

ONE
Minute Brief

12 March 2019



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Economic and political news

Eskom's official, Gert Opperman, in his testimony, revealed that former Eskom Executive, Matshela Koko, instructed him to accept substandard coal from the Gupta's Brakfontein mine.

Eskom's former acting Chief Executive Officer, Matshela Koko, denied any ethical responsibility for Eskom crisis and stated that excessive expenses incurred in building new plants were responsible for the firm's rising debt levels.

Co-operative Governance and Traditional Affairs Minister, Zweli Mkhize, has requested the constitutional court for a 12-month extension to enact an amendment to legislation dealing with municipalities.

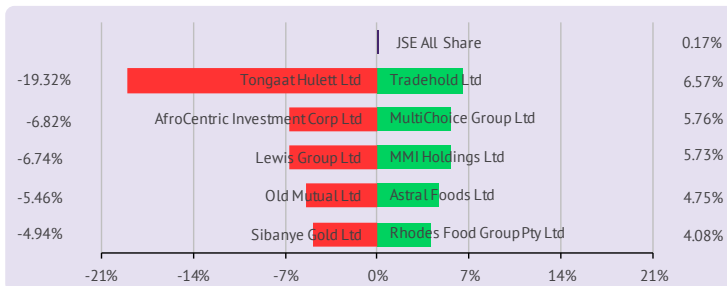
According to a news report, the African National Congress is planning to change the nation's Constitution to make it easier to seize land without paying for it.

South Africa Market ▲

South African markets closed higher

South African markets closed in the green yesterday, amid rise in shares of Naspers and helped by gains in industrial sector stocks. The JSE All Share Index rose 0.2% to close at 55,580.65.

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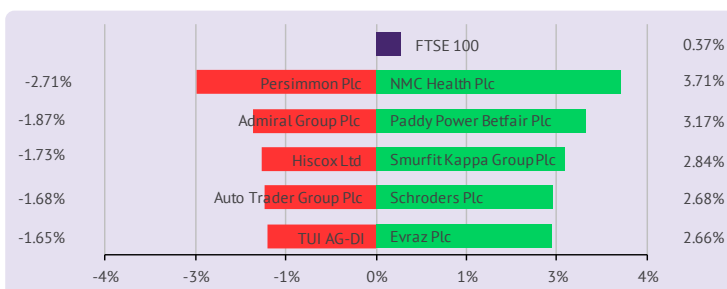


UK Market ▲

The FTSE 100 futures are trading in negative territory

UK markets finished higher yesterday, as financial stocks rose, amid reports of a possible merger between Commerzbank and Deutsche Bank and boosted by gains in mining sector stocks. The FTSE 100 Index advanced 0.4% to close at 7,130.62.

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Key indices

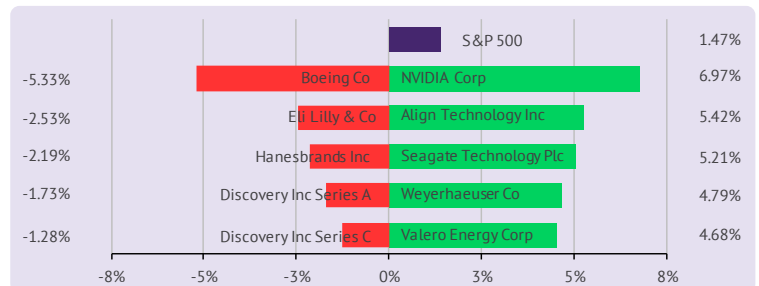
	As at 11 March 2019		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	55580.65	▲	91.86	0.17	0.17	-0.75	3.41	5.39
JSE Top 40 (ZAR)	49387.31	▲	154.18	0.31	0.31	-0.56	3.57	5.69
FTSE 100 (GBP)	7130.62	▲	26.31	0.37	0.37	0.79	1.52	5.98
DAX 30 (EUR)	11543.48	▲	85.64	0.75	0.75	0.24	3.07	9.32
CAC 40 (EUR)	5265.96	▲	34.74	0.66	0.66	0.49	4.96	11.31
S&P 500 (USD)	2783.30	▲	40.23	1.47	1.47	-0.04	2.97	11.03
Nasdaq Composite (USD)	7558.06	▲	149.92	2.02	2.02	0.34	3.44	13.91
DJIA (USD)	25650.88	▲	200.64	0.79	0.79	-1.02	3.67	9.96
MSCI Emerging Markets (USD)	1041.15	▲	11.02	1.07	1.07	-0.93	0.10	7.79
MSCI Developed World (USD)	2074.66	▲	23.53	1.15	1.15	-0.54	2.83	10.12

US Market ▲

The S&P 500 futures are trading in the green

US markets closed higher yesterday, as technology stocks advanced, following broker upgrades. Data revealed that the US monthly advance retail sales rebounded in January. The S&P 500 Index climbed 1.5% to close at 2,783.30.

