

ONE Minute Brief

11 January 2019

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Economic and political news

In South Africa (SA), the SACCI business confidence index dropped to 95.20 in December, compared to a reading of 96.10 in the prior month. Manufacturing production advanced 1.6% on an annual basis in November, compared to a revised rise of 2.8% in October.

General Manager of Actom Power Systems, Sy Gourrah, has confirmed her resignation from the sustainability task team set up by President, Cyril Ramaphosa, to advise the government on how to save Eskom.

Botswana and the Kingdom of eSwatini, formerly Swaziland, have suspended meat imports from SA while, Zimbabwe is in the process of setting up a ban due to the outbreak of the highly contagious foot and mouth disease.

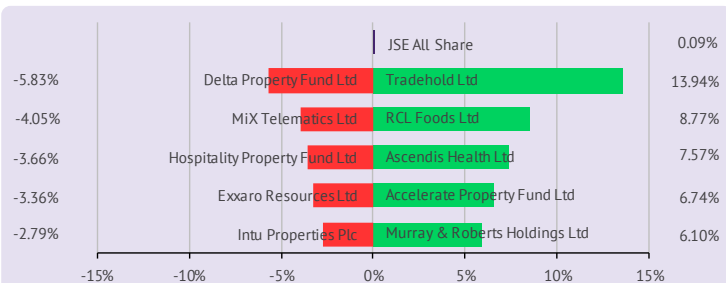
The court hearing of former Mozambique Finance Minister, Manuel Chang, related to charges of fraud and money laundering, has been postponed until 18 January.

Democratic Republic of Congo's electoral commission has declared opposition leader, Felix Tshisekedi, the winner of last month's presidential election. Meanwhile, the Catholic Church has rejected the official result of Congo's presidential election.

South Africa Market ▲

South African markets closed higher

South African markets closed in the green yesterday, boosted by gains in retail and banking sector stocks. Data indicated that SA's SACCI business confidence index fell in December. The JSE All Share Index rose 0.1% to close at 53,271.02.



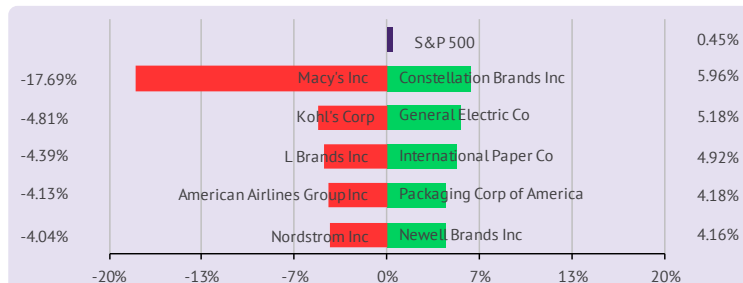
Key indices

	Last close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	53271.02	▲	48.13	0.09	2.05	1.01	4.09	1.01
JSE Top 40	47164.36	▲	23.51	0.05	2.18	0.94	4.63	0.94
FTSE 100	6942.87	▲	36.24	0.52	1.54	3.19	-3.61	3.19
DAX 30	10921.59	▲	28.27	0.26	1.43	3.43	-6.20	3.43
CAC 40	4805.66	▼	-7.92	-0.16	1.45	1.58	-5.46	1.58
S&P 500	2596.64	▲	11.68	0.45	2.56	3.58	-9.18	3.58
Nasdaq Composite	6986.07	▲	28.99	0.42	3.67	5.29	-9.48	5.29
DJIA	24001.92	▲	122.80	0.51	2.43	2.89	-8.66	2.89
MSCI Emerging Markets	998.67	▲	4.27	0.43	3.49	3.39	-2.89	3.39
MSCI Developed World	1957.69	▲	6.71	0.34	2.81	3.92	-7.71	3.92

US Market ▲

The S&P 500 futures are trading in the red

US markets closed higher for the fifth consecutive session yesterday, supported by gains in real estate and industrial sector stocks. The S&P 500 Index climbed 0.5% to close at 2,596.64.



