

ONE Minute Brief

19 February 2019

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Economic and political news

South African firm, Bosasa confirmed that it has applied for voluntary liquidation, following a decision by the group's bank to close all the company's bank accounts for fear of "reputational damage".

The Department of Public Enterprises dismissed reports that police and intelligence officers will be deployed to Eskom to prevent possible sabotage of the electricity supply in the country.

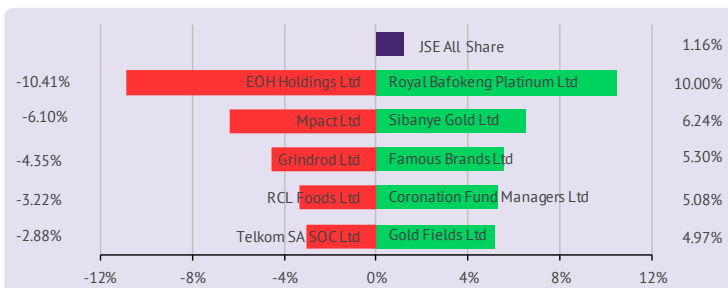
South African Airways (SAA) acting Chief Financial Officer, Deon Fredericks, revealed that the company has secured ZAR3.5bn in funding to continue financing working capital requirements until June. Additionally, he stated that the company is in talks with lenders to extend the payment terms of ZAR9.2bn bank debt due at the end of March. Meanwhile, SAA announced plans to restructure into three business units for domestic, regional and international services.

South African billionaire Patrice Motsepe rejected speculations that he was eyeing an Eskom financial subsidiary and stated that he would not buy any Eskom assets.

South Africa Market ▲

South African markets closed higher

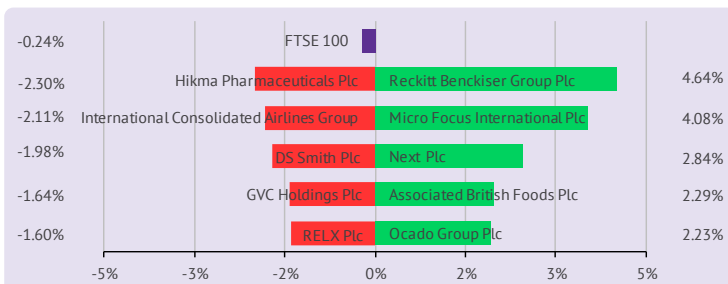
South African markets closed in the green yesterday, boosted by gains in mining, banking and industrial sector stocks. The JSE All Share Index rose 1.2% to close at 55,259.98.



UK Market ▼

The FTSE 100 futures are trading in positive territory

UK markets finished lower yesterday, amid profit booking and strength in the British Pound. The FTSE 100 Index declined 0.2% to close at 7,219.47.



Key indices

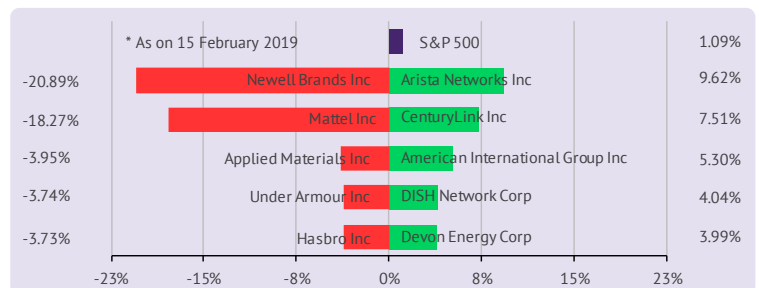
	As at 18 Feb 2019		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month %Chg	YTD % Chg
JSE All Share (ZAR)	55259.98	▲	631.57	1.16	1.16	2.04	2.69	4.78
JSE Top 40 (ZAR)	49019.56	▲	573.42	1.18	1.18	2.22	2.63	4.91
FTSE 100 (GBP)	7219.47	▼	-17.21	-0.24	-0.24	3.60	3.58	7.30
DAX 30 (EUR)	11299.20	▼	-0.60	-0.01	-0.01	1.13	5.82	7.01
CAC 40 (EUR)	5168.54	▲	15.35	0.30	0.30	3.52	5.54	9.26
S&P 500 (USD)*	2775.60	▲	29.87	1.09	NA	2.64	7.87	10.72
Nasdaq Composite (USD)*	7472.41	▲	45.45	0.61	NA	2.62	9.74	12.62
DJIA (USD)*	25883.25	▲	443.86	1.74	NA	3.53	7.17	10.96
MSCI Emerging Markets (USD)	1036.73	▲	6.09	0.59	0.59	-1.26	8.70	7.33
MSCI Developed World (USD)	2072.62	▲	6.03	0.29	0.29	2.18	7.67	10.02

