

ONE Minute Brief

5 November 2018

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Economic and political news

In South Africa (SA), new vehicle sales unexpectedly advanced 1.7% on a yearly basis in October, compared to a drop of 1.9% in the previous month.

Home Affairs Minister, Malusi Gigaba, stated that he will not resign unless President, Cyril Ramaphosa asks him to do so.

The Fuel Retailers Association has warned that the government's proposal to cap the price of 93 octane petrol, will hurt profit margins and lead to job losses in the sector.

SA's Ministry of Public Enterprises has advised that loss-making South African Airways (SAA) should reduce its cost base and prepare for a strategic equity partner in the near future.

According to a news report, Westdown Investments, owned by the Gupta family, has been put into liquidation.

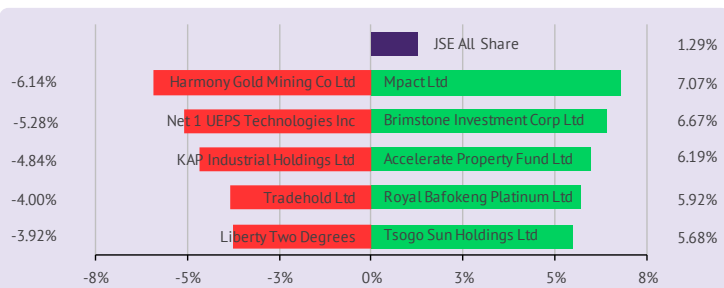
Key indices

	Last close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	54271.19	▲	692.43	1.29	NA	3.59	-5.96	-8.80
JSE Top 40	47943.67	▲	686.96	1.45	NA	3.91	-6.82	-8.74
FTSE 100	7094.12	▼	-20.54	-0.29	NA	-0.48	-5.09	-7.72
DAX 30	11518.99	▲	50.45	0.44	NA	0.62	-6.53	-10.83
CAC 40	5102.13	▲	16.35	0.32	NA	0.17	-7.28	-3.96
S&P 500	2723.06	▼	-17.31	-0.63	NA	0.42	-6.94	1.85
Nasdaq Composite	7356.99	▼	-77.06	-1.04	NA	0.70	-9.20	6.57
DJIA	25270.83	▼	-109.91	-0.43	NA	0.62	-5.07	2.23
MSCI Emerging Markets	996.72	▲	25.28	2.60	NA	4.27	-8.78	-13.96
MSCI Developed World	2036.70	▼	-4.23	-0.21	NA	0.73	-7.42	-3.17

South Africa Market ▲

South African markets closed higher

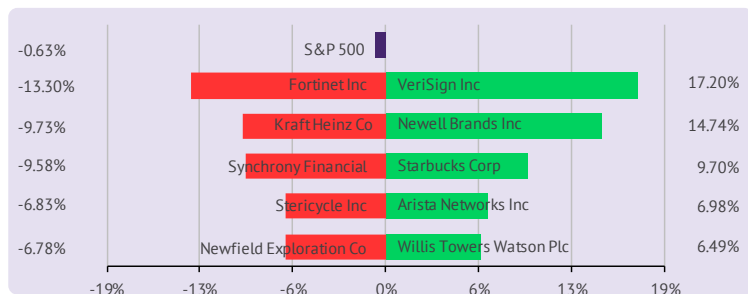
South African markets closed in the green on Friday, amid gains in banking, resources and industrial sector stocks. Data indicated that SA's annual new vehicle sales unexpectedly climbed in October. The JSE All Share Index rose 1.3% to close at 54,271.19.



