

ONE Minute Brief

11 September 2018

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Economic and political news

The Agbiz/IDC agribusiness confidence index fell to 48 in 3Q18, recording its weakest reading since 2016. Additionally, agriculture output shrank by 29.2% in the 2Q18, compared to a contraction of 24.2% in the prior quarter.

Finance Minister, Nhlanhla Nene, warned that tax revenue collection may be lower than forecast this financial year due to recession and problems at the South African revenue service (SARS).

Former South African President, Jacob Zuma's son, Duduzane Zuma, has agreed to testify before the state capture inquiry.

President, Cyril Ramaphosa, stated that the Independent Communications Authority of SA (Icasa) is preparing to accelerate the licensing of high-demand radio frequency spectrum to mobile operators.

Chairman of Agri Development Solutions, Johann Bornman, stated that the average price of agricultural land sold plunged by 32% to ZAR9,318 per hectare in July compared to ZAR13,700 in December.

The Belgian government has pledged to provide EUR30mn to SA's land reform process.

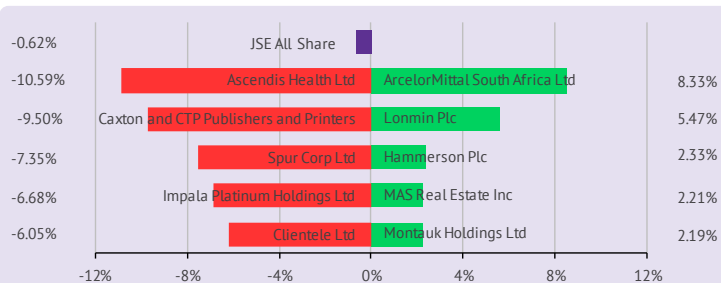
Key indices

	Last close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	56715.26	▼	-353.19	-0.62	-0.62	-3.33	2.15	-4.69
JSE Top 40	50544.69	▼	-288.06	-0.57	-0.57	-3.66	2.24	-3.78
FTSE 100	7279.30	▲	1.60	0.02	0.02	-2.06	-4.08	-5.31
DAX 30	11986.34	▲	26.71	0.22	0.22	-3.05	-3.45	-7.21
CAC 40	5269.63	▲	17.41	0.33	0.33	-2.54	-1.90	-0.81
S&P 500	2877.13	▲	5.45	0.19	0.19	-0.84	3.03	7.61
Nasdaq Composite	7924.16	▲	21.62	0.27	0.27	-2.29	5.71	14.79
DJIA	25857.07	▼	-59.47	-0.23	-0.23	-0.41	2.16	4.60
MSCI Emerging Markets	1011.25	▼	-11.73	-1.15	-1.15	-4.23	-2.90	-12.71
MSCI Developed World	2142.64	▲	5.04	0.24	0.24	-1.51	1.04	1.86

South Africa Market ▼

South African markets closed lower

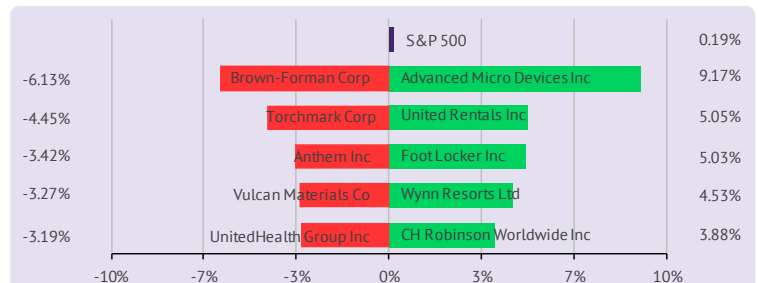
South African markets closed in the red yesterday, weighed down by losses in platinum mining and retail sector stocks. The JSE All Share Index fell 0.6% to close at 56,715.26.



US Market ▲

The S&P 500 futures are trading in the green

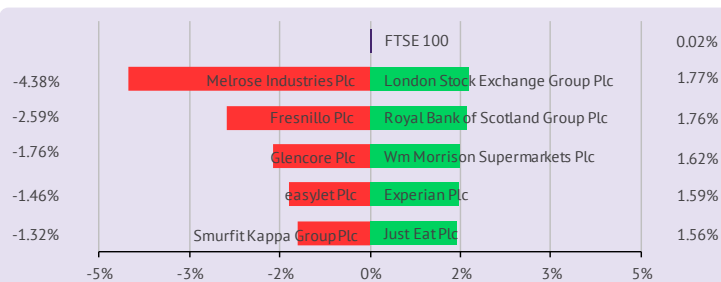
US markets closed mostly higher yesterday, boosted by gains in technology, utility and industrial sector stocks. Data indicated that the US consumer credit advanced more-than-anticipated in July. The S&P 500 Index climbed 0.2% to close at 2,877.13.



