

ONE Minute Brief

21 December 2018

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Economic and political news

According to the tax statistics released by the National Treasury, in 2017-2018, tax revenue collected increased on a yearly basis by ZAR72.4bn to ZAR1.2tn, supported by personal income tax, which grew by ZAR37bn. Additionally, the tax-to-GDP ratio decreased marginally from 25.9% in 2016-2017 to 25.8% in 2017-2018.

State-run arms firm, Denel has appointed Daniel Du Toit as its new Chief Executive Officer with effect from January 2019.

Eskom Chief Executive Officer, Phakamani Hadebe, warned that load shedding may return after mid-January 2019.

Yesterday, former South African Revenue Service Commissioner, Tom Moyane, requested the Constitutional Court for expedited hearing into his legal case.

The department of mineral resources has released the guidelines relating to the recently released third version of the Mining Charter.

The Greater Giyani Municipality in Limpopo has appointed Basani Shivambu as its new Mayor.

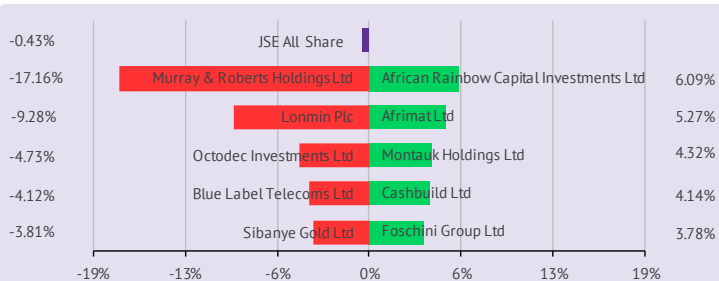
Key indices

	Last close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	51347.57	▼ -222.20	-0.43	-0.41	1.35	-3.29	-13.71
JSE Top 40	45352.86	▼ -184.72	-0.41	-0.39	1.56	-3.22	-13.67
FTSE 100	6711.93	▼ -54.01	-0.80	-1.95	-3.84	-2.07	-12.69
DAX 30	10611.10	▼ -155.11	-1.44	-2.34	-5.74	-1.66	-17.86
CAC 40	4692.46	▼ -84.99	-1.78	-3.32	-6.22	-1.76	-11.67
S&P 500	2467.42	▼ -39.54	-1.58	-5.10	-10.61	1.79	-7.71
Nasdaq Composite	6528.41	▼ -108.42	-1.63	-5.53	-10.94	0.34	-5.43
DJIA	22859.60	▼ -464.06	-1.99	-5.15	-10.49	1.68	-7.52
MSCI Emerging Markets	959.79	▼ -7.87	-0.81	-1.25	-3.51	4.06	-17.15
MSCI Developed World	1862.82	▼ -29.89	-1.58	-4.10	-8.75	0.96	-11.44

South Africa Market ▼

South African markets closed lower

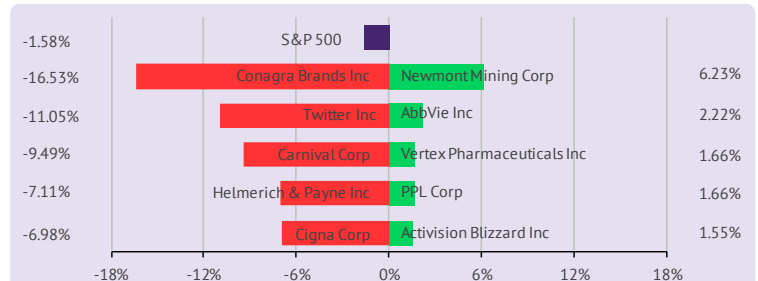
South African markets closed in the red yesterday, on global equity sell-off, as the US Federal Reserve's (Fed) interest rate outlook disappointed investors. The JSE All Share Index fell 0.4% to close at 51,347.57.



US Market ▼

The S&P 500 futures are trading in the red

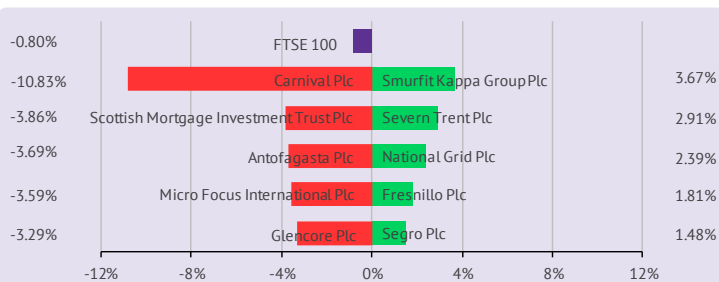
US markets closed lower yesterday, amid fears over a partial federal government shutdown. Data revealed that the US leading index rebounded in November. The S&P 500 Index dropped 1.6% to close at 2,467.42.



