

ONE Minute Brief

18 March 2019

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Economic and political news

South Africa's labour court has rejected a request by the Association of Mineworkers and Construction Union (AMCU) to hold an industry-wide strike, including in the platinum and gold sectors.

Energy Minister, Jeff Radebe, has dismissed Central Energy Fund Chairman, Luvo Makasi, citing "serious allegations."

Yesterday, Gauteng Premier, David Makhura, stated that the Gauteng government will terminate all Bosasa contracts, with immediate effect.

Eskom has warned about severe power cuts until Wednesday, amid ongoing technical problems at the utility.

Key indices

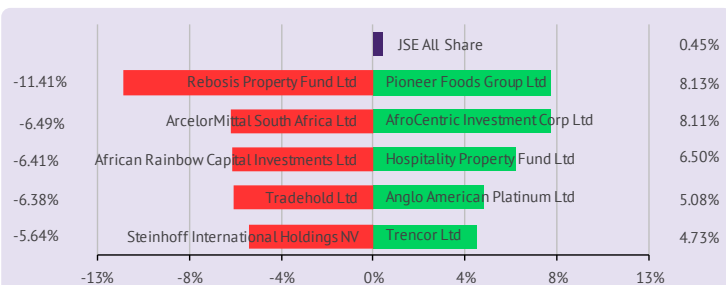
	As at 15 March 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	56040.21	▲	250.76	0.45	NA	3.41	6.26
JSE Top 40 (ZAR)	49684.03	▲	199.00	0.40	NA	3.57	6.33
FTSE 100(GBP)	7228.28	▲	42.85	0.60	NA	1.52	7.43
DAX 30 (EUR)	11685.69	▲	98.22	0.85	NA	3.07	10.67
CAC 40 (EUR)	5405.32	▲	55.54	1.04	NA	4.96	14.26
S&P 500 (USD)	2822.48	▲	14.00	0.50	NA	2.97	12.59
Nasdaq Composite (USD)	7688.53	▲	57.62	0.76	NA	3.44	15.87
DJIA (USD)	25848.87	▲	138.93	0.54	NA	3.67	10.81
MSCI Emerging Markets (USD)	1057.30	▲	9.10	0.87	NA	0.10	9.46
MSCI Developed World (USD)	2108.78	▲	12.45	0.59	NA	2.83	11.94

South Africa Market ▲

South African markets closed higher

South African markets closed in the green on Friday, amid reports of progress in US-China trade negotiations and supported by gains in banking and mining sector stocks. The JSE All Share Index rose 0.5% to close at 56,040.21.

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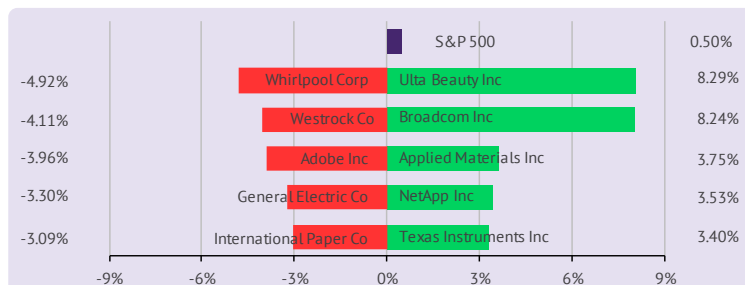


US Market ▲

The S&P 500 futures are trading in the green

US markets closed higher on Friday, amid renewed optimism over US-Sino trade talks and boosted by gains in technology sector stocks. Data revealed that the US JOLTS job openings unexpectedly rose in January. The S&P 500 Index climbed 0.5% to close at 2,822.48.

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UK Market ▲

The FTSE 100 futures are trading in positive territory

UK markets finished firmer on Friday, following Brexit delay vote and buoyed by gains in energy sector stocks. The FTSE 100 Index advanced 0.6% to close at 7,228.28.

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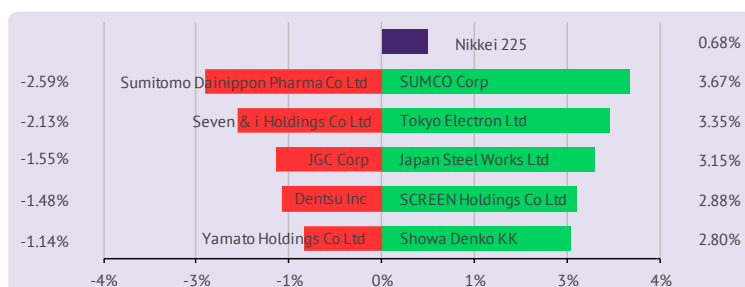


Asian Market ▲

Trading higher

Asian markets are trading higher this morning, as investors await US-China trade developments. Data showed that Japan posted a trade surplus in February. The Nikkei 225 Index is trading 0.7% higher at 21,595.80.

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USD ZAR ▲

USD trading stronger against ZAR

At 06:00 SAST, the US Dollar is trading 0.1% higher against the South African Rand at R14.4114. Later today, traders will keep a close watch on the US NAHB housing market index for further direction.

