

ONE  
Minute Brief

30 August 2018

GTC  
consult • partner • manage

## Economic and political news

Solidarity, the Association of Mineworkers and Construction Union (AMCU) and the UASA revealed that wage negotiations in the gold sector have hit a deadlock and hence they have declared a dispute.

News reports indicated that South African banks are in talks to start a special fund to speed up the transfer of land to black people in an effort to protect billions of rand in assets tied up in farm loans.

According to a news report, the African National Congress (ANC) has criticised the Democratic Alliance's call for President, Cyril Ramaphosa to testify at the state capture inquiry.

ANC veteran, Mathole Motshekga has been removed both as a member and the Chairman of Parliament's portfolio committee on justice and has been replaced by ANC MP, Vincent Smith.

The Johannesburg Stock Exchange and the London Stock Exchange have launched South Africa's first electronic government bond trading platform.

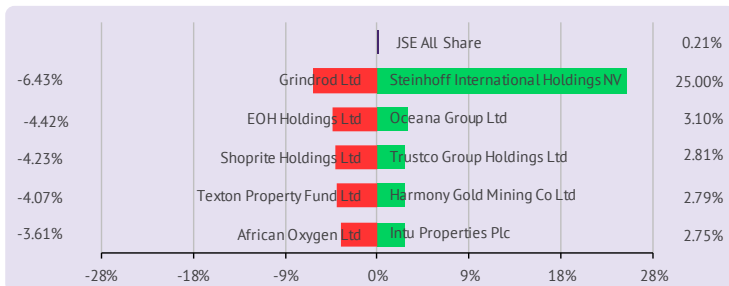
## Key indices

	Last close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	60165.51	▲	126.24	0.21	2.33	4.76	-0.31	1.11
JSE Top 40	54030.60	▲	147.27	0.27	2.44	5.29	-0.39	2.85
FTSE 100	7563.21	▼	-54.01	-0.71	-0.19	-2.39	1.46	-1.62
DAX 30	12561.68	▲	34.26	0.27	1.35	-1.90	4.06	-2.76
CAC 40	5501.33	▲	16.34	0.30	1.27	-0.18	3.53	3.55
S&P 500	2914.04	▲	16.52	0.57	1.37	3.47	3.60	8.99
Nasdaq Composite	8109.69	▲	79.65	0.99	2.06	5.71	2.15	17.47
DJIA	26124.57	▲	60.55	0.23	1.30	2.79	4.71	5.69
MSCI Emerging Markets	1070.53	▼	-0.09	-0.01	1.94	-1.56	1.68	-7.59
MSCI Developed World	2190.75	▲	8.24	0.38	1.35	1.75	3.05	4.15

## South Africa Market ▲

## South African markets closed higher

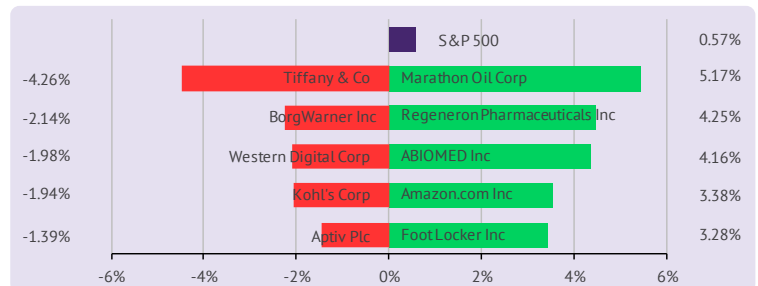
South African markets closed higher for the tenth consecutive session yesterday, supported by gains in resources and gold mining sector stocks. The JSE All Share Index rose 0.2% to close at 60,165.51.



