

ONE Minute Brief

9 January 2019

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Economic and political news

In South Africa (SA), net gold & forex reserves advanced to USD43.09bn in December, compared to a level of USD42.58bn in November. Gross gold & forex reserves rose to USD51.64bn in December, compared to a reading of USD50.67bn in the previous month. Annual electricity consumption advanced 0.9% in November, compared to a rise of 2.2% in October. Electricity production declined 0.2% on a yearly basis in November, compared to an advance of 0.8% in October. Total new vehicle sales fell 1.9% to 39,984 in December, from 40,751 in the same period a year ago.

The Spectator Index ranked SA's youth unemployment rate as the highest in the world at 52.8%.

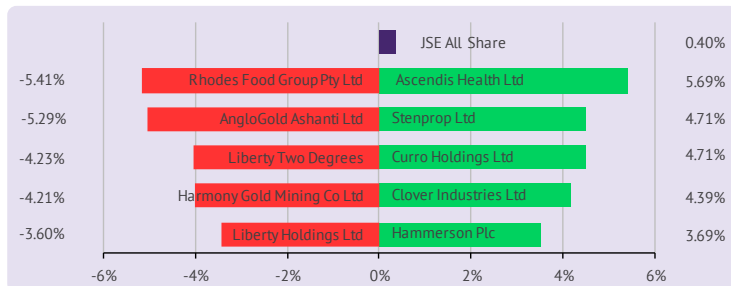
The Association of Mineworkers and Construction Union (Amcu) has pledged to continue with its strike at Sibanye-Stillwater's gold operations until its demands of a ZAR1,000 wage increment for the next three-year period are met.

The Kempton Park magistrate's court has postponed a bail hearing related to a US prosecution against former Mozambican Finance Minister, Manuel Chang, over USD2bn fraudulent loans to Mozambican state companies.

South Africa Market ▲

South African markets closed higher

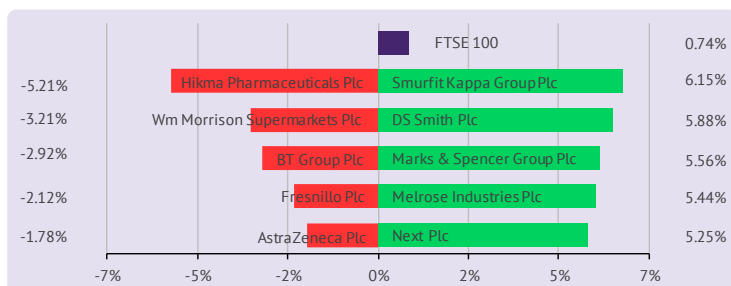
South African markets closed in the green yesterday, boosted by gains in industrial and resources sector stocks. Data indicated that SA's net gold & forex reserves advanced in December. The JSE All Share Index rose 0.4% to close at 52,165.47.



UK Market ▲

The FTSE 100 futures are trading in positive territory

UK markets finished higher yesterday, on hopes over US-China trade talks and helped by gains in retail sector stocks. The FTSE 100 Index advanced 0.7% to close at 6,861.60.



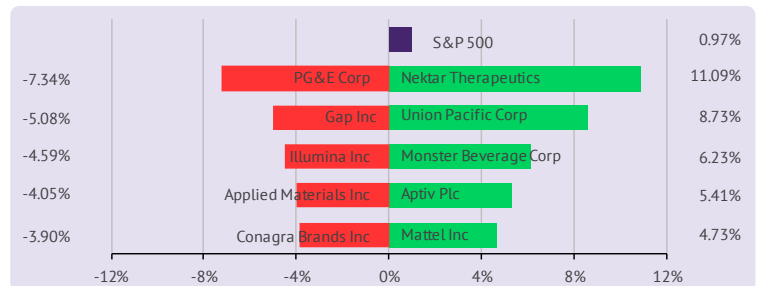
Key indices

	Last close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	52165.47	▲	206.17	0.40	-0.07	-1.08	4.09	-1.08
JSE Top 40	46116.17	▲	239.81	0.52	-0.09	-1.31	4.63	-1.31
FTSE 100	6861.60	▲	50.72	0.74	0.35	1.98	-3.61	1.98
DAX 30	10803.98	▲	56.17	0.52	0.34	2.32	-6.20	2.32
CAC 40	4773.27	▲	54.10	1.15	0.76	0.90	-5.46	0.90
S&P 500	2574.41	▲	24.72	0.97	1.68	2.70	-9.18	2.70
Nasdaq Composite	6897.00	▲	73.53	1.08	2.35	3.94	-9.48	3.94
DJIA	23787.45	▲	256.10	1.09	1.51	1.97	-8.66	1.97
MSCI Emerging Markets	975.51	▼	-2.46	-0.25	1.09	0.99	-2.89	0.99
MSCI Developed World	1935.79	▲	16.04	0.84	1.66	2.75	-7.71	2.75

