

# ONE Minute Brief

8 January 2019

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## Economic and political news

Democratic Alliance leader, Mmusi Maimane has requested President, Cyril Ramaphosa to cancel state funding of former President, Jacob Zuma's legal fees.

Zimbabwe is likely to witness a wave of mass protests this week by government workers if President, Emmerson Mnangagwa's administration does not strike a deal with labour unions which are demanding salaries in US dollars and a pay rise. Meanwhile, news reports indicated that Zimbabwean teachers will go on strike from today calling for salaries to be paid in US dollars.

Spokesman, James Wellsted stated that a prolonged strike at Sibanye-Stillwater gold mines might affect the company's earnings.

The UN Security Council has postponed a key meeting on the elections in the Democratic Republic of Congo, at South Africa's request, after an announcement on the results was delayed.

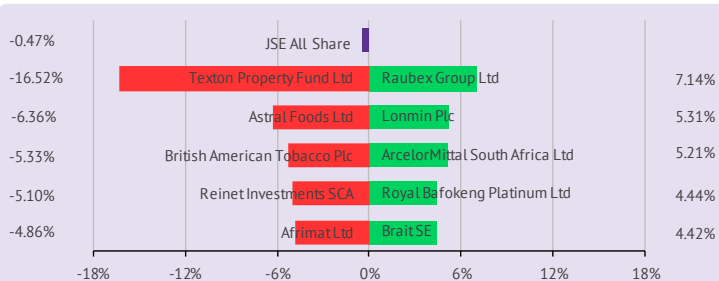
## Key indices

	Last close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	51959.30	▼ -243.65	-0.47	-0.47	-1.47	4.09	-1.47
JSE Top 40	45876.36	▼ -279.75	-0.61	-0.61	-1.82	4.63	-1.82
FTSE 100	6810.88	▼ -26.54	-0.39	-0.39	1.23	-3.61	1.23
DAX 30	10747.81	▼ -19.88	-0.18	-0.18	1.79	-6.20	1.79
CAC 40	4719.17	▼ -17.95	-0.38	-0.38	-0.24	-5.46	-0.24
S&P 500	2549.69	▲ 17.75	0.70	0.70	1.71	-9.18	1.71
Nasdaq Composite	6823.47	▲ 84.61	1.26	1.26	2.84	-9.48	2.84
DJIA	23531.35	▲ 98.19	0.42	0.42	0.87	-8.66	0.87
MSCI Emerging	977.96	▲ 13.00	1.35	1.35	1.25	-2.89	1.25
MSCI Devel-	1919.75	▲ 15.57	0.82	0.82	1.90	-7.71	1.90

## South Africa Market ▼

### South African markets closed lower

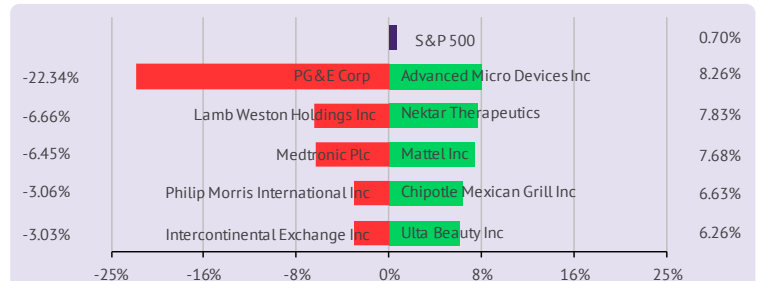
South African markets closed in the red yesterday, weighed down by losses in platinum mining and property sector stocks. The JSE All Share Index fell 0.5% to close at 51,959.30.



