

# ONE Minute Brief

14 January 2019

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## Economic and political news

On Saturday, the African National Congress (ANC) launched its manifesto for elections in May, where President, Cyril Ramaphosa pledged to create more jobs and address racial inequality.

The commission of inquiry, headed by Deputy Chief Justice Raymond Zondo, will resume from tomorrow.

South African gold mining company, Sibanye-Stillwater stated that its lenders had agreed to extend its debt covenants at the upper limit of its facilities.

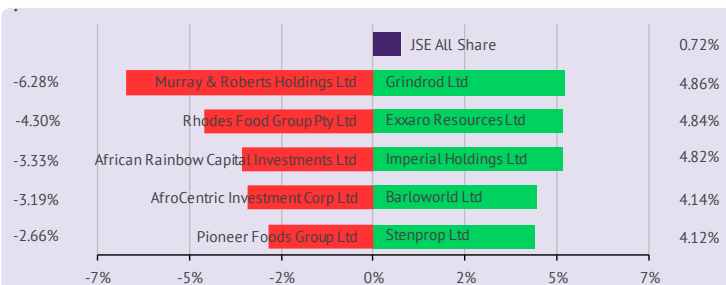
The Southern African Development Community (SADC) wants the Democratic Republic of Congo (DRC) to recount votes from its contested 30 December elections, amid a dispute over the result of presidential vote.

On Saturday, the University of South Africa (Unisa) management and its Student Representative Council (SRC) signed an agreement, calling off the student strike with immediate effect.

## South Africa Market ▲

### South African markets closed higher

South African markets closed in the green on Friday, boosted by gains in retail and industrial sector stocks. The JSE All Share Index rose 0.7% to close at 53,653.38.



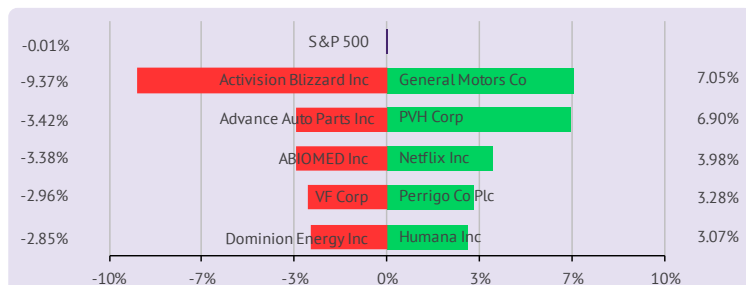
## Key indices

	Last close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	53653.38	▲	382.36	0.72	NA	1.74	4.09
JSE Top 40	47491.38	▲	327.02	0.69	NA	1.64	4.63
FTSE 100	6918.18	▼	-24.69	-0.36	NA	-3.61	-2.82
DAX 30	10887.46	▼	-34.13	-0.31	NA	-6.20	3.11
CAC 40	4781.34	▼	-24.32	-0.51	NA	-5.46	1.07
S&P 500	2596.26	▼	-0.38	-0.01	NA	-9.18	3.57
Nasdaq Composite	6971.48	▼	-14.59	-0.21	NA	-9.48	5.07
DJIA	23995.95	▼	-5.97	-0.02	NA	-8.66	2.87
MSCI Emerging Markets	1001.11	▲	2.44	0.24	NA	-2.89	3.64
MSCI Developed World	1957.17	▼	-0.53	-0.03	NA	-7.71	3.89

## US Market ▼

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

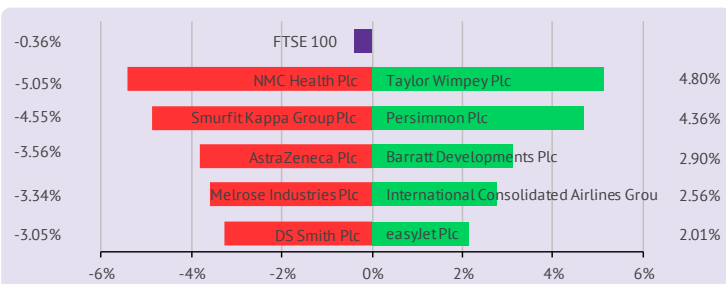
US markets closed lower on Friday, amid ongoing worries over US government shutdown and ahead of corporate earnings results. Data showed that the US annual consumer price index (CPI) rose as expected in December. The S&P 500 Index slightly dropped to close at 2,596.26.



