

ONE Minute Brief

9 July 2018

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Economic and political news

In South Africa (SA), gross gold & forex reserves dropped to USD50.58bn in June, compared to a reading of USD51.15bn in the prior month. Net gold & forex reserves declined to USD42.45bn in June, compared to a level of USD42.87bn in May.

On Friday, the National Union of Mineworkers (NUM) and the National Union of Metalworkers of SA (Numsa) rejected Eskom's 6.7% wage hike offer. Following this, Eskom raised its wage offer for the second time on Friday to 7.0% for 2018 and maintained its 6.0% offer for 2019-20.

President, Cyril Ramaphosa has appointed an inter-ministerial committee (IMC) on land reform, which will be chaired by Deputy President, David Mabuza. Separately, Ramaphosa stated that SA's land redistribution drive will not affect communal land controlled by tribal chiefs.

Mines Minister, Gwede Mantashe, stated that public consultations on the draft Mining Charter have been extended until the end of August.

Consultancy firm, McKinsey has agreed to repay ZAR902.00mn fee to Eskom for work on a 2016 turnaround programme.

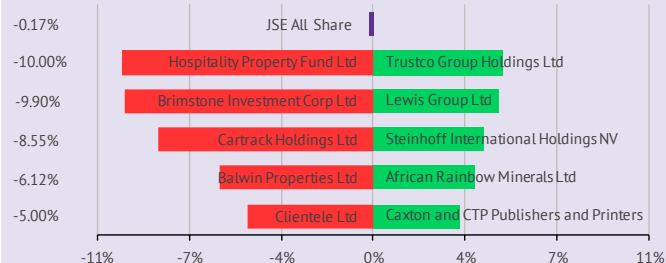
Key indices

	Last close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	57313.88	▼	-100.12	-0.17	NA	-0.52	2.59	-3.68
JSE Top 40	51122.67	▼	-71.31	-0.14	NA	-0.76	3.48	-2.68
FTSE 100	7617.70	▲	14.48	0.19	NA	-0.25	-0.54	-0.91
DAX 30	12496.17	▲	31.88	0.26	NA	1.55	-2.37	-3.26
CAC 40	5375.77	▲	9.45	0.18	NA	0.98	-1.39	1.19
S&P 500	2759.82	▲	23.21	0.85	NA	1.52	0.48	3.22
Nasdaq Composite	7688.39	▲	101.96	1.34	NA	2.37	0.92	11.37
DJIA	24456.48	▲	99.74	0.41	NA	0.76	-0.59	-1.06
MSCI Emerging Markets	1059.97	▲	5.62	0.53	NA	-0.89	-4.57	-8.50
MSCI Developed World	2113.74	▲	17.55	0.84	NA	1.17	-0.17	0.49

South Africa Market ▼

South African markets closed lower

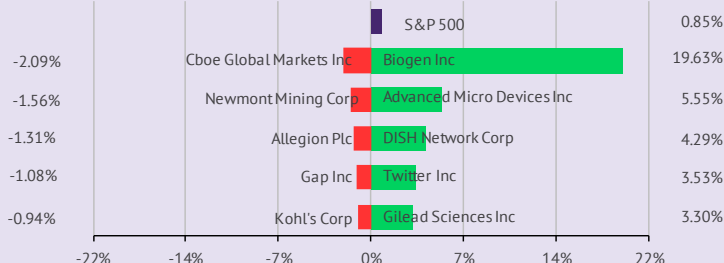
South African markets closed in the red on Friday, weighed down by losses in banking, retail and financial sector stocks. On the data front, SA's gross gold & forex reserves eased in June. The JSE All Share Index fell 0.2% to close at 57,313.88.