The US Dollar fell against the South African Rand on Friday, amid dismal US economic data. On the macro front, the US manufacturing production unexpectedly declined for a second consecutive month on a monthly basis in February. Additionally, the Empire State manufacturing index recorded an unexpected drop in March. Further, monthly industrial production advanced less than market forecast in February. Meanwhile, the nation's JOLTS job openings registered an unexpected rise in January. Moreover, the Michigan consumer sentiment index climbed more than market expectations in March.

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GBP ZAR ▲

GBP trading firmer against ZAR

At 06:00 SAST, the British Pound is trading 0.1% higher against the South African Rand at R19.1623. With no major economic news in the UK today, investor sentiment will be determined by global macroeconomic news. On the data front, the UK's Rightmove house prices advanced on a monthly basis in March.

The British Pound declined against the South African Rand on Friday.

EUR ZAR ▲

EUR trading higher against ZAR

At 06:00 SAST, the Euro is trading 0.1% firmer against the South African Rand at R16.3358. Going forward, market participants will keep a tab on the Eurozone's trade balance for further indication.

The Euro weakened against the South African Rand on Friday. Data indicated that the Eurozone's consumer price index (CPI) climbed in line with market expectations on an annual basis in February.

AUD ZAR ▲

AUD trading stronger against ZAR

At 06:00 SAST, the Australian Dollar climbed 0.5% against the South African Rand to trade at R10.2516.

The Australian Dollar fell against the South African Rand on Friday.

Key currencies & commodities

	Current#		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	14.4114	▲	-0.94	NA	2.25	6.27	0.38
GBPZAR	19.1623	▲	-0.51	NA	2.53	7.50	4.53
EURZAR	16.3358	▲	-0.73	NA	1.86	5.58	-0.87
AUDZAR	10.2516	▲	-0.63	NA	2.14	3.66	0.81
EURUSD	1.1335	▲	0.19	NA	-0.40	-0.67	-1.23
GBPUSD	1.3297	▲	0.36	NA	0.20	1.17	4.20
Brent (\$/barrel)	67.0	▼	-0.10	NA	1.28	8.99	24.83
Gold (\$/oz)	1298.8	▼	0.60	NA	-1.00	-0.27	1.69
Platinum (\$/oz)	827.6	▼	0.57	NA	-4.96	6.12	4.51
Copper (\$/MT)*	6445.8	▲	0.46	NA	-1.67	6.57	8.35

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

Gold ▼

Trading in the red

At 06:00 SAST, gold prices edged 0.3% lower to trade at \$1,298.80/oz, amid rise in global equities.

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On Friday, gold prices rose 0.6% to close at \$1,302.90/oz, as weakness in the US Dollar increased demand for the precious yellow metal.

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Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 0.2% lower to trade at \$67.02/bL, amid fears that economic slowdown might hurt demand for crude oil.

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On Friday, Brent crude oil dropped 0.1% to settle at \$67.16/bL, amid soaring US production. Meanwhile, Baker Hughes reported that US oil rig count fell by 1 to 833 last week.

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Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged 0.5% lower to trade at \$827.60/oz.

On Friday, platinum prices climbed 0.6% to close at \$831.80/oz.

Major South African corporate news

Investec Plc

In its FY19 pre-close trading update, the company announced that the group's performance has been supported by growth in assets under management and substantial net inflows, good loan book growth and significantly improved performance from the UK Specialist Banking business. The company anticipates revenues to be in line with the prior year. Annuity income as a percentage of total operating income is expected to be approximately 77.0%. The company expects credit loss ratio to be between 0.3% and 0.4%. Further, the company indicated that third party assets under management increased 1.9% to GBP163.70bn and net inflows of GBP6.90bn were generated for the period 31 March 2018 to 28 February 2019. Meanwhile, core loans and advances decreased 0.9% to GBP24.90bn and customer accounts (deposits) increased 1.1% to GBP31.30bn in the period.

Major global economic news

US

In the US, the JOLTs job openings unexpectedly climbed to a level of 7581.00K in January. The JOLTs job openings had registered a revised reading of 7479.00K in the previous month.

In the US, manufacturing production recorded an unexpected drop of 0.4% on a monthly basis in February. In the prior month, manufacturing production had registered a revised drop of 0.5%.

In the US, industrial production recorded a less-than-expected rise of 0.1% on a monthly basis in February, compared to a revised fall of 0.4% in the prior month.

In March, the preliminary Michigan consumer sentiment index rose more-than-anticipated to 97.80 in the US. The index had registered a level of 93.80 in the previous month.

In the US, the Empire State manufacturing index unexpectedly fell to a level of 3.70 in March, compared to a reading of 8.80 in the prior month.

Asia

Japan posted a trade surplus of JPY339.00bn in February, compared to a revised deficit of JPY1415.60bn in the previous month.

In Japan, final industrial production fell 3.4% on a monthly basis in January. In the prior month, industrial production had dropped 0.1%. The preliminary figures had indicated a drop of 3.7%.

