

ONE Minute Brief

21 January 2019

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Economic and political news

News reports indicated that former Bosasa COO, Angelo Agrizzi is expected to make claims that former President, Jacob Zuma and top National Prosecuting Authority (NPA) officials were paid ZAR300,000 per month by the company for years.

Democratic Alliance (DA) leader, Mmusi Maimane, wants President, Cyril Ramaphosa, to immediately call for an independent audit on all African National Congress government contracts with Bosasa.

Saudi Arabia's Energy Minister, Khalid Al-Falih, stated that Saudi Arabia is planning to build an oil refinery and a petrochemicals plant in South Africa (SA) as part of a pledge to invest as much as USD10bn in the country.

On Sunday, Democratic Republic of Congo's opposition leader, Martin Fayulu rejected a court ruling that his rival Felix Tshisekedi won the presidential election and declared himself president leading to further unrest.

Former Cape Town Mayor, Patricia de Lille, announced that she will lead her newly established GOOD party until at least after the 2019 general election.

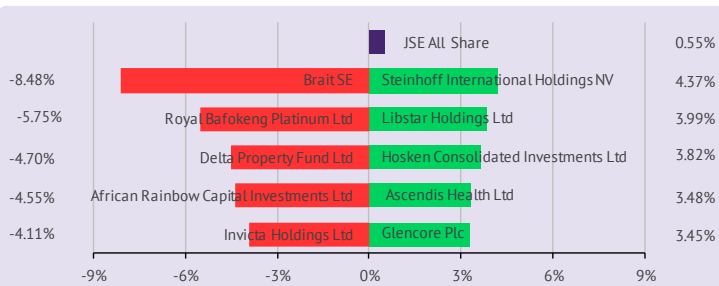
Key indices

	As at 18 Jan 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	53731.50	▲ 295.29	0.55	NA	1.89	4.09	1.89
JSE Top 40 (ZAR)	47585.02	▲ 286.62	0.61	NA	1.84	4.63	1.84
FTSE 100(GBP)	6968.33	▲ 133.41	1.95	NA	3.57	-3.61	3.57
DAX 30 (EUR)	11205.54	▲ 286.92	2.63	NA	6.12	-6.20	6.12
CAC 40 (EUR)	4875.93	▲ 81.56	1.70	NA	3.07	-5.46	3.07
S&P 500 (USD)	2670.71	▲ 34.75	1.32	NA	6.54	-9.18	6.54
Nasdaq Composite (USD)	7157.23	▲ 72.77	1.03	NA	7.87	-9.48	7.87
DJIA (USD)	24706.35	▲ 336.25	1.38	NA	5.91	-8.66	5.91
MSCI Emerging Markets (USD)	1018.00	▲ 9.01	0.89	NA	5.39	-2.89	5.39
MSCI Developed World (USD)	2000.76	▲ 25.15	1.27	NA	6.20	-7.71	6.20

South Africa Market ▲

South African markets closed higher

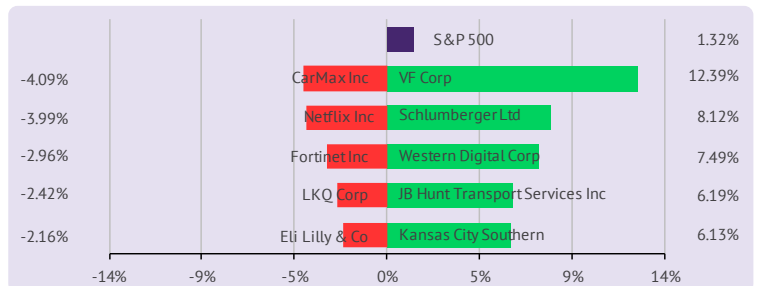
South African markets closed in the green on Friday, amid easing global tensions and boosted by gains in resources sector stocks and food & drug retailers. The JSE All Share Index rose 0.6% to close at 53,731.50.



