

# ONE Minute Brief

25 February 2019

**GTC**  
consult • partner • manage

## Economic and political news

Energy Minister, Jeff Radebe, stated that the South African government is not planning to renegotiate the power purchase agreements (PPAs) with independent power producers (IPPs) in the first two bid rounds of the Renewable Energy Independent Power Producers (REIPP) programme.

Minerals Council South Africa (SA) indicated that at least 15 mining firms in the country have received notices of strikes to be held next week in support of Sibanye-Stillwater workers who have been on strike since mid-November over wages and job cuts.

On Saturday, the Democratic Alliance (DA) unveiled its manifesto for the general elections in May, with pledges to create jobs and set up an anti-corruption unit.

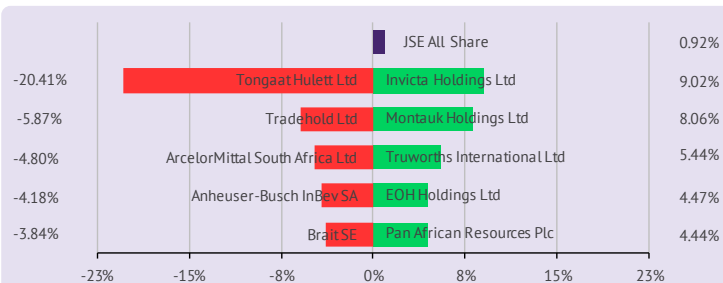
President, Cyril Ramaphosa, has appointed a special tribunal in an effort to speed up legal proceedings from graft investigations by the Special Investigating Unit (SIU).

The State Capture Commission has terminated its contract with GTS, a Bosasa subsidiary, amid allegations that procurement procedures were not followed in granting the contract.

## South Africa Market ▲

### South African markets closed higher

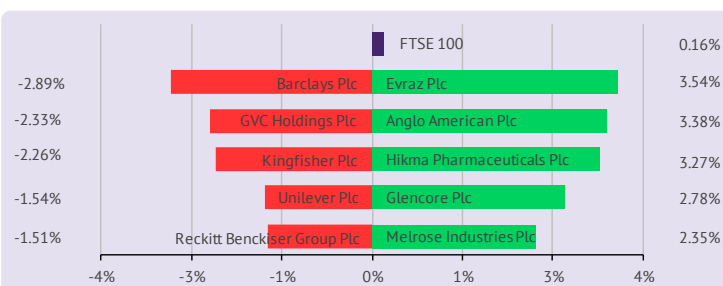
South African markets closed in the green on Friday, amid developments in the US-China trade talks and boosted by gains in retail and financial services sector stocks. The JSE All Share Index rose 0.9% to close at 55,992.97.



## UK Market ▲

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

UK markets finished higher on Friday, boosted by gains in mining sector stocks, amid growing optimism over trade negotiations between the US and China. The FTSE 100 Index advanced 0.2% to close at 7,178.60.



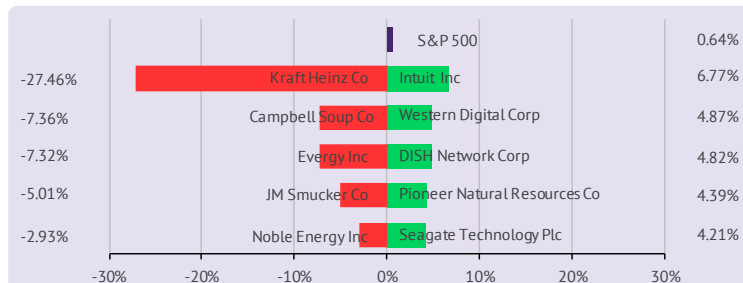
## Key indices

	As at 22 Feb 2019		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	55992.97	▲	509.18	0.92	NA	3.39	2.69	6.17
JSE Top 40 (ZAR)	49735.69	▲	530.33	1.08	NA	3.71	2.63	6.44
FTSE 100(GBP)	7178.60	▲	11.21	0.16	NA	3.01	3.58	6.70
DAX 30 (EUR)	11457.70	▲	34.42	0.30	NA	2.55	5.82	8.51
CAC 40 (EUR)	5215.85	▲	19.74	0.38	NA	4.47	5.54	10.26
S&P 500 (USD)	2792.67	▲	17.79	0.64	NA	3.28	7.87	11.40
Nasdaq Composite (USD)	7527.55	▲	67.84	0.91	NA	3.38	9.74	13.45
DJIA (USD)	26031.81	▲	181.18	0.70	NA	4.13	7.17	11.59
MSCI Emerging Markets (USD)	1058.65	▲	7.66	0.73	NA	0.83	8.70	9.60
MSCI Developed World (USD)	2086.97	▲	9.53	0.46	NA	2.88	7.67	10.78

## US Market ▲

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

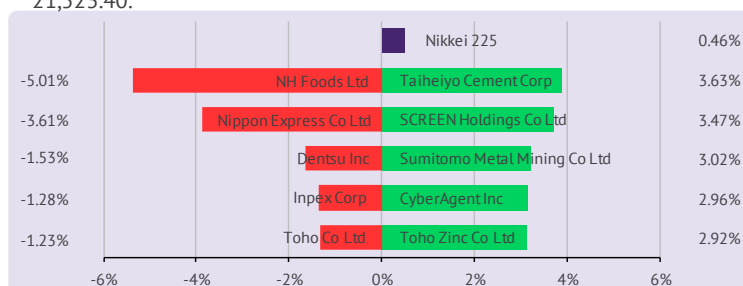
US markets closed higher on Friday, amid signs of progress in US-Sino trade talks and buoyed by gains in technology sector stocks. The S&P 500 Index climbed 0.6% to close at 2,792.67.



