

# ONE Minute Brief

8 October 2018

**GTC**  
consult • partner • manage

## Economic and political news

In South Africa (SA), gross gold & forex reserve rose to a level of USD50.394bn in September, up from USD49.848bn in August. Net gold & forex reserves fell to a level of USD42.227bn in September, from USD42.35bn in the previous month.

Finance Minister, Nhlanhla Nene, apologised on Friday for visiting the home of the Gupta brothers for meetings between 2010 and 2014. The central bank also asked a Lagos court to make MTN pay 15.0% annual interest on the amount. Meanwhile, the central bank governor, Godwin Emefiele, stated yesterday that the MTN Group had provided more documents that might help reduce the \$8.1bn claim and help resolve the issue amicably.

On Friday, Nigeria's central bank filed a counter claim to a court request by MTN which sought to stop the bank from forcing it to bring back USD8.1bn that the bank claims were illegally sent out of the country. The central bank also asked a Lagos court to make MTN pay 15.0% annual interest on the amount. Meanwhile, the central bank governor, Godwin Emefiele, stated yesterday that the MTN Group had provided more documents that might help reduce the \$8.1bn claim and help resolve the issue amicably.

The Democratic Alliance stated that it had submitted a Promotion of Access to Information Act (PAIA) application to get access to documents requesting the full salary packages of the top management at the SABC.

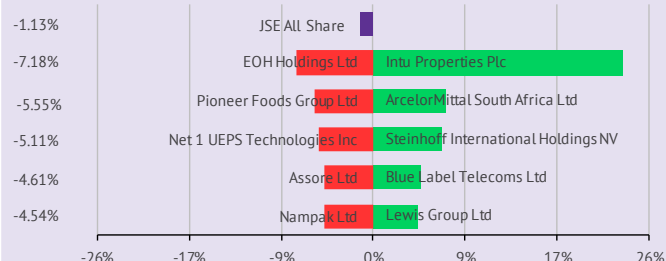
## Key indices

	Last close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	54409.47	▼	-621.13	-1.13	NA	-2.33	-5.05	-8.56
JSE Top 40	48258.14	▼	-650.38	-1.33	NA	-2.55	-5.61	-8.14
FTSE 100	7318.54	▼	-99.80	-1.35	NA	-2.55	1.05	-4.80
DAX 30	12111.90	▼	-132.24	-1.08	NA	-1.10	-0.95	-6.24
CAC 40	5359.36	▼	-51.49	-0.95	NA	-2.44	1.60	0.88
S&P 500	2885.57	▼	-16.04	-0.55	NA	-0.97	0.43	7.93
Nasdaq Composite	7788.45	▼	-91.06	-1.16	NA	-3.21	-0.78	12.82
DJIA	26447.05	▼	-180.43	-0.68	NA	-0.04	1.90	6.99
MSCI Emerging Markets	1000.76	▼	-9.62	-0.95	NA	-4.50	-0.76	-13.61
MSCI Developed World	2151.42	▼	-14.01	-0.65	NA	-1.49	0.39	2.28

## South Africa Market ▼

### South African markets closed lower

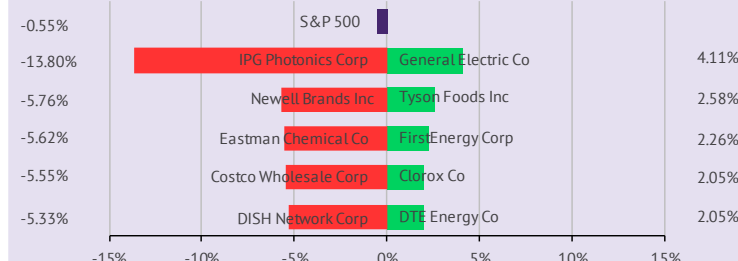
South African markets closed in the red on Friday, weighed down by losses in resources, banking and industrial sector stocks. Data revealed that SA's gross gold & forex reserves rose in September. The JSE All Share Index fell 1.1% to close at 54,409.47.



## US Market ▼

### The S&P 500 futures are trading in the red

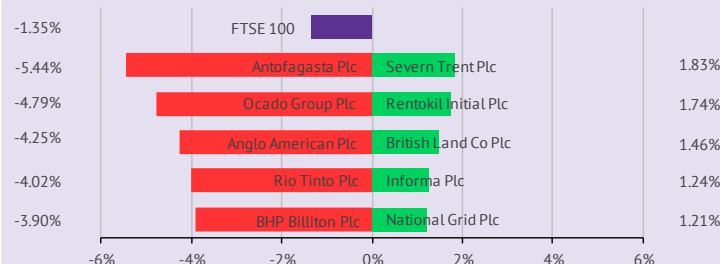
US markets closed lower on Friday, amid worries over rise in the US Treasury yields and interest rates and led by losses in technology sector stocks. Data indicated that the US trade deficit widened in August. The S&P 500 Index dropped 0.6% to close at 2,885.57.



