

ONE Minute Brief

25 April 2019

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Economic and political news

In South Africa (SA), the consumer confidence index dropped to a reading of 2.00 in 1Q19, compared to a reading of 7.00 in the prior quarter.

The Labour Relations Registrar, in a government gazette notice, has expressed intentions of cancelling the registration of the Association of Mineworkers and Construction Union (AMCU) for not operating as per the Labour Relations Act.

Former Eskom CEO, Brian Molefe, has lost another appeal against an order forcing him to repay ZAR11mn he received unlawfully from the utility's pension fund.

Coal producer, Wescoal, stated that it would cut supplies to Eskom in coming weeks, after the dismissal of all 274 contract mining employees at its Vangatfontein mine following a violent strike.

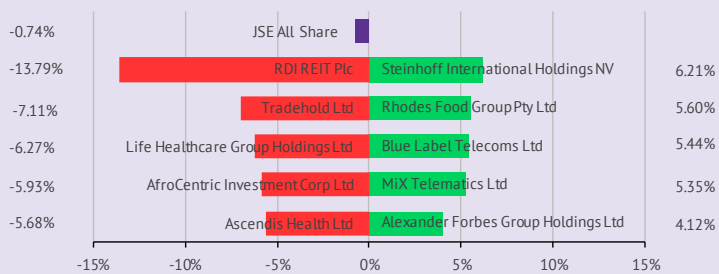
Public Enterprises Minister, Pravin Gordhan's lawyer has asked Public Protector Busisiwe Mkhwebane to provide proof that his client colluded with others, when responding to her subpoena.

South Africa Market ▼

South African markets closed lower

South African markets closed in the red yesterday, led by losses in banking, resource and retail sector stocks. The JSE All Share Index fell 0.7% to close at 59,102.68.

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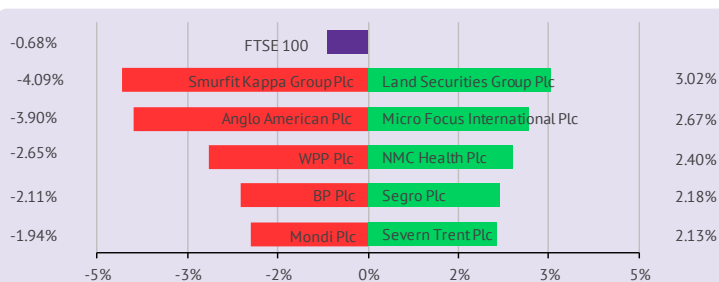


UK Market ▼

UK markets closed lower

UK markets ended lower yesterday, as mining stocks fell amid fears that China will reduce its economic stimulus. The FTSE 100 Index declined 0.7% to close at 7,471.75. Today, the FTSE 100 futures are trading in the positive territory.

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Key indices

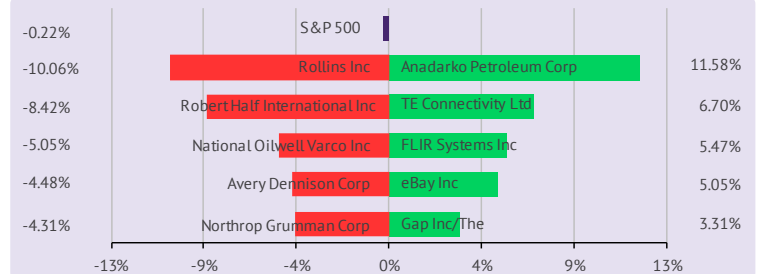
	As at 24 April 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	59102.68	▼ -442.12	-0.74	-0.20	4.68	0.82	12.07
JSE Top 40 (ZAR)	52785.57	▼ -398.62	-0.75	-0.16	5.00	1.22	12.97
FTSE 100 (GBP)	7471.75	▼ -51.32	-0.68	0.16	2.65	2.89	11.05
DAX 30 (EUR)	12313.16	▲ 77.65	0.63	0.74	6.83	0.09	16.61
CAC 40 (EUR)	5576.06	▼ -15.63	-0.28	-0.08	4.22	2.10	17.87
S&P 500 (USD)	2927.25	▼ -6.43	-0.22	0.76	3.28	1.79	16.77
Nasdaq Composite (USD)	8102.02	▼ -18.81	-0.23	1.30	4.82	2.61	22.11
DJIA (USD)	26597.05	▼ -59.34	-0.22	0.14	2.58	0.05	14.02
MSCI Emerging Markets (USD)	1084.52	▼ -5.25	-0.48	-0.73	2.49	0.68	12.28
MSCI Developed World (USD)	2168.81	▼ -5.58	-0.26	0.39	2.90	1.05	15.12

US Market ▼

US markets closed lower

US markets closed weaker yesterday, following mixed corporate earnings results. The S&P 500 Index dropped 0.2% to close at 2,927.25. Today, the S&P 500 futures are trading in the green.