## Asian Market ▲

### Trading mostly higher

Asian markets are trading mostly higher this morning, after President, Donald Trump, stated that he would extend a deadline to raise tariffs on Chinese goods. The Nikkei 225 Index is trading 0.5% higher at 21,523.40.



## USD ZAR ▼

### USD trading lower against ZAR

At 06:00 SAST, the US Dollar declined 0.1% against the South African Rand to trade at R13.9824. Later today, traders will keep a close watch on the US Chicago Fed national activity index and the Dallas Fed manufacturing index for further indication.

The US Dollar fell against the South African Rand on Friday.

## GBP ZAR ▲

### GBP trading higher against ZAR

At 06:00 SAST, the British Pound rose marginally against the South African Rand to trade at R18.2738. With no major economic news in the UK today, investor sentiment will be determined by global macroeconomic news.

The British Pound declined against the South African Rand on Friday.

## EUR ZAR ▼

### EUR trading weaker against ZAR

At 06:00 SAST, the Euro is trading 0.1% lower against the South African Rand at R15.8591. Amid no major economic news across the Eurozone, market sentiment will be determined by global macroeconomic news.

The Euro weakened against the South African Rand on Friday. On the data front, the Eurozone's consumer price inflation slowed for a third consecutive month on an annual basis in January, marking its lowest level in nine months. Separately, Germany's gross domestic product (GDP) recorded an unchanged reading on a quarterly basis in the fourth quarter of 2018. Meanwhile, the nation's the Ifo survey business climate index fell more than market forecast for a sixth consecutive month in February, marking its lowest level since December 2014. Additionally, the Ifo survey expectations index recorded an unexpected decline in February. Moreover, the Ifo survey current assessment index dropped more than market anticipations in the same month.

## AUD ZAR ▲

### AUD trading stronger against ZAR

At 06:00 SAST, the Australian Dollar climbed 0.1% against the South African Rand to trade at R9.9890.

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	13.9824	▼	-0.17	NA	5.63	-7.61	-2.42
GBPZAR	18.2738	▲	-0.11	NA	5.15	-5.16	-0.27
EURZAR	15.8591	▼	-0.16	NA	4.62	-7.83	-3.57
AUDZAR	9.9890	▲	0.29	NA	3.52	-4.79	-1.43
EURUSD	1.1342	▲	-0.01	NA	-0.99	-0.17	-1.15
GBPUSD	1.3069	▲	0.08	NA	-0.43	2.78	2.34
Brent (\$/barrel)	66.9	▼	0.07	NA	10.32	13.09	24.76
Gold (\$/oz)	1333.5	▲	0.43	NA	0.72	3.00	3.74
Platinum (\$/oz)	852.0	▲	2.37	NA	2.57	3.62	6.28
Copper (\$/MT)*	6519.0	▲	1.95	NA	5.98	3.40	9.58

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

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices edged 0.3% higher to trade at \$1,333.50/oz.

On Friday, gold prices rose 0.4% to close at \$1,329.20/oz, as weakness in the US Dollar increased demand for the safe haven asset.

## Brent Crude Oil ▼

### Trading weaker

At 06:00 SAST, Brent crude oil edged 0.3% lower to trade at \$66.90/bl.

On Friday, Brent crude oil advanced 0.1% to settle at \$67.12/bl, after Baker Hughes reported that US oil rig count fell by 4 to 853 last week.

## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices advanced 0.7% to trade at \$852.00/oz.

On Friday, platinum prices climbed 2.4% to close at \$845.90/oz.

## Major South African corporate news

### Blue Label Telecoms Limited

In its 1H19 trading statement, the company indicated that it expects headline loss per share to be between 11.27c and 18.78c, compared to earnings of 166.68c per share in the corresponding period of the preceding year. Further, the company added that it expects loss per share to be in the range of 9.44c to 15.74c, compared to earnings of 167.43c per share in the same period of the previous year.

### Tongaat Hulett Limited

In its FY19 trading statement, the company indicated that it expects headline loss per share and loss per share in excess of 803.00c and 927.00c, respectively, compared with the corresponding period of the prior year.

### Northam Platinum Limited

In its 1H19 results, the company stated that its sales revenues increased to ZAR4.98bn, compared to ZAR3.35bn posted in the corresponding period of the previous year. Its diluted loss per share stood at 18.20c from 81.10c recorded in the same period of the prior year. The company has decided not to declare an interim dividend for the period.

