

ONE Minute Brief

27 December 2018

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Economic and political news

MTN Group has tweeted that it has finalised a settlement worth USD53mn with the Nigerian government to resolve a USD8.1bn dividend repatriation row.

Ghana's Energy Ministry stated that sixteen oil and gas firms have submitted applications for one or more of five Ghanaian offshore blocks in the country's first exploration licensing round.

US coffee giant, Starbucks has abandoned its expansion plans in South Africa (SA).

The Land Access Movement of SA (Lamosa) stated that the draft Expropriation Bill gazetted by Public Works Minister, Thulas Nxesi, last week for public comment was a disappointment and would not accelerate land reform.

Key indices

	Last close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share*	52081.11	▲	650.75	1.27	1.27	2.80	-3.29	-12.48
JSE Top 40*	46203.87	▲	649.47	1.43	1.43	3.46	-3.22	-12.05
FTSE 100*	6685.99	▼	-35.18	-0.52	-0.52	-4.22	-2.07	-13.03
DAX 30#	10633.82	▲	22.72	0.21	0.00	-5.54	-1.66	-17.68
CAC 40*	4626.39	▼	-67.99	-1.45	-1.45	-7.54	-1.76	-12.92
S&P 500	2467.70	▲	116.60	4.96	2.11	-10.60	1.79	-7.70
Nasdaq Composite	6554.36	▲	361.44	5.84	3.50	-10.59	0.34	-5.06
DJIA	22878.45	▲	1086.25	4.98	1.93	-10.42	1.68	-7.45
MSCI Emerging Markets	950.15	▼	-0.11	-0.01	-0.75	-4.48	4.06	-17.98
MSCI Developed World	1850.70	▲	55.42	3.09	0.86	-9.34	0.96	-12.02

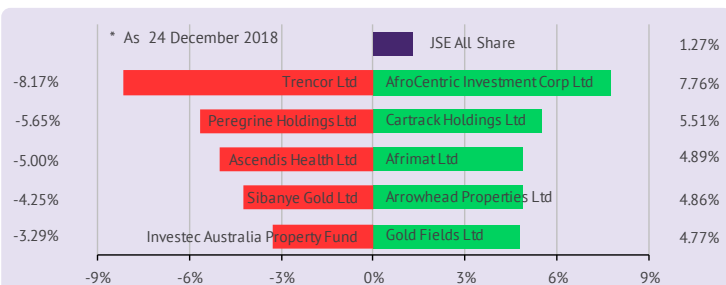
Values as 21 December 2018

* Values as 24 December 2018

South Africa Market ▲

South African markets closed higher

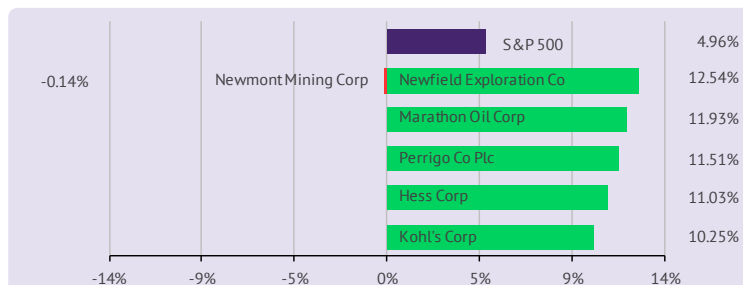
South African markets closed in the green on Monday, supported by gains in industrial and gold mining sector stocks. The JSE All Share Index rose 1.3% to close at 52,081.11.



US Market ▲

The S&P 500 futures are trading in the red

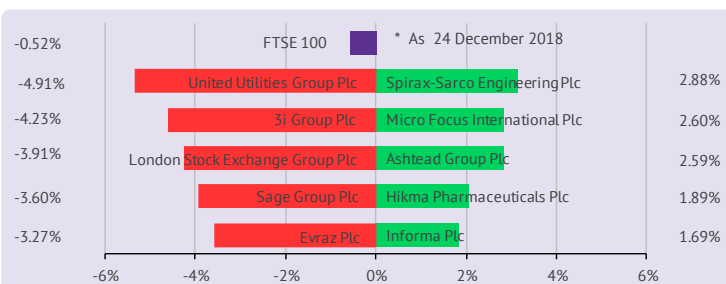
US markets rallied yesterday, boosted by gains in retail, energy and technology sector stocks. The S&P 500 Index soared 5.0% to close at 2,467.70.



UK Market ▼

The FTSE 100 futures are trading in positive territory

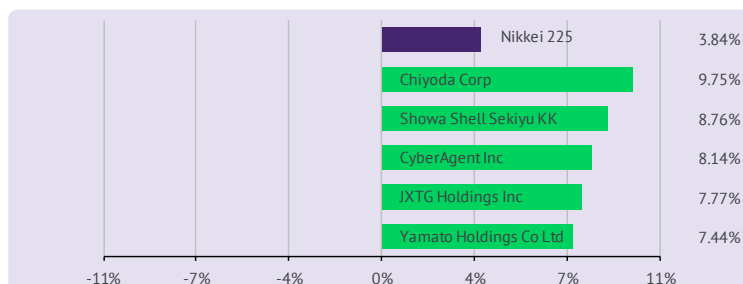
UK markets finished lower on Monday, amid ongoing concerns over global growth. The FTSE 100 Index declined 0.5% to close at 6,685.99.



