

ONE Minute Brief

16 July 2018

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Economic and political news

The South African Presidency announced that the United Arab Emirates has pledged to invest USD10bn in South Africa's (SA) economy.

Legal head of SA's Public Investment Corporation (PIC), Ernest Nesana, has resigned with immediate effect after testifying in VBS Bank investigation.

The Democratic Alliance has urged that the police investigation into VBS executives and Vele Bank for alleged corruption be expanded to include the Public Investment Corporation.

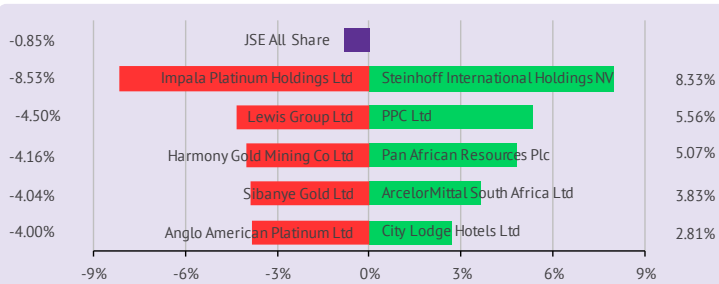
Five mineworkers have died and a sixth is still trapped underground after a fire broke out at a copper mine in Limpopo.

The DA stated that provincial leaders would not serve on its selection panels until the party seeks legal opinion "on its future deliberations".

South Africa Market ▼

South African markets closed lower

South African markets closed in the red on Friday, weighed down by losses in mining, resources and industrial sector stocks. The JSE All Share Index fell 0.9% to close at 56,364.14.



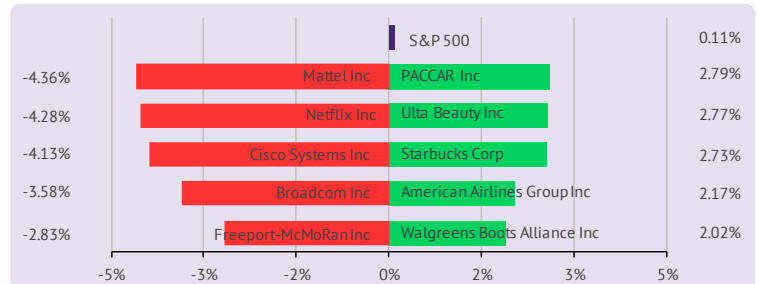
Key indices

	Last close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	56364.14	▼	-485.22	-0.85	NA	-2.16	2.59	-5.28
JSE Top 40	50244.08	▼	-428.30	-0.85	NA	-2.47	3.48	-4.36
FTSE 100	7661.87	▲	10.54	0.14	NA	0.33	-0.54	-0.34
DAX 30	12540.73	▲	47.76	0.38	NA	1.91	-2.37	-2.92
CAC 40	5429.20	▲	23.30	0.43	NA	1.98	-1.39	2.20
S&P 500	2801.31	▲	3.02	0.11	NA	3.05	0.48	4.78
Nasdaq Composite	7825.98	▲	2.06	0.03	NA	4.20	0.92	13.36
DJIA	25019.41	▲	94.52	0.38	NA	3.08	-0.59	1.21
MSCI Emerging Markets	1075.64	▲	5.40	0.50	NA	0.57	-4.57	-7.15
MSCI Developed World	2134.60	▲	3.74	0.18	NA	2.17	-0.17	1.48

US Market ▲

The S&P 500 futures are trading in the green

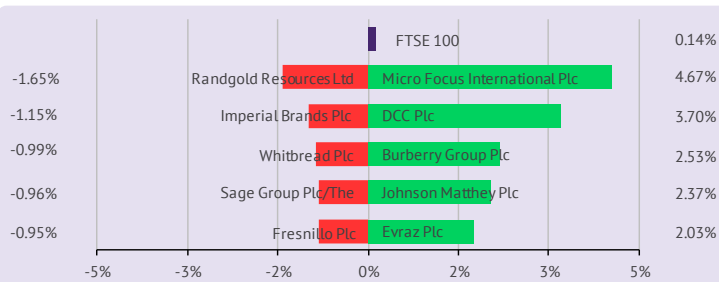
US markets closed higher on Friday, boosted by gains in industrial and energy sector stocks. The S&P 500 Index climbed 0.1% to close at 2,801.31.



UK Market ▲

The FTSE 100 futures are trading in negative territory

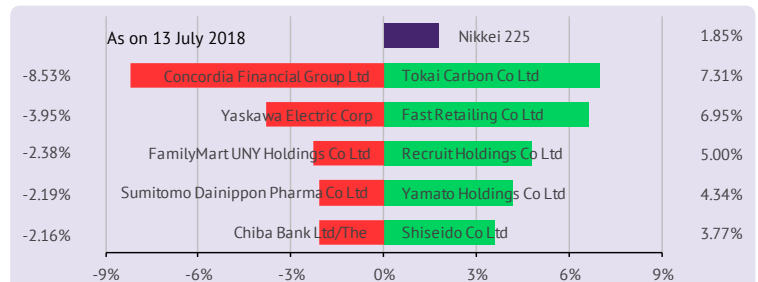
UK markets finished higher on Friday, as the British Pound weakened, following the US President, Donald Trump's comments on Brexit. The FTSE 100 Index advanced 0.1% to close at 7,661.87.



