

ONE Minute Brief

29 May 2018

GTC
consult • partner • manage

Economic and political news

In South Africa (SA), number of liquidations decreased by 24.7% on an annual basis in April. On a yearly basis, insolvencies declined by 21.8% in March.

The Commission for Conciliation, Mediation and Arbitration (CCMA) has ruled that workers at Sasol are allowed to strike over the provision of a share ownership scheme exclusively to black employees. News reports indicated that the Gupta brothers have won a legal battle against the state wherein a South African court ordered to unfreeze assets worth ZAR250.00mn seized by the Asset Forfeiture Unit (AFU) in April.

The United Democratic Movement has urged Finance Minister, Nhlanhla Nene, for the immediate suspension and investigation of Public Investment Corporation Chief Executive Officer, Dan Matjila.

Key indices

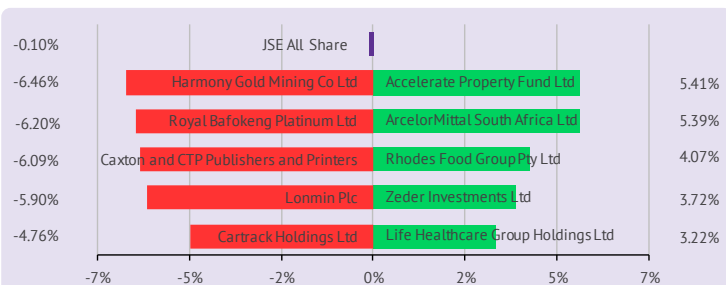
	Last close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg	
JSE All Share	56857.24	▼	-59.73	-0.10	-0.10	-2.39	5.01	-4.45
JSE Top 40	50550.69	▲	8.70	0.02	0.02	-1.69	5.38	-3.77
FTSE 100*	7730.28	▲	13.54	0.18	NA	2.94	6.42	0.55
DAX 30	12863.46	▼	-74.55	-0.58	-0.58	1.99	4.26	-0.42
CAC 40	5508.93	▼	-33.62	-0.61	-0.61	-0.21	6.84	3.70
S&P 500*	2721.33	▼	-6.43	-0.24	NA	2.77	0.27	1.78
Nasdaq Composite*	7433.85	▲	9.43	0.13	NA	5.20	0.04	7.68
DJIA*	24753.09	▼	-58.67	-0.24	NA	2.44	0.25	0.14
MSCI Emerging Markets	1137.00	▲	0.38	0.03	0.03	-2.36	-0.55	-1.85
MSCI Developed World	2107.14	▼	-3.66	-0.17	-0.17	0.99	0.95	0.18

*Values as on 25 May 2018

South Africa Market ▼

South African markets closed lower

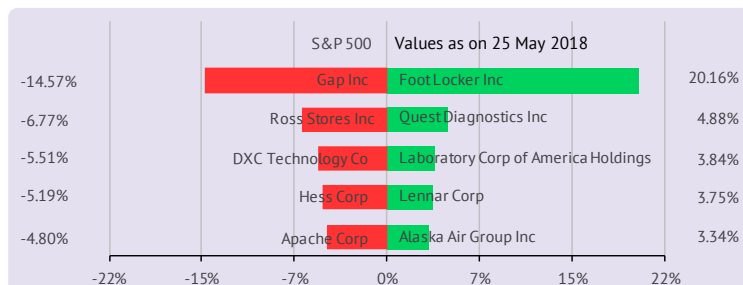
South African markets closed in the red yesterday, weighed down by losses in mining, retail and property sector stocks. The JSE All Share Index fell 0.1% to close at 56,857.24.



US Market

The S&P 500 futures are trading in the green

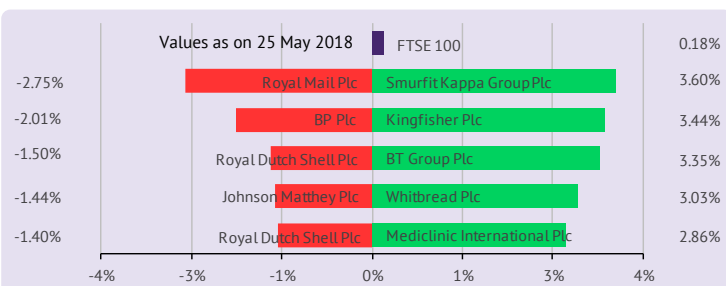
Markets in the US were closed yesterday on account of a national holiday.



