

ONE Minute Brief

23 July 2018

GTC
consult • partner • manage

Economic and political news

Allies of President, Cyril Ramaphosa have secured key positions in the African National Congress' (ANC) Gauteng leadership.

While speaking at the ANC's Gauteng provincial elective conference in Irene, President, Cyril Ramaphosa, stated that the government will work on a "massive project" to get back the money stolen through corruption.

Suspended SARS Commissioner, Tom Moyane wants President, Cyril Ramaphosa and Public Enterprises Minister, Pravin Gordhan to appear before his disciplinary inquiry so that they can face cross-examination.

Former head of Eskom's legal and compliance department, Suzanne Daniels, has been dismissed from the firm, after she was found guilty of serious misconduct.

According to a news report, the Economic Freedom Fighters (EFF) has accused Public Enterprise Minister, Pravin Gordhan of conducting a reign of terror at state-owned enterprises.

AngloGold Ashanti Chairman, Sipho Pityana, has warned that implementation of the new Mining Charter will hurt South Africa's (SA) already ailing mining industry.

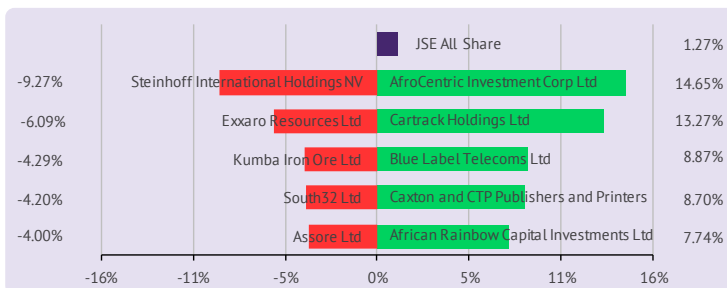
Key indices

	Last close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	56990.20	▲	713.48	1.27	NA	-1.08	2.59	-4.23
JSE Top 40	50904.20	▲	704.50	1.40	NA	-1.19	3.48	-3.10
FTSE 100	7678.79	▼	-5.18	-0.07	NA	0.55	-0.54	-0.12
DAX 30	12561.42	▼	-124.87	-0.98	NA	2.08	-2.37	-2.76
CAC 40	5398.32	▼	-18.75	-0.35	NA	1.40	-1.39	1.61
S&P 500	2801.83	▼	-2.66	-0.09	NA	3.07	0.48	4.80
Nasdaq Composite	7820.20	▼	-5.10	-0.07	NA	4.13	0.92	13.28
DJIA	25058.12	▼	-6.38	-0.03	NA	3.24	-0.59	1.37
MSCI Emerging Markets	1070.07	▲	9.42	0.89	NA	0.05	-4.57	-7.63
MSCI Developed World	2139.17	▲	4.33	0.20	NA	2.39	-0.17	1.70

South Africa Market ▲

South African markets closed higher

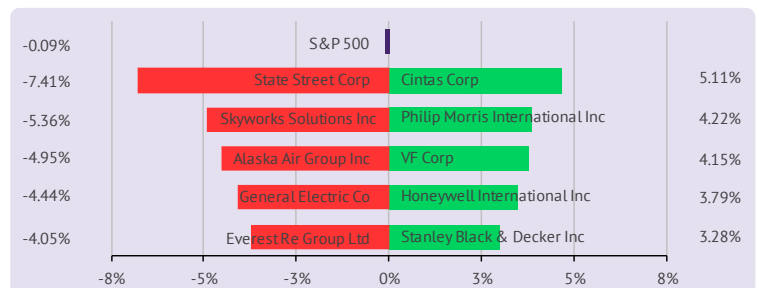
South African markets closed in the green on Friday, boosted by gains in banking, industrial and platinum mining stocks. The JSE All Share Index rose 1.3% to close at 56,990.20.



US Market ▼

The S&P 500 futures are trading in the red

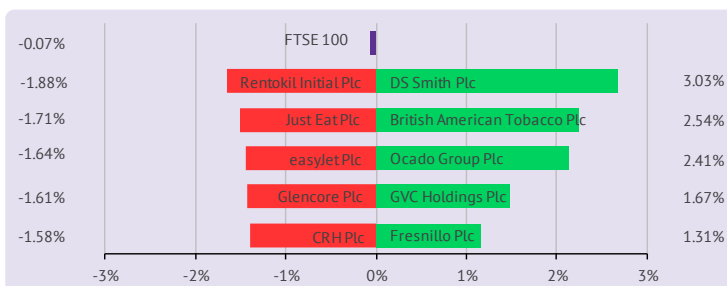
US markets closed lower on Friday, after the US President, Donald Trump, stated that he was ready to impose tariffs on all Chinese imports. The S&P 500 Index dropped 0.1% to close at 2,801.83.