Asian Market ▼

Trading lower

Asian markets are trading lower this morning. On Friday, the Nikkei Index rose 1.9% to close at 22,597.35. Japanese markets are closed today on account of Marine Day.



USD ZAR ▼

USD trading weaker against ZAR

At 06:00 SAST, the US Dollar is trading marginally lower against the South African Rand at R13.2657. Later today, traders will keep a close watch on the US advance retail sales, business inventories and the NY Empire State manufacturing index for further indication.

The US Dollar fell against the South African Rand on Friday. On the data front, the US Michigan consumer sentiment index fell more than market anticipations in July.

GBP ZAR ▲

GBP trading higher against ZAR

At 06:00 SAST, the British Pound is trading 0.1% firmer against the South African Rand at R17.5611. With no major economic news in the UK today, investor sentiment will be determined by global macroeconomic news. Data indicated that UK's Rightmove house price index registered a decline on a monthly basis in July.

The British Pound declined against the South African Rand on Friday, after the US President, Donald Trump threatened that there would be no US-UK trade deal because of Theresa May's Brexit policy.

EUR ZAR ▼

EUR trading lower against ZAR

At 06:00 SAST, the Euro retreated 0.1% against the South African Rand to trade at R15.5007. Going forward, market participants will keep a tab on the Eurozone's trade balance data for further cues.

The Euro weakened against the South African Rand on Friday.

AUD ZAR ▼

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% lower against the South African Rand at R9.8437. Separately, in China, Australia's largest trading partner, gross domestic product (GDP) advanced more than market expectations on a quarterly basis in the second quarter of 2018. Meanwhile, the nation's industrial production eased more-than-anticipated on an annual basis in June. However, annual retail sales climbed more than expected in the same month.

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	13.2657	▼	-0.23	NA	-3.30	8.08	7.18
GBPZAR	17.5611	▲	-0.12	NA	-3.21	7.34	4.94
EURZAR	15.5007	▼	-0.10	NA	-3.27	7.98	4.42
AUDZAR	9.8437	▼	0.01	NA	-3.05	5.77	1.98
EURUSD	1.1684	▼	0.11	NA	0.01	-0.08	-2.67
GBPUSD	1.3238	▲	0.12	NA	0.11	-0.68	-2.15
Brent (\$/barrel)	74.9	▼	1.18	NA	-4.92	2.15	12.65
Gold (\$/oz)	1243.3	▲	-0.43	NA	-1.06	-3.51	-5.20
Platinum (\$/oz)	826.2	=	-1.91	NA	-3.07	-6.34	-11.56
Copper (\$/MT)*	6216.8	▲	0.10	NA	-6.16	-3.21	-13.74

*As of previous close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.2% higher to trade at \$1,243.30/oz.

On Friday, gold prices fell 0.4% to close at \$1,241.20/oz.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil fell 0.5% to trade at \$74.93/bl, as worries over supply disruptions faded and Libyan ports resumed export activities.

On Friday, Brent crude oil advanced 1.2% to settle at \$75.33/bl, as strike actions in Norway and Iraq hit supplies. Separately, Baker Hughes reported that US oil rig count remained unchanged at 863 in the week ended 13 July 2018.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices are trading marginally lower at \$826.20/oz.

On Friday, platinum prices declined 1.9% to close at \$826.20/oz.

Major South African corporate news

Steinhoff International Holdings NV

The company announced that the sale of the Austrian Kika-Leiner operating companies has been completed after the approval of merger clearance from the Austrian competition authorities.

Major global economic news

Asia

In China, GDP rose 1.8% on a quarterly basis in 2Q18, more than market expectations. In the previous quarter, GDP had registered a rise of 1.4%.

In China, retail sales advanced more than market expectations 9.0% on an annual basis in June. Retail sales had climbed 8.5% in the previous month.

In China, industrial production registered a rise of 6.0% on a yearly basis in June, lower than market expectations. In the previous month, industrial production had climbed 6.8%.

US

The Federal Reserve, in its semi-annual Monetary Policy Report, indicated that the US economic activity increased “at a solid pace” over the first half of this year and reiterated the Central Bank’s expectations for gradual rate hikes. However, the report highlighted concerns over domestic and global risks from trade tensions and increasing oil prices.

In the US, the preliminary Michigan consumer sentiment index recorded a more-than-expected drop to 97.10 in July, compared to a reading of 98.20 in the previous month.

