

ONE
Minute Brief

10 September 2018

GTC
consult • partner • manage

Economic and political news

In South Africa (SA), net gold & forex reserves dropped to USD42.35bn in August, compared to a level of USD42.44bn in the prior month. Gross gold & forex reserves unexpectedly fell to a level of USD49.85bn in August, compared to a level of USD50.51bn in July.

The African National Congress (ANC) has rejected claims by the Sunday Times of secret meeting plans to oust President, Cyril Ramaphosa.

According to the justice department's recalculated figures, former President, Jacob Zuma's legal bills now stand at ZAR16.70mn, up from ZAR15.30mn announced in March.

Nedbank's Chief Executive Officer, Mike Brown, cautioned that SA's plans to change the constitution to allow the expropriation of land without compensation could affect property prices and trigger a banking crisis in the country.

The Democratic Alliance (DA) has launched a petition calling for the ANC President, Cyril Ramaphosa, to testify before the Zondo Commission of Inquiry into state capture.

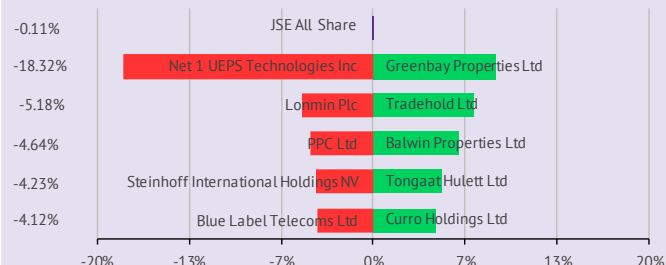
Key indices

	Last close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	57068.45	▼	-62.03	-0.11	NA	-2.73	2.15	-4.09
JSE Top 40	50832.75	▼	-60.39	-0.12	NA	-3.11	2.24	-3.24
FTSE 100	7277.70	▼	-41.26	-0.56	NA	-2.08	-4.08	-5.33
DAX 30	11959.63	▲	4.38	0.04	NA	-3.27	-3.45	-7.42
CAC 40	5252.22	▲	8.38	0.16	NA	-2.86	-1.90	-1.14
S&P 500	2871.68	▼	-6.37	-0.22	NA	-1.03	3.03	7.41
Nasdaq Composite	7902.54	▼	-20.18	-0.25	NA	-2.55	5.71	14.47
DJIA	25916.54	▼	-79.33	-0.31	NA	-0.19	2.16	4.84
MSCI Emerging Markets	1022.98	▲	4.69	0.46	NA	-3.12	-2.90	-11.69
MSCI Developed World	2137.60	▼	-6.43	-0.30	NA	-1.74	1.04	1.62

South Africa Market ▼

South African markets closed lower

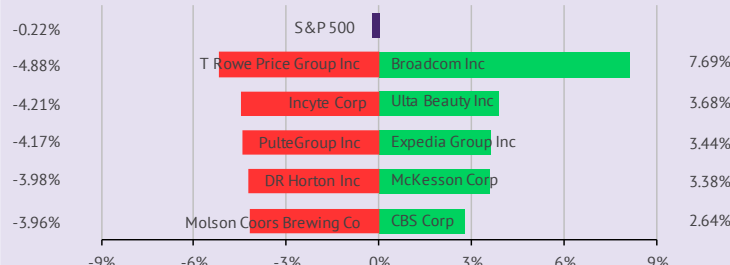
South African markets closed in the red on Friday, weighed down by losses in mining sector stocks. Data indicated that SA's net gold & forex reserves dropped in August. The JSE All Share Index fell 0.1% to close at 57,068.45.



US Market ▼

The S&P 500 futures are trading in the green

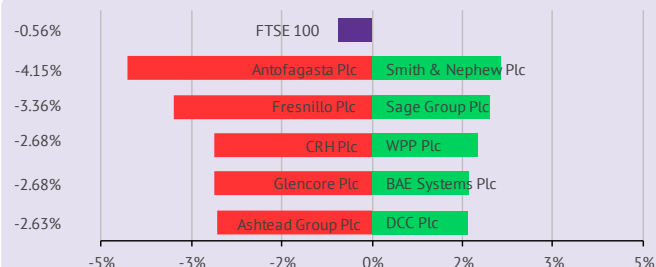
US markets closed lower on Friday, led by losses in technology sector stocks and after President, Donald Trump threatened tariffs on another USD267bn worth of Chinese imports. The S&P 500 Index dropped 0.2% to close at 2,871.68.