UK Market ▼

The FTSE 100 futures are trading in negative territory

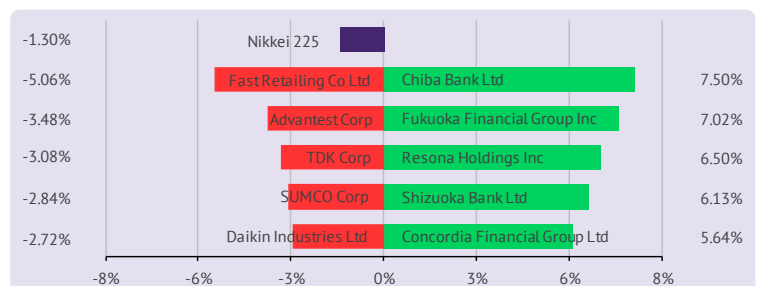
UK markets finished lower on Friday, following the US President, Donald Trump's comments over imposing tariffs on Chinese imports. The FTSE 100 Index declined 0.1% to close at 7,678.79.



Asian Market ▼

Trading mostly lower

Asian markets are trading mostly lower this morning. The Nikkei 225 Index is trading 1.3% lower at 22,402.71.



USD ZAR ▲

USD trading stronger against ZAR

At 06:00 SAST, the US Dollar is trading marginally higher against the South African Rand at R13.4068. Later today, traders will keep a close watch on the US Chicago Fed national activity index and existing home sales for further direction.

The US Dollar fell against the South African Rand on Friday, after President, Donald Trump expressed concerns over the US dollar's strength and amid ongoing trade tensions between the US and China.

GBP ZAR ▲

GBP trading higher against ZAR

At 06:00 SAST, the British Pound advanced 0.1% against the South African Rand to trade at R17.6290. 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, after the European leaders rejected British Prime Minister, Theresa May's latest Brexit proposal. On the data front, UK's public-sector net borrowing recorded a drop in June.

EUR ZAR ▲

EUR trading firmer against ZAR

At 06:00 SAST, the Euro rose 0.2% against the South African Rand to trade at R15.7422. Going forward, market participants will keep a tab on Eurozone's consumer confidence index for further indication.

The Euro weakened against the South African Rand on Friday. On the macro front, Eurozone's current account surplus narrowed in May, reaching its lowest level since March 2015. Separately, Germany's producer price index (PPI) climbed in line with market forecast on an annual balance in June.

AUD ZAR ▲

AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar advanced 0.2% against the South African Rand to trade at R9.9582.

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	13.4068	▲	-0.99	NA	-2.34	8.08	8.25
GBPZAR	17.6290	▲	-0.05	NA	-2.87	7.34	5.30
EURZAR	15.7422	▲	-0.30	NA	-2.00	7.98	5.79
AUDZAR	9.9582	▲	-0.18	NA	-2.22	5.77	2.85
EURUSD	1.1742	▲	0.70	NA	0.34	-0.08	-2.34
GBPUSD	1.3149	▲	0.94	NA	-0.54	-0.68	-2.79
Brent (\$/barrel)	73.0	▼	0.68	NA	-7.77	2.15	9.27
Gold (\$/oz)	1232.4	▲	0.58	NA	-1.87	-3.51	-5.97
Platinum (\$/oz)	823.6	=	2.87	NA	-3.38	-6.34	-11.84
Copper (\$/MT)*	6122.5	▲	1.37	NA	-7.58	-3.21	-15.05

*As of previous close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices advanced 0.1% to trade at \$1,232.40/oz, amid weakness in the US Dollar.

On Friday, gold prices rose 0.6% to close at \$1,231.10/oz, amid weakness in the US Dollar, following Donald Trump's comments over the Federal Reserve's rate hike policy and the US currency's strength.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 0.1% lower to trade at \$72.98/bl.

On Friday, Brent crude oil advanced 0.7% to settle at \$73.07/bl, amid easing concerns about oversupply in the market. Additionally, Baker Hughes reported that US oil rig count fell by 5 to 858 in the week ended 20 July 2018.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices are trading marginally lower at \$823.60/oz.

On Friday, platinum prices climbed 2.9% to close at \$823.60/oz.

Major South African corporate news

Sasol Limited

In its FY18 trading statement, the company announced that its HEPS is expected to be in the range of ZAR5.64 to ZAR9.16, which is a decline of 16.0% to 26.0%, compared to the corresponding period of the preceding year. Further, its EPS is expected to be in the range of ZAR17.46 to ZAR20.80, which is a decline between 52.0% and 62.0%, compared to the same period of the prior year.