US Market ▲

The S&P 500 futures are trading in the green

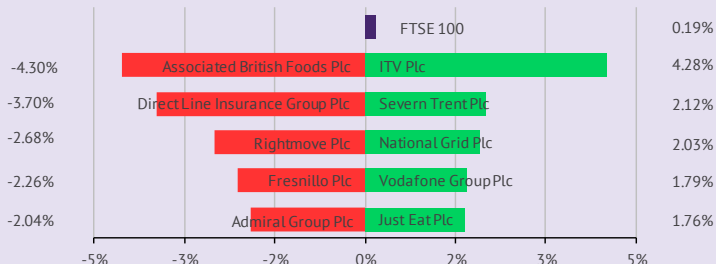
US markets closed higher on Friday, following stronger-than-expected US employment data. Data showed that the US non-farm payrolls rose more-than-expected in June. The S&P 500 Index climbed 0.9% to close at 2,759.82.



UK Market ▲

The FTSE 100 futures are trading in positive territory

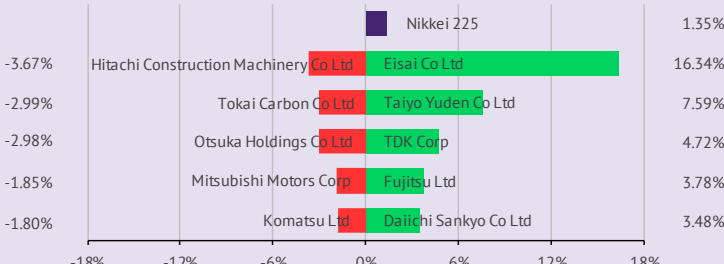
UK markets finished higher on Friday, as investors shrugged off ongoing global trade war concerns. The FTSE 100 Index advanced 0.2% to close at 7,617.70.



Asian Market ▲

Trading higher

Asian markets are trading higher this morning. Data indicated that Japan posted a trade deficit in May. The Nikkei 225 Index is trading 1.4% higher at 22,082.58.



USD ZAR ▼

USD trading lower against ZAR

At 06:00 SAST, the US Dollar is trading 0.2% weaker against the South African Rand at R13.4478. Later in the day, investors would focus on the US consumer credit data for further indication.

The US Dollar fell against the South African Rand on Friday, after the US unemployment rate unexpectedly climbed in June. Further, average hourly earnings rose less than market forecast on a monthly basis in June. On the flipside, the nation's non-farm payrolls recorded a more-than-expected rise in June. Additionally, trade deficit narrowed more than market anticipations to a 19-month low level in May. Separately, in SA, net gross gold & forex reserves registered a decline in June. Additionally, net gold & forex reserves eased in the same month.

GBP ZAR ▼

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound is trading 0.1% lower against the South African Rand at R17.8820. 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. On the data front, UK's Halifax house price index climbed more than market expectations on a monthly basis in June.

EUR ZAR ▼

EUR trading lower against ZAR

At 06:00 SAST, the Euro dropped 0.1% against the South African Rand to trade at R15.8196. Going forward, market participants will keep a tab on Eurozone's Sentix investor confidence index along with Germany's trade balance and current account balance for further direction.

The Euro strengthened against the South African Rand on Friday, after Germany's monthly industrial production recorded a more-than-anticipated advance in May.

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 R10.0326.

The Australian Dollar rose against the South African Rand on Friday.

Key currencies & commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	13.4478	▼	-0.48	NA	-1.84	8.08	8.80
GBPZAR	17.8820	▼	-0.02	NA	-1.31	7.34	7.00
EURZAR	15.8196	▼	0.03	NA	-1.28	7.98	6.57
AUDZAR	10.0326	▲	0.03	NA	-1.57	5.77	3.53
EURUSD	1.1764	▲	0.47	NA	0.53	-0.08	-2.16
GBPUSD	1.3298	▲	0.46	NA	0.58	-0.68	-1.70
Brent (\$/barrel)	77.5	▲	-0.36	NA	-2.68	2.15	15.31
Gold (\$/oz)	1259.7	▲	-0.24	NA	0.10	-3.51	-4.09
Platinum (\$/oz)	844.2	=	0.85	NA	-0.96	-6.34	-9.63
Copper (\$/MT)*	6278.5	▼	-1.03	NA	-5.23	-3.21	-12.88

*As of previous close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.3% higher to trade at \$1,259.70/oz.

