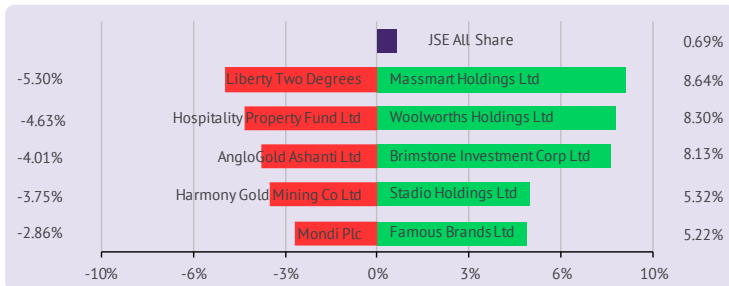
President, Cyril Ramaphosa has asked business leaders to finalise changes to legislation and the Constitution to allow for the expropriation of land without compensation in 2020.

South Africa Market ▲

South African markets closed higher

South African markets closed in the green yesterday, boosted by gains in banking sector stocks. Data indicated that SA's consumer confidence index remained unchanged in 4Q19. The JSE All Share Index rose 0.7% to close at 57,967.13.

To Read More Click [Here](#)

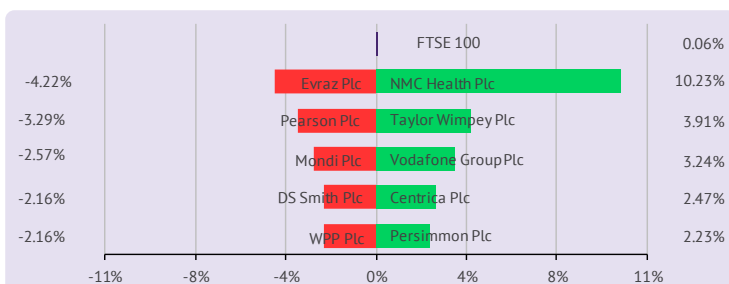


UK Market ▲

UK markets closed in the green

UK markets finished higher yesterday, amid optimism over the signing of Phase 1 US-China trade deal. The FTSE 100 Index advanced 0.1% to close at 7,622.35. Today, the FTSE 100 futures are trading in negative territory.

To Read More Click [Here](#)



Key indices

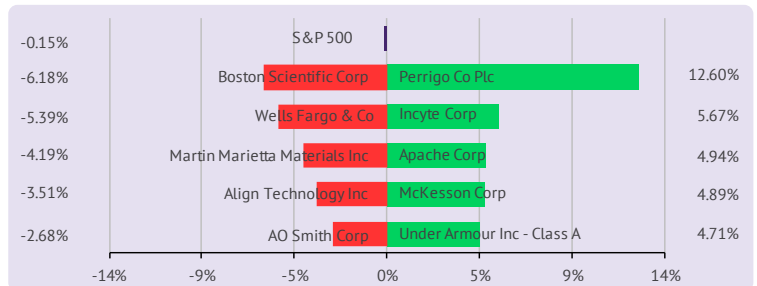
	As at 14 Jan 2020	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	57967.13	▲ 394.41	0.69	0.84	1.55	3.13	1.55
JSE Top 40 (ZAR)	51725.89	▲ 382.50	0.74	0.94	1.79	3.51	1.79
FTSE 100 (GBP)	7622.35	▲ 4.75	0.06	0.45	1.06	2.67	1.06
DAX 30 (EUR)	13456.49	▲ 4.97	0.04	-0.20	1.57	0.10	1.57
CAC 40 (EUR)	6040.89	▲ 4.75	0.08	0.06	1.05	1.23	1.05
S&P 500 (USD)	3283.15	▼ -4.98	-0.15	0.55	1.62	2.86	1.62
Nasdaq Composite (USD)	9251.33	▼ -22.60	-0.24	0.79	3.11	3.54	3.11
DJIA (USD)	28939.67	▲ 32.62	0.11	0.40	1.41	1.74	1.41
MSCI Emerging Markets (USD)	1143.86	▼ -0.14	-0.01	0.90	2.62	7.17	2.62
MSCI Developed World (USD)	2388.50	▲ 0.25	0.01	0.46	1.27	2.89	1.27

US Market ▼

US markets closed mostly lower

US markets closed mostly lower yesterday, amid reports that the US would likely to maintain tariffs on Chinese goods until after November presidential elections. The S&P 500 Index dropped 0.2% to close at 3,283.15. Today, the S&P 500 futures are trading in the red.

