

# ONE Minute Brief

22 January 2019

**GTC**  
consult • partner • manage

## Economic and political news

Former Bosasa Chief Operating Officer (COO), Angelo Agrizz, during his testimony, revealed that Environmental Affairs Minister, Nomvula Mokonyane was paid bribes and given numerous other gifts and favours to try and enlist her support to further the interests of the company. Separately, Democratic Alliance spokesperson Natasha Mazzone, stated that she would be laying charges against Nomvula Mokonyane for her role in “state capture” and has requested President, Cyril Ramaphosa to suspend Mokonyane immediately.

News reports revealed that South Africa (SA) rejected Zimbabwe's request for a USD1.2bn loan in December.

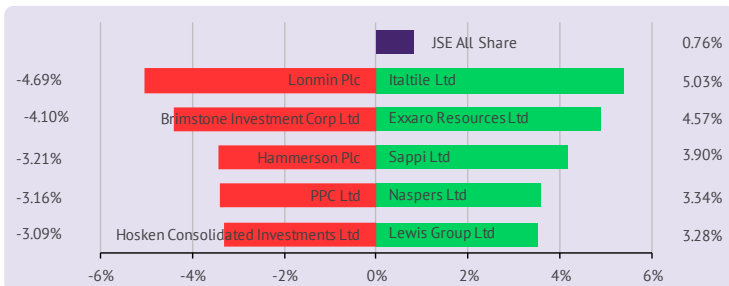
SA is planning to double the amount of electricity it expects to buy from the Democratic Republic of Congo's (DRC) Grand Inga Hydropower plant.

The commission of inquiry into allegations of impropriety at the Public Investment Corporation (PIC) started yesterday.

## South Africa Market ▲

### South African markets closed higher

South African markets closed in the green yesterday, boosted by gains in industrial sector stocks. The JSE All Share Index rose 0.8% to close at 54,139.05.



## Key indices

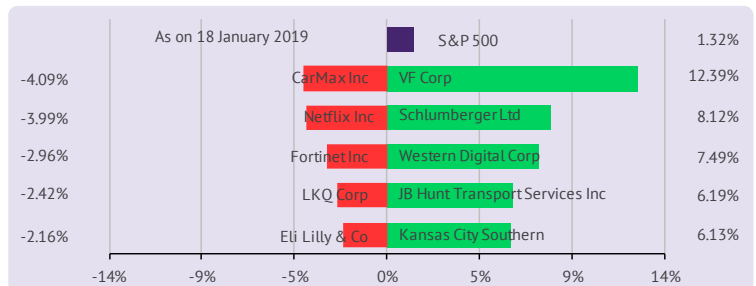
	As at 21 Jan 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg	
JSE All Share (ZAR)	54139.05	▲	407.55	0.76	0.76	2.66	4.09	2.66
JSE Top 40 (ZAR)	48037.82	▲	452.80	0.95	0.95	2.81	4.63	2.81
FTSE 100 (GBP)	6970.59	▲	2.26	0.03	0.03	3.60	-3.61	3.60
DAX 30 (EUR)	11136.20	▼	-69.34	-0.62	-0.62	5.47	-6.20	5.47
CAC 40 (EUR)	4867.78	▼	-8.15	-0.17	-0.17	2.90	-5.46	2.90
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)	1018.45	▲	0.45	0.04	0.04	5.44	-2.89	5.44
MSCI Developed World (USD)	2000.77	▲	0.01	0.00	0.00	6.20	-7.71	6.20

\* Values as on 18 January 2019

## US Market

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

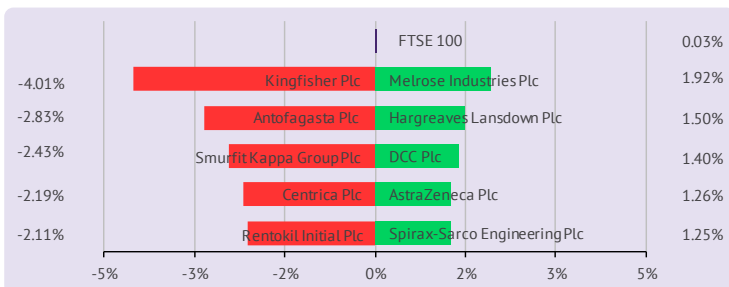
Markets in the US were closed yesterday on account of public holiday.



