

ONE Minute Brief

1 March 2019

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Economic and political news

In South Africa (SA), the producer price index (PPI) rose 4.1% on a yearly basis in January, compared to an advance of 5.2% in December. Growth in M3 money supply slowed to 5.09% on an annual in January, compared to a revised level of 5.56% in December. Annual private sector credit demand increased to 6.51% in January, compared to a rise of 5.10% in the prior month. SA posted a trade deficit of ZAR13.08bn in January, compared to a revised surplus of ZAR16.70bn in the prior month.

SA's labour court has ordered the Association of Mineworkers and Construction Union (AMCU) to suspend its planned industry-wide strike from 28 February to 7 March until it issues a ruling on whether to block the action.

The Democratic Alliance has called for the suspension of Competition Commission executives following the launch of a forensic investigation into financial and administrative irregularities at the organisation.

Sibusiso Sithole, the interim Chief Executive Officer of the Passenger Rail Agency of SA (Prasa), has resigned from his position, with immediate effect.

Key indices

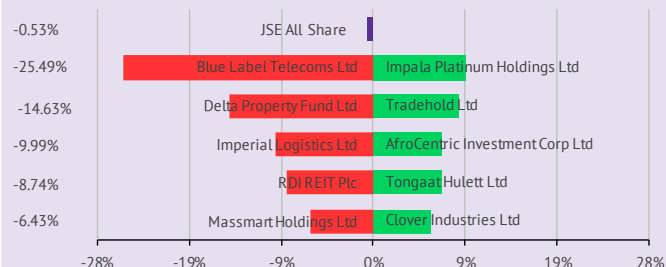
	As at 28 Feb 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	56002.08	▼ -295.87	-0.53	0.02	NA	3.41	6.19
JSE Top 40 (ZAR)	49667.10	▼ -287.95	-0.58	-0.14	NA	3.57	6.29
FTSE 100 (GBP)	7074.73	▼ -32.47	-0.46	-1.45	NA	1.52	5.15
DAX 30 (EUR)	11515.64	▲ 28.31	0.25	0.51	NA	3.07	9.06
CAC 40 (EUR)	5240.53	▲ 15.18	0.29	0.47	NA	4.96	10.78
S&P 500 (USD)	2784.49	▼ -7.89	-0.28	-0.29	NA	2.97	11.08
Nasdaq Composite (USD)	7532.53	▼ -21.98	-0.29	0.07	NA	3.44	13.52
DJIA (USD)	25916.00	▼ -69.16	-0.27	-0.44	NA	3.67	11.10
MSCI Emerging Markets (USD)	1050.95	▼ -10.31	-0.97	-0.73	NA	0.10	8.80
MSCI Developed World (USD)	2085.85	▼ -6.28	-0.30	-0.05	NA	2.83	10.72

South Africa Market ▼

South African markets closed lower

South African markets closed in the red yesterday, amid dismal earnings report and led by losses in retail and resources sector stocks. Data indicated that SA's annual PPI advanced less-than-anticipated in January. The JSE All Share Index fell 0.5% to close at 56,002.08.

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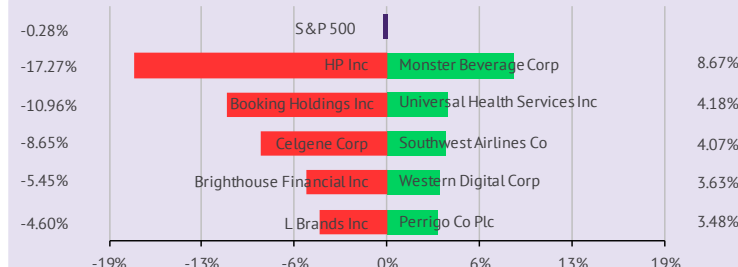


US Market ▼

The S&P 500 futures are trading in the green

US markets closed lower yesterday, after President Donald Trump and North Korean leader Kim Jong Un failed to reach a deal. Data indicated that the US quarterly gross domestic product (GDP) rose more-than-expected in 4Q18. The S&P 500 Index dropped 0.3% to close at 2,784.49.