UK Market ▲

The FTSE 100 futures are trading in negative territory

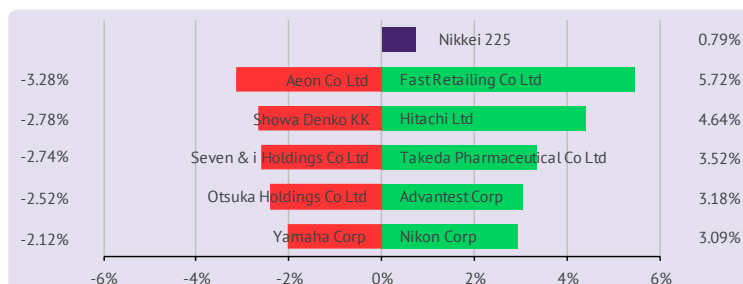
UK markets finished higher yesterday, as the British pound weakened on Brexit worries. The FTSE 100 Index advanced 0.5% to close at 6,942.87.



Asian Market ▲

Trading higher

Asian markets are trading higher this morning. Data showed that Japan's trade deficit widened less-than-anticipated in November. The Nikkei 225 Index is trading 0.8% higher at 20,322.83.



USD ZAR ▼

USD trading weaker against ZAR

At 06:00 SAST, the US Dollar is trading 0.1% lower against the South African Rand at R13.8428. Later today, traders will keep a close watch on the US consumer price index, trade balance, average hourly earnings and monthly budget statement for further indication.

The US Dollar fell against the South African Rand yesterday. Data indicated that the US initial jobless claims dropped more than market expectations in the week ended 5 January 2019. Separately, in SA, the SACCI business confidence index registered a decline in December. Further, manufacturing production rose less than market forecast on an annual basis in November.

GBP ZAR ▲

GBP trading higher against ZAR

At 06:00 SAST, the British Pound is trading marginally firmer against the South African Rand at R17.6650. Ahead in the day, traders will keep an eye on UK's gross domestic product, trade balance, construction output, industrial and manufacturing production 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 advanced 0.1% against the South African Rand to trade at R15.9523. Amid no major economic news across the Eurozone, market sentiment will be determined by global macroeconomic news.

The Euro strengthened against the South African Rand yesterday.

AUD ZAR ▲

AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% firmer against the South African Rand at R9.9689. Earlier in the session, Australia's AiG performance of construction index recorded a drop in December. Meanwhile, the nation's retail sales climbed more-than-anticipated on a monthly basis in November, notching its highest level five months.

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	13.8428	▼	-0.04	-0.79	-3.43	3.44	-3.43
GBPZAR	17.6650	▲	-0.35	-0.57	-3.59	3.58	-3.59
EURZAR	15.9523	▲	-0.39	0.11	-3.18	4.83	-3.18
AUDZAR	9.9689	▲	0.16	0.19	-1.66	-0.16	-1.66
EURUSD	1.1524	▲	-0.37	0.92	0.29	1.33	0.29
GBPUSD	1.2760	▲	-0.33	0.19	-0.05	0.04	-0.05
Brent (\$/barrel)	61.5	▼	0.39	8.10	14.65	-9.52	14.65
Gold (\$/oz)	1291.7	▲	-0.36	0.12	0.48	5.01	0.48
Platinum (\$/oz)	821.3	-	0.16	-0.09	3.19	-0.49	3.19
Copper (\$/MT)*	5907.8	▼	-0.49	0.18	-0.69	-4.46	-0.69

*As of previous close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices climbed 0.3% to trade at \$1,291.70/oz.

Yesterday, gold prices fell 0.4% to close at \$1,287.40/oz, amid strength in the US Dollar.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 0.3% lower to trade at \$61.49/bl, amid renewed worries over global economic growth.

Yesterday, Brent crude oil advanced 0.4% to settle at \$61.68/bl.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices are trading marginally lower at \$821.30/oz.

Yesterday, platinum prices climbed 0.1% to close at \$826.1/oz.

Major South African corporate news

Sibanye Gold Limited

In its strategic update, the company stated that its South African operations (both gold and PGM), achieved a notable safety milestone of 4.00mn fatality free shifts, with the company recording 5.00mn fatality free shifts on 4 January 2019. Production from the second stope at the Blitz project commenced in October 2018. Together with record palladium prices, this is expected to provide a significant increase in revenues from the US PGM operations. Further, the South African PGM operations have benefited from higher rand PGM basket prices in 2H18 with consistently good operational performance and 4E PGM production for 2018 of approximately 1.17 Moz.

