

ONE
Minute Brief

3 July 2018

GTC
consult • partner • manage

Economic and political news

In South Africa (SA), the manufacturing PMI dropped to 47.90 in June, marking its lowest level in three months and compared to a level of 49.80 in the prior month. New vehicle sales rose 3.0% on an annual basis in June, compared to an advance of 2.4% in May.

Trade and Industry Minister, Rob Davies, confirmed that SA has signed the African Continental Free Trade Area agreement with the African Union.

Judge, Robert Nugent, has dismissed suspended South African Revenue Services (SARS) Commissioner, Tom Moyane's request to halt the SARS inquiry investigating tax administration and governance.

National Employers' Association of SA Chief Executive Officer, Gerhard Papenfus, has accused the departments of Trade and Industry, and Labour of undermining President, Cyril Ramaphosa's agenda to grow small and medium-sized enterprises.

Cooperative Governance and Traditional Affairs Minister, Zweli Mkhize, stated that SA's government will not bail out 13 municipalities who lost about ZAR1.65bn they invested in VBS Mutual Bank before the bank's collapse in March.

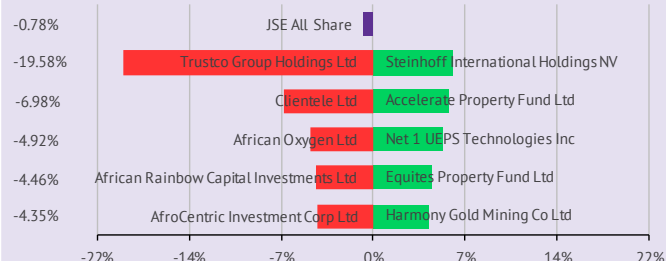
Key indices

	Last close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	57159.59	▼	-451.39	-0.78	-0.78	-0.78	2.59	-3.94
JSE Top 40	50979.87	▼	-536.19	-1.04	-1.04	-1.04	3.48	-2.96
FTSE 100	7547.85	▼	-89.08	-1.17	-1.17	-1.17	-0.54	-1.82
DAX 30	12238.17	▼	-67.83	-0.55	-0.55	-0.55	-2.37	-5.26
CAC 40	5276.76	▼	-46.77	-0.88	-0.88	-0.88	-1.39	-0.67
S&P 500	2726.71	▲	8.34	0.31	0.31	0.31	0.48	1.99
Nasdaq Composite	7567.69	▲	57.38	0.76	0.76	0.76	0.92	9.62
DJIA	24307.18	▲	35.77	0.15	0.15	0.15	-0.59	-1.67
MSCI Emerging	1059.32	▼	-10.20	-0.95	-0.95	-0.95	-4.57	-8.56
MSCI Developed	2082.08	▼	-7.22	-0.35	-0.35	-0.35	-0.17	-1.02

South Africa Market ▼

South African markets closed lower

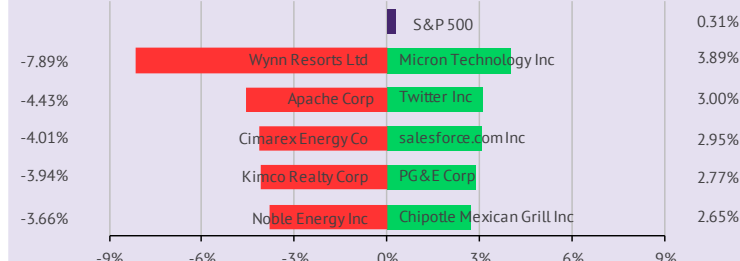
South African markets closed in the red yesterday, weighed down by losses in resources and industrial sector stocks. Data indicated that SA's manufacturing PMI dropped to a 3-month low level in June. The JSE All Share Index fell 0.8% to close at 57,159.59.



