

ONE Minute Brief

23 April 2019

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Economic and political news

In South Africa (SA), the consumer price index (CPI) rose 4.5% on an annual basis in March, compared to a rise of 4.1% in the previous month. Retail sales climbed 1.1% on a yearly basis in February, compared to a gain of 1.2% in the prior month.

News reports indicated that Finance Minister, Tito Mboweni, is seeking appointing former Absa CEO, Maria Ramos, to head the process of unbundling Eskom into three divisions.

Democratic Alliance head, Mmusi Maimane, has warned that South Africa will face escalating turmoil if the governing African National Congress party retains power in next month's election and fails to introduce major reforms.

Public Investment Corp has denied reports that it is considering appointing Kennedy Bungane, a former banking executive of Absa Group, as its new Chief Executive Officer.

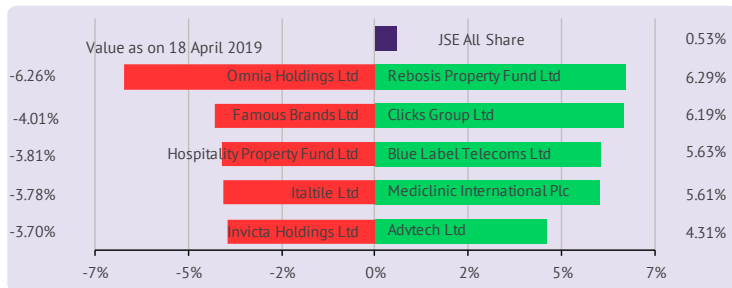
Dan Kriek, a member of the panel appointed by Ramaphosa on land reforms, indicated that he and another member had refused to sign the final report prepared by the panel and that they had prepared an alternate report.

South Africa Market ▲

South African markets closed higher

South African markets closed in the green on Thursday, supported by gains in banking and retail sector stocks. The JSE All Share Index rose 0.5% to close at 59,222.47.

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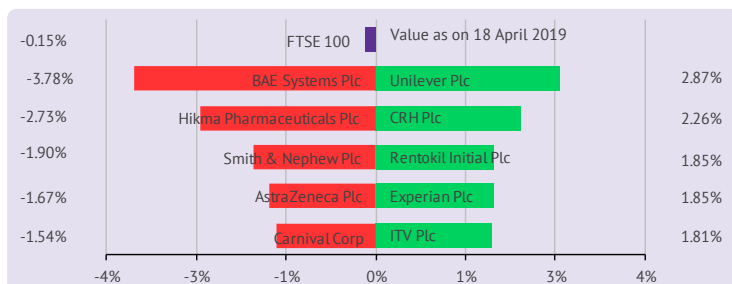


UK Market ▼

UK markets closed lower

UK markets finished lower on Thursday, amid dismal Eurozone manufacturing data and amid profit booking. The FTSE 100 Index fell 0.2% to close at 7,459.88. Today, the FTSE 100 futures are trading in positive territory.

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Key indices

	As at 22 April 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)*	59222.47	▲ 314.16	0.53	NA	4.89	0.82	12.30
JSE Top 40 (ZAR)*	52872.78	▲ 311.35	0.59	NA	5.17	1.22	13.15
FTSE 100 (GBP)*	7459.88	▼ -11.44	-0.15	NA	2.48	2.89	10.88
DAX 30 (EUR)*	12222.39	▲ 69.32	0.57	NA	6.04	0.09	15.75
CAC 40 (EUR)*	5580.38	▲ 17.29	0.31	NA	4.30	2.10	17.96
S&P 500 (USD)	2907.97	▲ 2.94	0.10	0.10	2.60	1.79	16.00
Nasdaq Composite (USD)	8015.27	▲ 17.20	0.22	0.22	3.70	2.61	20.80
DJIA (USD)	26511.05	▼ -48.49	-0.18	-0.18	2.25	0.05	13.65
MSCI Emerging Markets (USD)	1089.03	▼ -3.50	-0.32	-0.32	2.92	0.68	12.74
MSCI Developed World (USD)	2161.58	▲ 1.22	0.06	0.06	2.55	1.05	14.74

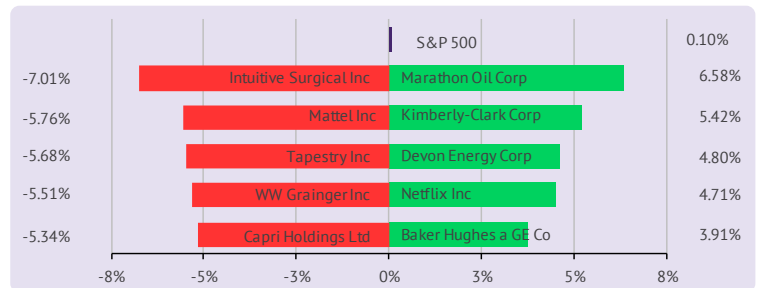
*Value as on 18 April 2019

US Market ▲

US market closed mostly higher

US markets closed mostly higher yesterday, ahead of quarterly earnings reports from major companies. The S&P 500 Index climbed 0.1% to close at 2,907.97. Today, the S&P 500 futures are trading weaker.

