

ONE
Minute Brief

4 September 2018

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Economic and political news

In South Africa (SA), the manufacturing PMI dropped to 13-month low level to 43.40 in August, compared to a reading of 51.50 in the previous month. New vehicle sales declined 2.5% on a yearly basis in August, compared to a revised similar rise in July.

China's President, Xi Jinping has offered USD60bn in financial support to Africa, while warning against funds going towards "vanity projects".

Trade union, Solidarity started a go-slow protest at Sasol over exclusion of white employees from the firm's share ownership scheme and will launch a full strike on Thursday. The union also stated that it would file a complaint with US regulators over Sasol's "discriminative" share scheme.

The head of the Parliamentary Budget Office, Professor Mohammed Jahed, has resigned.

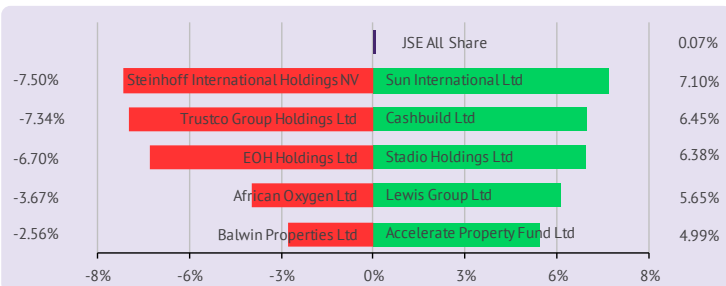
Energy Minister, Jeff Radebe, has approved an urgent temporary fuel-price intervention measure, which will result in a petrol price rise of 5c a litre in September.

Lawyers for former President, Jacob Zuma's son, Duduzane and Gupta brothers, Ajay and Rajesh, have formally applied to cross-examine witnesses at the state capture inquiry.

South Africa Market ▲

South African markets closed higher

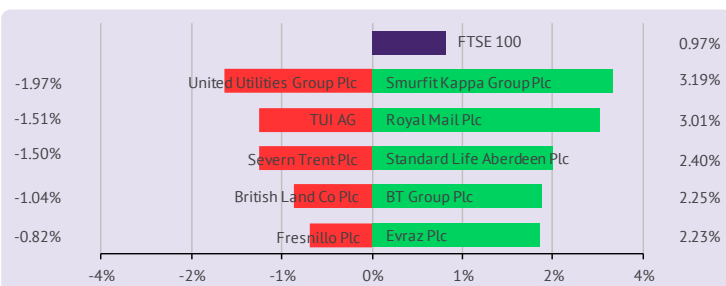
South African markets closed in the green yesterday, boosted by gains in platinum mining, retail and resources sector stocks. Data revealed that SA's manufacturing PMI declined in August. The JSE All Share Index rose 0.1% to close at 58,711.15.



UK Market ▲

The FTSE 100 futures are trading in positive territory

UK markets finished higher yesterday, amid weakness in the British Pound and gains in commodity sector stocks. The FTSE 100 Index advanced 1.0% to close at 7,504.60.



Key indices

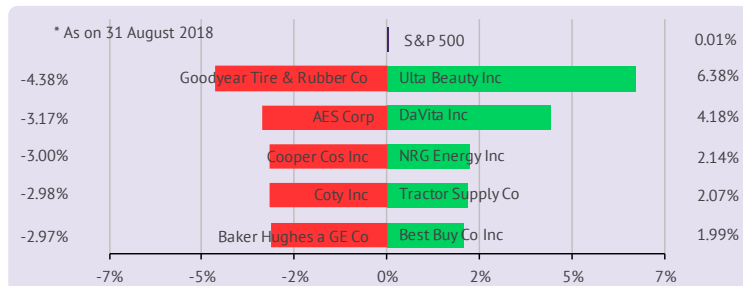
	Last close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	58711.15	▲	42.67	0.07	0.07	0.07	2.15	-1.33
JSE Top 40	52435.45	▼	-28.56	-0.05	-0.05	-0.05	2.24	-0.19
FTSE 100	7504.60	▲	72.18	0.97	0.97	0.97	-4.08	-2.38
DAX 30	12346.41	▼	-17.65	-0.14	-0.14	-0.14	-3.45	-4.42
CAC 40	5413.80	▲	6.95	0.13	0.13	0.13	-1.90	1.91
S&P 500*	2901.52	▲	0.39	0.01	NA	NA	3.03	8.52
Nasdaq Composite*	8109.54	▲	21.17	0.26	NA	NA	5.71	17.47
DJIA*	25964.82	▼	-22.10	-0.09	NA	NA	2.16	5.04
MSCI Emerging Markets	1047.13	▼	-8.83	-0.84	-0.84	-0.84	-2.90	-9.61
MSCI Developed World	2173.42	▼	-2.08	-0.10	-0.10	-0.10	1.04	3.33

