

ONE
Minute Brief

26 February 2019



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Economic and political news

Trade Minister, Rob Davies, stated that South Africa (SA) is close to signing an interim trade deal with Britain that would replicate arrangements with Europe and ensure trade would not be disrupted in the event of a hard Brexit.

Eskom Chairperson, Jabu Mabuza, during his testimony, revealed that former acting Chief Executive, Matshela Koko, leaked confidential documents to Salim Essa, an associate of the Gupta family, in order to help Gupta-linked companies win tenders at Eskom.

The Department of Correctional Services (DCS) has issued a 30-day notice to Bosasa to terminate its contract to provide food for inmates. Separately, SA cancelled prison contracts with Bosasa, following bribe allegations.

The Special Investigations Unit (SIU) will ask for approval from President, Cyril Ramaphosa, to extend its 2009 Bosasa investigation.

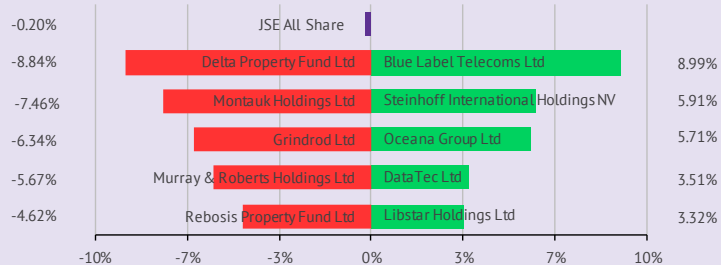
Key indices

	As at 25 Feb 2019		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	55878.20	▼	-114.77	-0.20	-0.20	3.18	2.69	5.96
JSE Top 40 (ZAR)	49638.42	▼	-97.27	-0.20	-0.20	3.51	2.63	6.23
FTSE 100 (GBP)	7183.74	▲	5.14	0.07	0.07	3.08	3.58	6.77
DAX 30 (EUR)	11505.39	▲	47.69	0.42	0.42	2.97	5.82	8.96
CAC 40 (EUR)	5231.85	▲	16.00	0.31	0.31	4.79	5.54	10.59
S&P 500 (USD)	2796.11	▲	3.44	0.12	0.12	3.40	7.87	11.54
Nasdaq Composite (USD)	7554.46	▲	26.92	0.36	0.36	3.75	9.74	13.85
DJIA (USD)	26091.95	▲	60.14	0.23	0.23	4.37	7.17	11.85
MSCI Emerging Markets (USD)	1067.64	▲	8.98	0.85	0.85	1.69	8.70	10.53
MSCI Developed World (USD)	2091.84	▲	4.87	0.23	0.23	3.12	7.67	11.04

South Africa Market ▼

South African markets closed lower

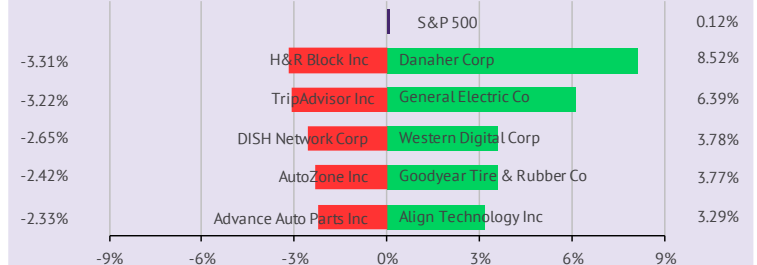
South African markets closed in the red yesterday, weighed down by losses in resources and gold mining sector stocks. The JSE All Share Index fell 0.2% to close at 55,878.20.



US Market ▲

The S&P 500 futures are trading in the red

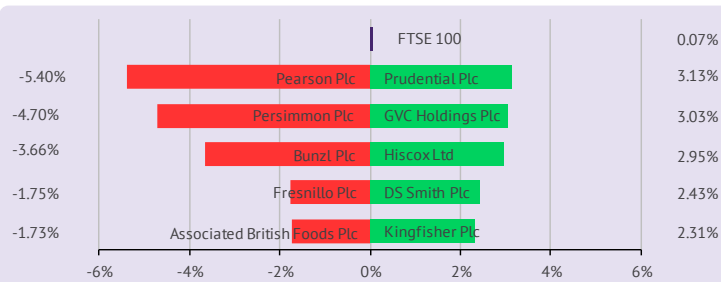
US markets closed higher yesterday, after President, Donald Trump delayed a hike in tariffs on Chinese imports. The S&P 500 Index climbed 0.1% to close at 2,796.11.



