

ONE Minute Brief

27 February 2019

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Economic and political news

In South Africa (SA), the leading indicator eased to 105.20 in December, compared to a revised level of 105.70 in the prior month.

President, Cyril Ramaphosa, has officially declared 8 May 2019, as the date of the National Assembly election.

Anglo American Platinum and other platinum producers have asked a South African court to block the Association of Mineworkers and Construction Union's (Amcu) secondary strike on 28 February.

The Public Investment Corporation (PIC) Amendment Bill was passed yesterday in the National Assembly by majority vote.

The Presidential Expert Advisory Panel on Land Reform and Agriculture is expected to present its final report to President, Cyril Ramaphosa on 31 March 2019.

Parliament's Portfolio Committee on Justice and Correctional Services rejected Democratic Alliance's proposal for an inquiry into Public Protector, Busisiwe Mkhwebane's possible removal from office.

Key indices

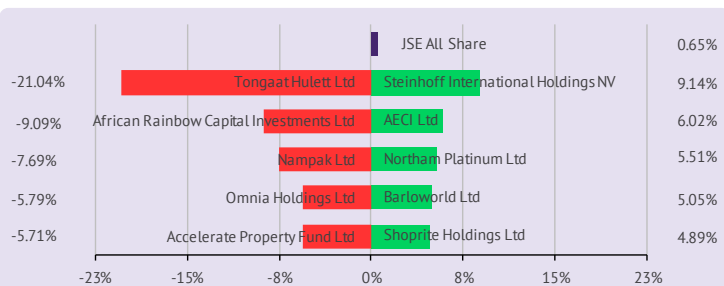
	As at 26 Feb 2019		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	56242.80	▲	364.60	0.65	0.45	3.85	2.69	6.65
JSE Top 40 (ZAR)	49965.89	▲	327.47	0.66	0.46	4.19	2.63	6.93
FTSE 100 (GBP)	7151.12	▼	-32.62	-0.45	-0.38	2.62	3.58	6.29
DAX 30 (EUR)	11540.79	▲	35.40	0.31	0.73	3.29	5.82	9.30
CAC 40 (EUR)	5238.72	▲	6.87	0.13	0.44	4.93	5.54	10.74
S&P 500 (USD)	2793.90	▼	-2.21	-0.08	0.04	3.32	7.87	11.45
Nasdaq Composite (USD)	7549.30	▼	-5.16	-0.07	0.29	3.67	9.74	13.78
DJIA (USD)	26057.98	▼	-33.97	-0.13	0.10	4.23	7.17	11.71
MSCI Emerging Markets (USD)	1064.94	▼	-2.70	-0.25	0.59	1.43	8.70	10.25
MSCI Developed World (USD)	2091.70	▼	-0.14	-0.01	0.23	3.12	7.67	11.03

South Africa Market ▲

South African markets closed higher

South African markets closed in the green yesterday, boosted by gains in platinum mining and retail sector stocks. Data revealed that SA's leading indicator dropped in December. The JSE All Share Index rose 0.7% to close at 56,242.80.

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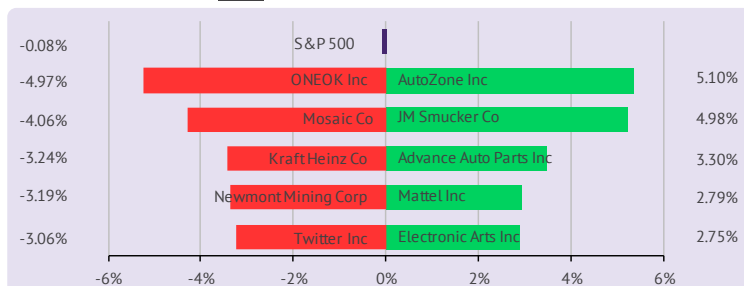


US Market ▼

The S&P 500 futures are trading in the red

US markets closed lower yesterday, after the US Federal Reserve (Fed) Chairman, Jerome Powell reiterated a dovish view on future rate hikes. Data indicated that the US housing starts unexpectedly fell in December. The S&P 500 Index dropped 0.1% to close at 2,793.90.

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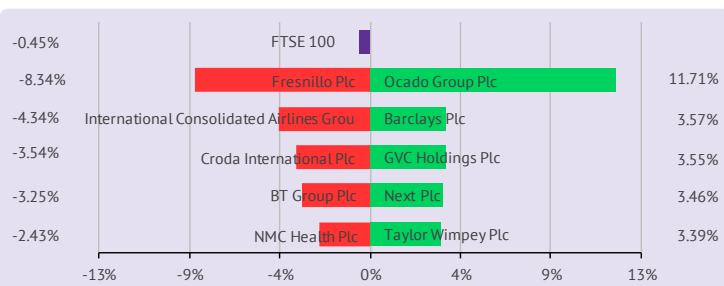


UK Market ▼

The FTSE 100 futures are trading in positive territory

UK markets finished lower yesterday, as the British Pound strengthened, amid news of a potential Brexit delay. Data showed that UK's BBA loans for house purchase surprisingly rose in January. The FTSE 100 Index declined 0.5% to close at 7,151.12.

