

# ONE Minute Brief

13 November 2018

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## Economic and political news

While testifying at the Zondo commission of inquiry into state capture, former Public Enterprises Minister, Barbara Hogan, stated that former President, Jacob Zuma, insisted on the appointment of Siyabonga Gama as Transnet's group CEO, despite serious misconduct charges against him.

News reports revealed that President, Cyril Ramaphosa has refused to withdraw his decision to fire Tom Moyane as South African Revenue Service (Sars) Commissioner.

Eskom warned that the risk of nation-wide electricity cuts had increased significantly due to a sharp fall in coal stockpiles at five of its power stations.

According to a news report, Transnet has started court proceedings to recover ZAR189mn from its former executives and a Gupta-linked financial services company, Regiments Capital for overstated payments in the acquisition process of locomotives by the state-owned firm.

Public Enterprises Minister, Pravin Gordhan, will meet Public Protector, Busiswe Mkhwebane, tomorrow, after being called to answer questions related to the early retirement and reinstatement of former Sars Deputy Commissioner, Ivan Pillay.

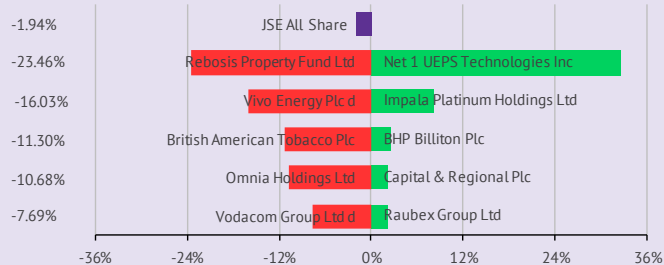
## Key indices

	Last close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	52259.47	▼	-1035.88	-1.94	-1.94	-0.25	-5.96	-12.18
JSE Top 40	45928.24	▼	-969.04	-2.07	-2.07	-0.46	-6.82	-12.57
FTSE 100	7053.08	▼	-52.26	-0.74	-0.74	-1.05	-5.09	-8.26
DAX 30	11325.44	▼	-203.72	-1.77	-1.77	-1.07	-6.53	-12.33
CAC 40	5059.09	▼	-47.66	-0.93	-0.93	-0.67	-7.28	-4.77
S&P 500	2726.22	▼	-54.79	-1.97	-1.97	0.53	-6.94	1.97
Nasdaq Composite	7200.87	▼	-206.03	-2.78	-2.78	-1.44	-9.20	4.31
DJIA	25387.18	▼	-602.12	-2.32	-2.32	1.08	-5.07	2.70
MSCI Emerging Markets	966.41	▼	-9.76	-1.00	-1.00	1.10	-8.78	-16.58
MSCI Developed World	2028.62	▼	-34.54	-1.67	-1.67	0.33	-7.42	-3.56

## South Africa Market ▼

### South African markets closed lower

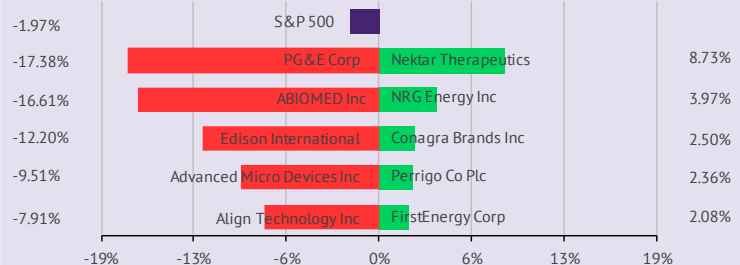
South African markets closed in the red yesterday, amid a series of disappointing corporate news and weighed down by losses in retail, industrial and banking sector stocks. The JSE All Share Index fell 1.9% to close at 52,259.47.



## US Market ▼

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

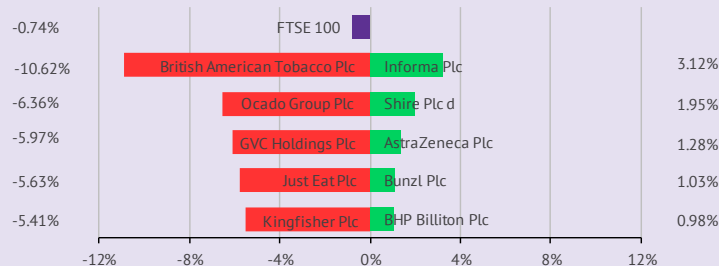
US markets closed lower yesterday, led by losses in technology sector stocks and ongoing concerns over global trade. The S&P 500 Index dropped 2.0% to close at 2,726.22.



