

# ONE Minute Brief

20 August 2018

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## Economic and political news

The leader of Economic Freedom Fighters, Julius Malema, has introduced a bill to nationalise the South African Reserve Bank (SARB). Meanwhile, the central bank stated that a proposed amendment bill aimed at nationalising the institution would have no impact on its independence or primary mandate of price stability.

The South African Municipal Workers' Union (Samwu) and the South African Local Government Association (Salga) have agreed to a 7.0% salary hike for municipal workers.

A South African judicial commission investigating the alleged state capture during former President Jacob Zuma's rule will begin public hearings from today.

Servants Association (PSA) has called for the appointment of a new Public Investment Corporation (PIC) board and stated that it should include labour representatives.

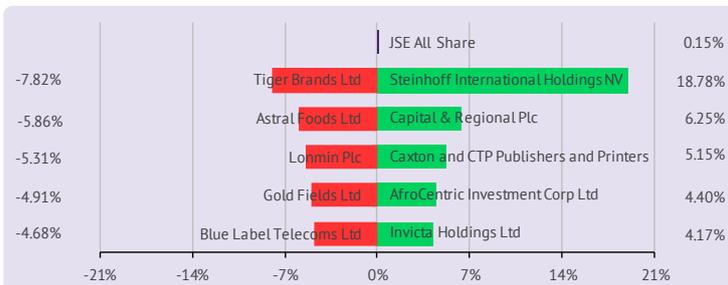
The commission of inquiry into tax administration and governance at the South African Revenue Service will resume public hearings from tomorrow.

Tshwane Mayor, Solly Msimanga, has been chosen as the Democratic Alliance's Gauteng premier candidate.

## South Africa Market ▲

### South African markets closed higher

South African markets closed in the green on Friday, boosted by gains in platinum mining and industrial sector stocks. The JSE All Share Index rose 0.2% to close at 56,647.52.



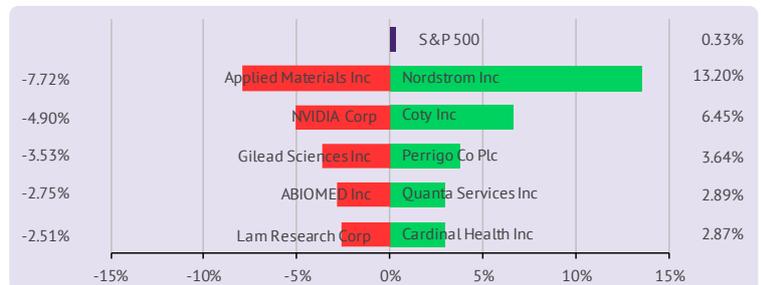
## Key indices

	Last close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	56647.52	▲	85.18	0.15	NA	-1.37	-0.31	-4.80
JSE Top 40	50601.89	▲	95.51	0.19	NA	-1.39	-0.39	-3.68
FTSE 100	7558.59	▲	2.21	0.03	NA	-2.45	1.46	-1.68
DAX 30	12210.55	▼	-26.62	-0.22	NA	-4.65	4.06	-5.47
CAC 40	5344.93	▼	-4.09	-0.08	NA	-3.02	3.53	0.61
S&P 500	2850.13	▲	9.44	0.33	NA	1.20	3.60	6.60
Nasdaq Composite	7816.33	▲	9.81	0.13	NA	1.88	2.15	13.22
DJIA	25669.32	▲	110.59	0.43	NA	1.00	4.71	3.84
MSCI Emerging Markets	1022.94	▲	1.37	0.13	NA	-5.93	1.68	-11.70
MSCI Developed World	2138.11	▲	7.06	0.33	NA	-0.70	3.05	1.65

## US Market ▲

### The S&P 500 futures are trading in the red

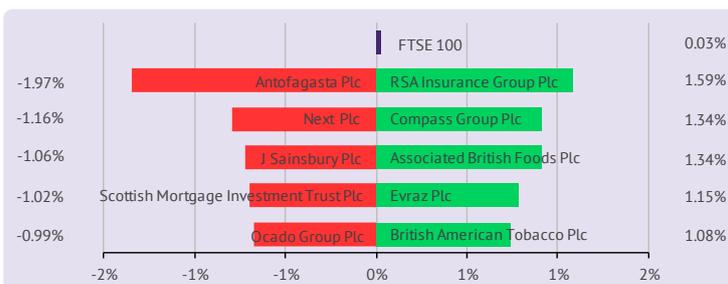
US markets closed higher on Friday, after a news emerged that the US President, Donald Trump and Chinese leader, Xi Jinping would discuss a trade deal in November. The S&P 500 Index climbed 0.3% to close at 2,850.13.