UK Market

The FTSE 100 futures are trading in negative territory

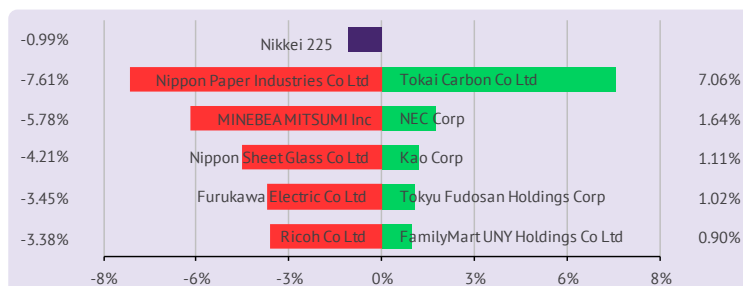
UK markets were closed yesterday on account of a public holiday.



Asian Market ▼

Trading lower

Asian markets are trading lower this morning, amid political turmoil in Italy. The Nikkei 225 Index is trading 1.0% lower at 22,259.64.



formerly Grant Thornton Capital

a GTC @Grant Thornton, The Wanderers Office Part,
52 Corlett Drive, Illovo, 2196
p P O Box 55118, Illovo, 2118

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 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

ONE Minute Brief

29 May 2018



GTC
consult • partner • manage

USD ZAR ▲

USD trading higher against ZAR

At 06:00 SAST, the US Dollar is trading slightly higher against the South African Rand at R12.4701. Later today, traders will keep a close watch on the US consumer confidence index and the Dallas Fed manufacturing activity index for further direction.

The US Dollar fell against the South African Rand yesterday. Separately, in SA, Rand rose against the dollar, after S&P kept the country's sub-investment credit rating unchanged.

GBP ZAR ▲

GBP trading stronger against ZAR

At 06:00 SAST, the British Pound advanced 0.1% against the South African Rand to trade at R16.6115. Amid no major economic news in the UK today, investor sentiment will be determined by macroeconomic factors.

The British Pound declined against the South African Rand yesterday, amid ongoing concerns over Brexit.

EUR ZAR ▲

EUR trading higher against ZAR

At 06:00 SAST, the Euro is trading 0.1% firmer against the South African Rand at R14.5008. Amid lack of major economic news across the Eurozone, market sentiment will be determined by global macroeconomic news.

The Euro weakened against the South African Rand yesterday, following political tensions in Italy.

AUD ZAR ▼

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.2% weaker against the South African Rand at R9.3867.

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	12.4701	▲	-0.29	-0.29	0.04	5.24	0.67
GBPZAR	16.6115	▲	-0.23	-0.23	-3.30	3.38	-0.77
EURZAR	14.5008	▲	-0.50	-0.50	-3.70	3.08	-2.46
AUDZAR	9.3867	▼	-0.39	-0.39	0.25	3.20	-2.66
EURUSD	1.1628	▲	-0.22	-0.22	-3.75	-2.00	-3.17
GBPUSD	1.3321	▲	0.02	0.02	-3.28	-1.80	-1.49
Brent (\$/barrel)	75.5	▲	-1.49	-1.49	0.82	7.72	12.61
Gold (\$/oz)	1302.3	▼	0.00	0.00	-1.17	-0.27	-0.43
Platinum (\$/oz)	906.2	▲	0.00	0.00	-0.34	-2.47	-3.52
Copper (\$/MT)*	6865.3	-	0.00	0.00	1.41	1.36	-4.74

*As of previous close

Gold ▼

Trading in the red

At 06:00 SAST, gold prices edged 0.1% lower to trade at \$1,302.30/oz, as strength in the US Dollar lowered demand for the precious yellow metal.

On Friday, gold prices fell 0.1% to close at \$1,303.70/oz.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil climbed 0.3% to trade at \$75.53/bl.

Yesterday, Brent crude oil dropped 1.5% to settle at \$75.30/bl, amid ongoing fears over Russia and Saudi Arabia's plans to boost crude production.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices climbed 0.5% to trade at \$906.20/oz.

On Friday, platinum prices declined 1.2% to close at \$901.30/oz.



ONE Minute Brief

29 May 2018



Major South African corporate news

ArcelorMittal South Africa Limited

The company announced that it has concluded a non-binding Memorandum of Understanding with Macsteel Holdings Luxembourg SARL for the sale of the company's indirect 50.0% holding in Macsteel International Holdings BV for a consideration of USD220.00mn.