US Market ▲

The S&P 500 futures are trading in the red

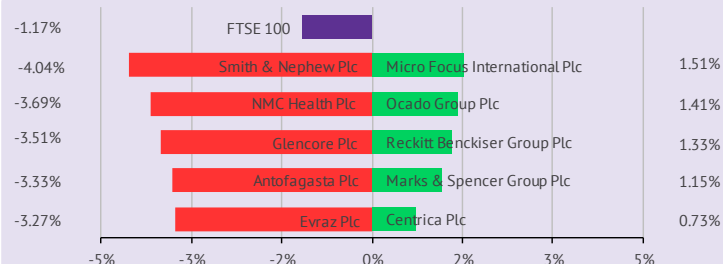
US markets closed higher yesterday, boosted by gains in technology sector stocks. Data revealed that the US ISM manufacturing PMI unexpectedly climbed in June. The S&P 500 Index climbed 0.3% to close at 2,726.71.



UK Market ▼

The FTSE 100 futures are trading in negative territory

UK markets finished lower yesterday, amid ongoing trade worries between the US and other major economies. The FTSE 100 Index declined 1.2% to close at 7,547.85.



Asian Market ▼

Trading lower

Asian markets are trading lower this morning, amid continuing trade tensions between the US and China. The Nikkei 225 Index is trading 0.7% lower at 21,667.94.



ONE Minute Brief

3 July 2018

GTC
consult • partner • manage

USD ZAR ▲

USD trading firmer against ZAR

At 06:00 SAST, the US Dollar is trading 0.4% higher against the South African Rand at R13.8821. Later today, traders will keep a close watch on the US factory orders and durable goods orders data for further cues.

The US Dollar rose against the South African Rand yesterday. On the data front, the US ISM manufacturing surprised with a rise in June, marking its fastest growth in four months. On the contrary, the nation's Markit manufacturing PMI registered a decline in June. Additionally, construction spending rose at a slower-than-expected pace on a monthly basis in May. Further, the ISM employment dropped in the same month. Separately, in SA, the manufacturing PMI registered a decline to its lowest level since March 2018 in June. Meanwhile, new vehicle sales advanced on a yearly basis in the same month.

GBP ZAR ▲

GBP trading higher against ZAR

At 06:00 SAST, the British Pound is trading 0.3% firmer against the South African Rand at R18.2320. Ahead in the day, traders will keep an eye on UK's construction PMI for further direction.

The British Pound advanced against the South African Rand yesterday. On the macro front, UK's Markit manufacturing PMI surprised with a rise in June.

EUR ZAR ▲

EUR trading stronger against ZAR

At 06:00 SAST, the Euro is trading 0.3% higher against the South African Rand at R16.1483. Going forward, market participants will keep a tab on Eurozone's producer price index and retail sales for further indication.

The Euro strengthened against the South African Rand yesterday, after German Chancellor, Angela Merkel's coalition government clinched a deal over the country's migration policy. Data indicated that Eurozone's unemployment rate fell to a nine-year low level in May. Further, the Markit manufacturing PMI dropped to an 18-month low level in June. Separately, Germany's manufacturing PMI declined in June.

AUD ZAR ▲

AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.3% higher against the South African Rand at R10.1855. Earlier in the session, Australia's ANZ Roy Morgan weekly consumer confidence index dropped in the week ended 1 July 2018. Additionally, building approvals unexpectedly fell on a monthly basis in May.

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	13.8821	▲	0.77	0.77	0.77	8.08	11.70
GBPZAR	18.2320	▲	0.27	0.27	0.27	7.34	8.71
EURZAR	16.1483	▲	0.40	0.40	0.40	7.98	8.39
AUDZAR	10.1855	▲	-0.14	-0.14	-0.14	5.77	5.04
EURUSD	1.1633	▼	-0.39	-0.39	-0.39	-0.08	-3.05
GBPUSD	1.3134	▼	-0.48	-0.48	-0.48	-0.68	-2.74
Brent (\$/barrel)	77.9	▲	-2.44	-2.44	-2.44	2.15	15.60
Gold (\$/oz)	1240.0	▼	-1.02	-1.02	-1.02	-3.51	-5.16
Platinum (\$/oz)	814.2	▲	-5.09	-5.09	-5.09	-6.34	-13.40
Copper (\$/MT)*	6524.8	▼	-1.51	-1.51	-1.51	-3.21	-9.47

*As of previous close

Gold ▼

Trading in the red

At 06:00 SAST, gold prices fell 0.1% to trade at \$1,240.00/oz.

Yesterday, gold prices fell 1.0% to close at \$1,241.70/oz, as strength in the US Dollar dented demand for the safe haven asset.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil climbed 0.8% to trade at \$77.88/bl, after Libya announced force majeure on some of its supplies.

