

ONE
Minute Brief

29 August 2018



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Economic and political news

South Africa's (SA) parliament has withdrawn an expropriation bill passed in 2016 for redrafting.

British Prime Minister, Theresa May, stated that Britain would support SA's land reform programme provided it would be carried out legally.

Solidarity union has threatened to strike at Sasol over the company's plan to launch a share ownership scheme exclusively for black staff.

Eskom's Chairperson, Jabu Mabuza, stated that the firm has cancelled its plans to convert some of its Public Investment Corporation (PIC) debt to equity.

Eskom's Chief Executive Officer, Phakamani Radebe, stated that the company will sue Gupta-linked firm, Trillian to recover ZAR600mn later this year.

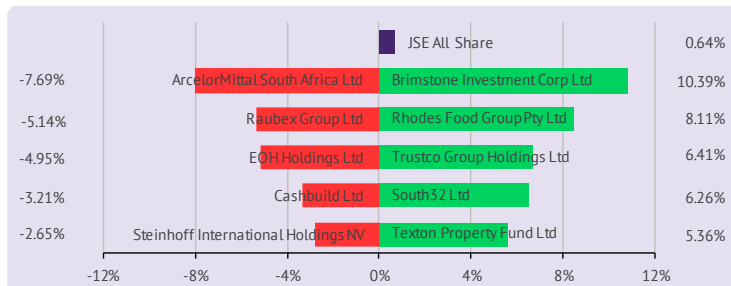
Key indices

	Last close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	60039.27	▲	383.71	0.64	2.11	4.54	-0.31	0.90
JSE Top 40	53883.33	▲	328.72	0.61	2.16	5.01	-0.39	2.57
FTSE 100	7617.22	▲	39.73	0.52	0.52	-1.70	1.46	-0.92
DAX 30	12527.42	▼	-10.89	-0.09	1.07	-2.17	4.06	-3.02
CAC 40	5484.99	▲	5.89	0.11	0.97	-0.48	3.53	3.25
S&P 500	2897.52	▲	0.78	0.03	0.79	2.88	3.60	8.37
Nasdaq Composite	8030.04	▲	12.14	0.15	1.06	4.67	2.15	16.32
DJIA	26064.02	▲	14.38	0.06	1.06	2.55	4.71	5.44
MSCI Emerging Markets	1070.62	▲	1.48	0.14	1.95	-1.55	1.68	-7.58
MSCI Developed World	2182.51	▲	2.56	0.12	0.97	1.37	3.05	3.76

South Africa Market ▲

South African markets closed higher

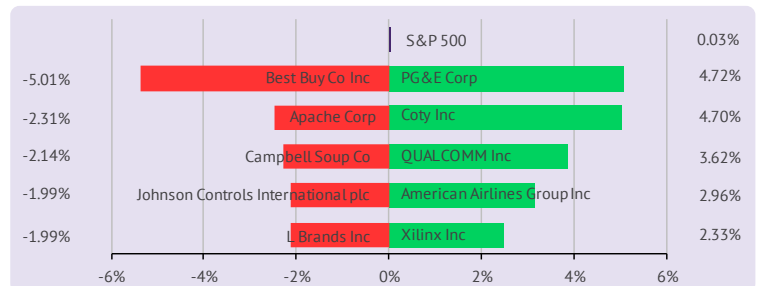
South African markets closed in the green yesterday, on easing global trade tensions and supported by gains in banking and retail sector stocks. The JSE All Share Index rose 0.6% to close at 60,039.27.



US Market ▲

The S&P 500 futures are trading in the green

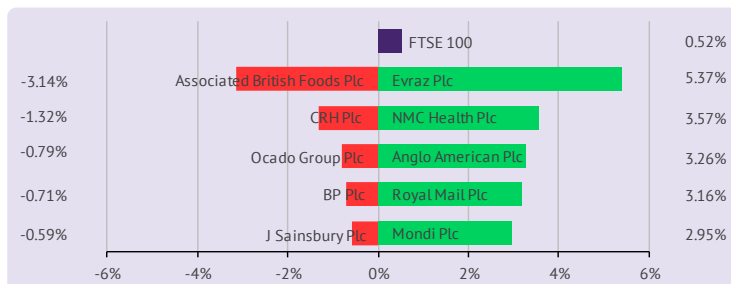
US markets closed higher yesterday, on improved investor sentiment and as trade war fears eased, following the US-Mexico trade deal. Data indicated that the consumer confidence index unexpectedly rose in August. The S&P 500 Index marginally advanced to close at 2,897.52.



UK Market ▲

The FTSE 100 futures are trading in positive territory

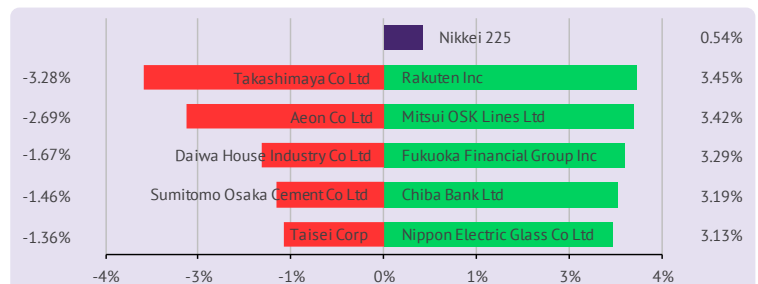
UK markets finished higher yesterday, as the US-Mexico trade agreement boosted gains in mining sector stocks. The FTSE 100 Index advanced 0.5% to close at 7,617.22.



Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning. The Nikkei 225 Index is trading 0.5% higher at 22,935.59.



USD ZAR ▼

USD trading lower against ZAR

At 06:00 SAST, the US Dollar is trading slightly weaker against the South African Rand at R14.2236. Later today, traders will keep a close watch on the US gross domestic product, the MBA mortgage applications and pending home sales data for further direction.

