

# ONE Minute Brief

20 May 2019

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## Economic and political news

The Competition Appeal Court has approved Sibanye-Stillwater's takeover of Lonmin.

President, Cyril Ramaphosa, has appointed Advocate, Hermione Cronje, as the Investigating Director of the National Prosecuting Authority (NPA) for a term of five years.

The labour union group, Cosatu, has urged President, Cyril Ramaphosa, to reduce the number of cabinet ministers to 26 and have a maximum 6 deputies, and exclude anyone implicated in state capture.

Eskom stated that it had raised ZAR5.2bn through drawdowns against a portion of committed loans, of which ZAR4bn was received from China Development Bank (CDB) and the issuance of domestic bonds.

Minister of Communications, Stella Ndabeni-Abrahams, has pledged that the South African Broadcasting Corporation will get a bailout as early as next week.

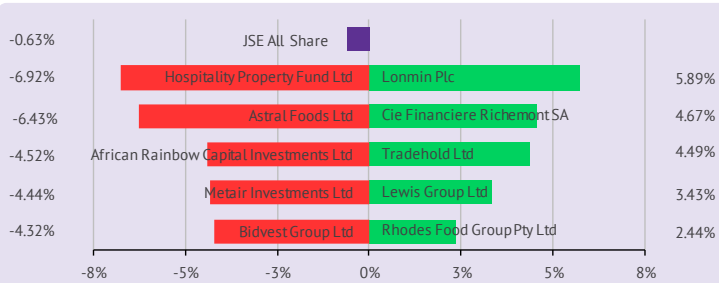
President, Cyril Ramaphosa, has requested the Special Investigating Unit to investigate any alleged unlawful or improper conduct by employees of the Health Professions Council of South Africa (HPCSA) that has harmed the interests of the public since September 2016.

## South Africa Market ▼

### South African markets closed lower

South African markets closed in the red on Friday, amid persistent US-China trade tensions and weighed down by losses in banking and financial sector stocks. The JSE All Share Index fell 0.6% to close at 56,183.21.

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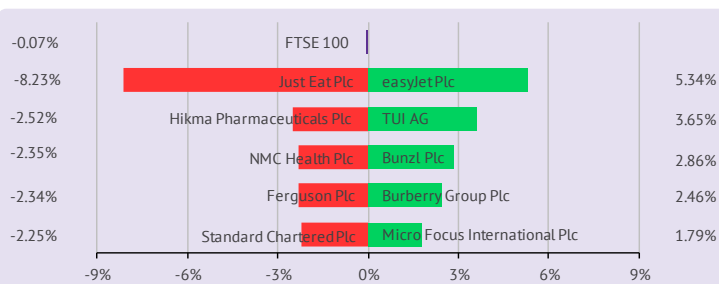


## UK Market ▼

### UK markets closed lower

UK markets finished lower on Friday, amid uncertainty over Brexit deal and global trade. The FTSE 100 Index declined 0.1% to close at 7,348.62. Today, the FTSE 100 futures are trading in positive territory.

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## Key indices

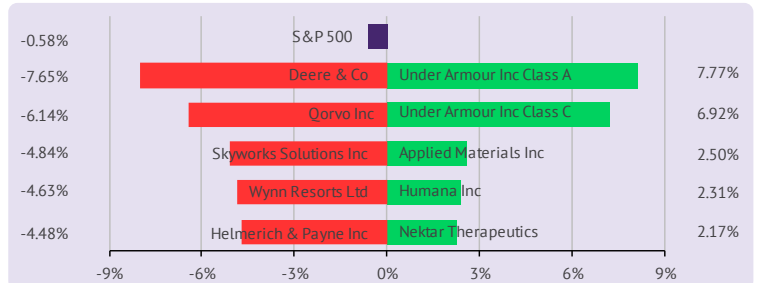
	As at 17 May 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	56183.21	▼ -354.51	-0.63	NA	-4.01	3.66	6.53
JSE Top 40 (ZAR)	50081.18	▼ -279.10	-0.55	NA	-4.19	3.98	7.18
FTSE 100(GBP)	7348.62	▼ -4.89	-0.07	NA	-0.94	1.91	9.22
DAX 30 (EUR)	12238.94	▼ -71.43	-0.58	NA	-0.85	7.10	15.91
CAC 40 (EUR)	5438.23	▼ -9.88	-0.18	NA	-2.65	4.41	14.96
S&P 500 (USD)	2859.53	▼ -16.79	-0.58	NA	-2.93	3.93	14.07
Nasdaq Composite (USD)	7816.29	▼ -81.76	-1.04	NA	-3.45	4.74	17.80
DJIA (USD)	25764.00	▼ -98.68	-0.38	NA	-3.12	2.56	10.44
MSCI Emerging Markets (USD)	996.39	▼ -14.75	-1.46	NA	-7.68	1.99	3.15
MSCI Developed World (USD)	2116.51	▼ -9.55	-0.45	NA	-2.85	3.37	12.35