## UK Market ▼

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

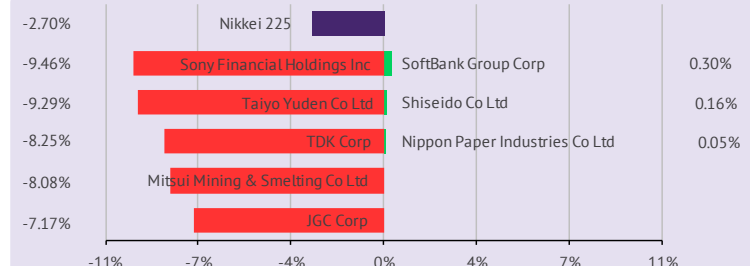
UK markets finished lower yesterday, amid escalating tensions over European politics and trade uncertainty. The FTSE 100 Index declined 0.7% to close at 7,053.08.



## Asian Market ▼

### Trading mostly lower

Asian markets are trading mostly lower this morning, tracking overnight losses on Wall Street. The Nikkei 225 Index is trading 2.7% lower at 21,669.54.



## USD ZAR ▼

### USD trading lower against ZAR

At 06:00 SAST, the US Dollar declined 0.5% against the South African Rand to trade at R14.4074. Later today, traders will keep a close watch on the US NFIB small business optimism index and monthly budget statement for further cues.

The US Dollar rose against the South African Rand yesterday, amid expectations of further interest rate hike in December.

## GBP ZAR ▼

### GBP trading weaker against ZAR

At 06:00 SAST, the British Pound declined 0.3% against the South African Rand to trade at R18.5635. Ahead in the day, traders will keep an eye on UK's unemployment rate and average weekly earnings for further direction.

The British Pound declined against the South African Rand yesterday, on reports that Prime Minister, Theresa May had cancelled a cabinet meeting to approve a Brexit deal.

## EUR ZAR ▼

### EUR trading lower against ZAR

At 06:00 SAST, the Euro is trading 0.3% weaker against the South African Rand at R16.2056. Going forward, market participants will keep a tab on the Eurozone's ZEW survey economic sentiment index along with Germany's consumer price index and ZEW survey indices for further indication.

The Euro weakened against the South African Rand yesterday, amid political worries and ongoing concerns over Italy's 2019 budget.

## AUD ZAR ▲

### AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% higher against the South African Rand at R10.3963. Earlier in the session, Australia's ANZ Roy Morgan weekly consumer confidence index recorded a rise in the week ended 11 November 2018. Meanwhile, the nation's NAB business confidence index registered a decline in October. Additionally, the business conditions index slid in October.

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	14.4074	▼	0.84	0.84	-2.08	4.56	16.93
GBPZAR	18.5635	▼	-0.36	-0.36	-1.34	2.35	11.30
EURZAR	16.2056	▼	-0.20	-0.20	-2.85	1.89	9.37
AUDZAR	10.3963	▲	0.17	0.17	-0.56	2.26	7.53
EURUSD	1.1249	▲	-1.04	-1.04	-0.83	-2.52	-6.56
GBPUSD	1.2886	▲	-0.95	-0.95	0.65	-2.03	-4.91
Brent (\$/barrel)	69.5	▼	-0.09	-0.09	-6.56	-9.30	4.86
Gold (\$/oz)	1205.0	▲	-0.42	-0.42	-0.95	1.97	-8.08
Platinum (\$/oz)	850.3	▲	-1.25	-1.25	0.27	2.97	-9.52
Copper (\$/MT)*	6073.8	▼	-0.08	-0.08	0.62	-3.62	-15.72

\*As of previous close

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices edged 0.1% higher to trade at \$1,205.00/oz.

Yesterday, gold prices fell 0.4% to close at \$1,203.50/oz, as strength in the US Dollar dampened demand for the precious yellow metal.

## Brent Crude Oil ▼

### Trading weaker

At 06:00 SAST, Brent crude oil edged 0.9% lower to trade at \$69.51/bl.

Yesterday, Brent crude oil dropped 0.1% to settle at \$70.12/bl, after the US President, Donald Trump, stated that he hopes OPEC does not cut crude production.

## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices rose 0.6% to trade at \$850.30/oz.

Yesterday, platinum prices declined 1.3% to close at \$845.3/oz.

## Major South African corporate news

### Omnia Holdings Limited

In its 1H18 trading statement, the company announced that it expects headline loss per share to be between 84.00c and 168.00c, which is 120.0% to 140.0% lower compared to the same period of the preceding year. Further, the company expects loss per share to be in the range of 85.00c to 170.00c, which is 120.0% to 140.0% lower compared to the corresponding period of the previous year.

### Vodacom Group Limited

In its 1H18 results, the company revealed that its revenues advanced to ZAR42.71bn, compared to ZAR42.00bn posted in the same period of the preceding year. Its diluted EPS stood at 379.00c, compared to 431.00c recorded in the corresponding period of the previous year. The company has declared an interim dividend of 395.00c per share compared to 390.00c per share posted in the comparable period of the prior year.

### Rebosis Property Fund Limited

In its reviewed provisional FY18 results, the company stated that its revenues increased to ZAR2.26bn, compared to ZAR1.88bn posted in the corresponding period of the previous year. Its diluted EPS fell to 252.86c from 681.42c recorded in the same period of the prior year.

## Major global economic news

### Asia

In Australia, the ANZ Roy Morgan weekly consumer confidence index advanced to a level of 119.8 in the week ended 11 November 2018, compared to a reading of 116.8 in the previous week.

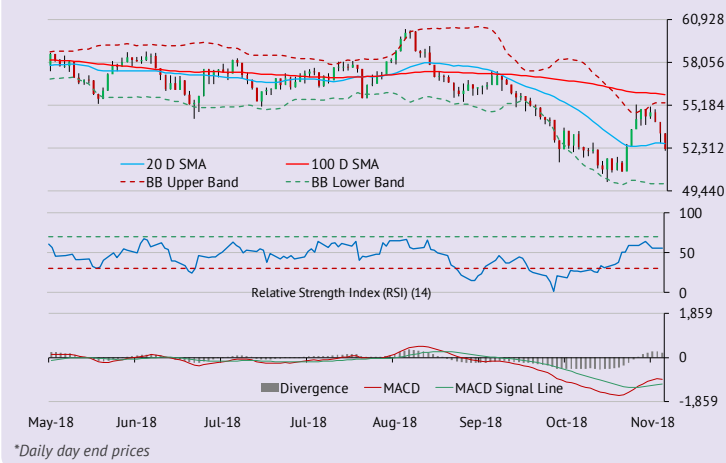
In Australia, the NAB business confidence index fell to a level of 4.00 in October, compared to a reading of 6.00 in the prior month.

In October, the NAB business conditions index dropped to 12.00 in Australia, compared to a revised reading of 14.00 in the last month.

In Japan, machine tool orders fell 1.1% on an annual basis in October, compared to an increase of 2.9% in the previous month.