## US Market ▲

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

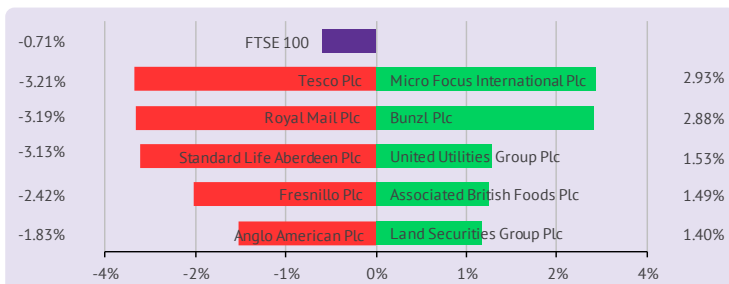
US markets closed higher yesterday, boosted by gains in technology sector stocks and amid optimism over US-Canada trade talks. The S&P 500 Index climbed 0.6% to close at 2,914.04.



## UK Market ▼

## The FTSE 100 futures are trading in negative territory

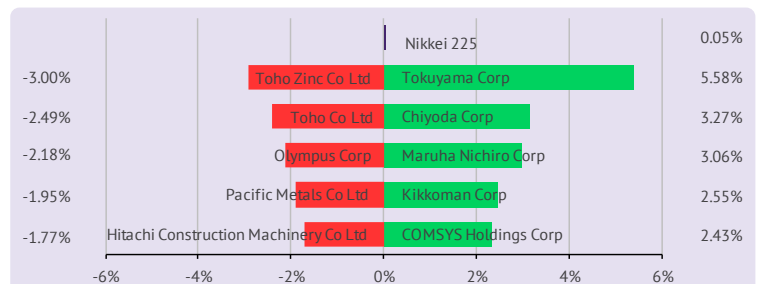
UK markets finished lower yesterday, after the European Union's (EU) Chief Brexit negotiator, Michel Barnier, raised hopes for a deal between UK and Brussels. The FTSE 100 Index fell 0.7% to close at 7,563.21.



## Asian Market ▲

## Trading mixed

Asian markets are trading mixed this morning. Data revealed that Japan's monthly retail trade advanced less-than-anticipated in July. The Nikkei 225 Index is trading 0.1% higher at 22,859.21.



## USD ZAR ▲

### USD trading higher against ZAR

At 06:00 SAST, the US Dollar climbed 0.4% against the South African Rand to trade at R14.4093. Later today, traders will keep a close watch on the US initial jobless claims data for further cues.

The US Dollar rose against the South African Rand yesterday, after the US economy accelerated at a faster-than-expected pace on a quarterly basis in the second quarter of 2018, recording its biggest growth in four years. Meanwhile, the nation's MBA mortgage applications recorded a drop in the week ended 24 August 2018. Additionally, pending home sales registered an unexpected decline on a monthly basis in July.

## GBP ZAR ▲

### GBP trading stronger against ZAR

At 06:00 SAST, the British Pound is trading 0.4% firmer against the South African Rand at R18.7782. Ahead in the day, traders will keep an eye on UK's net consumer credit and mortgage approvals for further direction.

The British Pound advanced against the South African Rand yesterday, after the EU Chief negotiator, Michel Barnier, stated that the EU will offer Britain a unique deal.

## EUR ZAR ▲

### EUR trading firmer against ZAR

At 06:00 SAST, the Euro is trading 0.3% higher against the South African Rand at R16.8582. Going forward, market participants will keep a tab on the Eurozone's business, consumer and economic confidence indices along with Germany's consumer price index and unemployment rate for further indication.

The Euro strengthened against the South African Rand yesterday. On the macro front, Germany's GfK consumer confidence index registered an unexpected decline in September.

## AUD ZAR ▲

### AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar slightly rose against the South African Rand to trade at R10.5001. Earlier in the session, Australia's building approvals fell more than market expectations on a monthly basis in July.

