

ONE Minute Brief

5 July 2018

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Economic and political news

In South Africa, the Standard Bank Purchasing Managers' Index advanced to 50.9 in June, compared to a reading of 50.0 in May.

According to a news report, taxpayers will fund former President, Jacob Zuma's legal fees estimated around ZAR10.00mn in state capture court cases. However, the state attorney has claimed that Zuma would be required to pay back the money spent on the appeal if he loses the case.

Eskom has dismissed reports that the company was restructuring or extending its debt of more than ZAR300bn or planning to cut up to 15,000 jobs.

The African National Congress has called on the government to increase petrol reserves and freeze fuel hikes in the country.

Key indices

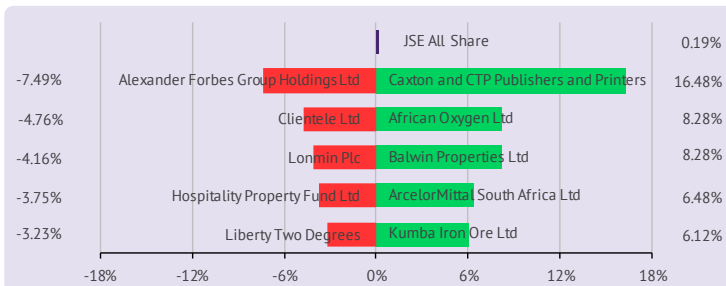
	Last close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	57600.02	▲	111.26	0.19	-0.02	-0.02	2.59	-3.20
JSE Top 40	51374.29	▲	87.47	0.17	-0.28	-0.28	3.48	-2.21
FTSE 100	7573.09	▼	-20.20	-0.27	-0.84	-0.84	-0.54	-1.49
DAX 30	12317.61	▼	-31.53	-0.26	0.09	0.09	-2.37	-4.65
CAC 40	5320.50	▲	3.73	0.07	-0.06	-0.06	-1.39	0.15
S&P 500*	2713.22	▼	-13.49	0.49	-0.19	-0.19	0.48	1.48
Nasdaq Composite*	7502.67	▼	-65.02	0.86	-0.10	-0.10	0.92	8.68
DIJA*	24174.82	▼	-132.36	0.54	-0.40	-0.40	-0.59	-2.20
MSCI Emerging Markets	1056.07	▼	-1.63	-0.15	-1.26	-1.26	-4.57	-8.84
MSCI Developed World	2082.17	▲	0.12	0.01	-0.34	-0.34	-0.17	-1.01

* Values as on 3 July 2018

South Africa Market ▲

South African markets closed higher

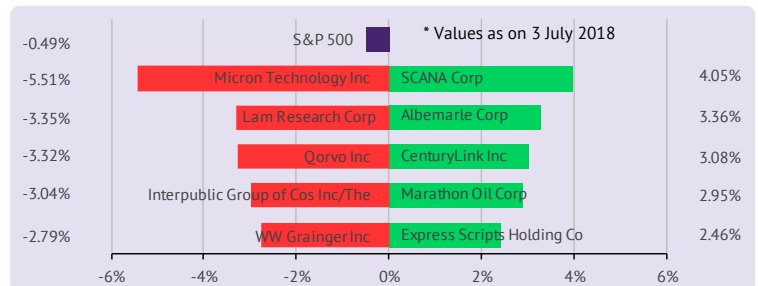
South African markets closed in the green yesterday, boosted by gains in banking and financial sector stocks. Data showed that the Standard Bank PMI edged up in June. The JSE All Share Index rose 0.2% to close at 57,600.02.



US Market ▲

The S&P 500 futures are trading in the green

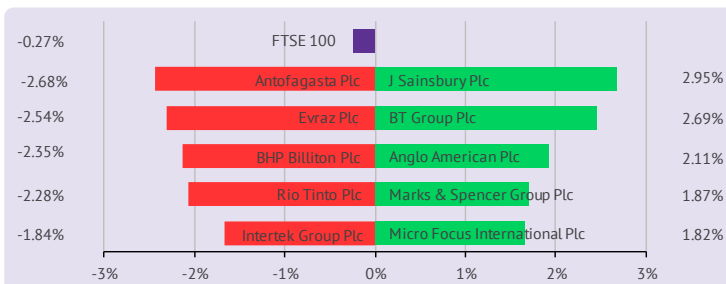
US markets were closed yesterday on account of a holiday for Independence Day.



UK Market ▼

The FTSE 100 futures are trading in positive territory

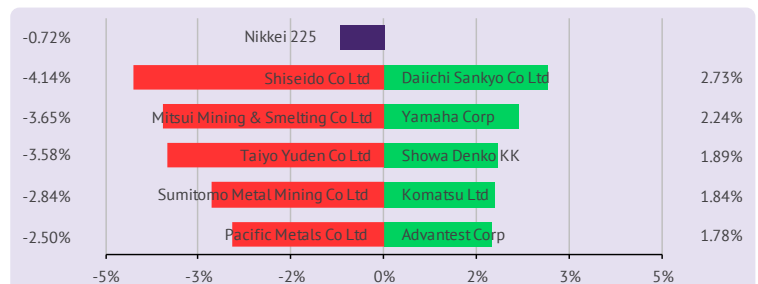
UK markets finished lower yesterday, amid strength in the British Pound and led by losses in mining and energy sector stocks. The FTSE 100 Index declined 0.3% to close at 7,573.09.



Asian Market ▼

Trading lower

Asian markets are trading lower this morning, amid concerns of a trade war over the looming tariff deadline by the US on Chinese imports. The Nikkei 225 Index is trading 0.7% lower at 21,561.46.