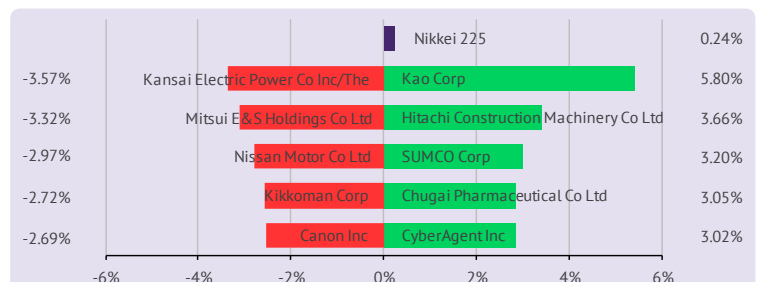
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Asian Market ▼

Trading mostly lower

Asian markets are trading mostly lower this morning. The Nikkei 225 Index is trading 0.2% higher at 22,253.29.



USD ZAR ▲

USD trading lower against ZAR

At 06:00 SAST, the US Dollar retreated 0.2% against the South African Rand to trade at R14.4138. Later today, traders will keep a close watch on the US durable goods orders, initial jobless claims and the Kansas Fed manufacturing activity for further indication.

The US Dollar rose against the South African Rand yesterday. In the US, the MBA mortgage applications fell in the week ended 19 April 2019. Separately, in SA, the consumer confidence index eased in 1Q19, hitting its lowest level since 2017.

GBP ZAR ▲

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound declined 0.1% against the South African Rand to trade at R18.6029. Later today, traders will keep an eye on UK's CBI total trends orders for further direction.

The British Pound advanced against the South African Rand yesterday. In the UK, the public sector net borrowing posted a deficit in March.

EUR ZAR ▲

EUR trading lower against ZAR

At 06:00 SAST, the Euro fell 0.2% against the South African Rand to trade at R16.0807. Amid no major economic news in the Eurozone today, investor sentiment will be determined by global macroeconomic factors.

The Euro strengthened against the South African Rand yesterday. Data showed that Germany's Ifo business climate index unexpectedly declined to a 3-year low level in April. Additionally, the Ifo current assessment index fell more than expected in April, marking its lowest level since March 2017. Further, the Ifo business expectations index unexpectedly dropped in April.

AUD ZAR ▲

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar dropped 0.1% against the South African Rand to trade at R10.1180.

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	14.4138	▲	1.26	2.67	-0.45	2.96	0.62
GBPZAR	18.6029	▲	0.97	1.98	-1.43	1.15	1.65
EURZAR	16.0807	▲	0.60	1.75	-1.02	1.59	-2.14
AUDZAR	10.1180	▲	0.04	0.76	-1.56	3.00	0.08
EURUSD	1.1156	▼	-0.64	-0.80	-0.56	-1.35	-2.72
GBPUSD	1.2906	▼	-0.28	-0.70	-1.02	-1.72	1.16
Brent (\$/barrel)	74.6	▲	0.08	3.61	10.34	1.92	38.61
Gold (\$/oz)	1278.0	▲	0.49	0.28	-1.35	-1.76	-0.45
Platinum (\$/oz)	883.9	▼	-0.58	-1.77	4.12	-3.01	11.06
Copper (\$/MT)*	6444.8	▲	0.79	-0.25	-0.64	-1.05	8.33

*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 \$1,278.00/oz.

Yesterday, gold prices rose 0.5% to close at \$1,275.50/oz, amid weakness in the US equities.

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Brent Crude Oil ▲

Trading marginally higher

At 06:00 SAST, Brent crude oil edged slightly higher to trade at \$74.59/bl.

Yesterday, Brent crude oil advanced 0.1% to settle at \$74.57/bl, as surge in US crude stockpiles outweighed fears of tight supply resulting from OPEC output cuts and US sanctions on Venezuela and Iran. The Energy Information Administration reported that crude stocks rose by 5.5mn bls in the week ended 19 April 2019, hitting its highest level since October 2017.

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Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices dropped marginally to trade at \$883.90/oz.

Yesterday, platinum prices declined 0.6% to close at \$883.90/oz.