## UK Market ▼

### The FTSE 100 futures are trading in negative territory

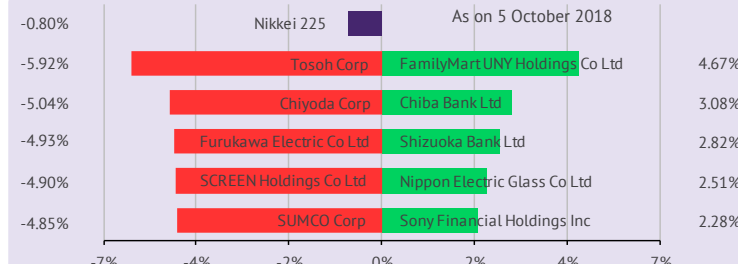
UK markets finished lower on Friday, as the British Pound strengthened and led by losses in mining sector stocks. The FTSE 100 Index declined 1.4% to close at 7,318.54.



## Asian Market ▼

### Trading lower

Asian markets are trading lower this morning. Markets in Japan are closed on account of a public holiday. On Friday, the Nikkei 225 Index fell 0.8% to close at 23,783.72.



## USD ZAR ▼

### USD trading lower against ZAR

At 06:00 SAST, the US Dollar marginally declined against the South African Rand to trade at R14.7652. Amid no major economic news in the US, market sentiment will be determined by global macroeconomic news.

The US Dollar fell against the South African Rand on Friday. On the macro front, the change in US non-farm payrolls advanced less than market anticipations in September. Further, trade deficit widened to its highest level in six months in August. In contrast, the nation's unemployment rate recorded a more-than-expected decline in September, marking its lowest level since 1969. Moreover, consumer credit jumped more-than-anticipated in August, recording its highest growth in three months. Additionally, average hourly earnings climbed at par with market expectations on a monthly basis in September. Separately, in SA, gross gold & forex reserves advanced in September. Meanwhile, net gold & forex reserves registered a decline in the same month.

## GBP ZAR ▼

### GBP trading weaker against ZAR

At 06:00 SAST, the British Pound is trading 0.2% lower against the South African Rand at R19.3564. With no major economic news in the UK today, investor sentiment will be determined by global macroeconomic news.

The British Pound advanced against the South African Rand on Friday. On the data front, the UK's Halifax house price index registered an unexpected decline on a monthly basis in September.

## EUR ZAR ▼

### EUR trading lower against ZAR

At 06:00 SAST, the Euro fell 0.1% against the South African Rand to trade at R16.9975. Going forward, market participants will keep a tab on the Eurozone's Sentix investor confidence index along with Germany's industrial production for further direction.

The Euro weakened against the South African Rand on Friday. Data indicated that Germany's producer price index (PPI) climbed more than market forecast on an annual basis in September. Additionally, monthly factory orders recorded a rise in August.

## AUD ZAR ▲

### AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar marginally climbed against the South African Rand to trade at R10.4180. Meanwhile, in China, Australia's largest trading partner, the services PMI recorded an unexpected advance in September.

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	14.7652	▼	-0.67	NA	4.43	-3.73	19.27
GBPZAR	19.3564	▼	0.13	NA	5.19	-3.17	15.94
EURZAR	16.9975	▼	-0.61	NA	3.67	-3.68	14.55
AUDZAR	10.4180	▲	-0.99	NA	1.94	-3.25	7.80
EURUSD	1.1511	▼	0.09	NA	-0.69	0.02	-4.01
GBPUSD	1.3109	▼	0.76	NA	0.68	0.55	-2.91
Brent (\$/barrel)	83.3	▼	-0.50	NA	1.73	6.56	25.86
Gold (\$/oz)	1200.2	▼	0.33	NA	0.81	-0.84	-8.26
Platinum (\$/oz)	821.8	▲	0.01	NA	0.29	4.01	-12.11
Copper (\$/MT)*	6167.0	▼	-1.93	NA	-1.54	4.95	-14.43

\*As of previous close

## Gold ▼

### Trading in the red

At 06:00 SAST, gold prices edged 0.1% lower to trade at \$1,200.20/oz.

On Friday, gold prices rose 0.3% to close at \$1201.2/oz, as the US Dollar weakened, after the US jobs growth slowed in September.

## Brent Crude Oil ▼

### Trading weaker

At 06:00 SAST, Brent crude oil dropped 1.0% to trade at \$83.33/bl, after the US stated that it may grant waivers to sanctions against Iran's oil exports next month.

On Friday, Brent crude oil dropped 0.5% to settle at \$84.16/bl, amid ongoing concerns over the upcoming US sanctions on Iran. Baker Hughes reported that US oil rig count fell by 2 to 861 in the week ended 5 October 2018.

## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices advanced 0.1% to trade at \$821.80/oz.

On Friday, platinum prices remained steady to close at \$824.5/oz.

## Major South African corporate news

### Tongaat Hulett Limited

In its 1H18 trading statement, the company indicated that it expects HEPS and EPS to be between 230.00c and 252.00c, a 60.0% decrease compared to the corresponding period of the previous year. Further, the company expects operating profit to be at least 40.0% lower compared to the same period of the preceding year.

## Major global economic news

### US

In the US, trade deficit widened less-than-expected to USD53.20bn in August, compared to a revised deficit of USD50.00bn in the previous month.

