

ONE  
Minute Brief

2 April 2019


  
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## Economic and political news

In South Africa (SA), the manufacturing PMI unexpectedly dropped to 45.00 in March, compared to a reading of 46.20 in the prior month. The Naamsa vehicle sales fell by 3.1% to 47,718 units in March, compared to 49,230 vehicles in the same period last year.

The South African Revenue Service (SARS) indicated that tax revenues fell ZAR15.0bn to ZAR1.287tn in the 2018/19 fiscal year. Further, SARS stated that it aims to collect 10.0% higher tax revenues of ZAR1.4tn in 2019. Separately, the Public Servants Association (PSA) reached a wage agreement with the Sars for a salary increase of 8.0%, with effect from 1 April 2019. However, the National Education, Health and Allied Workers' Union (Nehawu) was still consulting its members about the offer presented by Sars.

The New Development Bank (NDB) President, KV Kamath, stated that the bank has approved around USD790mn of loans for three South African projects, with over USD480mn of the new funding for Eskom's Medupi power plant.

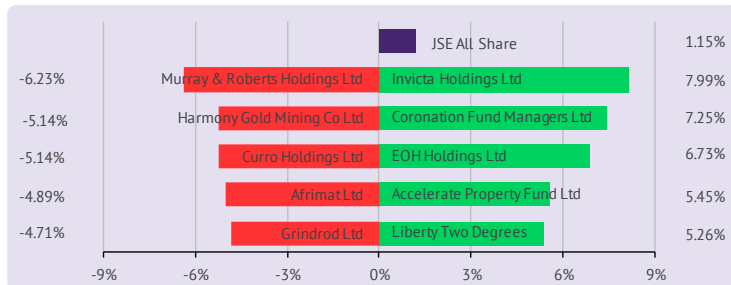
President, Cyril Ramaphosa, urged law enforcement agents to identify and prosecute those involved in recent attacks on immigrants in the country.

## South Africa Market ▲

## South African markets closed higher

South African markets closed in the green yesterday, boosted by gains in banking, financial and retail sector stocks. The JSE All Share Index rose 1.2% to close at 57,109.64.

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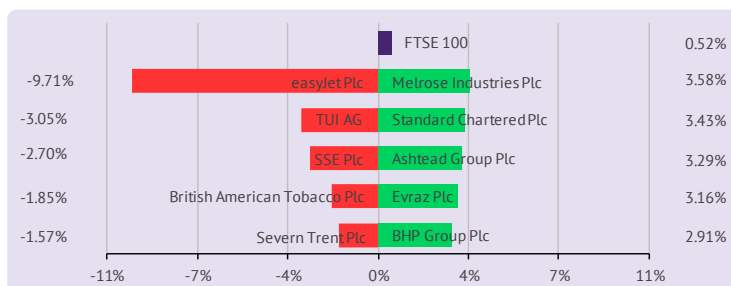


## UK Market ▲

## The FTSE 100 futures are trading in positive territory

UK markets finished higher yesterday, supported by gains in mining and banking sector stocks. Data revealed that UK's Markit manufacturing PMI unexpectedly advanced in March. The FTSE 100 Index advanced 0.5% to close at 7,317.38.

