

ONE Minute Brief

10 October 2018

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Economic and political news

President, Cyril Ramaphosa, has appointed former central bank Governor, Tito Mboweni as Finance Minister, replacing Nhlanhla Nene.

Gupta associate, Ashu Chawla has agreed to testify before the state capture inquiry, provided his demands are fulfilled by parliament.

The Public Protector will investigate whether Finance Minister, Nhlanhla Nene, breached ethics guidelines over a state pension fund investment.

President, Cyril Ramaphosa has sought advice from a high-level panel to find a replacement for former National Director of Public Prosecutions (NDPP), Shaun Abrahams.

The South African Post Office (Sapo) honoured President, Cyril Ramaphosa, with a Presidential Commemorative stamp.

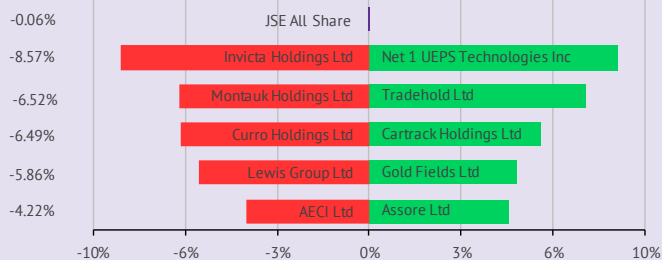
Key indices

	Last close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	54187.82	▼	-31.38	-0.06	-0.41	-2.73	-5.05	-8.94
JSE Top 40	47970.68	▼	-71.20	-0.15	-0.60	-3.13	-5.61	-8.68
FTSE 100	7237.59	▲	4.26	0.06	-1.11	-3.63	1.05	-5.86
DAX 30	11977.22	▲	30.06	0.25	-1.11	-2.20	-0.95	-7.28
CAC 40	5318.55	▲	18.30	0.35	-0.76	-3.18	1.60	0.11
S&P 500	2880.34	▼	-4.09	-0.14	-0.18	-1.15	0.43	7.73
Nasdaq Composite	7738.02	▲	2.07	0.03	-0.65	-3.83	-0.78	12.09
DJIA	26430.57	▼	-56.21	-0.21	-0.06	-0.10	1.90	6.92
MSCI Emerging Markets	993.99	▼	-1.52	-0.15	-0.68	-5.15	-0.76	-14.20
MSCI Developed World	2138.46	▼	-5.10	-0.24	-0.60	-2.09	0.39	1.66

South Africa Market ▼

South African markets closed lower

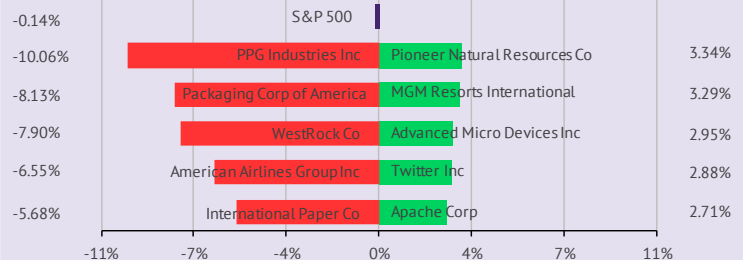
South African markets closed in the red yesterday, weighed down by losses in industrial sector stocks. The JSE All Share Index fell 0.1% to close at 54,187.82.



US Market ▼

The S&P 500 futures are trading in the red

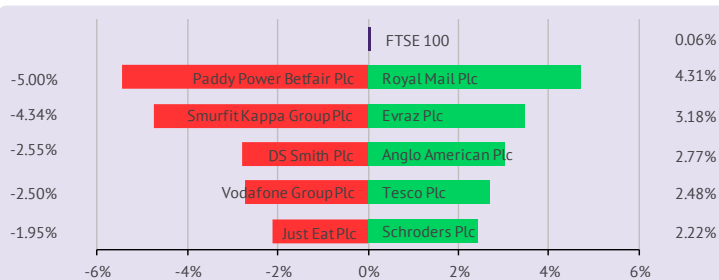
US markets closed mostly lower yesterday, amid concerns over global growth prospects after the International Monetary Fund (IMF) cut global growth forecasts. The S&P 500 Index dropped 0.1% to close at 2,880.34.



