

ONE
Minute Brief

21 August 2018

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Economic and political news

President, Cyril Ramaphosa, stated that if the country does not expropriate land without compensation, it could cause instability in the country.

South Africa's state-owned Land Bank stated that the plan to allow the state to seize land without compensation could trigger defaults that could cost the government ZAR41bn if the bank's rights as a creditor are not protected.

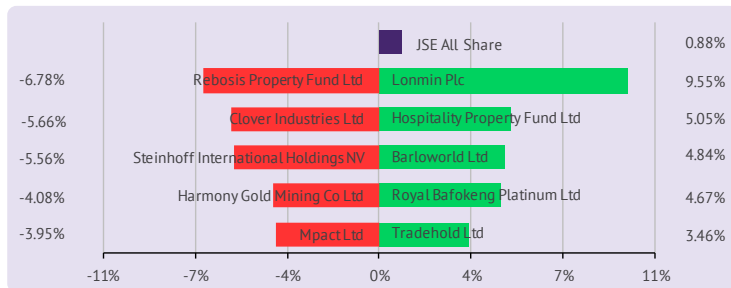
Former President, Jacob Zuma's advocate Muzi Sikhakhane, stated that Zuma does not want to stall or delay the Zondo Commission of Inquiry into state capture.

Democratic Alliance provincial leader, Zwakele Mncwango, has been sued for defamation by KwaZulu-Natal co-operative governance and traditional affairs MEC, Nomusa Dube-Ncube after he accused the latter of awarding tenders that benefitted her husband financially.

South Africa Market ▲

South African markets closed higher

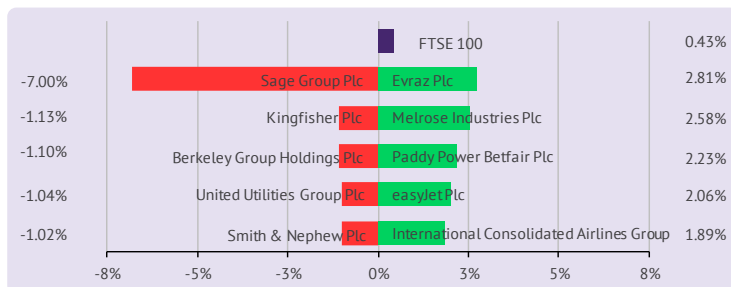
South African markets closed in the green yesterday, amid easing trade war tensions between the US and China and supported by gains in industrial and platinum mining sector stocks. The JSE All Share Index rose 0.9% to close at 57,145.62.



UK Market ▲

The FTSE 100 futures are trading in negative territory

UK markets finished higher yesterday, boosted by gains in mining sector stocks and led by optimism over the US-China trade talks. The FTSE 100 Index advanced 0.4% to close at 7,591.26.



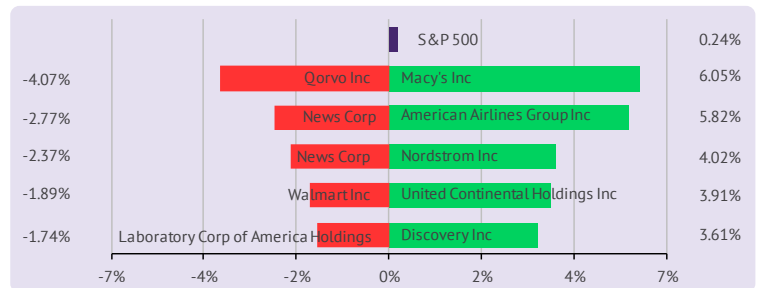
Key indices

	Last close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	57145.62	▲	498.10	0.88	0.88	-0.50	-0.31	-3.96
JSE Top 40	51101.53	▲	499.64	0.99	0.99	-0.42	-0.39	-2.72
FTSE 100	7591.26	▲	32.67	0.43	0.43	-2.03	1.46	-1.26
DAX 30	12331.30	▲	120.75	0.99	0.99	-3.70	4.06	-4.54
CAC 40	5379.65	▲	34.72	0.65	0.65	-2.39	3.53	1.26
S&P 500	2857.05	▲	6.92	0.24	0.24	1.45	3.60	6.86
Nasdaq Composite	7821.01	▲	4.68	0.06	0.06	1.95	2.15	13.29
DJIA	25758.69	▲	89.37	0.35	0.35	1.35	4.71	4.21
MSCI Emerging	1033.65	▲	10.72	1.05	1.05	-4.95	1.68	-10.77
MSCI Developed	2145.24	▲	7.13	0.33	0.33	-0.36	3.05	1.99