UK Market ▼

The FTSE 100 futures are trading in negative territory

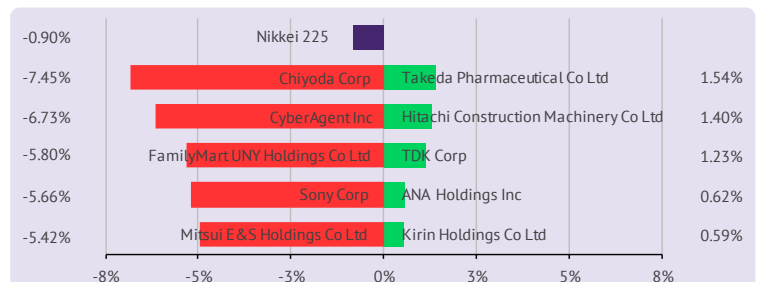
UK markets finished lower yesterday, following Fed's rate hike decision and amid lower oil prices. The FTSE 100 Index declined 0.8% to close at 6,711.93.



Asian Market ▼

Trading lower

Asian markets are trading lower this morning. Data showed that Japan's annual national consumer price index (CPI) rose as expected in November. The Nikkei 225 Index is trading 0.9% lower at 20,209.55.



USD ZAR ▼

USD trading weaker against ZAR

At 06:00 SAST, the US Dollar retreated 0.2% against the South African Rand to trade at R14.3786. Later today, traders will keep a close watch on the US gross domestic product (GDP), personal consumption, the Michigan consumer sentiment index and durable goods orders for further indication.

The US Dollar rose against the South African Rand yesterday. Data indicated that the US leading index registered an advance in November. Further, initial jobless claims recorded a less-than-expected rise in the week ended 15 December 2018. Meanwhile, the nation's Philadelphia Fed business outlook unexpectedly declined in December.

GBP ZAR ▼

GBP trading lower against ZAR

At 06:00 SAST, the British Pound is trading 0.3% weaker against the South African Rand at R18.1987. Ahead in the day, traders will keep an eye on UK's GDP, public sector net borrowing and current account balance for further cues. Data revealed that UK's GfK consumer confidence index dropped in line with market forecast in December, marking its lowest level in five years.

The British Pound advanced against the South African Rand yesterday. On the data front, UK's retail sales advanced more than market expectations on a monthly basis in November.

EUR ZAR ▼

EUR trading weaker against ZAR

At 06:00 SAST, the Euro declined 0.2% against the South African Rand to trade at R16.4630. Going forward, market participants will keep a tab on the Eurozone's consumer confidence index and Germany's GfK consumer confidence index for further direction.

The Euro strengthened against the South African Rand yesterday. On the macro front, Eurozone's current account surplus widened in October.

AUD ZAR ▼

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar dropped 0.2% against the South African Rand to trade at R10.2294.

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	14.3786	▼	0.17	0.11	3.93	-6.20	16.41
GBPZAR	18.1987	▼	0.55	0.68	3.15	-6.23	9.12
EURZAR	16.4630	▼	0.79	1.30	5.07	-6.12	11.05
AUDZAR	10.2294	▼	0.18	-0.87	1.06	-2.97	6.04
EURUSD	1.1449	▲	0.62	1.24	1.14	0.04	-4.66
GBPUSD	1.2655	▼	0.36	0.58	-0.73	-0.13	-6.34
Brent (\$/barrel)	55.0	▲	-5.05	-9.84	-8.59	-20.76	-18.72
Gold (\$/oz)	1263.4	▼	0.92	2.15	3.56	0.43	-3.49
Platinum (\$/oz)	794.9	▼	-0.03	1.34	-0.50	-5.12	-14.81
Copper (\$/MT)*	5977.5	▼	-0.22	-2.45	-4.01	3.16	-17.06

*As of previous close

Gold ▼

Trading in the red

At 06:00 SAST, gold prices are trading slightly lower at \$1,263.40/oz.

Yesterday, gold prices rose 0.9% to close at \$1,263.60/oz, amid weakness in the US Dollar and global equities.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil climbed 1.1% to trade at \$54.95/bl, amid expectations that OPEC production cuts starting next month would be deeper than previously forecasted.

Yesterday, Brent crude oil dropped 5.1% to settle at \$54.35/bl, amid worries about oversupply and the outlook for energy demand.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices fell 0.1% to trade at \$794.90/oz.

Yesterday, platinum prices climbed 0.5% to close at \$799.7/oz.

Major South African corporate news

Trustco Group Holdings Limited

The company announced that it has entered into three separate sale of shares agreements with Nico van der Westhuizen to acquire 100.0% of the shares and shareholders loans (if any) in Cumbrae Island Investments (Pty) Limited, Elisenheim Estate Property Number One Hundred and One (Pty) Limited and Kuiseb Country Estate (Pty) Limited.

