

# ONE Minute Brief

28 December 2018

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## Economic and political news

According to the figures provided by the Treasury, government revenue stood at ZAR766.2bn during the nine months ended November 2018. Further, government expenditure amounted to ZAR943.8bn during the nine months ended November 2018, compared to ZAR893.7bn reported in 2017-18.

Eskom's spokesperson, Khulu Phasiwe, stated that the firm does not want South Africa to depend heavily on external sources for its electricity supply.

Head of the now-terminated Davis Tax Committee, Judge Dennis Davis, wants an investigation into unlawful profit shifting by multinationals, which is looting the fiscus of at least ZAR7bn annually.

The City of Cape Town has welcomed the withdrawal of a high court application by the minstrel groups Cape Cultural Carnival Events Committee (CCCEC) and the Cape Town Minstrel Carnival Association (CTMCA).

## Key indices

	Last close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	51551.71	▼	-529.40	-1.02	0.24	1.75	-3.29	-13.37
JSE Top 40	45655.45	▼	-548.42	-1.19	0.22	2.24	-3.22	-13.09
FTSE 100	6584.68	▼	-101.31	-1.52	-2.03	-5.67	-2.07	-14.35
DAX 30	10381.51	▼	-252.31	-2.37	-2.37	-7.78	-1.66	-19.63
CAC 40	4598.61	▼	-27.78	-0.60	-2.04	-8.10	-1.76	-13.44
S&P 500	2488.83	▲	21.13	0.86	2.99	-9.83	1.79	-6.91
Nasdaq Composite	6579.49	▲	25.14	0.38	3.89	-10.25	0.34	-4.69
DJIA	23138.82	▲	260.37	1.14	3.09	-9.40	1.68	-6.39
MSCI Emerging Markets	952.33	▲	2.18	0.23	-0.52	-4.26	4.06	-17.79
MSCI Developed World	1862.38	▲	11.68	0.63	1.49	-8.77	0.96	-11.46

## South Africa Market ▼

### South African markets closed lower

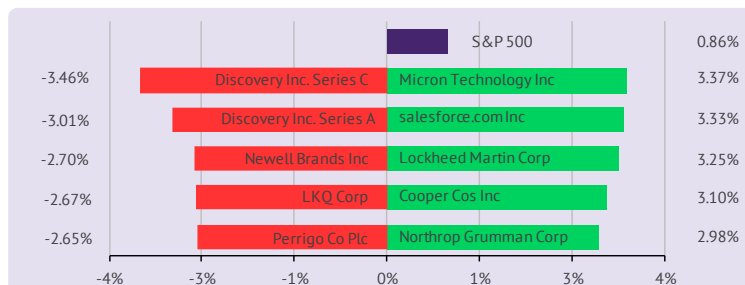
South African markets closed in the red yesterday, weighed down by losses in industrial and resources sector stocks. The JSE All Share Index fell 1.0% to close at 51,551.71.



## US Market ▲

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

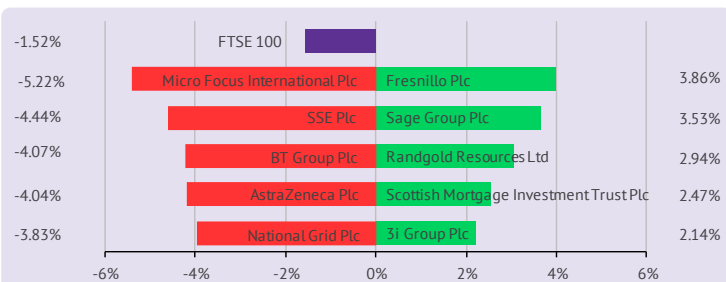
US markets rebounded yesterday, erasing its early morning losses. Data revealed that the US monthly house price index advanced in October. The S&P 500 Index climbed 0.9% to close at 2,488.83.



