

ONE Minute Brief

31 December 2018

GTC
consult • partner • manage

Economic and political news

South Africa (SA) recorded a trade surplus of ZAR3.49bn in November, compared to a revised deficit of ZAR4.28bn in October.

Former Democratic Alliance (DA) Western Cape MPL, Lennit Max has resigned from DA with immediate effect and has joined the African National Congress.

The Department of Energy announced that the price of 93 octane petrol will fall by ZAR1.22 per litre and diesel price (0.005% sulphur) will decrease by ZAR1.55 per litre, with effect from 2 January 2019.

The City of Cape Town will lay a formal complaint against private security company, PPA with the Private Security Industry Regulatory Body (Psira) today, following reports that the company illegally removed people from Clifton Fourth beach on 23 December.

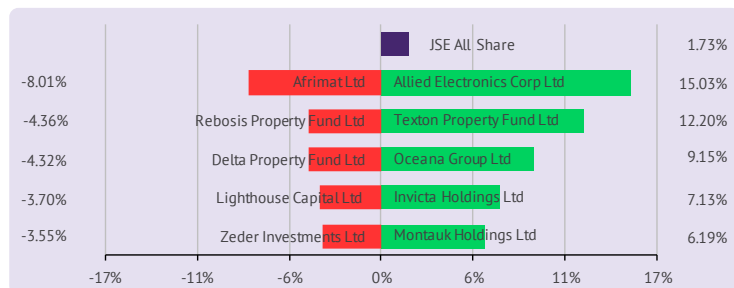
Key indices

	Last close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	52444.89	▲	893.18	1.73	NA	3.52	-3.29	-11.86
JSE Top 40	46493.79	▲	838.34	1.84	NA	4.11	-3.22	-11.50
FTSE 100	6733.97	▲	149.29	2.27	NA	-3.53	-2.07	-12.41
DAX 30	10558.96	▲	177.45	1.71	NA	-6.20	-1.66	-18.26
CAC 40	4678.74	▲	80.13	1.74	NA	-6.50	-1.76	-11.93
S&P 500	2485.74	▼	-3.09	-0.12	NA	-9.94	1.79	-7.03
Nasdaq Composite	6584.52	▲	5.03	0.08	NA	-10.18	0.34	-4.62
DJIA	23062.40	▼	-76.42	-0.33	NA	-9.70	1.68	-6.70
MSCI Emerging Markets	962.63	▲	10.30	1.08	NA	-3.23	4.06	-16.90
MSCI Developed World	1870.80	▲	8.42	0.45	NA	-8.36	0.96	-11.06

South Africa Market ▲

South African markets closed higher

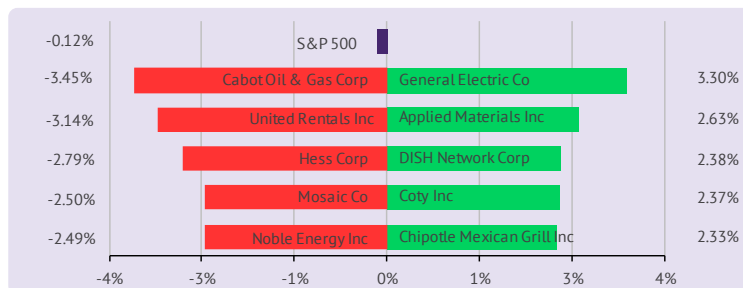
South African markets closed in the green on Friday, supported by gains in banking and insurance sector stocks. The JSE All Share Index rose 1.7% to close at 52,444.89.



US Market ▼

The S&P 500 futures are trading in the green

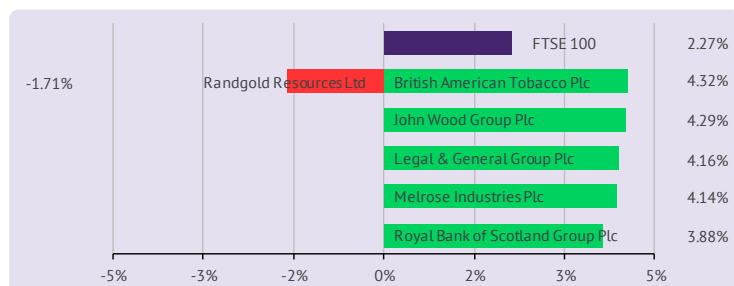
US markets closed mostly lower on Friday, amid ongoing political tensions in the US. Data revealed that the US Chicago purchasing managers' index fell less-than-anticipated in December. The S&P 500 Index dropped 0.1% to close at 2,485.74.



UK Market ▲

The FTSE 100 futures are trading in positive territory

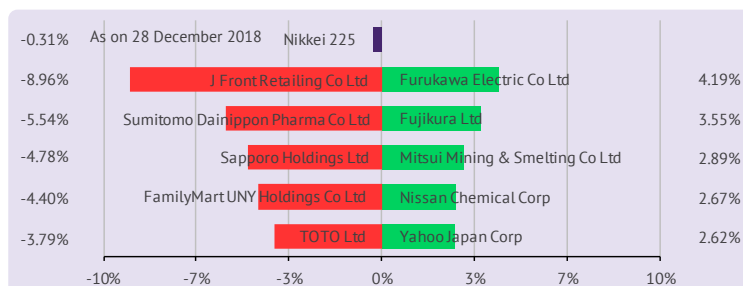
UK markets finished higher on Friday, boosted by gains in energy and mining sector stocks. The FTSE 100 Index advanced 2.3% to close at 6,733.97.