* Values as on 31 August 2018

US Market ◀▶

The S&P 500 futures are trading in the green

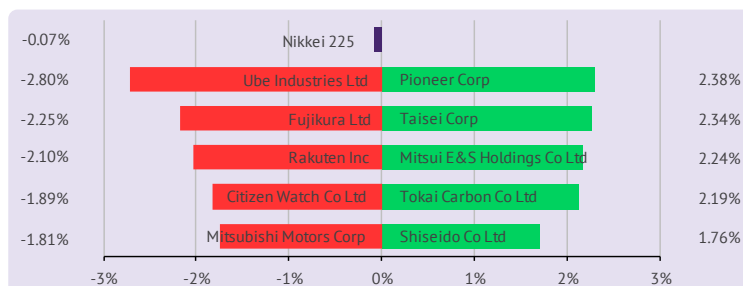
US markets were closed yesterday on account of a public holiday.



Asian Market ▼

Trading mostly lower

Asian markets are trading mostly lower this morning. The Nikkei 225 Index is trading 0.1% lower at 22,690.90.



USD ZAR ▲

USD trading higher against ZAR

At 06:00 SAST, the US Dollar rose 0.2% against the South African Rand to trade at R14.8841. Later today, traders will keep a close watch on the US Markit manufacturing PMI, ISM employment and construction spending data for further direction.

The US Dollar rose against the South African Rand yesterday, amid ongoing global trade tensions. Separately, in SA, the manufacturing PMI eased in August, marking its lowest level since July 2017. Additionally, new vehicle sales recorded a drop on an annual basis in August.

GBP ZAR ▲

GBP trading firmer against ZAR

At 06:00 SAST, the British Pound advanced 0.1% against the South African Rand to trade at R19.1419. Ahead in the day, traders will keep an eye on the Bank of England Governor, Mark Carney's speech along with the UK's construction PMI for further indication. Data revealed that UK's BRC like-for-like sales advanced on an annual basis in August.

The British Pound advanced against the South African Rand yesterday. On the macroeconomic front, UK's Markit manufacturing PMI eased in August, marking its lowest level in 25 months.

EUR ZAR ▲

EUR trading higher against ZAR

At 06:00 SAST, the Euro marginally gained against the South African Rand to trade at R17.2669. Going forward, market participants will keep a tab on Eurozone's producer price index for further cues.

The Euro strengthened against the South African Rand yesterday. On the data front, the Eurozone's Markit manufacturing PMI declined in line with market expectations in August. Separately, Germany's Markit manufacturing PMI recorded a more-than-anticipated drop in the same month.

AUD ZAR ▼

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% weaker against the South African Rand at R10.7071. In Australian economic data, the ANZ Roy Morgan weekly consumer confidence index recorded a rise in the week ended 2 September 2018. Meanwhile, the nation's current account deficit widened more than market expectations in 2Q18.

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	14.8841	▲	1.16	1.16	1.16	10.65	20.00
GBPZAR	19.1419	▲	0.42	0.42	0.42	9.25	14.31
EURZAR	17.2669	▲	1.33	1.33	1.33	9.80	16.24
AUDZAR	10.7071	▼	1.46	1.46	1.46	7.15	10.89
EURUSD	1.1600	▼	0.15	0.15	0.15	-0.76	-3.22
GBPUSD	1.2861	▼	-0.69	-0.69	-0.69	-1.25	-4.76
Brent (\$/barrel)	78.1	▼	0.66	0.66	0.66	4.62	16.87
Gold (\$/oz)	1205.2	▲	-	NA	NA	-1.81	-8.23
Platinum (\$/oz)	787.6	▲	-	NA	NA	-6.94	-15.75
Copper (\$/MT)*	5945.0	▼	-0.39	-0.39	-0.39	-4.96	-17.51

*As of previous close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.3% higher to trade at \$1,205.20/oz.

Trading in gold was closed yesterday on account of the US labour day holiday.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 0.1% lower to trade at \$78.07/bl.

Yesterday, Brent crude oil advanced 0.7% to settle at \$78.15/bl, following reports that US sanctions had resulted in lower crude oil exports from Iran.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices rose 0.1% to trade at \$787.60/oz.

Trading in platinum was closed yesterday on account of the US labour day holiday.

Major South African corporate news

Bidvest Group Limited

In its FY18 results, the company stated that its revenues increased to ZAR76.96bn, compared to ZAR71.00bn posted in the corresponding period of the previous year. Its diluted EPS fell 20.4% to 1,132.40c, compared to the same period of the prior year. The company has declared a final dividend of 301.00c per share, compared to 264.00c per share recorded in the corresponding period of the preceding year.