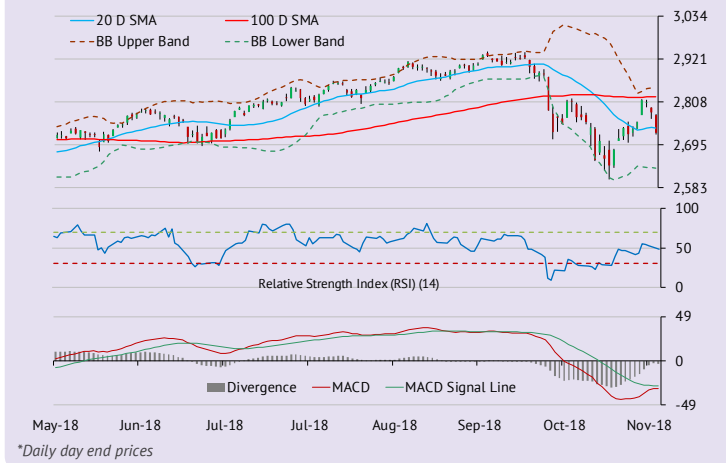
## Technical snapshot

### JSE All Share



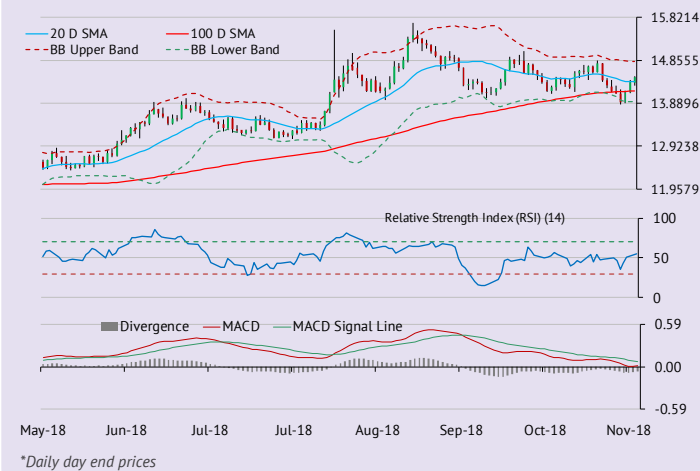
The JSE All Share index is expected to find support at 51,225.80, and a fall through could take it to the next support level of 50,192.14. The index is expected to find its first resistance at 54,185.53, and a rise through could take it to the next resistance level of 56,111.60.

### S&P 500



The S&P 500 index is expected to find support at 2,693.76, and a fall through could take it to the next support level of 2,661.31. The index is expected to find its first resistance at 2,786.91, and a rise through could take it to the next resistance level of 2,847.61.

### USD ZAR



The pair is expected to find support at 14.0655, and a fall through could take it to the next support level of 13.6515. The pair is expected to find its first resistance at 14.6938, and a rise through could take it to the next resistance level of 14.9081.

### XAU USD



Gold is expected to find support at \$1,189.93/oz, and a fall through could take it to the next support level of \$1,176.37/oz. The precious metal is expected to find its first resistance at \$1,227.73/oz, and a rise through could take it to the next resistance level of \$1,251.97/oz.

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus	Previous/ **Previous est.	Frequency
 Germany	09:00	Consumer Price Index (MoM) (Oct) (F)	✓✓✓	0.20%	0.20%**	Monthly
 Germany	09:00	Consumer Price Index (YoY) (Oct) (F)	✓✓✓	2.50%	2.50%**	Monthly
 Germany	09:00	Harmonised Index of Consumer Prices (HICP) (MoM) (Oct) (F)	✓✓✓	0.10%	0.10%**	Monthly
 Germany	09:00	Harmonised Index of Consumer Prices (HICP) (YoY) (Oct) (F)	✓✓✓	2.40%	2.40%**	Monthly
 Eurozone	10:45	ECB's Lautenschlaeger Speaks in Frankfurt	✓	-	-	As scheduled
 UK	11:30	Claimant Count Change (Oct)	✓✓✓	-	18.50K	Monthly
 UK	11:30	Claimant Count Rate s.a. (Oct)	✓✓	-	2.60%	Monthly
 UK	11:30	Average Earnings Excluding Bonus (3Mo/Yr) (Sep)	✓	3.10%	3.10%	Monthly
 UK	11:30	Average Earnings Including Bonus (3Mo/Yr) (Sep)	✓✓	3.00%	2.70%	Monthly
 UK	11:30	Ilo Unemployment Rate (3M) (Sep)	✓✓✓	4.00%	4.00%	Monthly
 UK	11:30	Employment Change (3M/3M) (Sep)	✓✓✓	25.00K	-5.00K	Monthly
 Eurozone	12:00	ZEW Survey - Economic Sentiment (Nov)	✓✓	-	-19.40	Monthly
 Germany	12:00	ZEW Survey - Current Situation (Nov)	✓✓	65.00	70.10	Monthly
 Germany	12:00	ZEW Survey - Economic Sentiment (Nov)	✓✓✓	-26.00	-24.70	Monthly
 US	13:00	NFIB Small Business Optimism (Oct)	✓	108.00	107.90	Monthly
 US	15:55	Redbook Index (YoY) (09-Nov)	✓	-	6.10%	Weekly
 US	15:55	Redbook Index s.a. (MoM) (09-Nov)	✓	-	0.10%	Weekly
 US	17:00	Fed's Kashkari Speaks at Conference on Immigration	✓	-	-	As scheduled
 US	17:00	Fed's Brainard Speaks on AI and the New Financial Landscape	✓	-	-	As scheduled
 Eurozone	21:00	ECB Vice President de Guindos Speaks in Frankfurt	✓	-	-	As scheduled
 US	21:20	Fed's Harker Speaks at Fintech Conference	✓	-	-	As scheduled

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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