On Friday, gold prices fell 0.2% to close at \$1,255.80/oz.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged 0.5% higher to trade at \$77.50/bl.

On Friday, Brent crude oil dropped 0.4% to settle at \$77.11/bl, after Baker Hughes reported that the US oil rig count rose by 5 to 863 in the week ended 6 July 2018.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices marginally fell to trade at \$844.20/oz.

On Friday, platinum prices climbed 0.9% to close at \$844.20/oz.

Major South African corporate news

Old Mutual Limited

The company announced that clients of Allan Gray, have in aggregate, acquired an interest in the ordinary shares of the company such that their total interest in the ordinary shares of the company now amounts to 10.12% of the total issued ordinary shares.

Major global economic news

US

In the US, non-farm payrolls rose more-than-expected by 213.00K in June. Non-farm payrolls had registered a revised increase of 244.00K in the prior month.

In the US, unemployment rate registered an unexpected rise to 4.0% in June, compared to a rate of 3.8% in the previous month.

In the US, trade deficit narrowed more-than-anticipated to USD43.10bn in May, compared to a revised deficit of USD46.10bn in the previous month.

In the US, average hourly earnings of all employees climbed 0.2% on a monthly basis in June, less than market expectations. Average hourly earnings of all employees had advanced 0.3% in the prior month.

Asia

In Japan, trade deficit recorded a reading of JPY303.80bn in May, following a surplus of JPY573.80bn in the prior month.

In Japan, non-seasonally adjusted current account surplus widened to JPY1938.30bn in May, more than market expectations. Japan had posted a surplus of JPY1845.10bn in the prior month.

Eurozone

In Germany, seasonally adjusted industrial production recorded a rise of 2.6% on a monthly basis in May, higher than market expectations. In the previous month, industrial production had recorded a revised drop of 1.3%.

UK

In the UK, the Halifax house price index recorded a more-than-expected rise of 0.3% on a monthly basis in June. In the prior month, the index had advanced by a revised 1.7%.

40 best performers on the All Share Index

Company name	Last close	1 Week % change	MTD % change	YTD % change
Murray & Roberts Holdings Ltd	1750	-0.06	-0.06	44.51
Clover Industries Ltd	1660	1.22	1.22	28.78
Lewis Group Ltd	3150	1.25	1.25	23.45
BHP Billiton Plc	29833	-4.00	-4.00	22.33
Anglo American Plc	30457	-0.93	-0.93	21.88
Mondi Plc	36152	-3.03	-3.03	20.64
Astral Foods Ltd	29970	5.00	5.00	20.06
Reunert Ltd	8081	0.67	0.67	19.71
Mondi Ltd	35993	-3.14	-3.14	19.67
RCL Foods Ltd	1800	4.17	4.17	19.36
Sasol Ltd	50300	0.03	0.03	18.92
Emira Property Fund Ltd	1519	5.93	5.93	18.07
Netcare Ltd	2850	4.81	4.81	17.71
Octodec Investments Ltd	2105	5.25	5.25	17.21
PSG Konsult Ltd	995	3.00	3.00	15.33
AECI Ltd	11000	4.02	4.02	13.42
Pick n Pay Stores Ltd	7693	2.88	2.88	12.84
Trustco Group Holdings Ltd	999	-16.75	-16.75	12.25
EPP NV	1820	4.66	4.66	12.07
Famous Brands Ltd	11500	1.51	1.51	11.66
Hammerson Plc	9793	3.86	3.86	11.59
Santam Ltd	29130	2.06	2.06	11.19
Investec Plc	9924	1.66	1.66	10.56
JSE Ltd	16389	1.10	1.10	10.18
Stenprop Ltd	2065	-1.57	-1.57	9.60
Investec Ltd	9785	1.86	1.86	9.06
Clicks Group Ltd	19379	-1.39	-1.39	8.93
South32 Ltd	3601	-2.17	-2.17	8.89
RDI REIT Plc	641	1.75	1.75	8.76
City Lodge Hotels Ltd	15367	8.36	8.36	8.10
Hudaco Industries Ltd	15110	-0.23	-0.23	7.50
African Oxygen Ltd	2950	-0.67	-0.67	7.25
Telkom SA SOC Ltd	4905	0.02	0.02	6.80
Transaction Capital Ltd	1754	2.57	2.57	6.33
Adcock Ingram Holdings Ltd	6117	1.70	1.70	6.18
Nedbank Group Ltd	26180	4.90	4.90	4.71
Accelerate Property Fund Ltd	538	5.49	5.49	4.47
Redefine Properties Ltd	1070	2.00	2.00	4.29
Hosken Consolidated Investments Ltd	14200	1.54	1.54	3.58
Brait SE	4310	1.22	1.22	3.46
JSE All Share Index	57314	-0.52	-0.52	-3.68