* Values as on 15 February 2019

US Market

The S&P 500 futures are trading in the red

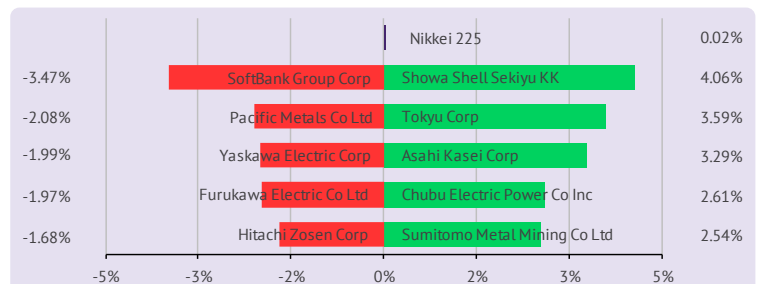
Markets in the US were closed yesterday on account of President's Day holiday.



Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning, amid optimism over US-China trade deal. The Nikkei 225 Index is trading marginally higher at 21,285.66.



USD ZAR ▲

USD trading higher against ZAR

At 06:00 SAST, the US Dollar climbed 0.2% against the South African Rand to trade at R14.1444. Later today, traders will keep a close watch on the US NAHB housing market index for further indication.

The US Dollar rose against the South African Rand yesterday.

GBP ZAR ▼

GBP trading lower against ZAR

At 06:00 SAST, the British Pound marginally declined against the South African Rand to trade at R18.2480. Ahead in the day, traders will keep an eye on UK's ILO unemployment rate and average weekly earnings for further cues.

The British Pound advanced against the South African Rand yesterday, ahead of the outcome of Brexit talks.

EUR ZAR ▲

EUR trading firmer against ZAR

At 06:00 SAST, the Euro gained 0.1% against the South African Rand to trade at R15.9778. Going forward, market participants will keep a tab on the Eurozone's current account balance, construction output, the ZEW survey economic sentiment index and Germany's ZEW survey indices for further direction.

The Euro strengthened against the South African Rand yesterday.

AUD ZAR ▼

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% weaker against the South African Rand at R10.0545. Earlier in the session, Australia's ANZ Roy Morgan weekly consumer confidence index advanced in the week ended 17 February 2019.

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	14.1444	▲	0.25	0.25	6.50	-7.61	-1.61
GBPZAR	18.2480	▼	0.57	0.57	5.02	-5.16	-0.40
EURZAR	15.9778	▲	0.47	0.47	5.27	-7.83	-2.97
AUDZAR	10.0545	▼	0.28	0.28	4.44	-4.79	-0.55
EURUSD	1.1296	▼	0.13	0.13	-1.20	-0.17	-1.36
GBPUSD	1.2901	▼	0.27	0.27	-1.41	2.78	1.33
Brent (\$/barrel)	66.1	▼	0.38	0.38	9.30	13.09	23.61
Gold (\$/oz)**	1328.0	▲	0.63	NA	-0.12	3.00	2.87
Platinum (\$/oz)**	811.8	▲	2.24	NA	-2.16	3.62	1.38
Copper (\$/MT)*	6333.0	▲	2.26	2.26	2.95	3.40	6.45

*As of previous close, #As on 06:00 SAST, **1D change as on 15 February 2019

Gold ▲

Trading in the green

At 06:00 SAST, gold prices rose 0.8% to trade at \$1,328.00/oz.

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

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil retreated 0.6% to trade at \$66.12/bl, amid fears that slowing economic growth will lower the demand for crude oil.

Yesterday, Brent crude oil advanced 0.4% to settle at \$66.50/bl, amid OPEC-led production cuts, decline in crude oil supplies and optimism over US-China trade talks.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged 0.6% higher to trade at \$811.80/oz.

Trading in platinum was closed yesterday on account of President's Day holiday in the US.

