

ONE
Minute Brief

2 October 2018

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Economic and political news

In South Africa (SA), the manufacturing PMI unexpectedly dropped to a 14-month low level of 43.20 in September, compared to a reading of 43.40 in August. New vehicle sales fell by 1.9% to 49,670 units on a yearly basis in September.

The Department of Energy announced that price of both grades of petrol, 93 and 95, will increase by 99c and ZAR1.00 per litre respectively, while diesel price will rise by ZAR1.24 with effect from 03 October.

Suspended Sars Commissioner, Tom Moyane has approached the Constitutional Court to have the involvement of Public Enterprises Minister, Pravin Gordhan in his disciplinary hearing and the Sars commission of inquiry declared unlawful.

Finance Minister, Nhlanhla Nene is due to testify at the Zondo commission into state capture on Wednesday.

Energy Minister, Jeff Radebe stated that the country hopes to finalise its biofuels regulatory framework by March next year.

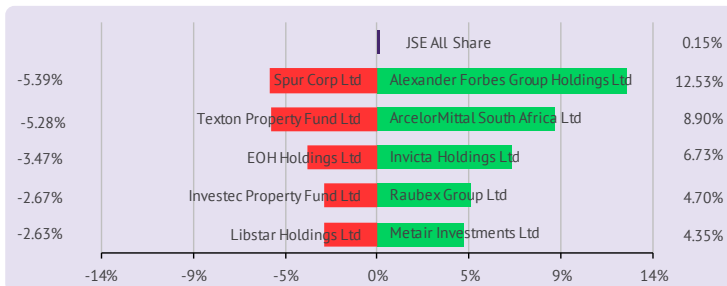
Key indices

	Last close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	55789.75	▲	81.28	0.15	0.15	0.15	-5.05	-6.24
JSE Top 40	49587.39	▲	66.73	0.13	0.13	0.13	-5.61	-5.61
FTSE 100	7495.67	▼	-14.53	-0.19	-0.19	-0.19	1.05	-2.50
DAX 30	12339.03	▲	92.30	0.75	0.75	0.75	-0.95	-4.48
CAC 40	5506.82	▲	13.33	0.24	0.24	0.24	1.60	3.66
S&P 500	2924.59	▲	10.61	0.36	0.36	0.36	0.43	9.39
Nasdaq Composite	8037.30	▼	-9.05	-0.11	-0.11	-0.11	-0.78	16.43
DJIA	26651.21	▲	192.90	0.73	0.73	0.73	1.90	7.82
MSCI Emerging Markets	1046.40	▼	-1.51	-0.14	-0.14	-0.14	-0.76	-9.67
MSCI Developed World	2188.19	▲	4.18	0.19	0.19	0.19	0.39	4.03

South Africa Market ▲

South African markets closed higher

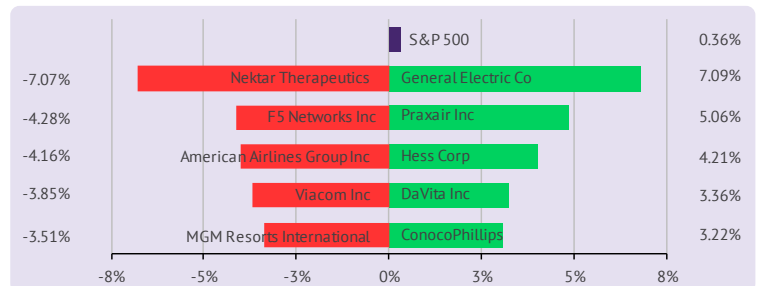
South African markets closed in the green yesterday, boosted by gains in industrial and retail sector stocks. Data revealed that SA's manufacturing PMI unexpectedly fell in September. The JSE All Share Index rose 0.2% to close at 55,789.75.



US Market ▲

The S&P 500 futures are trading in the red

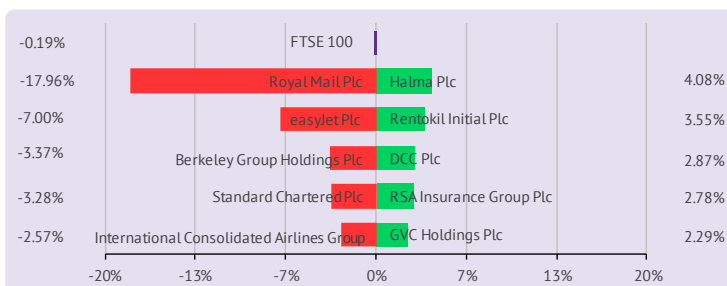
US markets closed mostly higher yesterday, after the US and Canada reached a deal to revise the North American Free Trade Agreement (NAFTA). Data showed that the US Market manufacturing PMI rose in September. The S&P 500 Index climbed 0.4% to close at 2,924.59.