US Market ▲

The S&P 500 futures are trading in the green

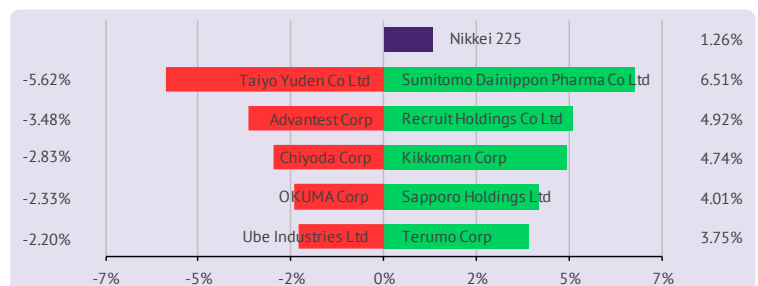
US markets closed higher yesterday, amid signs of progress between the US-China trade negotiations. Data showed that the US NFIB small optimism index fell less-than-expected in December. The S&P 500 Index climbed 1.0% to close at 2,574.41.



Asian Market ▲

Trading higher

Asian markets are trading higher this morning, mirroring gains across its US peers. The Nikkei 225 Index is trading 1.3% higher at 20,458.53.



USD ZAR ▼

USD trading lower against ZAR

At 06:00 SAST, the US Dollar is trading 0.2% weaker against the South African Rand at R13.9296. Later today, traders will keep a close watch on the FOMC meeting minutes along with the US MBA mortgage applications and trade balance for further indication.

The US Dollar rose against the South African Rand yesterday, as US-China trade talks extended. On the macro front, the US consumer credit climbed more than market anticipations in November, marking its second consecutive monthly gain. Meanwhile, the nation's NFIB small optimism index eased less than market forecast in December. Additionally, the JOLTS job openings registered a more-than-expected decline in November, recording its lowest level in five months. Separately, in SA, net gold & forex reserves rose in December. Additionally, gross gold & forex reserves climbed in the same month. Moreover, electricity consumption advanced on a yearly basis in November. Meanwhile, the nation's annual electricity production registered a decline in November.

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 R17.7407. With no major economic news in the UK today, investor sentiment will be determined by global macroeconomic news.

The British Pound advanced against the South African Rand yesterday. On the data front, UK's Halifax house price index jumped more than market forecast on a monthly basis in December.

EUR ZAR ▼

EUR trading lower against ZAR

At 06:00 SAST, the Euro is trading 0.1% weaker against the South African Rand at R15.9562. Going forward, market participants will keep a tab on the Eurozone's unemployment rate, Germany's trade and current account balance for further direction.

The Euro strengthened against the South African Rand yesterday. Data indicated that the Eurozone's business climate indicator eased more than market expectations in December. Additionally, the consumer confidence index registered a decline in December. Moreover, the economic confidence index fell more-than-anticipated in December, marking its lowest level since January 2017. Separately, Germany's industrial production fell more than market forecast on an annual basis in November.

AUD ZAR ▼

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar marginally retreated against the South African Rand to trade at R9.9716. Earlier in the session, Australia's AiG performance of service index eased in December. Additionally, building approvals dropped more-than-anticipated on a monthly basis in November.

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	13.9296	▼	0.57	-0.06	-2.72	3.44	-2.72
GBPZAR	17.7407	▼	0.06	-0.06	-3.09	3.58	-3.09
EURZAR	15.9562	▼	0.28	0.34	-2.96	4.83	-2.96
AUDZAR	9.9716	▼	0.51	0.40	-1.46	-0.16	-1.46
EURUSD	1.1455	▲	-0.29	0.40	-0.23	1.33	-0.23
GBPUSD	1.2736	▲	-0.47	-0.05	-0.29	0.04	-0.29
Brent (\$/barrel)	59.4	▲	2.42	2.91	9.14	-9.52	9.14
Gold (\$/oz)	1284.3	▼	-0.31	0.01	0.36	5.01	0.36
Platinum (\$/oz)	816.5	-	-0.23	-0.67	2.59	-0.49	2.59
Copper (\$/MT)*	5886.5	▼	-0.30	-0.18	-1.05	-4.46	-1.05

*As of previous close

Gold ▼

Trading in the red

At 06:00 SAST, gold prices edged 0.1% lower to trade at \$1,284.30/oz.

