

ONE
Minute Brief

29 October 2018



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Economic and political news

Moody's stated that South Africa's (SA) medium-term budget policy statement unveiled a weaker fiscal outlook, which is credit negative.

President, Cyril Ramaphosa, announced that global firms pledged investment commitments of almost ZAR290bn at an investment conference on Friday and added that plans to raise USD100bn over the next five years are well ahead of target.

Public Enterprises Minister, Pravin Gordhan, warned that efforts to eliminate corruption in state-owned companies (SOCs) faced "dangerous" resistance which threatened the country's sovereignty.

According to a news report, the African National Congress (ANC) received a "donation" of ZAR2mn from the VBS Mutual Bank bosses. Meanwhile, Democratic Alliance Leader, Mmusi Maimane, demanded that the ANC repay the donation received from the bank within seven days.

Home Affairs Minister, Malusi Gigaba, in a tweet, revealed that a private sex video was leaked after his phone was hacked and he had faced blackmail threats over it when he headed the Finance Ministry.

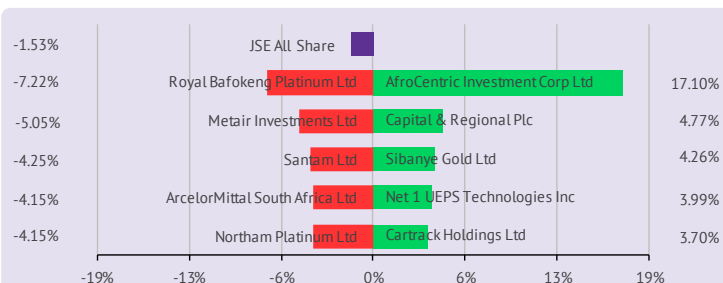
Key indices

	Last close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	50837.57	▼	-787.29	-1.53	NA	-8.74	-5.05	-14.57
JSE Top 40	44651.45	▼	-765.17	-1.68	NA	-9.83	-5.61	-15.00
FTSE 100	6939.56	▼	-64.54	-0.92	NA	-7.60	1.05	-9.73
DAX 30	11200.62	▼	-106.50	-0.94	NA	-8.54	-0.95	-13.29
CAC 40	4967.37	▼	-64.93	-1.29	NA	-9.58	1.60	-6.50
S&P 500	2658.69	▼	-46.88	-1.73	NA	-8.76	0.43	-0.56
Nasdaq Composite	7167.21	▼	-151.12	-2.07	NA	-10.93	-0.78	3.82
DJIA	24688.31	▼	-296.24	-1.19	NA	-6.69	1.90	-0.13
MSCI Emerging Markets	939.55	▼	-9.41	-0.99	NA	-10.34	-0.76	-18.90
MSCI Developed World	1981.89	▼	-24.38	-1.22	NA	-9.25	0.39	-5.78

South Africa Market ▼

South African markets closed lower

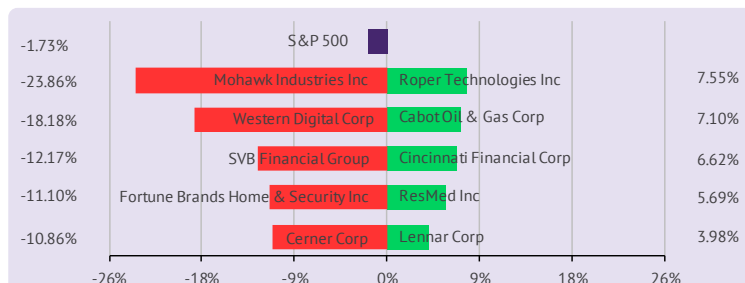
South African markets closed in the red on Friday, amid ongoing global tensions and led by losses in shares of Naspers. The JSE All Share Index fell 1.5% to close at 50,837.57.