UK Market ▼

The FTSE 100 futures are trading in negative territory

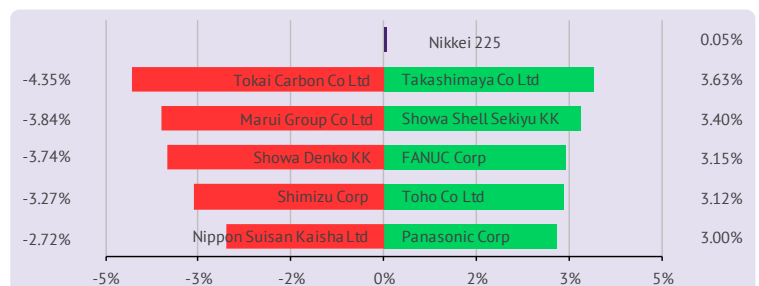
UK markets closed lower yesterday, as the British Pound strengthened, following Finance Minister, Philip Hammond's speech and a report on Brexit progress. The FTSE 100 Index fell 0.2% to close at 7,495.67.



Asian Market ◀▶

Trading mixed

Asian markets are trading mixed this morning. The Nikkei 225 Index is trading 0.1% higher at 24,258.85.



USD ZAR ▲

USD trading higher against ZAR

At 06:00 SAST, the US Dollar gained 0.1% against the South African Rand to trade at R14.2377. With no major economic news in the US today, investor sentiment will be determined by global macroeconomic news.

The US Dollar rose against the South African Rand yesterday. On the macro front, the US Markit manufacturing PMI advanced in line with market expectations in September. Meanwhile, the nation's the ISM manufacturing PMI recorded a more-than-anticipated drop in the same month. Additionally, construction spending declined more than market forecast on a monthly basis in August. Separately, in SA, the Markit manufacturing PMI unexpectedly fell in September, marking its lowest level in 14 months. Further, new vehicle sales eased on an annual basis in September.

GBP ZAR ▲

GBP trading stronger against ZAR

At 06:00 SAST, the British Pound is trading 0.1% firmer against the South African Rand at R18.5618. Ahead in the day, traders will keep an eye on the UK's Nationwide house price index and the Markit construction PMI for further indication.

The British Pound advanced against the South African Rand yesterday, after UK's Markit manufacturing PMI recorded an unexpected rise in September. Additionally, mortgage approvals surprised with a rise to a six-month high level in August. Meanwhile, the nation's net consumer credit advanced less-than-anticipated in August.

EUR ZAR ▲

EUR trading firmer against ZAR

At 06:00 SAST, the Euro marginally rose against the South African Rand to trade at R16.4747. Going forward, market participants will keep a tab on the Eurozone's producer price index for further direction.

The Euro strengthened against the South African Rand yesterday. Data indicated that the Eurozone's Markit manufacturing PMI fell more than market forecast to a two-year low level in September. Meanwhile, the region's unemployment rate eased in August. Separately, Germany's Markit manufacturing PMI recorded a drop in September. Additionally, retail sales registered an unexpected decline on a monthly basis in August, recording its second consecutive drop.

AUD ZAR ▲

AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar gained 0.2% against the South African Rand to trade at R10.2917. Earlier in the session, Australia's manufacturing PMI recorded an advanced in September. Additionally, the ANZ Roy Morgan weekly consumer confidence index registered a rise in the week ended 30 September 2018.

The Australian Dollar rose against the South African Rand yesterday.

Key currencies & commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	14.2377	▲	0.58	0.58	0.58	-3.73	14.87
GBPZAR	18.5618	▲	0.66	0.66	0.66	-3.17	10.94
EURZAR	16.4747	▲	0.35	0.35	0.35	-3.68	10.88
AUDZAR	10.2917	▲	0.55	0.55	0.55	-3.25	6.32
EURUSD	1.1572	▼	-0.22	-0.22	-0.22	0.02	-3.56
GBPUSD	1.3038	▼	0.08	0.08	0.08	0.55	-3.49
Brent (\$/barrel)	85.0	▲	2.72	2.72	2.72	6.56	27.08
Gold (\$/oz)	1195.0	▲	-0.37	-0.37	-0.37	-0.84	-9.33
Platinum (\$/oz)	824.0	-	0.65	0.65	0.65	4.01	-11.80
Copper (\$/MT)*	6258.5	▼	-0.08	-0.08	-0.08	4.95	-13.16

*As of previous close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.7% higher to trade at \$1,195.00/oz.

