

ONE Minute Brief

19 March 2019

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Economic and political news

The Agbiz/IDC Agribusiness Confidence Index rose to 46.00 in 1Q19, compared to a reading of 42.00 in the prior quarter.

An inquiry by Parliament's Portfolio Committee on Home Affairs found that the application made by Ajay Gupta and his family for early naturalisation granted by former Home Affairs Minister, Malusi Gigaba, was fraudulent and incorrect.

Yesterday, the South African labour court rejected an application made by the Association of Mineworkers & Construction Union (AMCU) to halt the restructuring process at Sibanye Stillwater's gold operations.

Eskom announced that it would continue with planned power cuts this week, amid capacity shortages.

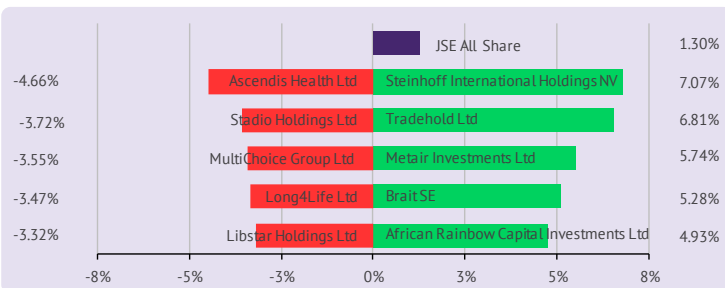
Former African National Congress MP, Makhosi Khoza, has rejected claims that she left the Organisation Undoing Tax Abuse (Outa) to join the Democratic Alliance.

South Africa Market ▲

South African markets closed higher

South African markets closed in the green yesterday, boosted by gains in banking, platinum mining and resources sector stocks. The JSE All Share Index rose 1.3% to close at 56,769.86.

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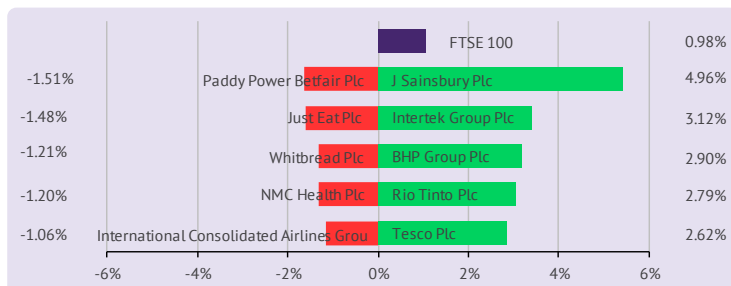


UK Market ▲

The FTSE 100 futures are trading in negative territory

UK markets finished higher yesterday, as the British Pound weakened, after parliamentary speaker, John Bercow rejected another vote on Theresa May's Brexit deal. The FTSE 100 Index advanced 1.0% to close at 7,299.19.

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Key indices

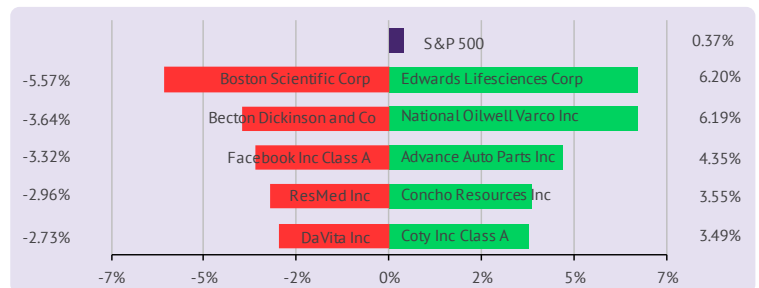
	As at 18 March 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	56769.86	▲ 729.65	1.30	1.30	1.37	3.41	7.65
JSE Top 40 (ZAR)	50388.59	▲ 704.56	1.42	1.42	1.45	3.57	7.84
FTSE 100 (GBP)	7299.19	▲ 70.91	0.98	0.98	3.17	1.52	8.49
DAX 30 (EUR)	11657.06	▼ -28.63	-0.25	-0.25	1.23	3.07	10.40
CAC 40 (EUR)	5412.83	▲ 7.51	0.14	0.14	3.29	4.96	14.42
S&P 500 (USD)	2832.94	▲ 10.46	0.37	0.37	1.74	2.97	13.01
Nasdaq Composite (USD)	7714.48	▲ 25.95	0.34	0.34	2.42	3.44	16.26
DJIA (USD)	25914.10	▲ 65.23	0.25	0.25	-0.01	3.67	11.09
MSCI Emerging Markets (USD)	1069.26	▲ 11.97	1.13	1.13	1.74	0.10	10.70
MSCI Developed World (USD)	2117.99	▲ 9.21	0.44	0.44	1.54	2.83	12.42