## UK Market ▼

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

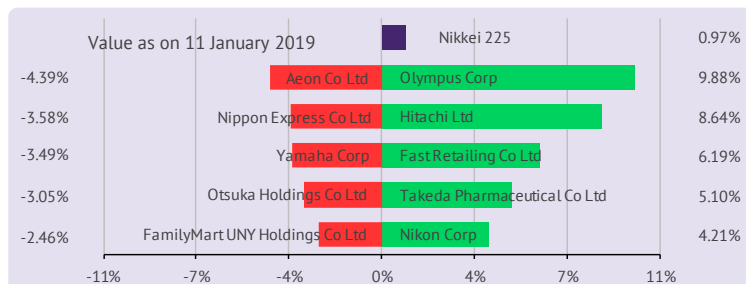
UK markets finished lower on Friday, as the British Pound strengthened on reports of a potential Brexit delay. The FTSE 100 Index declined 0.4% to close at 6,918.18.



## Asian Market ▼

### Trading lower

Asian markets are trading lower this morning. Markets in Japan are closed today on account of a national holiday.



## USD ZAR ▲

### USD trading higher against ZAR

At 06:00 SAST, the US Dollar is trading 0.5% firmer against the South African Rand at R13.9058. Amid no major economic news in the US, market sentiment will be determined by global macroeconomic news.

The US Dollar fell against the South African Rand on Friday. On the data front, the US CPI climbed in line with market expectations on an annual basis in December. Additionally, average hourly earnings recorded a rise on a yearly basis in December.

## GBP ZAR ▲

### GBP trading firmer against ZAR

At 06:00 SAST, the British Pound rose 0.5% against the South African Rand to trade at R17.8601. 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 on Friday, amid reports that the British government was more likely to delay its key Brexit vote. Data indicated that UK's construction output rebounded on a monthly basis in November. Meanwhile, the nation's economic growth slowed to a six-month low level in the three months to November. Moreover, trade deficit narrowed less than market forecast in November. Further, industrial production recorded an unexpected drop on a monthly basis in November. Additionally, monthly manufacturing production unexpectedly declined in the same month.

## EUR ZAR ▲

### EUR trading stronger against ZAR

At 06:00 SAST, the Euro climbed 0.5% against the South African Rand to trade at R15.9498. Going forward, market participants will keep a tab on the Eurozone's industrial production for further direction.

The Euro weakened against the South African Rand on Friday.

## 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 R9.9942.

The Australian Dollar rose against the South African Rand on Friday.

## Key currencies & commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	13.9058	▲	-0.10	NA	-3.53	3.44	-3.53
GBPZAR	17.8601	▲	0.59	NA	-3.02	3.58	-3.02
EURZAR	15.9498	▲	-0.37	NA	-3.54	4.83	-3.54
AUDZAR	9.9942	▲	0.31	NA	-1.36	-0.16	-1.36
EURUSD	1.1470	▲	-0.27	NA	0.02	1.33	0.02
GBPUSD	1.2846	▲	0.76	NA	0.71	0.04	0.71
Brent (\$/barrel)	60.0	▼	-1.95	NA	12.42	-9.52	12.42
Gold (\$/oz)	1291.4	▲	0.16	NA	0.64	5.01	0.64
Platinum (\$/oz)	813.0	=	-1.01	NA	2.15	-0.49	2.15
Copper (\$/MT)*	5920.0	▲	0.21	NA	-0.49	-4.46	-0.49

\*As of previous close

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices advanced 0.1% to trade at \$1,291.40/oz.

On Friday, gold prices rose 0.2% to close at \$1,289.50/oz, as the US Dollar weakened on expectations that the US Federal Reserve will not raise interest rate this year.

## Brent Crude Oil ▼

### Trading weaker

At 06:00 SAST, Brent crude oil declined 0.8% to trade at \$59.97/bl.

On Friday, Brent crude oil dropped 2.0% to settle at \$60.48/bl. Meanwhile, Baker Hughes reported that US oil rig count fell by 4 to 873 in the week ended 11 January 2018.

## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices are trading marginally lower at \$813.00/oz.

On Friday, platinum prices declined 1.0% to close at \$818.00/oz.

## Major South African corporate news

### Cie Financiere Richemont SA

In its 3Q18 trading update, the company announced that its sales increased by 25.0% at actual exchange rates and 24.0% at constant exchange rates, compared to the same period of the prior year. Moreover, excluding YNAP and Watchfinder, sales rose by 6.0% at actual exchange rates and by 5.0% at constant exchange rates. The company recorded substantial growth in most regions, with a double digit increase in mainland China compensating decreases in the Middle East and Europe. The group's net cash position as at 31 December 2018 amounted to EUR2.3bn (2017: EUR5.1bn)

## Major global economic news

### UK

In the UK, GDP slowed to 0.3% in the three months to November, compared to a growth of 0.4% in the three months to October.

