

# ONE Minute Brief

25 June 2018

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## Economic and political news

President, Cyril Ramaphosa, stated that the mitigation of job losses that may result from the introduction of the national minimum wage is the collective responsibility of government, business and labour.

Finance minister, Nhlanhla Nene, stated that restructuring Eskom is on top of government agenda.

The Treasury stated that the government is considering layoffs and early retirement packages for staff in the public sector to avoid breaking its pledge to cut spending after the recent wage increase agreements with unions.

The South African Broadcasting Corporation has appointed Madoda Mxakwe and Yolande van Biljon as its new group Chief Executive Officer and Chief Financial Officer, respectively.

Criticizing mining companies for being only concerned with profits, President, Cyril Ramaphosa, stated that safety of miners is paramount.

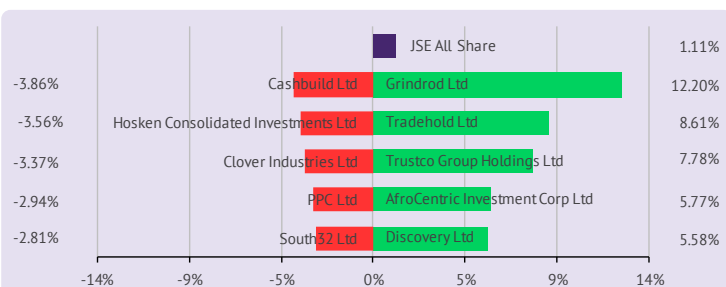
## Key indices

	Last close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	56856.66	▲	622.23	1.11	NA	1.24	-3.60	-4.45
JSE Top 40	50623.10	▲	599.56	1.20	NA	1.69	-3.18	-3.64
FTSE 100	7682.27	▲	125.83	1.67	NA	0.05	2.25	-0.07
DAX 30	12579.72	▲	67.81	0.54	NA	-0.20	-0.06	-2.62
CAC 40	5387.38	▲	71.37	1.34	NA	-0.20	-2.21	1.41
S&P 500	2754.88	▲	5.12	0.19	NA	1.83	2.16	3.04
Nasdaq Composite	7692.82	▼	-20.14	-0.26	NA	3.37	5.32	11.44
DJIA	24580.89	▲	119.19	0.49	NA	0.68	1.05	-0.56
MSCI Emerging Markets	1088.00	▲	7.81	0.72	NA	-2.92	-3.75	-6.08
MSCI Developed World	2114.90	▲	8.97	0.43	NA	1.05	0.31	0.54

## South Africa Market ▲

### South African markets closed higher

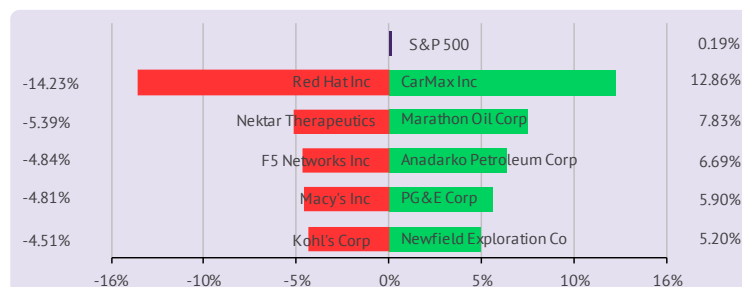
South African markets closed in the green on Friday, amid gains in platinum mining, industrial and banking sector stocks. The JSE All Share Index rose 1.1% to close at 56,856.66.



## US Market ▲

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

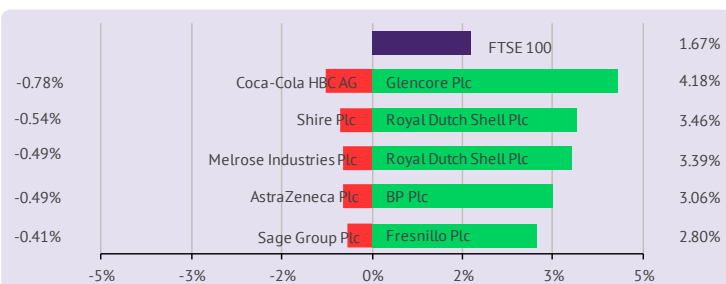
US markets closed mostly higher on Friday, as trade tensions between the US and China faded and amid gains in energy sector stocks. The S&P 500 Index climbed 0.2% to close at 2,754.88.



## UK Market ▲

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

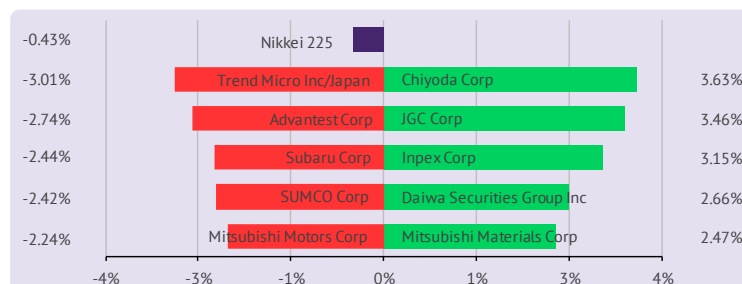
UK markets finished higher on Friday, supported by gains in energy sector stocks, after the OPEC agreed on the volume of output rise. The FTSE 100 Index advanced 1.7% to close at 7,682.27.