UK Market ▲

The FTSE 100 futures are trading in negative territory

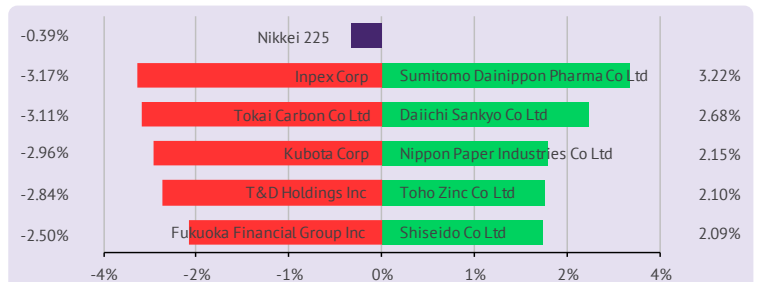
UK markets finished higher yesterday, on trade tariff relief and amid news that the British Prime Minister, Theresa May postponed a parliamentary vote on her Brexit deal. The FTSE 100 Index advanced 0.1% to close at 7,183.74.



Asian Market ▼

Trading mostly lower

Asian markets are trading mostly lower this morning. The Nikkei 225 Index is trading 0.4% lower at 21,443.69.



USD ZAR ▲

USD trading stronger against ZAR

At 06:00 SAST, the US Dollar is trading 0.2% higher against the South African Rand at R13.8480. Later today, traders will keep a close watch on the US Federal Reserve Chairman, Jerome Powell's testimony along with the US housing starts, building permits, house price index, the Richmond Fed manufacturing index and the consumer confidence index for further direction.

The US Dollar fell against the South African Rand yesterday, after the US President, Donald Trump delayed additional tariffs on Chinese goods. On the data front, the US Chicago Fed national activity index declined in January. Meanwhile, the nation's Dallas Fed manufacturing index climbed more than market forecast in February.

GBP ZAR ▲

GBP trading firmer against ZAR

At 06:00 SAST, the British Pound is trading 0.5% higher against the South African Rand at R18.1949. Ahead in the day, traders will keep an eye on UK's BBA loans for house purchase for further indication.

The British Pound declined against the South African Rand yesterday, despite reports indicating that British Prime Minister, Theresa May delayed a key Brexit vote.

EUR ZAR ▲

EUR trading higher against ZAR

At 06:00 SAST, the Euro is trading 0.2% firmer against the South African Rand at R15.7351. Going forward, market participants will keep a tab on Germany's GfK consumer confidence index for further cues.

The Euro weakened against the South African Rand yesterday.

AUD ZAR ▲

AUD trading stronger against ZAR

At 06:00 SAST, the Australian Dollar is trading marginally firmer against the South African Rand at R9.9166. Earlier in the session, Australia's ANZ Roy Morgan consumer confidence index recorded a fall in the week ended 24 February 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	13.8480	▲	-1.26	-1.26	4.30	-7.61	-3.65
GBPZAR	18.1949	▲	-0.89	-0.89	4.22	-5.16	-1.16
EURZAR	15.7351	▲	-1.08	-1.08	3.50	-7.83	-4.60
AUDZAR	9.9166	▲	-0.65	-0.65	2.85	-4.79	-2.07
EURUSD	1.1363	▲	0.20	0.20	-0.79	-0.17	-0.95
GBPUSD	1.3139	▲	0.34	0.34	-0.09	2.78	2.69
Brent (\$/barrel)	64.7	▼	-3.52	-3.52	6.44	13.09	20.37
Gold (\$/oz)	1331.0	▲	-0.25	-0.25	0.47	3.00	3.48
Platinum (\$/oz)	860.7	▲	0.91	0.91	3.50	3.62	7.25
Copper (\$/MT)*	6524.5	▲	0.08	0.08	6.07	3.40	9.67

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

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.4% higher to trade at \$1,331.00/oz.

Yesterday, gold prices fell 0.3% to close at \$1,325.90/oz, amid broad gains in global equities, following progress in US-China trade negotiations.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 0.2% lower to trade at \$64.66/bl.

Yesterday, Brent crude oil dropped 3.5% to settle at \$64.76/bl, after the US President, Donald Trump criticised the OPEC for higher oil prices and stated that the organisation should take measures to stop the rise in oil prices.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged 0.8% higher to trade at \$860.70/oz.

Yesterday, platinum prices climbed 0.9% to close at \$853.60/oz.

Major South African corporate news

Aveng Limited

In its 1H19 results, the company announced that its revenues fell to ZAR13.37mn from ZAR16.11mn recorded in the same period of the previous year. Meanwhile, its diluted loss per share stood at 5.30c, compared to an EPS of 6.10c recorded in the same period of the preceding year.

Sasol Limited

In its 1H19 results, the company announced that its turnover increased to ZAR102.94bn, compared to ZAR88.15bn posted in the corresponding period of the previous year. Further, its diluted EPS rose to 23.76c, compared to 11.25c recorded in the same period of the prior year. Additionally, the board declared an interim dividend of ZAR5.90 per share.

Major global economic news

US

In the US, the Chicago Fed national activity index fell to a level of -0.43 in January. In the previous month, the index had recorded a revised reading of 0.05.

In the US, the Dallas Fed manufacturing business index recorded a more-than-expected rise to 13.10 in February, compared to a reading of 1.00 in the previous month.