US Market ▼

The S&P 500 futures are trading in the red

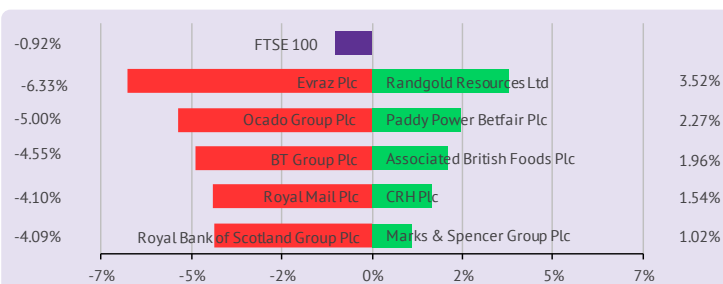
US markets closed lower on Friday, amid disappointing earnings results and led by losses in technology sector stocks. Data revealed that the US quarterly gross domestic product (GDP) rose more-than-expected in 3Q18. The S&P 500 Index dropped 1.7% to close at 2,658.69.



UK Market ▼

The FTSE 100 futures are trading in negative territory

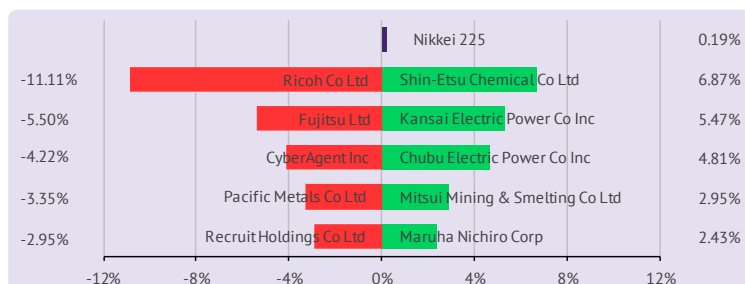
UK markets finished lower on Friday, amid worries over slowing earnings growth and weighed down by losses in financial and energy sector stocks. The FTSE 100 Index declined 0.9% to close at 6,939.56.



Asian Market ▼

Trading mostly lower

Asian markets are trading mostly lower this morning. Data showed that Japan's monthly retail trade dropped meeting market forecast in in September. The Nikkei 225 Index is trading 0.2% higher at 21,224.21.



USD ZAR ▼

USD trading lower against ZAR

At 06:00 SAST, the US Dollar is trading 0.1% weaker against the South African Rand at R14.5881. Later today, traders will keep a close watch on the US Dallas Fed manufacturing index, personal income, spending and consumption for further indication.

The US Dollar fell against the South African Rand on Friday. On the data front, the US Michigan consumer sentiment index registered a decline in October. Meanwhile, the nation's GDP accelerated more than market expectations on a quarterly basis in the third quarter of 2018. Additionally, personal consumption advanced more than market forecast in 3Q18. Separately, the South African Rand rose against the US Dollar, as global firms pledged to invest a total of ZAR290bn in the country.

GBP ZAR ▼

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound marginally declined against the South African Rand to trade at R18.7256. Ahead in the day, traders will keep an eye on UK's net consumer credit and mortgage approvals for further direction.

The British Pound declined against the South African Rand on Friday.

EUR ZAR ▼

EUR trading lower against ZAR

At 06:00 SAST, the Euro declined 0.2% against the South African Rand to trade at R16.6229. Amid no major economic news across the Eurozone, market sentiment will be determined by global macroeconomic news.

The Euro strengthened against the South African Rand on Friday. On the macro front, Germany's GfK consumer confidence index recorded an unchanged reading in November.

AUD ZAR ▲

AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar is trading slightly higher against the South African Rand at R10.3557.

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

Key currencies & commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	14.5881	▼	-0.16	NA	3.24	-3.73	17.90
GBPZAR	18.7256	▼	-0.05	NA	1.65	-3.17	12.03
EURZAR	16.6229	▼	0.09	NA	1.43	-3.68	12.08
AUDZAR	10.3557	▲	0.02	NA	1.31	-3.25	7.13
EURUSD	1.1394	▼	0.25	NA	-1.73	0.02	-5.01
GBPUSD	1.2836	▲	0.09	NA	-1.56	0.55	-5.07
Brent (\$/barrel)	77.6	▼	0.95	NA	-6.18	6.56	16.08
Gold (\$/oz)	1235.8	▲	0.28	NA	3.44	-0.84	-5.87
Platinum (\$/oz)	829.5	-	0.10	NA	1.32	4.01	-11.21
Copper (\$/MT)*	6207.0	▼	-0.74	NA	-0.90	4.95	-13.88

*As of previous close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices rose 0.3% to trade at \$1,235.80/oz.