US Market ▲

The S&P 500 futures are trading in the red

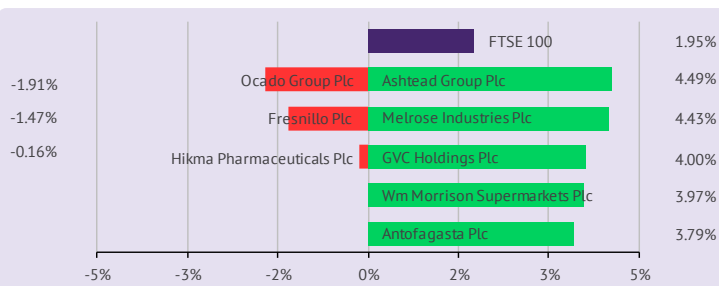
US markets closed higher on Friday, amid signs of progress in US-China trade negotiations. Data revealed that manufacturing production rose more-than-anticipated in December. The S&P 500 Index climbed 1.3% to close at 2,670.71.



UK Market ▲

The FTSE 100 futures are trading in negative territory

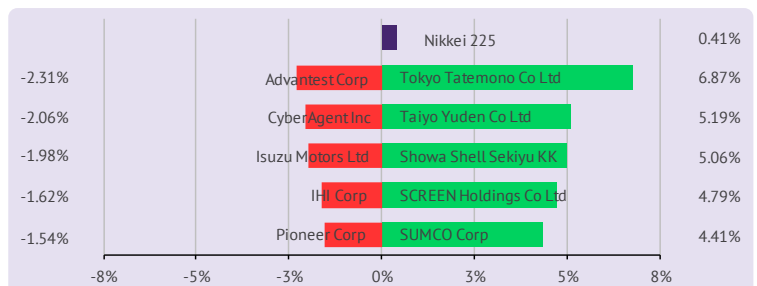
UK markets finished higher on Friday, amid speculation of easing US-China trade tensions. Data showed that UK's monthly retail sales fell more-than-expected in December. The FTSE 100 Index advanced 2.0% to close at 6,968.33.



Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning. The Nikkei 225 Index is trading 0.4% higher at 20,751.13.



USD ZAR ▲

USD trading higher against ZAR

At 06:00 SAST, the US Dollar is trading 0.1% firmer against the South African Rand at R13.8628. Amid no major economic news in the US, market sentiment will be determined by global macroeconomic news.

The US Dollar rose against the South African Rand on Friday. Data indicated that the US manufacturing production climbed more than market forecast in December, notching its highest level in 10 months. Additionally, industrial production registered a more-than-anticipated advance on a monthly basis in December. Meanwhile, the nation's Michigan consumer sentiment index declined more than market expectations in January, marking its lowest level since 2016 US election.

GBP ZAR ▲

GBP trading stronger against ZAR

At 06:00 SAST, the British Pound climbed marginally against the South African Rand to trade at R17.8251. With no major economic news in the UK today, investor sentiment will be determined by global macroeconomic news. Data revealed that UK's monthly Rightmove house price index rebounded in January.

The British Pound advanced against the South African Rand on Friday. On the data front, UK's retail sales declined more than market forecast on a monthly basis in December.

EUR ZAR ▲

EUR trading higher against ZAR

At 06:00 SAST, the Euro is trading 0.2% firmer against the South African Rand at R15.7672. Going forward, market participants will keep a tab on Germany's producer price index for further direction.

The Euro strengthened against the South African Rand on Friday. On the macro front, the Eurozone's current account surplus narrowed more than market expectations in November.

AUD ZAR ▲

AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% higher against the South African Rand at R9.9295. Meanwhile, in China, Australia's largest trading partner, gross domestic product (GDP) advanced in line with market forecast on a quarterly basis in 4Q18. Additionally, annual industrial production registered a more-than-expected rise in December. Moreover, retail sales climbed more than market anticipations on a yearly basis in December.