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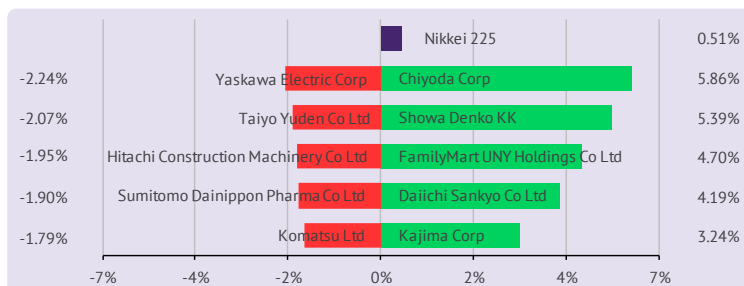


Asian Market ▲

Trading higher

Asian markets are trading higher this morning, ahead of a meeting between President Donald Trump and North Korean leader Kim Jong Un. The Nikkei 225 Index is trading 0.5% higher at 21,558.12.

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USD ZAR ▲

USD trading higher against ZAR

At 06:00 SAST, the US Dollar rose 0.1% against the South African Rand to trade at R13.8512. Later today, traders will keep a close watch on the US advance goods trade balance, pending home sales, the MBA mortgage applications, durable goods orders and factory orders for further indication.

The US Dollar rose against the South African Rand yesterday. On the macro front, the US building permits surprised with a rise on a monthly basis in December. Additionally, the Richmond Fed manufacturing index rebounded in February. Moreover, the consumer confidence index climbed more than market forecast in February. In contrast, the nation's housing starts declined more than anticipated in December, hitting its lowest level in two years. Further, the monthly house price index advanced less than market expectations in December. Separately, in SA, the leading indicator registered a decline in December.

GBP ZAR ▲

GBP trading stronger against ZAR

At 06:00 SAST, the British Pound slightly advanced against the South African Rand to trade at R18.3467. With no major economic news in the UK today, investor sentiment will be determined by global macroeconomic news. Data revealed that UK's BRC shop price index recorded a more-than-expected rise to a six-year high level on an annual basis in February.

The British Pound advanced against the South African Rand yesterday, amid hopes that Brexit could be delayed. On the data front, UK's BBA loans for house purchase unexpectedly jumped in January.

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EUR ZAR ▲

EUR trading higher against ZAR

At 06:00 SAST, the Euro is trading marginally firmer against the South African Rand at R15.7605. Going forward, market participants will keep a tab on the Eurozone's business climate indicator, the consumer confidence index and the economic confidence index for further direction.

The Euro strengthened against the South African Rand yesterday. Data indicated that Germany's GfK consumer confidence index recorded an unchanged reading in March.

AUD ZAR ▲

AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar is trading slightly higher against the South African Rand at R9.9483.

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	13.8512	▲	0.07	-1.19	4.37	-7.61	-3.58
GBPZAR	18.3467	▲	1.27	0.37	5.55	-5.16	0.10
EURZAR	15.7605	▲	0.35	-0.73	3.86	-7.83	-4.27
AUDZAR	9.9483	▲	0.32	-0.33	3.18	-4.79	-1.76
EURUSD	1.1379	▼	0.27	0.48	-0.52	-0.17	-0.68
GBPUSD	1.3246	▼	1.18	1.52	1.09	2.78	3.90
Brent (\$/barrel)	65.6	▲	0.69	-2.85	7.18	13.09	21.21
Gold (\$/oz)	1330.4	▲	0.20	-0.05	0.67	3.00	3.68
Platinum (\$/oz)	864.6	▲	0.80	1.71	4.33	3.62	8.10
Copper (\$/MT)*	6521.5	▼	-0.05	0.04	6.02	3.40	9.62

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

Gold ▲

Trading in the green

At 06:00 SAST, gold prices rose 0.1% to trade at \$1,330.40/oz.

Yesterday, gold prices rose 0.2% to close at \$1,328.50oz, as the US Dollar weakened, following the US Fed Chairman, Jerome Powell's dovish comments.

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Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged 0.5% higher to trade at \$65.56/bl, amid reports that OPEC would continue with its supply cuts.

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Yesterday, Brent crude oil advanced 0.7% to settle at \$65.21/bl, after the American Petroleum Institute reported that the US crude supplies fell by 4.2mn to 444.3mn bls in the week ended 22 February 2019.

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Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged 0.5% higher to trade at \$864.60/oz.

Yesterday, platinum prices climbed 0.8% to close at \$860.40/oz.

Major South African corporate news

AECI Limited

In its FY18 results, the company announced that its revenues increased to ZAR23.31bn, from ZAR18.48bn posted in the corresponding period of the previous year. Profit after tax widened to ZAR1027mn from ZAR983mn. Further, the company declared a final gross cash dividend of 366.00c per share.