## US Market ▼

### US markets closed lower

US markets closed lower on Friday, amid lingering worries over trade tensions between the US and China. Data revealed that the US monthly leading index rose as expected in April. The S&P 500 Index dropped 0.6% to close at 2,859.53. Today, the S&P 500 futures are trading in the green.

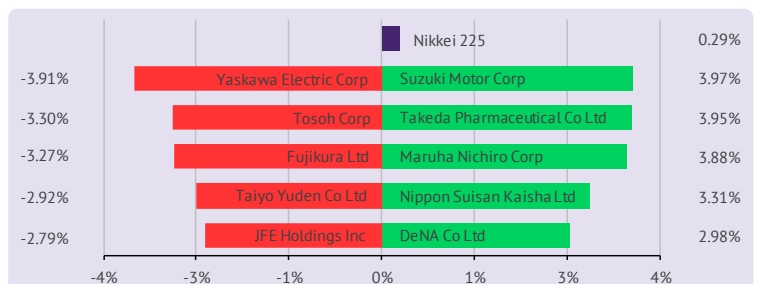
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## Asian Market ◀▶

### Trading mixed

Asian markets are trading mixed this morning. The Nikkei 225 Index is trading 0.3% higher at 21,311.04.



## USD ZAR ▲

### USD trading lower against ZAR

At 06:00 SAST, the US Dollar retreated 0.1% against the South African Rand to trade at R14.4204. Later today, traders will keep a close watch on the US Federal Reserve Chairman, Jerome Powell's speech and the Chicago Fed National activity index for further indication.

The US Dollar rose against the South African Rand on Friday, after the US Michigan consumer sentiment index surprised with a rise in May, notching its highest level since 2004. Additionally, the leading index climbed in line with market anticipations on a monthly basis in April.

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## GBP ZAR ▼

### GBP trading rose against ZAR

At 06:00 SAST, the British Pound climbed 0.1% against the South African Rand to trade at R18.3621. With no major economic news in the UK today, investor sentiment will be determined by global macroeconomic news. Data indicated that the UK Rightmove house prices advanced on a monthly basis in May.

The British Pound advanced against the South African Rand on Friday.

## EUR ZAR ▲

### EUR trading weaker against ZAR

At 06:00 SAST, the Euro fell 0.1% against the South African Rand to trade at R16.0852. Going forward, market participants will keep a tab on the Eurozone's current account balance and Germany's producer price index for further direction.

The Euro strengthened against the South African Rand on Friday. On the macro front, the Eurozone's consumer price index (CPI) advanced at par with market forecast on an annual basis in April. Meanwhile, the region's construction output recorded a decline on a monthly basis in March.

## AUD ZAR ▼

### AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.7% higher against the South African Rand at R9.9762.

The Australian Dollar rose against the South African Rand on Friday.