Major South African corporate news

Anglo American Platinum Limited

In its FY18 results, the company announced that its net sales revenues increased to ZAR74.58bn compared to ZAR65.67bn posted in the corresponding period of the previous year. Its diluted EPS rose to 2,589.00c, compared to 739.00c recorded in the same period of the prior year. The company has declared a total dividend of 11.25c per share for the period.

Impala Platinum Holdings Limited

In its 1H19 trading statement, the company announced that it expects HEPS to be in the range of 308.00c to 312.00c, compared to the corresponding period of the preceding year. Further, the company expects EPS to be between 319.00c and 323.00c, compared to the same period of the previous year.

Major global economic news

Asia

The Reserve Bank of Australia (RBA), in its latest monetary policy meeting minutes reported that the central bank is unlikely to change its interest rate in the near future. Meanwhile, the board members would keep a close watch on economic conditions and interest rates. However, the bank warned over weakness in the housing market and downside risks to the economic outlook.

In Australia, the ANZ Roy Morgan weekly consumer confidence index rose to a level of 115.2 in the week ended 17 February 2019, compared to a reading of 114.1 in the prior week.

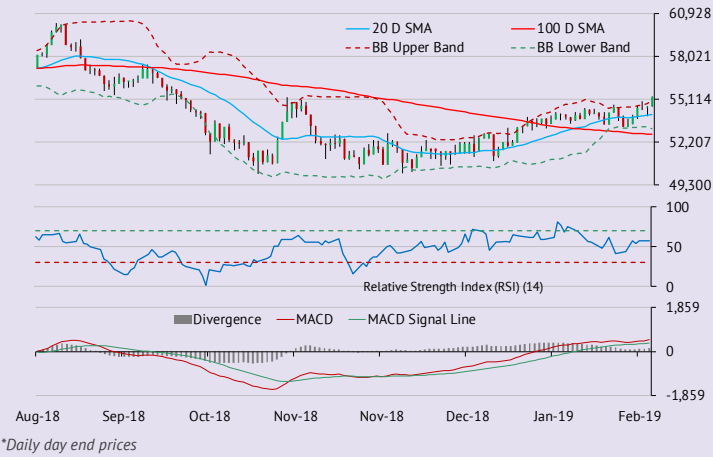
Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	06:00	Tokyo Condominium Sales (YoY) (Jan)	✓	-1.80%*	15.20%	Monthly
Eurozone	11:00	Current Account n.s.a. (Dec)	✓	-	EUR23.20bn	Monthly
Eurozone	11:00	Current Account s.a. (Dec)	✓✓✓	-	EUR20.30bn	Monthly
UK	11:30	Claimant Count Change (Jan)	✓✓✓	-	20.80K	Monthly
UK	11:30	Claimant Count Rate s.a. (Jan)	✓✓	-	2.80%	Monthly
UK	11:30	ILO Unemployment Rate (3M) (Dec)	✓✓✓	4.00%	4.00%	Monthly
UK	11:30	Average Earnings Excluding Bonus (3Mo/Yr) (Dec)	✓	3.40%	3.30%	Monthly
UK	11:30	Average Earnings Including Bonus (3Mo/Yr) (Dec)	✓✓	3.50%	3.40%	Monthly
UK	11:30	Employment Change (3M/3M) (Dec)	✓✓✓	151.00K	141.00K	Monthly
Eurozone	12:00	Construction Output s.a. (MoM) (Dec)	✓✓✓	-	-0.10%	Monthly
Eurozone	12:00	Construction Output w.d.a. (YoY) (Dec)	✓	-	0.90%	Monthly
Eurozone	12:00	ZEW Survey - Economic Sentiment (Feb)	✓✓	-	-20.90	Monthly
Germany	12:00	ZEW Survey - Current Situation (Feb)	✓✓	20.00	27.60	Monthly
Germany	12:00	ZEW Survey - Economic Sentiment (Feb)	✓✓✓	-13.60	-15.00	Monthly
Eurozone	12:15	ECB Vice-President Guindos Speaks in Brussels	✓	-	-	As scheduled
US	15:50	Fed's Mester Speaks on Economic Outlook and Monetary Policy	✓	-	-	As scheduled
Eurozone	16:30	Bank of Portugal's Costa Speaks at Capital Markets Event	✓	-	-	As scheduled
US	17:00	NAHB Housing Market Index (Feb)	✓	59.00	58.00	Monthly
Eurozone	17:00	ECB's Praet Participates in Panel Discussion in Berlin	✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