UK Market ▲

The FTSE 100 futures are trading in positive territory

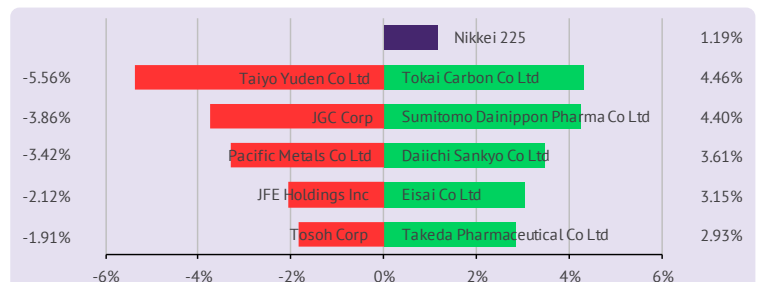
UK markets finished higher yesterday, amid gains in banking sector stocks. Data revealed that UK's monthly GDP rose more-than-expected in July. The FTSE 100 Index marginally advanced to close at 7,279.30.



Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning. The Nikkei 225 Index is trading 1.2% higher at 22,639.00.



USD ZAR ▲

USD trading stronger against ZAR

At 06:00 SAST, the US Dollar is trading slightly higher against the South African Rand at R15.1955. Later today, traders will keep a close watch on the US JOLTS job openings and the NFIB small business optimism index for further cues.

The US Dollar rose against the South African Rand yesterday. On the macro front, the US consumer credit climbed more than market expectations in July.

GBP ZAR ▲

GBP trading higher against ZAR

At 06:00 SAST, the British Pound rose 0.1% against the South African Rand to trade at R19.8133. Ahead in the day, traders will keep an eye on the UK's ILO unemployment rate and average weekly earnings for further direction.

The British Pound advanced against the South African Rand yesterday, after the European Union's Chief Negotiator, Michael Barnier raised hopes for a Brexit deal to be achieved in the next 6 to 8 weeks. On the data front, UK's GDP accelerated more than market forecast on a monthly basis in July. Additionally, trade deficit unexpectedly narrowed in July. Meanwhile, the nation's monthly industrial production rose at a slower-than-expected pace in July. However, manufacturing production recorded an unexpected decline on a monthly basis in the same month.

EUR ZAR ▲

EUR trading firmer against ZAR

At 06:00 SAST, the Euro marginally advanced against the South African Rand to trade at R17.6231. Going forward, market participants will keep a tab on the Eurozone's ZEW economic sentiment index and Germany's ZEW survey indices for further indication.

The Euro strengthened against the South African Rand yesterday. Data indicated that the Eurozone's Sentix investor confidence index dropped more than market forecast in September.

AUD ZAR ▲

AUD trading stronger against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% higher against the South African Rand at R10.8194. Earlier in the session, Australia's ANZ Roy Morgan weekly consumer confidence index recorded a drop in the week ended 9 September 2018. Additionally, the NAB business confidence index declined in August.

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	15.1955	▲	-0.28	-0.28	3.44	10.65	22.70
GBPZAR	19.8133	▲	0.55	0.55	3.99	9.25	18.37
EURZAR	17.6231	▲	0.07	0.07	3.38	9.80	18.59
AUDZAR	10.8194	▲	-0.19	-0.19	2.34	7.15	11.85
EURUSD	1.1598	▲	0.35	0.35	-0.07	-0.76	-3.42
GBPUSD	1.3039	▲	0.82	0.82	0.51	-1.25	-3.60
Brent (\$/barrel)	77.5	▲	0.70	0.70	-0.35	4.62	15.70
Gold (\$/oz)	1199.0	▲	-0.05	-0.05	-0.59	-1.81	-8.77
Platinum (\$/oz)	788.4	▼	1.23	1.23	0.37	-6.94	-15.44
Copper (\$/MT)*	5891.5	▼	-0.40	-0.40	-1.28	-4.96	-18.25

*As of previous close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices advanced 0.4% to trade at \$1,199.00/oz.