Yesterday, gold prices fell 0.4% to close at \$1187.1/oz, as risk appetite improved among investors, after the United States and Canada reached a trade deal over NAFTA.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil rose 0.1% to trade at \$85.04/bl.

Yesterday, Brent crude oil advanced 2.7% to settle at \$84.98/bl, ahead of upcoming US sanctions on Iran starting next month.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices fell marginally to trade at \$824.00/oz.

Yesterday, platinum prices climbed 0.7% to close at \$827.9/oz.

Major South African corporate news

Investec Limited

The company announced that Chief Executive Officer (CEO), Stephen Koseff and Managing Director, Bernard Kantor have stepped down from their respective roles with effect from 1 October 2018. Further, Fani Titi and Hendrik du Toit have been appointed as Joint CEOs of the Investec Group.

Zeder Investments Limited

In its 1H18 trading statement, the company announced that it expects HEPS to be between 29.90c and 30.70c, a 595.3% to 614.0% increase compared to the same period of the previous year. Further, the company expects EPS to be in the range of 26.80c to 27.80c, an increase of between 262.2% and 275.7% compared to the corresponding period of the preceding year.

Major global economic news

Eurozone

In the Eurozone, the final manufacturing PMI recorded a drop to 53.20 in September, more than market expectations. In the prior month, the manufacturing PMI had registered a level of 54.60. The preliminary figures had indicated a drop to 53.30.

In the Eurozone, unemployment rate dropped to 8.1% in August, at par with market expectations. Unemployment rate had recorded a level of 8.2% in the previous month.

In Germany, the final manufacturing PMI eased to 53.70 in September, compared to a reading of 55.90 in the prior month. The preliminary figures had also recorded a fall to 53.70.

In Germany, retail sales unexpectedly dropped 0.1% on a monthly basis in August. Retail sales had registered a drop of 0.4% in the prior month.

UK

In the UK, the manufacturing PMI unexpectedly advanced to 53.80 in September. The manufacturing PMI had recorded a revised level of 53.00 in the previous month.

In August, net consumer credit advanced GBP1.10bn in the UK, less than market expectations. Net consumer credit had advanced GBP0.80bn in the previous month.

In the UK, number of mortgage approvals for house purchases advanced unexpectedly to 66.40K in August, compared to a revised level of 65.20K in the prior month.

US

In the US, the final Markit manufacturing PMI rose to a level of 55.60 in September, at par with market expectations. The preliminary figures had also indicated a rise to 55.60. In the previous month, the Markit manufacturing PMI had recorded a level of 54.70.

In the US, construction spending climbed 0.1% on a monthly basis in August, less-than-expected and compared to a revised advance of 0.2% in the previous month.

In the US, the ISM manufacturing activity index eased more-than-expected to 59.80 in September, compared to a level of 61.30 in the prior month.

Asia

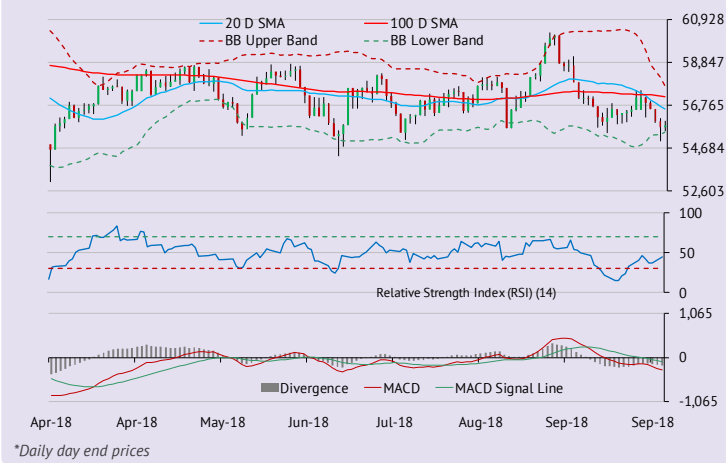
The Reserve Bank of Australia (RBA), in its latest policy meeting, retained its key interest rate at 1.50%, in line with expectations.

In Australia, the CBA manufacturing PMI advanced to a level of 54 in September, compared to a reading of 53.2 in the previous month.

In Australia, the ANZ Roy Morgan weekly consumer confidence index recording a rise to 188.1 in the week ended 30 September 2018. In the previous week, the index recorded a reading of 117.2.