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## Key indices

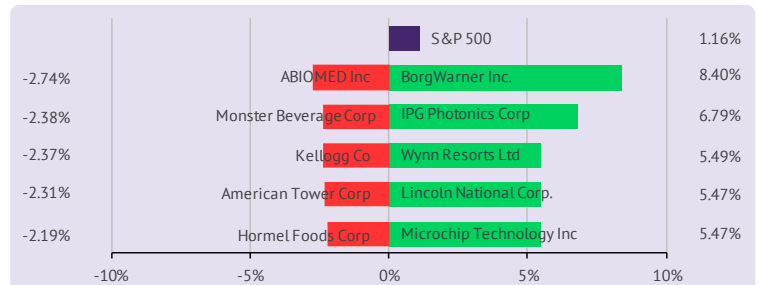
	As at 01 April 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	57109.64	▲ 647.09	1.15	1.15	1.15	0.82	8.29
JSE Top 40 (ZAR)	50879.64	▲ 605.71	1.20	1.20	1.20	1.22	8.89
FTSE 100 (GBP)	7317.38	▲ 38.19	0.52	0.52	0.52	2.89	8.76
DAX 30 (EUR)	11681.99	▲ 155.95	1.35	1.35	1.35	0.09	10.64
CAC 40 (EUR)	5405.53	▲ 55.00	1.03	1.03	1.03	2.10	14.27
S&P 500 (USD)	2867.19	▲ 32.79	1.16	1.16	1.16	1.79	14.37
Nasdaq Composite (USD)	7828.91	▲ 99.59	1.29	1.29	1.29	2.61	17.99
DJIA (USD)	26258.42	▲ 329.74	1.27	1.27	1.27	0.05	12.56
MSCI Emerging Markets (USD)	1070.09	▲ 11.96	1.13	1.13	1.13	0.68	10.78
MSCI Developed World (USD)	2131.79	▲ 24.05	1.14	1.14	1.14	1.05	13.16

## US Market ▲

## The S&amp;P 500 futures are trading in the red

US markets closed higher yesterday, as robust manufacturing data from the US and China eased concerns over global growth. Data showed that the US ISM manufacturing index rose more-than-expected in February. The S&P 500 Index climbed 1.2% to close at 2,867.19.

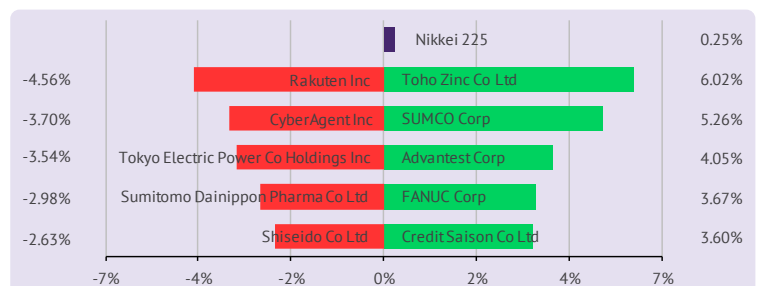
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## Asian Market ▲

## Trading higher

Asian markets are trading higher this morning. The Nikkei 225 Index is trading 0.3% higher at 21,562.93.



## USD ZAR ▲

### USD trading higher against ZAR

At 06:00 SAST, the US Dollar is trading 0.3% firmer against the South African Rand at R14.2053. Later today, traders will keep a close watch on the US durable goods orders for further cues.

The US Dollar fell against the South African Rand yesterday, after the US advance retail sales registered an unexpected decline on a monthly basis in February. Additionally, the Markit manufacturing PMI fell more than market forecast in March. Meanwhile, the nations' ISM manufacturing index climbed more than market anticipations in March. Moreover, construction spending surprised with an advance on a monthly basis in February. Further, business inventories recorded a more-than-expected rise in January. Separately, South African Rand rose against the US Dollar, after Moody's delayed a review of the country's sovereign debt rating. Data revealed that SA's manufacturing PMI registered an unexpected decline for a third consecutive month in March.

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## GBP ZAR ▲

### GBP trading stronger against ZAR

At 06:00 SAST, the British Pound is trading 0.1% firmer against the South African Rand at R18.5649. Ahead in the day, traders will keep an eye on UK's Markit construction PMI for further direction.

The British Pound declined against the South African Rand yesterday, after the UK lawmakers failed to find an alternative option to Prime Minister, Theresa May's Brexit deal. On the macro front, UK's Markit manufacturing PMI recorded an unexpected rise to a 13-month high level in March.

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## EUR ZAR ▲

### EUR trading firmer against ZAR

At 06:00 SAST, the Euro is trading 0.2% higher against the South African Rand at R15.9105. Going forward, market participants will keep a tab on the Eurozone's producer price index for further indication.

The Euro weakened against the South African Rand yesterday. Data indicated that the Eurozone's consumer price index (CPI) advanced at a slower-than-expected pace on an annual basis in March. Additionally, the Markit manufacturing PMI recorded a decline in March. Separately, Germany's Markit manufacturing PMI dropped in the same month, hitting its lowest level since July 2012.