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	13.8628	▲	0.92	NA	-3.48	3.44	-3.48
GBPZAR	17.8251	▲	0.02	NA	-2.71	3.58	-2.71
EURZAR	15.7672	▲	0.69	NA	-4.38	4.83	-4.38
AUDZAR	9.9295	▲	0.53	NA	-1.98	-0.16	-1.98
EURUSD	1.1374	▲	-0.23	NA	-0.91	1.33	-0.91
GBPUSD	1.2859	▼	-0.88	NA	0.93	0.04	0.93
Brent (\$/barrel)	63.0	▲	2.48	NA	16.54	-9.52	16.54
Gold (\$/oz)	1281.2	▼	-0.75	NA	0.10	5.01	0.10
Platinum (\$/oz)	797.8	-	-1.24	NA	0.24	-0.49	0.24
Copper (\$/MT)*	6029.5	▲	1.09	NA	1.35	-4.46	1.35

*As of previous close, #As on 06:00 SAST

Gold ▼

Trading in the red

At 06:00 SAST, gold prices edged 0.1% lower to trade at \$1,281.20/oz.

On Friday, gold prices fell 0.8% to close at \$1,282.60/oz, amid hopes of potential progress towards US-China trade talks.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil rose 0.4% to trade at \$62.97/bl, amid supply cuts led by the Organisation of the Petroleum Exporting Countries.

On Friday, Brent crude oil advanced 2.5% to settle at \$62.70/bl, amid rising hopes for an end to the trade conflict between the US and China. Additionally, Baker Hughes reported that US oil rig count fell for a third consecutive week by 21 to 852 last week.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices are trading marginally lower at \$797.80/oz.

On Friday, platinum prices declined 1.3% to close at \$802.10/oz.

Major South African corporate news

Aveng Limited

The company announced that it has entered into a sale and purchase agreement with Cambrose 735 Proprietary Limited for the sale of the shares in Aveng Water Proprietary Limited and the Aveng Namibia Water business for a fully-funded net transaction consideration of ZAR95.00mn. The transaction would be settled in cash on a debt free basis and is expected to close by the end of the first calendar quarter of 2019.

Major global economic news

Asia

In China, GDP rose 1.5% on a quarterly basis in 4Q18, at par with market expectations. GDP had risen 1.6% in the prior quarter.

In China, industrial production climbed 5.7% on an annual basis in December, more than market anticipations. Industrial production had risen 5.4% in the previous month.

In China, retail sales rose 8.2% on a yearly basis in December, more-than-expected and compared to a rise of 8.1% in the previous month.

US

In the US, the preliminary Michigan consumer sentiment index registered a more-than-expected drop to 90.70 in January. In the previous month, the index had registered a level of 98.30.

In the US, industrial production registered a rise of 0.3% on a monthly basis in December, more than market expectations. Industrial production had registered a revised advance of 0.4% in the previous month.

In the US, manufacturing production advanced 1.1% on a monthly basis in December, more than market forecast. Manufacturing production had registered a revised rise of 0.1% in the previous month.

UK

In the UK, retail sales recorded a more-than-anticipated drop of 0.9% on a monthly basis in December. Retail sales had recorded a revised rise of 1.3% in the previous month.

In the UK, the Rightmove house price index registered a rise of 0.4% on a monthly basis in January. The index had fallen 1.5% in the previous month.

Eurozone

In the Eurozone, seasonally adjusted current account surplus narrowed more-than-expected to EUR20.30bn in November, compared to a revised surplus of EUR26.80bn in the previous month.

