

# ONE Minute Brief

12 June 2018

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## Economic and political news

According to a news report, the South African public-sector workers have called off a strike, after more than 50% of trade unions signed the three-year wage deal.

The Association of Mineworkers and Construction Union plans to demand a monthly minimum wage of ZAR12,500 from some of South Africa's top gold producers in upcoming wage negotiations.

Eskom has pulled its regulator, Nersa, to court over its tariff decision.

News reports revealed that the City of Johannesburg wants to seize the African National Congress' property at Luthuli House worth ZAR300,000, after the party failed to pay its legal fees owed to the city.

Premier, David Makhura has announced a detailed and comprehensive plan to save the troubled Emfuleni municipality in Gauteng, which was put under administration, amid allegations of maladministration.

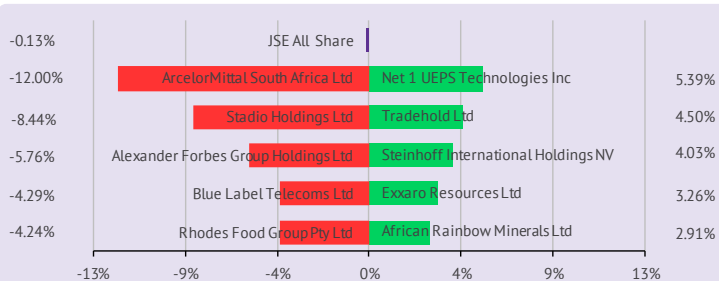
## Key indices

	Last close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	58146.10	▼	-77.62	-0.13	-0.13	3.54	-3.60	-2.28
JSE Top 40	51835.44	▼	-46.49	-0.09	-0.09	4.12	-3.18	-1.33
FTSE 100	7737.43	▲	56.36	0.73	0.73	0.77	2.25	0.65
DAX 30	12842.91	▲	76.36	0.60	0.60	1.89	-0.06	-0.58
CAC 40	5473.91	▲	23.69	0.43	0.43	1.40	-2.21	3.04
S&P 500	2782.00	▲	2.97	0.11	0.11	2.84	2.16	4.05
Nasdaq Composite	7659.93	▲	14.41	0.19	0.19	2.93	5.32	10.96
DJIA	25322.31	▲	5.78	0.02	0.02	3.71	1.05	2.44
MSCI Emerging Markets	1139.46	▲	4.07	0.36	0.36	1.67	-3.75	-1.64
MSCI Developed World	2144.20	▲	6.46	0.30	0.30	2.45	0.31	1.94

## South Africa Market ▼

### South African markets closed lower

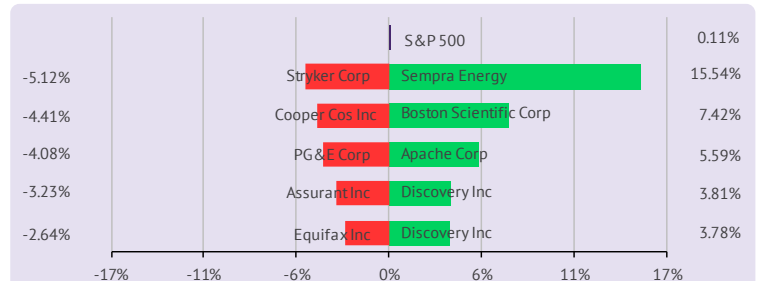
South African markets closed in the red yesterday, weighed down by losses in platinum mining, banking and property sector stocks. The JSE All Share Index fell 0.1% to close at 58,146.10.



## US Market ▲

### The S&P 500 futures are trading in the green

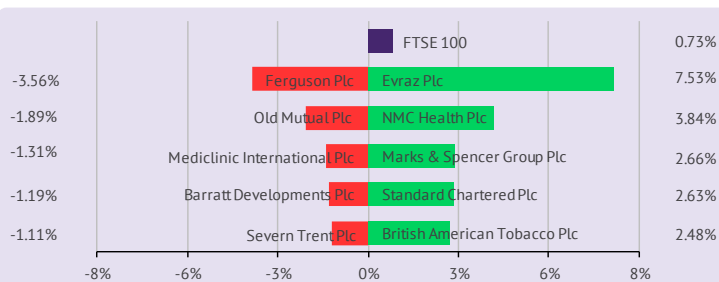
US markets closed higher yesterday, ahead of US-North Korea summit and helped by gains in telecommunication and consumer sector stocks. The S&P 500 Index climbed 0.1% to close at 2,782.00.