Sun International Limited

In its 1H18 results, the company indicated that its income rose to ZAR7.85bn, compared to ZAR7.56bn posted in the corresponding period of the previous year. Its diluted EPS stood at 133.00c compared to a diluted loss per share of 59.00c recorded in the same period of the prior year. The company has not declared an interim dividend for the period.

DataTec Limited

The company announced that its subsidiary Logicalis SA (Pty) Limited has acquired Clarotech, an IP telephony (IPT) cloud and managed services business based in Cape Town. With this acquisition, Logicalis will be able to extend its managed services capability with a mature SMB customer base, strong services delivery and sales capabilities to drive scale and relevancy in the region.

Major global economic news

Eurozone

In the Eurozone, the final manufacturing PMI eased to 54.60 in August, meeting market forecast and compared to a reading of 55.10 in the prior month. The preliminary figures had also recorded a drop to 54.60.

In Germany, the final manufacturing PMI dropped more than market forecast to 55.90 in August. Manufacturing PMI had registered a reading of 56.90 in the prior month. The preliminary figures had recorded a fall to 56.10.

Asia

In Australia, seasonally adjusted current account deficit widened more-than-expected to AUD13.50bn in 2Q18, compared to a revised deficit of AUD11.70bn in the prior quarter.

In Australia, the ANZ Roy Morgan weekly consumer confidence index advanced to a level of 117.7 in the week ended 2 September 2018, compared to a reading of 116.5 in the prior week.

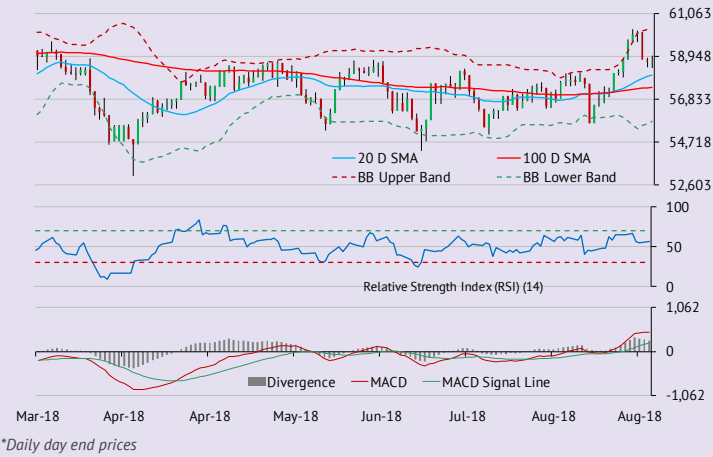
UK

In the UK, the manufacturing PMI recorded a more-than-expected drop to 52.80 in August, compared to a revised level of 54.80 in the prior month.

In the UK, retail sales across all sectors registered a rise of 0.2% in August on a yearly basis. Retail sales across all sectors had recorded a rise of 0.5% in the prior month.

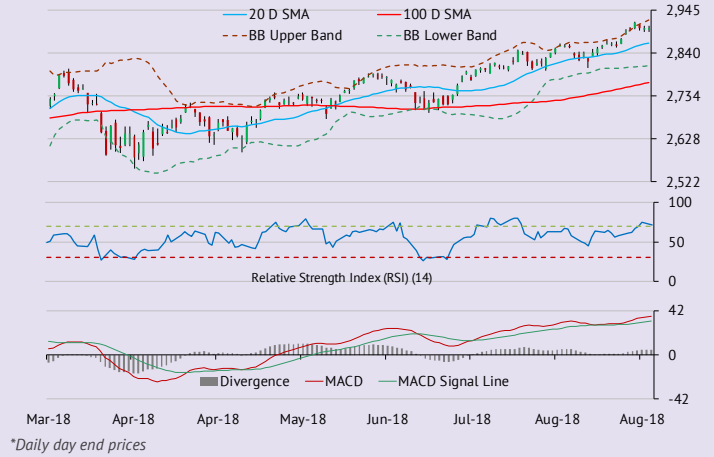
Technical snapshot

JSE All Share



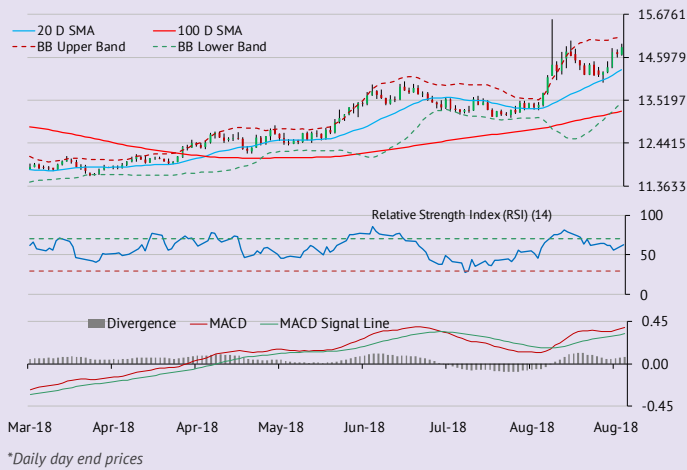
The JSE All Share index is expected to find support at 57,958.49, and a fall through could take it to the next support level of 57,205.84. The index is expected to find its first resistance at 59,881.32, and a rise through could take it to the next resistance level of 61,051.50.