## Key currencies & commodities

	Current#		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	14.4204	▲	0.99	NA	0.92	-1.40	0.58
GBPZAR	18.3621	▼	0.33	NA	-1.55	-1.36	0.14
EURZAR	16.0852	▲	0.79	NA	0.39	-1.44	-2.18
AUDZAR	9.9762	▼	0.55	NA	-1.75	-2.06	-2.18
EURUSD	1.1154	▲	-0.14	NA	-0.51	-0.03	-2.69
GBPUSD	1.2732	▼	-0.58	NA	-2.36	-0.02	-0.24
Brent (\$/barrel)	73.2	▲	-0.56	NA	0.21	6.63	34.22
Gold (\$/oz)	1276.5	▲	-0.82	NA	-0.78	-0.56	-0.44
Platinum (\$/oz)	822.3	▲	-1.60	NA	-8.01	5.04	3.07
Copper (\$/MT)*	6033.0	▼	-0.63	NA	-6.13	-0.92	1.41

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

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices edged 0.1% higher to trade at \$1,276.50/oz.

On Friday, gold prices fell 0.8% to close at \$1,275.70/oz, as the US Dollar strengthened, amid stronger-than-expected US consumer sentiment data.

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## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil edged 1.4% higher to trade at \$73.24/bl, after OPEC signalled that it would maintain production cuts.

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On Friday, Brent crude oil dropped 0.6% to settle at \$72.21/bl, amid concerns about crude oil demand, owing to US-China trade dispute. Meanwhile, Baker Hughes reported that the number of active US oil rigs fell by 3 to 802 last week.

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## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices edged 0.2% higher to trade at \$822.30/oz.

On Friday, platinum prices declined 1.6% to close at \$820.30/oz.

## Major South African corporate news

### Aspen Pharmacare Holdings Limited

The company announced that it has received confirmation from Lactalis that the New Zealand Overseas Investment Office has granted approval to Lactalis for the acquisition of the company's nutritional business in that country. The parties are mutually committed to closure on 31 May 2019.

### Liberty Holdings Limited

In its 1Q19 operational update, the company announced that SA retail new business sales rose 1.0%, compared to the corresponding period of the previous year. In the STANLIB SA business, assets under management amounted to ZAR576.00bn, compared to ZAR549.00bn in the previous year.

### Pan African Resources Plc

In its 9M19 operational update, the company announced that gold production from continuing mining operations surged 51.4%, compared to the corresponding period of the previous year, with robust performances from Barberton Mines' underground operations and the company's tailings retreatment plants. The company had no fatalities during the period.

## Major global economic news

### US

In the US, leading indicator registered a rise of 0.2% on a monthly basis in April, meeting market expectations. In the prior month, leading indicator had registered a revised rise of 0.3%.

In the US, the flash Reuters/Michigan consumer sentiment index advanced more-than-expected to 102.40 in May, compared to a reading of 97.20 in the prior month.

### Eurozone

In the Eurozone, the final CPI recorded a rise of 1.7% on a yearly basis in April, in line with market expectations. The CPI had registered a rise of 1.4% in the previous month. The preliminary figures had also indicated an advance of 1.7%.

In the Eurozone, seasonally adjusted construction output fell 0.3% on a monthly basis in March. Construction output had climbed 3.0% in the previous month.

### UK

In the UK, the Rightmove house prices recorded a rise of 0.9% on a monthly basis in May, compared to 1.1% in the previous month.

### Asia

In Japan, seasonally adjusted gross domestic product unexpectedly rose at an annualised 2.1% on a quarterly basis in 1Q19, compared to a revised growth of 1.6% in the prior quarter.