US Market ▲

The S&P 500 futures are trading in the red

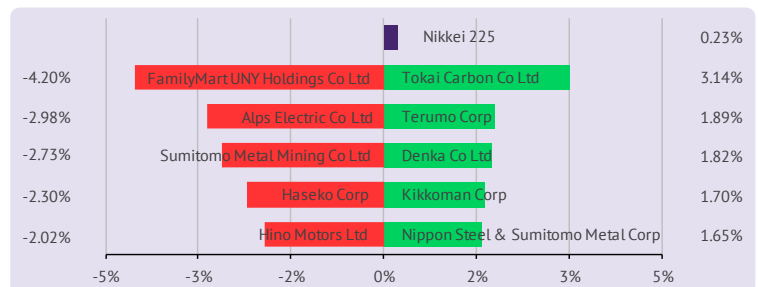
US markets closed higher yesterday, on optimism that trade disputes would be resolved between the US and China. The S&P 500 Index climbed 0.2% to close at 2,857.05.



Asian Market ▲

Trading higher

Asian markets are trading higher this morning. The Nikkei 225 Index is trading 0.2% higher at 22,250.07.



USD ZAR ▼

USD trading weaker against ZAR

At 06:00 SAST, the US Dollar retreated 0.5% against the South African Rand to trade at R14.4557. 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 yesterday, extending its previous session losses.

GBP ZAR ▼

GBP trading lower against ZAR

At 06:00 SAST, the British Pound fell 0.2% against the South African Rand to trade at R18.5520. Ahead in the day, traders will keep an eye on UK's public sector net borrowing for further direction.

The British Pound declined against the South African Rand yesterday.

EUR ZAR ▼

EUR trading weaker against ZAR

At 06:00 SAST, the Euro is trading 0.1% lower against the South African Rand at R16.6617. Amid no major economic news across the Eurozone, market sentiment will be determined by global macroeconomic news.

The Euro weakened against the South African Rand yesterday. On the data front, Eurozone's construction output registered an advance for a third consecutive month on a monthly basis in June. Separately, Germany's annual producer price index (PPI) rose in line with market expectations in July.

AUD ZAR ▼

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.3% weaker against the South African Rand at R10.6339. Earlier in the session, Australia's ANZ Roy Morgan weekly consumer confidence index dropped in the week ended 19 August 2018.

The Australian Dollar fell against the South African Rand yesterday.

Key currencies & commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	14.4557	▼	-0.76	-0.76	9.43	-3.28	17.32
GBPZAR	18.5520	▼	-0.50	-0.50	6.70	-3.90	11.17
EURZAR	16.6617	▼	-0.42	-0.42	7.46	-3.22	12.28
AUDZAR	10.6339	▼	-0.52	-0.52	8.17	-3.03	10.33
EURUSD	1.1525	▲	0.38	0.38	-1.79	0.06	-4.36
GBPUSD	1.2832	▲	0.38	0.38	-2.48	-0.63	-5.29
Brent (\$/barrel)	72.2	▲	0.53	0.53	-2.70	-6.34	7.99
Gold (\$/oz)	1200.6	▲	0.88	0.88	-3.02	-2.46	-9.36
Platinum (\$/oz)	798.4	▲	2.14	2.14	-6.14	-0.77	-15.02
Copper (\$/MT)*	5961.5	▲	1.22	1.22	-5.06	-5.22	-17.28

*As of previous close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices gained 1.2% to trade at \$1,200.60/oz, after the US Dollar weakened, following the US President, Donald Trump's downbeat comments over raising interest rates.

Yesterday, gold prices rose 0.9% to close at \$1,186.80/oz, as a weaker greenback provided support to the commodity.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil marginally gained to trade at \$72.23/bl.

Yesterday, Brent crude oil advanced 0.5% to settle at \$72.21/bl, as the US sanctions on Iran led to concerns of tighter global oil supplies and amid easing trade war tensions between the US and China.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged 0.6% higher to trade at \$798.40/oz.