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	01:50	Bank Lending including Trusts (YoY) (Jun)	✓	2.20%*	2.00%	Monthly
Japan	01:50	Bank Lending ex-Trust (YoY) (Jun)	✓	2.10%*	1.90%	Monthly
Japan	01:50	Adjusted Current Account Total (May)	✓	JPY1850.00bn*	JPY1885.50bn	Monthly
Japan	01:50	Current Account n.s.a. (May)	✓	JPY1938.30bn*	JPY1845.10bn	Monthly
Japan	01:50	Trade Balance - BOP Basis (May)	✓✓✓	-JPY303.90bn*	JPY573.80bn	Monthly
Japan	02:30	Kuroda speaks at Branch Managers' Meeting	✓✓✓	-	-	As scheduled
Japan	06:30	Bankruptcies (YoY) (Jun)	✓✓	-2.26%	-4.36%	Monthly
Japan	07:00	Eco Watchers Survey: Current (Jun)	✓✓	48.10	47.10	Monthly
Japan	07:00	Eco Watchers Survey: Outlook (Jun)	✓✓	50.10	49.20	Monthly
Switzerland	07:45	Unemployment Rate n.s.a. (Jun)	✓✓	2.30%	2.40%	Monthly
Switzerland	07:45	Unemployment Rate s.a. (Jun)	✓✓	2.50%	2.60%	Monthly
Germany	08:00	Exports (May)	✓	-	EUR110.30bn	Monthly
Germany	08:00	Imports (May)	✓	-	EUR89.90bn	Monthly
Germany	08:00	Current Account n.s.a. (May)	✓	EUR19.80bn	EUR22.70bn	Monthly
Germany	08:00	Exports s.a. (MoM) (May)	✓	0.70%	-0.30%	Monthly
Germany	08:00	Imports s.a. (MoM) (May)	✓	-0.50%	2.20%	Monthly
Germany	08:00	Trade Balance n.s.a. (May)	✓✓✓	EUR20.20bn	EUR20.40bn	Monthly
UK	09:50	MPC Member Broadbent Speech	✓✓	-	-	As scheduled
Eurozone	10:30	Sentix Investor Confidence (Jul)	✓✓✓	9.00	9.30	Monthly
China	13:00	Composite leading indicator (May)	✓	-	99.10	Monthly
Eurozone	13:00	ECB's Nowotny Speaks in Zurich	✓	-	-	As scheduled
Eurozone	15:00	ECB's Draghi Speaks to European Parliament in Brussels	✓✓✓	-	-	As scheduled
US	15:10	FOMC Member Kashkari Speech	✓✓	-	-	As scheduled
US	21:00	Consumer Credit Change (May)	✓✓	-	USD9.26bn	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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