## AUD ZAR ▲

### AUD trading stronger against ZAR

At 06:00 SAST, the Australian Dollar is trading marginally higher against the South African Rand at R10.0733. Earlier in the session, Australia's ANZ Roy Morgan weekly consumer confidence index advanced in the week ended 31 March 2019. Additionally, monthly building approvals surprisingly jumped at its fastest pace in more than five years in February.

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	14.2053	▲	-2.36	-2.36	-2.36	2.96	-1.30
GBPZAR	18.5649	▲	-1.82	-1.82	-1.82	1.15	1.25
EURZAR	15.9105	▲	-2.42	-2.42	-2.42	1.59	-3.53
AUDZAR	10.0733	▲	-2.16	-2.16	-2.16	3.00	-0.54
EURUSD	1.1201	▼	-0.04	-0.04	-0.04	-1.35	-2.22
GBPUSD	1.3070	▼	0.52	0.52	0.52	-1.72	2.74
Brent (\$/barrel)	69.2	▲	2.12	2.12	2.12	1.92	28.27
Gold (\$/oz)	1291.5	▲	-0.36	-0.36	-0.36	-1.76	0.55
Platinum (\$/oz)	851.0	▲	0.14	0.14	0.14	-3.01	6.81
Copper (\$/MT)*	6465.0	▼	-0.33	-0.33	-0.33	-1.05	8.67

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

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices edged 0.2% higher to trade at \$1,291.50/oz.

Yesterday, gold prices fell 0.4% to close at \$1,288.40/oz, amid rise in the global equities, following upbeat Chinese economic data.

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## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil advanced 0.2% to trade at \$69.17/bl, helped by strong Chinese economic data that eased demand concerns and US sanctions against Iran and Venezuela.

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Yesterday, Brent crude oil advanced 2.1% to settle at \$69.01/bl, amid signs of tightening crude oil supplies and fading worries over global economic growth, boosted demand prospects for the commodity.

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## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices edged 0.1% higher to trade at \$851.00/oz.

Yesterday, platinum prices climbed 0.1% to close at \$850.10/oz.

## Major South African corporate news

### Raubex Group Limited

In its FY19 trading statement, the company revealed that it expects HEPS to be between 45.70c and 68.60c, which is 70.0% to 80.0% lower compared to the previous year. Further, the company expects EPS to be in the range of 11.70c to 35.00c, which is 85.0% to 95.0% lower compared to the corresponding period of the preceding year.

### Trencor Limited

In its FY18 results, the company stated that its revenue decreased to ZAR0.62bn from ZAR9.63bn posted in the previous year. Its diluted EPS stood at 1,610.20c compared to a loss per share of 181.50c recorded in the prior year.

## Major global economic news

### US

In the US, advance retail sales unexpectedly eased 0.2% on a monthly basis in February. Advance retail sales had climbed by a revised 0.7% in the prior month.

In March, the final Markit manufacturing PMI fell more-than-anticipated to 52.40 in the US. The Markit manufacturing PMI had registered a reading of 53.00 in the prior month. The preliminary figures had recorded a drop to 52.50.

In March, the ISM manufacturing activity index rose to a level of 55.30 in the US, more-than-expected and compared to a reading of 54.20 in the prior month.

In the US, construction spending recorded an unexpected rise of 1.0% on a monthly basis in February. In the previous month, construction spending had registered a revised rise of 2.5%.

In the US, business inventories advanced 0.8% on a monthly basis in January, more than market forecast and compared to a revised similar rise in the previous month.

### Eurozone

In the Eurozone, the final CPI recorded a less-than-expected rise of 1.4% on an annual basis in March, compared to a rise of 1.5% in the prior month. The preliminary figures had indicated a rise of 1.5%.

In the Eurozone, unemployment rate remained unchanged at 7.8% in February, in line with market expectations.

In the Eurozone, the final Markit manufacturing PMI registered a drop to 47.50 in March. The manufacturing PMI had registered a reading of 49.30 in the prior month. The preliminary figures had indicated a drop to 47.60.

In Germany, the final Markit manufacturing PMI fell to a level of 44.10 in March. In the previous month, manufacturing PMI had registered a reading of 47.60. The preliminary figures had recorded a drop to 44.70.