Yesterday, platinum prices climbed 2.1% to close at \$793.90/oz.

Major South African corporate news

AngloGold Ashanti Limited

In its 1H18 results, the company revealed that its revenues declined to USD2.00bn, compared to USD2.11bn posted in the same period of the preceding year. Its diluted EPS stood at 8.00c, compared to a loss per share of 43.00c recorded in the corresponding period of the previous year. For FY18, the company expects production to be at the top end and costs trending towards lower end of guidance.

Rebosis Property Fund Limited

In its trading statement, the company indicated that the company expects dividend per B share for FY18 to be between 113.89c and 117.27c per share. Further, the dividend per B ordinary share for 1H19 is expected to be in the range of 47.42c and 50.58c per share, a decrease of between 20.0% and 25.0%, compare to the corresponding period of the prior year.

Clientele Limited

In its FY18 results, the company indicated that its net insurance premium rose to ZAR2.08bn compared to ZAR1.87bn recorded in the corresponding period of the preceding year. Its diluted EPS increased to 146.24c, compared to 139.12c posted in the same period of the prior year. The company has declared an annual dividend of 125.00c per share, compared to 115.00c per share posted in the comparable period of the previous year.

Impala Platinum Holdings Limited

In its FY18 trading statement, the company indicated that the company expects headline loss per share to be between 162.00c and 186.00c per share, an increase of 18.0% to 36.0%, compared to the corresponding period of the prior year. Further, the company expects loss per share to be in the range of 1,415.00c to 1,625.00c per share, an advance of between 24.0% and 42.0%, compared to the same period of the preceding year.

Major global economic news

Asia

Minutes of its August monetary policy meeting, the Reserve Bank of Australia indicated that the current monetary policy stance would continue to support economic growth and that it saw “no strong case for a near-term adjustment”. Further, the central bank expects the unemployment rate at around 5% by the end of 2020, from its current rate of 5.4% in July and wages are expected to “increase gradually” on less space capacity in the labour market. Additionally, inflation is expected to be around 2.25% in 2020.

In Australia, the ANZ Roy Morgan weekly consumer confidence index recorded a drop to 114.1 in the week ended 19 August 2018, compared to a level of 118.2 in the previous week.

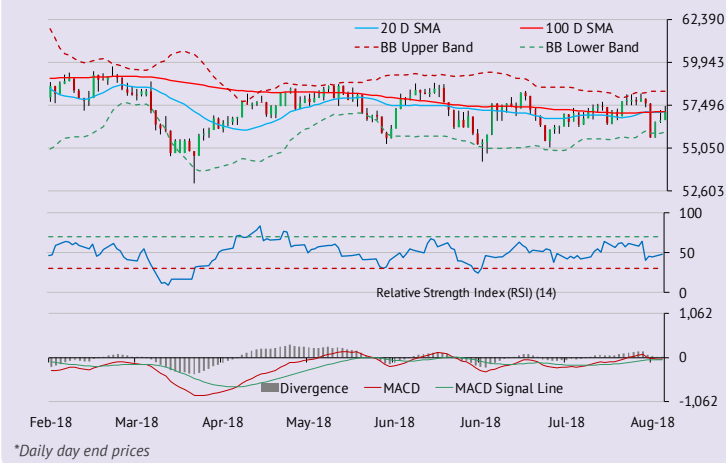
Eurozone

In the Eurozone, seasonally adjusted construction output recorded a rise of 0.2% on a monthly basis in June. In the prior month, construction output had advanced 0.3%.