To Read More Click [Here](#)

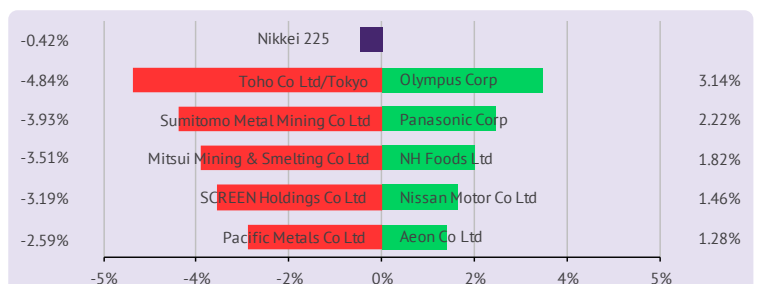


Asian Market ▼

Trading mostly lower

Asian markets are trading mostly lower this morning, amid renewed tensions over the US-China trade agreement. As at 6:00 SAST, the Nikkei 225 Index is trading 0.4% lower at 23,924.58.

To Read More Click [Here](#)



USD ZAR ▼

USD trading firmer against ZAR

At 06:00 SAST, the US Dollar is trading marginally higher against the South African Rand at R14.4090. Later today, traders will keep a close watch on the MBA mortgage applications, the NY Empire state manufacturing index and producer price index (PPI) for further direction.

The US Dollar fell against the South African Rand yesterday. On the macro front, the US consumer price index (CPI) advanced at its fastest pace since 2011 in December. Moreover, the US government budget deficit slightly narrowed in December. Meanwhile, the NFIB small business optimism index dipped more than market forecast in December. Separately, SA's consumer confidence index remained steady at a 2-year low level in 4Q19.

GBP ZAR ▼

GBP trading higher against ZAR

At 06:00 SAST, the British Pound gained 0.1% against the South African Rand to trade at R18.7687. Ahead in the day, traders will keep an eye on UK's CPI, PPI, retail price index and the DCLG house price index for further indications.

The British Pound advanced against the South African Rand yesterday.

EUR ZAR ▼

EUR trading firmer against ZAR

At 06:00 SAST, the Euro advanced 0.1% against the South African Rand to trade at R16.0388. Going forward, market participants will keep a tab on Eurozone's trade balance and industrial production along with Germany's real gross domestic product growth for further cues.

The Euro weakened against the South African Rand yesterday.

AUD ZAR ▲

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar is trading slightly lower against the South African Rand at R9.9366.

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	14.4090	▼	-0.02	0.26	2.88	-4.57	2.88
GBPZAR	18.7687	▼	0.22	-0.08	1.03	-2.05	1.03
EURZAR	16.0388	▼	-0.06	0.34	2.11	-2.82	2.11
AUDZAR	9.9366	▲	-0.08	0.23	1.03	-0.77	1.03
EURUSD	1.1130	▲	-0.05	0.06	-0.76	1.77	-0.76
GBPUSD	1.3025	▲	0.23	-0.34	-1.80	2.57	-1.80
Brent (\$/barrel)	64.3	▼	0.45	-0.75	-2.29	9.11	-2.29
Gold (\$/oz)	1552.0	▲	-0.39	-0.99	1.41	3.92	1.41
Platinum (\$/oz)	982.2	▼	0.50	0.10	1.11	7.89	1.11
Copper (\$/MT)*	6270.0	▲	0.08	1.58	1.97	5.23	1.97

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

Gold ▲

Trading in the green

At 06:00 SAST, gold prices rose 0.5% to trade at \$1,552.00/oz.

Yesterday, gold prices fell 0.4% to close at \$1,544.60/oz, as optimism towards the US-China trade deal reduced demand for the safe haven asset.

To Read More Click [Here](#)

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 0.3% lower to trade at \$64.32/bl, amid fears that the US-China trade deal might not boost demand for the commodity. Additionally, the American Petroleum Institute (API) reported that crude oil inventories advanced by 1.1mn in the week ended 10 January 2020.

To Read More Click [Here](#)

Yesterday, Brent crude oil advanced 0.5% to settle at \$64.49/bl, ahead of the signing of Phase 1 US-China trade deal.

To Read More Click [Here](#)

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices marginally fell to trade at \$982.20/oz.

Yesterday, platinum prices climbed 0.5% to close at \$982.20/oz.

Major South African corporate news

Woolworths Holdings Limited

The company announced the appointment of Mr. Roy Bagattini as the new Chief Executive Officer (CEO) and Executive Director, with effect from 17 February 2020. The current group CEO and Executive Director, Mr. Ian Moir, would step down from his position, with effect from 16 February 2020.

Major global economic news

US

In the US, the NFIB small business optimism index dropped to a level of 102.70 in December, compared to 104.70 in the previous month.

In December, the CPI rose 2.3% on an annual basis in the US, at par with market expectations. In the previous month, the CPI had recorded a rise of 2.1%.

In the US, government budget deficit narrowed to USD13.3bn in December, compared to a deficit of USD13.5bn in same month previous year.