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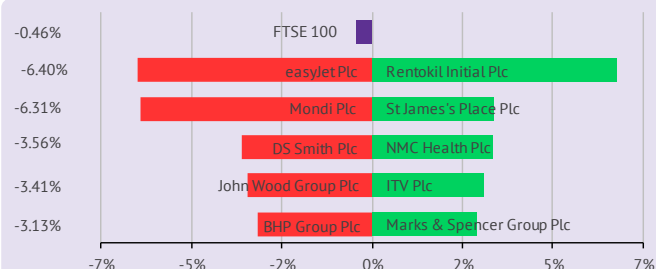


UK Market ▼

The FTSE 100 futures are trading in positive territory

UK markets finished lower for the third consecutive session yesterday, amid ongoing geopolitical tensions and led by losses in energy and mining sector stocks. Data revealed that UK's monthly Nationwide house prices unexpectedly dropped in February. The FTSE 100 Index declined 0.5% to close at 7,074.73.

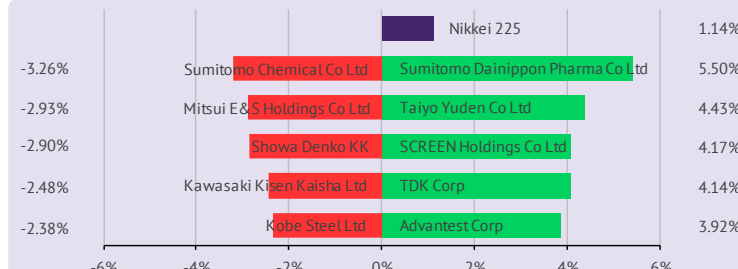
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Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning. Data showed that Japan's annual consumer price index (CPI) advanced more-than-anticipated in February. The Nikkei 225 Index is trading 1.1% higher at 21,629.18.



USD ZAR ▲

USD trading higher against ZAR

At 06:00 SAST, the US Dollar marginally climbed against the South African Rand to trade at R14.0877. Later today, traders will keep a close watch on the US Markit manufacturing PMI, ISM manufacturing PMI, the Michigan consumer sentiment index, personal spending and personal income data for further direction.

The US Dollar rose against the South African Rand yesterday, following better than expected US 4Q GDP data. Data showed that the US economic growth accelerated more than market forecast on a quarterly basis in the fourth quarter of 2018. Additionally, the Chicago Purchasing Manager's Index (PMI) climbed more than market anticipations in February. In contrast, the nation's initial jobless claims recorded a more-than-expected rise in the week ended 23 February 2019. Separately, in SA, the PPI recorded a less-than-anticipated advance on an annual basis in January. Additionally, annual M3 money supply rose less than market expectations in January. Further, SA recorded a trade deficit in January. Meanwhile, the nation's yearly private sector credit jumped more than market forecast in January.

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GBP ZAR ▼

GBP trading lower against ZAR

At 06:00 SAST, the British Pound is trading marginally weaker against the South African Rand at R18.6774. Ahead in the day, traders will keep an eye on the UK's Markit manufacturing PMI, consumer credit and mortgage approvals data for further cues.

The British Pound advanced against the South African Rand yesterday, amid reports that Brexit could be delayed by up to two years. On the macro front, UK's Nationwide house prices registered an unexpected decline on a monthly basis in February.

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EUR ZAR ▲

EUR trading firmer against ZAR

At 06:00 SAST, the Euro is trading marginally higher against the South African Rand at R16.0173. Going forward, market participants will keep a tab on the Markit manufacturing PMI across the Eurozone and Eurozone's CPI and unemployment rate along with Germany's unemployment rate and retail sales data for further indication.

The Euro strengthened against the South African Rand yesterday. Data indicated that Germany's CPI jumped more than market forecast on an annual basis in February.

AUD ZAR ▲

AUD trading stronger against ZAR

At 06:00 SAST, the Australian Dollar slightly climbed against the South African Rand to trade at R9.9934. Earlier in the session, Australia's CBA manufacturing PMI registered a decline in February. Meanwhile, the nation's AiG performance of manufacturing index advanced in February. Separately, in China, Australia's largest trading partner, the Caixin manufacturing PMI advanced more than market expectations in February.

