

ONE Minute Brief

24 April 2019

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Economic and political news

In South Africa (SA), the leading index climbed to 104.90 in February, compared to a level of 102.80 in the previous month.

Former SA President, Thabo Mbeki, stated that nationalising the South African Reserve Bank would not result in any material gains.

The South African Broadcasting Corporation board has fired its Chief Operations Officer, Chris Maroleng, with immediate effect, on charges of gross negligence and breach of fiduciary duty.

Public Enterprises Minister, Pravin Gordhan, stated that Eskom is not on the verge of financial collapse and that the government has the problem well under control.

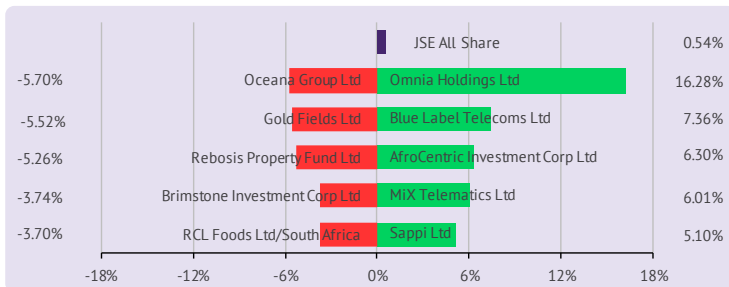
Public Protector, Busisiwe Mkhwebane, has granted a deadline extension to Public Enterprises Minister, Pravin Gordhan, to submit his affidavit in relation to the investigation of the so-called rogue unit at the South African Revenue Service.

South Africa Market ▲

South African markets closed higher

South African markets closed in the green yesterday, supported by gains in resources and industrial sector stocks. The JSE All Share Index rose 0.5% to close at 59,544.80.

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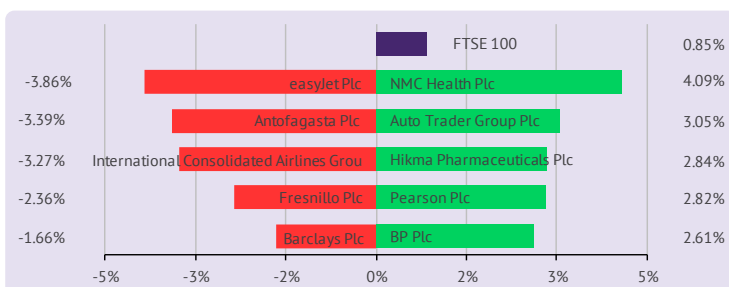


UK Market ▲

UK markets closed higher

UK markets finished stronger yesterday, as energy sector stocks advanced on the back of tighter US sanctions against Iran. The FTSE 100 Index rose 0.9% to close at 7,523.07. Today, the FTSE 100 futures are trading in negative territory.

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Key indices

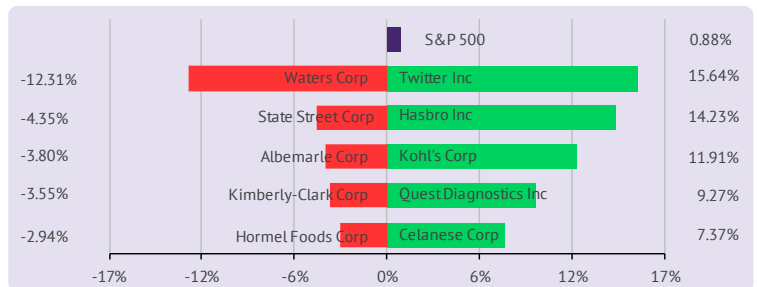
	As at 23 April 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg	
JSE All Share (ZAR)	59544.80	▲	322.33	0.54	0.54	5.46	0.82	12.91
JSE Top 40 (ZAR)	53184.19	▲	311.41	0.59	0.59	5.79	1.22	13.82
FTSE 100 (GBP)	7523.07	▲	63.19	0.85	0.85	3.35	2.89	11.82
DAX 30 (EUR)	12235.51	▲	13.12	0.11	0.11	6.16	0.09	15.88
CAC 40 (EUR)	5591.69	▲	11.31	0.20	0.20	4.51	2.10	18.20
S&P 500 (USD)	2933.68	▲	25.71	0.88	0.99	3.50	1.79	17.03
Nasdaq Composite (USD)	8120.82	▲	105.56	1.32	1.53	5.07	2.61	22.39
DJIA (USD)	26656.39	▲	145.34	0.55	0.36	2.81	0.05	14.27
MSCI Emerging Markets (USD)	1089.76	▲	0.74	0.07	-0.25	2.99	0.68	12.82
MSCI Developed World (USD)	2174.39	▲	12.81	0.59	0.65	3.16	1.05	15.42

US Market ▲

US markets closed higher

US markets closed firmer yesterday, amid robust corporate results. The S&P 500 Index climbed 0.9% to close at 2,933.68. Today, the S&P 500 futures are trading in the red.