## UK Market ▲

### The FTSE 100 futures are trading in negative territory

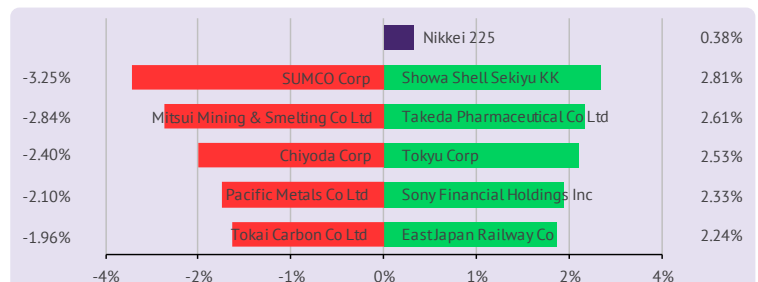
UK markets finished higher yesterday, amid weakness in the British Pound, after UK's factory output unexpectedly fell in April. The FTSE 100 Index advanced 0.7% to close at 7,737.43.



## Asian Market ▲

### Trading mostly higher

Asian markets are trading mostly higher this morning. The Nikkei 225 Index is trading 0.4% higher at 22,891.70.



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## USD ZAR ▼

### USD trading lower against ZAR

At 06:00 SAST, the US Dollar slightly fell against the South African Rand to trade at R13.1612. Later today, traders will keep a close watch on the US consumer price index, the NFIB small business optimism index and monthly budget statement for further cues.

The US Dollar rose against the South African Rand yesterday.

## GBP ZAR ▼

### GBP trading weaker against ZAR

At 06:00 SAST, the British Pound dropped 0.2% against the South African Rand to trade at R17.5821. Later today, traders will keep an eye on UK's ILO unemployment rate and average weekly earnings for further direction.

The British Pound advanced against the South African Rand yesterday. On the macro front, UK's monthly manufacturing production unexpectedly fell in April, marking its largest decline since October 2012. Further, data showed that trade deficit unexpectedly expanded in April. Additionally, industrial production registered an unexpected decline on a monthly basis in the same month, recording its first drop in four months. Meanwhile, the NIESR gross domestic product (GDP) estimate advanced at a slower-than-expected pace in May.

## EUR ZAR ▼

### EUR trading lower against ZAR

At 06:00 SAST, the Euro is trading 0.2% weaker against the South African Rand at R15.4824. Going forward, market participants will keep a tab on Eurozone's ZEW economic sentiment index and Germany's ZEW survey indices for further indication.

The Euro strengthened against the South African Rand yesterday, after Italy's Economy Minister, Giovanni Tria, pledged that the new coalition government would not leave the European Union.

## AUD ZAR ▲

### AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar slightly rose against the South African Rand to trade at R10.0209. Earlier in the session, Australia's NAB business confidence index recorded a drop in May. Further, home loans declined less than market forecast on a monthly basis in April.

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	13.1612	▼	0.73	0.73	3.65	1.91	6.30
GBPZAR	17.5821	▼	0.60	0.60	4.27	-1.58	5.31
EURZAR	15.4824	▼	0.85	0.85	4.45	-1.31	4.43
AUDZAR	10.0209	▲	0.84	0.84	4.24	2.42	3.67
EURUSD	1.1765	▼	0.13	0.13	0.78	-3.19	-1.84
GBPUSD	1.3359	▼	-0.19	-0.19	0.61	-3.38	-0.99
Brent (\$/barrel)	76.5	▼	0.00	0.00	-1.42	3.84	14.34
Gold (\$/oz)	1301.5	▲	0.06	0.06	-0.09	-1.45	-0.79
Platinum (\$/oz)	906.7	▲	0.08	0.08	-0.41	0.63	-2.98
Copper (\$/MT)*	7255.5	▼	-0.94	-0.94	6.00	1.10	0.67

\*As of previous close

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices edged 0.2% higher to trade at \$1,301.50/oz.

Yesterday, gold prices rose 0.1% to close at \$1,298.90/oz, amid expectations that the Federal Reserve might raise interest rates and ahead of the US-North Korea meeting.

## Brent Crude Oil ▼

### Trading weaker

At 06:00 SAST, Brent crude oil marginally fell to trade at \$76.45/bl.

Yesterday, Brent crude oil traded flat to settle at \$76.46/bl.

## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices are trading marginally higher at \$906.70/oz.

Yesterday, platinum prices climbed 0.1% to close at \$906.40/oz.



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## Major South African corporate news

### Allied Electronics Corporation Limited

The company announced that it has concluded a share sale agreement, through its wholly owned subsidiary, Altron TMT Proprietary Limited, to acquire the entire issued share capital of iS Partners Proprietary Limited, including its primary subsidiaries, Karabina Solutions Proprietary Limited and Zetta Business Solutions Proprietary Limited, with an anticipated effective date of 1 July 2018, for a purchase consideration of ZAR225.00mn.