## UK Market ▲

### The FTSE 100 futures are trading in negative territory

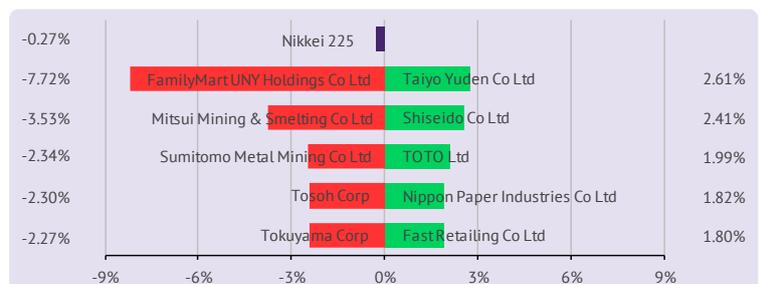
UK markets finished higher on Friday, supported by gains in mining sector stocks. The FTSE 100 Index marginally advanced to close at 7,558.59.



## Asian Market ▲

### Trading mostly higher

Asian markets are trading mostly higher, amid optimism over US-China trade talks. The Nikkei 225 Index is trading 0.3% lower at 22,209.25.



## USD ZAR ▲

### USD trading higher against ZAR

At 06:00 SAST, the US Dollar rose 0.1% against the South African Rand to trade at R14.6544. With no major economic news in the US today, investor sentiment will be determined by global macroeconomic news.

The US Dollar fell against the South African Rand on Friday. Data indicated that the US leading index advanced more than market forecast in July. Meanwhile, the Michigan consumer sentiment index recorded an unexpected drop in August, marking its weakest reading since September 2017.

## GBP ZAR ▼

### GBP trading lower against ZAR

At 06:00 SAST, the British Pound slightly dropped against the South African Rand to trade at R18.6799. Data revealed that the UK's Rightmove house price index declined on a monthly basis in August.

The British Pound declined against the South African Rand on Friday, amid ongoing Brexit concerns.

## EUR ZAR ▲

### EUR trading higher against ZAR

At 06:00 SAST, the Euro is trading marginally firmer against the South African Rand at R16.7505. Going forward, market participants will keep a tab on the Eurozone's construction output and Germany's producer price index for further direction.

The Euro weakened against the South African Rand on Friday. On the data front, the Eurozone's consumer price index (CPI) climbed in line with market expectations on an annual basis in July, marking its highest level since December 2012. Further, current account balance recorded a steady reading in June.

## AUD ZAR ▼

### AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar declined 0.1% against the South African Rand to trade at R10.7099.

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	14.6544	▲	-0.67	NA	10.27	-3.28	18.21
GBPZAR	18.6799	▼	-0.29	NA	7.23	-3.90	11.73
EURZAR	16.7505	▲	-0.11	NA	7.92	-3.22	12.75
AUDZAR	10.7099	▼	0.15	NA	8.74	-3.03	10.91
EURUSD	1.1430	▼	0.54	NA	-2.16	0.06	-4.72
GBPUSD	1.2747	▼	0.26	NA	-2.86	-0.63	-5.65
Brent (\$/barrel)	71.6	▼	0.56	NA	-3.21	-6.34	7.42
Gold (\$/oz)	1192.6	▲	0.03	NA	-3.86	-2.46	-10.14
Platinum (\$/oz)	789.5	▲	-0.92	NA	-8.10	-0.77	-16.80
Copper (\$/MT)*	5889.5	▼	-0.19	NA	-6.21	-5.22	-18.28

\*As of previous close

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices edged 1.4% higher to trade at \$1,192.60/oz.

On Friday, gold prices marginally rose to close at \$1,176.50/oz, amid weakness in the US Dollar, following news that US-China would resume trade talks.

## Brent Crude Oil ▼

### Trading weaker

At 06:00 SAST, Brent crude oil declined 0.4% to trade at \$71.56/bl, amid concerns over slowing economic growth.

On Friday, Brent crude oil advanced 0.6% to settle at \$71.83/bl, amid reports the US and China are planning to resolve trade war later this year. Separately, Baker Hughes reported that US oil rig count remained unchanged at 869 in the week ended 17 August 2018.

## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices advanced 1.6% to trade at \$789.50/oz.

On Friday, platinum prices declined 0.9% to close at \$777.30/oz.

## Major South African corporate news

### Coronation Fund Managers Limited

The company announced that it has received formal notification that clients of Allan Gray Proprietary Limited have, in aggregate, acquired an interest in the ordinary shares of the company, such that the total interest in the ordinary shares of the company held by Allan Gray's clients now amounts to 5.1% of the total issued ordinary shares of the company.

### Harmony Gold Mining Co Limited

In its FY18 trading statement, the company announced that it expects HEPS to be in the range of 164.00c to 179.00c, a 40.0% to 45.0% decrease compared to the same period of the prior year. Further, the company expects loss per share to be between 995.00c and 1,011.00c, which is more than 100.0% lower compared to the corresponding period of the preceding year.

