

# ONE Minute Brief

14 August 2018

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## Economic and political news

South Africa's (SA) Constitutional Court has ruled that Shaun Abrahams's appointment as National Director of Public Prosecutions was "constitutionally invalid" and ordered that he should be replaced within 90 days. Meanwhile, news indicated that President, Cyril Ramaphosa, will appoint an acting head of the National Prosecuting Authority (NPA) today.

The African National Congress (ANC) has denied reports that it was working on a "rescue plan" for VBS Mutual Bank.

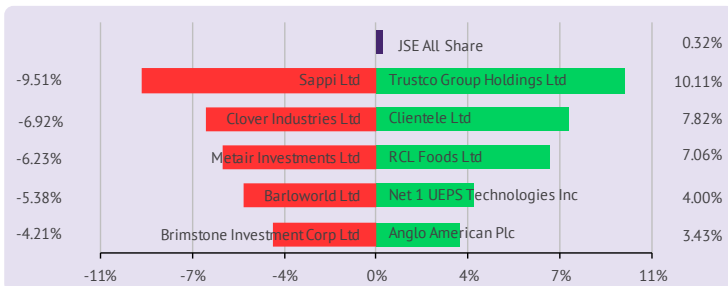
SA's National Treasury denied that the government has approved a bailout package of ZAR59bn for state-owned companies.

Workers at SA's high-speed train service ended a two-week pay strike yesterday after reaching a 12-month agreement with their employer.

## South Africa Market ▲

### South African markets closed higher

South African markets closed in the green yesterday, boosted by gains in resources and retail sector stocks. The JSE All Share Index rose 0.3% to close at 57,885.26.



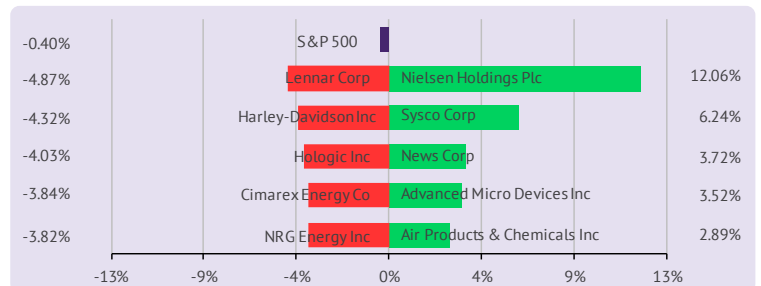
## Key indices

	Last close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	57885.26	▲	182.24	0.32	0.32	0.79	-0.31	-2.72
JSE Top 40	51821.39	▲	244.16	0.47	0.47	0.99	-0.39	-1.35
FTSE 100	7642.45	▼	-24.56	-0.32	-0.32	-1.37	1.46	-0.59
DAX 30	12358.74	▼	-65.61	-0.53	-0.53	-3.49	4.06	-4.33
CAC 40	5412.32	▼	-2.36	-0.04	-0.04	-1.80	3.53	1.88
S&P 500	2821.93	▼	-11.35	-0.40	-0.40	0.20	3.60	5.55
Nasdaq Composite	7819.71	▼	-19.40	-0.25	-0.25	1.93	2.15	13.27
DJIA	25187.70	▼	-125.44	-0.50	-0.50	-0.90	4.71	1.90
MSCI Emerging Markets	1043.30	▼	-19.07	-1.79	-1.79	-4.06	1.68	-9.94
MSCI Developed World	2127.47	▼	-12.38	-0.58	-0.58	-1.19	3.05	1.14

## US Market ▼

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

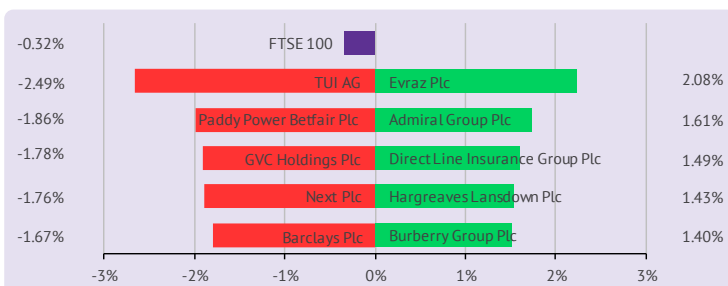
US markets closed lower yesterday, as rising tensions in Turkey weighed on banking sector stocks. The S&P 500 Index dropped 0.4% to close at 2,821.93.



