

ONE  
Minute Brief

3 September 2018

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## Economic and political news

South Africa (SA) registered a trade deficit of ZAR4.66bn in July, compared to a revised surplus of ZAR11.89bn in the previous month.

Mining Minister, Gwede Mantashe, stated that SA aims to publish the mining charter by November.

Trade union, Solidarity stated that it would begin a three-week strike at Sasol today, protesting the exclusion of white employees from the firm's share ownership scheme.

A Treasury procurement official told the commission of inquiry into governance at the SA Revenue Service (SARS) that the process to appoint Bain by SARS was irregular and riddled with "red flags", in a manner that suggested that the consultancy's appointment was predetermined.

Finance Minister, Nhlanhla Nene, stated that he had approved suspended SARS commissioner, Tom Moyane's overhaul of the SARS operating model as he believed at the time that the motives were noble.

Deputy President, David Mabuza, stated that he is ready to prove his innocence in court and be subjected to a lifestyle audit, following accusations of corruption.

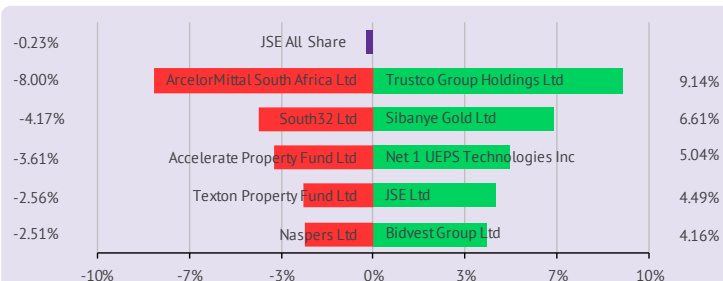
## Key indices

	Last close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	58668.48	▼	-134.21	-0.23	NA	NA	2.15	-1.41
JSE Top 40	52464.01	▼	-186.19	-0.35	NA	NA	2.24	-0.13
FTSE 100	7432.42	▼	-83.61	-1.11	NA	NA	-4.08	-3.32
DAX 30	12364.06	▼	-130.18	-1.04	NA	NA	-3.45	-4.29
CAC 40	5406.85	▼	-71.21	-1.30	NA	NA	-1.90	1.77
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	1055.96	▼	-1.88	-0.18	NA	NA	-2.90	-8.85
MSCI Developed World	2175.50	▼	-6.06	-0.28	NA	NA	1.04	3.43

## South Africa Market ▼

## South African markets closed lower

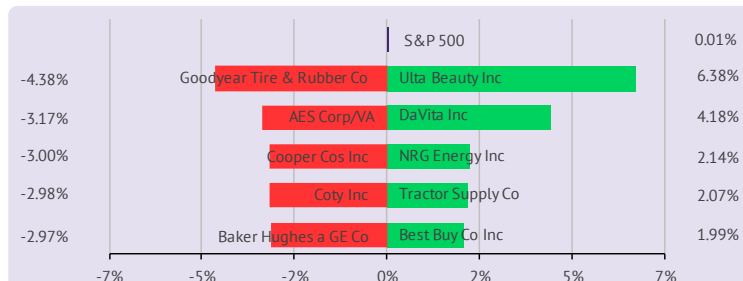
South African markets closed in the red on Friday, weighed down by industrial sector stocks. Data indicated that SA registered a trade deficit in July. The JSE All Share Index fell 0.2% to close at 58,668.48.



## US Market ▲

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

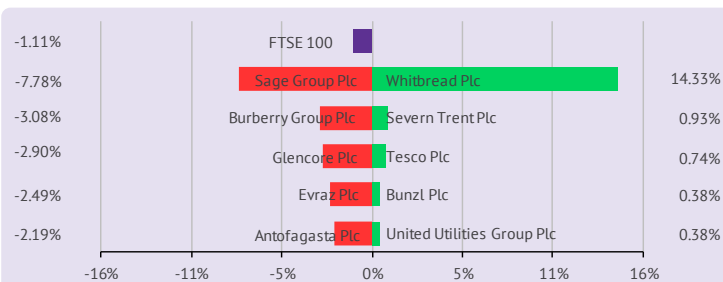
US markets closed mostly higher on Friday, boosted by gains in technology sector stocks. The S&P 500 Index marginally climbed to close at 2,901.52.