Yesterday, Brent crude oil dropped 2.4% to settle at \$77.30/bl, as crude oil supplies from Saudi Arabia and Russia increased.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices advanced 0.6% to trade at \$814.20/oz.

Yesterday, platinum prices declined 5.1% to close at \$809.00/oz, amid ongoing global trade tensions.



ONE Minute Brief

3 July 2018



Major South African corporate news

Pallinghurst Resources Limited

The company announced that a mob of approximately 300 to 500 persons overran the operations of Web Gemstone Mining Plc, which is an Ethiopian company in which it holds majority interest.

Sibanye Gold Limited

The company announced that its FY18 production guidance from the SA gold operations has been revised 6.0% lower and is expected to be in the range of 36,500.00kg and 37,500.00kg.

Major global economic news

US

In the US, the Markit manufacturing PMI recorded a drop to 55.4 in June, compared to a reading of 56.6 in the prior month.

In the US, construction spending advanced 0.4% on a monthly basis in May, less than market expectations. In the previous month, construction spending had recorded a revised rise of 0.9%.

In June, the ISM manufacturing activity index unexpectedly climbed to a level of 60.20 in the US, compared to a level of 58.70 in the prior month.

In the US, the ISM employment dropped to a level of 56.0, compared to a level of 56.3 in the prior month.

Eurozone

In the Eurozone, unemployment rate fell to 8.4% in May.

In the Eurozone, the final manufacturing PMI fell to a level of 54.90 in June, compared to a reading of 55.50 in the previous month. The preliminary figures had recorded a fall to 55.00.

In Germany, the final manufacturing PMI registered a drop to 55.90 in June, compared to a reading of 56.90 in the previous month. The preliminary figures had also indicated a drop to 55.90.

Asia

In Australia, the seasonally adjusted building approvals registered an unexpected drop of 3.2% on a monthly basis in May, compared to a revised drop of 5.6% in the previous month.

UK

In the UK, the manufacturing PMI recorded an unexpected rise to 54.40 in June. The manufacturing PMI had registered a revised level of 54.30 in the prior month.

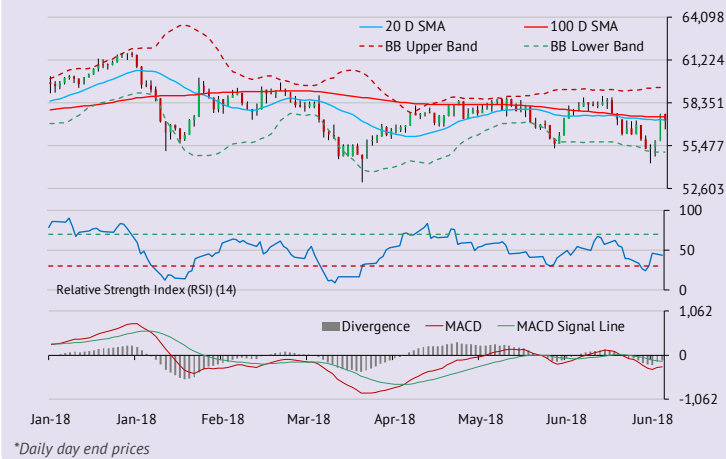
ONE Minute Brief

3 July 2018

GTC
consult • partner • manage

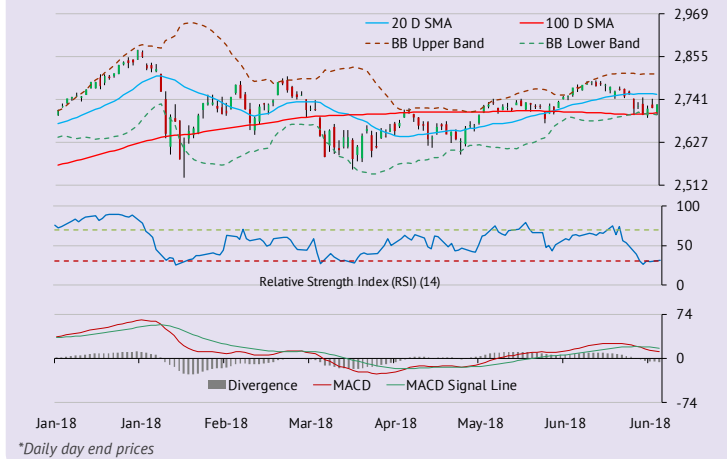
Technical snapshot

JSE All Share



The JSE All Share index is expected to find support at 55,093.58, and a fall through could take it to the next support level of 53,027.57. The index is expected to find its first resistance at 58,418.29, and a rise through could take it to the next resistance level of 59,676.99.