Asian Market ▲

Trading higher

Asian markets are trading higher this morning, on hopes of US-China trade talks. Markets in Japan are closed on account of public holiday.



USD ZAR ▼

USD trading lower against ZAR

At 06:00 SAST, the US Dollar marginally fell against the South African Rand to trade at R14.4293. Later today, traders will keep a close watch on the US Dallas Fed manufacturing index for further direction.

The US Dollar fell against the South African Rand on Friday. On the macro front, the US pending home sales data registered an unexpected decline on a monthly basis in November. Meanwhile, the Chicago purchasing managers' index dropped less than market forecast in December. Separately, South African Rand rose against the US Dollar, after SA posted a trade surplus in November.

GBP ZAR ▼

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound fell 0.1% against the South African Rand to trade at R18.3087. 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 on Friday. On the data front, UK's BBA loans for house purchase declined less than market forecast in November.

EUR ZAR ▼

EUR trading lower against ZAR

At 06:00 SAST, the Euro declined 0.1% against the South African Rand to trade at R16.5017. Amid no major economic news across the Eurozone, market sentiment will be determined by global macroeconomic news.

The Euro weakened against the South African Rand on Friday. Data indicated that Germany's consumer price inflation slowed to its lowest level in eight months on an annual basis in December.

AUD ZAR ▲

AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.3% firmer against the South African Rand at R10.1895. Earlier in the session, Australia's private sector credit climbed in line with market expectations on a monthly basis in November. Meanwhile, in China, Australia's largest trading partner, the manufacturing PMI unexpectedly fell in December.

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	14.4293	▼	-0.42	NA	4.06	-6.20	16.56
GBPZAR	18.3087	▼	-0.01	NA	3.59	-6.23	9.58
EURZAR	16.5017	▼	-0.31	NA	5.19	-6.12	11.18
AUDZAR	10.1895	▲	-0.35	NA	0.17	-2.97	5.10
EURUSD	1.1436	▼	0.12	NA	1.12	0.04	-4.67
GBPUSD	1.2689	▼	0.43	NA	-0.39	-0.13	-6.02
Brent (\$/barrel)	53.7	▲	2.01	NA	-10.51	-20.76	-20.43
Gold (\$/oz)	1280.0	▼	0.15	NA	5.15	0.43	-2.01
Platinum (\$/oz)	790.0	▲	-0.82	NA	-1.28	-5.12	-15.48
Copper (\$/MT)*	5987.0	▲	0.30	NA	-3.85	3.16	-16.93

*As of previous close

Gold ▼

Trading in the red

At 06:00 SAST, gold prices edged 0.2% lower to trade at \$1,280.00/oz, amid hints of progress over US-China trade talks.

On Friday, gold prices rose 0.2% to close at \$1,283.00/oz, amid weakness in the US Dollar and led by concerns over slowing economic growth.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil rose 1.0% to trade at \$53.73/bl, amid persistent fears over crude oil supply glut.

On Friday, Brent crude oil advanced 2.0% to settle at \$53.21/bl, after the Energy Information Administration reported that domestic crude supplies fell by 46,000bls last week. Meanwhile, Baker Hughes reported that the number of active US oil rigs drilling rose by 2 to 885 in the week ended 28 December 2018.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices gained 0.1% to trade at \$790.00/oz.

On Friday, platinum prices declined 0.6% to close at \$796.4/oz.

Major South African corporate news

Trustco Group Holdings Limited

The company announced that Global Credit Ratings company has upgraded its long-term credit rating to “CCC(NA)” and its short-term rating to “C(NA)” with an ‘evolving’ outlook. Additionally, the company announced that the rating would be valid until August 2019.

Major global economic news

US

In the US, pending home sales unexpectedly dropped 0.7% on a monthly basis in November. In the previous month, pending home sales had recorded a drop of 2.6%.

In the US, the Chicago Fed purchasing managers index dropped less-than-expected to 65.40 in December. In the previous month, the index had registered a level of 66.40.

Asia

In Australia, private sector credit rose 0.3% on a monthly basis in November, at par with market expectations. The private sector credit had risen 0.4% in the prior month.

In China, the manufacturing PMI recorded an unexpected drop to a level of 49.40 in December. In the prior month, the manufacturing PMI had registered a reading of 50.00.











Eurozone

In Germany, the flash consumer price index (CPI) rose 1.7% on a yearly basis in December, less than market expectations. The CPI had recorded a rise of 2.3% in the prior month.