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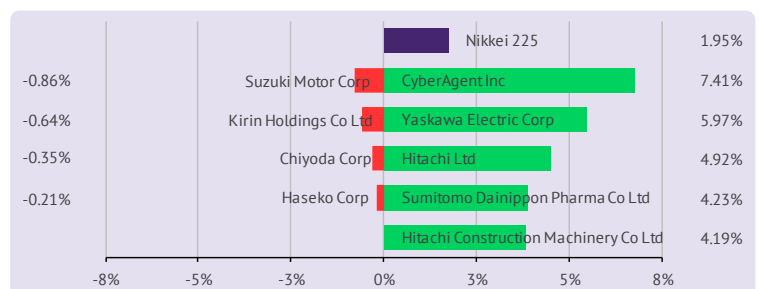


Asian Market ▲

Trading higher

Asian markets are trading higher this morning, tracking overnight gains on Wall Street. The Nikkei 225 Index is trading 2.0% higher at 21,537.28.

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USD ZAR ▼

USD trading lower against ZAR

At 06:00 SAST, the US Dollar retreated 0.4% against the South African Rand to trade at R14.2870. Later today, traders will keep a close watch on the US consumer price index, average weekly earnings and the NFIB small business optimism index for further indication.

The US Dollar fell against the South African Rand yesterday. On the data front, the US advance retail sales surprised with a rise on a monthly basis in January. Additionally, business inventories climbed at par with market forecast in December.

GBP ZAR ▲

GBP trading higher against ZAR

At 06:00 SAST, the British Pound rose 0.1% against the South African Rand to trade at R18.8821, amid hopes that British Prime Minister, Theresa May, might secure an approval for her Brexit deal. Ahead in the day, traders will keep an eye on UK's gross domestic product, trade balance, construction output, manufacturing and industrial production for further direction.

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The British Pound advanced against the South African Rand yesterday, ahead of a key Brexit vote.

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EUR ZAR ▼

EUR trading lower against ZAR

At 06:00 SAST, the Euro fell 0.2% against the South African Rand to trade at R16.0890. Amid no major economic news in the Eurozone investor sentiment would be determined by global macroeconomic factors.

The Euro weakened against the South African Rand yesterday. On the macro front, Germany's industrial production registered an unexpected decline on a monthly basis in January. Further, current account surplus narrowed in January. Moreover, trade surplus unexpectedly narrowed in the same month.

AUD ZAR ▼

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.4% lower against the South African Rand at R10.1025. Earlier in the session, Australia's ANZ Roy Morgan weekly consumer confidence index registered a decline in the week ended 10 March 2019. Additionally, the NAB business conditions index recorded a drop in February. Moreover, the NAB business confidence index fell in the same month. Meanwhile, the nation's home loans dropped less than market expectations on a monthly basis in January.

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	14.2870	▼	-0.69	-0.69	1.81	6.27	-0.05
GBPZAR	18.8821	▲	0.35	0.35	0.96	7.50	2.93
EURZAR	16.0890	▼	-0.58	-0.58	0.68	5.58	-2.02
AUDZAR	10.1025	▼	-0.35	-0.35	1.47	3.66	0.15
EURUSD	1.1261	▲	0.09	0.09	-1.11	-0.67	-1.94
GBPUSD	1.3216	▲	1.04	1.04	-0.85	1.17	3.10
Brent (\$/barrel)	66.8	▲	1.28	1.28	0.41	8.99	23.75
Gold (\$/oz)	1295.9	▲	-0.63	-0.63	-1.90	-0.27	0.76
Platinum (\$/oz)	824.8	▲	-0.10	-0.10	-6.67	6.12	2.63
Copper (\$/MT)*	6435.0	▲	0.19	0.19	-1.84	6.57	8.17

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

Gold ▲

Trading in the green

At 06:00 SAST, gold prices rose 0.4% to trade at \$1,295.90/oz.

Yesterday, gold prices fell 0.6% to close at \$1,291.10/oz, amid strong gains in global stocks and following upbeat US retail sales data.

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Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil rose 0.4% to trade at \$66.84/bl, amid crude output cuts by the Organisation of the Petroleum Exporting Countries and growing crude oil demand.