Major global economic news

Asia

In Australia, the AiG performance of construction index dropped to 42.60 in December. In the prior month, the index had registered a reading of 44.50.

In Australia, seasonally adjusted retail sales registered a more-than-expected rise of 0.4% on a monthly basis in November. In the prior month, retail sales had recorded a rise of 0.3%.

In Japan, trade deficit (BOP basis) widened less-than-anticipated to JPY559.10bn in November, compared to a deficit of JPY321.70bn in the prior month.

In Japan, non-seasonally adjusted current account surplus narrowed less-than-expected to JPY757.20bn in November, compared to a surplus of JPY1309.90bn in the previous month.

In Japan, overall household spending slid 0.6% on an annual basis in November, compared to a fall of 0.3% in the previous month.

US

In the US, seasonally adjusted initial jobless claims recorded a drop to 216.00K in the week ended 5 January 2019, more than market expectations. In the prior week, initial jobless claims had registered a revised level of 233.00K.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
 US	00:30	Fed's Clarida Speaks to Money Marketeers in New York	✓	-	-	As scheduled
 Japan	01:30	Household Spending (YoY) (Nov)	✓✓	-0.60%*	-0.30%	Monthly
 Japan	01:50	Bank Lending ex-Trust (YoY) (Dec)	✓	2.50%*	2.20%	Monthly
 Japan	01:50	Bank Lending including Trusts (YoY) (Dec)	✓	2.40%*	2.10%	Monthly
 Japan	01:50	Current Account n.s.a. (Nov)	✓	JPY757.20bn*	JPY1309.90bn	Monthly
 Japan	01:50	Trade Balance - BOP Basis (Nov)	✓✓✓	-JPY559.10bn*	-JPY321.70bn	Monthly
 Japan	01:50	Adjusted Current Account Total (Nov)	✓	JPY1438.70bn*	JPY1211.30bn	Monthly
 Eurozone	10:20	ECB's Mersch Speaks in Bratislava	✓	-	-	As scheduled
 UK	11:30	Manufacturing Production (YoY) (Nov)	✓✓✓	-0.70%	-1.00%	Monthly
 UK	11:30	Industrial Production (MoM) (Nov)	✓✓✓	0.20%	-0.60%	Monthly
 UK	11:30	Industrial Production (YoY) (Nov)	✓✓✓	-0.70%	-0.80%	Monthly
 UK	11:30	Manufacturing Production (MoM) (Nov)	✓✓✓	0.40%	-0.90%	Monthly
 UK	11:30	Total Trade Balance (Nov)	✓✓✓	-GBP2.80bn	-GBP3.30bn	Monthly
 UK	11:30	Visible Trade Balance (Nov)	✓✓✓	-GBP11.40bn	-GBP11.87bn	Monthly
 UK	11:30	Trade Balance; non-EU (Nov)	✓✓✓	-GBP3.77bn	-GBP4.25bn	Monthly
 UK	11:30	Index of Services (3M/3M) (Nov)	✓	0.20%	0.30%	Monthly
 UK	11:30	Index of Services (MoM) (Nov)	✓	0.10%	0.20%	Monthly
 UK	11:30	Construction Output s.a. (YoY) (Nov)	✓	2.60%	3.80%	Monthly
 Eurozone	12:00	ZEW Survey - Economic Sentiment (Jan)	✓✓	-	-21.00	Monthly
 US	15:30	Consumer Price Index (MoM) (Dec)	✓✓✓	-0.10%	0.00%	Monthly
 US	15:30	Consumer Price Index Ex Food & Energy (MoM) (Dec)	✓✓✓	0.20%	0.20%	Monthly
 US	15:30	Consumer Price Index (YoY) (Dec)	✓✓✓	1.90%	2.20%	Monthly
 US	15:30	Consumer Price Index n.s.a. (Dec)	✓	251.08	252.04	Monthly
 US	21:00	Monthly Budget Statement (Dec)	✓✓✓	-USD4.00bn	-USD204.90bn	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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