## UK Market ▼

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

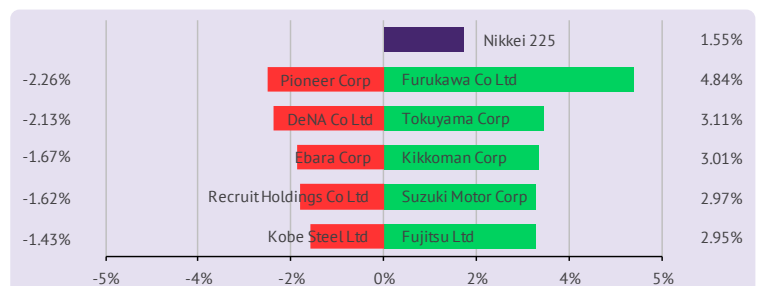
UK markets finished lower yesterday, amid ongoing turmoil in Turkey. The FTSE 100 Index declined 0.3% to close at 7,642.45.



## Asian Market ◀▶

### Trading mixed

Asian markets are trading mixed this morning. Data showed that Japan's monthly industrial production declined in June. The Nikkei 225 Index is trading 1.6% higher at 22,196.55.



## USD ZAR ▼

### USD trading lower against ZAR

At 06:00 SAST, the US Dollar is trading 0.7% weaker against the South African Rand at R14.3253. Later today, traders will keep a close watch on the US NFIB small business optimism index for further direction.

The US Dollar rose against the South African Rand yesterday, amid Turkish Lira crises.

## GBP ZAR ▼

### GBP trading weaker against ZAR

At 06:00 SAST, the British Pound is trading 0.7% lower against the South African Rand at R18.2907. Ahead in the day, traders will keep an eye on UK's claimant count rate, ILO unemployment rate and average weekly earnings for further cues.

The British Pound advanced against the South African Rand yesterday.

## EUR ZAR ▼

### EUR trading lower against ZAR

At 06:00 SAST, the Euro dropped 0.7% against the South African Rand to trade at R16.3382. Going forward, market participants will keep a tab on the Eurozone's gross domestic product (GDP), industrial production, the ZEW economic index along with Germany's GDP, consumer price index and the ZEW survey indices for further indication.

The Euro strengthened against the South African Rand yesterday.

## AUD ZAR ▼

### AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar declined 0.6% against the South African Rand to trade at R10.4204. Earlier in the session, Australia's ANZ Roy Morgan weekly consumer confidence index registered a decline in the week ended 12 August 2018. Meanwhile, the NAB business confidence index recorded an advance in July. Meanwhile, in China, Australia's largest trading partner, industrial production recorded a less-than-expected rise on a yearly basis in July. Additionally, annual retail sales advanced at a slower than expected pace in the same month.

The Australian Dollar rose against the South African Rand yesterday.

## Key currencies & commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	14.3253	▼	2.31	2.31	8.62	-3.28	16.45
GBPZAR	18.2907	▼	2.49	2.49	5.70	-3.90	10.13
EURZAR	16.3382	▼	2.33	2.33	6.02	-3.22	10.76
AUDZAR	10.4204	▼	2.05	2.05	6.39	-3.03	8.52
EURUSD	1.1407	▼	-0.03	-0.03	-2.40	0.06	-4.96
GBPUSD	1.2771	-	0.10	0.10	-2.69	-0.63	-5.49
Brent (\$/barrel)	72.8	▲	-0.27	-0.27	-2.16	-6.34	8.58
Gold (\$/oz)	1202.0	▲	-1.63	-1.63	-2.65	-2.46	-9.01
Platinum (\$/oz)	800.2	▲	-3.63	-3.63	-5.47	-0.77	-14.42
Copper (\$/MT)*	6123.3	▼	-0.60	-0.60	-2.48	-5.22	-15.04

\*As of previous close

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices edged 0.9% higher to trade at \$1,202.00/oz.