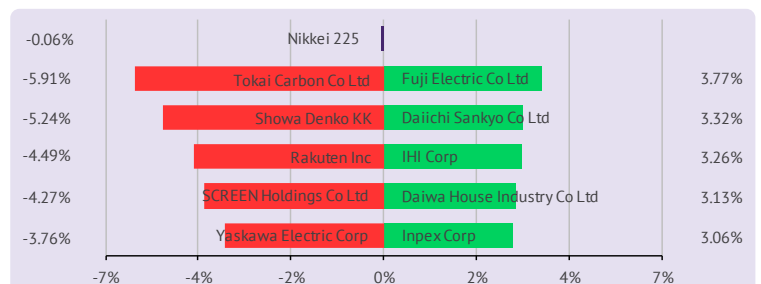
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Asian Market ▼

Trading lower

Asian markets are trading lower this morning. The Nikkei 225 Index is trading 0.1% lower at 22,204.60.



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 R14.1743. Later today, traders will keep a close watch on the US house price index, the Richmond Fed manufacturing index and new homes sales data for further cues.

The US Dollar rose against the South African Rand yesterday. Data showed that US existing homes sales fell more than market forecast in March, hitting its lowest level since 2015. Meanwhile, the Chicago Fed national activity index improved in March.

GBP ZAR ▼

GBP trading firmer against ZAR

At 06:00 SAST, the British Pound gained 0.2% against the South African Rand to trade at R18.4113. Amid no major economic releases in the UK today, investor sentiment would be determined by global macroeconomic events.

The British Pound advanced against the South African Rand yesterday.

EUR ZAR ▼

EUR trading higher against ZAR

At 06:00 SAST, the Euro advanced 0.1% against the South African Rand to trade at R15.9495. Going forward, market participants will keep a tab on the Eurozone's consumer confidence index for further direction.

The Euro strengthened against the South African Rand yesterday.

AUD ZAR ▲

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar slightly fell against the South African Rand to trade at R10.1026.

The Australian Dollar climbed against the South African Rand yesterday.

Key currencies & commodities

	Current#		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	14.1743	▼	0.69	0.69	-2.37	2.96	-1.32
GBPZAR	18.4113	▼	0.64	0.64	-2.73	1.15	0.32
EURZAR	15.9495	▼	0.69	0.69	-2.04	1.59	-3.16
AUDZAR	10.1026	▲	0.50	0.50	-1.81	3.00	-0.18
EURUSD	1.1252	▲	0.11	0.11	0.35	-1.35	-1.83
GBPUSD	1.2989	▼	-0.08	-0.08	-0.41	-1.72	1.79
Brent (\$/barrel)	74.3	▼	2.88	2.88	9.56	1.92	37.62
Gold (\$/oz)	1277.1	▼	0.13	0.13	-1.51	-1.76	-0.61
Platinum (\$/oz)	897.5	-	-0.26	-0.26	5.73	-3.01	12.77
Copper (\$/MT)*	6460.8	-	0.00	0.00	-0.40	-1.05	8.60

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

Gold ▲

Trading in the green

At 06:00 SAST, gold prices gained 0.3% to trade at \$1,277.10/oz.

Yesterday, gold prices rose 0.1% to close at \$1,273.50/oz, as weakness in the US dollar and turmoil between the US and Iran buoyed demand for the safe haven asset.

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Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged 0.4% higher to trade at \$74.30/bl, on growing concerns about tight global supplies.

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Yesterday, Brent crude oil advanced 2.9% to settle at \$74.04/bl, after the US announced plans to tighten sanctions against Iranian oil exports.

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Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices fell marginally to trade at \$897.50/oz.

Yesterday, platinum prices declined 0.3% to close at \$897.50/oz.

Major South African corporate news

Sasol Limited

In its 9M19, production and sales performance metrics, the company announced that mining productivity continued to track targeted productivity levels. The company's productivity rate improved by 10.0% from the previous year to 1,170.00 t/cm/s and its stock piles have been managed optimally to fully meet internal customer demand. The company's energy segment exceeded its prior period liquid fuel sales volumes by 4.0%. Looking ahead, the company is on track to achieve the upper end of its previous sales volumes market guidance of approximately 57.00mn to 58.00mn barrels.

