

ONE  
Minute Brief

21 May 2019


  
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## Economic and political news

The African National Congress (ANC) announced that Job Mokgoro will retain his position as North West Premier. Separately, the party announced that Thandi Modise will be the National Assembly speaker, while Lechesa Tsenoli will remain in the deputy speaker post. Further, Nomvula Mokonyane, has been removed as the Environment Minister and nominated as Parliament Chair of Chairpersons.

According to a news report, Finance Minister, Tito Mboweni, is likely to retain his position for at least another year.

The first sittings of the two Houses of Parliament, the National Assembly and the National Council of Provinces (NCOP), will be held on Wednesday and Thursday, respectively.

Public Protector, Busisiwe Mkhwebane, is seeking to appeal against Gauteng High Court's ruling, after the court declared her Vrede Dairy Project report unlawful, unconstitutional and invalid.

Former President, Jacob Zuma's lawyers stated that Zuma had been treated unfairly by prosecutors.

## Key indices

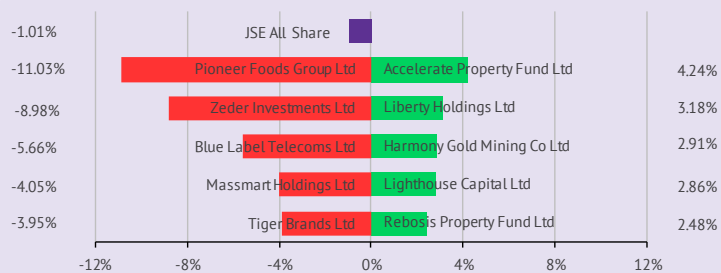
	As at 20 May 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	55616.97	▼ -566.24	-1.01	-1.01	-4.97	3.66	5.46
JSE Top 40 (ZAR)	49551.15	▼ -530.03	-1.06	-1.06	-5.21	3.98	6.04
FTSE 100 (GBP)	7310.88	▼ -37.74	-0.51	-0.51	-1.45	1.91	8.66
DAX 30 (EUR)	12041.29	▼ -197.65	-1.61	-1.61	-2.45	7.10	14.04
CAC 40 (EUR)	5358.59	▼ -79.64	-1.46	-1.46	-4.08	4.41	13.27
S&P 500 (USD)	2840.23	▼ -19.30	-0.67	-0.67	-3.58	3.93	13.30
Nasdaq Composite (USD)	7702.38	▼ -113.91	-1.46	-1.46	-4.85	4.74	16.08
DIJA (USD)	25679.90	▼ -84.10	-0.33	-0.33	-3.43	2.56	10.08
MSCI Emerging Markets (USD)	994.08	▼ -2.31	-0.23	-0.23	-7.89	1.99	2.91
MSCI Developed World (USD)	2104.64	▼ -11.86	-0.56	-0.56	-3.40	3.37	11.72

## South Africa Market ▼

## South African markets closed lower

South African markets closed in the red yesterday, weighed down by losses in platinum mining, industrial and retail sector stocks. The JSE All Share Index fell 1.0% to close at 55,616.97.

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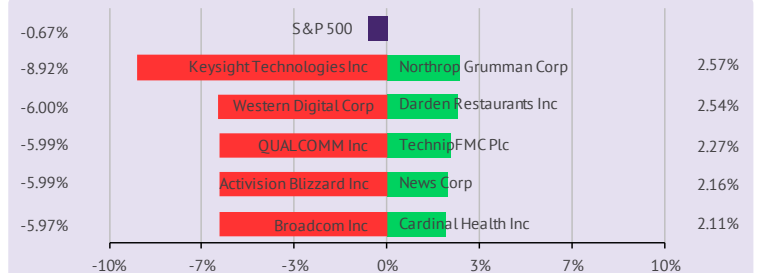


## US Market ▼

## US markets closed lower

US markets closed lower yesterday, amid broad losses in the technology sector, following the White House's restrictions on Huawei Technologies. Data revealed that the US Chicago Fed National activity index fell more-than-expected in April. The S&P 500 Index fell 0.7% to close at 2,840.23. Today, the S&P 500 futures are trading in the green.