Yesterday, gold prices fell 1.6% to close at \$1,191.30/oz, amid strength in the US dollar.

## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil edged 0.3% higher to trade at \$72.84/bl, after OPEC confirmed that Saudi Arabia reduced crude oil production.

Yesterday, Brent crude oil dropped 0.3% to settle at \$72.61/bl, amid rising crude stockpiles at the US crude delivery hub.

## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices rose 0.1% to trade at \$800.20/oz.

Yesterday, platinum prices declined 3.6% to close at \$799.50/oz, weighed down by ongoing financial crises in Turkey.

## Major South African corporate news

### Imperial Holdings Limited

The company announced that the board of directors of the company has resolved to propose a repurchase of 100.0% of the outstanding non-redeemable, cumulative, non-participating preference shares in the issued share capital of the company by way of a scheme of arrangement. As per the agreement, a repurchase price offer of ZAR83.00 per Preference Share, plus a Preference Share dividend amounting to ZAR2.53 per Preference Share for the period from 26 June 2018 up to 15 October 2018 has been decided.

### Trencor Limited

The company has announced that Philip K. Brewer, the President and Chief Executive Officer (CEO) of Textainer Group Holdings Limited, has retired. Olivier Ghesquiere, currently Executive Vice President - Leasing, has been appointed as the President and CEO of the company, effective from August 13, 2018. Mr. Ghesquiere will also be appointed to the company's Board of Directors as a Class II director.

### Santam Limited

In its 1H18 trading statement, the company announced that it expects HEPS to be between 1,000.00c and 1,040.00c, a 69.0% to 75.0% increase compared to the comparative period in the preceding year. Further, the company expects EPS to be in the range of 1,000.00c to 1,040.00c, which is an increase of 46.0% to 52.0% compared to the corresponding period of the prior year.

## Major global economic news

### Asia

In Australia, the ANC Roy Morgan weekly consumer confidence index registered a decline to 118.2 in the week ended 12 August 2018. The index had recorded a reading of 118.9 in the prior month.

In July, the business confidence index registered a rise to 7.00 in Australia. The index had recorded a level of 6.00 in the prior month.

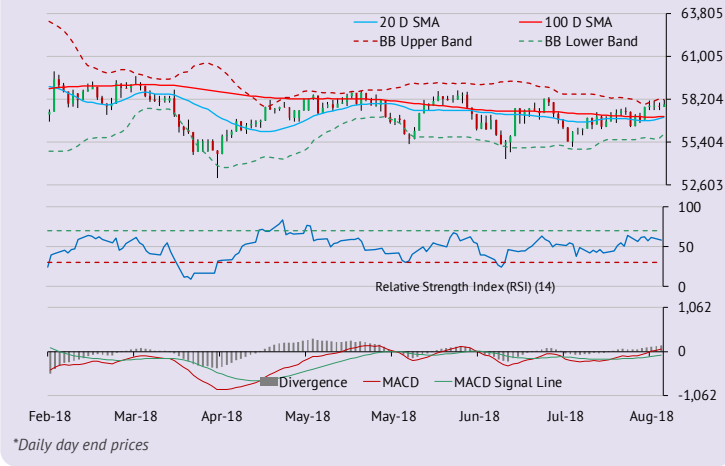
In China, industrial production rose 6.0% on an annual basis in July, less than market expectations. Industrial production had registered a similar rise in the prior month.

In China, retail sales advanced 8.8% on an annual basis in July, less-than-expected and compared to an advance of 9.0% in the prior month.