UK

In the UK, the BBA mortgage approvals recorded a less-than-anticipated drop to 39.40K in November, compared to a revised level of 39.64K in the prior month.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
 China	03:00	NBS Manufacturing PMI (Dec)	✓✓	49.40*	50.00	Monthly
 China	03:00	NBS Non-manufacturing PMI (Dec)	✓	53.80*	53.40	Monthly
 South Africa	08:00	M3 Money Supply (YoY) (Nov)	✓	5.80%	5.99%	Monthly
 South Africa	08:00	Private Sector Credit (YoY) (Nov)	✓	5.70%	5.82%	Monthly
 Greece	12:00	Retail Sales (YoY) at constant prices (Oct)	✓	-	3.30%	Monthly
 South Africa	14:00	Trade Balance (Nov)	✓✓	-	-ZAR5.55bn	Monthly
 US	17:30	Dallas Fed Manufacturing Business Index (Dec)	✓✓✓	16.00	17.60	Monthly
 US	-	Wholesale Inventories (MoM) (Nov) (P)	✓✓✓	0.50%	0.80%	Monthly
 US	-	New Home Sales (MoM) (Nov)	✓✓✓	4.40%	-8.90%	Monthly
 US	-	New Home Sales (Nov)	✓✓✓	568.00K	544.00K	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

40 best performers on the All Share Index

Company name	Last close	1 Week % change	MTD % change	YTD % change
Montauk Holdings Ltd	8495	3.60	12.92	57.75
Anglo American Platinum Ltd	54356	0.85	22.15	56.70
Allied Electronics Corp Ltd	1829	6.09	3.33	53.80
Clover Industries Ltd	1814	-0.82	1.85	45.24
AngloGold Ashanti Ltd	18084	2.62	29.98	41.53
Telkom SA SOC Ltd	6217	0.83	9.63	38.17
MiX Telematics Ltd	856	-3.82	-14.40	31.64
Anglo American Plc	32118	2.52	15.95	31.61
Lewis Group Ltd	3243	-7.34	12.25	31.39
Pepkor Holdings Ltd	2038	-2.25	-3.96	27.77
BHP Group Plc	30035	0.92	13.92	26.98
PSG Konsult Ltd	1036	-1.43	-5.82	20.93
Emira Property Fund Ltd	1472	1.03	-0.88	20.22
Murray & Roberts Holdings Ltd	1408	10.26	-8.39	19.90
EPP NV	1852	0.49	-3.29	19.75
Santam Ltd	30099	2.54	-5.05	16.24
Impala Platinum Holdings Ltd	3670	7.85	11.21	13.13
Nedbank Group Ltd	27400	2.53	3.08	12.50
African Rainbow Minerals Ltd	13844	2.67	14.48	11.93
JSE Ltd	16504	0.88	-0.33	10.96
Harmony Gold Mining Co Ltd	2494	2.97	19.50	9.92
Investec Australia Property Fund	1246	-6.88	6.40	8.29
Netcare Ltd	2603	1.84	1.68	7.51
South32 Ltd	3438	6.37	10.94	6.53
Sun International Ltd	6225	-1.67	3.72	6.17
Clicks Group Ltd	18789	-0.42	0.05	5.61
KAP Industrial Holdings Ltd	813	4.90	-0.85	5.53
Fortress REIT Ltd	1796	2.63	5.90	5.40
Reunert Ltd	7100	1.60	-3.22	5.18
Transaction Capital Ltd	1699	-0.06	-6.23	4.65
Adcock Ingram Holdings Ltd	5942	-0.13	2.45	4.60
RMB Holdings Ltd	7861	2.57	0.47	3.90
Sirius Real Estate Ltd	1105	1.75	9.18	3.86
SPAR Group Ltd	20250	1.32	5.85	3.43
Capitec Bank Holdings Ltd	111500	4.73	1.36	3.33
Hudaco Industries Ltd	14295	4.34	0.67	3.05
Mondi Ltd	30650	1.53	0.49	2.93
Vukile Property Fund Ltd	1955	0.26	-4.43	2.93
Mr Price Group Ltd	24390	3.38	2.53	2.77
Sasol Ltd	42674	3.75	5.04	2.28
JSE All Share Index	52445	1.97	3.52	-11.86

Disclaimer

This report and its contents are confidential, privileged and only for the information of the intended recipient. GTC (Pty) Ltd make no representations or warranties in respect of this report or its content and will not be liable for any loss or damage of any nature arising from this report, the content thereof, your reliance thereon its unauthorised use or any electronic viruses associated therewith. Please note that content does not necessarily represent or reflect the views and opinions of GTC (Pty) Ltd. This report is proprietary to GTC (Pty) Ltd and you may not copy or distribute the report without the prior written consent of the authors. Any feedback or contributions are most welcome.

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

An Authorised Financial
Services Provider
FSP no. 731

GTC is nationally represented in Johannesburg, Cape Town and Durban.

GTC Group of products and services include: Employee Benefits Consulting • Employee Benefits Administration • Private Client Wealth Management • Healthcare Consulting • Short-Term Risk Solutions • Stockbroking • Derivatives Trading • Unit Trust Management • Asset Management • Fiduciary Services