UK Market ▲

The FTSE 100 futures are trading in negative territory

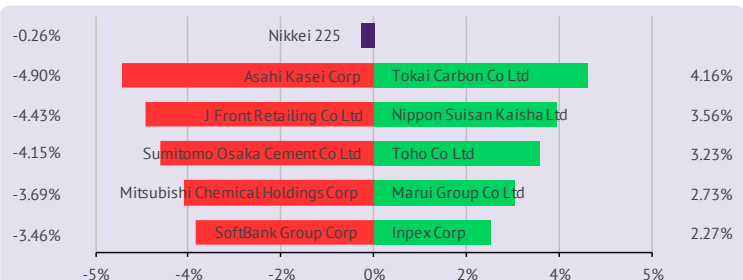
UK markets finished higher yesterday, boosted by gains in energy and mining sector stocks. The FTSE 100 Index advanced 0.1% to close at 7,237.59.



Asian Market ▼

Trading mostly lower

Asian markets are trading mostly lower this morning. The Nikkei 225 Index is trading 0.3% lower at 23,408.52.



USD ZAR ▼

USD trading weaker against ZAR

At 06:00 SAST, the US Dollar is trading marginally lower against the South African Rand at R14.5568. Later today, traders will keep a close watch on the US producer price index and the MBA mortgage applications for further indication.

The US Dollar fell against the South African Rand yesterday. On the data front, the US NFIB small optimism index declined more than market forecast in September. Separately, South African Rand rose against the US Dollar, following the appointment of former central bank Governor, Tito Mboweni as Finance Minister.

GBP ZAR ▲

GBP trading higher against ZAR

At 06:00 SAST, the British Pound gained 0.1% against the South African Rand to trade at R19.1534. Ahead in the day, traders will keep an eye on the UK's gross domestic product, trade balance, industrial and manufacturing production for further direction.

The British Pound declined against the South African Rand yesterday.

EUR ZAR ▲

EUR trading stronger against ZAR

At 06:00 SAST, the Euro is trading 0.1% firmer against the South African Rand at R16.7550. Amid no major economic news across the Eurozone, market sentiment will be determined by global macroeconomic news.

The Euro weakened against the South African Rand yesterday, amid ongoing concerns over Italy's budget deficit. On the macro front, Germany's trade surplus surprisingly widened in August.

AUD ZAR ▲

AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.2% higher against the South African Rand at R10.3608. Earlier in the session, Australia's Westpac consumer confidence index recorded a rise in October.

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	14.5568	▼	-1.92	-1.39	2.98	-3.73	17.60
GBPZAR	19.1534	▲	-1.54	-1.26	3.86	-3.17	14.47
EURZAR	16.7550	▲	-1.94	-1.65	1.96	-3.68	12.66
AUDZAR	10.3608	▲	-1.61	-0.71	1.22	-3.25	7.03
EURUSD	1.1511	▲	-0.01	-0.29	-0.97	0.02	-4.28
GBPUSD	1.3158	▲	0.40	0.18	0.86	0.55	-2.74
Brent (\$/barrel)	84.8	▼	1.30	1.00	2.74	6.56	27.11
Gold (\$/oz)	1192.8	▲	0.24	-1.17	-0.36	-0.84	-9.33
Platinum (\$/oz)	825.6	-	1.41	0.55	0.84	4.01	-11.62
Copper (\$/MT)*	6300.3	▲	2.04	2.16	0.59	4.95	-12.58

*As of previous close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.5% higher to trade at \$1,192.80/oz.

Yesterday, gold prices rose 0.2% to close at \$1187.2/oz.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 0.2% lower to trade at \$84.81/bl, after the IMF downgraded its global economic growth forecasts for 2018 and 2019.