US Market ▼

The S&P 500 futures are trading in the red

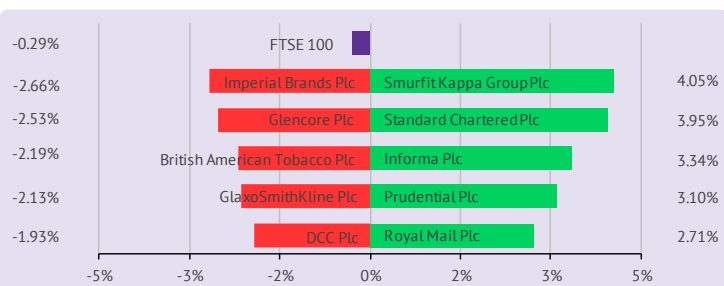
US markets closed lower on Friday, weighed down by losses in shares of Apple, following a disappointing forecast for the upcoming quarter. Data indicated that the US trade deficit widened more-than-expected in September. The S&P 500 Index dropped 0.6% to close at 2,723.06.



UK Market ▼

The FTSE 100 futures are trading in negative territory

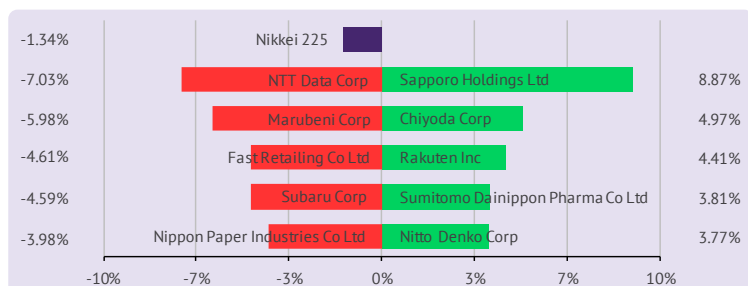
UK markets finished lower on Friday, led by losses in defensive sector stocks such as tobacco and healthcare. The FTSE 100 Index declined 0.3% to close at 7,094.12.



Asian Market ▼

Trading lower

Asian markets are trading lower this morning. The Nikkei 225 Index is trading 1.3% lower at 21,944.73.



USD ZAR ▲

USD trading firmer against ZAR

At 06:00 SAST, the US Dollar advanced 0.3% against the South African Rand to trade at R14.3433. Later today, traders will keep a close watch on the US Markit services PMI for further cues.

The US Dollar fell against the South African Rand on Friday. On the data front, the US trade deficit widened more than market forecast in September, recording its highest level in seven months. In contrast, the nation's non-farm payrolls advanced more than market anticipations in October. Further, unemployment rate recorded an unchanged reading in October. Additionally, factory orders recorded a more-than-expected rise in September. Moreover, durable goods orders advanced in the same month. Also, average hourly earnings jumped at par with market expectations on a monthly basis in October. Separately, in SA, new vehicle sales unexpectedly advanced on an annual basis in October.

GBP ZAR ▲

GBP trading stronger against ZAR

At 06:00 SAST, the British Pound is trading 0.4% higher against the South African Rand at R18.6255. Ahead in the day, traders will keep an eye on UK's Markit services PMI for further direction.

The British Pound declined against the South African Rand on Friday. On the macro front, UK's construction PMI surprised with a rise in October, notching its highest level in 16 months.

EUR ZAR ▲

EUR trading higher against ZAR

At 06:00 SAST, the Euro gained 0.3% against the South African Rand to trade at R16.3288. Going forward, market participants will keep a tab on the Eurozone's investor confidence index for further indication.

The Euro weakened against the South African Rand on Friday. Data indicated that the Eurozone's Markit manufacturing PMI dropped more than market forecast to a 26-month low level in October. Separately, Germany's Markit manufacturing PMI registered a more-than-expected decline in October, marking its lowest level in 29 months.

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 R10.3087. Earlier in the session, Australia's AiG performance of service index recorded a fall in October. Meanwhile, the nation's CBA services PMI rose in the same month. Meanwhile, in China, Australia's largest trading partner, the Markit services PMI declined in October.