Yesterday, gold prices fell 0.3% to close at \$1,285.90/oz, as strength in the US Dollar dented demand for the precious yellow metal.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil advanced 1.2% to trade at \$59.43/bl, after the American Petroleum Institute reported that crude oil inventories declined by 6.1mn bls in the week ended 4 January 2018.

Yesterday, Brent crude oil advanced 2.4% to settle at \$58.72/bl, led by global attempts to contain crude output and on optimism around US-China trade talks. Adding to the positive sentiment, OPEC's oil production fell by 630,000 bls per day to 32.43 mn bls in December.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices are trading marginally lower at \$816.50/oz.

Yesterday, platinum prices declined 0.3% to close at \$821.8/oz.

Major South African corporate news

Huge Group Limited

The company announced the appointment of Andrew Openshaw as its Chief Operating Officer and Director, with effect from 1 March 2019.

Major global economic news

Eurozone

In the Eurozone, the business climate indicator fell more-than-expected to a level of 0.82 in December, compared to a revised level of 1.04 in the prior month.

In the Eurozone, the final consumer confidence index fell to a level of -6.20 in December, compared to a level of -3.90 in the previous month. The preliminary figures had also indicated a fall to -6.20.

In the Eurozone, the economic confidence index registered a drop to 107.30 in December, more than market expectations. In the previous month, the index had recorded a level of 109.50.

In Germany, non-seasonally & working day adjusted industrial production fell 4.7% on a yearly basis in November, more-than-anticipated and compared to a revised rise of 0.5% in the prior month.

US

In the US, the NFIB small business optimism index fell less-than-expected to a level of 104.40 in December. The index had recorded a level of 104.80 in the previous month.

In November, consumer credit recorded a rise of USD22.15bn in the US, more than market expectations. In the prior month, consumer credit had climbed USD25.38bn.

In the US, the JOLTs job openings dropped more-than-expected to 6888.00K in November. The JOLTs job openings had registered a revised reading of 7131.00K in the previous month.

Asia

In Australia, the AiG performance of services index registered a drop to 52.10 in December, compared to a reading of 55.10 in the previous month.

In Australia, the seasonally adjusted building approvals registered a drop of 9.1% on a monthly basis in November, more than market expectations. In the prior month, building approvals had dropped 1.5%.

UK

In the UK, the Halifax house price index recorded a more-than-anticipated rise of 2.2% on a monthly basis in December. The index had dropped by a revised 1.2% in the previous month.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus	Previous	Frequency
US	4:00	President Trump's Speech	✓✓✓	-	-	As scheduled
Germany	9:00	Exports (Nov)	✓	-	EUR117.20bn	Monthly
Germany	9:00	Imports (Nov)	✓	-	EUR98.90bn	Monthly
Germany	9:00	Current Account n.s.a. (Nov)	✓	EUR24.80bn	EUR15.90bn	Monthly
Germany	9:00	Exports s.a. (MoM) (Nov)	✓	-0.50%	0.70%	Monthly
Germany	9:00	Imports s.a. (MoM) (Nov)	✓	0.00%	1.30%	Monthly
Germany	9:00	Trade Balance n.s.a. (Nov)	✓✓✓	EUR18.60bn	EUR18.30bn	Monthly
South Africa	11:00	PMI Manufacturing (Dec)	✓✓	49.00	49.50	Monthly
Eurozone	12:00	Unemployment Rate (Nov)	✓✓✓	8.10%	8.10%	Monthly
US	14:00	MBA Mortgage Applications (04-Jan)	✓	-	-8.50%	Weekly
US	15:20	Fed's Bostic Speaks in Chattanooga on Economic Outlook	✓	-	-	As scheduled
US	16:00	Fed's Evans Speaks on Economy and Monetary Policy	✓	-	-	As scheduled
UK	17:30	BoE Governor Carney Participates in Online Q&A	✓✓✓	-	-	As scheduled
US	18:30	Fed's Rosengren Speaks on the Economic Outlook	✓	-	-	As scheduled
US	21:00	Fed Releases Minutes of FOMC Meeting	✓✓✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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