US Market ▲

The S&P 500 futures are trading in the green

US markets closed higher yesterday, supported by gains in financial and energy sector stocks and ahead of the FOMC rate decision. Data indicated that the US NAHB housing market index remained unchanged in March. The S&P 500 Index climbed 0.4% to close at 2,832.94.

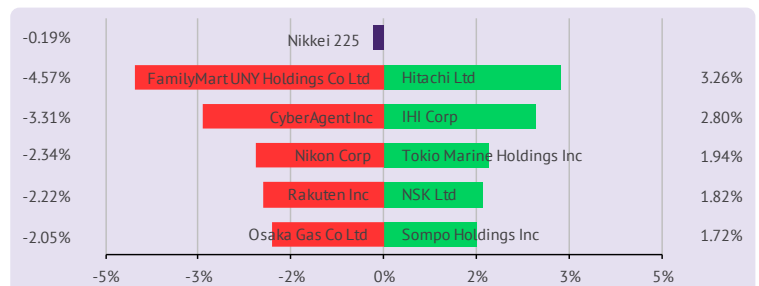
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Asian Market ▼

Trading lower

Asian markets are trading lower this morning. The Nikkei 225 Index is trading 0.2% lower at 21,544.48.



USD ZAR ▼

USD trading weaker against ZAR

At 06:00 SAST, the US Dollar is trading 0.2% lower against the South African Rand at R14.4259. Later today, traders will keep a close watch on the US factory orders and durable goods orders for further cues.

The US Dollar rose against the South African Rand yesterday. On the macro front, the US NAHB housing market index recorded an unchanged reading in March.

GBP ZAR ▲

GBP trading higher against ZAR

At 06:00 SAST, the British Pound is trading 0.1% firmer against the South African Rand at R19.1549. Ahead in the day, traders will keep an eye on the UK's ILO unemployment rate and average weekly earnings for further direction.

The British Pound declined against the South African Rand yesterday, after Britain's parliamentary speaker, John Berkow, ruled out a third vote on Theresa May's Brexit plan.

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EUR ZAR ▼

EUR trading lower against ZAR

At 06:00 SAST, the Euro slightly fell against the South African Rand to trade at R16.3723. Going forward, market participants will keep a tab on the Eurozone's ZEW survey economic sentiment index and construction output data along with Germany's ZEW survey indices for further indications.

The Euro strengthened against the South African Rand yesterday. Data indicated that the Eurozone's trade surplus widened in January.

AUD ZAR ▼

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar dropped 0.1% against the South African Rand to trade at R10.2491. Earlier in the session, Australia's ANZ Roy Morgan weekly consumer confidence index recorded a drop in the week ended 17 March 2019. Additionally, the house price index declined more than market forecast on a quarterly basis in the fourth quarter of 2018.