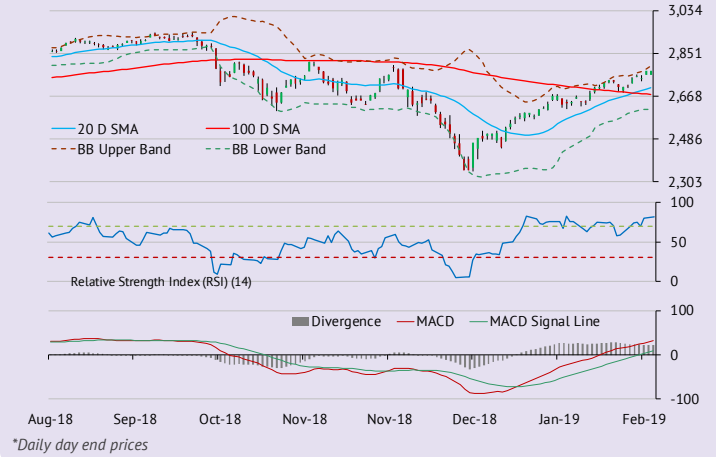
Technical snapshot

JSE All Share



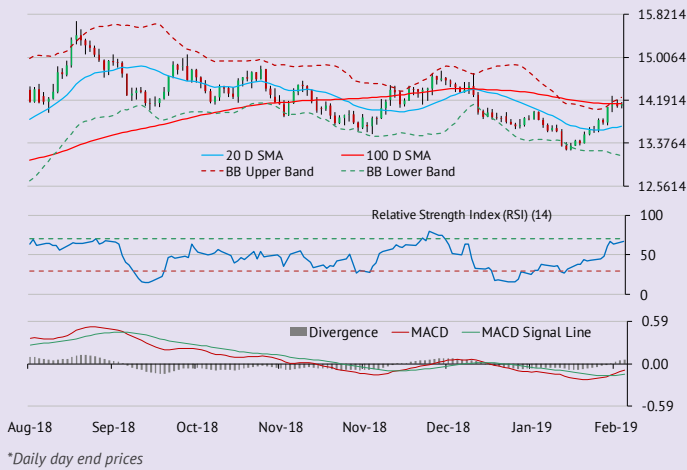
The JSE All Share index is expected to find support at 54,010.18, and a fall through could take it to the next support level of 52,760.38. The index is expected to find its first resistance at 55,908.74, and a rise through could take it to the next resistance level of 56,557.50.

S&P 500



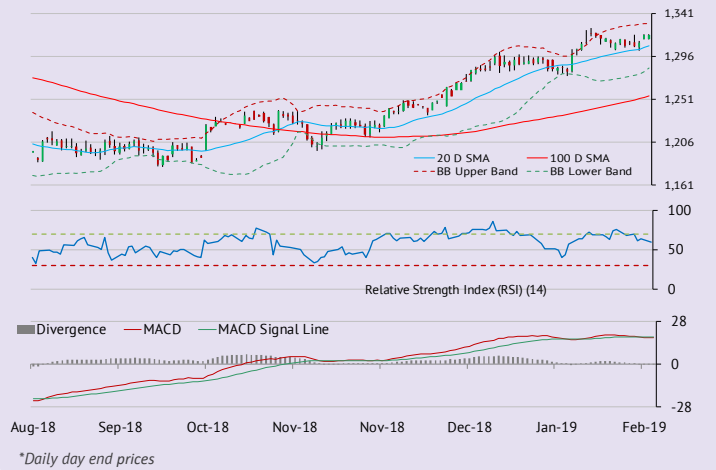
The S&P 500 index is expected to find support at 2,740.25, and a fall through could take it to the next support level of 2,704.91. The index is expected to find its first resistance at 2,793.30, and a rise through could take it to the next resistance level of 2,811.01.

USD ZAR



The pair is expected to find support at 13.7929, and a fall through could take it to the next support level of 13.4702. The pair is expected to find its first resistance at 14.3553, and a rise through could take it to the next resistance level of 14.5950.

XAU USD



Gold is expected to find support at \$1,306.87/oz, and a fall through could take it to the next support level of \$1,295.63/oz. The precious metal is expected to find its first resistance at \$1,324.07/oz, and a rise through could take it to the next resistance level of \$1,330.03/oz.

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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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