Asian Market ▲

Trading higher

Asian markets are trading higher this morning. The Nikkei 225 Index is trading 3.8% higher at 20,068.87.



USD ZAR ▼

USD trading lower against ZAR

At 06:00 SAST, the US Dollar retreated 0.3% against the South African Rand to trade at R14.5246. Later today, traders will keep a close watch on the US consumer confidence index, new home sales data, house price index and initial jobless claims for further indication.

The US Dollar fell against the South African Rand yesterday, amid rising concerns over a partial US government shutdown and tensions between the White House and the Federal Reserve. On the data front, the US Richmond Fed manufacturing index registered an unexpected decline in December.

GBP ZAR ▼

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound retreated 0.1% against the South African Rand to trade at R18.3846. With no major economic news in the UK today, investor sentiment will be determined by global macroeconomic news.

The British Pound declined against the South African Rand yesterday.

EUR ZAR ▼

EUR trading lower against ZAR

At 06:00 SAST, the Euro is trading marginally weaker against the South African Rand at R16.5342. Going forward, market participants will keep a tab on the European Central Bank's economic bulletin for further direction.

The Euro weakened against the South African Rand yesterday.

AUD ZAR ▼

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar fell 0.4% against the South African Rand to trade at R10.2526.

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	14.5246	▼	-0.23	-0.50	5.05	-6.20	17.66
GBPZAR	18.3846	▼	-0.72	-0.50	4.02	-6.23	10.04
EURZAR	16.5342	▼	-0.63	-0.68	5.34	-6.12	11.34
AUDZAR	10.2526	▼	0.02	-0.10	1.49	-2.97	6.49
EURUSD	1.1383	▲	-0.34	-0.17	0.32	0.04	-5.43
GBPUSD	1.2658	▲	-0.33	-0.09	-0.91	-0.13	-6.51
Brent (\$/barrel)	54.3	▼	7.93	1.21	-8.39	-20.76	-18.54
Gold (\$/oz)	1272.2	▲	0.13	1.23	4.02	0.43	-3.06
Platinum (\$/oz)	801.6	▲	1.36	0.54	0.04	-5.12	-14.35
Copper (\$/MT)*	5931.8	-	0.00	-0.60	-4.74	3.16	-17.69

*As of previous close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices climbed 0.2% to trade at \$1,272.20/oz.

Yesterday, gold prices rose 0.1% to close at \$1,269.20/oz, as global growth worries and geopolitical tensions increased demand for the safe haven asset.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil fell 0.3% to trade at \$54.32/bl, amid worries over a glut in crude supply.

Yesterday, Brent crude oil jumped 7.9% to settle at \$54.47/bl, after Russian Energy Minister, Alexander Novak's commented that oil prices would stabilise in the first half of 2019.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged 0.2% higher to trade at \$801.60/oz.

Yesterday, platinum prices climbed 1.5% to close at \$804.9/oz.

Major South African corporate news

Anglo American Plc

The company announced the receipt of regulatory approval relating to the Step 3 licence area of the Minas-Rio operation in Brazil. Access to the Step 3 area provides greater operational flexibility and access to higher grade iron ore to support the increase of production of the operation towards its full design capacity of 26.50mn tonnes per year. As a result of this important regulatory approval, production guidance for FY19 is expected to be in the range of 18.00mn to 20.00mn tonnes.

Major global economic news

US

In the US, the Richmond Fed manufacturing index unexpectedly dropped to -8.00 in December. In the previous month, the index had registered a reading of 14.00.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
 China	03:30	Industrial Profits (YoY) (Nov)	✓✓	-1.80%*	3.60%	Monthly
 Japan	06:00	Bank of Japan Governor Kuroda Speech	✓✓✓✓	-	-	As scheduled
 Japan	07:00	Construction Orders (YoY) (Nov)	✓	-	-16.50%	Monthly
 Japan	07:00	Housing Starts (YoY) (Nov)	✓	-0.10%	0.30%	Monthly
 Japan	07:00	Annualised Housing Starts (Nov)	✓✓	0.96mn units	0.95mn units	Monthly
 Spain	10:00	Retail Sales (YoY) (Nov)	✓✓✓✓	-	4.70%	Monthly
 US	15:30	Initial Jobless Claims (22-Dec)	✓✓✓✓	216.00K	214.00K	Weekly
 US	15:30	Continuing Jobless Claims (15-Dec)	✓✓✓✓	1675.00K	1688.00K	Weekly
 US	16:00	Housing Price Index (MoM) (Oct)	✓	0.30%	0.20%	Monthly
 US	17:00	New Home Sales (Nov)	✓✓✓✓	568.00K	544.00K	Monthly
 US	17:00	New Home Sales (MoM) (Nov)	✓✓✓✓	4.40%	-8.90%	Monthly
 US	17:00	Consumer Confidence (Dec)	✓✓✓✓	133.70	135.70	Monthly

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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