## Asian Market ▼

### Trading mostly lower

Asian markets are trading mostly lower this morning. The Nikkei 225 Index is trading 0.4% lower at 22,420.09.



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## USD ZAR ▲

### USD trading stronger against ZAR

At 06:00 SAST, the US Dollar is trading 0.1% higher against the South African Rand at R13.4551. Later today, traders will keep a close watch on the US Dallas Fed manufacturing index and new home sales for further direction.

The US Dollar fell against the South African Rand on Friday. On the data front, the US Markit manufacturing PMI registered a more-than-expected decline in June, marking its lowest reading in seven months. Further, services PMI dropped to a two-month low level in the same month.

## 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 R17.8446. With no major economic news in the UK today, investor sentiment will be determined by global macroeconomic news.

The British Pound declined against the South African Rand on Friday, amid broad strength in the Rand.

## EUR ZAR ▲

### EUR trading firmer against ZAR

At 06:00 SAST, the Euro advanced 0.2% against the South African Rand to trade at R15.6841. Going forward, market participants will keep a tab on Germany's Ifo survey indices for further indication.

The Euro weakened against the South African Rand on Friday. Data indicated that, Eurozone's Markit manufacturing PMI fell in line with market expectations in June. Meanwhile, services PMI surprised with a rise in June. Separately, Germany's Markit manufacturing PMI recorded a more-than-expected fall in June, while services PMI jumped higher than market forecast in the same month.

## AUD ZAR ▼

### AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar dropped 0.1% against the South African Rand to trade at R9.9901.

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	13.4551	▲	-1.07	NA	5.81	1.91	8.52
GBPZAR	17.8446	▲	-0.88	NA	5.56	-1.58	6.62
EURZAR	15.6841	▲	-0.64	NA	5.45	-1.31	5.43
AUDZAR	9.9901	▼	-0.18	NA	4.08	2.42	3.51
EURUSD	1.1656	▲	0.41	NA	-0.36	-3.19	-2.95
GBPUSD	1.3262	▲	0.16	NA	-0.28	-3.38	-1.86
Brent (\$/barrel)	74.2	▼	3.42	NA	-2.59	3.84	12.98
Gold (\$/oz)	1269.0	▲	0.02	NA	-2.52	-1.45	-3.20
Platinum (\$/oz)	876.2	▲	1.17	NA	-4.04	0.63	-6.52
Copper (\$/MT)*	6791.5	▲	0.04	NA	-0.78	1.10	-5.77

\*As of previous close

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices edged 0.1% higher to trade at \$1,269.00/oz, as the US Dollar weakened, amid renewed worries about trade tensions between the US and the European Union.

On Friday, gold prices marginally rose to close at \$1,267.40/oz, as weakness in the US Dollar increased demand for the safe haven asset.

## Brent Crude Oil ▼

### Trading weaker

At 06:00 SAST, Brent crude oil edged 1.7% lower to trade at \$74.24/bl.

On Friday, Brent crude oil advanced 3.4% to settle at \$75.55/bl, after oil producers agreed to a modest rise in crude output. The Organisation of the Petroleum Exporting Countries and other top crude producers agreed to increase output from July by 1.00mn bls per day.

## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices edged 0.3% higher to trade at \$876.20/oz.

On Friday, platinum prices climbed 1.2% to close at \$873.30/oz, reversing its previous session losses.



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## Major South African corporate news

### Anglogold Ashanti Limited

The company announced that the Parliament of Ghana has ratified the regulatory and fiscal agreements that cover the redevelopment of the Obuasi Gold Mine into a modern, productive mining operation.

### Steinhoff International Holdings NV

The company announced that with regard to the disposal of Kika/Leiner, the definitive transaction documents have now been entered into by certain group companies in respect of the sale of the Kika/Leiner operating companies (the OpCos) and property holding companies to SIGNA Holding GmbH. Further, the purchaser has now completed its confirmatory due diligence with regards to the OpCos.

### Gold Fields Limited

The company announced that the regulatory approval has been granted by the Ghanaian Minister of Lands and Natural Resources for the previously announced joint venture transaction between the company and Asanko and the transaction is now expected to be completed in early July 2018.

### Naspers Limited

In its FY18 results, the company stated that its revenues increased to USD6.66bn, compared to USD6.01bn posted in the corresponding period of the previous year. Its core HEPS significantly rose to 581.00c, compared to the same period of the prior year. Additionally, the company announced that it has acquired Tiger Global Management's stake in South Africa's largest e-commerce retailer Takealot, and owns an effective 96.0% of the business.

## Major global economic news

### Eurozone

In the Eurozone, the preliminary manufacturing PMI recorded a drop to 55.00 in June, meeting market expectations and compared to a level of 55.50 in the prior month.