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Yesterday, Brent crude oil advanced 1.3% to settle at \$66.58/bl, amid reports that Saudi Arabia is planning to cut its oil exports to below 7.0mn bls per day in April, in an effort to curb supply glut.

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Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged 1.0% higher to trade at \$824.80/oz.

Yesterday, platinum prices declined 0.1% to close at \$816.80/oz.

Major South African corporate news

AVI Limited

In its 1H19 results, the company announced that its revenues fell to ZAR7.07bn from ZAR7.30bn posted in the corresponding period of the previous year. Its diluted EPS stood at 301.70c, down from 324.20c in the prior year. The company has declared a gross interim ordinary dividend of 165.00c per share.

Old Mutual Limited

In its FY18 results, the company announced that its revenues fell to ZAR109.88bn, from ZAR175.93bn posted in the same period of the preceding year. Its diluted EPS rose to 104.00c, compared to 69.40c recorded in the previous year. The company has declared a final dividend of 72.00c per share.

Major global economic news

Asia

In Australia, the ANZ Roy Morgan weekly consumer confidence index dropped to a level of 109.50 in the week ended 10 March 2019, compared to a reading of 114.80 in the prior month.

In Australia, the NAB business conditions index eased to 4.00 in February, compared to a level of 7.00 in the prior month.

In Australia, the NAB business confidence index dropped to 2.00 in February, compared to a reading of 4.00 in the previous month.

In Australia, seasonally adjusted home loan approvals eased 1.2% on a monthly basis in January, less than market expectations. In the previous month, home loan approvals had recorded a revised drop of 8.0%.

Eurozone

In Germany, seasonally adjusted industrial production unexpectedly eased 0.8% on a monthly basis in January, compared to a revised advance of 0.8% in the previous month.

In Germany, non-seasonally adjusted current account surplus narrowed to EUR18.30bn in January, following a revised surplus of EUR23.10bn in the previous month.

In Germany, seasonally adjusted trade surplus unexpectedly narrowed to EUR18.50bn in January, compared to a revised surplus of EUR19.90bn in the prior month.

US

In the US, advance retail sales registered an unexpected rise of 0.2% on a monthly basis in January. In the prior month, advance retail sales had fallen by a revised 1.6%.

In the US, business inventories registered a rise of 0.6% on a monthly basis in December, in line with market expectations. Business inventories had recorded a revised flat reading in the prior month.

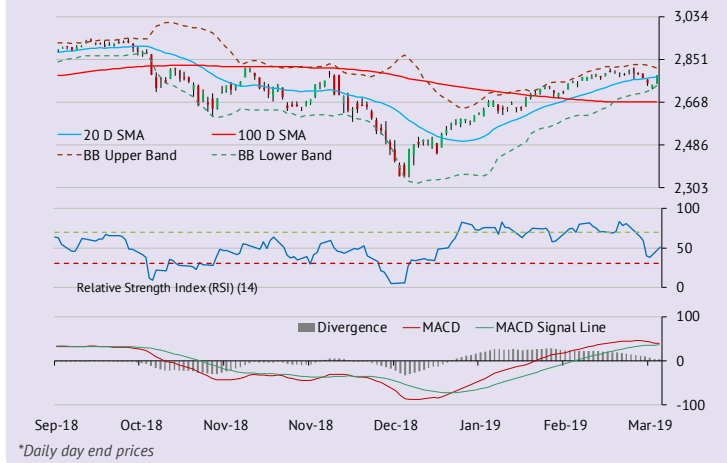
Technical snapshot

JSE All Share



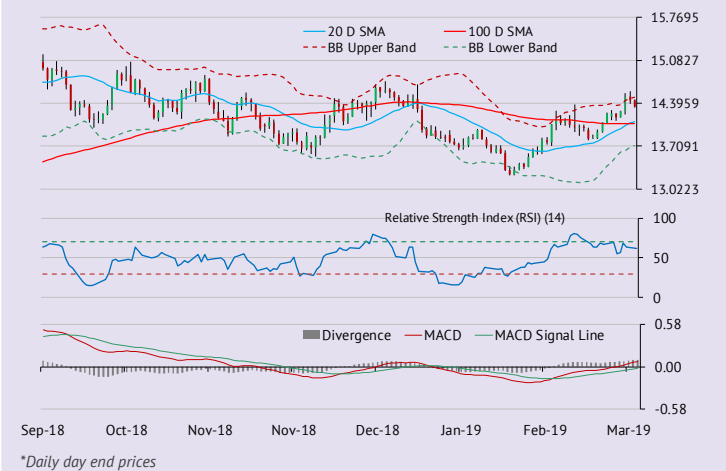
The JSE All Share index is expected to find support at 55,138.64, and a fall through could take it to the next support level of 54,696.63. The index is expected to find its first resistance at 56,282.08, and a rise through could take it to the next resistance level of 56,983.51.