## Major global economic news

### US

In the US, leading indicator rose 0.6% on a monthly basis in July, higher than market expectations. Leading indicator had risen 0.5% in the previous month.

In the US, the preliminary Michigan consumer sentiment index unexpectedly eased to 95.30 in August. The index had registered a reading of 97.90 in the previous month.

### Eurozone

In the Eurozone, the final CPI rose 2.1% on an annual basis in July, at par with market expectations. In the previous month, the CPI had climbed 2.0%. The preliminary figures had also indicated a rise of 2.1%.

In the Eurozone, seasonally adjusted current account surplus remained unchanged at a level of EUR24.00bn of in June.

### UK

In the UK, the Rightmove house price index dropped 2.3% on a monthly basis in August. In the prior month, the index had registered a drop of 0.1%.

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
 UK	01:01	Rightmove House Price Index (MoM) (Aug)	✓	-2.30%*	-0.10%	Monthly
 UK	01:01	Rightmove House Price Index (YoY) (Aug)	✓	1.10%*	1.40%	Monthly
 Germany	08:00	Producer Price Index (YoY) (Jul)	✓✓✓	3.00%	3.00%	Monthly
 Germany	08:00	Producer Price Index (MoM) (Jul)	✓✓✓	0.20%	0.30%	Monthly
 Japan	09:00	Convenience Store Sales (YoY) (Jul)	✓	-	1.10%	Monthly
 Eurozone	11:00	Construction Output s.a. (MoM) (Jun)	✓✓✓	-	0.30%	Monthly
 Eurozone	11:00	Construction Output w.d.a. (YoY) (Jun)	✓	-	1.80%	Monthly
 Canada	14:15	BoC Wilkins Speech	✓✓	-	-	As scheduled
 US	17:00	Fed's Bostic Speaks on U.S. Economic Outlook in Tennessee	✓	-	-	As scheduled

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	1687	-1.80	-6.64	39.31
Clover Industries Ltd	1696	-6.92	3.79	31.58
Mondi Plc	39245	0.66	8.75	30.96
Mondi Ltd	39258	0.97	8.72	30.64
Sasol Ltd	52850	0.19	1.99	24.95
BHP Billiton Plc	30450	0.32	0.78	24.86
Emira Property Fund Ltd	1550	-1.02	-0.90	20.48
Anglo American Platinum Ltd	41083	-3.03	2.50	18.43
Anglo American Plc	28749	-0.98	-1.14	17.81
Stenprop Ltd	2137	4.50	10.15	17.50
Santam Ltd	30500	0.00	1.00	16.42
EPP NV	1880	1.08	2.34	15.76
PSG Konsult Ltd	974	-1.12	-2.11	12.90
Adcock Ingram Holdings Ltd	6499	-0.38	1.15	12.81
Octodec Investments Ltd	2024	-3.57	0.50	12.70
Reunert Ltd	7591	-7.28	-6.97	12.45
Trustco Group Holdings Ltd	1000	12.36	12.99	12.36
Cie Financiere Richemont SA	12515	2.06	8.68	11.99
Netcare Ltd	2704	-2.10	0.00	11.68
RCL Foods Ltd	1680	-1.18	-2.04	11.41
Astral Foods Ltd	27544	-2.48	-5.67	10.34
Sappi Ltd	9606	-4.80	2.35	9.70
South32 Ltd	3613	-2.40	2.44	9.25
Investec Plc	9389	1.02	-1.69	7.20
Telkom SA SOC Ltd	4876	-2.07	-3.23	6.17
Lewis Group Ltd	2620	-4.06	-12.37	6.15
RDI REIT Plc	625	3.65	2.80	6.04
Raubex Group Ltd	2073	-1.29	4.43	5.50
Investec Ltd	9220	0.42	-3.08	5.30
Clicks Group Ltd	18725	-1.45	-3.11	5.25
African Oxygen Ltd	2894	-7.54	2.15	5.21
AECI Ltd	10170	-2.93	-3.92	4.87
Hudaco Industries Ltd	14543	3.88	0.28	4.84
Hammerson Plc	9186	1.19	1.87	4.67
Pick n Pay Stores Ltd	7112	-2.70	-4.52	4.32
JSE Ltd	15492	-0.05	-6.84	4.15
Nedbank Group Ltd	25896	0.82	-5.09	3.57
Transaction Capital Ltd	1700	0.12	-1.11	3.05
Texton Property Fund Ltd	610	1.67	3.21	3.05
Accelerate Property Fund Ltd	502	-3.46	-4.38	2.86
<b>JSE All Share Index</b>	<b>56648</b>	<b>-1.83</b>	<b>-1.37</b>	<b>-4.80</b>

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