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	14.3433	▲	-0.75	NA	-3.30	4.56	15.47
GBPZAR	18.6255	▲	-0.99	NA	-1.64	2.35	10.96
EURZAR	16.3288	▲	-0.93	NA	-2.63	1.89	9.62
AUDZAR	10.3087	▲	-0.91	NA	-1.55	2.26	6.46
EURUSD	1.1384	▼	-0.18	NA	0.67	-2.52	-5.14
GBPUSD	1.2985	▲	-0.32	NA	1.60	-2.03	-4.02
Brent (\$/barrel)	72.5	▼	-0.08	NA	-2.95	-9.30	8.91
Gold (\$/oz)	1233.5	▲	-0.43	NA	1.51	1.97	-5.80
Platinum (\$/oz)	872.1	▼	1.50	NA	3.88	2.97	-6.26
Copper (\$/MT)*	6319.0	▲	3.55	NA	4.68	-3.62	-12.32

*As of previous close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices marginally advanced to trade at \$1,233.50/oz.

On Friday, gold prices fell 0.4% to close at \$1,233.30/oz, as strength in the US Dollar, following strong jobs data in the US dented demand for the safe haven asset.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil fell 0.5% to trade at \$72.45/bl, as US granted Iran sanction waivers to 8 importers.

On Friday, Brent crude oil dropped 0.1% to settle at \$72.83/bl, amid concerns over America's plans to issue waivers on Iranian oil sanctions and growing global crude production. Meanwhile, Baker Hughes reported that US oil rig count fell by 1 to 874 last week.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged 0.4% lower to trade at \$872.10/oz.

On Friday, platinum prices climbed 1.5% to close at \$875.7/oz.

Major South African corporate news

FirstRand Limited

The company announced that it has received approval from the JSE Limited (JSE) in respect of its amended programme memorandum dated 1 November 2018. The terms and conditions have been updated thus allowing the company the ability to issue notes which are subordinated notes and capable of qualifying as regulatory capital.

Major global economic news

US

In the US, trade deficit widened more-than-anticipated to USD54.00bn in September, from a revised deficit of USD53.30bn in the previous month.

In the US, non-farm payrolls recorded a more-than-expected rise of 250.00K in October, compared to a revised advance of 118.00K in the prior month.

In the US, unemployment rate remained unchanged at a rate of 3.7% in October.

In the US, factory orders advanced 0.7% on a monthly basis in September, more than market forecast and compared to a revised rise of 2.6% in the previous month.

In the US, final durable goods orders recorded a rise of 0.7% on a monthly basis in September. Durable goods orders had risen by a revised 4.6% in the previous month. The preliminary figures had recorded an advance of 0.8%.

In October, average hourly earnings of all employees rose 0.2% on a monthly basis in the US, in line with market expectations. In the previous month, average hourly earnings of all employees had advanced 0.3%.

Eurozone

In the Eurozone, the final manufacturing PMI fell more-than-expected to a level of 52.00 in October, compared to a reading of 53.20 in the previous month. The preliminary figures had indicated a drop to 52.10.

In Germany, the final manufacturing PMI eased to 52.20 in October, more-than-anticipated and compared to a level of 53.70 in the previous month. The preliminary figures had indicated a drop to 52.30.

Asia

The Bank of Japan, in its October meeting minutes, revealed that Japan's economy was expanding moderately and was likely to continue its moderate expansion. Further, official indicated that financial conditions were highly accommodative and inflation expectations were almost stable.

In Australia, the AiG performance of services index dropped to 51.10 in October, compared to a level of 52.50 in the prior month.

In Australia, the CBA services PMI recorded a rise to a level of 51.7 in October, compared to a reading of 50.8 in the previous month.

In China, the Markit services PMI index fell to a level of 50.80 in October, more than market expectations. The Markit services PMI index had registered a level of 53.10 in the previous month.

In Japan, the Nikkei Japan services PMI advanced to 52.40 in October. In the prior month, the Nikkei Japan services PMI had registered a reading of 50.20.

UK

In the UK, the construction PMI unexpectedly climbed to 53.20 in October, compared to a reading of 52.10 in the prior month.