Major South African corporate news

Life Healthcare Group Holdings Limited

In its 1H19 trading statement, the company indicated that it expects HEPS to be between 24.10c and 29.50c, which is 45.1% to 55.1% lower compared with the same period of the previous year. Moreover, the company expects EPS to be in the range of 21.80c to 27.20c, which is 50.1% to 60.1% lower compared with the corresponding period of the prior year.

Major global economic news

Eurozone

In Germany, the Ifo business climate index unexpectedly declined to a level of 99.20 in April, compared to a revised level of 99.70 in the prior month.

The Ifo business expectations index in Germany unexpectedly dropped to 95.20 in April. In the prior month, the Ifo business expectations index had registered a reading of 95.60.

Germany's Ifo current assessment index fell more than expected to 103.30 in April, compared to a revised level of 103.90 in March.

UK

In the UK, the public sector net borrowing posted a deficit of GBP0.84bn in March, following a revised surplus of GBP0.51bn in the prior month.

Asia

In Japan, the coincident index advanced to 100.40 in February, higher than market expectations. The coincident index had registered a revised reading of 99.6 in the prior month.

In Japan, the leading economic index rose less than expected to 97.10 in February, compared to a revised level of 96.30 in the previous month.

The Bank of Japan, in its monetary policy decision, kept its benchmark interest rate unchanged at -0.1%, as widely expected. The central bank stated that extremely low rates would be maintained "at least through around spring 2020" and has committed to provide substantial stimulus to address slow growth and low inflation.

US

In the US, the MBA mortgage applications fell 7.3% in the week ended 19 April 2019, compared to a drop of 3.5% in the previous week.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	01:50	Foreign Buying Japan Bonds (19-Apr)	✓	-JPY443.80 bn*	JPY562.70 bn	Weekly
Japan	01:50	Foreign Buying Japan Stocks (19-Apr)	✓	JPY1426.60 bn*	JPY527.40 bn	Weekly
Japan	01:50	Japan Buying Foreign Bonds (19-Apr)	✓	JPY1170.00 bn*	JPY598.70 bn	Weekly
Japan	01:50	Japan Buying Foreign Stocks (19-Apr)	✓	-JPY107.10 bn*	-JPY562.80 bn	Weekly
Japan	04:00	BoJ Monetary Policy Statement and Press Conference	✓✓✓	-	-	As scheduled
Japan	05:00	BoJ Rate Decision	✓✓✓	-0.10%*	-0.10%	-
Switzerland	07:25	SNB Publishes Quarterly Result	✓✓	-	-	As scheduled
Spain	09:00	Producer Price Index (MoM) (Mar)	✓	-	0.20%	Monthly
Spain	09:00	Producer Price Index (YoY) (Mar)	✓	-	1.90%	Monthly
Spain	09:00	Unemployment Rate (Survey) (Q1)	✓	14.45%	14.45%	Quarterly
Greece	09:00	Producer Price Index (YoY) (Apr)	✓	-	3.10%	Monthly
Greece	11:00	Retail Sales (YoY) at constant prices (Feb)	✓	-	-2.30%	Monthly
South Africa	11:30	Producer Price Index (MoM) (Mar)	✓✓	0.50%	0.30%	Monthly
South Africa	11:30	Producer Price Index (YoY) (Mar)	✓✓	5.50%	4.70%	Monthly
UK	12:00	CBI Trends Selling Prices (Apr)	✓✓	8.00	7.00	Monthly
UK	12:00	CBI Business Optimism (4/)	✓	-16.00	-23.00	Quarterly
UK	12:00	CBI Industrial Trends Survey - Orders (Apr)	✓	2.00	1.00	Monthly
US	14:30	Continuing Jobless Claims (13-Apr)	✓✓✓	1682.00 K	1653.00 K	Weekly
US	14:30	Initial Jobless Claims (20-Apr)	✓✓✓	200.00 K	192.00 K	Weekly
US	14:30	Cap Goods Orders Nondef Ex Air (Mar) (P)	✓	0.20%	-0.10%	Monthly
US	14:30	Cap Goods Ship Nondef Ex Air (Mar) (P)	✓	0.10%	-0.10%	Monthly
US	14:30	Durable Goods Orders (Mar) (P)	✓✓✓	0.80%	-1.60%	Monthly
US	14:30	Durable Goods Orders ex Transportation (Mar) (P)	✓✓	0.20%	-0.10%	Monthly
Eurozone	14:30	ECB Vice President Guindos Speaks in New York	✓✓	-	-	As scheduled
US	17:00	Kansas City Fed Manufacturing Activity (Apr)	✓✓✓	8.00	10.00	Monthly
Eurozone	-	EU Commission Economic Forecasts	✓✓	-	-	As scheduled

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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