### Lewis Group Limited

The company advised that Mrs INT Makomba has been appointed as Company Secretary of the firm with effect from 11 June 2018.

### EOH Holdings Limited

The company advised shareholders that the pro forma financial effects of the transaction between EOH and Lebashe are still being finalised and that shareholders are advised to continue to exercise caution when dealing in the company's securities until a further announcement is made in this regard.

### Old Mutual Plc

The company announced that it has published its 31 December 2017 Group Solvency and Financial Condition Report on the corporate website. The report has been prepared in accordance with the financial reporting provisions of the PRA Rules and Solvency II Regulations.

## Major global economic news

### UK

In the UK, the NIESR estimated GDP rose less-than-anticipated by 0.2% on a monthly basis in the March-May 2018 period. The NIESR estimated GDP had registered a revised unchanged reading in the February-April 2018 period.

In April, total trade deficit unexpectedly expanded to GBP5.28bn in the UK, from a revised total deficit of GBP3.22bn in the prior month.

In the UK, industrial production unexpectedly dropped 0.8% on a monthly basis in April. Industrial production had climbed 0.1% in the previous month.

In April, manufacturing production unexpectedly slid 1.4% on a monthly basis in the UK. In the previous month, manufacturing production had recorded a drop of 0.1%.

### Asia

In Australia, the business confidence index dropped to 6.00 in May. In the prior month, the business confidence index had registered a revised reading of 11.00.

In Australia, the seasonally adjusted home loan approvals dropped 1.0% on a monthly basis in April, less than market expectations. In the prior month, home loan approvals had fallen by a revised 2.3%.

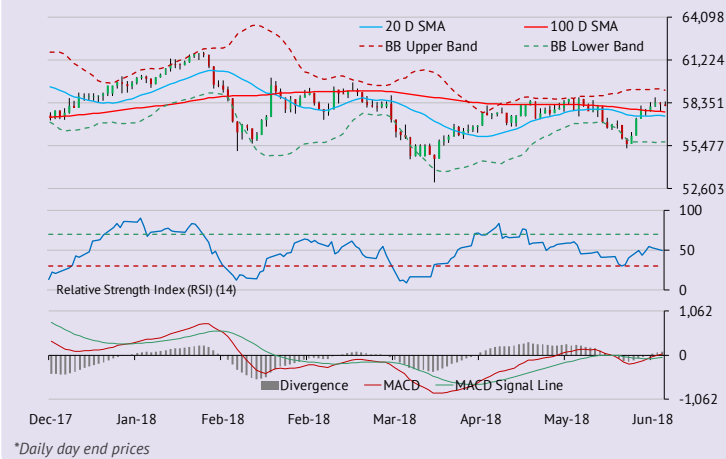
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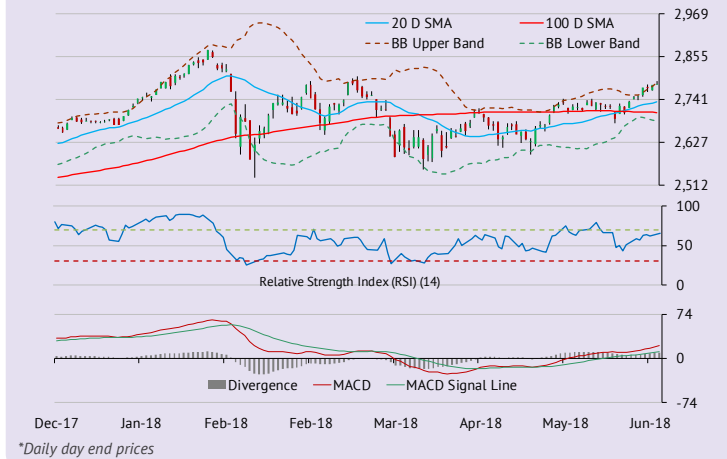
## Technical snapshot

### JSE All Share



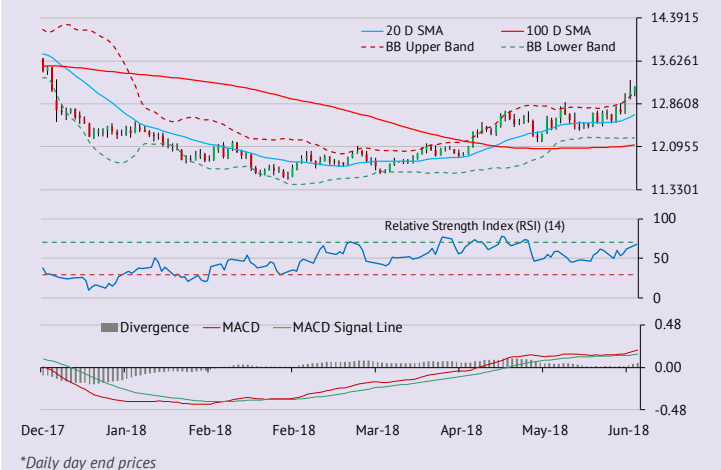
The JSE All Share index is expected to find support at 57,503.83, and a fall through could take it to the next support level of 56,861.55. The index is expected to find its first resistance at 58,764.30, and a rise through could take it to the next resistance level of 59,382.49.

