

# ONE Minute Brief

22 August 2018

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## Economic and political news

In South Africa (SA), the leading indicator recorded a rise to 107.10 in June, compared to a reading of 105.90 in May.

The National Union of Mineworkers (NUM) stated that wage negotiations in the gold sector were at a deadlock and that the union had declared a dispute. Meanwhile, the Chamber of Mines indicated that talks were still in progress.

Agricultural industry body, Agri SA stated that the African National Congress had committed that it would not allow land grabs to take place.

Eskom stated that it had secured about ZAR48.8bn in funding for the current financial year and the rest ZAR23.2bn would come from a variety of sources.

SABC's Chief Financial Officer, Yolande van Biljon, stated that the firm's current debt is close to ZAR700mn.

Parliament has summoned Steinhoff's former Chief Executive, Markus Jooste, and Ben la Grange, ex-Chief Financial Officer, to provide evidence into the inquiry over the accounting scandal at the firm.

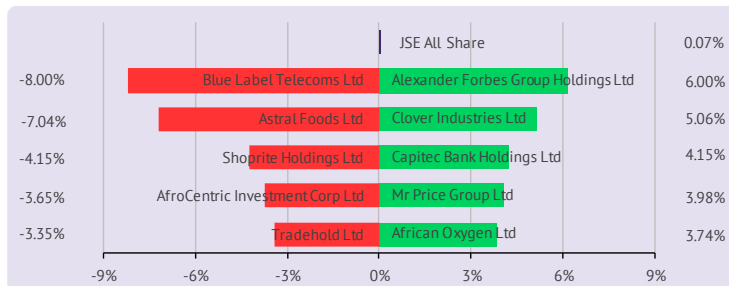
## Key indices

	Last close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	57186.66	▲	41.04	0.07	0.95	-0.43	-0.31	-3.90
JSE Top 40	51125.84	▲	24.31	0.05	1.04	-0.37	-0.39	-2.68
FTSE 100	7565.70	▼	-25.56	-0.34	0.09	-2.36	1.46	-1.59
DAX 30	12384.49	▲	53.19	0.43	1.42	-3.29	4.06	-4.13
CAC 40	5408.60	▲	28.95	0.54	1.19	-1.86	3.53	1.81
S&P 500	2862.96	▲	5.91	0.21	0.45	1.66	3.60	7.08
Nasdaq Composite	7859.17	▲	38.17	0.49	0.55	2.44	2.15	13.85
DJIA	25822.29	▲	63.60	0.25	0.60	1.60	4.71	4.46
MSCI Emerging Markets	1044.31	▲	10.66	1.03	2.09	-3.97	1.68	-9.85
MSCI Developed World	2151.79	▲	6.55	0.31	0.64	-0.06	3.05	2.30

## South Africa Market ▲

### South African markets closed higher

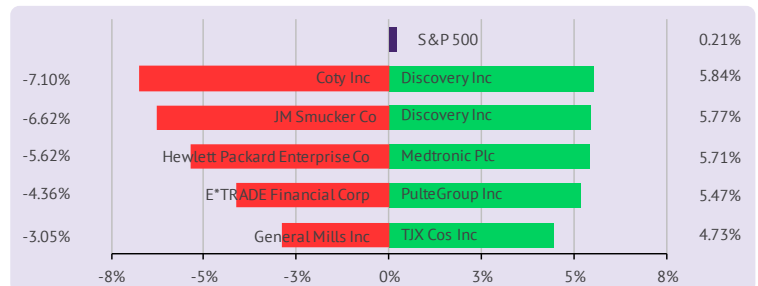
South African markets closed in the green yesterday, boosted by gains in gold, retail and banking sector stocks. Data showed that SA's leading index climbed in June. The JSE All Share Index rose 0.1% to close at 57,186.66.



## US Market ▲

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

US markets closed firmer yesterday, amid upbeat corporate earnings report and on optimism over the US-China trade talks. The S&P 500 Index climbed 0.2% to close at 2,862.96.