Asia

In Australia, the ANZ Roy Morgan consumer confidence index dropped to a level of 114.1 in the week ended 24 February 2019, compared to a reading of 115.2 in the previous month.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus	Previous	Frequency
 South Africa	09:00	Leading Indicator (Dec)	✓	-	105.50	Monthly
 Germany	09:00	GfK Consumer Confidence Survey (Mar)	✓✓✓	10.80	10.80	Monthly
 France	09:45	Consumer Confidence (Feb)	✓✓✓	92.00	91.00	Monthly
 Eurozone	11:30	ECB's Lane speaks in Brussels	✓	-	-	As scheduled
 UK	11:30	BBA Mortgage Approvals (Jan)	✓✓	38.44K	38.78K	Monthly
 UK	12:00	BoE's Carney, Ramsden, Vlieghe, Haskel at Parliament Committee	✓✓✓	-	-	As scheduled
 US	15:30	Building Permits (Dec)	✓✓✓	1290.00K	1328.00K	Monthly
 US	15:30	Building Permits (MoM) (Dec)	✓✓✓	-2.60%	5.00%	Monthly
 US	15:30	Housing Starts (Dec)	✓✓✓	1256.00K	1256.00K	Monthly
 US	15:30	Housing Starts (MoM) (Dec)	✓✓✓	-0.10%	3.20%	Monthly
 US	15:55	Redbook Index (YoY) (22-Feb)	✓	-	5.40%	Weekly
 US	15:55	Redbook Index s.a. (MoM) (22-Feb)	✓	-	-1.50%	Weekly
 US	16:00	S&P/Case-Shiller Home Price Index (Dec)	✓	-	205.85	Monthly
 US	16:00	House Price Purchase Index (QoQ) (Q4)	✓✓	-	1.30%	Quarterly
 US	16:00	Housing Price Index (MoM) (Dec)	✓	0.40%	0.40%	Monthly
 US	16:00	S&P/Case-Shiller 20 City s.a. (MoM) (Dec)	✓✓✓	0.30%	0.30%	Monthly
 US	16:00	S&P/Case-Shiller Composite-20 (YoY) (Dec)	✓✓	4.50%	4.68%	Monthly
 Eurozone	16:30	ECB's Mersch speech	✓✓	-	-	As scheduled
 US	17:00	Fed's Chair Powell Testifies Before Senate Banking Panel	✓✓✓	-	-	As scheduled
 US	17:00	Consumer Confidence (Feb)	✓✓✓	124.90	120.20	Monthly
 US	17:00	Richmond Fed Manufacturing Index (Feb)	✓	5.00	-2.00	Monthly
 UK	-	UK Prime Minister Theresa May speech	✓✓✓	-	-	As scheduled
 UK	-	Inflation Report Hearings	✓✓✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

Technical snapshot

JSE All Share



The JSE All Share index is expected to find support at 55,076.36, and a fall through could take it to the next support level of 54,274.52. The index is expected to find its first resistance at 56,503.96, and a rise through could take it to the next resistance level of 57,129.72.

S&P 500



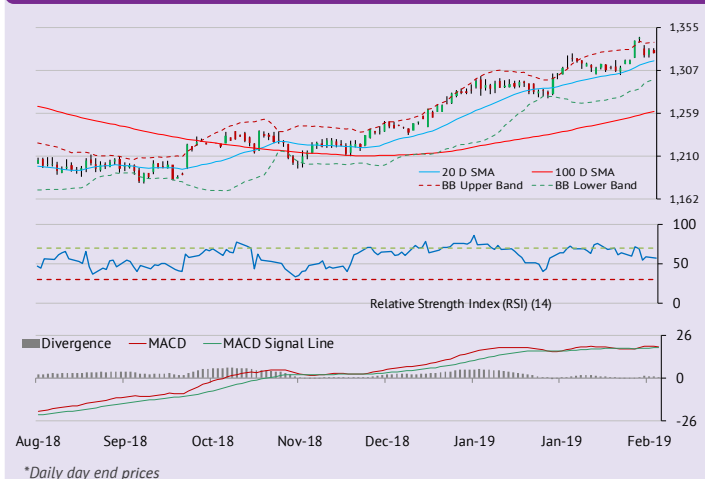
The S&P 500 index is expected to find support at 2,769.28, and a fall through could take it to the next support level of 2,742.44. The index is expected to find its first resistance at 2,818.22, and a rise through could take it to the next resistance level of 2,840.32.

USD ZAR



The pair is expected to find support at 13.6250, and a fall through could take it to the next support level of 13.4263. The pair is expected to find its first resistance at 14.1975, and a rise through could take it to the next resistance level of 14.5713.

XAU USD



Gold is expected to find support at \$1,316.27/oz, and a fall through could take it to the next support level of \$1,306.63/oz. The precious metal is expected to find its first resistance at \$1,339.77/oz, and a rise through could take it to the next resistance level of \$1,353.63/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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