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	14.0877	▲	1.07	0.61	NA	6.27	-1.82
GBPZAR	18.6774	▼	0.71	2.23	NA	7.50	1.95
EURZAR	16.0173	▲	1.08	0.92	NA	5.58	-2.68
AUDZAR	9.9934	▲	0.45	0.14	NA	3.66	-1.30
EURUSD	1.1370	▼	0.01	0.32	NA	-0.67	-0.84
GBPUSD	1.3258	▼	-0.35	1.61	NA	1.17	3.99
Brent (\$/barrel)	66.6	▲	-0.12	-1.21	NA	8.99	23.25
Gold (\$/oz)	1314.4	▼	-0.39	-0.99	NA	-0.27	2.72
Platinum (\$/oz)	875.4	▲	0.61	3.46	NA	6.12	9.96
Copper (\$/MT)*	6555.5	▲	0.15	0.56	NA	6.57	10.19

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

Gold ▼

Trading in the red

At 06:00 SAST, gold prices fell 0.1% to trade at \$1,314.40/oz.

Yesterday, gold prices fell 0.4% to close at \$1,316.10/oz, as strength in the US Dollar dented demand for the safe haven asset.

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Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged 0.4% higher to trade at \$66.59/bl, amid output cuts by the Organization of the Petroleum Exporting Countries.

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Yesterday, Brent crude oil dropped 0.1% to settle at \$66.31/bl, amid rising US crude oil supply and global economic slowdown.

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Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices are trading marginally higher at \$875.40/oz.

Yesterday, platinum prices climbed 0.6% to close at \$875.20/oz.

Major South African corporate news

BHP Group Plc

The company announced the appointment of Vandita Pant as its Chief Commercial Officer, with effect from 1 July 2019. The company also announced the appointment of Jonathan Price, currently the Transformation Director of the company, as Chief Transformation Officer, with effect from 1 March 2019. Additionally, the company stated that Geraldine Slattery will lead the company's Petroleum business.

Blue Label Telecoms Limited

In its 1H19 results, the company revealed that its revenues fell to ZAR12.30bn, compared to ZAR13.63bn posted in the same period of the preceding year. Its diluted loss per share stood at 10.76c, compared to an EPS of 149.83c recorded in the corresponding period of the previous year.

British American Tobacco Plc

In its FY18 results, the company announced that its revenues stood at GBP24.49bn compared to GBP19.56bn posted in the corresponding period of the previous year. Its diluted EPS stood at 263.20p compared to 1,827.60p recorded in the same period of the preceding year. The company has declared a total dividend of 195.20p per share.

Impala Platinum Holdings Limited

In its 1H19 results, the company announced that its revenues rose to ZAR23.52bn, compared to ZAR17.28bn posted in the corresponding period of the previous year. Its diluted EPS stood at 309.00c, compared to a loss per share of 23.00c recorded in the same period of the prior year.

JSE Limited

In its FY18 results, the company indicated that its revenues stood at ZAR2.20bn, compared to ZAR2.22bn posted in the corresponding period of the previous year. Its diluted EPS stood at 1,048.10c, compared to 999.10c recorded in the same period of the preceding year. The company has declared a final ordinary dividend of 655.00c per share, compared to 605.00c per share posted in the corresponding period of the prior year. The board also decided to declare a special cash dividend of 185.00c per share.

Liberty Holdings Limited

In its FY18 results, the company announced that its total income declined to ZAR50.50bn, compared to ZAR82.72bn posted in the same period of the preceding year. Its diluted EPS stood at 863.70c, compared to 1,120.70c recorded in the corresponding period of the previous year. The company has approved a gross final dividend of 415.00c per ordinary share.

Major global economic news

Asia

In Australia, the CBA manufacturing PMI dropped to a level of 52.9 in February, compared to a reading of 53.1 in the previous month.

In Australia, the AiG performance of manufacturing index registered a rise to 54.00 in February. In the prior month, the index had recorded a level of 52.50.

In China, the Markit manufacturing PMI index rose more-than-expected to a level of 49.90 in February. The Markit manufacturing PMI index had registered a level of 48.30 in the previous month.

In Japan, the final manufacturing PMI dropped to 48.90 in February, compared to a level of 50.30 in the prior month. The preliminary figures had recorded a drop to 48.50.