Yesterday, gold prices fell 0.1% to close at \$1,194.50/oz.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil rose 0.2% to trade at \$77.50/bl.

Yesterday, Brent crude oil advanced 0.7% to settle at \$77.37/bl, on expectations that renewed sanctions on Iran will tighten the world's crude oil supply. Meanwhile, Baker Hughes reported that a total worldwide August rig count rose by 7.7% to 2,278, compared to 2,116 last year.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices fell 0.2% to trade at \$788.40/oz.

Yesterday, platinum prices climbed 1.2% to close at \$790.00/oz.

Major South African corporate news

African Oxygen Limited

In its 1H18 results, the company announced that its revenues advanced 3.9% to ZAR2.90bn, compared to the same period of the preceding year. Its diluted EPS stood at 103.80c, compared to 94.40c recorded in the corresponding period of the previous year. The company has declared an interim dividend of 52.00c per share compared to 46.00c per share posted in the same period of the prior year.

AVI Limited

In its FY18 results, the company announced that its revenues increased to ZAR13.44bn, compared to ZAR13.18bn posted in the corresponding period of the previous year. Its diluted EPS rose 7.3% to 510.10c, compared to the same period of the prior year. The company has declared a total dividend of 435.00c per share, an increase of 7.4% compared to the comparable period of the preceding year.

Major global economic news

UK

In the UK, GDP advanced 0.3% on a monthly basis in July, more-than-expected and compared to a rise of 0.1% in the previous month.

In the UK, total trade deficit unexpectedly narrowed to GBP0.11bn in July, following a revised total deficit of GBP0.94bn in the previous month.

In the UK, industrial production advanced 0.1% on a monthly basis in July, less-than-anticipated and compared to a rise of 0.4% in the prior month.

In the UK, manufacturing production unexpectedly dropped 0.2% on a monthly basis in July, compared to an advance of 0.4% in the prior month.

Asia

In Australia, the ANZ Roy Morgan weekly consumer confidence index fell to a level of 116.2 in the week ended 9 September 2018, compared to a reading of 117.7 in the previous week.

In Australia, the NAB business confidence index dropped to 4.00 in August. The index had recorded a level of 7.00 in the prior month.

US

In the US, consumer credit advanced more-than-expected to USD16.64bn in July, compared to a revised rise of USD8.46bn in the previous month.

Eurozone

In the Eurozone, the Sentix investor confidence index registered a more-than-expected drop to 12.00 in September, compared to a reading of 14.70 in the prior month.