On Friday, gold prices rose 0.3% to close at \$1,232.50/oz, amid broad decline in global equities.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil marginally declined to trade at \$77.60/bl.

On Friday, Brent crude oil advanced 1.0% to settle at \$77.62/bl, amid renewed worries over global supply levels. Meanwhile, Baker Hughes reported that US oil rig count rose by 2 to 875 in the week ended 26 October 2018.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices are trading marginally lower at \$829.50/oz.

On Friday, platinum prices climbed 0.3% to close at \$834.4/oz.

Major South African corporate news

Cie Financiere Richemont SA

The company announced that it has entered into a global strategic partnership with Alibaba Group, to bring the retail offerings of YOOX NET-A-PORTER GROUP S.p.A. (YNAP), the world's leading online luxury retailer, to Chinese consumers. Under the partnership, YNAP and Alibaba would establish a joint venture (JV) to launch two mobile apps for YNAP's NET-A-PORTER and MR PORTER multi-brand, in-season online stores for consumers in China. This partnership would also leverage YNAP's strong relationship with leading luxury brands. In addition, the JV would launch NET-A-PORTER and MR PORTER online stores on Alibaba's Tmall Luxury Pavilion.

Major global economic news

US

In the US, preliminary annualised GDP climbed 3.5% on a quarterly basis in 3Q18, more than market expectations. The annualised GDP had risen 4.2% in the prior quarter.

In the US, preliminary personal consumption registered a rise of 4.0% on a quarterly basis in 3Q18, more than market forecast. Personal consumption had climbed 3.8% in the previous quarter.

In the US, the final Michigan consumer sentiment index recorded a drop to 98.60 in October, compared to a level of 100.10 in the prior month. The preliminary figures had indicated a drop to 99.00.

Eurozone

In Germany, the consumer confidence index remained steady at 10.60 in November.

Asia

In Japan, retail trade dropped 0.2% on a monthly basis in September, in line with market expectations. Retail trade had advanced 0.9% in the previous month.