## US Market ▲

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

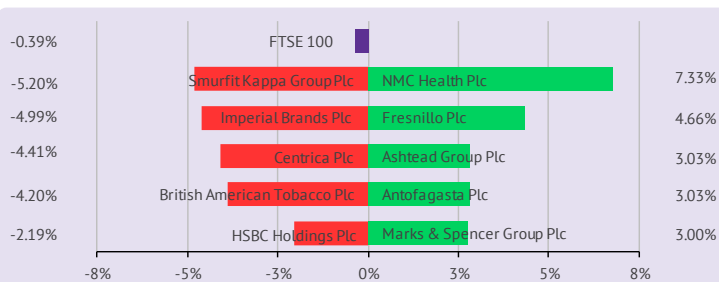
US markets closed higher yesterday, as US-China trade talks resume and supported by gains in technology sector stocks. Data revealed that the US ISM non-manufacturing PMI fell more-than-expected in December. The S&P 500 Index climbed 0.7% to close at 2,549.69.



## UK Market ▼

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

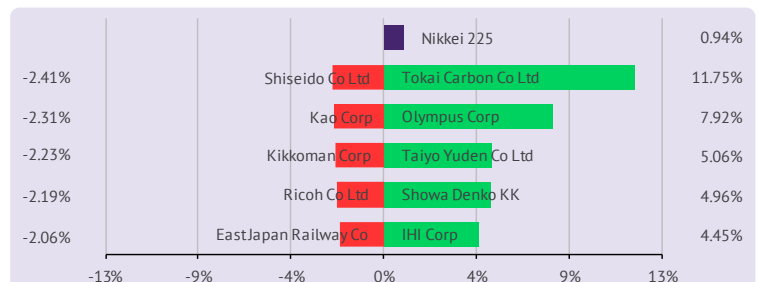
UK markets finished lower yesterday, amid renewed concerns over a crucial vote on the terms of Brexit later this month. The FTSE 100 Index declined 0.4% to close at 6,810.88.



## Asian Market ◀▶

### Trading mixed

Asian markets are trading mixed this morning. The Nikkei 225 Index is trading 0.9% higher at 20,227.74.



## USD ZAR ▲

### USD trading higher against ZAR

At 06:00 SAST, the US Dollar climbed 0.4% against the South African Rand to trade at R13.9356. Later today, traders will keep a close watch on the US NFIB small optimism index, consumer credit and trade balance data for further indication.

The US Dollar fell against the South African Rand yesterday, after the US ISM non-manufacturing PMI declined more than market expectations in December.

## GBP ZAR ▲

### GBP trading stronger against ZAR

At 06:00 SAST, the British Pound rose 0.2% against the South African Rand to trade at R17.7747. Ahead in the day, traders will keep an eye on UK's Halifax house price index for further cues.

The British Pound declined against the South African Rand yesterday.

## EUR ZAR ▲

### EUR trading firmer against ZAR

At 06:00 SAST, the Euro rose 0.1% against the South African Rand to trade at R15.9351. Going forward, market participants will keep a tab on the Eurozone's business climate indicator, consumer and economic confidence indices along with Germany's industrial production for further direction.

The Euro strengthened against the South African Rand yesterday. Data indicated that Eurozone's retail sales registered a more-than-expected advance on a monthly basis in November, recording a second consecutive rise. Meanwhile, the region's Sentix investor confidence index fell for a fifth consecutive month in January, marking its lowest level since December 2014. Separately, Germany's factory orders dropped in line with market anticipations on a monthly basis in November. In contrast, the nation's monthly retail sales rebounded more than market expectations and at its fastest pace in seven months in November.

## AUD ZAR ▲

### AUD trading stronger against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% higher against the South African Rand at R9.9305. Earlier in the session, Australia's trade surplus narrowed more than market forecast in November.

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	13.9356	▲	-0.63	-0.63	-3.27	3.44	-3.27
GBPZAR	17.7747	▲	-0.12	-0.12	-3.15	3.58	-3.15
EURZAR	15.9351	▲	0.06	0.06	-3.24	4.83	-3.24
AUDZAR	9.9305	▲	-0.11	-0.11	-1.96	-0.16	-1.96
EURUSD	1.1435	▼	0.69	0.69	0.06	1.33	0.06
GBPUSD	1.2756	▼	0.42	0.42	0.18	0.04	0.18
Brent (\$/barrel)	57.5	▲	0.47	0.47	6.56	-9.52	6.56
Gold (\$/oz)	1284.6	▼	0.32	0.32	0.67	5.01	0.67
Platinum (\$/oz)	822.0	▲	-0.44	-0.44	2.83	-0.49	2.83
Copper (\$/MT)*	5904.3	▲	0.12	0.12	-0.75	-4.46	-0.75

\*As of previous close

## Gold ▼

### Trading in the red

At 06:00 SAST, gold prices edged 0.4% lower to trade at \$1,284.60/oz.