## 40 best performers on the All Share Index

Company name	Last close	1 Week % change	MTD % change	YTD % change
Kumba Iron Ore Ltd	42734	0.97	-0.31	57.48
Impala Platinum Holdings Ltd	5650	-2.33	-1.33	54.03
Lonmin Plc	1150	-2.87	-11.47	37.07
Libstar Holdings Ltd	920	18.10	15.43	35.07
Telkom SA SOC Ltd	8397	1.63	-0.97	32.67
Anglo American Platinum Ltd	70482	-1.10	-2.38	32.36
Assore Ltd	36600	-0.41	-1.45	29.83
Tradehold Ltd	1280	6.67	16.36	27.36
Royal Bafokeng Platinum Ltd	3158	-4.45	-5.96	26.95
Allied Electronics Corp Ltd	2285	3.16	10.92	26.94
Clover Industries Ltd	2257	-0.35	-1.44	25.57
Northam Platinum Ltd	5430	-4.74	-8.89	25.52
Coronation Fund Managers Ltd	5174	-1.88	1.19	25.13
Astral Foods Ltd	18247	-2.50	0.26	21.85
Quilter Plc	2599	-1.85	-5.28	21.18
Ascendis Health Ltd	500	0.00	12.87	20.19
Capitec Bank Holdings Ltd	132782	-1.27	-0.66	19.75
DataTec Ltd	3275	2.63	0.28	19.70
Exxaro Resources Ltd	15938	-2.32	0.94	19.58
Raubex Group Ltd	2031	1.15	-6.79	19.47
Naspers Ltd	331910	-3.09	-9.19	18.35
AECI Ltd	9473	-3.63	-1.15	17.87
Mpact Ltd	2420	1.42	1.68	17.83
British American Tobacco Plc	54261	2.75	-2.62	17.52
Grindrod Ltd	709	-5.47	-7.68	17.44
Distell Group Holdings Ltd	12403	-8.46	-9.80	17.00
Hospitality Property Fund Ltd	1022	0.20	-0.78	16.80
Transaction Capital Ltd	1983	2.75	3.77	16.58
MTN Group Ltd	10001	2.90	-3.25	16.56
BHP Group Plc	32925	2.06	-2.52	16.53
Stenprop Ltd	2052	-3.12	-3.89	16.16
African Rainbow Minerals Ltd	16101	-2.03	-5.32	15.77
MiX Telematics Ltd	979	3.49	-5.41	15.50
Metair Investments Ltd	2150	-8.86	-8.39	15.15
Investec Ltd	9045	2.46	-0.99	14.49
Anglo American Plc	36027	2.86	-1.98	14.02
Octodec Investments Ltd	1950	0.00	-2.99	13.90
Cartrack Holdings Ltd	1625	-1.22	0.93	13.64
Investec Plc	9044	3.01	0.11	13.53
Sibanye Gold Ltd	1137	-8.01	-15.46	13.47
<b>JSE All Share Index</b>	<b>56183</b>	<b>-1.05</b>	<b>-4.01</b>	<b>6.53</b>

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
UK	01:01	Rightmove House Price Index (MoM) (May)	✓	0.90%*	1.10%	Monthly
UK	01:01	Rightmove House Price Index (YoY) (May)	✓	0.10%*	-0.10%	Monthly
Japan	01:50	Gross Domestic Product (QoQ) (Q1) (P)	✓✓	0.50%*	0.40%	Quarterly
Japan	01:50	Gross Domestic Product Annualised (Q1) (P)	✓✓✓	2.10%*	1.60%	Quarterly
Japan	01:50	Gross Domestic Product Deflator (YoY) (Q1) (P)	✓	0.20%*	-0.30%	Quarterly
Japan	01:50	Nominal Gross Domestic Product (QoQ) (Q1) (P)	✓✓	0.80%*	0.50%	Quarterly
Japan	06:30	Capacity Utilisation (MoM) (Mar)	✓	-	1.00%	Monthly
Japan	06:30	Industrial Production (MoM) (Mar) (F)	✓✓✓	-	-0.90%**	Monthly
Japan	06:30	Industrial Production (YoY) (Mar) (F)	✓✓✓	-	-4.60%**	Monthly
Japan	06:30	Industrial Production Index (Mar)	✓	-	102.50	Monthly
Japan	06:30	Capacity Utilization (Mar)	✓	-	101.00	Monthly
Germany	08:00	Producer Price Index (MoM) (Apr)	✓✓✓	0.40%	-0.10%	Monthly
Germany	08:00	Producer Price Index (YoY) (Apr)	✓✓✓	2.50%	2.40%	Monthly
Japan	09:00	Convenience Store Sales (YoY) (Apr)	✓	-	0.00%	Monthly
Eurozone	10:00	Current Account s.a (Mar)	✓✓✓	-	EUR26.80bn	Monthly
US	14:30	Chicago Fed National Activity Index (Apr)	✓✓✓	-	-0.15	Monthly
US	19:05	Fed's Clarida speech	✓✓	-	-	As scheduled

Note: ✓✓✓High    ✓✓Medium    ✓Low

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