S&P 500



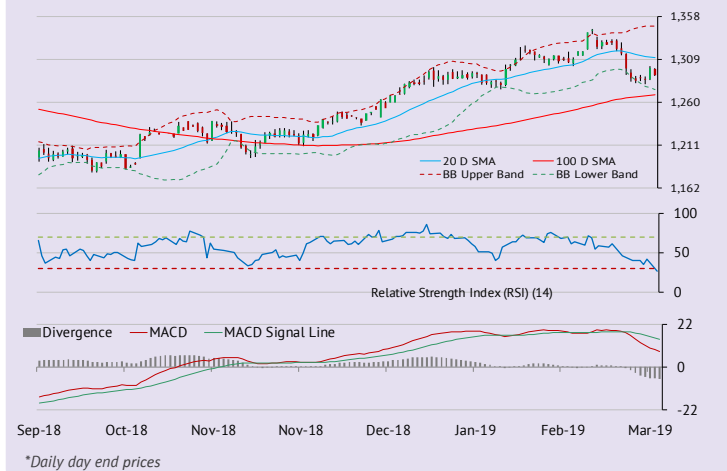
The S&P 500 index is expected to find support at 2,738.23, and a fall through could take it to the next support level of 2,693.17. The index is expected to find its first resistance at 2,812.40, and a rise through could take it to the next resistance level of 2,841.51.

USD ZAR



The pair is expected to find support at 14.1065, and a fall through could take it to the next support level of 13.8738. The pair is expected to find its first resistance at 14.5790, and a rise through could take it to the next resistance level of 14.8188.

XAU USD



Gold is expected to find support at \$1,280.83/oz, and a fall through could take it to the next support level of \$1,270.57/oz. The precious metal is expected to find its first resistance at \$1,301.33/oz, and a rise through could take it to the next resistance level of \$1,311.57/oz.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/	Previous	Frequency
US	01:00	Powell Gives Welcome Remarks at Conference in Washington	✓✓✓	-	-	As scheduled
Japan	01:50	BSI Large Manufacturing (QoQ) (Q1)	✓✓	-7.30*	5.50	Quarterly
Eurozone	10:45	SSM's Enria Speaks in Basel	✓	-	-	As scheduled
UK	11:30	Industrial Production (MoM) (Jan)	✓✓✓	0.20%	-0.50%	Monthly
UK	11:30	Industrial Production (YoY) (Jan)	✓✓✓	-1.30%	-0.90%	Monthly
UK	11:30	Manufacturing Production (MoM) (Jan)	✓✓✓	0.20%	-0.70%	Monthly
UK	11:30	Manufacturing Production (YoY) (Jan)	✓✓✓	-1.90%	-2.10%	Monthly
UK	11:30	Construction Output s.a. (YoY) (Jan)	✓	-0.20%	-2.40%	Monthly
UK	11:30	Total Trade Balance (Jan)	✓✓✓	-GBP3.50bn	-GBP3.23bn	Monthly
UK	11:30	Trade Balance; non-EU (Jan)	✓✓✓	-GBP3.80bn	-GBP3.64bn	Monthly
UK	11:30	Visible Trade Balance (Jan)	✓✓✓	-GBP12.20bn	-GBP12.10bn	Monthly
US	12:00	NFIB Small Business Optimism (Feb)	✓	102.50	101.20	Monthly
US	14:30	Consumer Price Index (MoM) (Feb)	✓✓✓	0.20%	0.00%	Monthly
US	14:30	Consumer Price Index (YoY) (Feb)	✓✓✓	1.60%	1.60%	Monthly
US	14:45	Brainard Speaks at Community Reinvestment Conference in DC	✓	-	-	As scheduled
US	14:55	Redbook Index (YoY) (08-Mar)	✓	-	4.20%	Weekly
US	14:55	Redbook Index s.a. (MoM) (08-Mar)	✓	-	-1.60%	Weekly
Eurozone	-	EcoFin Meeting	✓✓	-	-	As scheduled
UK	-	UK Parliamentary vote on Brexit	✓✓✓	-	-	As scheduled
US	-	Fed's Chair Powell speech	✓✓✓	-	-	As scheduled
China	-	FDI - Foreign Direct Investment YTD (YoY) (Feb)	✓	-	4.80%	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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