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	14.4259	▼	0.33	0.33	2.59	6.27	0.72
GBPZAR	19.1549	▲	-0.07	-0.07	2.46	7.50	4.46
EURZAR	16.3723	▼	0.40	0.40	2.26	5.58	-0.48
AUDZAR	10.2491	▼	0.53	0.53	2.68	3.66	1.35
EURUSD	1.1347	▲	0.10	0.10	-0.30	-0.67	-1.13
GBPUSD	1.3277	▲	-0.26	-0.26	-0.06	1.17	3.93
Brent (\$/barrel)	67.6	▲	0.57	0.57	1.85	8.99	25.54
Gold (\$/oz)	1307.3	▲	-0.11	-0.11	-1.11	-0.27	1.58
Platinum (\$/oz)	837.7	▲	0.26	0.26	-4.71	6.12	4.79
Copper (\$/MT)*	6458.0	▲	0.19	0.19	-1.49	6.57	8.56

*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 \$1,307.30/oz, amid speculation that the Federal Reserve would maintain a dovish stance at its policy meeting.

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Yesterday, gold prices fell 0.1% to close at \$1,301.50/oz, ahead of the Federal Reserve's interest rate decision.

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Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil gained 0.1% to trade at \$67.62/bl, amid OPEC-led supply cuts and US sanctions against Iran and Venezuela.

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Yesterday, Brent crude oil advanced 0.6% to settle at \$67.54/bl, as the Organization of the Petroleum Exporting Countries and other oil producing countries indicated that they would continue their crude production cuts until June. Meanwhile, the Energy Information Administration forecasted that the US shale output will rise by 85,000bls a day to 8.592mn bls a day in April.

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Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices gained 0.4% to trade at \$837.70/oz.

Yesterday, platinum prices climbed 0.3% to close at \$834.00/oz.

Major South African corporate news

Advtech Limited

In its FY18 results, the company announced that its revenues advanced 11.0% to ZAR4.39bn from ZAR3.94bn in the preceding year. Its diluted EPS stood at 74.10c, up from 68.60c recorded in the previous year. The company has declared a full year dividend of 30.00c per share.

Grand Parade Investments Limited

In its 1H19 results, the company indicated that its revenues increased to ZAR707.33mn, compared to ZAR554.17mn posted in the corresponding period of the previous year. Its diluted EPS rose to 8.39c from 6.97c recorded in the prior year.

Ascendis Health Limited

In its 1H19 results, the company announced that its revenues rose to ZAR3.96bn from ZAR3.85bn posted in the same period of the preceding year. Its basic and diluted EPS stood at 45.80c, up from 52.30c posted in the previous year.

Sun International Limited

In its FY18 results, the company indicated that its revenues rose to ZAR3.22bn from ZAR3.02bn posted in the previous year. Its diluted loss per share stood at 6.00c compared to 243.00c recorded in the prior year.

Major global economic news

Asia

The Reserve Bank of Australia (RBA), in its March monetary policy meeting, held its benchmark interest rate unchanged at 1.5%. Further, the policymakers reiterated that there was not a strong case for a near-term adjustment in monetary policy. Meanwhile, the members expressed concerns over “significant uncertainties” influencing Australia’s economic outlook.

In Australia, the ANZ Roy Morgan weekly consumer confidence index fell to a level of 103.80 in the week ended 17 March 2019, compared to a level of 109.50 in the prior week.

In Australia, the house price index registered a more-than-expected drop of 2.4% on a quarterly basis in 4Q18. In the prior quarter, the index had registered a drop of 1.5%.