In the UK, trade deficit narrowed less-than-expected to GBP2.90bn in November, from a deficit of GBP3.03bn in the prior month.

In the UK, construction output rose 0.6% on a monthly basis in November, more-than-anticipated and compared to a drop of 0.2% in the previous month.

In the UK, industrial production unexpectedly fell 0.4% on a monthly basis in November. In the prior month, industrial production had dropped by a revised 0.5%.







In the UK, manufacturing production registered an unexpected drop of 0.3% on a monthly basis in November. Manufacturing production had registered a revised drop of 0.6% in the previous month.

### US

In the US, the CPI advanced 1.9% on a yearly basis in December, meeting market expectations and compared to a rise of 2.2% in the prior month.

In the US, average hourly earnings rose 1.1% on an annual basis in December, compared to a rise of 0.8% in the prior month.

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
 China	04:57	Exports (YoY) (Dec)	✓✓✓	-4.40%*	3.90%	Monthly
 China	04:57	Imports (YoY) (Dec)	✓	-7.60%*	2.90%	Monthly
 China	04:58	Trade Balance (Dec)	✓	USD57.06bn*	USD44.74bn	Monthly
 Eurozone	12:00	Industrial Production s.a. (MoM) (Nov)	✓✓✓	-1.50%	0.20%	Monthly
 Eurozone	12:00	Industrial Production w.d.a. (YoY) (Nov)	✓✓✓	-2.10%	1.20%	Monthly
 Canada	15:30	Teranet - National Bank House Price Index (YoY) (Jan)	✓	-	3.10%	Monthly

Note: ✓✓✓High    ✓✓Medium    ✓Low

## 40 best performers on the All Share Index

Company name	Last close	1 Week % change	MTD % change	YTD % change
Ascendis Health Ltd	551	21.10	32.45	32.45
Net 1 UEPS Technologies Inc	6500	0.00	29.35	29.35
Accelerate Property Fund Ltd	390	16.42	18.18	18.18
Stadio Holdings Ltd	412	17.71	18.05	18.05
Tradehold Ltd	1185	15.05	17.91	17.91
Royal Bafokeng Platinum Ltd	3000	11.11	13.29	13.29
Trencor Ltd	3210	8.81	12.43	12.43
ArcelorMittal South Africa Ltd	381	4.38	12.39	12.39
Wilson Bayly Holmes-Ovcon Ltd	14800	4.67	11.93	11.93
Stenprop Ltd	2020	4.72	10.99	10.99
Octodec Investments Ltd	1900	5.67	10.98	10.98
Raubex Group Ltd	1879	11.85	10.53	10.53
Invicta Holdings Ltd	3824	9.26	9.89	9.89
Omnia Holdings Ltd	9200	5.96	9.79	9.79
Libstar Holdings Ltd	765	-1.80	9.29	9.29
Motus Holdings Ltd	9600	1.32	9.08	9.08
Grindrod Ltd	669	2.61	8.78	8.78
Pick n Pay Stores Ltd	7356	2.49	8.54	8.54
Investec Ltd	8566	7.46	8.43	8.43
Telkom SA SOC Ltd	6857	7.14	8.34	8.34
Massmart Holdings Ltd	11206	10.94	8.25	8.25
Barloworld Ltd	12101	7.72	8.06	8.06
Investec Plc	8600	7.03	7.96	7.96
EOH Holdings Ltd	3304	6.10	7.20	7.20
Hudaco Industries Ltd	14985	3.26	6.82	6.82
Foschini Group Ltd	17400	4.38	6.79	6.79
Sibanye Gold Ltd	1069	2.69	6.69	6.69
Brait SE	3184	11.72	6.13	6.13
Imperial Logistics Ltd	7194	3.50	5.79	5.79
Lonmin Plc	887	2.31	5.72	5.72
RCL Foods Ltd	1480	7.32	5.71	5.71
Sasol Ltd	44800	3.77	5.41	5.41
Long4Life Ltd	479	3.01	5.27	5.27
Remgro Ltd	20490	6.47	5.22	5.22
Hospitality Property Fund Ltd	920	-4.17	5.14	5.14
Hyprop Investments Ltd	8568	1.48	5.13	5.13
Harmony Gold Mining Co Ltd	2645	-2.58	4.96	4.96
Pepkor Holdings Ltd	2200	6.80	4.81	4.81
Investec Property Fund Ltd	1441	3.67	4.80	4.80
Absa Group Ltd	16955	5.87	4.78	4.78
<b>JSE All Share Index</b>	<b>53653</b>	<b>2.78</b>	<b>1.74</b>	<b>1.74</b>

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