## UK Market ▲

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

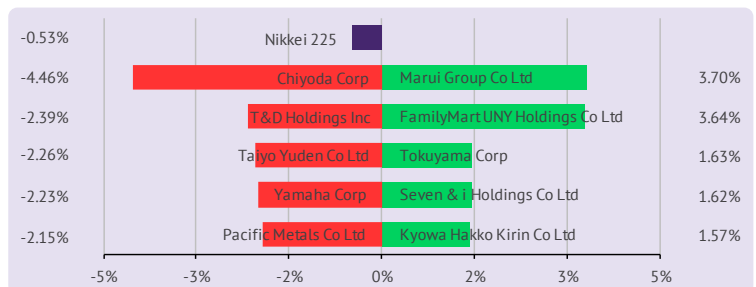
UK markets finished higher yesterday, as British Prime Minister, Theresa May, outlined Brexit Plan B to the parliament. The FTSE 100 Index marginally advanced to close at 6,970.59.



## Asian Market ▼

### Trading lower

Asian markets are trading lower this morning, amid concerns over global growth outlook. The Nikkei 225 Index is trading 0.5% lower at 20,608.82.



## USD ZAR ▲

### USD trading higher against ZAR

At 06:00 SAST, the US Dollar gained 0.3% against the South African Rand to trade at R13.8631. Later today, traders will keep a close watch on the US existing home sales data for further cues.

The US Dollar fell against the South African Rand yesterday.

## GBP ZAR ▲

### GBP trading firmer against ZAR

At 06:00 SAST, the British Pound advanced 0.1% against the South African Rand to trade at R17.8508. Ahead in the day, traders will keep an eye on UK's claimant count rate, average weekly earnings, ILO unemployment rate and public sector net borrowing 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 is trading 0.2% higher against the South African Rand at R15.7511. Going forward, market participants will keep a tab on the Eurozone's ZEW survey economic sentiment index and Germany's ZEW survey indices for further indication.

The Euro strengthened against the South African Rand yesterday. On the data front, Germany's producer price inflation dropped to a seven-month low level on an annual basis in December.

## AUD ZAR ▼

### AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% lower against the South African Rand at R9.8913. Earlier in the session, Australia's ANZ Roy Morgan weekly consumer confidence index declined in the week ended 20 January 2019.

The Australian Dollar fell against the South African Rand yesterday.

## Key currencies & commodities

	Current#		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	13.8631	▲	-0.15	-0.15	-3.62	3.44	-3.62
GBPZAR	17.8508	▲	0.01	0.01	-2.71	3.58	-2.71
EURZAR	15.7511	▲	-0.12	-0.12	-4.50	4.83	-4.50
AUDZAR	9.8913	▼	-0.24	-0.24	-2.22	-0.16	-2.22
EURUSD	1.1362	▼	0.02	0.02	-0.89	1.33	-0.89
GBPUSD	1.2878	▼	0.16	0.16	1.08	0.04	1.08
Brent (\$/barrel)	62.3	▼	0.06	0.06	16.62	-9.52	16.62
Gold (\$/oz)	1277.9	▼	0.00	0.00	0.10	5.01	0.10
Platinum (\$/oz)	797.8	-	0.00	0.00	0.24	-0.49	0.24
Copper (\$/MT)*	5951.5	▼	-1.29	-1.29	0.04	-4.46	0.04

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

## Gold ▼

### Trading in the red

At 06:00 SAST, gold prices fell 0.4% to trade at \$1,277.90/oz.

Trading in gold was closed yesterday on account of a public holiday in the US.

## Brent Crude Oil ▼

### Trading weaker

At 06:00 SAST, Brent crude oil retreated 0.7% to trade at \$62.30/bl, as concerns over global economic growth sparked fears over future demand.

Yesterday, Brent crude oil advanced 0.1% to settle at \$62.74/bl, buoyed by OPEC production cuts.

## Platinum ▼

### Trading in negative territory

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

Trading in platinum was closed yesterday on account of a national holiday in the US.

## Major South African corporate news

### Sibanye Gold Limited

The company announced that it has been notified that Investec Limited has, in aggregate, purchased an interest in the ordinary shares of the company, such that the total interest held by the Investec Limited represented 5.0% of the total issued shares of the company.

## Major global economic news

### Eurozone

In Germany, the producer price index (PPI) rose 2.7% on an annual basis in December, less than market expectations. In the prior month, the PPI had recorded a rise of 3.3%.