## UK Market ▼

## The FTSE 100 futures are trading in negative territory

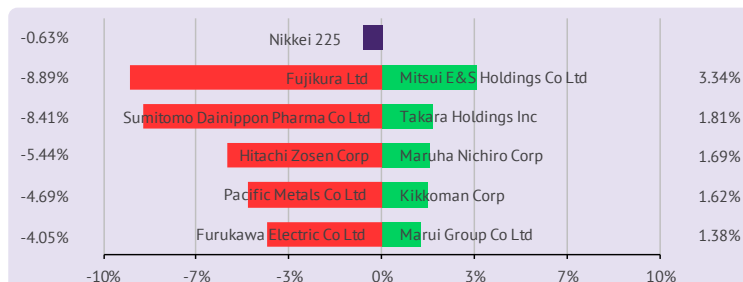
UK markets finished lower on Friday, amid uncertainty over Brexit and escalating trade tensions between the US and China. The FTSE 100 Index declined 1.1% to close at 7,432.42.



## Asian Market ▼

## Trading lower

Asian markets are trading lower this morning, as the US and Canada failed to sign a trade deal. Data showed that Japan's manufacturing PMI rose in August. The Nikkei 225 Index is trading 0.6% lower at 22,720.91.



## USD ZAR ▲

### USD trading firmer against ZAR

At 06:00 SAST, the US Dollar is trading 0.5% higher against the South African Rand at R14.7592. 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 on Friday. On the data front, the US Chicago purchasing managers' index (PMI) declined in August. Meanwhile, the Michigan consumer sentiment index recording a rise in the same month. Separately, SA swung to a trade deficit in July.

## GBP ZAR ▲

### GBP trading stronger against ZAR

At 06:00 SAST, the British Pound is trading 0.2% higher against the South African Rand at R19.0775. Later today, traders will keep a close watch on the UK's Markit manufacturing PMI for further direction.

The British Pound declined against the South African Rand on Friday, amid ongoing Brexit concerns. On the macroeconomic front, UK's Nationwide house price index unexpectedly declined on a monthly basis in August, recording its biggest drop since July 2012.

## EUR ZAR ▲

### EUR trading firmer against ZAR

At 06:00 SAST, the Euro is trading 0.5% higher against the South African Rand at R17.1189. Going forward, market participants will keep a tab on the Markit manufacturing PMI across the Eurozone for further cues.

The Euro weakened against the South African Rand on Friday. Data indicated that the Eurozone's consumer price index (CPI) advanced less than market forecast on an annual basis in August. Further, unemployment rate recorded a steady reading in July, marking its rate lowest since November 2008. Separately, Germany's retail sales recorded a more-than-expected drop on a monthly basis in July.

## AUD ZAR ▲

### AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.4% firmer against the South African Rand at R10.6091. Earlier in the session, Australia's AiG performance of manufacturing index advanced in August. Additionally, the manufacturing PMI climbed in the same month. Further, retail sales recorded a steady reading on a monthly basis in July. Meanwhile, in China, Australia's largest trading partner, the manufacturing PMI dropped more than market forecast in August.

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	14.7592	▲	-0.24	NA	NA	10.65	18.62
GBPZAR	19.0775	▲	-0.65	NA	NA	9.25	13.83
EURZAR	17.1189	▲	-0.83	NA	NA	9.80	14.72
AUDZAR	10.6091	▲	-1.25	NA	NA	7.15	9.29
EURUSD	1.1599	▼	-0.59	NA	NA	-0.76	-3.36
GBPUSD	1.2926	▼	-0.38	NA	NA	-1.25	-4.09
Brent (\$/barrel)	77.4	▼	-0.17	NA	NA	4.62	16.11
Gold (\$/oz)	1205.2	▲	0.13	NA	NA	-1.81	-8.23
Platinum (\$/oz)	786.6	▼	-0.59	NA	NA	-6.94	-15.75
Copper (\$/MT)*	5968.0	▼	-1.56	NA	NA	-4.96	-17.19

\*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.