40 best performers on the All Share Index

Company name	Last close	1 Week % change	MTD % change	YTD % change
Murray & Roberts Holdings Ltd	1683	0.48	4.62	43.32
Clover Industries Ltd	1666	-0.24	14.09	33.39
EPP NV	2043	0.54	4.39	32.10
Harmony Gold Mining Co Ltd	2977	-0.43	27.49	31.20
Anglo American Platinum Ltd	44786	-4.53	-3.06	29.11
Emira Property Fund Ltd	1503	0.54	0.74	22.75
Anglo American Plc	29890	-3.95	-6.53	22.48
Telkom SA SOC Ltd	5464	6.99	5.77	18.97
BHP Billiton Plc	27952	-4.40	-9.66	18.18
Lewis Group Ltd	2900	2.55	-9.69	17.49
Stenprop Ltd	2100	-1.82	-2.33	15.46
AngloGold Ashanti Ltd	14607	3.45	19.34	14.32
PSG Konsult Ltd	984	0.92	-1.60	14.06
Sasol Ltd	47500	-6.55	-13.25	13.85
Reunert Ltd	7645	6.12	0.59	13.25
Mondi Ltd	33323	-3.43	-14.23	11.91
South32 Ltd	3606	-6.43	-9.05	11.74
Octodec Investments Ltd	2005	-1.09	-1.23	11.64
Mondi Plc	33075	-3.61	-14.89	11.38
Santam Ltd	28610	-0.13	-13.04	10.49
Exxaro Resources Ltd	15069	3.58	3.67	9.06
Transaction Capital Ltd	1793	-0.11	1.36	8.69
JSE Ltd	16127	2.39	1.31	8.42
RCL Foods Ltd	1599	-3.85	-1.90	7.67
African Oxygen Ltd	2891	-4.11	-1.93	6.96
RDI REIT Plc	621	0.81	0.65	5.36
Vukile Property Fund Ltd	2061	0.00	2.18	4.21
Hudaco Industries Ltd	14338	5.06	-0.87	3.36
Equites Property Fund Ltd	2079	-2.99	3.95	2.16
Wilson Bayly Holmes-Ovcon Ltd	15255	-2.13	1.43	1.21
AECI Ltd	9670	-1.81	-7.67	1.14
Oceana Group Ltd	8426	-1.10	2.17	0.55
Delta Property Fund Ltd	600	0.33	1.69	0.35
Adcock Ingram Holdings Ltd	5700	-4.20	-9.32	0.34
Investec Australia Property Fund	1199	-1.56	-4.08	-0.12
Fortress REIT Ltd	1700	0.00	0.35	-0.23
Pick n Pay Stores Ltd	6800	5.43	-1.13	-0.26
KAP Industrial Holdings Ltd	766	-1.29	-0.78	-0.57
Investec Plc	8687	-3.88	-12.91	-0.82
African Rainbow Minerals Ltd	12200	-1.76	-5.12	-1.37
JSE All Share Index	50838	-2.41	-8.74	-14.57

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	01:50	Large Retailer's Sales (Sep)	✓✓	0.40%*	-0.10%	Monthly
Japan	01:50	Retail Trade (YoY) (Sep)	✓✓✓	2.10%*	2.70%	Monthly
Japan	01:50	Retail Trade s.a. (MoM) (Sep)	✓✓✓	-0.20%*	0.90%	Monthly
South Africa	08:00	M3 Money Supply (YoY) (Sep)	✓	-	6.95%	Monthly
South Africa	08:00	Private Sector Credit (YoY) (Sep)	✓	6.40%	6.74%	Monthly
Italy	11:00	Producer Price Index (MoM) (Sep)	✓✓	-	0.50%	Monthly
Italy	11:00	Producer Price Index (YoY) (Sep)	✓	-	5.10%	Monthly
UK	11:30	M4 Ex IOFCs 3M Annualised (Sep)	✓	-	0.90%	Monthly
UK	11:30	M4 Money Supply (MoM) (Sep)	✓	-	0.20%	Monthly
UK	11:30	M4 Money Supply (YoY) (Sep)	✓	-	1.20%	Monthly
UK	11:30	Net Consumer Credit (Sep)	✓✓	GBP1.20bn	GBP1.10bn	Monthly
UK	11:30	Net Lending Sec. on Dwellings (Sep)	✓✓	GBP2.90bn	GBP2.90bn	Monthly
UK	11:30	Mortgage Approvals (Sep)	✓✓✓	64.80K	66.40K	Monthly
US	14:30	Personal Income (MoM) (Sep)	✓✓	0.40%	0.30%	Monthly
US	14:30	Personal Spending (Sep)	✓✓	0.40%	0.30%	Monthly
US	14:30	Personal Consumption Expenditure Core (MoM) (Sep)	✓✓	0.10%	0.00%	Monthly
US	14:30	Personal Consumption Expenditure Core (YoY) (Sep)	✓✓	2.00%	2.00%	Monthly
US	14:30	Personal Consumption Expenditure Deflator (MoM) (Sep)	✓	0.10%	0.10%	Monthly
US	14:30	Personal Consumption Expenditure Deflator (YoY) (Sep)	✓	2.00%	2.20%	Monthly
US	15:45	Fed's Evans Speaks at Conference on Regional Competitiveness	✓	-	-	As scheduled
US	16:30	Dallas Fed Manufacturing Business Index (Oct)	✓✓✓	29.00	28.10	Monthly
UK	-	Budget Report	✓✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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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

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