DataTec Limited

The company announced the retirement of Chris Seabrooke from the board with effect from company's annual general meeting that will be held on 20 September 2018. Further, Johnson Njeke would succeed Chris Seabrooke as the company's Audit, Risk and Compliance Committee Chairman with effect from 31 May 2018.

Reunert Limited

In its 1H18 results, the company stated that its revenues increased to ZAR4.84bn, compared to ZAR4.42bn posted in the corresponding period of the previous year. Its diluted EPS fell 1.1% to 270.00c, compared to the same period of the prior year. Further, the company has declared an interim cash dividend of 125.00c per share.

Telkom SA SOC Limited

In its FY18 results, the company stated that its operating revenues increased to ZAR41.02bn, compared to ZAR40.97bn posted in the corresponding period of the previous year. Its diluted EPS fell 18.6% to 589.70c, compared to the same period of the prior year. Further, the company declared a final ordinary dividend of 236.97c per share.

Tongaat Hulett Limited

In its FY18 results, the company reported that its revenues declined 5.2% to ZAR16.98bn, compared to the same period of the preceding year. Its diluted HEPS stood at 534.80c, compared to 852.70c recorded in the corresponding period of the previous year. Further, the company declared a final dividend of 60.00c per share.

Major global economic news

Asia

In Japan, unemployment rate remained unchanged at 2.5% in April.

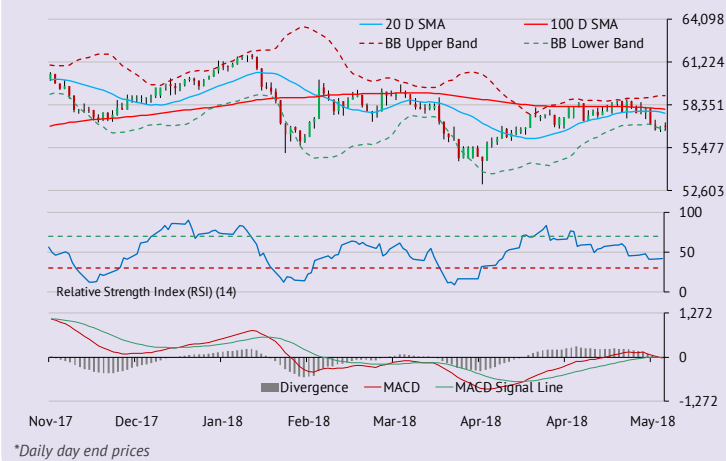
ONE Minute Brief



29 May 2018

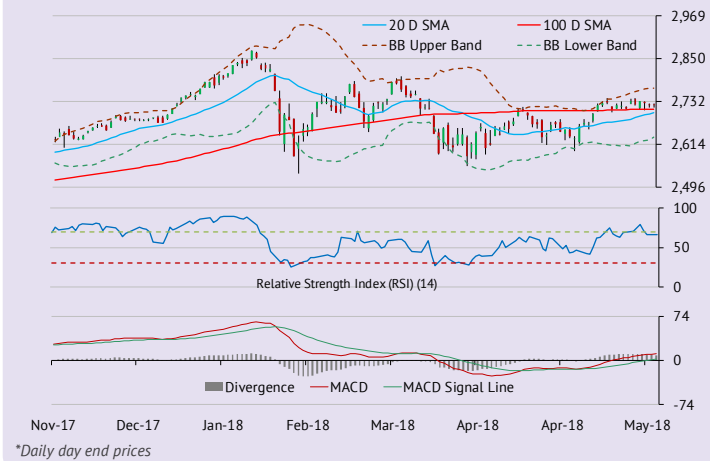
Technical snapshot

JSE All Share



The JSE All Share index is expected to find support at 56,193.18, and a fall through could take it to the next support level of 55,529.12. The index is expected to find its first resistance at 57,863.50, and a rise through could take it to the next resistance level of 58,869.76.