Yesterday, gold prices rose 0.3% to close at \$1,289.90/oz, as weakness in the US Dollar increased demand for the safe haven asset.

## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil edged 0.2% higher to trade at \$57.45/bl.

Yesterday, Brent crude oil advanced 0.5% to settle at \$57.3/bl, amid optimism over US-China trade talks and on support from OPEC production cuts. Adding to the positive sentiment, a report revealed that Saudi Arabia is planning to reduce its crude exports to around 7.1mn bls per day (bpd) by the end of January.

## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices rose 0.4% to trade at \$822.00/oz.

Yesterday, platinum prices declined 0.4% to close at \$824.3/oz.

## Major South African corporate news

### Consolidated Infrastructure Group Limited

The company announced that it has received a notification from PGR 2 Investments Proprietary Limited regarding an acquisition by PGR 2 Investments of the company's shares, such that PGR 2 will now hold 12.7% of the total issued shares.

## Major global economic news

### Eurozone

In the Eurozone, the Sentix investor confidence index dropped less-than-expected to -1.50 in January, compared to a level of -0.30 in the prior month.

In the Eurozone, seasonally adjusted retail sales recorded a rise of 0.6% on a monthly basis in November, more than market expectations. Retail sales had registered a revised similar rise in the previous month.

In Germany, the seasonally adjusted factory orders eased 1.0% on a monthly basis in November, meeting market expectations. In the previous month, factory orders had registered a revised rise of 0.2%.

In Germany, retail sales climbed 1.4% on a monthly basis in November, more than market expectations. In the previous month, retail sales had recorded a drop of 0.3%.

### US

In the US, the non-manufacturing PMI registered a more-than-anticipated drop to a level of 57.60 in December, compared to a level of 60.70 in the previous month.

### Asia

In Australia, seasonally adjusted trade surplus narrowed more-than-expected to AUD1925.00mn in November, compared to a surplus of AUD2316.00mn in the previous month.

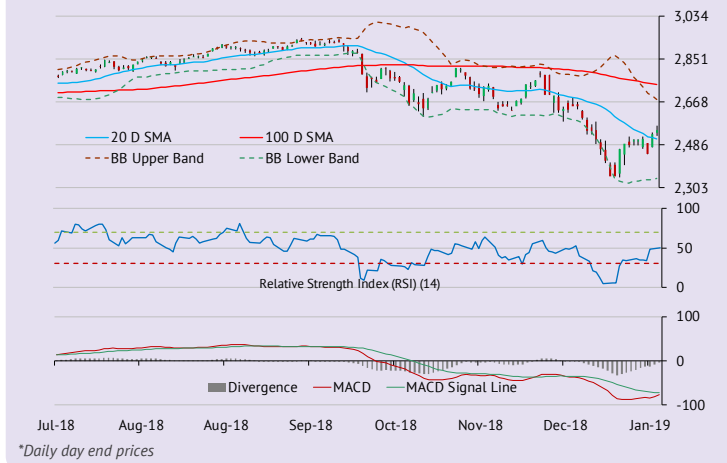
## Technical snapshot

### JSE All Share



The JSE All Share index is expected to find support at 50,844.82, and a fall through could take it to the next support level of 49,730.35. The index is expected to find its first resistance at 53,136.40, and a rise through could take it to the next resistance level of 54,313.51.