Major global economic news

US

In the US, existing home sales fell 4.9% on monthly basis to a level of 5.21mn in March, more than market expectations. In the prior month, existing home sales had recorded a revised level of 5.48mn.

The Chicago Fed National Activity Index in the US rose to -0.15 in March. In the prior month, the index had recorded a revised reading of -0.31.

On a monthly basis, housing starts in the US unexpectedly dropped by 0.3% to an annual rate of 1139.00K in March, compared to a revised level of 1142.00 K in the prior month.

Building permits in the US recorded an unexpected drop of 1.7%, on MoM basis, to an annual rate of 1269.00K in March, compared to a revised reading of 1291.00 K in the prior month.

In the US, advance retail sales advanced 1.6% on a monthly basis in March, more than market forecasts and compared to a fall of 0.2% in the previous month.

In April, the preliminary Markit services PMI in the US registered a more than expected drop to 52.90, compared to a reading of 55.30 in the prior month.

UK

In March, retail sales in the UK rose 6.7% on a YoY basis, more than market expectations and compared to an advance of 4.0% in the prior month.

Eurozone

In April, the flash manufacturing PMI in the Eurozone advanced to 47.80, lower than market expectations and compared to a reading of 47.50 in the previous month.

In April, the preliminary manufacturing PMI registered a less than expected rise to 44.50 in Germany, compared to a reading of 44.10 in the previous month.

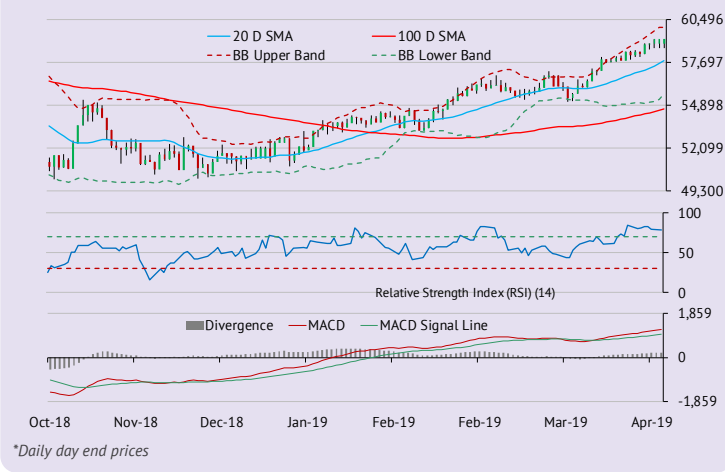
The preliminary manufacturing PMI in France unexpectedly fell to a level of 49.60 in April, compared to a level of 49.70 in the previous month.

Asia

The national CPI registered a rise of 0.5% on a YoY basis in Japan, in March, in line with market expectations and compared to a rise of 0.2% in the previous month.

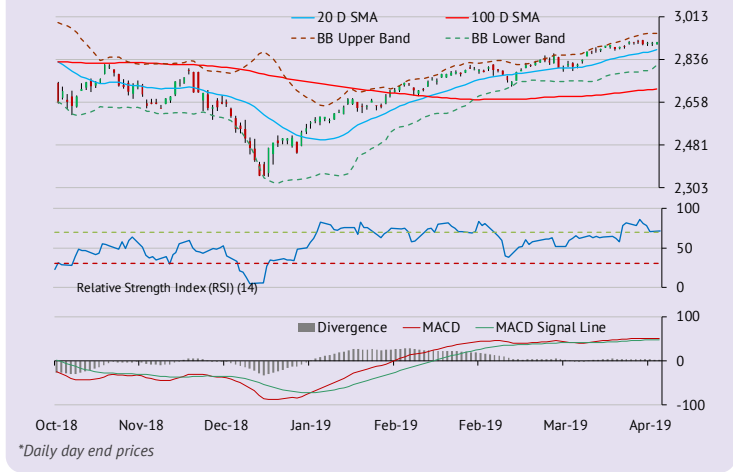
Technical snapshot

JSE All Share



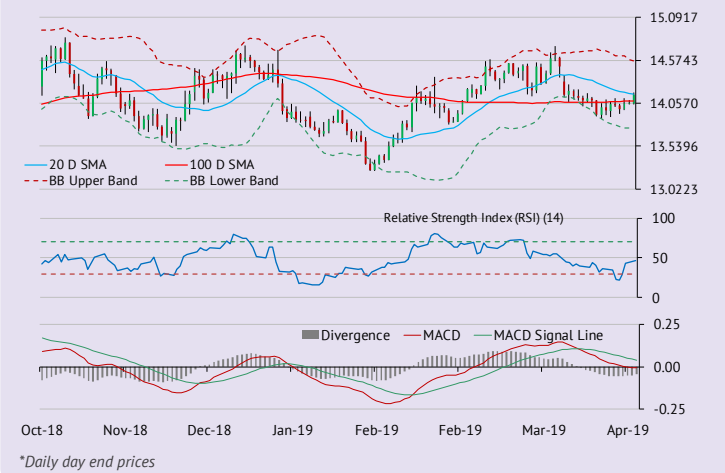
The JSE All Share index is expected to find support at 58,573.72, and a fall through could take it to the next support level of 57,924.98. The index is expected to find its first resistance at 59,546.84, and a rise through could take it to the next resistance level of 59,871.22.