Eurozone

In the Eurozone, the final CPI registered a rise of 1.5% on an annual basis in February, in line with market expectations. The CPI had risen 1.4% in the previous month. The preliminary figures had also indicated a rise of 1.5%.

UK

In the UK, the Rightmove house price index rose 0.4% on a monthly basis in March. In the prior month, the index had advanced 0.7%.

40 best performers on the All Share Index

Company name	Last close	1 Week % change	MTD % change	YTD % change
Impala Platinum Holdings Ltd	6424	8.15	6.71	75.14
Lonmin Plc	1280	-2.36	-3.83	52.56
Sibanye Gold Ltd	1514	2.51	-1.56	51.10
Anglo American Platinum Ltd	77758	3.49	2.47	46.02
Northam Platinum Ltd	6207	6.61	12.26	43.48
Kumba Iron Ore Ltd	37968	6.46	6.08	39.92
Royal Bafokeng Platinum Ltd	3340	13.59	9.40	34.27
Grindrod Ltd	815	-3.89	-1.81	32.52
Clover Industries Ltd	2375	5.18	6.26	30.57
Assore Ltd	35800	1.29	4.94	27.00
Quilter Plc	2756	11.62	13.74	25.73
Stenprop Ltd	2197	1.85	5.07	24.36
Distell Group Holdings Ltd	13350	0.76	11.25	24.30
British American Tobacco Plc	58278	0.77	13.87	24.18
MiX Telematics Ltd	1050	0.00	0.00	23.88
Libstar Holdings Ltd	844	17.88	6.84	20.57
DataTec Ltd	3290	2.49	4.44	20.25
Hospitality Property Fund Ltd	1049	9.27	9.27	19.89
Mpact Ltd	2510	6.81	4.63	19.47
Telkom SA SOC Ltd	7561	2.18	7.98	19.47
Hammerson Plc	7244	0.61	2.93	19.11
AECI Ltd	9913	-1.36	1.26	18.70
Raubex Group Ltd	2000	-5.44	7.53	17.65
Anglo American Plc	36900	0.69	0.99	16.79
BHP Group Plc	32877	2.03	3.01	16.36
Capitec Bank Holdings Ltd	130000	5.43	-0.48	16.28
Exxaro Resources Ltd	15984	9.11	5.36	15.94
Tradehold Ltd	1160	3.02	-7.20	15.42
South32 Ltd	3836	1.59	1.52	15.03
Investec Ltd	9042	4.29	-1.25	14.46
Gold Fields Ltd	5615	4.07	-2.01	14.22
African Rainbow Minerals Ltd	16222	4.73	-3.31	13.96
Octodec Investments Ltd	1950	-1.02	-4.13	13.90
Capital & Counties Properties Plc	4809	0.82	1.86	13.55
Ascendis Health Ltd	472	-5.79	-18.34	13.46
Net 1 UEPS Technologies Inc	5700	9.62	1.21	13.43
Investec Plc	9015	4.09	-1.55	13.17
Astral Foods Ltd	16879	5.82	3.55	12.71
Investec Property Fund Ltd	1549	-2.88	-0.06	12.65
Harmony Gold Mining Co Ltd	2835	-0.91	-4.22	12.50
JSE All Share Index	56040	0.99	0.07	6.26

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
Japan	01:50	Adjusted Merchandise Trade Balance (Feb)	✓✓✓	JPY116.10bn*	-JPY370.00bn	Monthly
Japan	01:50	Merchandise Trade Balance Total (Feb)	✓✓✓	JPY339.00bn*	-JPY1415.20bn	Monthly
Japan	01:50	Exports (YoY) (Feb)	✓✓	-1.20%*	-8.40%	Monthly
Japan	01:50	Imports (YoY) (Feb)	✓✓	-6.70%*	-0.60%	Monthly
UK	02:01	Rightmove House Price Index (MoM) (Mar)	✓	0.40%*	0.70%	Monthly
UK	02:01	Rightmove House Price Index (YoY) (Mar)	✓	-0.80%*	0.20%	Monthly
Japan	06:00	Tokyo Condominium Sales (YoY) (Feb)	✓	-6.70%*	-1.80%	Monthly
Japan	06:30	Capacity Utilisation (MoM) (Jan)	✓	-4.70%*	-1.90%	Monthly
Japan	06:30	Industrial Production (MoM) (Jan) (F)	✓✓✓	-3.40%*	-3.70%**	Monthly
Japan	06:30	Industrial Production (YoY) (Jan) (F)	✓✓✓	0.30%*	0.00%**	Monthly
Eurozone	12:00	Trade Balance n.s.a. (Jan)	✓✓	-	EUR17.00bn	Monthly
Eurozone	12:00	Trade Balance s.a. (Jan)	✓✓✓	-	EUR15.60bn	Monthly
Germany	13:00	German Buba Monthly Report	✓	-	-	As scheduled
US	16:00	NAHB Housing Market Index (Mar)	✓	63.00	62.00	Monthly
Japan	-	Nationwide Department Store Sales (YoY) (Feb)	✓	-	-2.90%	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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