UK Market ▼

The FTSE 100 futures are trading in positive territory

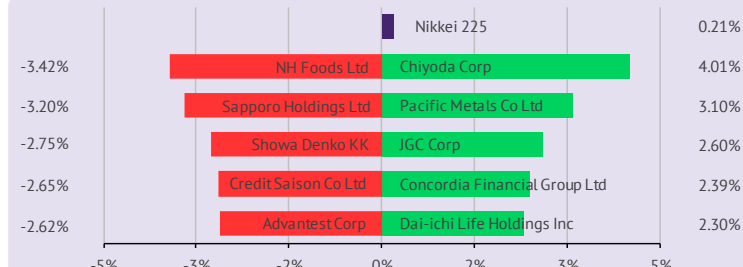
UK markets fell on Friday, as the Pound rose, after EU negotiator, Michel Barnier stated that the bloc was open to discuss other "backstops" on the Brexit issue. The FTSE 100 Index declined 0.6% to close at 7,277.70.



Asian Market ◀▶

Trading mixed

Asian markets are trading mixed this morning. Data showed that Japan's quarterly gross domestic product (GDP) rose more-than-expected in 2Q18. The Nikkei 225 Index is trading 0.2% higher at 22,353.05.



USD ZAR ▲

USD trading higher against ZAR

At 06:00 SAST, the US Dollar is trading 0.1% firmer against the South African Rand at R15.2580. Later today, traders will keep a close watch on the US consumer credit data for further cues.

The US Dollar fell against the South African Rand on Friday. On the macroeconomic front, the US non-farm payrolls data climbed more-than-expected in August. Additionally, average hourly earnings advanced more than market forecast on an annual basis in August. Meanwhile, unemployment rate recorded an unchanged reading in the same month. Separately, in SA, net gold & forex reserves recorded a drop in August. Additionally, gross gold & forex reserves unexpectedly declined in the same month.

GBP ZAR ▲

GBP trading firmer against ZAR

At 06:00 SAST, the British Pound rose 0.1% against the South African Rand to trade at R19.6960. Ahead in the day, traders will keep an eye on the UK's GDP data, trade balance, industrial and manufacturing production for further direction.

The British Pound declined against the South African Rand on Friday. On the data front, the UK's Halifax house price index advanced on a monthly basis in August.

EUR ZAR ▲

EUR trading stronger against ZAR

At 06:00 SAST, the Euro is trading 0.1% firmer against the South African Rand at R17.6124. Going forward, market participants will keep a tab on the Eurozone's Sentix investor confidence index for further indication.

The Euro weakened against the South African Rand on Friday. Data indicated that the Eurozone's gross domestic product (GDP) advanced in line with market forecast in the second quarter of 2018. Separately, Germany's trade surplus narrowed more than market expectations in July, marking its lowest level since March 2014. Moreover, current account surplus narrowed more-than-anticipated in the same month. Additionally, industrial production registered an unexpected decline on a monthly basis in July.

AUD ZAR ▲

AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% higher against the South African Rand at R10.8391. Meanwhile, in China, Australia's largest trading partner, the annual consumer price index (CPI) climbed more than market expectations on an annual basis in August. Additionally, the producer price index (PPI) recorded a more-than-expected advance on a yearly basis in the same month.

The Australian Dollar fell against the South African Rand on Friday.

Key currencies & commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	15.2580	▲	-0.63	NA	3.73	10.65	23.05
GBPZAR	19.6960	▲	-0.71	NA	3.42	9.25	17.72
EURZAR	17.6124	▲	-1.23	NA	3.30	9.80	18.50
AUDZAR	10.8391	▲	-1.87	NA	2.54	7.15	12.07
EURUSD	1.1544	▼	-0.60	NA	-0.42	-0.76	-3.77
GBPUSD	1.2910	▼	-0.08	NA	-0.31	-1.25	-4.39
Brent (\$/barrel)	77.3	▲	0.43	NA	-1.04	4.62	14.89
Gold (\$/oz)	1199.8	▲	-0.33	NA	-0.54	-1.81	-8.72
Platinum (\$/oz)	780.5	▲	-1.33	NA	-0.85	-6.94	-16.46
Copper (\$/MT)*	5915.0	▲	0.19	NA	-0.89	-4.96	-17.93

*As of previous close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.4% higher to trade at \$1,199.80/oz.

On Friday, gold prices fell 0.3% to close at \$1,195.10/oz, as stronger than expected US jobs data boosted expectations for further interest-rate hikes this year.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil advanced 0.6% to trade at \$77.31/bl, as stalled US drilling activity and looming Washington sanctions against Iran, tightened the oil market outlook.