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

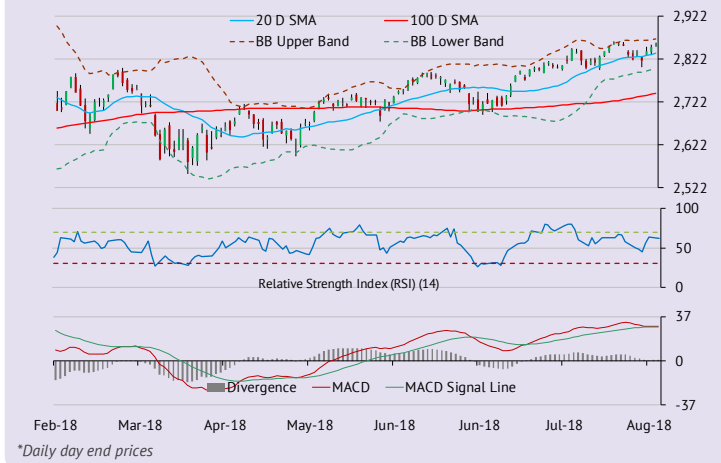
Technical snapshot

JSE All Share



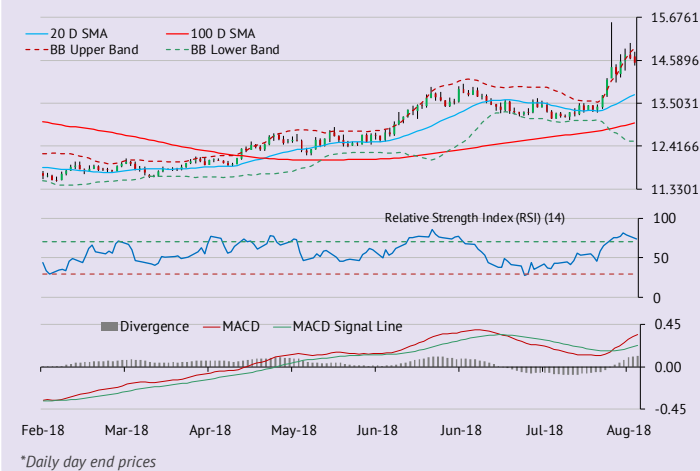
The JSE All Share index is expected to find support at 55,899.43, and a fall through could take it to the next support level of 54,653.23. The index is expected to find its first resistance at 58,138.54, and a rise through could take it to the next resistance level of 59,131.45.

S&P 500



The S&P 500 index is expected to find support at 2,819.77, and a fall through could take it to the next support level of 2,782.50. The index is expected to find its first resistance at 2,877.04, and a rise through could take it to the next resistance level of 2,897.04.

USD ZAR



The pair is expected to find support at 14.0237, and a fall through could take it to the next support level of 13.5203. The pair is expected to find its first resistance at 15.0287, and a rise through could take it to the next resistance level of 15.5303.

XAU USD



Gold is expected to find support at \$1,166.30/oz, and a fall through could take it to the next support level of \$1,145.80/oz. The precious metal is expected to find its first resistance at \$1,202.40/oz, and a rise through could take it to the next resistance level of \$1,218.00/oz.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus	Previous/ **Previous est.	Frequency
Japan	07:00	Supermarket Sales (YoY) (Jul)	✓	-	0.10%	Monthly
Japan	07:30	Nationwide Department Store Sales (YoY) (Jul)	✓	-	3.10%	Monthly
Japan	07:30	Tokyo Department Store Sales (YoY) (Jul)	✓	-	6.90%	Monthly
Switzerland	08:00	Exports (Jul)	✓	-	CHF18.79bn	Monthly
Switzerland	08:00	Imports (Jul)	✓	-	CHF17.49bn	Monthly
Switzerland	08:00	Trade Balance (Jul)	✓✓	-	CHF1.31bn	Monthly
Switzerland	08:00	Exports (MoM) (Jul)	✓	-	0.50%	Monthly
Switzerland	08:00	Imports (MoM) (Jul)	✓	-	-0.40%	Monthly
Japan	08:00	Machine Tool Orders (YoY) (Jul) (F)	✓✓✓	-	13.00%**	Monthly
South Africa	09:00	Leading Indicator (Jun)	✓	-	105.90	Monthly
UK	10:30	Public Sector Net Cash Requirement (Jul)	✓✓	-	GBP13.30bn	Monthly
UK	10:30	PSNB ex Interventions (Jul)	✓	-GBP1.10bn	GBP5.40bn	Monthly
UK	10:30	Public Sector Net Borrowing (Jul)	✓✓	-GBP2.00bn	GBP4.50bn	Monthly
UK	12:00	CBI Trends Selling Prices (Aug)	✓✓	14.00	13.00	Monthly
UK	12:00	CBI Industrial Trends Survey - Orders (Aug)	✓	8.00	11.00	Monthly
US	14:55	Redbook Index (YoY) (17-Aug)	✓	-	4.50%	Weekly
US	14:55	Redbook Index s.a. (MoM) (17-Aug)	✓	-	0.10%	Weekly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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