On Friday, gold prices rose 0.1% to close at \$1,201.60/oz.

## Brent Crude Oil ▼

### Trading weaker

At 06:00 SAST, Brent crude oil fell 0.4% to trade at \$77.36/bl, amid increasing crude oil supply from OPEC and the US.

On Friday, Brent crude oil dropped 0.2% to settle at \$77.64/bl, amid fears that US-China trade tensions might lower demand for the commodity. Additionally, Baker Hughes reported that US oil rig count rose by 2 to 862 last week.

## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices fell 0.1% to trade at \$786.60/oz.

On Friday, platinum prices declined 0.6% to close at \$787.10/oz.

## Major South African corporate news

### Grindrod Limited

In its 1H18 results, the company revealed that its revenues advanced to ZAR1.55bn, compared to ZAR1.48bn posted in the same period of the preceding year. Its diluted EPS stood at 46.30c, compared to 45.20c recorded in the corresponding period of the previous year. The company has not declared an interim dividend for the period.

### Old Mutual Limited

In its 1H18 results, the company announced that its revenues decreased to ZAR67.87bn, compared to ZAR75.61bn posted in the corresponding period of the previous year. Its diluted EPS rose to 125.90c, compared to 53.40c recorded in the same period of the prior year. The company has declared an interim dividend of 45.00c per share. For FY18, the company expects to achieve all of its financial targets.

### Hyprop Investments Limited

In its FY18 results, the company indicated that its revenues fell to ZAR3.11bn, compared to ZAR3.17bn posted in the corresponding period of the previous year. Its diluted EPS decreased to 1,015.00c, compared to 1,110.80c recorded in the same period of the prior year. The company has declared a total dividend of 756.50c per share, an increase of 8.8%, compared to the same period of the preceding year. For FY19, the company expects dividend to grow in the range of 5.0% to 7.0%.

## Major global economic news

### Eurozone

In the Eurozone, the flash CPI climbed 2.0% on an annual basis in August, less-than-expected and compared to an advance of 2.1% in the previous month.

In the Eurozone, unemployment rate remained unchanged at 8.2% in July.

In Germany, retail sales eased 0.4% on a monthly basis in July, more than market expectations. In the prior month, retail sales had recorded a rise of 1.2%.

### Asia

In Japan, the final manufacturing PMI registered a rise to 52.50 in August. In the prior month, the manufacturing PMI had recorded a level of 52.30. The preliminary figures had also recorded an advance to 52.50.

In China, the Markit manufacturing PMI index fell more-than-expected to a level of 50.60 in August. The Markit manufacturing PMI index had registered a level of 50.80 in the prior month.

In Australia, the AIG performance of manufacturing index recorded a rise to 56.70 in August. In the prior month, the index had recorded a reading of 52.00.

In Australia, seasonally adjusted retail sales remained steady on a monthly basis in July, compared to a rise of 0.4% in the previous month.

### US

In the US, the Chicago Fed PMI registered a drop to 63.60 in August. In the previous month, the index had registered a reading of 65.50.

In August, the final Michigan consumer sentiment index rose to 96.20. In the previous month, the index had recorded a level of 97.90. The preliminary figures had recorded a fall to 95.30.

### UK

In the UK, seasonally adjusted Nationwide house prices unexpectedly eased 0.5% on a monthly basis in August. House prices had risen 0.6% in the prior month.