## Major global economic news

### Eurozone

In the Eurozone, the final consumer price index (CPI) registered a rise of 1.4% on an annual basis in January, at par with market expectations. In the prior month, the CPI had recorded a revised rise of 1.5%. The preliminary figures had also recorded an advance of 1.4%.











In Germany, seasonally adjusted final GDP remained steady on a quarterly basis in 4Q18, at par with market expectations. GDP had fallen 0.2% in the prior quarter. The preliminary figures had also recorded an unchanged reading.

In February, the Ifo business climate index eased more-than-expected to 98.50 in Germany, compared to a revised reading of 99.30 in the previous month.

In Germany, the Ifo business expectations index unexpectedly fell to 93.80 in February. In the prior month, the index had registered a revised level of 94.30.

In February, the Ifo current assessment index recorded a more-than-anticipated drop to 103.40 in Germany. In the previous month, the index had registered a revised reading of 104.50.

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
 Japan	01:50	Corporate Service Price (YoY) (Jan)	✓	1.10%*	1.10%	Monthly
 Japan	07:00	Coincident Index (Dec) (F)	✓	-	102.30**	Monthly
 Japan	07:00	Leading Economic Index (Dec) (F)	✓✓✓	-	97.90**	Monthly
 Spain	10:00	Producer Price Index (MoM) (Jan)	✓	-	-1.10%	Monthly
 Spain	10:00	Producer Price Index (YoY) (Jan)	✓	-	1.60%	Monthly
 US	15:30	Chicago Fed National Activity Index (Jan)	✓✓✓	-	0.27	Monthly
 US	17:00	Wholesale Inventories (MoM) (Dec) (P)	✓✓✓	0.40%	0.30%	Monthly
 US	17:30	Dallas Fed Manufacturing Business Index (Feb)	✓✓✓	5.40	1.00	Monthly
 US	-	Retail Sales Ex Auto & Gas (Jan)	✓✓✓	-	-1.40%	Monthly
 US	-	Retail Sales "Control Group" (MoM) (Jan)	✓✓	-	-1.70%	Monthly

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

## 40 best performers on the All Share Index

Company name	Last close	1 Week % change	MTD % change	YTD % change
Sibanye Gold Ltd	1500	5.19	33.33	49.70
Lonmin Plc	1254	5.91	36.30	49.46
Impala Platinum Holdings Ltd	5190	7.19	34.28	41.49
Ascendis Health Ltd	578	13.33	5.86	38.94
Kumba Iron Ore Ltd	38701	3.16	14.28	36.73
Anglo American Platinum Ltd	73500	6.38	15.20	36.63
Grindrod Ltd	820	-0.97	7.33	33.33
Assore Ltd	36680	5.71	6.71	26.48
MiX Telematics Ltd	1026	2.28	14.32	21.05
Royal Bafokeng Platinum Ltd	3185	6.17	10.78	20.28
Northam Platinum Ltd	5185	3.93	7.31	19.86
Pan African Resources Plc	188	-1.05	1.62	17.50
African Rainbow Minerals Ltd	16705	8.83	12.77	17.35
Octodec Investments Ltd	2000	-2.44	0.50	16.82
Stenprop Ltd	2053	1.53	5.28	16.21
Gold Fields Ltd	5727	9.13	6.53	16.07
Anglo American Plc	37370	5.81	9.24	15.96
Harmony Gold Mining Co Ltd	2890	5.13	8.81	14.68
BHP Group Plc	33182	2.33	12.30	14.63
AngloGold Ashanti Ltd	20707	7.35	10.74	13.93
Investec Property Fund Ltd	1565	2.42	0.97	13.82
Investec Ltd	8991	0.65	3.27	13.81
Mpact Ltd	2390	-2.85	11.16	13.76
Mondi Plc	34544	0.73	6.95	13.61
Capitec Bank Holdings Ltd	127000	5.24	8.90	13.60
Mondi Ltd	35074	-0.64	6.90	13.30
NEPI Rockcastle Plc	12800	4.17	2.04	13.27
Clover Industries Ltd	2049	-2.66	2.96	12.64
Investec Plc	8960	0.69	3.36	12.48
Barloworld Ltd	12571	0.56	3.89	12.26
Net 1 UEPS Technologies Inc	5632	0.57	17.70	12.08
Resilient REIT Ltd	6387	5.57	-1.15	12.05
Distell Group Holdings Ltd	12000	4.35	3.45	11.73
Exxaro Resources Ltd	15372	-2.57	-0.14	11.50
British American Tobacco Plc	52304	1.10	12.27	11.45
South32 Ltd	3811	-0.44	12.99	11.43
Bid Corp Ltd	29514	0.73	4.16	11.37
Vivo Energy Plc	2500	9.46	11.11	11.11
Hammerson Plc	6744	-2.09	2.49	10.88
Cie Financiere Richemont SA	10381	2.62	14.32	10.85
<b>JSE All Share Index</b>	<b>55993</b>	<b>2.50</b>	<b>3.39</b>	<b>6.17</b>

### 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

**GTC is nationally represented in Johannesburg, Cape Town and Durban.**

**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