Truworths International Limited

In its FY18 trading update, the company announced that its diluted HEPS is expected to decline between 1.0% and 3.0% to be in the range of 601.00c to 615.00c, compared to the corresponding period of the prior year. Further, the retail sales for the company increased by 0.8%, compared to the same period of the preceding year.

Major global economic news

Eurozone










Eurozone's current account surplus fell to EUR22.40bn in May, following a revised current account surplus of EUR29.60bn in the prior month.

In Germany, the PPI registered a rise of 3.0% on an annual basis in June, in line with market expectations. The PPI had advanced 2.7% in the previous month.

UK

In the UK, public-sector net borrowing fell to GBP4.50bn in June, compared to a revised deficit of GBP3.90bn in the prior month.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus	Previous	Frequency
 Switzerland	09:00	M3 Money Supply (YoY) (Jun)	✓	-	2.90%	Monthly
 Canada	14:30	Wholesale Sales (MoM) (May)	✓✓✓	0.70%	0.10%	Monthly
 US	14:30	Chicago Fed National Activity Index (Jun)	✓✓✓	0.25	-0.15	Monthly
 Eurozone	16:00	Consumer Confidence (Jul) (P)	✓✓✓	-0.70	-0.50	Monthly
 US	16:00	Existing Home Sales (Jun)	✓✓✓	5.45mn	5.43mn	Monthly
 US	16:00	Existing Home Sales (MoM) (Jun)	✓✓✓	0.20%	-0.40%	Monthly
 UK	19:00	MPC Member Broadbent Speech	✓✓	-	-	As scheduled
 Germany	-	German Buba Monthly Report	✓	-	-	As scheduled
 Greece	-	Current Account (May)	✓	-	-EUR1.34bn	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	1740	0.06	-0.63	43.68
Emira Property Fund Ltd	1590	3.25	10.88	23.59
Clover Industries Ltd	1580	-2.23	-3.66	22.58
Astral Foods Ltd	30535	-1.84	6.98	22.32
Reunert Ltd	8200	1.28	2.16	21.47
Mondi Plc	36137	1.60	-3.07	20.59
Mondi Ltd	36047	1.41	-2.99	19.85
Octodec Investments Ltd	2140	1.90	7.00	19.16
Sasol Ltd	50284	-0.43	0.00	18.88
RCL Foods Ltd	1775	-0.84	2.72	17.71
BHP Billiton Plc	28534	-1.21	-8.18	17.00
EPP NV	1850	-0.54	6.38	13.92
PSG Konsult Ltd	980	2.08	1.45	13.59
JSE Ltd	16805	5.17	3.66	12.98
Anglo American Plc	28220	-2.51	-8.21	12.93
Netcare Ltd	2728	-2.29	0.32	12.67
Accelerate Property Fund Ltd	580	5.45	13.73	12.62
Lewis Group Ltd	2777	-3.34	-7.72	12.51
Santam Ltd	29220	-0.48	2.38	11.54
AECI Ltd	10700	-1.55	1.18	10.33
Famous Brands Ltd	11300	0.95	-0.26	9.72
Pick n Pay Stores Ltd	7375	-2.64	-1.38	8.18
Adcock Ingram Holdings Ltd	6228	-1.30	3.54	8.11
Hudaco Industries Ltd	15150	1.43	0.03	7.78
Stenprop Ltd	2029	0.95	-3.29	7.69
Nedbank Group Ltd	26890	4.96	7.74	7.55
Investec Plc	9627	0.85	-1.38	7.25
Investec Ltd	9595	0.99	-0.11	6.94
Hammerson Plc	9371	0.06	-0.62	6.78
Cie Financiere Richemont SA	11883	6.43	2.18	6.34
Clicks Group Ltd	18851	0.76	-4.08	5.96
City Lodge Hotels Ltd	15023	-3.01	5.93	5.68
Transaction Capital Ltd	1740	-2.52	1.75	5.48
Telkom SA SOC Ltd	4837	1.47	-1.37	5.32
RDI REIT Plc	620	-0.64	-1.59	5.19
South32 Ltd	3470	-3.37	-5.73	4.93
Sappi Ltd	9168	2.53	0.20	4.69
Standard Bank Group Ltd	19907	2.79	3.75	4.20
Brait SE	4330	0.70	1.69	3.94
Redefine Properties Ltd	1061	-1.39	1.14	3.42
JSE All Share Index	56990	1.11	-1.08	-4.23

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 no. 731

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