### Asia

In Australia, the ANZ Roy Morgan weekly consumer confidence index dropped to a level of 115.7 in the week ended 20 January 2019, compared to a reading of 116.8 in the prior week.

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
 Japan	06:00	Tokyo Condominium Sales (YoY) (Dec)	✓	15.20%*	2.80%	Monthly
 Japan	07:00	Supermarket Sales (YoY) (Dec)	✓	-	-2.50%	Monthly
 South Africa	09:00	Leading Indicator (Nov)	✓	105.50	105.70	Monthly
 UK	11:30	Claimant Count Change (Dec)	✓✓✓	-	21.90K	Monthly
 UK	11:30	Claimant Count Rate s.a. (Dec)	✓✓	-	2.80%	Monthly
 UK	11:30	Public Sector Net Cash Requirement (Dec)	✓✓	-	GBP4.40bn	Monthly
 UK	11:30	Average Earnings Including Bonus (3Mo/Yr) (Nov)	✓✓	3.30%	3.30%	Monthly
 UK	11:30	ILO Unemployment Rate (3M) (Nov)	✓✓✓	4.10%	4.10%	Monthly
 UK	11:30	PSNB ex Interventions (Dec)	✓	GBP1.90bn	GBP7.20bn	Monthly
 UK	11:30	Public Sector Net Borrowing (Dec)	✓✓	GBP1.10bn	GBP6.30bn	Monthly
 UK	11:30	Average Earnings Excluding Bonus (3Mo/Yr) (Nov)	✓	3.30%	3.30%	Monthly
 UK	11:30	Employment Change (3M/3M) (Nov)	✓✓✓	87.00K	79.00K	Monthly
 Eurozone	12:00	ZEW Survey - Economic Sentiment (Jan)	✓✓	-	-21.00	Monthly
 Germany	12:00	ZEW Survey - Current Situation (Jan)	✓✓	43.30	45.30	Monthly
 Germany	12:00	ZEW Survey - Economic Sentiment (Jan)	✓✓✓	-18.50	-17.50	Monthly
 US	17:00	Existing Home Sales (Dec)	✓✓✓	5.24mn	5.32mn	Monthly
 US	17:00	Existing Home Sales (MoM) (Dec)	✓✓✓	-1.50%	1.90%	Monthly

Note: ✓✓✓High    ✓✓Medium    ✓Low

## Technical snapshot

### JSE All Share



The JSE All Share index is expected to find support at 53,423.99, and a fall through could take it to the next support level of 52,708.92. The index is expected to find its first resistance at 54,546.10, and a rise through could take it to the next resistance level of 54,953.14.

### S&P 500



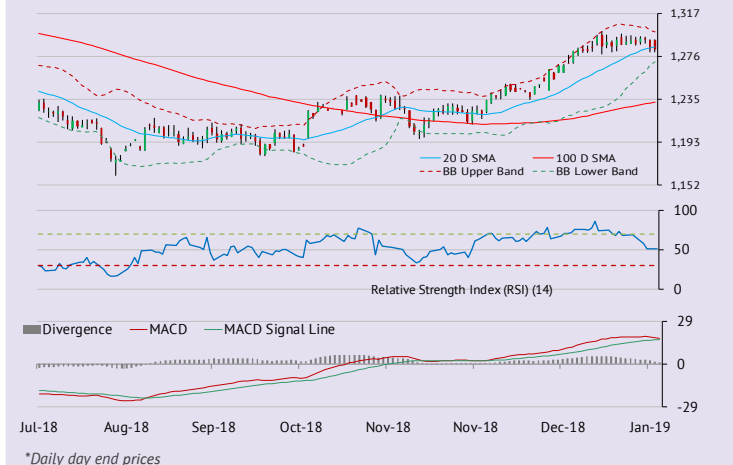
The S&P 500 index is expected to find support at 2,612.05, and a fall through could take it to the next support level of 2,553.39. The index is expected to find its first resistance at 2,702.42, and a rise through could take it to the next resistance level of 2,734.13.

### USD ZAR



The pair is expected to find support at 13.6797, and a fall through could take it to the next support level of 13.5317. The pair is expected to find its first resistance at 13.9419, and a rise through could take it to the next resistance level of 14.0561.

### XAU USD



Gold is expected to find support at \$1,276.67/oz, and a fall through could take it to the next support level of \$1,270.73/oz. The precious metal is expected to find its first resistance at \$1,291.97/oz, and a rise through could take it to the next resistance level of \$1,301.33/oz.

### 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 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