

ONE Minute Brief

4 April 2019

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Economic and political news

Yesterday, Public Enterprises Minister, Pravin Gordhan along with Eskom's CEO Phakamani Hadebe and Chairman Jabu Mabuza, held a briefing to give an update on the power grid and plans to stabilise electricity supply. During the briefing, Pravin Gordhan, stated that the board aims to avoid load shedding. However, in a worst-case scenario the country will likely experience a minimum of 25 days of stage 1 load shedding until the end of August. Further, the members revealed a winter plan starting from 1 May to ensure optimal supply of electricity for the next five months. Additionally, the Eskom board announced that they have approved about ZAR49bn for maintenance over the next 10 years and about ZAR4bn on fixing issues at Medupi and Khusile power stations.

The Electoral Commission of SA (IEC) has received objections to 30 names on the African National Congress (ANC) candidate list for parliament and provincial legislatures, including Deputy President, David Mabuza, and ANC National Chairperson, Gwede Mantashe.

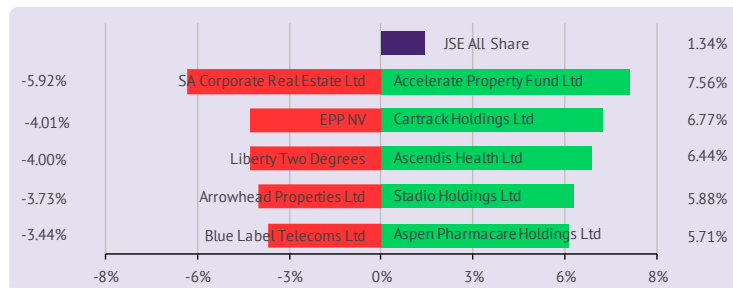
The Association of Mineworkers and Construction Union (Amcu) indicated that it would urgently appeal against a Labour Court ruling that its secondary strikes at a host of SA's mines would be unprotected.

South Africa Market ▲

South African markets closed higher

South African markets closed in the green yesterday, boosted by gains in platinum mining and retail sector stocks. The JSE All Share Index rose 1.3% to close at 57,926.01.

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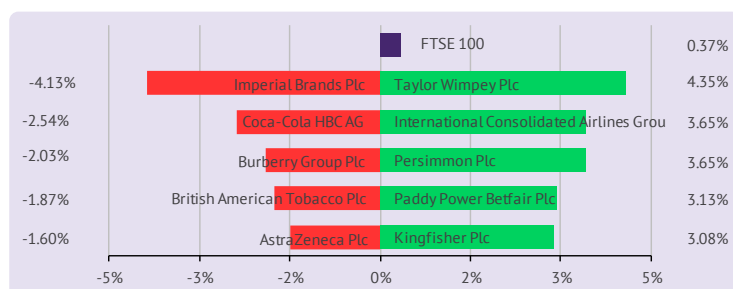


UK Market ▲

The FTSE 100 futures are trading in negative territory

UK markets finished higher yesterday, amid hopes of further delay in Brexit and supported by gains in homebuilder and banking sector stocks. Data showed that UK's Markit services PMI fell more-than-expected in March. The FTSE 100 Index advanced 0.4% to close at 7,418.28.

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Key indices

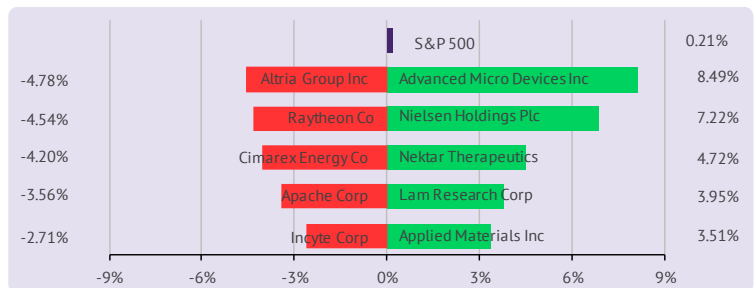
	As at 03 April 2019		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	57926.01	▲	768.01	1.34	2.59	2.59	0.82	9.84
JSE Top 40 (ZAR)	51640.70	▲	688.62	1.35	2.72	2.72	1.22	10.52
FTSE 100 (GBP)	7418.28	▲	27.16	0.37	1.91	1.91	2.89	10.26
DAX 30 (EUR)	11954.40	▲	199.61	1.70	3.72	3.72	0.09	13.22
CAC 40 (EUR)	5468.91	▲	45.44	0.84	2.21	2.21	2.10	15.60
S&P 500 (USD)	2873.40	▲	6.16	0.21	1.38	1.38	1.79	14.62
Nasdaq Composite (USD)	7895.55	▲	46.86	0.60	2.15	2.15	2.61	18.99
DJIA (USD)	26218.13	▲	39.00	0.15	1.12	1.12	0.05	12.39
MSCI Emerging Markets (USD)	1079.80	▲	8.66	0.81	2.05	2.05	0.68	11.79
MSCI Developed World (USD)	2143.02	▲	11.31	0.53	1.67	1.67	1.05	13.75