## UK Market ▼

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

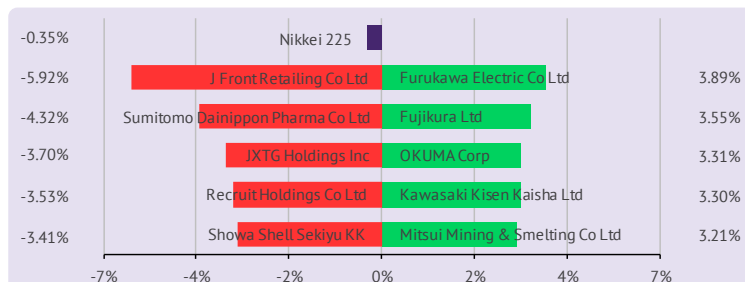
UK markets finished lower yesterday, amid global growth worries and led by decline in oil prices. The FTSE 100 Index declined 1.5% to close at 6,584.68.



## Asian Market ▲

### Trading mostly higher

Asian markets are trading mostly higher this morning. Data showed that Japan's unemployment rate increased in November. The Nikkei 225 Index is trading 0.4% lower at 20,006.64.



## USD ZAR ▼

### USD trading lower against ZAR

At 06:00 SAST, the US Dollar fell 0.1% against the South African Rand to trade at R14.4860. Later today, traders will keep a close watch on the US advance goods trade balance, pending home sales data and the Chicago purchasing manager's index for further indication.

The US Dollar fell against the South African Rand yesterday. On the macro front, the US consumer confidence index declined more than market forecast in December, marking its lowest level in five months. In contrast, the nation's monthly house price index advanced in line with market expectations in October. Additionally, initial jobless claims dropped at par with market anticipations in the week ended 22 December 2018.

## GBP ZAR ▲

### GBP trading firmer against ZAR

At 06:00 SAST, the British Pound is trading 0.1% higher against the South African Rand at R18.3462. Ahead in the day, traders will keep an eye on UK's BBA loans for house purchase for further direction.

The British Pound declined against the South African Rand yesterday.

## EUR ZAR ▲

### EUR trading stronger against ZAR

At 06:00 SAST, the Euro rose 0.2% against the South African Rand to trade at R16.5945. Going forward, market participants will keep a tab on Germany's consumer price index (CPI) for further cues.

The Euro strengthened against the South African Rand yesterday, amid fresh Italian budget vote news.

## 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 R10.2102.

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	14.4860	▼	-0.52	-1.02	4.50	-6.20	17.05
GBPZAR	18.3462	▲	-0.40	-0.90	3.61	-6.23	9.60
EURZAR	16.5945	▲	0.17	-0.52	5.52	-6.12	11.52
AUDZAR	10.2102	▲	-0.96	-1.06	0.52	-2.97	5.47
EURUSD	1.1454	▲	0.68	0.51	1.00	0.04	-4.79
GBPUSD	1.2663	▲	0.09	-0.01	-0.82	-0.13	-6.43
Brent (\$/barrel)	53.1	▲	-4.24	-3.08	-12.28	-20.76	-22.00
Gold (\$/oz)	1280.3	▼	0.94	2.18	4.99	0.43	-2.15
Platinum (\$/oz)	798.2	▲	-0.50	0.04	-0.46	-5.12	-14.78
Copper (\$/MT)*	5969.0	▲	0.63	0.03	-4.14	3.16	-17.18

\*As of previous close

## Gold ▼

### Trading in the red

At 06:00 SAST, gold prices retreated 0.1% to trade at \$1,280.30/oz.

Yesterday, gold prices rose 0.9% to close at \$1,281.10/oz, as weakness in the US Dollar increased demand for the precious yellow metal.

## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil climbed 1.8% to trade at \$53.10/bl.

Yesterday, Brent crude oil dropped 4.2% to settle at \$52.16/bl, amid worries over slowing global economic growth and concerns about crude oversupply.

## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices edged 0.3% higher to trade at \$798.20/oz.

Yesterday, platinum prices declined 0.4% to close at \$801.40/oz.

## Major South African corporate news

### Trencor Limited

The company announced that Sanlam Investment Management (Pty) Limited, on behalf of underlying clients, has formally notified that its total beneficial interest in Trencor Limited has increased to 5.1%.

## Major global economic news

### Asia

In Japan, unemployment rate registered an unexpected rise to 2.5% in November. In the prior month, unemployment rate had recorded a rate of 2.4%.

In Japan, the Tokyo CPI climbed 0.3% on a yearly basis in December, less-than-expected and compared to a rise of 0.8% in the prior month.

In Japan, flash industrial production registered a more-than-anticipated drop of 1.1% on a monthly basis in November, compared to a rise of 2.9% in the prior month.