In Japan, final industrial production dropped 1.8% on a monthly basis in June. Industrial production had recorded a drop of 0.2% in the previous month. The preliminary figures had indicated a fall of 2.1%.

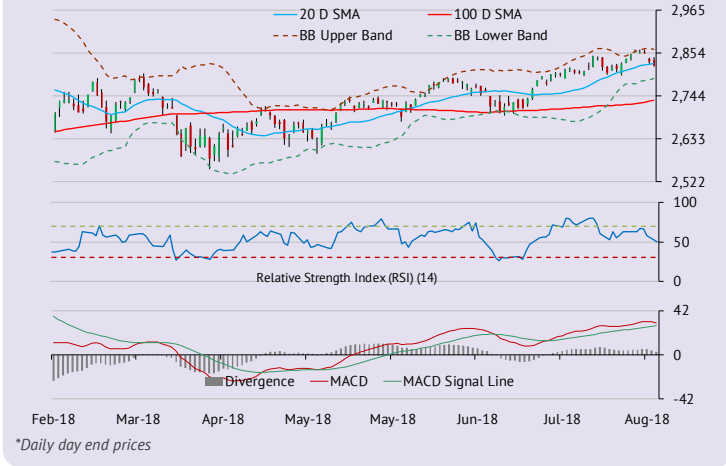
## Technical snapshot

### JSE All Share



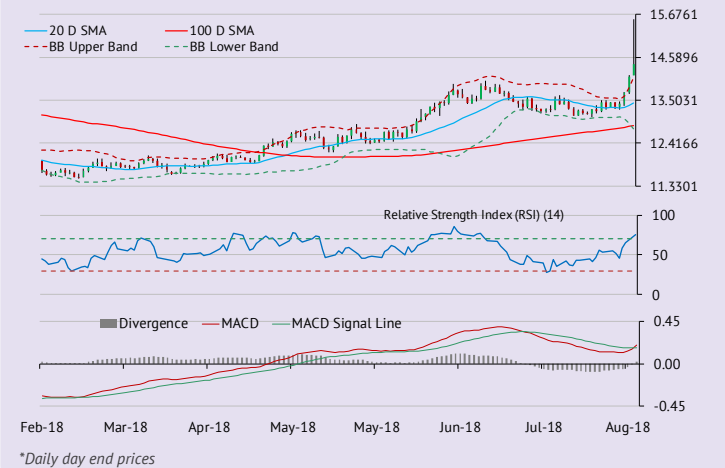
The JSE All Share index is expected to find support at 57,116.84, and a fall through could take it to the next support level of 56,348.42. The index is expected to find its first resistance at 58,398.05, and a rise through could take it to the next resistance level of 58,910.84.

### S&P 500



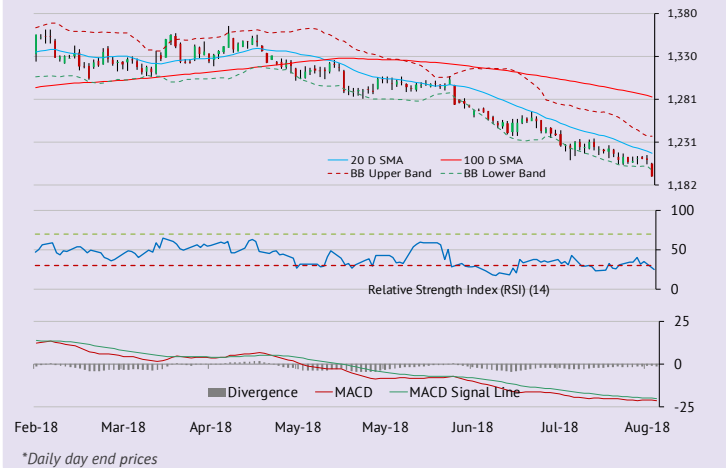
The S&P 500 index is expected to find support at 2,806.73, and a fall through could take it to the next support level of 2,791.53. The index is expected to find its first resistance at 2,850.28, and a rise through could take it to the next resistance level of 2,878.63.