On Friday, Brent crude oil advanced 0.4% to settle at \$76.83/bl, after Baker Hughes reported that US oil rig count fell by 2 to 860 in the week ended in the week ended 7 September 2018.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices are trading slightly higher at \$780.50/oz.

On Friday, platinum prices declined 1.3% to close at \$780.40/oz.

Major South African corporate news

African Rainbow Minerals Limited

In its FY18 results, the company revealed that its revenues advanced to ZAR9.60bn, compared to ZAR9.02bn posted in the same period of the preceding year. Its diluted EPS stood at 2,419.00c, compared to 733.00c recorded in the corresponding period of the previous year. The company has declared a final dividend of 750.00c per share for the period.

Aveng Limited

In its FY18 trading statement, the company indicated that it expects headline loss per share to be between 297.00c per share and 329.00c per share. Further, the company expects loss per share to be in the range of 607.00c per share to 671.00c per share for the period.

Northam Platinum Limited

In its FY18 results, the company announced that its revenues increased to ZAR7.55bn, compared to ZAR6.87bn posted in the corresponding period of the previous year. Its diluted loss per share rose to 201.50c, compared to 181.80c recorded in the same period of the prior year. The company has not declared a final dividend for the period.

RMB Holdings Limited

In its FY18 results, the company announced that its revenues advanced to ZAR26.00bn, compared to ZAR16.00bn posted in the same period of the preceding year. Its diluted EPS stood at 606.50c, compared to 581.20c recorded in the corresponding period of the previous year. The company has declared a total dividend of 351.00c per share, an increase of 7.0% compared to the same period of the previous year.

Major global economic news

Eurozone

In the Eurozone, seasonally adjusted final GDP rose 0.4% on a quarterly basis in 2Q18, in line with market expectations. GDP had risen by a revised 0.3% in the previous quarter. The preliminary figures had also indicated a rise of 0.4%.

In Germany, seasonally adjusted trade surplus narrowed more-than-expected to EUR16.50bn in July, compared to a surplus of EUR21.80bn in the previous month.

In Germany, seasonally adjusted industrial production registered an unexpected drop of 1.1% on a monthly basis in July, compared to a fall of 0.9% in the prior month.

In July, non-seasonally adjusted current account surplus narrowed to EUR15.30bn in Germany, more-than-expected and compared to a surplus of EUR26.20bn in the previous month.

US

In the US, non-farm payrolls rose more-than-anticipated to 201.00K in August, following a revised gain of 147.00K in the prior month.

In August, unemployment rate remained unchanged at 3.9% in the US.

In August, average hourly earnings of all employees registered a more-than-expected rise of 0.4% on a monthly basis in the US, compared to a rise of 0.3% in the prior month.

Asia

In Japan, final annualised GDP rose 3.0% on a quarterly basis in 2Q18, more-than-expected and compared to a revised drop of 0.9% in the previous quarter. The preliminary figures had indicated a rise of 1.9%.

Japan posted a trade deficit of JPY1.00bn in July, compared to a surplus of JPY820.50bn in the prior month.

In China, the CPI advanced 2.3% on a yearly basis in August, more than market forecast compared to a rise of 2.1% in the previous month.

In China, the PPI rose 4.1% on an annual basis in August, more than market expectations. In the previous month, the PPI had risen 4.6%.