S&P 500



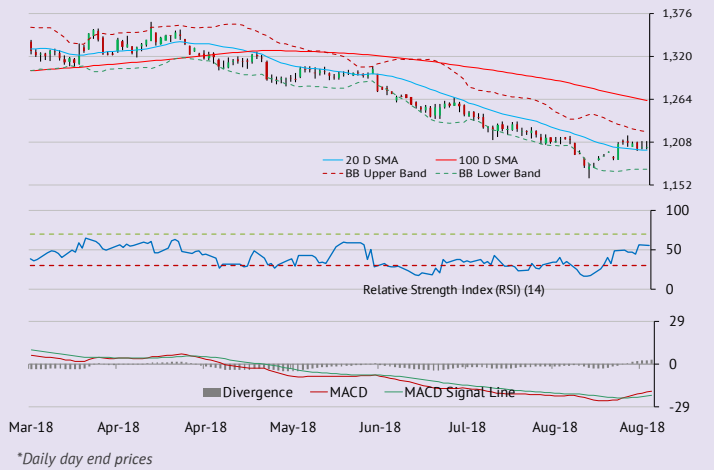
The S&P 500 index is expected to find support at 2,890.00, and a fall through could take it to the next support level of 2,878.48. The index is expected to find its first resistance at 2,914.77, and a rise through could take it to the next resistance level of 2,928.02.

USD ZAR



The pair is expected to find support at 14.2287, and a fall through could take it to the next support level of 13.5983. The pair is expected to find its first resistance at 15.2158, and a rise through could take it to the next resistance level of 15.5725.

XAU USD



Gold is expected to find support at \$1,193.53/oz, and a fall through could take it to the next support level of \$1,185.47/oz. The precious metal is expected to find its first resistance at \$1,213.33/oz, and a rise through could take it to the next resistance level of \$1,225.07/oz.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
UK	01:01	BRC Sales Like-For-Like (YoY) (Aug)	✓✓✓	0.20%*	0.50%	Monthly
Japan	01:50	Monetary Base (YoY) (Aug)	✓	6.90%*	7.00%	Monthly
Japan	01:50	Monetary Base (Aug)	✓✓✓	JPY502.00tn*	JPY503.00tn	Monthly
UK	10:30	Markit Construction PMI (Aug)	✓✓✓	54.90	55.80	Monthly
Eurozone	11:00	Producer Price Index (MoM) (Jul)	✓✓✓	0.30%	0.40%	Monthly
Eurozone	11:00	Producer Price Index (YoY) (Jul)	✓✓✓	3.90%	3.60%	Monthly
South Africa	11:30	Gross Domestic Product (QoQ) (Q2)	✓✓	0.60%	-2.20%	Quarterly
South Africa	11:30	Gross Domestic Product (YoY) (Q2)	✓	1.00%	0.80%	Quarterly
UK	14:15	BoE's Carney, Haldane, Tenreyro, and Saunders Speak in London	✓✓✓	-	-	As scheduled
US	14:55	Redbook Index (YoY) (31-Aug)	✓	-	5.10%	Weekly
US	14:55	Redbook Index s.a. (MoM) (31-Aug)	✓	-	0.40%	Weekly
US	15:45	Markit Manufacturing PMI (Aug) (F)	✓✓✓	54.50	54.50**	Monthly
US	16:00	ISM Employment (Aug)	✓	-	56.50	Monthly
US	16:00	ISM Backlog Orders (Aug)	✓	-	54.70	Monthly
US	16:00	ISM Inventories (Aug)	✓	-	53.30	Monthly
US	16:00	ISM Production (Aug)	✓	-	58.50	Monthly
US	16:00	ISM New Orders (Aug)	✓	-	60.20	Monthly
US	16:00	ISM Imports (Aug)	✓	-	54.70	Monthly
US	16:00	ISM New Export Orders (Aug)	✓	-	55.30	Monthly
US	16:00	ISM Manufacturing PMI (Aug)	✓✓✓	57.60	58.10	Monthly
US	16:00	Construction Spending (MoM) (Jul)	✓✓	0.40%	-1.10%	Monthly
US	16:00	ISM Prices Paid (Aug)	✓✓	69.50	73.20	Monthly
US	16:30	Fed's Evans Discusses Policy Normalization	✓	-	-	As scheduled

Note: ✓✓✓High ✓✓Medium ✓Low

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