US

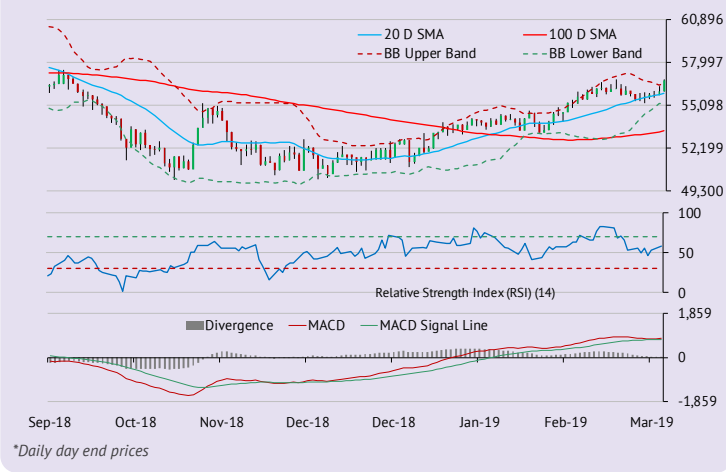
In the US, the NAHB housing market index remained unchanged at 62.00 in March.

Eurozone

In the Eurozone, seasonally adjusted trade surplus widened to EUR17.00bn in January, compared to a revised surplus of EUR16.00bn in the prior month.

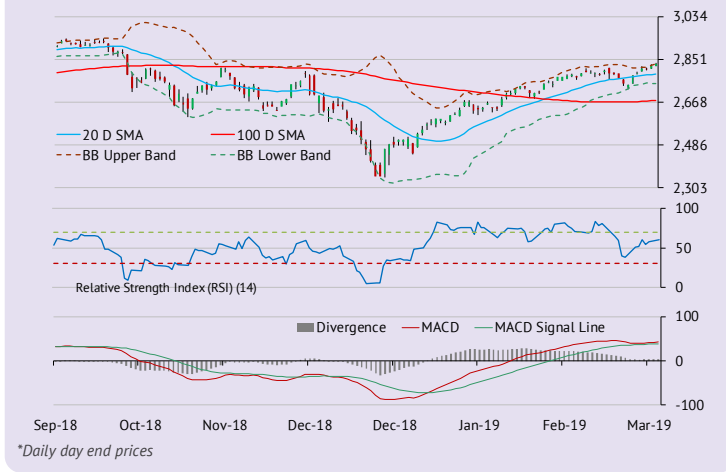
Technical snapshot

JSE All Share



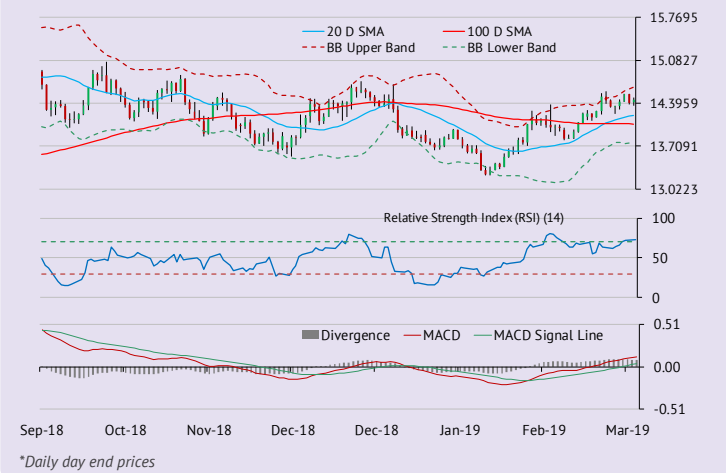
The JSE All Share index is expected to find support at 55,720.78, and a fall through could take it to the next support level of 54,671.70. The index is expected to find its first resistance at 57,344.04, and a rise through could take it to the next resistance level of 57,918.22.