US Market ▲

The S&P 500 futures are trading in the red

US markets closed higher yesterday, amid growing optimism over US-China trade deal. Data revealed that the MBA mortgage applications climbed in the week ended 29 March 2019. The S&P 500 Index climbed 0.2% to close at 2,873.40.

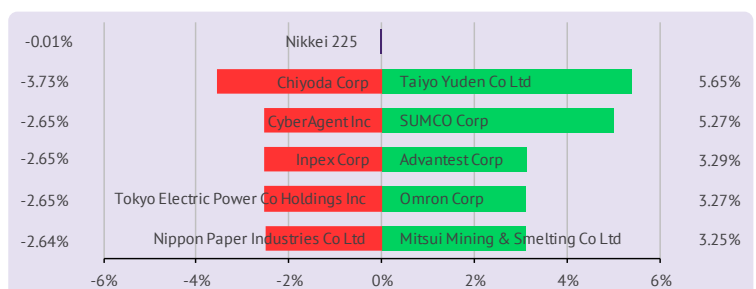
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Asian Market ◀▶

Trading mixed

Asian markets are trading mixed this morning. The Nikkei 225 Index is trading marginally lower at 21,712.17.



USD ZAR ▼

USD trading lower against ZAR

At 06:00 SAST, the US Dollar declined 0.1% against the South African Rand to trade at R14.1358. Later today, traders will keep a close watch on the US initial jobless claims for further indication.

The US Dollar fell against the South African Rand yesterday, after the US private sector jobs grew at its slowest pace in 18 months in March. Additionally, the Markit services PMI declined in March. Meanwhile, the nation's MBA mortgage applications jumped in the week ended 29 March 2019, notching its highest level in two-and-a-half years.

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GBP ZAR ▲

GBP trading higher against ZAR

At 06:00 SAST, the British Pound slightly gained against the South African Rand to trade at R18.6182. With no major economic news in the UK today, investor sentiment will be determined by global macroeconomic news.

The British Pound declined against the South African Rand yesterday, amid ongoing Brexit uncertainty. On the data front, UK's Markit services PMI declined more than market anticipations in March, recording its first drop since June 2017.

EUR ZAR ▼

EUR trading weaker against ZAR

At 06:00 SAST, the Euro marginally fell against the South African Rand to trade at R15.8914. Going forward, market participants will keep a tab on Germany's Markit construction PMI and factory orders for further direction.

The Euro weakened against the South African Rand yesterday. Data indicated that the Eurozone's Markit services PMI unexpectedly jumped in March. Additionally, retail sales rose more than market forecast on a monthly basis in February. Separately, Germany's Markit services PMI surprised with a rise in March.

AUD ZAR ▼

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar is trading slightly weaker against the South African Rand at R10.0599.

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	14.1358	▼	-0.41	-2.45	-2.45	2.96	-1.40
GBPZAR	18.6182	▲	-0.25	-1.48	-1.48	1.15	1.60
EURZAR	15.8914	▼	-0.16	-2.33	-2.33	1.59	-3.44
AUDZAR	10.0599	▼	0.17	-2.23	-2.23	3.00	-0.61
EURUSD	1.1242	▲	0.26	0.13	0.13	-1.35	-2.04
GBPUSD	1.3171	▲	0.23	0.94	0.94	-1.72	3.17
Brent (\$/barrel)	69.3	▼	-0.09	2.56	2.56	1.92	28.83
Gold (\$/oz)	1296.5	▲	-0.01	-0.24	-0.24	-1.76	0.67
Platinum (\$/oz)	871.2	▲	2.50	2.41	2.41	-3.01	9.23
Copper (\$/MT)*	6484.0	▲	1.10	-0.04	-0.04	-1.05	8.99

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

Gold ▲

Trading in the green

At 06:00 SAST, gold prices rose 0.5% to trade at \$1,296.50/oz.