In November, retail trade recorded a drop of 1.0% on a monthly basis in Japan, more than market expectations. Retail trade had climbed 1.2% in the prior month.

### US

In the US, the consumer confidence index dropped more-than-expected to 128.10 in December. In the prior month, the index had registered a revised level of 136.40.

In the US, the housing price index rose 0.3% on a monthly basis in October, at par with market expectations. In the prior month, the index had recorded a rise of 0.2%.

In the US, seasonally adjusted initial jobless claims fell to a level of 216.00K in the week ended 22 December 2018, meeting market forecast and compared to a revised level of 217.00K in the previous week.

### Eurozone

The European Central Bank's (ECB), in its monthly economic bulletin indicated that significant monetary policy stimulus is still required, in light of increased downside risks to the economic growth. Further, the ECB hinted that global economy activity is expected to decelerate in 2019 and stabilise thereafter. Additionally, the bank expects global inflationary pressures to rise slowly.

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
Japan	01:30	Job-To-Applclicant Ratio (Nov)	✓	1.63*	1.62	Monthly
Japan	01:30	Unemployment Rate (Nov)	✓✓	2.50%*	2.40%	Monthly
Japan	01:30	Tokyo CPI ex Fresh Food (YoY) (Dec)	✓✓✓	0.90%*	1.00%	Monthly
Japan	01:30	Tokyo CPI ex Food, Energy (YoY) (Dec)	✓	0.60%*	0.60%	Monthly
Japan	01:30	Tokyo Consumer Price Index (YoY) (Dec)	✓✓✓	0.30%*	0.80%	Monthly
Japan	01:50	Retail Trade (YoY) (Nov)	✓✓✓	1.40%*	3.50%	Monthly
Japan	01:50	Retail Trade s.a. (MoM) (Nov)	✓✓✓	-1.00%*	1.20%	Monthly
Japan	01:50	BoJ Summary of Opinions	✓	-	-	As scheduled
Japan	01:50	Industrial Production (MoM) (Nov) (P)	✓✓✓	-1.10%*	2.90%	Monthly
Japan	01:50	Industrial Production (YoY) (Nov) (P)	✓✓✓	1.40%*	4.20%	Monthly
Japan	01:50	Large Retailer's Sales (Nov)	✓✓	-2.20%*	-0.80%	Monthly
Japan	06:00	Vehicle Production (YoY) (Oct)	✓	6.30%*	-5.30%	Monthly
Spain	10:00	Gross Domestic Product s.a. (QoQ) (Q3) (F)	✓✓✓	0.60%	0.60%**	Quarterly
Spain	10:00	Gross Domestic Product s.a. (YoY) (Q3) (F)	✓✓	2.50%	2.50%**	Quarterly
Spain	10:00	Consumer Price Index (MoM) (Dec) (P)	✓✓✓	-0.10%	-0.10%	Monthly
Spain	10:00	Consumer Price Index (YoY) (Dec) (P)	✓✓✓	1.50%	1.70%	Monthly
UK	11:30	BBA Mortgage Approvals (Nov)	✓✓	38.93K	39.70K	Monthly
South Africa	14:00	Trade Balance (Nov)	✓✓	-	-ZAR5.55bn	Monthly
Germany	15:00	Consumer Price Index (MoM) (Dec) (P)	✓✓✓	0.30%	0.10%	Monthly
Germany	15:00	Consumer Price Index (YoY) (Dec) (P)	✓✓✓	1.90%	2.30%	Monthly
Germany	15:00	Harmonised Index of Consumer Prices (HICP) (MoM) (Dec) (P)	✓✓✓	0.40%	0.10%	Monthly
Germany	15:00	Harmonised Index of Consumer Prices (HICP) (YoY) (Dec) (P)	✓✓✓	1.90%	2.20%	Monthly
US	15:30	Wholesale Inventories (MoM) (Nov) (P)	✓✓✓	0.50%	0.80%	Monthly
US	16:45	Chicago PMI (Dec)	✓✓✓	60.30	66.40	Monthly
US	17:00	Pending Home Sales (YoY) (Nov)	✓	-	-4.60%	Monthly
US	17:00	Pending Home Sales (MoM) (Nov)	✓✓	1.00%	-2.60%	Monthly

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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