In Japan, unemployment rate unexpectedly advanced to a rate of 2.5% in January. In the previous month, unemployment rate had registered a reading of 2.4%.

In Japan, the Tokyo CPI advanced 0.6% on a yearly basis in February, more than market expectations. The Tokyo CPI had advanced 0.4% in the prior month.

Eurozone

In Germany, the preliminary CPI recorded a rise of 1.6% on an annual basis in February, more than market expectations. In the prior month, the CPI had advanced 1.4%.

US

In the US, preliminary annualised GDP climbed 2.6% on a quarterly basis in 4Q18, more-than-anticipated and compared to a rise of 3.4% in the previous quarter.

In the US, the Chicago Fed PMI rose more-than-expected to a level of 64.70 in February. The Chicago Fed PMI had registered a level of 56.70 in the previous month.

In the US, seasonally adjusted initial jobless claims climbed to 225.00K in the week ended 23 February 2019, more than market forecast and compared to a level of 216.00K in the prior week.

UK

In the UK, the seasonally adjusted Nationwide house prices unexpectedly eased 0.1% on a monthly basis in February. House prices had climbed by a revised 0.2% in the prior month.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
Japan	01:30	Unemployment Rate (Jan)	✓✓	2.50%*	2.40%	Monthly
Japan	01:30	Tokyo Consumer Price Index (YoY) (Feb)	✓✓✓	0.60%*	0.40%	Monthly
Japan	02:30	Nomura/ JMMMA Manufacturing PMI (Feb) (F)	✓✓✓	48.90*	48.50**	Monthly
US	03:15	Fed's Chair Powell speaks on Economic Developments and Longer-Term	✓✓✓	-	-	As scheduled
China	03:45	Caixin/Markit Manufacturing PMI (Feb)	✓✓✓	49.90*	48.30	Monthly
Japan	07:00	Consumer Confidence Index (Feb)	✓✓	41.60	41.90	Monthly
Japan	07:00	Vehicle Sales (YoY) (Feb)	✓	-	2.30%	Monthly
Germany	09:00	Retail Sales (MoM) (Jan)	✓✓✓	2.00%	-4.30%	Monthly
Germany	09:00	Retail Sales (YoY) (Jan)	✓✓✓	1.20%	-2.10%	Monthly
Germany	10:55	Unemployment Rate s.a. (Feb)	✓✓✓	5.00%	5.00%	Monthly
Germany	10:55	Unemployment Change (Feb)	✓✓✓	-5.00K	-2.00K	Monthly
Germany	10:55	Markit Manufacturing PMI (Feb) (F)	✓✓✓	47.60	47.60**	Monthly
Eurozone	11:00	Markit Manufacturing PMI (Feb) (F)	✓✓✓	49.20	49.20**	Monthly
South Africa	11:00	PMI Manufacturing (Feb)	✓✓	49.50	49.90	Monthly
UK	11:30	Net Consumer Credit (Jan)	✓✓	GBP0.80bn	GBP0.70bn	Monthly
UK	11:30	Mortgage Approvals (Jan)	✓✓✓	63.40K	63.80K	Monthly
UK	11:30	Markit Manufacturing PMI (Feb)	✓✓✓	52.00	52.80	Monthly
Eurozone	12:00	Unemployment Rate (Jan)	✓✓✓	7.90%	7.90%	Monthly
Eurozone	12:00	Consumer Price Index (YoY) (Feb) (P)	✓✓✓	-	1.40%	Monthly
US	15:30	BEA to Release Dec. income/spending & Jan income	✓✓	-	-	As scheduled
US	15:30	Personal Spending (Dec)	✓✓	-0.20%	0.40%	Monthly
US	16:45	Markit Manufacturing PMI (Feb) (F)	✓✓✓	53.70	53.70**	Monthly
US	17:00	ISM Employment (Feb)	✓	-	55.50	Monthly
US	17:00	ISM Manufacturing PMI (Feb)	✓✓✓	55.70	56.60	Monthly
US	17:00	Reuters/Michigan Consumer Sentiment Index (Feb) (F)	✓✓✓	95.90	95.50**	Monthly
South Africa	-	Naamsa Vehicle Sales (YoY) (Feb)	✓	-	-7.40%	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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