### Asia

The Reserve Bank of Australia held its benchmark interest rate steady at 1.5%, as widely expected.

In Australia, the ANZ Roy Morgan weekly consumer confidence index rose to a level of 114.70 in the week ended 31 March 2019, compared to a reading of 111.80 in the prior week.

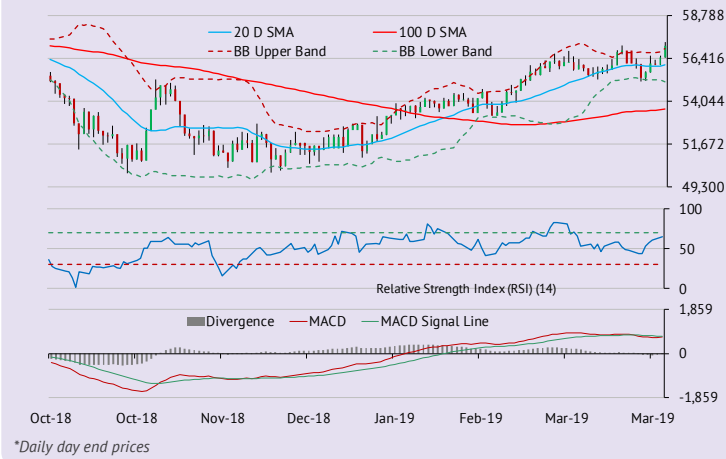
In Australia, seasonally adjusted building approvals unexpectedly jumped 19.1% on a monthly basis in February. In the prior month, building approvals had climbed by a revised 2.3%.

### UK

In the UK, the Markit manufacturing PMI unexpectedly rose to 55.10 in March, compared to a revised level of 52.10 in the prior month.

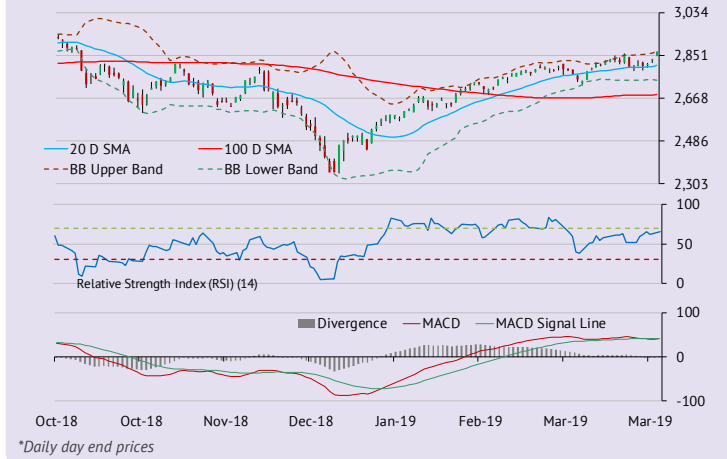
## Technical snapshot

### JSE All Share



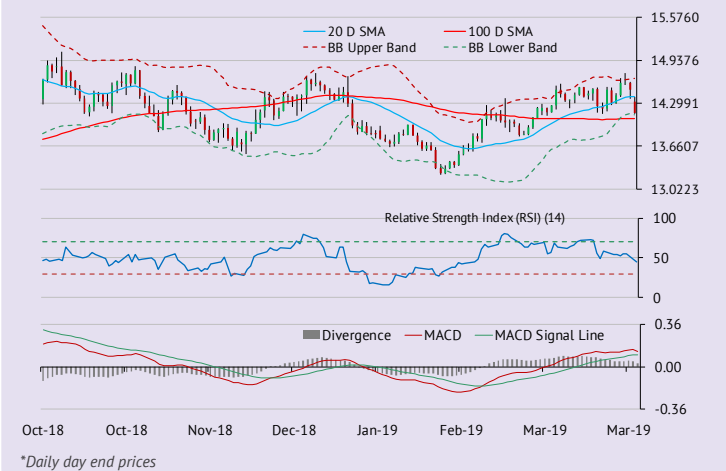
The JSE All Share index is expected to find support at 55,758.54, and a fall through could take it to the next support level of 54,407.44. The index is expected to find its first resistance at 57,889.25, and a rise through could take it to the next resistance level of 58,668.86.