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	14.4093	▲	0.91	1.49	8.15	-3.28	15.94
GBPZAR	18.7782	▲	2.15	2.14	7.35	-3.90	11.85
EURZAR	16.8582	▲	1.02	1.70	8.31	-3.22	13.16
AUDZAR	10.5001	▲	0.53	0.46	6.48	-3.03	8.61
EURUSD	1.1700	▼	0.10	0.73	0.14	0.06	-2.48
GBPUSD	1.3032	▲	1.19	1.40	-0.75	-0.63	-3.60
Brent (\$/barrel)	77.3	▲	1.57	1.74	3.95	-6.34	15.36
Gold (\$/oz)	1210.1	▲	-0.07	0.02	-1.41	-2.46	-7.85
Platinum (\$/oz)	793.5	▼	0.16	0.91	-5.82	-0.77	-14.73
Copper (\$/MT)*	6073.0	▼	-1.01	-0.30	-3.28	-5.22	-15.73

\*As of previous close

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices edged 0.3% higher to trade at \$1,210.10/oz.

Yesterday, gold prices fell 0.1% to close at \$1,206.50/oz, as strength in the US Dollar dented demand for the safe haven asset.

## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil edged 0.1% higher to trade at \$77.25/bl.

Yesterday, Brent crude oil advanced 1.6% to settle at \$77.14/bl, after the US Energy Information Administration reported that crude oil inventories fell more-than-expected by 2.6mn bls in the week ended 24 August 2018.

## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices retreated 0.4% to trade at \$793.50/oz.

Yesterday, platinum prices climbed 0.2% to close at \$796.60/oz.

## Major South African corporate news

### Adcock Ingram Holdings Limited

In its FY18 results, the company stated that its revenues increased to ZAR6.56bn, compared to ZAR5.96bn posted in the corresponding period of the previous year. Its diluted EPS rose 24.0% to 383.60c, compared to the same period of the prior year. The company has declared a total dividend of 172.00c per share, an increase of 24.0%, compared to the corresponding period of the preceding year.

### Murray & Roberts Holdings Limited

In its FY18 results, the company stated that its revenues rose to ZAR21.85bn, compared to ZAR21.40bn posted in the same period of the preceding year. Its diluted EPS stood at 134.00c, compared to 74.00c recorded in the corresponding period of the previous year. The company declared a total dividend of 50.00c per share compared to 45.00c per share posted in the comparable period of the prior year.

### Group Five Limited

In its FY18 trading statement, the company announced that it expects headline loss per share to be in the range of 1300.00c to 1450.00c, an increase of 52.4% to 70.0%, compared to the same period of the preceding year. Further, the company expects loss per share to be between 1300.00c and 1450.00c, a rise of 56.8% to 74.9%, compared to the corresponding period of the previous year.

### Growthpoint Properties Limited

In its FY18 results, the company announced that its revenues advanced to ZAR10.93bn, compared to ZAR10.76bn posted in the same period of the preceding year. Its diluted EPS stood at 228.00c, compared to 266.21c recorded in the corresponding period of the previous year. The company declared a final dividend of 208.60c per share, representing a 6.5% growth from the comparable period of the prior year.

## Major global economic news

### US

In the US, second estimate of annualised gross domestic product (GDP) recorded a rise of 4.2% on a quarterly basis in 2Q18, more than market expectations. The annualised GDP had advanced by a revised 2.2% in the prior quarter. The preliminary figures had indicated an advance of 4.1%.

In the US, mortgage applications slid 1.7% on a weekly basis in the week ended 24 August 2018. In the previous week, mortgage applications had climbed 4.2%.

In the US, pending home sales registered an unexpected drop of 0.7% on a monthly basis in July. In the prior month, pending home sales had registered a revised rise of 1.0%.

### Eurozone

In Germany, the GfK consumer confidence index registered an unexpected drop to 10.50 in September. In the previous month, the index had recorded a reading of 10.60.

### Asia

In Japan, retail trade climbed 0.1% on a monthly basis in July, less than market expectations. In the previous month, retail trade had risen by a revised 1.4%.

In Australia, seasonally adjusted building approvals registered a more-than-expected drop of 5.2% on a monthly basis in July, compared to a revised advance of 6.8% in the previous month.