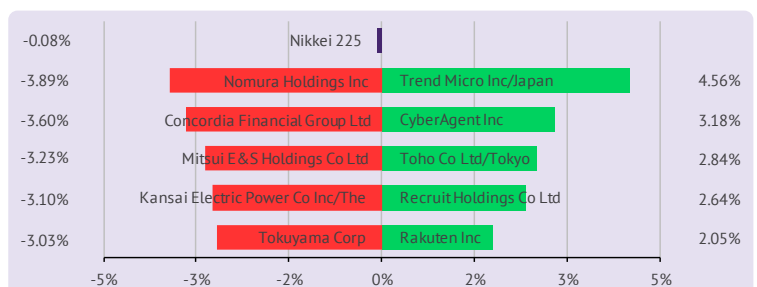
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Asian Market ▼

Trading lower

Asian markets are trading lower this morning. The Nikkei 225 Index is trading 0.08% lower at 22,242.81.



USD ZAR ▼

USD trading higher against ZAR

At 06:00 SAST, the US Dollar is trading 0.4% firmer against the South African Rand at R14.3152. Later today, traders will keep a close watch on the US MBA mortgage applications for further indication.

The US Dollar rose against the South African Rand yesterday, ahead of US 1Q GDP data scheduled to be released later in the day. Data showed that the US new home sales unexpectedly jumped to a 16-month high level in March. Meanwhile, the US house price index advanced less than market forecast on a monthly basis in February. Additionally, the Richmond Fed manufacturing index unexpectedly eased in April. Separately, in SA, the leading index climbed in February.

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GBP ZAR ▼

GBP trading stronger against ZAR

At 06:00 SAST, the British Pound advanced 0.4% against the South African Rand to trade at R18.5197. Later today, traders will keep an eye on UK's public sector net borrowing for further direction.

The British Pound advanced against the South African Rand yesterday.

EUR ZAR ▼

EUR trading firmer against ZAR

At 06:00 SAST, the Euro is trading 0.3% higher against the South African Rand at R16.0506. Going forward, market participants will keep a tab on Germany's Ifo survey indices for further cues.

The Euro strengthened against the South African Rand yesterday, Separately, data indicated that Eurozone's consumer confidence index unexpectedly fell in April.

AUD ZAR ▲

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar declined 0.6% against the South African Rand to trade at R10.0645. Earlier in the session, ANZ Roy Morgan weekly consumer confidence index in Australia climbed in the week ended 21 April 2019. Australia's consumer price index (CPI) remained flat on a quarterly basis in 1Q19.

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	14.3152	▼	0.70	1.40	-1.69	2.96	-0.63
GBPZAR	18.5197	▼	0.36	1.00	-2.38	1.15	0.68
EURZAR	16.0506	▼	0.44	1.14	-1.61	1.59	-2.73
AUDZAR	10.0645	▲	0.22	0.72	-1.60	3.00	0.04
EURUSD	1.1212	▲	-0.27	-0.16	0.08	-1.35	-2.09
GBPUSD	1.2936	▲	-0.34	-0.42	-0.74	-1.72	1.44
Brent (\$/barrel)	74.1	▼	0.63	3.53	10.25	1.92	38.49
Gold (\$/oz)	1271.3	▲	-0.33	-0.20	-1.83	-1.76	-0.94
Platinum (\$/oz)	889.1	▼	-0.94	-1.19	4.74	-3.01	11.71
Copper (\$/MT)*	6394.3	▼	-1.03	-1.03	-1.42	-1.05	7.48

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

Gold ▲

Trading in the green

At 06:00 SAST, gold prices rose 0.2% to trade at \$1,271.30/oz.

Yesterday, gold prices fell 0.3% to close at \$ 1,269.30/oz, as strength in the US dollar lowered demand for the precious yellow metal.

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Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil dropped 0.5% to trade at \$74.13/bl, amid signs of adequate oil supplies in the global markets.

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Yesterday, Brent crude oil advanced 0.6% to settle at \$74.51/bl, after Organisation of the Petroleum Exporting Countries' officials stated that they would increase output only if there was demand. Meanwhile, the American Petroleum Institute reported that the US crude oil inventories unexpectedly rose by 6.9mn bls in the week ended 19 April 2019.