## 40 best performers on the All Share Index

Company name	Last close	1 Week % change	MTD % change	YTD % change
Trustco Group Holdings Ltd	1349	13.84	NA	51.57
Mondi Plc	40991	4.51	NA	38.04
Mondi Ltd	41020	4.05	NA	37.75
Sasol Ltd	57600	5.30	NA	36.18
Clover Industries Ltd	1710	-1.84	NA	32.66
BHP Billiton Plc	31502	3.82	NA	29.17
Murray & Roberts Holdings Ltd	1551	-7.18	NA	28.08
Emira Property Fund Ltd	1597	0.76	NA	24.13
Anglo American Platinum Ltd	43000	1.67	NA	23.96
Adcock Ingram Holdings Ltd	7126	6.64	NA	23.70
Anglo American Plc	29673	3.03	NA	21.59
Netcare Ltd	2935	1.24	NA	21.22
Stenprop Ltd	2200	3.77	NA	20.96
EPP NV	1955	1.35	NA	20.38
Cie Financiere Richemont SA	13052	3.93	NA	16.80
Santam Ltd	30317	-0.27	NA	15.72
Lewis Group Ltd	2830	4.81	NA	14.66
Sappi Ltd	10039	5.67	NA	14.64
Octodec Investments Ltd	2058	0.39	NA	14.59
Clicks Group Ltd	20300	-0.32	NA	14.10
Reunert Ltd	7604	-0.41	NA	12.64
RCL Foods Ltd	1698	-0.12	NA	12.60
PSG Konsult Ltd	970	0.00	NA	12.43
Raubex Group Ltd	2187	-3.27	NA	11.30
Nedbank Group Ltd	27798	2.81	NA	11.18
South32 Ltd	3674	1.35	NA	11.10
Investec Plc	9677	4.68	NA	10.49
Investec Ltd	9617	4.87	NA	9.83
RDI REIT Plc	647	3.52	NA	9.77
Telkom SA SOC Ltd	5029	-2.14	NA	9.50
JSE Ltd	16196	4.28	NA	8.88
AECI Ltd	10407	1.05	NA	8.85
RMB Holdings Ltd	8430	3.82	NA	8.73
African Oxygen Ltd	2971	-3.79	NA	8.01
FirstRand Ltd	7070	4.28	NA	7.14
AVI Ltd	11601	2.46	NA	6.58
Pick n Pay Stores Ltd	7250	2.11	NA	6.35
Transaction Capital Ltd	1750	2.94	NA	6.09
Harmony Gold Mining Co Ltd	2392	5.61	NA	5.42
Bid Corp Ltd	31359	3.58	NA	5.30
<b>JSE All Share Index</b>	<b>58668</b>	<b>-0.22</b>	<b>NA</b>	<b>-1.41</b>

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
Japan	01:50	Capital Spending (Q2)	✓✓✓	12.80%*	3.40%	Quarterly
Japan	01:50	Capital Spending Ex Software (YoY) (Q2)	✓	14.00%*	2.10%	Quarterly
Japan	02:30	Nomura/ JMMA Manufacturing PMI (Aug) (F)	✓✓✓	52.50*	52.50**	Monthly
China	03:45	Caixin/Markit Manufacturing PMI (Aug)	✓✓✓	50.60*	50.80	Monthly
Japan	07:00	Vehicle Sales (YoY) (Aug)	✓	-	1.20%	Monthly
Switzerland	09:15	Real Retail Sales (YoY) (Jul)	✓✓	-	0.30%	Monthly
Spain	09:15	Markit Manufacturing PMI (Aug)	✓	52.50	52.90	Monthly
Switzerland	09:30	SVME - PMI (Aug)	✓✓	61.00	61.90	Monthly
Italy	09:45	Markit Manufacturing PMI (Aug)	✓✓✓	51.20	51.50	Monthly
France	09:50	Markit Manufacturing PMI (Aug) (F)	✓✓✓	53.70	53.70**	Monthly
Germany	09:55	Markit Manufacturing PMI (Aug) (F)	✓✓✓	56.10	56.10**	Monthly
Greece	10:00	Manufacturing PMI (Aug)	✓	-	53.50	Monthly
Eurozone	10:00	Markit Manufacturing PMI (Aug) (F)	✓✓✓	54.60	54.60**	Monthly
UK	10:30	Markit Manufacturing PMI (Aug)	✓✓✓	53.90	54.00	Monthly
Greece	11:00	Gross Domestic Product n.s.a. (YoY) (Q2) (F)	✓	-	2.40%**	Quarterly
South Africa	11:00	PMI Manufacturing (Aug)	✓✓	50.00	51.50	Monthly
US	20:30	Fed's Evans Speaks on Policy Panel in Argentina	✓	-	-	As scheduled
South Africa	-	Naamsa Vehicle Sales (YoY) (Aug)	✓	-	2.60%	Monthly

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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