Yesterday, Brent crude oil advanced 1.3% to settle at \$85.00/bl, amid signs that Iran's crude exports are falling and following a partial production shutdown in the Gulf of Mexico due to Hurricane Michael.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices are trading marginally lower at \$825.60/oz.

Yesterday, platinum prices climbed 1.3% to close at \$828.9/oz.

Major South African corporate news

Zeder Investments Limited

In its 1H18 results, the company announced that its revenues fell to ZAR3.41bn, compared to ZAR4.44bn posted in the same period of the preceding year. Its diluted EPS stood at 26.20c, compared to 6.80c recorded in the corresponding period of the previous year. The company has not declared an interim dividend for the period.

Major global economic news

Eurozone

In Germany, seasonally adjusted trade surplus unexpectedly widened to EUR17.20bn in August, compared to a surplus of EUR16.50bn in the previous month.

In Germany, non-seasonally adjusted current account surplus widened to EUR15.30bn in August, compared to a revised surplus of EUR15.10bn in the prior month.

Asia

In Australia, the Westpac consumer confidence index registered a rise of 1.0% to a level of 101.50 on a monthly basis in October, compared to a level of 100.50 in the previous month.

US

In the US, the NFIB small business optimism index recorded a more-than-expected drop to 107.90 in September. In the prior month, the index had recorded a reading of 108.80.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
Japan	01:50	Machinery Orders (MoM) (Aug)	✓	6.80%*	11.00%	Monthly
Japan	01:50	Machinery Orders (YoY) (Aug)	✓✓	12.60%*	13.90%	Monthly
Eurozone	09:00	Non-monetary policy's ECB meeting	✓✓	-	-	As scheduled
Eurozone	10:00	ECB's Mersch speech	✓✓	-	-	As scheduled
UK	10:30	Index of Services (3M/3M) (Aug)	✓	0.50%	0.60%	Monthly
UK	10:30	Index of Services (MoM) (Aug)	✓	0.10%	0.30%	Monthly
UK	10:30	Industrial Production (MoM) (Aug)	✓✓✓	0.10%	0.10%	Monthly
UK	10:30	Industrial Production (YoY) (Aug)	✓✓✓	1.00%	0.90%	Monthly
UK	10:30	Manufacturing Production (MoM) (Aug)	✓✓✓	0.10%	-0.20%	Monthly
UK	10:30	Manufacturing Production (YoY) (Aug)	✓✓✓	1.10%	1.10%	Monthly
UK	10:30	Construction Output s.a. (YoY) (Aug)	✓	1.20%	3.50%	Monthly
UK	10:30	Total Trade Balance (Aug)	✓✓✓	-GBP1.20bn	-GBP0.11bn	Monthly
UK	10:30	Trade Balance; non-EU (Aug)	✓✓✓	-GBP3.10bn	-GBP2.80bn	Monthly
UK	10:30	Visible Trade Balance (Aug)	✓✓✓	-GBP10.85bn	-GBP9.97bn	Monthly
UK	11:00	MPC Member Haldane Speech	✓✓	-	-	As scheduled
South Africa	11:30	SACCI Business Confidence Index (Sep)	✓	89.00	90.50	Monthly
US	13:00	MBA Mortgage Applications (05-Oct)	✓	-	0.00%	Weekly
US	14:30	Producer Price Index (MoM) (Sep)	✓✓✓	0.20%	-0.10%	Monthly
US	14:30	Producer Price Index ex Food & Energy (MoM) (Sep)	✓✓	0.20%	-0.10%	Monthly
US	14:30	Producer Price Index (YoY) (Sep)	✓✓✓	2.70%	2.80%	Monthly
US	14:30	Producer Price Index ex Food & Energy (YoY) (Sep)	✓✓	2.50%	2.30%	Monthly
US	15:15	FOMC Member Williams speech	✓✓	-	-	As scheduled
US	16:00	Wholesale Inventories (MoM) (Aug) (F)	✓✓✓	0.80%	0.80%**	Monthly
US	16:35	FOMC Member Williams speech	✓✓	-	-	As scheduled
US	18:15	Fed's Evans Speaks on Economy and Monetary Policy	✓	-	-	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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