### S&P 500



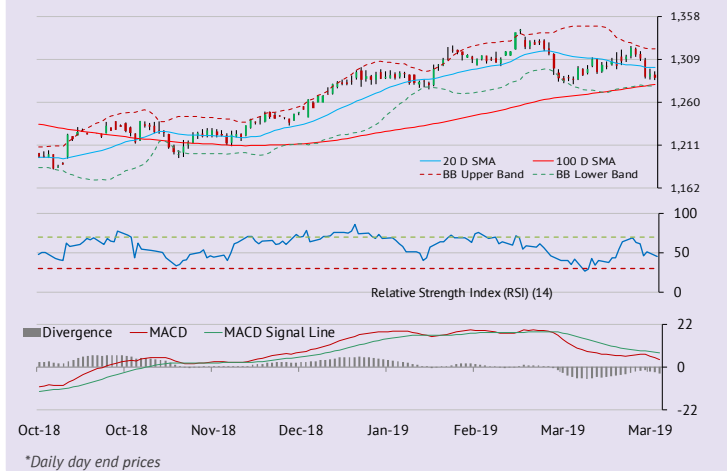
The S&P 500 index is expected to find support at 2,813.47, and a fall through could take it to the next support level of 2,759.76. The index is expected to find its first resistance at 2,895.15, and a rise through could take it to the next resistance level of 2,923.12.

### USD ZAR



The pair is expected to find support at 13,948.0, and a fall through could take it to the next support level of 13,736.6. The pair is expected to find its first resistance at 14,596, and a rise through could take it to the next resistance level of 14,959.8.

### XAU USD



Gold is expected to find support at \$1,275.07/oz, and a fall through could take it to the next support level of \$1,261.73/oz. The precious metal is expected to find its first resistance at \$1,312.37/oz, and a rise through could take it to the next resistance level of \$1,336.33/oz.

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	01:50	Monetary Base (YoY) (Mar)	✓	3.80%*	4.60%	Monthly
Japan	01:50	Monetary Base (Mar)	✓✓✓	JPY506.30tn*	JPY497.30tn	Monthly
Switzerland	08:30	Consumer Price Index (MoM) (Mar)	✓✓	0.40%	0.40%	Monthly
Switzerland	08:30	Consumer Price Index (YoY) (Mar)	✓✓	0.60%	0.60%	Monthly
Switzerland	08:30	Harmonised Index of Consumer Prices (HICP) (MoM) (Mar)	✓✓	0.20%	0.30%	Monthly
Switzerland	08:30	Harmonised Index of Consumer Prices (HICP) (YoY) (Mar)	✓✓	0.60%	0.70%	Monthly
Spain	09:00	Unemployment Change (Mar)	✓✓✓	-28.00K	3.30K	Monthly
Eurozone	09:00	ECB's Praet Speaks in Frankfurt	✓	-	-	As scheduled
UK	10:30	Markit Construction PMI (Mar)	✓✓✓	49.80	49.50	Monthly
Eurozone	11:00	Producer Price Index (MoM) (Feb)	✓✓✓	0.20%	0.40%	Monthly
Eurozone	11:00	Producer Price Index (YoY) (Feb)	✓✓✓	3.10%	3.00%	Monthly
US	14:30	Cap Goods Orders Nondef Ex Air (Feb) (P)	✓	0.10%	0.80%	Monthly
US	14:30	Cap Goods Ship Nondef Ex Air (Feb) (P)	✓	0.00%	0.80%	Monthly
US	14:30	Durable Goods Orders (Feb) (P)	✓✓✓	-1.80%	0.30%	Monthly
US	14:30	Durable Goods Orders ex Transportation (Feb) (P)	✓✓	0.10%	-0.20%	Monthly
US	14:55	Redbook Index (YoY) (29-Mar)	✓	-	5.30%	Weekly
US	14:55	Redbook Index s.a. (MoM) (29-Mar)	✓	-	0.10%	Weekly
US	-	Total Vehicle Sales (Mar)	✓	16.80mn	16.56mn	Monthly

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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