### USD ZAR



The pair is expected to find support at 13.2703, and a fall through could take it to the next support level of 12.1212. The pair is expected to find its first resistance at 15.5601, and a rise through could take it to the next resistance level of 16.7008.

### XAU USD



Gold is expected to find support at \$1,183.13/oz, and a fall through could take it to the next support level of \$1,174.67/oz. The precious metal is expected to find its first resistance at \$1,208.23/oz, and a rise through could take it to the next resistance level of \$1,224.87/oz.

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
China	04:00	Industrial Production (YoY) (Jul)	✓✓	6.00%*	6.00%	Monthly
China	04:00	Retail Sales (YoY) (Jul)	✓✓✓	8.80%*	9.00%	Monthly
Japan	06:30	Capacity Utilisation (MoM) (Jun)	✓	-2.20%*	-2.10%	Monthly
Japan	06:30	Industrial Production (MoM) (Jun) (F)	✓✓✓	-1.80%*	-2.10%**	Monthly
Japan	06:30	Industrial Production (YoY) (Jun) (F)	✓✓✓	-0.90%*	-1.20%**	Monthly
Germany	08:00	Gross Domestic Product n.s.a. (YoY) (Q2) (P)	✓✓	2.50%	1.60%	Quarterly
Germany	08:00	Gross Domestic Product s.a. (QoQ) (Q2) (P)	✓✓✓	0.40%	0.30%	Quarterly
Germany	08:00	Consumer Price Index (MoM) (Jul) (F)	✓✓✓	0.30%	0.30%**	Monthly
Germany	08:00	Consumer Price Index (YoY) (Jul) (F)	✓✓✓	2.00%	2.00%**	Monthly
UK	10:30	Claimant Count Change (Jul)	✓✓✓	-	7.80 K	Monthly
UK	10:30	Claimant Count Rate s.a. (Jul)	✓✓	-	2.50%	Monthly
UK	10:30	Average Earnings Excluding Bonus (3Mo/Yr) (Jun)	✓	2.70%	2.70%	Monthly
UK	10:30	Average Earnings Including Bonus (3Mo/Yr) (Jun)	✓✓	2.50%	2.50%	Monthly
UK	10:30	Employment Change (3M/3M) (Jun)	✓✓✓	93.00K	137.00K	Monthly
UK	10:30	ILO Unemployment Rate (3M) (Jun)	✓✓✓	4.20%	4.20%	Monthly
Eurozone	11:00	Industrial Production (Jun)	✓	-	106.70	Monthly
Eurozone	11:00	ZEW Survey - Economic Sentiment (Aug)	✓✓	-	-18.70	Monthly
Germany	11:00	ZEW Survey - Current Situation (Aug)	✓✓	72.10	72.40	Monthly
Germany	11:00	ZEW Survey - Economic Sentiment (Aug)	✓✓✓	-21.30	-24.70	Monthly
Eurozone	11:00	Industrial Production s.a. (MoM) (Jun)	✓✓✓	-0.40%	1.30%	Monthly
Eurozone	11:00	Industrial Production w.d.a. (YoY) (Jun)	✓✓✓	2.40%	2.40%	Monthly
Eurozone	11:00	Gross Domestic Product s.a. (QoQ) (Q2) (P)	✓✓✓	0.30%	0.40%	Quarterly
Eurozone	11:00	Gross Domestic Product s.a. (YoY) (Q2) (P)	✓✓	2.10%	2.50%	Quarterly
South Africa	11:30	Gold Production (YoY) (Jun)	✓	-	-16.20%	Monthly
South Africa	11:30	Mining Production (YoY) (Jun)	✓✓	-0.90%	-2.60%	Monthly
US	12:00	NFIB Small Business Optimism (Jul)	✓	106.80	107.20	Monthly

Note: ✓✓✓High    ✓✓Medium    ✓Low

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