Assore Limited

In its 1H19 results, the company announced that revenues advanced to ZAR3.95bn, compared to ZAR3.84bn posted in the same period of the preceding year. Its diluted EPS stood at 2,827.00c, compared to 2,379.00c recorded in the corresponding period of the previous year. The company has declared an interim dividend of 1,000.00c per share.

Cashbuild Limited

In its 1H19 results, the company indicated that its revenues rose to ZAR5.56bn, compared to ZAR5.39bn posted in the corresponding period of the previous year. The company has declared an interim dividend of 435.00c per share compared with 496.00c recorded in the corresponding period of the preceding year.

Shoprite Holdings Limited

In its 1H19 results, the company announced that its revenues advanced to ZAR77.54bn, compared to ZAR77.26bn posted in the corresponding period of the previous year. Its diluted EPS fell 21.9% to 406.80c, compared to the same period of the prior year. The company has declared an interim dividend of 156.00c per share for the period.

Wilson Bayly Holmes-Ovcon Limited

In its 1H19 results, the company announced that its revenues advanced 11.2% to ZAR20.11bn, compared to the same period of the preceding year. Its diluted EPS stood at 133.70c, compared to 736.30c recorded in the corresponding period of the previous year.

Major global economic news

US

The Fed Chairman, Jerome Powell, in his testimony, reiterated that the Fed would remain “patient” on further interest rate hikes, citing the various “crosscurrents and conflicting signals.” Meanwhile, Jerome Powell indicated that the US economic outlook was “generally favourable”, however warned of challenges from overseas. Further, he warned of growing risks in the economy, including a global slowdown, volatile financial markets and uncertainty related to the US trade policy.

In the US, housing starts dropped by 11.2% to an annual rate of 1078.00K on a monthly basis in December, compared to a revised reading of 1214.00K in the prior month.

In the US, building permits unexpectedly rose by 0.3% to an annual rate of 1326.00K on monthly basis in December. Building permits had registered a revised reading of 1322.00K in the prior month.

In the US, the housing price index advanced 0.3% on a monthly basis in December, compared to a rise of 0.4% in the previous month.

In the US, the Richmond Fed manufacturing index advanced more-than-expected to 16.00 in February, compared to a level of -2.00 in the previous month.

In the US, the CB consumer confidence index climbed more-than-anticipated to 131.40 in February, compared to a revised level of 121.70 in the prior month.

Eurozone

In Germany, the GfK consumer confidence index remained steady at 10.80 in March.

UK

In the UK, the BBA mortgage approvals recorded an unexpected rise to 40.63K in January, compared to a revised level of 39.35K in the prior month.

In the UK, the BRC shop price index climbed 0.7% on an annual basis in February, more than market forecast and compared to an advance of 0.4% in the previous month.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
UK	2:01	BRC Shop Price Index (YoY) (Feb)	✓✓✓	0.70%*	0.40%	Monthly
Japan	3:30	BoJ Kataoka makes a speech in Takamatsu	✓	-	-	As scheduled
Eurozone	10:30	ECB's Cœuré speech	✓✓	-	-	As scheduled
Eurozone	11:00	M3 Money Supply (3m) (Jan)	✓	-	3.90%	Monthly
Eurozone	12:00	Economic Sentiment Indicator (Feb)	✓	106.00	106.20	Monthly
Eurozone	12:00	Business Climate Indicator (Feb)	✓✓	0.66	0.69	Monthly
Eurozone	12:00	Consumer Confidence (Feb) (F)	✓✓✓	-7.40	-7.40**	Monthly
Eurozone	12:00	Industrial Confidence (Feb)	✓	0.10	0.50	Monthly
Eurozone	12:00	Services Sentiment Indicator (Feb)	✓	10.90	11.00	Monthly
Germany	12:00	German Buba President Weidmann speech	✓✓	-	-	As scheduled
US	14:00	MBA Mortgage Applications (22-Feb)	✓	-	3.60%	Weekly
US	15:30	Wholesale Inventories (MoM) (Dec) (F)	✓✓✓	0.40%	1.10%**	Monthly
US	17:00	Cap Goods Orders Nondef Ex Air (Dec) (F)	✓	-	-0.70%**	Monthly
US	17:00	Cap Goods Ship Nondef Ex Air (Dec) (F)	✓	-	0.50%**	Monthly
US	17:00	Durable Goods Orders (Dec) (F)	✓✓✓	-	1.20%**	Monthly
US	17:00	Durable Goods Orders ex Transportation (Dec) (F)	✓✓	-	0.10%**	Monthly
US	17:00	Factory Orders (Dec)	✓✓✓	-	499194.00mn	Monthly
US	17:00	Powell to deliver Semi-Annual Testimony to House Panel	✓✓✓	-	-	As scheduled
US	17:00	Pending Home Sales (YoY) (Jan)	✓	-4.60%	-9.50%	Monthly
US	17:00	Pending Home Sales (Jan)	✓	-	99.00	Monthly
US	17:00	Factory Orders (MoM) (Dec)	✓✓✓	0.60%	-0.60%	Monthly
US	17:00	Pending Home Sales (MoM) (Jan)	✓✓	1.00%	-2.20%	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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