40 best performers on the All Share Index

Company name	Last close	1 Week % change	MTD % change	YTD % change
Ascendis Health Ltd	595	7.99	43.03	43.03
Net 1 UEPS Technologies Inc	6500	0.00	29.35	29.35
Accelerate Property Fund Ltd	400	2.56	21.21	21.21
Grindrod Ltd	730	9.12	18.70	18.70
Libstar Holdings Ltd	808	5.62	15.43	15.43
Stadio Holdings Ltd	402	-2.43	15.19	15.19
Tradehold Ltd	1140	-3.80	13.43	13.43
Stenprop Ltd	1982	1.09	12.19	12.19
Reunert Ltd	7500	6.81	11.35	11.35
Steinhoff International Holdings NV	191	12.35	11.05	11.05
Raubex Group Ltd	1879	0.00	10.53	10.53
Barloworld Ltd	12372	2.24	10.48	10.48
ArcelorMittal South Africa Ltd	374	-1.84	10.32	10.32
Wilson Bayly Holmes-Ovcon Ltd	14573	-1.53	10.21	10.21
Investec Ltd	8647	0.95	9.46	9.46
Pick n Pay Stores Ltd	7388	0.44	9.02	9.02
Distell Group Holdings Ltd	11708	6.09	9.01	9.01
Investec Plc	8650	0.58	8.59	8.59
Trencor Ltd	3100	-3.43	8.58	8.58
Clover Industries Ltd	1974	4.00	8.52	8.52
Omnia Holdings Ltd	9050	-1.63	8.00	8.00
Hospitality Property Fund Ltd	945	2.72	8.00	8.00
Hyprop Investments Ltd	8795	2.65	7.91	7.91
Absa Group Ltd	17459	2.97	7.89	7.89
RCL Foods Ltd	1510	2.03	7.86	7.86
Anglo American Platinum Ltd	57883	2.99	7.60	7.60
Massmart Holdings Ltd	11115	-0.81	7.37	7.37
Tiger Brands Ltd	28524	4.94	7.00	7.00
Hudaco Industries Ltd	14999	0.09	6.92	6.92
Foschini Group Ltd	17369	-0.18	6.60	6.60
Oceana Group Ltd	7525	8.99	6.44	6.44
Equites Property Fund Ltd	2060	3.83	6.40	6.40
Octodec Investments Ltd	1814	-4.53	5.96	5.96
Motus Holdings Ltd	9320	-2.92	5.90	5.90
Naspers Ltd	306252	2.61	5.89	5.89
Investec Property Fund Ltd	1455	0.97	5.82	5.82
Remgro Ltd	20600	0.54	5.78	5.78
Royal Bafokeng Platinum Ltd	2801	-6.63	5.78	5.78
Life Healthcare Group Holdings Ltd	2787	3.26	5.57	5.57
Growthpoint Properties Ltd	2459	3.10	5.54	5.54
JSE All Share Index	53732	0.15	1.89	1.89

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
UK	02:01	Rightmove House Price Index (MoM) (Jan)	✓	0.40%*	-1.50%	Monthly
UK	02:01	Rightmove House Price Index (YoY) (Jan)	✓	0.40%*	0.70%	Monthly
China	04:00	Industrial Production (YoY) (Dec)	✓✓	5.70%*	5.40%	Monthly
China	04:00	Industrial Production YTD (YoY) (Dec)	✓✓	6.20%*	6.30%	Monthly
China	04:00	Fixed Assets Inv Excl. Rural YTD (YoY) (Dec)	✓	5.90%*	5.90%	Monthly
China	04:00	NBS Press Conference	✓✓	-	-	As scheduled
China	04:00	Gross Domestic Product (QoQ) (Q4)	✓✓✓	1.50%*	1.60%	Quarterly
China	04:00	Gross Domestic Product (YoY) (Q4)	✓✓✓	6.40%*	6.50%	Quarterly
China	04:00	Retail Sales (YoY) (Dec)	✓✓✓	8.20%*	8.10%	Monthly
China	04:00	Retail Sales YTD (YoY) (Dec)	✓	9.00%*	9.10%	Monthly
Germany	09:00	Producer Price Index (MoM) (Dec)	✓✓✓	-0.20%	0.10%	Monthly
Germany	09:00	Producer Price Index (YoY) (Dec)	✓✓✓	3.00%	3.30%	Monthly
Switzerland	10:00	M3 Money Supply (YoY) (Dec)	✓	-	2.80%	Monthly
Portugal	16:00	Bank of Portugal Governor Speaks at Conference on Innovation	✓	-	-	As scheduled
Japan	-	Nationwide Department Store Sales (YoY) (Dec)	✓	-	-0.60%	Monthly
Japan	-	Tokyo Department Store Sales (YoY) (Dec)	✓	-	0.20%	Monthly

Note: ✓✓✓High ✓✓Medium ✓Low

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