### S&P 500



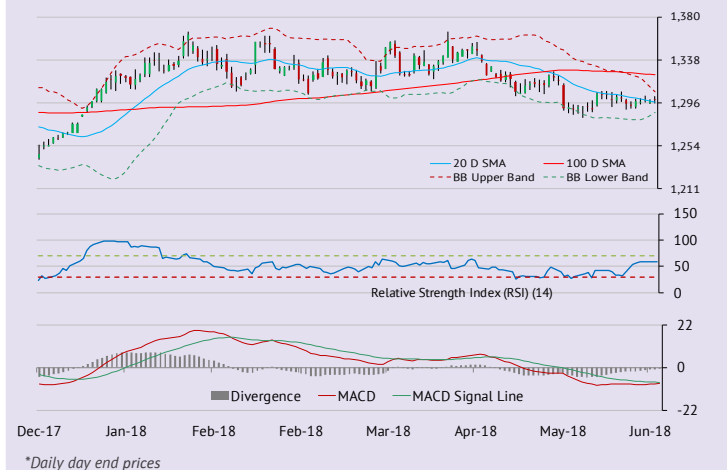
The S&P 500 index is expected to find support at 2,750.94, and a fall through could take it to the next support level of 2,719.87. The index is expected to find its first resistance at 2,801.64, and a rise through could take it to the next resistance level of 2,821.27.

### USD ZAR



The pair is expected to find support at 12.6991, and a fall through could take it to the next support level of 12.2349. The pair is expected to find its first resistance at 13.4569, and a rise through could take it to the next resistance level of 13.7505.

### XAU USD



Gold is expected to find support at \$1,291.60/oz, and a fall through could take it to the next support level of \$1,284.30/oz. The precious metal is expected to find its first resistance at \$1,304.50/oz, and a rise through could take it to the next resistance level of \$1,310.10/oz.

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## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Germany	01:01	Germany Third Quarter Manpower Employment Outlook	✓	-	-	As scheduled
Japan	01:50	BSI Large Manufacturing (QoQ) (Q2)	✓✓	-3.20%*	2.90%	Quarterly
Japan	01:50	Domestic Corporate Goods Price Index (MoM) (May)	✓	0.60%*	0.20%	Monthly
Japan	01:50	Domestic Corporate Goods Price Index (YoY) (May)	✓	2.70%*	2.10%	Monthly
China	02:01	Manpower Survey (Q3)	✓	10.00%*	8.00%	Quarterly
Japan	02:01	Manpower Survey (Q3)	✓	26.00%*	25.00%	Quarterly
US	03:00	Trump - Kim meeting	✓✓✓	-	-	As scheduled
Japan	06:30	Tertiary Industry Index (MoM) (Apr)	✓✓	0.60%	-0.30%	Monthly
UK	10:30	Claimant Count Change (May)	✓✓✓	-	31.20K	Monthly
UK	10:30	Claimant Count Rate s.a. (May)	✓✓	-	2.50%	Monthly
UK	10:30	Average Earnings Excluding Bonus (3Mo/Yr) (Apr)	✓	2.90%	2.90%	Monthly
UK	10:30	ILO Unemployment Rate (3M) (Apr)	✓✓✓	4.20%	4.20%	Monthly
UK	10:30	Average Earnings Including Bonus (3Mo/Yr) (Apr)	✓✓	2.50%	2.60%	Monthly
UK	10:30	Employment Change (3M/3M) (Apr)	✓✓✓	120.00K	197.00K	Monthly
Eurozone	11:00	ZEW Survey - Economic Sentiment (Jun)	✓✓	-	2.40	Monthly
Germany	11:00	ZEW Survey - Current Situation (Jun)	✓✓	85.00	87.40	Monthly
Germany	11:00	ZEW Survey - Economic Sentiment (Jun)	✓✓✓	-14.00	-8.20	Monthly
US	12:00	NFIB Small Business Optimism (May)	✓	105.00	104.80	Monthly
US	14:30	Consumer Price Index (MoM) (May)	✓✓✓	0.20%	0.20%	Monthly
US	14:55	Redbook Index s.a. (MoM) (08-Jun)	✓	-	0.10%	Weekly
US	20:00	Monthly Budget Statement (May)	✓✓✓	-USD139.50bn	USD214.30bn	Monthly

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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