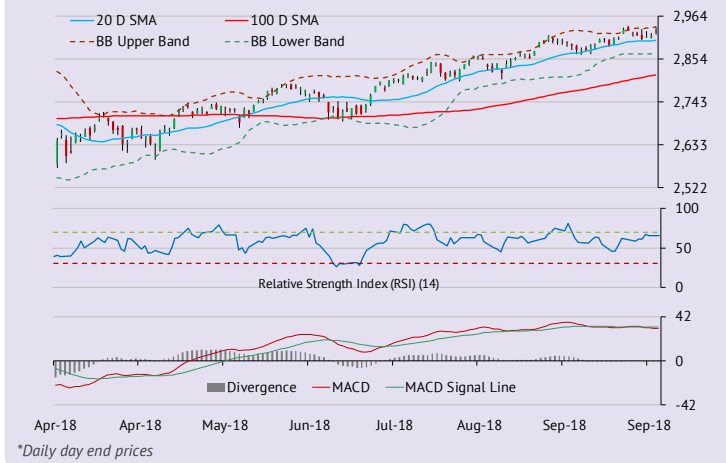
Technical snapshot

JSE All Share



The JSE All Share index is expected to find support at 54,825.26, and a fall through could take it to the next support level of 53,860.76. The index is expected to find its first resistance at 56,959.25, and a rise through could take it to the next resistance level of 58,128.74.

S&P 500



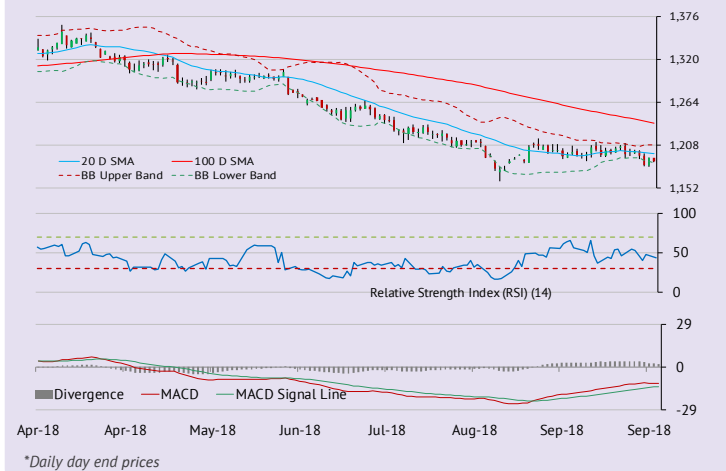
The S&P 500 index is expected to find support at 2,906.23, and a fall through could take it to the next support level of 2,887.86. The index is expected to find its first resistance at 2,940.01, and a rise through could take it to the next resistance level of 2,955.42.

USD ZAR



The pair is expected to find support at 14.0033, and a fall through could take it to the next support level of 13.7826. The pair is expected to find its first resistance at 14.4467, and a rise through could take it to the next resistance level of 14.6694.

XAU USD



Gold is expected to find support at \$1,177.23/oz, and a fall through could take it to the next support level of \$1,167.37/oz. The precious metal is expected to find its first resistance at \$1,199.73/oz, and a rise through could take it to the next resistance level of \$1,212.37/oz.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
Japan	01:50	Loans & Discounts Corp (YoY) (Aug)	✓	3.35%*	3.17%	Monthly
Japan	01:50	Monetary Base (YoY) (Sep)	✓	5.90%*	6.90%	Monthly
Japan	01:50	Monetary Base (Sep)	✓✓✓	JPY505.00tn*	JPY502.00tn	Monthly
Japan	07:00	Consumer Confidence Index (Sep)	✓✓	43.10	43.30	Monthly
UK	08:00	Nationwide House Prices n.s.a. (YoY) (Sep)	✓✓	1.90%	2.00%	Monthly
UK	08:00	Nationwide House Prices s.a. (MoM) (Sep)	✓✓✓	0.20%	-0.50%	Monthly
Spain	09:00	Unemployment Change (Sep)	✓✓✓	28.10K	47.00K	Monthly
UK	10:30	Markit Construction PMI (Sep)	✓✓✓	52.90	52.90	Monthly
Eurozone	11:00	Producer Price Index (MoM) (Aug)	✓✓✓	0.20%	0.40%	Monthly
Eurozone	11:00	Producer Price Index (YoY) (Aug)	✓✓✓	3.80%	4.00%	Monthly
UK	12:35	BoE's Haskel Chairs Panel in London	✓	-	-	As scheduled
US	14:55	Redbook Index (YoY) (28-Sep)	✓	-	5.80%	Weekly
US	14:55	Redbook Index s.a. (MoM) (28-Sep)	✓	-	0.30%	Weekly
US	16:00	Fed's Quarles Testifies to Senate Banking Committee	✓	-	-	As scheduled
US	18:00	Fed's Chairman Powell Speaks at NABE Conference in Boston	✓✓✓	-	-	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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