S&P 500



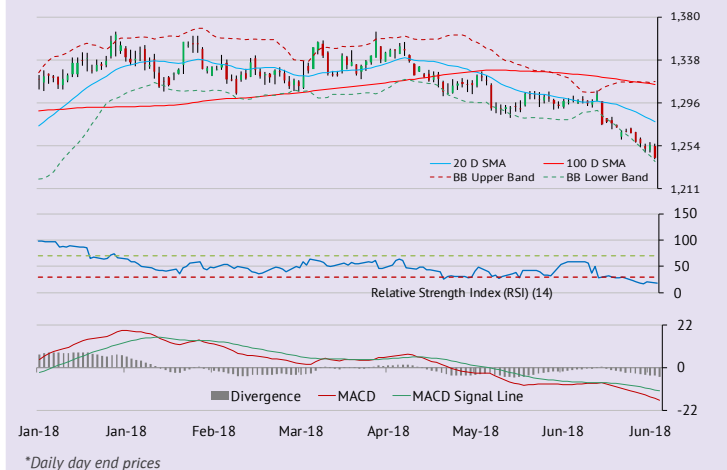
The S&P 500 index is expected to find support at 2,697.10, and a fall through could take it to the next support level of 2,667.50. The index is expected to find its first resistance at 2,751.20, and a rise through could take it to the next resistance level of 2,775.70.

USD ZAR



The pair is expected to find support at 13.5387, and a fall through could take it to the next support level of 13.2462. The pair is expected to find its first resistance at 14.0606, and a rise through could take it to the next resistance level of 14.2900.

XAU USD



Gold is expected to find support at \$1,232.47/oz, and a fall through could take it to the next support level of \$1,223.23/oz. The precious metal is expected to find its first resistance at \$1,259.07/oz, and a rise through could take it to the next resistance level of \$1,276.43/oz.

ONE
Minute Brief

3 July 2018



consult • partner • manage

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
Japan	1:50	Monetary Base (YoY) (Jun)	✓	7.40%*	8.10%	Monthly
Japan	1:50	Monetary Base (Jun)	✓✓✓	JPY502.90tn*	JPY492.60tn	Monthly
UK	10:30	Markit Construction PMI (Jun)	✓✓✓	52.50	52.50	Monthly
Eurozone	11:00	Retail Sales (May)	✓✓	-	105.00	Monthly
Eurozone	11:00	Retail Sales (YoY) (May)	✓✓✓	1.60%	1.70%	Monthly
Eurozone	11:00	Producer Price Index (MoM) (May)	✓✓✓	0.50%	0.00%	Monthly
Eurozone	11:00	Producer Price Index (YoY) (May)	✓✓✓	2.70%	2.00%	Monthly
Eurozone	11:00	Retail Sales (MoM) (May)	✓✓✓	0.10%	0.10%	Monthly
US	14:55	Redbook Index (YoY) (29-Jun)	✓	-	3.10%	Weekly
US	14:55	Redbook Index s.a. (MoM) (29-Jun)	✓	-	-0.50%	Weekly
US	16:00	Cap Goods Orders Nondef Ex Air (May) (F)	✓	-	-0.20%**	Monthly
US	16:00	Cap Goods Ship Nondef Ex Air (May) (F)	✓	-	-0.10%**	Monthly
US	16:00	Durable Goods Orders ex Transportation (May) (F)	✓✓	-	-0.30%**	Monthly
US	16:00	Factory Orders (MoM) (May)	✓✓✓	0.00%	-0.80%	Monthly
US	16:00	Durable Goods Orders (May) (F)	✓✓✓	-0.50%	-0.60%**	Monthly
Eurozone	18:00	ECB Executive Board Member Praet Speaks in Bucharest	✓	-	-	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 @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 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