The US Dollar rose against the South African Rand yesterday. On the macro front, the US the consumer confidence index surprised with a rise in August, notching its highest level since October 2000. Additionally, the Richmond Fed manufacturing activity index unexpectedly advanced in the same month. In contrast, advance goods trade deficit widened more than market forecast in July.

GBP ZAR ▼

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound is trading marginally lower against the South African Rand at R18.3029. On the data front, UK's BRC shop price index rebounded on an annual basis in August, recording its first rise in five years.

The British Pound advanced against the South African Rand yesterday.

EUR ZAR ▼

EUR trading lower against ZAR

At 06:00 SAST, the Euro is trading slightly weaker against the South African Rand at R16.6317. Going forward, market participants will keep a tab on Germany's GfK consumer confidence index for further indication.

The Euro strengthened against the South African Rand yesterday.

AUD ZAR ▲

AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar marginally advanced against the South African Rand to trade at R10.4434.

The Australian Dollar rose against the South African Rand yesterday. Data revealed that Australia's ANZ Roy Morgan weekly consumer confidence index recorded a rise in the week ended 26 August 2018.

Key currencies & commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	14.2236	▼	0.45	0.57	7.17	-3.28	14.90
GBPZAR	18.3029	▼	0.26	-0.01	5.10	-3.90	9.50
EURZAR	16.6317	▼	0.60	0.67	7.22	-3.22	12.01
AUDZAR	10.4434	▲	0.32	-0.06	5.92	-3.03	8.04
EURUSD	1.1694	▼	0.15	0.63	0.03	0.06	-2.58
GBPUSD	1.2868	▼	-0.15	0.21	-1.91	-0.63	-4.74
Brent (\$/barrel)	76.0	=	-0.34	0.17	2.34	-6.34	13.58
Gold (\$/oz)	1210.2	▲	-0.13	0.09	-1.33	-2.46	-7.78
Platinum (\$/oz)	793.8	▼	-1.11	0.75	-5.97	-0.77	-14.87
Copper (\$/MT)*	6135.0	▲	0.71	0.71	-2.30	-5.22	-14.87

*As of previous close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.2% higher to trade at \$1,210.20/oz.

Yesterday, gold prices fell 0.1% to close at \$1,207.40/oz, as the US treasuries rose, after the US and Mexico signed a trade agreement.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged marginally lower to trade at \$75.95/bl, after the American Petroleum Institute reported that crude oil inventories advanced 38,000 bls in the week ended 24 August 2018.

Yesterday, Brent crude oil dropped 0.3% to settle at \$75.95/bl, amid profit booking.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices fell 0.2% to trade at \$793.80/oz.

Yesterday, platinum prices declined 1.1% to close at \$795.30/oz.

Major South African corporate news

Brimstone Investment Corporation Limited

In its 1H18 results, the company stated that its revenues increased to ZAR1.37bn, compared to ZAR1.31bn posted in the corresponding period of the prior year. Its diluted loss per share stood at 117.70c, compared to 101.60c recorded in the same period of the previous year. The company has not declared an interim dividend for the period. Separately, the company announced that its subsidiary, Sea Harvest Group Limited has acquired the entire issued share capital of Ladismith Cheese Company Proprietary Limited for a cash consideration of ZAR527.00mn, through its wholly-owned subsidiary, Cape Harvest Food Group Proprietary Limited.

Cashbuild Limited

In its FY18 results, the company announced that its revenues increased to ZAR10.21bn, compared to ZAR9.73bn posted in the corresponding period of the previous year. Its diluted EPS fell 10.0% to 1,851.30c, compared to the same period of the prior year. The company has declared a final dividend of 346.00c per share, compared to 390.00c per share recorded in the comparable period of the preceding year.

Major global economic news

US

In the US, advance goods trade deficit widened more-than-expected to USD72.20bn in July, compared to a revised deficit of USD67.92bn in the prior month.

In the US, the consumer confidence index unexpectedly rose to a level of 133.40 in August, compared to a revised reading of 127.90 in the prior month.

In August, the Richmond Fed manufacturing index registered an unexpected rise to a level of 24.00 in the US, compared to a level of 20.00 in the previous month.

UK

In the UK, the BRC shop price index recorded a rise of 0.1% on an annual basis in August, compared to a fall of 0.3% in the previous month.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
UK	01:01	BRC Shop Price Index (YoY) (Aug)	✓✓✓	0.10%*	-0.30%	Monthly
Japan	03:30	BoJ Suzuki speaks in Naha	✓	-	-	As scheduled
Japan	07:00	Consumer Confidence Index (Aug)	✓✓	43.30	43.50	Monthly
Germany	08:00	GfK Consumer Confidence Survey (Sep)	✓✓✓	10.60	10.60	Monthly
US	13:00	MBA Mortgage Applications (24-Aug)	✓	-	4.20%	Weekly
US	14:30	Gross Domestic Product Annualised (QoQ) (Q2) (S)	✓✓✓	4.00%	4.10%**	Quarterly
US	14:30	Gross Domestic Purchases Price Index (QoQ) (Q2) (S)	✓✓✓	3.00%	3.00%**	Quarterly
US	14:30	Personal Consumption (QoQ) (Q2) (S)	✓✓✓	3.90%	4.00%**	Quarterly
US	14:30	Personal Consumption Expenditure Core (QoQ) (Q2) (S)	✓✓✓	2.00%	2.00%**	Quarterly
US	16:00	Pending Home Sales (MoM) (Jul)	✓✓	0.30%	0.90%	Monthly
US	16:00	Pending Home Sales (YoY) (Jul)	✓	-2.50%	-4.00%	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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