## UK Market ▼

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

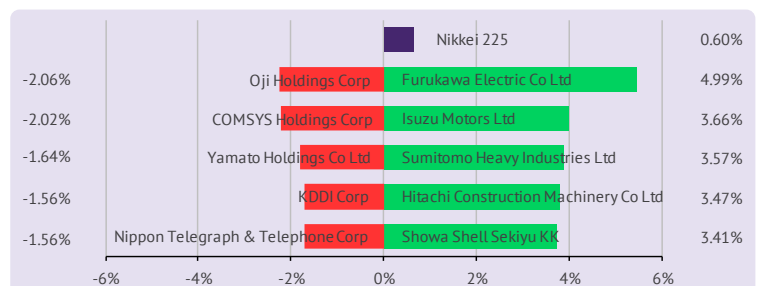
UK markets finished lower yesterday, weighed down by losses in shares of BHP Billiton. The FTSE 100 Index declined 0.3% to close at 7,565.70.



## Asian Market ▲

### Trading mostly higher

Asian markets are trading mostly higher this morning. The Nikkei 225 Index is trading 0.6% higher at 22,353.50.



## USD ZAR ▼

### USD trading lower against ZAR

At 06:00 SAST, the US Dollar retreated 0.1% against the South African Rand to trade at R14.3841. Later today, traders will keep a close watch on the FOMC meeting minutes along with the US MBA mortgage applications and existing home sales for further direction.

The US Dollar fell against the South African Rand yesterday, following the US President, Donald Trump's comments over Federal Reserve's interest rate hike policy. Separately, in SA, leading indicator advanced in June.

## GBP ZAR ▲

### GBP trading stronger against ZAR

At 06:00 SAST, the British Pound is trading marginally higher against the South African Rand at R18.5670. 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 yesterday. On the data front, UK's public sector net borrowing posted a more-than-anticipated surplus in July.

## EUR ZAR ▼

### EUR trading lower against ZAR

At 06:00 SAST, the Euro is trading slightly weaker against the South African Rand at R16.6472. Amid no major economic news across the Eurozone today, market sentiment will be determined by global macroeconomic news.

The Euro weakened against the South African Rand yesterday.

## AUD ZAR ▼

### AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.2% lower against the South African Rand at R10.5792. Earlier in the session, Australia's Westpac leading index rose in line with market expectations on a monthly basis in July.

The Australian Dollar declined against the South African Rand yesterday.

## Key currencies & commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	14.3841	▼	-0.92	-1.67	8.43	-3.28	16.24
GBPZAR	18.5670	▲	-0.13	-0.62	6.57	-3.90	11.03
EURZAR	16.6472	▼	-0.14	-0.56	7.31	-3.22	12.11
AUDZAR	10.5792	▼	-0.56	-1.08	7.56	-3.03	9.71
EURUSD	1.1573	▲	0.78	1.16	-1.03	0.06	-3.62
GBPUSD	1.2907	▲	0.80	1.19	-1.70	-0.63	-4.53
Brent (\$/barrel)	72.8	▲	0.58	1.11	-2.13	-6.34	8.61
Gold (\$/oz)	1201.8	▲	0.49	1.37	-2.54	-2.46	-8.91
Platinum (\$/oz)	795.7	▲	-0.11	2.02	-6.24	-0.77	-15.11
Copper (\$/MT)*	6018.0	▲	0.95	2.18	-4.16	-5.22	-16.50

\*As of previous close

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices advanced 0.8% to trade at \$1,201.80/oz.

Yesterday, gold prices rose 0.5% to close at \$1,192.60/oz, as the US Dollar weakened against its major counterparts, following the US President, Donald Trump's comments over the Federal Reserve's interest rate policy.

## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil edged 0.3% higher to trade at \$72.83/bl, after the American Petroleum Institute reported that crude oil inventories declined by 5.2mn bls in the week ended 17 August 2018.

Yesterday, Brent crude oil advanced 0.6% to settle at \$72.63/bl, amid ongoing concerns over the US sanctions against Iran.

## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices climbed 0.3% to trade at \$795.70/oz.

Yesterday, platinum prices declined 0.1% to close at \$793.00/oz.

## Major South African corporate news

### Adcock Ingram Holdings Limited

In its FY18 trading statement, the company stated that the company expects EPS to be in the range of 380.00c and 385.00c, an increase of 14.1% to 15.7%, compared to the same period of the preceding year. Further, the HEPS is expected to be between 380.00c and 390.00c, a rise of 21.6% to 24.8%, compared to the corresponding period of the prior year.

### Imperial Holdings Limited

In its FY18 results, the company revealed that its revenues advanced 3.0% to ZAR51.30bn, compared to the same period of the preceding year. Its diluted EPS stood at 463.00c, compared to 401.00c recorded in the corresponding period of the previous year. The company has declared an annual dividend of 710.00c per share compared to 650.00c per share posted in the same period of the prior year.

### BHP Billiton Plc

In its FY18 results, the company stated that its revenues increased to USD43.64bn, compared to USD36.14bn posted in the corresponding period of the previous year. Its diluted EPS fell to 69.40c, compared to 110.40c recorded in the same period of the prior year. The company has declared an annual dividend of 63.00c per share. For FY19, the company expects productivity gains of USD1.00bn, with strong momentum to be carried into FY20.

### Shoprite Holdings Limited

In its FY18 results, the company reported that its revenues advanced 3.1% to ZAR145.31bn, compared to the same period of the preceding year. Its diluted EPS stood at 933.40c, compared to 31.90c recorded in the corresponding period of the previous year. The company has declared an annual dividend of 279.00c compared to 324.00c recorded in the comparable period of the prior year. For FY19, the company expects to remain robust and profitable and continue to attract more customers and win market share.

### Harmony Gold Mining Co Limited

In its FY18 results, indicated that its revenues rose to ZAR20.36mn, compared to ZAR19.26mn posted in the corresponding period of the previous year. Its loss per share stood at 1,004.00c, compared to a diluted EPS of 79.00c recorded in the same period of the preceding year.

### Steinhoff International Holdings NV

The company announced that the terms of a lock-up agreement with respect to the implementation of the potential restructuring of the financial indebtedness of Hemisphere International Holdings B.V. had become effective in accordance with its terms. The company and the Hemisphere Lenders are continuing discussions on implementation of the restructuring of the financial indebtedness of Hemisphere. The parties to the Hemisphere LUA are now seeking to execute the material documents required to implement the Hemisphere Restructuring by 24 August 2018.

## Major global economic news

### Asia

In Australia, the Westpac leading index registered a rise of 0.01% on a monthly basis in July. In the previous month, the index had climbed by a revised 0.13%.

In Japan, the all industry activity index fell 0.8% on a monthly basis in June, compared to a rise of 0.1% in the previous month.

### UK

In the UK, public-sector net borrowing has reported a more-than-expected surplus of GBP2.90bn in July, from a revised deficit of GBP3.30bn in the prior month.

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	06:30	All Industry Activity Index (MoM) (Jun)	✓✓✓	-0.80%*	0.10%	Monthly
South Africa	10:00	Consumer Price Index (MoM) (Jul)	✓✓	0.80%	0.40%	Monthly
South Africa	10:00	Consumer Price Index (YoY) (Jul)	✓✓	5.10%	4.60%	Monthly
US	13:00	MBA Mortgage Applications (17-Aug)	✓	-	-2.00%	Weekly
Canada	14:30	Retail Sales (MoM) (Jun)	✓✓	-0.20%	2.00%	Monthly
Canada	14:30	Retail Sales ex Autos (MoM) (Jun)	✓	-0.10%	1.40%	Monthly
US	16:00	Existing Home Sales (Jul)	✓✓✓	5.40mn	5.38mn	Monthly
US	16:00	Existing Home Sales (MoM) (Jul)	✓✓✓	0.40%	-0.60%	Monthly
US	20:00	Fed Releases Minutes of FOMC Meeting	✓✓✓	-	-	As scheduled

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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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

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