Yesterday, gold prices slightly fell to close at \$1,289.90/oz, after the global stocks advanced amid progress in the US-China trade negotiations.

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Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged slightly lower to trade at \$69.28/bl.

Yesterday, Brent crude oil dropped 0.1% to settle at \$69.31/bl, after the Energy Information Administration reported that crude inventories unexpectedly rose by 7.2mn bls in the week ended 29 March 2019.

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Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged 0.2% higher to trade at \$871.20/oz.

Yesterday, platinum prices climbed 2.5% to close at \$869.40/oz.

Major South African corporate news

Pan African Resources Plc

The company announced that Mr. Rowan Smith has resigned as an independent Non-Executive Director, with effect from 3 April 2019.

Major global economic news

Eurozone

In the Eurozone, the final services PMI registered an unexpected rise to 53.30 in March, compared to a level of 52.80 in the previous month. The preliminary figures had indicated a fall to 52.70.

In the Eurozone, seasonally adjusted retail sales climbed 0.4% on a monthly basis in February, more than market expectations. Retail sales had registered a revised rise of 0.9% in the prior month.

In Germany, the final Markit services PMI unexpectedly advanced to 55.40 in March. The Markit services PMI had registered a reading of 55.30 in the prior month. The preliminary figures had recorded a drop to 54.90.

US

In the US, the ADP private sector employment recorded an increase of 129.00K in March, less-than-expected and compared to a revised increase of 197.00K in the prior month.

In the US, the final Markit services PMI recorded a drop to 55.30 in March, compared to a reading of 56.00 in the previous month. The preliminary figures had recorded a fall to 54.80.

In the US, the MBA mortgage applications jumped 18.6% in the week ended 29 March 2019. The MBA mortgage applications had recorded a rise of 8.9% in the prior week.

UK

In the UK, the Markit services PMI fell more-than-expected to a level of 48.90 in March, compared to a reading of 51.30 in the previous month.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	01:50	Foreign Buying Japan Bonds (29-Mar)	✓	JPY1570.60bn*	-JPY1487.50bn	Weekly
Japan	01:50	Foreign Buying Japan Stocks (29-Mar)	✓	JPY438.70bn*	-JPY1092.20bn	Weekly
Japan	01:50	Japan Buying Foreign Bonds (29-Mar)	✓	JPY1243.50bn*	JPY1782.00bn	Weekly
Japan	01:50	Japan Buying Foreign Stocks (29-Mar)	✓	JPY61.50bn*	-JPY74.20bn	Weekly
Germany	08:00	Factory Orders n.s.a. (YoY) (Feb)	✓✓✓	-3.10%	-3.90%	Monthly
Germany	08:00	Factory Orders s.a. (MoM) (Feb)	✓✓	0.30%	-2.60%	Monthly
UK	10:00	New Car Registrations (YoY) (Mar)	✓	-	1.40%	Monthly
South Africa	13:00	Electricity Consumption (YoY) (Feb)	✓	-	0.10%	Monthly
South Africa	13:00	Electricity Production (YoY) (Feb)	✓	-	-2.10%	Monthly
US	13:30	Challenger Job Cuts (YoY) (Mar)	✓	-	117.20%	Monthly
US	13:30	Challenger Job Cuts (Mar)	✓	-	76.84K	Monthly
Eurozone	13:30	ECB Publishes Account of March Meeting	✓✓✓	-	-	As scheduled
US	14:30	Initial Jobless Claims (30-Mar)	✓✓✓	215.00K	211.00K	Weekly
US	14:30	Continuing Jobless Claims (23-Mar)	✓✓✓	1750.00K	1756.00K	Weekly
Canada	16:00	Ivey PMI n.s.a. (Mar)	✓✓	-	48.90	Monthly
Canada	16:00	Ivey PMI s.a. (Mar)	✓✓✓	-	50.60	Monthly
US	16:30	EIA Natural Gas Storage Change (29-Mar)	✓✓✓	-40.00Bcf	-36.00Bcf	Weekly
US	19:00	Fed's Mester Speaks at Banking Conference	✓	-	-	As scheduled
US	22:00	Fed's Williams speech	✓✓	-	-	As scheduled
Japan	-	Labour Cash Earnings (YoY) (Feb)	✓✓	0.90%	1.20%	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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