USD ZAR ▲

USD trading higher against ZAR

At 06:00 SAST, the US Dollar advanced 0.1% against the South African Rand to trade at R13.6973. Later today, traders will keep a close watch on the FOMC meeting minutes, the US Markit services PMI, ADP employment change and initial jobless claims for further cues.

The US Dollar rose against the South African Rand yesterday. On the macroeconomic front, the US mortgage applications registered a decline in the week ended 29 June 2018. Separately, in SA, private-sector activity expanded modestly in June.

GBP ZAR ▲

GBP trading firmer against ZAR

At 06:00 SAST, the British Pound is trading 0.1% higher against the South African Rand at R18.1155. Amid lack of major economic releases in the UK today, investor sentiment would be determined by global macroeconomic factors.

The British Pound advanced against the South African Rand yesterday, after UK's services PMI rose at its fastest pace in eight months in June.

EUR ZAR ▲

EUR trading stronger against ZAR

At 06:00 SAST, the Euro advanced 0.1% against the South African Rand to trade at R15.9689. Going forward, market participants will keep a tab on Germany's factory orders and the Markit construction PMI for further indication.

The Euro weakened against the South African Rand yesterday. On the data front, Eurozone's Markit services PMI recorded a more-than-expected rise in June. Separately, Germany's Markit services PMI climbed more than market forecast in the same month.

AUD ZAR ▲

AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar rose 0.1% against the South African Rand to trade at R10.1054.

The Australian Dollar rose against the South African Rand yesterday. Data revealed that Australia's trade surplus widened less than market forecast in May. On the flipside, monthly retail sales rose more than market anticipations in May. Moreover, the AiG performance of service index advanced in June.

Key currencies & commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	13.6973	▲	0.04	-0.32	-0.32	8.08	10.49
GBPZAR	18.1155	▲	0.30	-0.17	-0.17	7.34	8.23
EURZAR	15.9689	▲	-0.03	-0.56	-0.56	7.98	7.36
AUDZAR	10.1054	▲	0.01	-0.63	-0.63	5.77	4.52
EURUSD	1.1658	▲	-0.01	-0.23	-0.23	-0.08	-2.90
GBPUSD	1.3225	▼	0.28	0.17	0.17	-0.68	-2.09
Brent (\$/barrel)	77.7	▼	0.62	-1.25	-1.25	2.15	17.00
Gold (\$/oz)	1257.0	▲	0.00	-0.08	-0.08	-3.51	-4.26
Platinum (\$/oz)	841.8	-	0.00	-1.24	-1.24	-6.34	-9.89
Copper (\$/MT)*	6387.8	▼	-1.53	-3.58	-3.58	-3.21	-11.37

*As of previous close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.3% higher to trade at \$1,257.00/oz.

Yesterday, gold prices traded flat to close at \$1,253.50/oz.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil retreated 0.7% to trade at \$77.69/bl, as the US President, Donald Trump demanded OPEC to reduce crude oil prices.

Yesterday, Brent crude oil advanced 0.6% to settle at \$78.24/bl, amid concerns over global supply shortage.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged marginally lower to trade at \$841.80/oz.

Yesterday, platinum prices traded flat to close at \$841.80/oz.

Major South African corporate news

Hyprop Investments Limited

The company announced that it has appointed Abraham Wilhelm Nauta as an Executive Director of the company with effect from 5 July 2018.

Major global economic news

Eurozone

In the Eurozone, the final services PMI climbed more than market forecast to 55.20 in June, compared to a reading of 53.80 in the prior month. The preliminary figures had indicated an advance to 55.00.

In Germany, the final services PMI rose to a level of 54.50 in June, higher than market expectations. The preliminary figures had indicated a rise to 53.90. In the prior month, services PMI had registered a reading of 52.10.

US

In the US, mortgage applications dropped 0.5% on a weekly basis in the week ended 29 June 2018. In the previous week, mortgage applications had fallen 4.9%.

UK

In the UK, the services PMI recorded an unexpected rise to 55.10 in June, compared to a reading of 54.00 in the prior month.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
Japan	03:30	BoJ Masai speaks in Matsumoro	✓	-	-	As scheduled
Germany	08:00	Factory Orders n.s.a. (YoY) (May)	✓✓✓	1.70%	-0.10%	Monthly
Germany	08:00	Factory Orders s.a. (MoM) (May)	✓✓	1.10%	-2.50%	Monthly
UK	10:00	New Car Registrations (YoY) (Jun)	✓	-	3.40%	Monthly
UK	12:00	BoE's Governor Carney speech	✓✓✓	-	-	As scheduled
South Africa	13:00	Electricity Consumption (YoY) (May)	✓	-	-0.70%	Monthly
South Africa	13:00	Electricity Production (YoY) (May)	✓	-	-0.50%	Monthly
Germany	13:15	German Buba President Weidmann speech	✓✓	-	-	As scheduled
US	13:30	Challenger Job Cuts (YoY) (Jun)	✓	-	-4.80%	Monthly
US	14:15	ADP Employment Change (Jun)	✓✓✓	190.00K	178.00K	Monthly
Eurozone	14:15	ECB's Mersch speech	✓✓	-	-	As scheduled
US	14:30	Continuing Jobless Claims (23-Jun)	✓✓✓	1718.00K	1705.00K	Weekly
US	14:30	Initial Jobless Claims (30-Jun)	✓✓✓	225.00K	227.00K	Weekly
US	15:45	Markit Composite PMI (Jun) (F)	✓✓✓	-	56.00**	Monthly
US	15:45	Markit Services PMI (Jun) (F)	✓✓✓	56.50	56.50**	Monthly
US	16:00	ISM Non-Manufacturing PMI (Jun)	✓✓✓	58.30	58.60	Monthly
US	20:00	Fed Releases Minutes of FOMC Meeting	✓✓✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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