S&P 500



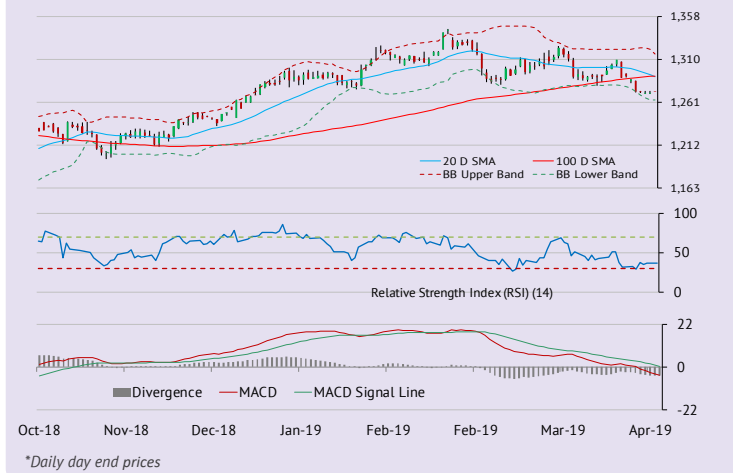
The S&P 500 index is expected to find support at 2,893.91, and a fall through could take it to the next support level of 2,879.86. The index is expected to find its first resistance at 2,920.01, and a rise through could take it to the next resistance level of 2,932.06.

USD ZAR



The pair is expected to find support at 13.9935, and a fall through could take it to the next support level of 13.8295. The pair is expected to find its first resistance at 14.2541, and a rise through could take it to the next resistance level of 14.3507.

XAU USD



Gold is expected to find support at \$1,267.33/oz, and a fall through could take it to the next support level of \$1,261.17/oz. The precious metal is expected to find its first resistance at \$1,282.43/oz, and a rise through could take it to the next resistance level of \$1,291.37/oz.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus	Previous/ **Previous est.	Frequency
Japan	07:00	Supermarket Sales (YoY) (Mar)	✓	-	-2.50%	Monthly
Japan	07:30	Nationwide Department Store Sales (YoY) (Mar)	✓	-	0.40%	Monthly
Japan	07:30	Tokyo Department Store Sales (YoY) (Mar)	✓	-	-0.50%	Monthly
Japan	08:00	Machine Tool Orders (YoY) (Mar) (F)	✓✓✓	-	-28.50%**	Monthly
South Africa	09:00	Leading Indicator (Feb)	✓	-	102.80	Monthly
France	09:15	Markit Manufacturing PMI (Apr) (F)	✓✓✓	-	49.60**	Monthly
France	09:15	Markit Services PMI (Apr) (F)	✓✓✓	-	50.50**	Monthly
Germany	09:30	Markit Manufacturing PMI (Apr) (F)	✓✓✓	-	44.50**	Monthly
Germany	09:30	Markit Services PMI (Apr) (F)	✓✓✓	-	55.60**	Monthly
Eurozone	10:00	Markit Manufacturing PMI (Apr) (F)	✓✓✓	-	47.80**	Monthly
Eurozone	10:00	Markit Services PMI (Apr) (F)	✓✓✓	-	52.50**	Monthly
Canada	14:30	Wholesale Sales (MoM) (Feb)	✓✓✓	0.10%	0.60%	Monthly
US	14:55	Redbook Index (YoY) (19-Apr)	✓	-	5.00%	Weekly
US	14:55	Redbook Index s.a. (MoM) (19-Apr)	✓	-	0.70%	Weekly
US	15:00	House Price Index s.a. (Feb)	✓✓	-	272.00	Monthly
US	15:00	Housing Price Index (MoM) (Feb)	✓	0.60%	0.60%	Monthly
US	16:00	Richmond Fed Manufacturing Index (Apr)	✓	10.00	10.00	Monthly
Eurozone	16:00	Consumer Confidence (Apr) (P)	✓✓✓	-7.00	-7.20	Monthly
US	16:00	New Home Sales (Mar)	✓✓✓	649.00 K	667.00 K	Monthly
US	16:00	New Home Sales (MoM) (Mar)	✓✓✓	-2.70%	4.90%	Monthly

Note: ✓✓✓High ✓✓Medium ✓Low

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