40 best performers on the All Share Index

Company name	Last close	1 Week % change	MTD % change	YTD % change
Trustco Group Holdings Ltd	1245	-7.71	-7.71	39.89
Mondi Plc	40750	-0.59	-0.59	37.23
Mondi Ltd	40716	-0.74	-0.74	36.73
Murray & Roberts Holdings Ltd	1640	5.74	5.74	35.43
Sasol Ltd	56223	-1.04	-1.04	34.76
EPP NV	2080	6.39	6.39	28.08
Emira Property Fund Ltd	1554	2.24	2.24	26.92
BHP Billiton Plc	29957	-1.95	-1.95	26.65
Anglo American Platinum Ltd	43426	0.99	0.99	25.19
Stenprop Ltd	2252	2.36	2.36	23.82
Santam Ltd	32057	5.74	5.74	22.36
Clover Industries Ltd	1547	-9.53	-9.53	20.02
Adcock Ingram Holdings Ltd	6876	-3.51	-3.51	19.36
Anglo American Plc	28999	-2.27	-2.27	18.83
Lewis Group Ltd	2921	3.22	3.22	18.34
Netcare Ltd	2850	-2.90	-2.90	17.71
Harmony Gold Mining Co Ltd	2669	11.58	11.58	17.63
Reunert Ltd	7807	2.67	2.67	15.65
Cie Financiere Richemont SA	12853	-1.52	-1.52	15.02
South32 Ltd	3795	3.29	3.29	14.76
Octodec Investments Ltd	2049	-0.44	-0.44	14.09
PSG Konsult Ltd	974	0.41	0.41	12.90
RCL Foods Ltd	1690	-0.47	-0.47	12.07
Sappi Ltd	9683	-3.55	-3.55	10.58
Clicks Group Ltd	19625	-3.33	-3.33	10.31
AECI Ltd	10502	0.91	0.91	9.84
Raubex Group Ltd	2154	-1.51	-1.51	9.62
Investec Plc	9540	-1.42	-1.42	8.92
Investec Ltd	9511	-1.10	-1.10	8.62
Nedbank Group Ltd	26274	-2.97	-2.97	7.87
Telkom SA SOC Ltd	4951	-1.55	-1.55	7.80
Bid Corp Ltd	31698	1.08	1.08	6.44
RDI REIT Plc	626	-3.25	-3.25	6.21
Exxaro Resources Ltd	15100	1.44	1.44	5.44
Transaction Capital Ltd	1732	-1.03	-1.03	4.99
RMB Holdings Ltd	8124	-3.63	-3.63	4.79
African Oxygen Ltd	2880	-3.06	-3.06	4.70
FirstRand Ltd	6891	-2.53	-2.53	4.43
JSE Ltd	15504	-4.27	-4.27	4.23
Reinet Investments SCA	28132	-1.26	-1.26	3.82
JSE All Share Index	57068	-2.73	-2.73	-4.09

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
 Japan	01:50	Gross Domestic Product (QoQ) (Q2) (F)	✓✓	0.70%*	0.50%**	Quarterly
 Japan	01:50	Gross Domestic Product Annualised (Q2) (F)	✓✓✓	3.00%*	1.90%**	Quarterly
 Japan	01:50	Gross Domestic Product Deflator (YoY) (Q2) (F)	✓	0.10%*	0.10%**	Quarterly
 Japan	01:50	Nominal Gross Domestic Product (QoQ) (Q2) (F)	✓✓	0.70%*	0.40%**	Quarterly
 Japan	01:50	Adjusted Current Account Total (Jul)	✓	Yen1484.70bn*	Yen1762.40bn	Monthly
 Japan	01:50	Current Account n.s.a. (Jul)	✓	Yen2009.70bn*	Yen1175.60bn	Monthly
 Japan	01:50	Trade Balance - BOP Basis (Jul)	✓✓✓	-Yen1.00bn*	Yen820.50bn	Monthly
 China	03:30	Consumer Price Index (YoY) (Aug)	✓✓✓	2.30%*	2.10%	Monthly
 China	03:30	Producer Price Index (YoY) (Aug)	✓✓✓	4.10%*	4.60%	Monthly
 Japan	06:30	Bankruptcies (YoY) (Aug)	✓✓	-	-1.68%	Monthly
 Japan	07:00	Eco Watchers Survey: Current (Aug)	✓✓	47.00	46.60	Monthly
 Japan	07:00	Eco Watchers Survey: Outlook (Aug)	✓✓	48.80	49.00	Monthly
 UK	10:30	Index of Services (MoM) (Jul)	✓	0.20%	0.00%	Monthly
 UK	10:30	Industrial Production (MoM) (Jul)	✓✓✓	0.20%	0.40%	Monthly
 UK	10:30	Industrial Production (YoY) (Jul)	✓✓✓	1.10%	1.10%	Monthly
 Eurozone	10:30	Sentix Investor Confidence (Sep)	✓✓✓	14.30	14.70	Monthly
 UK	10:30	Index of Services (3M/3M) (Jul)	✓	0.50%	0.50%	Monthly
 UK	10:30	Manufacturing Production (MoM) (Jul)	✓✓✓	0.20%	0.40%	Monthly
 UK	10:30	Manufacturing Production (YoY) (Jul)	✓✓✓	1.40%	1.50%	Monthly
 UK	10:30	Construction Output s.a. (YoY) (Jul)	✓	2.60%	2.20%	Monthly
 UK	10:30	Total Trade Balance (Jul)	✓✓✓	-GBP2.10bn	-GBP1.86bn	Monthly
 UK	10:30	Trade Balance; non-EU (Jul)	✓✓✓	-GBP3.30bn	-GBP2.94bn	Monthly
 UK	10:30	Visible Trade Balance (Jul)	✓✓✓	-GBP11.74bn	-GBP11.38bn	Monthly
 US	18:00	Fed's Bostic Discusses Economic Outlook	✓	-	-	As scheduled
 US	21:00	Consumer Credit Change (Jul)	✓✓	-	USD10.21bn	Monthly

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