In the US, non-farm payrolls rose by 134.00K in September, less-than-anticipated and compared to a revised advance of 270.00K in the previous month.

In September, unemployment rate eased more than market forecast to 3.7% in the US, compared to a rate of 3.9% in the previous month.

In the US, average hourly earnings of all employees advanced 0.3% on a monthly basis in September, in line with market forecast and compared to a revised similar rise in the prior month.

In August, consumer credit advanced USD20.08bn in the US, more-than-expected and compared to a revised advance of USD16.60bn in the prior month.

### UK

In the UK, the Halifax house price index unexpectedly fell 1.4% on a monthly basis in September. The index had advanced 0.1% in the prior month.

### Eurozone

In Germany, the PPI rose 3.1% on an annual basis in August, more than market expectations. In the prior month, the PPI had climbed 3.0%.

In Germany, the seasonally adjusted factory orders advanced 2.0% in August, compared to a drop of 0.9% in the previous month.










### Asia

In China, the Markit services PMI index unexpectedly rose to a level of 53.10 in September, compared to a reading of 51.50 in the previous month.

## 40 best performers on the All Share Index

Company name	Last close	1 Week % change	MTD % change	YTD % change
Anglo American Platinum Ltd	48300	4.55	4.55	39.24
Murray & Roberts Holdings Ltd	1615	0.39	0.39	37.53
BHP Billiton PLC	31762	2.65	2.65	34.28
South32 Ltd	4326	9.10	9.10	34.05
Sasol Ltd	55336	1.06	1.06	32.63
Anglo American PLC	32350	1.16	1.16	32.56
Mondi PLC	38550	-0.81	-0.81	29.82
Mondi Ltd	38650	-0.51	-0.51	29.80
EPP NV	1988	1.58	1.58	28.54
Santam Ltd	32300	-1.82	-1.82	24.74
Lewis Group Ltd	3074	-4.27	-4.27	24.54
Stenprop Ltd	2200	2.33	2.33	20.96
Emira Property Fund Ltd	1472	-1.34	-1.34	20.22
Clover Industries Ltd	1472	0.81	0.81	17.86
Octodec Investments Ltd	2060	1.48	1.48	14.70
Raubex Group Ltd	2238	1.04	1.04	13.89
PSG Konsult Ltd	978	-2.20	-2.20	13.36
Telkom SA SOC Ltd	5200	0.66	0.66	13.23
Reunert Ltd	7626	0.34	0.34	12.97
Adcock Ingram Holdings Ltd	6364	1.24	1.24	12.02
Investec PLC	9700	-2.76	-2.76	10.75
Investec Ltd	9643	-3.11	-3.11	10.13
RCL Foods Ltd/South Africa	1660	0.30	0.30	10.08
African Oxygen Ltd	2932	-0.54	-0.54	8.48
Investec Australia Property Fund	1300	4.00	4.00	8.30
Transaction Capital Ltd	1780	0.62	0.62	7.90
AECI Ltd	10250	-2.13	-2.13	7.21
Harmony Gold Mining Co Ltd	2428	3.98	3.98	7.01
Exxaro Resources Ltd	14733	1.36	1.36	6.63
Cie Financiere Richemont SA	11529	-0.67	-0.67	5.64
ArcelorMittal South Africa Ltd	406	24.54	24.54	4.91
African Rainbow Minerals Ltd	12975	0.90	0.90	4.90
Wilson Bayly Holmes-Ovcon Ltd	16002	4.19	4.19	3.97
RDI REIT PLC	611	-0.97	-0.97	3.67
Nedbank Group Ltd	25211	-4.73	-4.73	3.51
Sun International Ltd/South Africa	6055	0.02	0.02	3.27
Vukile Property Fund Ltd	2032	0.74	0.74	2.75
Glencore PLC	6285	2.38	2.38	2.13
Hudaco Industries Ltd	14056	-2.82	-2.82	1.33
Netcare Ltd	2448	1.12	1.12	1.11
<b>JSE All Share Index</b>	<b>54409</b>	<b>-2.33</b>	<b>-2.33</b>	<b>-8.56</b>

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
 China	3:45	HSBC China Composite PMI (Sep)	✓✓✓	52.10*	52.00	Monthly
 China	3:45	Caixin/Markit Services PMI (Sep)	✓✓✓	53.10*	51.50	Monthly
 Germany	8:00	Industrial Production (Aug)	✓	-	105.40	Monthly
 Germany	8:00	Industrial Production n.s.a. and w.d.a. (YoY) (Aug)	✓✓✓	-0.10%	1.10%	Monthly
 Germany	8:00	Industrial Production s.a. (MoM) (Aug)	✓✓✓	0.30%	-1.10%	Monthly
 Eurozone	10:30	Sentix Investor Confidence (Oct)	✓✓✓	11.60	12.00	Monthly
 US	11:30	Fed's Bullard Speaking in Singapore	✓	-	-	As scheduled
 China	-	FDI - Foreign Direct Investment YTD (YoY) (Sep)	✓	-	1.90%	Monthly
 South Africa	-	BER Consumer Confidence (Q3)	✓	15.00	22.00	Quarterly

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