### S&P 500



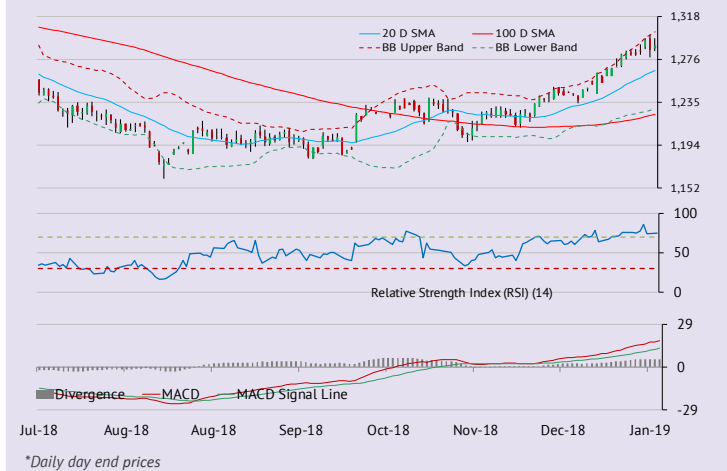
The S&P 500 index is expected to find support at 2,473.71, and a fall through could take it to the next support level of 2,397.74. The index is expected to find its first resistance at 2,595.91, and a rise through could take it to the next resistance level of 2,642.14.

### USD ZAR



The pair is expected to find support at 13.5722, and a fall through could take it to the next support level of 13.2670. The pair is expected to find its first resistance at 14.4421, and a rise through could take it to the next resistance level of 15.0068.

### XAU USD



Gold is expected to find support at \$1,278.53/oz, and a fall through could take it to the next support level of \$1,267.17/oz. The precious metal is expected to find its first resistance at \$1,300.83/oz, and a rise through could take it to the next resistance level of \$1,311.77/oz.

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus	Previous/ **Previous est.	Frequency
Japan	07:00	Consumer Confidence Index (Dec)	✓✓	42.80	42.90	Monthly
South Africa	08:00	Net Gold & Forex Reserve (Dec)	✓	-	USD42.58bn	Monthly
South Africa	08:00	Gross Gold & Forex Reserve (Dec)	✓	-	USD50.67bn	Monthly
Germany	09:00	Industrial Production (Nov)	✓	-	105.90	Monthly
Germany	09:00	Industrial Production n.s.a. and w.d.a. (YoY) (Nov)	✓✓✓	-0.80%	1.60%	Monthly
Germany	09:00	Industrial Production s.a. (MoM) (Nov)	✓✓✓	0.30%	-0.50%	Monthly
UK	10:30	Halifax House Prices (3m/YoY) (Dec)	✓	0.40%	0.30%	Monthly
UK	10:30	Halifax House Prices (MoM) (Dec)	✓	0.50%	-1.40%	Monthly
Eurozone	12:00	Consumer Confidence (Dec) (F)	✓✓✓	-6.20	-6.20**	Monthly
Eurozone	12:00	Industrial Confidence (Dec)	✓	3.00	3.40	Monthly
Eurozone	12:00	Business Climate Indicator (Dec)	✓✓	1.00	1.09	Monthly
Eurozone	12:00	Economic Sentiment Indicator (Dec)	✓	108.20	109.50	Monthly
Eurozone	12:00	Services Sentiment Indicator (Dec)	✓	12.30	13.30	Monthly
South Africa	13:00	Electricity Consumption (YoY) (Nov)	✓	-	2.20%	Monthly
South Africa	13:00	Electricity Production (YoY) (Nov)	✓	-	0.80%	Monthly
US	13:00	NFIB Small Business Optimism (Dec)	✓	103.00	104.80	Monthly
US	15:30	Trade Balance (Nov)	✓✓✓	-USD54.00bn	-USD55.50bn	Monthly
US	15:55	Redbook Index (YoY) (04-Jan)	✓	-	9.30%	Weekly
US	15:55	Redbook Index s.a. (MoM) (04-Jan)	✓	-	0.60%	Weekly
US	17:00	JOLTs Job Openings (Nov)	✓	7050.00K	7079.00K	Monthly
US	22:00	Consumer Credit Change (Nov)	✓✓	USD17.50bn	USD25.38bn	Monthly

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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