UK

In the UK, the Rightmove house price index eased 0.1% on a monthly basis in July. In the previous month, the index had recorded a rise of 0.4%.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
 UK	01:01	Rightmove House Price Index (MoM) (Jul)	✓	-0.10%*	0.40%	Monthly
 UK	01:01	Rightmove House Price Index (YoY) (Jul)	✓	1.40%*	1.70%	Monthly
 China	04:00	Gross Domestic Product (QoQ) (Q2)	✓✓✓	1.80%*	1.40%	Quarterly
 China	04:00	Gross Domestic Product (YoY) (Q2)	✓✓✓	6.70%*	6.80%	Quarterly
 China	04:00	Industrial Production (YoY) (Jun)	✓✓	6.00%*	6.80%	Monthly
 China	04:00	Industrial Production YTD (YoY) (Jun)	✓✓	6.70%*	6.90%	Monthly
 China	04:00	Retail Sales (YoY) (Jun)	✓✓✓	9.00%*	8.50%	Monthly
 China	04:00	Retail Sales YTD (YoY) (Jun)	✓	9.40%*	9.50%	Monthly
 China	04:00	Fixed Assets Inv Excl. Rural YTD (YoY) (Jun)	✓	6.00%*	6.10%	Monthly
 China	04:00	NBS Press Conference	✓✓	-	-	As scheduled
 Eurozone	11:00	Trade Balance n.s.a. (May)	✓✓	EUR17.60bn	EUR16.70bn	Monthly
 Eurozone	11:00	Trade Balance s.a. (May)	✓✓✓	EUR18.60bn	EUR18.10bn	Monthly
 US	14:30	Advance Retail Sales (MoM) (Jun)	✓✓✓	0.50%	0.80%	Monthly
 US	14:30	NY Empire State Manufacturing Index (Jul)	✓✓	21.00	25.00	Monthly
 US	14:30	Retail Sales Ex Auto & Gas (Jun)	✓✓✓	0.40%	0.80%	Monthly
 US	14:30	Retail Sales ex Autos (MoM) (Jun)	✓✓✓	0.30%	0.90%	Monthly
 US	14:30	Retail Sales "Control Group" (MoM) (Jun)	✓✓	0.40%	0.50%	Monthly
 US	16:00	Business Inventories (May)	✓	0.40%	0.30%	Monthly

Note: ✓✓✓High ✓✓Medium ✓Low

40 best performers on the All Share Index

Company name	Last close	1 Week % change	MTD % change	YTD % change
Murray & Roberts Holdings Ltd	1739	-0.63	-0.69	43.60
Clover Industries Ltd	1616	-2.65	-1.46	25.37
Astral Foods Ltd	31107	3.79	8.98	24.62
Reunert Ltd	8096	0.19	0.86	19.93
Emira Property Fund Ltd	1540	1.38	7.39	19.70
Sasol Ltd	50500	0.40	0.43	19.39
RCL Foods Ltd	1790	-0.56	3.59	18.70
Mondi Plc	35568	-1.62	-4.59	18.69
BHP Billiton Plc	28883	-3.18	-7.06	18.43
Mondi Ltd	35546	-1.24	-4.34	18.18
Octodec Investments Ltd	2100	-0.24	5.00	16.93
Lewis Group Ltd	2970	-5.71	-4.53	16.40
Anglo American Plc	28946	-4.96	-5.85	15.83
Netcare Ltd	2792	-2.04	2.68	15.32
EPP NV	1860	2.20	6.96	14.53
AECI Ltd	10869	-1.19	2.78	12.07
Santam Ltd	29360	0.79	2.87	12.07
PSG Konsult Ltd	960	-3.52	-0.62	11.27
Pick n Pay Stores Ltd	7575	-1.53	1.30	11.11
Adcock Ingram Holdings Ltd	6310	3.16	4.90	9.53
City Lodge Hotels Ltd	15490	0.80	9.22	8.96
Famous Brands Ltd	11194	-2.66	-1.19	8.69
South32 Ltd	3591	-0.28	-2.44	8.59
Transaction Capital Ltd	1785	1.77	4.39	8.21
JSE Ltd	15979	-2.50	-1.43	7.43
Accelerate Property Fund Ltd	550	2.23	7.84	6.80
Hammerson Plc	9365	-4.37	-0.68	6.71
Stenprop Ltd	2010	-2.66	-4.19	6.68
Investec Plc	9546	-3.81	-2.21	6.35
Hudaco Industries Ltd	14937	-1.14	-1.37	6.27
Investec Ltd	9501	-2.90	-1.09	5.90
RDI REIT Plc	624	-2.65	-0.95	5.87
Clicks Group Ltd	18709	-3.46	-4.80	5.16
Redefine Properties Ltd	1076	0.56	2.57	4.88
Telkom SA SOC Ltd	4767	-2.81	-2.79	3.80
African Oxygen Ltd	2840	-3.73	-4.38	3.25
Brait SE	4300	-0.23	0.99	3.22
Raubex Group Ltd	2018	2.44	4.13	2.70
Nedbank Group Ltd	25620	-2.14	2.65	2.47
Sappi Ltd	8942	-1.05	-2.27	2.11
JSE All Share Index	56364	-1.66	-2.16	-5.28

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