In June, the flash services PMI unexpectedly rose to a level of 55.00 in the Eurozone. Services PMI had registered a level of 53.80 in the previous month.

In Germany, the flash manufacturing PMI recorded a more-than-anticipated drop to 55.90 in June. In the previous month, manufacturing PMI had registered a level of 56.90.

In June, the preliminary services PMI rose to a level of 53.90 in Germany, higher than market expectations. In the prior month, services PMI had recorded a reading of 52.10.

### US

In the US, the preliminary Markit manufacturing PMI dropped more-than-expected to 54.60 in June. The Markit manufacturing PMI had registered a reading of 56.40 in the previous month.

In the US, the flash Markit services PMI fell to a level of 56.50 in June, meeting market forecast and compared to a level of 56.80 in the prior month.



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## 40 best performers on the All Share Index

Company name	Last close	1 Week % change	MTD % change	YTD % change
Murray & Roberts Holdings Ltd	1762	-1.56	-3.08	45.50
Clover Industries Ltd	1604	-3.95	-10.29	24.44
BHP Billiton Plc	29729	-1.15	2.75	21.90
Anglo American PLC	30319	-1.32	0.22	21.33
RCL Foods Ltd	1818	0.72	1.00	20.56
Mondi Plc	36115	-2.86	2.61	20.52
Lewis Group Ltd	3062	0.07	-8.30	20.01
Mondi Ltd	35840	-2.67	2.19	19.16
Pick n Pay Stores Ltd	7894	1.79	7.11	15.79
Reunert Ltd	7736	-1.94	-1.38	14.60
Clicks Group Ltd	20402	0.16	1.01	14.10
PSG Konsult Ltd	980	-1.51	2.40	13.59
Netcare Ltd	2780	-6.27	-6.11	13.04
Emira Property Fund Ltd	1450	-4.48	-5.84	12.71
Octodec Investments Ltd	2020	-3.76	-3.35	12.47
JSE Ltd	16457	-5.11	-9.33	10.64
Sasol Ltd	46788	-2.39	2.27	10.61
Stenprop Ltd	2074	-1.89	9.16	10.08
South32 Ltd	3635	-3.79	2.39	9.92
Santam Ltd	28712	-3.00	-7.38	9.60
Investec Plc	9815	-1.66	5.20	9.35
Astral Foods Ltd	27271	-4.52	4.84	9.25
Trustco Group Holdings Ltd	970	12.66	15.48	8.99
Glencore Plc	6872	-0.07	9.88	8.84
Hammerson Plc	9550	-0.52	2.78	8.82
Famous Brands Ltd	11201	-1.64	1.73	8.76
AECI Ltd	10500	-1.73	-2.77	8.27
Hudaco Industries Ltd	15200	4.83	-3.88	8.14
EPP NV	1750	-3.53	-6.87	7.76
Investec Ltd	9639	-0.52	4.62	7.43
RDI REIT Plc	629	2.11	5.34	6.72
Adcock Ingram Holdings Ltd	6134	-0.94	-6.19	6.48
Cie Financiere Richemont SA	11848	-4.94	1.60	6.02
Telkom SA SOC Ltd	4850	-5.33	-1.97	5.61
Raubex Group Ltd	2059	-10.05	-8.85	4.78
Shoprite Holdings Ltd	22860	-1.96	-2.34	4.16
City Lodge Hotels Ltd	14797	-1.02	-5.19	4.09
Transaction Capital Ltd	1708	-2.34	0.24	3.54
Texton Property Fund Ltd	611	-1.13	3.21	3.21
Nedbank Group Ltd	25644	-3.21	-6.27	2.56
<b>JSE All Share Index</b>	<b>56857</b>	<b>-1.39</b>	<b>1.24</b>	<b>-4.45</b>

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## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus	Previous/ **Previous est.	Frequency
Japan	01:50	BoJ Summary of Opinions	✓✓	-	-	As scheduled
Japan	07:00	Coincident Index (Apr) (F)	✓	-	117.70**	Monthly
Japan	07:00	Leading Economic Index (Apr) (F)	✓✓✓	-	105.60**	Monthly
Spain	09:00	Producer Price Index (MoM) (May)	✓	-	0.70%	Monthly
Spain	09:00	Producer Price Index (YoY) (May)	✓	-	1.90%	Monthly
Germany	10:00	Ifo - Business Climate (Jun)	✓✓✓	101.80	102.20	Monthly
Germany	10:00	Ifo - Expectations (Jun)	✓✓	98.00	98.50	Monthly
Germany	10:00	Ifo - Current Assessment (Jun)	✓✓	105.60	106.00	Monthly
US	14:30	Chicago Fed National Activity Index (May)	✓✓✓	0.30	0.34	Monthly
US	16:00	New Home Sales (May)	✓✓✓	667.00K	662.00K	Monthly
US	16:00	New Home Sales (MoM) (May)	✓✓✓	0.80%	-1.50%	Monthly
US	16:30	Dallas Fed Manufacturing Business Index (Jun)	✓✓✓	23.00	26.80	Monthly

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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