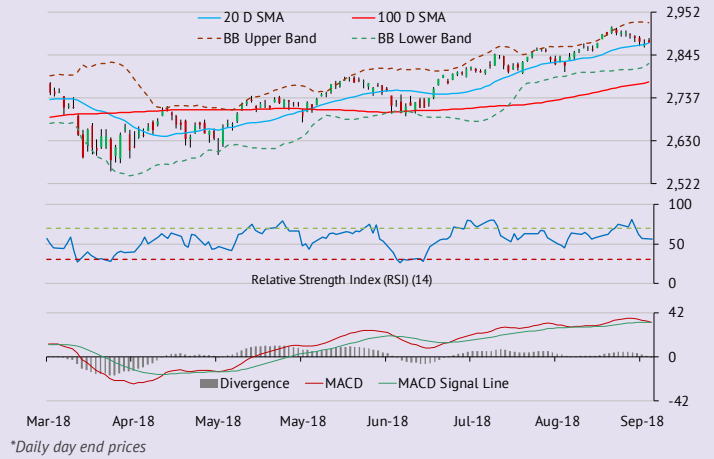
Technical snapshot

JSE All Share



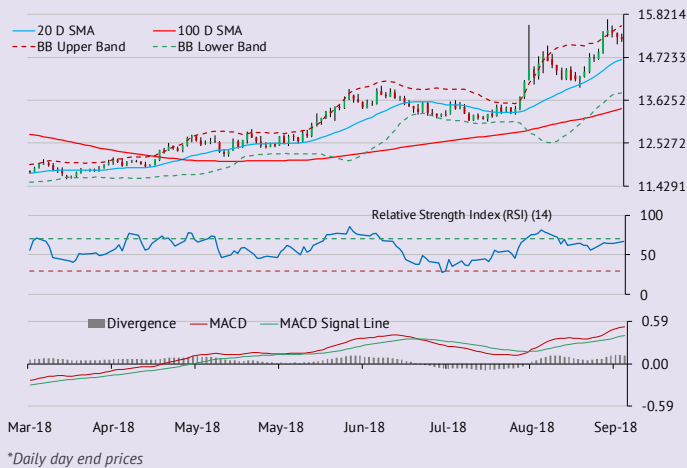
The JSE All Share index is expected to find support at 55,877.29, and a fall through could take it to the next support level of 55,039.33. The index is expected to find its first resistance at 58,359.34, and a rise through could take it to the next resistance level of 60,003.43.

S&P 500



The S&P 500 index is expected to find support at 2,860.77, and a fall through could take it to the next support level of 2,844.42. The index is expected to find its first resistance at 2,896.83, and a rise through could take it to the next resistance level of 2,916.54.

USD ZAR












The pair is expected to find support at 14.7717, and a fall through could take it to the next support level of 14.3495. The pair is expected to find its first resistance at 15.6559, and a rise through could take it to the next resistance level of 16.1179.

XAU USD



Gold is expected to find support at \$1,187.20/oz, and a fall through could take it to the next support level of \$1,179.90/oz. The precious metal is expected to find its first resistance at \$1,204.60/oz, and a rise through could take it to the next resistance level of \$1,214.70/oz.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
 Eurozone	1:01	Germany Fourth Quarter Manpower Employment Outlook	✓	-	-	As scheduled
 Japan	1:50	Money Supply M3 (YoY) (Aug)	✓	2.50%*	2.50%	Monthly
 Japan	1:50	Money Supply M2+CD (YoY) (Aug)	✓	2.90%*	2.90%	Monthly
 China	2:01	Manpower Survey (Q4)	✓	7.00%*	10.00%	Quarterly
 Japan	2:01	Manpower Survey (Q4)	✓	26.00%*	26.00%	Quarterly
 Japan	6:30	Tertiary Industry Index (MoM) (Jul)	✓✓	0.10%	-0.50%	Monthly
 Japan	8:00	Machine Tool Orders (YoY) (Aug) (P)	✓✓✓	-	13.10%	Monthly
 UK	10:30	Claimant Count Change (Aug)	✓✓✓	-	6.20K	Monthly
 UK	10:30	Claimant Count Rate s.a. (Aug)	✓✓	-	2.50%	Monthly
 UK	10:30	Average Earnings Excluding Bonus (3Mo/Yr) (Jul)	✓	2.80%	2.70%	Monthly
 UK	10:30	Average Earnings Including Bonus (3Mo/Yr) (Jul)	✓✓✓	2.50%	2.40%	Monthly
 UK	10:30	Ilo Unemployment Rate (3M) (Jul)	✓✓✓	4.00%	4.00%	Monthly
 UK	10:30	Employment Change (3M/3M) (Jul)	✓✓✓	10.00K	42.00K	Monthly
 Eurozone	11:00	ZEW Survey - Economic Sentiment (Sep)	✓✓	-	-11.10	Monthly
 Germany	11:00	ZEW Survey - Current Situation (Sep)	✓✓	72.00	72.60	Monthly
 Germany	11:00	ZEW Survey - Economic Sentiment (Sep)	✓✓✓	-13.50	-13.70	Monthly
 US	12:00	NFIB Small Business Optimism (Aug)	✓	108.10	107.90	Monthly
 South Africa	13:00	Manufacturing Production Index (YoY) (Jul)	✓✓	1.10%	0.70%	Monthly
 South Africa	13:00	Manufacturing Production s.a. (MoM) (Jul)	✓✓	1.20%	0.30%	Monthly
 Eurozone	14:00	ECB's Nouy Speaks in Strasbourg, France	✓	-	-	As scheduled
 US	14:55	Redbook Index (YoY) (07-Sep)	✓	-	6.50%	Weekly
 US	14:55	Redbook Index s.a. (MoM) (07-Sep)	✓	-	0.80%	Weekly
 US	16:00	JOLTs Job Openings (Jul)	✓	6675.00K	6662.00K	Monthly
 US	16:00	Wholesale Inventories (MoM) (Jul) (F)	✓✓✓	0.70%	0.70%**	Monthly

Note: ✓✓✓High ✓✓Medium ✓Low

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