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Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged marginally lower to trade at \$889.10/oz.

Yesterday, platinum prices declined 0.9% to close at \$889.10/oz.

Major South African corporate news

Mr Price Group Limited

The company announced that its ordinary shares will be traded on the A2X exchange, with effect from 2 May 2019. However, the company would retain its primary listing on the Johannesburg Stock Exchange and its issued share capital will be unaffected by the secondary listing on A2X.

Major global economic news

Asia

In Japan, final machine tool orders declined 28.5% on an annual basis in March, in line with preliminary figures. In the prior month, machine tool orders had recorded a drop of 29.3%.

In Japan, the all industry activity index fell 0.2% on a monthly basis in February, compared to a revised flat reading in January.

In Australia, the ANZ Roy Morgan weekly consumer confidence index climbed to a level of 119.50 in the week ended 21 April 2019, compared to a level of 115.30 in the previous week.

Australia's CPI remained flat in 1Q19, lower than market expectations. The CPI had advanced 0.5% in the prior quarter.

US

In the US, new home sales unexpectedly climbed by 4.5% on a monthly basis to a level of 692.00K in March. New homes sales had registered a revised reading of 662.00K in the prior month.

The US house price index advanced 0.3% on a monthly basis in February, less than market expectations and compared to a gain of 0.6% in the previous month.

The Richmond Fed manufacturing index in the US unexpectedly dropped to 3.00 in April. In the previous month, the index had registered a reading of 10.00.

Eurozone

In the Eurozone, the consumer confidence index unexpectedly fell to -7.90 in April, compared to a level of -7.20 in the previous month.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
Japan	01:50	Corporate Service Price (YoY) (Mar)	✓	1.10%*	1.10%	Monthly
Japan	06:30	All Industry Activity Index (MoM) (Feb)	✓✓✓	-0.20%*	0.00%	Monthly
Japan	07:00	Coincident Index (Feb) (F)	✓	-	98.80**	Monthly
Japan	07:00	Leading Economic Index (Feb) (F)	✓✓✓	-	97.40**	Monthly
South Africa	08:00	BER Consumer Confidence (Q1)	✓	6.00	7.00	Quarterly
France	08:45	Business Survey Overall Demand (Apr)	✓	-	1.00	Monthly
France	08:45	Own-Company Production Outlook (Apr)	✓	-	10.00	Monthly
France	08:45	Business Climate (Apr)	✓	104.00	104.00	Monthly
France	08:45	Production Outlook Indicator (Apr)	✓	-1.00	-1.00	Monthly
Switzerland	10:00	ZEW Survey - Expectations (Apr)	✓✓	-	-26.90	Monthly
Spain	10:00	Trade Balance (Feb)	✓✓✓	-	-EUR4.48 bn	Monthly
Germany	10:00	IFO - Business Climate (Apr)	✓✓✓	99.90	99.60	Monthly
Germany	10:00	IFO - Current Assessment (Apr)	✓✓	103.50	103.80	Monthly
Germany	10:00	IFO - Expectations (Apr)	✓✓	96.10	95.60	Monthly
UK	10:30	Public Sector Net Cash Requirement (Mar)	✓✓	-	GBP0.60 bn	Monthly
UK	10:30	PSNB ex Interventions (Mar)	✓	GBP0.40 bn	GBP0.20 bn	Monthly
UK	10:30	Public Sector Net Borrowing (Mar)	✓✓	-GBP1.10 bn	-GBP0.70 bn	Monthly
US	13:00	MBA Mortgage Applications (19-Apr)	✓	-	-3.50%	Weekly
Canada	16:00	Bank of Canada Interest Rate Decision	✓✓✓	1.75%	1.75%	As scheduled
Canada	16:00	Bank of Canada Monetary Policy Report	✓✓✓	-	-	As scheduled
Canada	16:00	BoC Rate Statement	✓✓✓	-	-	As scheduled
Canada	16:15	BoC Press Conference	✓✓✓	-	-	As scheduled
US	16:30	DOE Cushing OK Crude Inventory (Barrels) (19-Apr)	✓✓✓	-	-1543.00 K	Weekly
US	16:30	DOE Distillate Inventory (Barrels) (19-Apr)	✓✓✓	-	-362.00 K	Weekly
US	16:30	DOE Gasoline Inventories (Barrels) (19-Apr)	✓✓✓	-	-1174.00 K	Weekly
US	16:30	EIA Crude Oil Stocks Change (Barrels) (19-Apr)	✓✓✓	-	-1.40 mn	Weekly

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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