40 best performers on the All Share Index

Company name	Last close	1 Week % change	MTD % change	YTD % change
Murray & Roberts Holdings Ltd	1713	1.78	0.82	45.87
Lewis Group Ltd	3486	20.21	10.84	41.24
Clover Industries Ltd	1742	4.56	6.03	39.48
Anglo American Platinum Ltd	48202	7.63	0.02	38.96
EPP NV	2080	1.81	0.48	34.49
Anglo American Plc	31927	6.81	1.15	30.83
Emira Property Fund Ltd	1550	3.13	4.03	26.59
BHP Billiton Plc	29813	6.66	0.43	26.04
Santam Ltd	31750	10.98	2.25	22.62
Reunert Ltd	8174	6.92	2.50	21.08
Telkom SA SOC Ltd	5443	-0.38	1.45	18.52
PSG Konsult Ltd	1005	2.86	-5.19	17.31
Harmony Gold Mining Co Ltd	2646	-11.12	-5.26	16.62
South32 Ltd	3748	3.94	-2.62	16.14
Stenprop Ltd	2110	0.48	-2.72	16.01
Mondi Ltd	34365	3.13	-2.62	15.41
Mondi Plc	34252	3.56	-2.62	15.35
Exxaro Resources Ltd	15900	5.51	5.37	15.07
Sasol Ltd	47847	0.73	-1.14	14.68
Octodec Investments Ltd	1999	-0.30	3.41	11.31
RCL Foods Ltd	1650	3.19	-1.49	11.10
JSE Ltd	16498	2.30	0.60	10.91
AngloGold Ashanti Ltd	14104	-3.44	-1.24	10.38
Clicks Group Ltd	19500	12.39	3.72	9.61
African Rainbow Minerals Ltd	13467	10.39	7.83	8.88
Hudaco Industries Ltd	14940	4.20	6.29	7.70
RDI REIT Plc	633	1.93	0.48	7.40
African Oxygen Ltd	2900	0.31	-0.21	7.29
Transaction Capital Ltd	1766	-1.51	-0.56	7.06
Nedbank Group Ltd	25910	10.00	4.09	6.38
FirstRand Ltd	6851	10.30	6.53	6.18
Sun International Ltd/South Africa	6196	7.87	5.28	5.68
Vukile Property Fund Ltd	2089	1.36	2.91	5.63
Investec PLC	9223	6.17	0.61	5.30
Investec Ltd	9199	7.29	0.24	5.06
Investec Australia Property Fund	1260	5.09	1.20	4.97
AECI Ltd	10016	3.58	5.99	4.76
Netcare Ltd	2536	8.56	2.13	4.74
Pick n Pay Stores Ltd	7138	4.97	4.77	4.70
RMB Holdings Ltd	7907	9.97	6.19	4.51
JSE All Share Index	54271	6.75	0.04	-8.80

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
 Japan	01:50	BOJ Minutes of Policy Meeting	✓✓	-	-	As scheduled
 Japan	03:00	BOJ Kuroda speaks in Nagoya	✓✓✓	-	-	As scheduled
 China	03:45	HSBC China Composite PMI (Oct)	✓✓✓	50.50*	52.10	Monthly
 China	03:45	Caixin/Markit Services PMI (Oct)	✓✓✓	50.80*	53.10	Monthly
 Spain	10:00	Unemployment Change (Oct)	✓✓✓	-	20.40 K	Monthly
 UK	11:00	New Car Registrations (YoY) (Oct)	✓	-	-20.50%	Monthly
 Eurozone	11:30	Sentix Investor Confidence (Nov)	✓✓✓	8.80	11.40	Monthly
 UK	11:30	Markit Services PMI (Oct)	✓✓✓	53.40	53.90	Monthly
 Eurozone	14:45	ECB's Guindos Speaks in Brussels	✓	-	-	As scheduled
 US	16:45	Markit Composite PMI (Oct) (F)	✓✓✓	-	54.80**	Monthly
 US	16:45	Markit Services PMI (Oct) (F)	✓✓✓	54.70	54.70**	Monthly
 US	17:00	ISM Non-Manufacturing PMI (Oct)	✓✓✓	-	61.60	Monthly
 US	-	Loan Officer Survey (Q3)	✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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