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
Japan	01:50	Loans & Discounts Corp (YoY) (Jul)	✓	3.18%*	3.17%	Monthly
Japan	01:50	Retail Trade (YoY) (Jul)	✓✓✓	1.50%*	1.80%	Monthly
Japan	01:50	Large Retailer's Sales (Jul)	✓✓	-1.60%*	1.50%	Monthly
Japan	01:50	Retail Trade s.a. (MoM) (Jul)	✓✓✓	0.10%*	1.40%	Monthly
South Africa	08:00	M3 Money Supply (YoY) (Jul)	✓	5.70%	5.77%	Monthly
South Africa	08:00	Private Sector Credit (YoY) (Jul)	✓	5.90%	5.68%	Monthly
Germany	09:55	Unemployment Rate s.a. (Aug)	✓✓✓	5.20%	5.20%	Monthly
Germany	09:55	Unemployment Change (Aug)	✓✓✓	-8.00K	-6.00K	Monthly
UK	10:30	Net Consumer Credit (Jul)	✓✓	GBP1.50bn	GBP1.60bn	Monthly
UK	10:30	Net Lending Sec. on Dwellings (Jul)	✓✓	GBP3.90bn	GBP3.90bn	Monthly
UK	10:30	Mortgage Approvals (Jul)	✓✓✓	65.00K	65.60K	Monthly
Eurozone	11:00	Business Climate Indicator (Aug)	✓✓	1.26	1.29	Monthly
Eurozone	11:00	Economic Sentiment Indicator (Aug)	✓	111.90	112.10	Monthly
Eurozone	11:00	Industrial Confidence (Aug)	✓	5.50	5.80	Monthly
Eurozone	11:00	Consumer Confidence (Aug) (F)	✓✓✓	-1.90	-1.90**	Monthly
Eurozone	11:00	Services Sentiment Indicator (Aug)	✓	15.20	15.30	Monthly
South Africa	11:30	Producer Price Index (MoM) (Jul)	✓✓	0.50%	0.90%	Monthly
South Africa	11:30	Producer Price Index (YoY) (Jul)	✓✓	6.00%	5.90%	Monthly
Germany	14:00	Consumer Price Index (MoM) (Aug) (P)	✓✓✓	0.10%	0.30%	Monthly
Germany	14:00	Consumer Price Index (YoY) (Aug) (P)	✓✓✓	2.00%	2.00%	Monthly
US	14:30	Personal Income (MoM) (Jul)	✓✓	0.40%	0.40%	Monthly
US	14:30	Personal Consumption Expenditure Core (YoY) (Jul)	✓✓	2.00%	1.90%	Monthly
US	14:30	Personal Spending (Jul)	✓✓	0.40%	0.40%	Monthly
US	14:30	Continuing Jobless Claims (18-Aug)	✓✓✓	1725.00K	1727.00K	Weekly
US	14:30	Initial Jobless Claims (25-Aug)	✓✓✓	212.00K	210.00K	Weekly
Germany	19:30	German Buba President Weidmann speech	✓✓	-	-	As scheduled

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

### Disclaimer

This report and its contents are confidential, privileged and only for the information of the intended recipient. GTC (Pty) Ltd make no representations or warranties in respect of this report or its content and will not be liable for any loss or damage of any nature arising from this report, the content thereof, your reliance thereon its unauthorised use or any electronic viruses associated therewith. Please note that content does not necessarily represent or reflect the views and opinions of GTC (Pty) Ltd. This report is proprietary to GTC (Pty) Ltd and you may not copy or distribute the report without the prior written consent of the authors. Any feedback or contributions are most welcome.

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

An Authorised Financial  
Services Provider  
**FSP no.** 731

**GTC is nationally represented in Johannesburg, Cape Town and Durban.**

**GTC Group of products and services include:** Employee Benefits Consulting • Employee Benefits Administration • Private Client Wealth Management • Healthcare Consulting • Short-Term Risk Solutions • Stockbroking • Derivatives Trading • Unit Trust Management • Asset Management • Fiduciary Services