Major global economic news

UK

The Bank of England (BoE), in its latest monetary policy meeting, kept its key interest rate unchanged at 0.75%, in line with expectations. Further, the central bank cut its growth forecast for the fourth quarter of 2018 to 0.2% from 0.3%. Additionally, the policymakers expect inflation to fall below 2.0% in coming months due to lower oil prices. Meanwhile, the bank warned that uncertainties surrounding Brexit are posing risks to the growth outlook.

In the UK, retail sales recorded a more-than-expected rise of 1.4% on a monthly basis in November, compared to a revised fall of 0.4% in the prior month.

In the UK, the GfK consumer confidence index fell to a level of -14.00 in December, at par with market expectations. The index had registered a reading of -13.00 in the previous month.

Eurozone

In the Eurozone, seasonally adjusted current account surplus widened to EUR23.00bn in October, compared to a revised surplus of EUR17.60bn in the previous month.

US

In the US, the leading index unexpectedly climbed 0.2% on a monthly basis in November. In the previous month, the index had recorded a revised drop of 0.3%.

In the US, seasonally adjusted initial jobless claims rose less-than-expected to a level of 214.00K in the week ended 15 December 2018, compared to a reading of 206.00K in the previous week.

In December, the Philadelphia Fed manufacturing index recorded an unexpected drop to a level of 9.40 in the US. The index had recorded a reading of 12.90 in the prior month.

Asia

In Japan, the national CPI climbed 0.8% on a yearly basis in November, meeting market expectations. The national CPI had recorded a rise of 1.4% in the previous month.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
Japan	01:30	National Consumer Price Index (YoY) (Nov)	✓✓✓	0.80%*	1.40%	Monthly
UK	02:01	GfK Consumer Confidence (Dec)	✓✓✓	-14.00*	-13.00	Monthly
Germany	09:00	GfK Consumer Confidence Survey (Jan)	✓✓✓	10.30	10.40	Monthly
UK	11:30	Public Sector Net Cash Requirement (Nov)	✓✓	-	-GBP3.35bn	Monthly
UK	11:30	Public Sector Net Borrowing (Nov)	✓✓	GBP7.00bn	GBP8.00bn	Monthly
UK	11:30	Current Account (Q3)	✓✓	-GBP22.00bn	-GBP20.30bn	Quarterly
UK	11:30	Gross Domestic Product s.a. (QoQ) (Q3) (F)	✓✓✓	0.60%	0.60%**	Quarterly
UK	11:30	Gross Domestic Product s.a. (YoY) (Q3) (F)	✓✓✓	1.50%	1.50%**	Quarterly
Eurozone	13:00	ECB Vice President de Guindos Speaks at Book Launch in Madrid	✓	-	-	As scheduled
UK	14:00	BoE Quarterly Bulletin (Q4)	✓	-	-	As scheduled
US	15:30	Gross Domestic Product Annualised (QoQ) (Q3) (F)	✓✓✓	3.50%	3.50%**	Quarterly
US	15:30	Gross Domestic Purchases Price Index (QoQ) (Q3) (F)	✓✓✓	1.70%	1.70%**	Quarterly
US	15:30	Durable Goods Orders ex Transportation (Nov) (P)	✓✓	0.30%	0.20%	Monthly
US	15:30	Durable Goods Orders (Nov) (P)	✓✓✓	1.60%	-4.30%	Monthly
US	15:30	Personal Consumption (QoQ) (Q3) (F)	✓✓✓	3.60%	3.60%**	Quarterly
US	15:30	Personal Consumption Expenditure Core (QoQ) (Q3) (F)	✓✓✓	1.50%	1.50%**	Quarterly
US	17:00	Personal Income (MoM) (Nov)	✓✓	0.30%	0.50%	Monthly
US	17:00	Personal Spending (Nov)	✓✓	0.30%	0.60%	Monthly
US	17:00	Personal Consumption Expenditure Core (MoM) (Nov)	✓✓✓	0.20%	0.10%	Monthly
US	17:00	Personal Consumption Expenditure Deflator (MoM) (Nov)	✓	0.00%	0.20%	Monthly
US	17:00	Personal Consumption Expenditure Core (YoY) (Nov)	✓✓✓	1.90%	1.80%	Monthly
Eurozone	17:00	Consumer Confidence (Dec) (P)	✓✓✓	-4.30	-3.90	Monthly
US	17:00	Reuters/Michigan Consumer Sentiment Index (Dec) (F)	✓✓✓	97.40	97.50**	Monthly
US	17:00	Personal Consumption Expenditure Deflator (YoY) (Nov)	✓	1.80%	2.00%	Monthly
US	18:00	Kansas City Fed Manufacturing Activity (Dec)	✓✓✓	13.00	15.00	Monthly

Note: ✓✓✓High ✓✓Medium ✓Low

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