Asia

Bank of Japan (BoJ) Governor, Haruhiko Kuroda, in his speech, stated that the central bank would not hesitate to further ease monetary policy, as risks from overseas economies remain significant. However, if the central bank were to ease monetary policy further, it would aim at pushing down short- and medium-term interest rates without flattening the yield curve too much. Further, he stated that the central bank is widely expected to keep monetary policy steady and would continue expanding monetary base until consumer inflation stably exceeds 2%.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus	Previous/ **Previous est.	Frequency
Germany	11:00	Gross Domestic Product n.s.a. (YoY) (Q4) (F)	✓✓	-	1.00%**	Quarterly
UK	11:30	Retail Price Index (Dec)	✓	-	291.00	Monthly
UK	11:30	Retail Price Index Ex Mort Int.Payments (YoY) (Dec)	✓✓	-	2.30%	Monthly
UK	11:30	Consumer Price Index (MoM) (Dec)	✓✓✓	0.20%	0.20%	Monthly
UK	11:30	Retail Price Index (YoY) (Dec)	✓✓	2.30%	2.20%	Monthly
UK	11:30	PPI Core Output n.s.a. (YoY) (Dec)	✓✓	1.00%	1.10%	Monthly
UK	11:30	Consumer Price Index (YoY) (Dec)	✓✓✓	1.50%	1.50%	Monthly
UK	11:30	Consumer Price Index Core (YoY) (Dec)	✓✓✓	1.70%	1.70%	Monthly
UK	11:30	Retail Price Index (MoM) (Dec)	✓✓✓	0.40%	0.20%	Monthly
UK	11:30	Producer Price Index - Output n.s.a. (YoY) (Dec)	✓✓	0.90%	0.50%	Monthly
UK	11:30	Producer Input Prices (Dec)	✓	-	114.90	Monthly
Eurozone	12:00	Trade Balance n.s.a. (Nov)	✓✓	EUR23.30bn	EUR28.00bn	Monthly
Eurozone	12:00	Industrial Production w.d.a. (YoY) (Nov)	✓✓✓	-1.10%	-2.20%	Monthly
Eurozone	12:00	Industrial Production s.a. (MoM) (Nov)	✓✓✓	0.30%	-0.50%	Monthly
Eurozone	12:00	Trade Balance s.a. (Nov)	✓✓✓	EUR21.20bn	EUR24.50bn	Monthly
South Africa	13:00	Retail Sales (MoM) (Nov)	✓✓	-	-0.20%	Monthly
South Africa	13:00	Retail Sales (YoY) (Nov)	✓✓	1.50%	0.30%	Monthly
US	14:00	MBA Mortgage Applications (10-Jan)	✓	-	13.50%	Weekly
US	15:30	NY Empire State Manufacturing Index (Jan)	✓✓	3.50	3.50	Monthly
US	15:30	Producer Price Index (YoY) (Dec)	✓✓✓	1.30%	1.10%	Monthly
US	15:30	Producer Price Index ex Food & Energy (MoM) (Dec)	✓✓	0.20%	-0.20%	Monthly
US	15:30	Producer Price Index ex Food & Energy (YoY) (Dec)	✓✓	1.30%	1.30%	Monthly
US	15:30	Producer Price Index (MoM) (Dec)	✓✓✓	0.20%	0.00%	Monthly
US	21:00	Fed's Beige Book	✓✓✓	-	-	As scheduled

Note: ✓✓✓High ✓✓Medium ✓Low

Disclaimer

This report and its contents are confidential, privileged and only for the information of the intended recipient. GTC (Pty) Ltd make no representations or warranties in respect of this report or its content and will not be liable for any loss or damage of any nature arising from this report, the content thereof, your reliance thereon its unauthorised use or any electronic viruses associated therewith. Please note that content does not necessarily represent or reflect the views and opinions of GTC (Pty) Ltd. This report is proprietary to GTC (Pty) Ltd and you may not copy or distribute the report without the prior written consent of the authors. Any feedback or contributions are most welcome.

formerly Grant Thornton Capital

a GTC, The Wanderers Office Park,
52 Corlett Drive, Illovo, 2196
p P O Box 55118, Illovo, 2116

t +27 (0) 10 597 6800
f +27 (0) 10 597 6801
w www.gtc.co.za

GTC (Pty) Ltd.
reg. no. 1996/001488/07
directors: G.K. Mockler, F.Dildar

An Authorised Financial
Services Provider
FSP no. 731

GTC is nationally represented in Johannesburg, Cape Town and Durban.

GTC Group of products and services include: Employee Benefits Consulting • Employee Benefits Administration • Private Client Wealth Management • Healthcare Consulting • Short-Term Risk Solutions • Stockbroking • Derivatives Trading • Unit Trust Management • Asset Management • Fiduciary Services