S&P 500



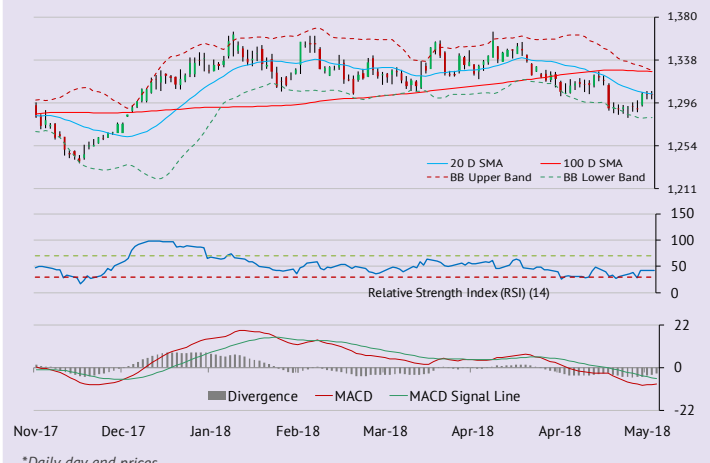
The S&P 500 index is expected to find support at 2,705.06, and a fall through could take it to the next support level of 2,688.79. The index is expected to find its first resistance at 2,739.92, and a rise through could take it to the next resistance level of 2,758.51.

USD ZAR



The pair is expected to find support at 12.3301, and a fall through could take it to the next support level of 12.1950. The pair is expected to find its first resistance at 12.6536, and a rise through could take it to the next resistance level of 12.8420.

XAU USD



Gold is expected to find support at \$1,291.20/oz, and a fall through could take it to the next support level of \$1,278.70/oz. The precious metal is expected to find its first resistance at \$1,311.70/oz, and a rise through could take it to the next resistance level of \$1,319.70/oz.

ONE Minute Brief



29 May 2018

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	01:30	Job-To-Applicant Ratio (Apr)	✓	1.59*	1.59	Monthly
Japan	01:30	Unemployment Rate (Apr)	✓✓	2.50%*	2.50%	Monthly
US	06:40	Fed's Bullard speech	✓✓	-	-	As scheduled
Switzerland	08:00	Exports (MoM) (Apr)	✓	-	0.60%	Monthly
Switzerland	08:00	Imports (MoM) (Apr)	✓	-	3.90%	Monthly
France	08:45	Consumer Confidence (May)	✓✓✓	101.00	101.00	Monthly
Eurozone	09:45	ECB's Villeroy to Speak in Paris	✓	-	-	As scheduled
Eurozone	10:00	Private Loans (YoY) (Apr)	✓	-	3.00%	Monthly
Eurozone	10:00	M3 Money Supply (YoY) (Apr)	✓	3.90%	3.70%	Monthly
Italy	10:00	Consumer Confidence (May)	✓✓✓	116.50	117.10	Monthly
Italy	10:00	Manufacturing Confidence (May)	✓✓✓	107.00	107.70	Monthly
Portugal	10:30	Consumer Confidence (May)	✓	-	2.40	Monthly
Italy	10:30	ECB's Visco Speaks at Bank of Italy Annual Meeting	✓	-	-	As scheduled
Eurozone	11:30	ECB's Mersch Speaks at Frankfurt Finance Summit	✓	-	-	As scheduled
US	14:55	Redbook Index (YoY) (25-May)	✓	-	3.20%	Weekly
US	14:55	Redbook Index s.a. (MoM) (25-May)	✓	-	0.00%	Weekly
US	15:00	S&P/Case-Shiller Home Price Index (Mar)	✓	-	206.67	Monthly
US	15:00	S&P/Case-Shiller 20 City s.a. (MoM) (Mar)	✓✓✓	0.70%	0.83%	Monthly
US	15:00	S&P/Case-Shiller Composite-20 (YoY) (Mar)	✓✓	6.40%	6.80%	Monthly
US	16:00	Consumer Confidence (May)	✓✓✓	128.00	128.70	Monthly
US	16:30	Dallas Fed Manufacturing Business Index (May)	✓✓✓	23.00	21.80	Monthly
Eurozone	17:30	ECB's Lautenschlaeger Speaks at Colloquium in Frankfurt	✓	-	-	As scheduled
Eurozone	18:00	ECB's Coeure Speaks at Roundtable Discussion in Paris	✓	-	-	As scheduled
UK	-	Nationwide House Prices n.s.a. (YoY) (May)	✓✓	3.00%	2.60%	Monthly
UK	-	Nationwide House Prices s.a. (MoM) (May)	✓✓✓	0.20%	0.20%	Monthly

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 @Grant Thornton, The Wanderers Office Part,
52 Corlett Drive, Illovo, 2196
p P O Box 55118, Illovo, 2118

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