S&P 500



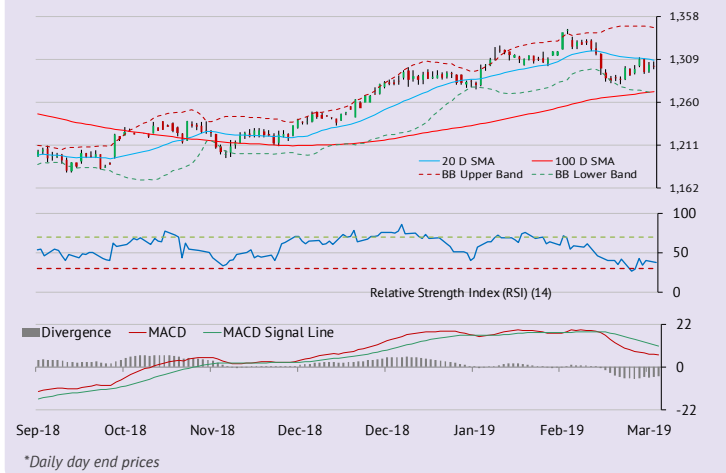
The S&P 500 index is expected to find support at 2,801.31, and a fall through could take it to the next support level of 2,769.68. The index is expected to find its first resistance at 2,849.99, and a rise through could take it to the next resistance level of 2,867.04.

USD ZAR



The pair is expected to find support at 14.2685, and a fall through could take it to the next support level of 14.0876. The pair is expected to find its first resistance at 14.5879, and a rise through could take it to the next resistance level of 14.7264.

XAU USD



Gold is expected to find support at \$1,291.80/oz, and a fall through could take it to the next support level of \$1,282.10/oz. The precious metal is expected to find its first resistance at \$1,311.40/oz, and a rise through could take it to the next resistance level of \$1,321.30/oz.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus	Previous/ **Previous est.	Frequency
Japan	01:50	The BoJ releases 4Q Money Flow	✓	-	-	As scheduled
UK	11:30	Claimant Count Change (Feb)	✓✓✓	-	14.20K	Monthly
UK	11:30	Claimant Count Rate s.a. (Feb)	✓✓	-	2.80%	Monthly
UK	11:30	Average Earnings Excluding Bonus (3Mo/Yr) (Jan)	✓	3.40%	3.40%	Monthly
UK	11:30	Average Earnings Including Bonus (3Mo/Yr) (Jan)	✓✓	3.20%	3.40%	Monthly
UK	11:30	ILO Unemployment Rate (3M) (Jan)	✓✓✓	4.00%	4.00%	Monthly
UK	11:30	Employment Change (3M/3M) (Jan)	✓✓✓	120.00K	167.00K	Monthly
Eurozone	12:00	Labour Cost (Q4)	✓	-	2.50%	Quarterly
Eurozone	12:00	Construction Output s.a. (MoM) (Jan)	✓✓✓	-	-0.40%	Monthly
Eurozone	12:00	Construction Output w.d.a. (YoY) (Jan)	✓	-	0.70%	Monthly
Eurozone	12:00	ZEW Survey - Economic Sentiment (Mar)	✓✓	-	-16.60	Monthly
Germany	12:00	ZEW Survey - Current Situation (Mar)	✓✓	13.00	15.00	Monthly
Germany	12:00	ZEW Survey - Economic Sentiment (Mar)	✓✓✓	-11.00	-13.40	Monthly
US	14:55	Redbook Index (YoY) (15-Mar)	✓	-	4.40%	Weekly
US	14:55	Redbook Index s.a. (MoM) (15-Mar)	✓	-	-0.30%	Weekly
US	16:00	Inventories / Shipment Ratio (Jan)	✓	-	1.35	Monthly
US	16:00	Unfilled Orders/Shipments (Jan)	✓	-	6.55	Monthly
US	16:00	Cap Goods Ship Nondef Ex Air (Jan) (F)	✓	-	0.80%**	Monthly
US	16:00	Factory Orders (MoM) (Jan)	✓✓✓	0.00%	0.10%	Monthly
US	16:00	Durable Goods Orders (Jan) (F)	✓✓✓	0.40%	0.40%**	Monthly
US	16:00	Durable Goods Orders ex Transportation (Jan) (F)	✓✓	-0.10%	-0.10%**	Monthly
US	16:00	Cap Goods Orders Nondef Ex Air (Jan) (F)	✓	0.80%	0.80%**	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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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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