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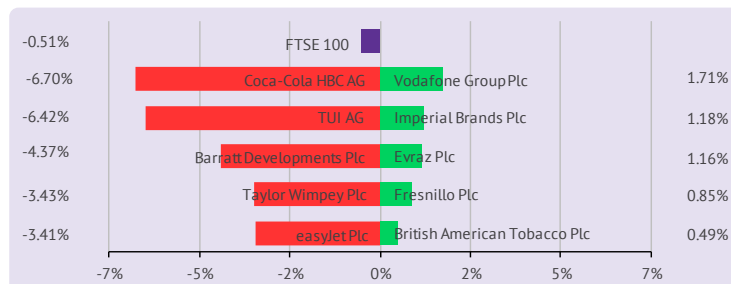


## UK Market ▼

## UK markets closed lower

UK markets finished lower yesterday, as US-China trade tensions escalated, after Google suspended some business with Huawei Technologies. The FTSE 100 Index declined 0.5% to close at 7,310.88. Today, the FTSE 100 futures are trading in positive territory.

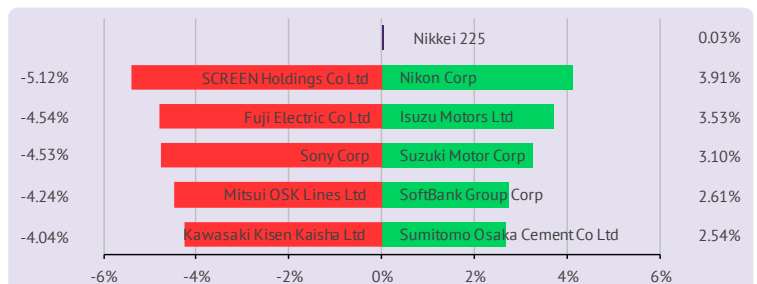
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## Asian Market ▲

## Trading higher

Asian markets are trading higher this morning. The Nikkei 225 Index is trading marginally higher at 21,307.57.



## USD ZAR ▼

## USD trading higher against ZAR

At 06:00 SAST, the US Dollar is trading 0.1% firmer against the South African Rand at R14.3960. Later today, traders will keep a close watch on the US existing home sales for further cues.

The US Dollar fell against the South African Rand yesterday. On the data front, the US Chicago Fed National activity index declined more than market forecast in April.

## GBP ZAR ▼

## GBP trading firmer against ZAR

At 06:00 SAST, the British Pound climbed 0.1% against the South African Rand to trade at R18.3216. Ahead in the day, traders will keep an eye on the Bank of England Governor, Mark Carney's speech and the CBI total trend orders for further direction.

The British Pound declined against the South African Rand yesterday.

## EUR ZAR ▼

## EUR trading higher against ZAR

At 06:00 SAST, the Euro slightly advanced against the South African Rand to trade at R16.0687. Going forward, market participants will keep a tab on the Eurozone's OECD economic outlook and the consumer confidence index for further indication.

The Euro weakened against the South African Rand yesterday. Data indicated that the Eurozone's current account surplus unexpectedly narrowed in March. Separately, Germany's producer price index (PPI) climbed more than market forecast on an annual basis in April.

## AUD ZAR ▲

## AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.3% lower against the South African Rand at R9.9081. Earlier in the session, Australia's ANZ Roy Morgan weekly consumer confidence index recorded a rise in the week ended 19 May 2019.

The Australian Dollar rose against the South African Rand yesterday.

## Key currencies &amp; commodities

	Current <sup>#</sup>		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	14.3960	▼	-0.30	-0.30	0.62	-1.40	0.28
GBPZAR	18.3216	▼	-0.23	-0.23	-1.78	-1.36	-0.09
EURZAR	16.0687	▼	-0.22	-0.22	0.17	-1.44	-2.40
AUDZAR	9.9081	▲	0.35	0.35	-1.41	-2.06	-1.83
EURUSD	1.1162	▲	0.07	0.07	-0.44	-0.03	-2.62
GBPUSD	1.2727	▼	0.02	0.02	-2.35	-0.02	-0.22
Brent (\$/barrel)	72.2	▲	-0.33	-0.33	-0.12	6.63	33.77
Gold (\$/oz)	1275.1	▼	0.13	0.13	-0.65	-0.56	-0.31
Platinum (\$/oz)	814.1	▼	-0.74	-0.74	-8.69	5.04	2.30
Copper (\$/MT)*	6003.8	▼	-0.48	-0.48	-6.58	-0.92	0.92

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

## Gold ▼

## Trading in the red

At 06:00 SAST, gold prices fell 0.2% to trade at \$1,275.10/oz.

Yesterday, gold prices rose 0.1% to close at \$1,277.30/oz, as weakness in the US Dollar increased demand for the safe haven asset.

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## Brent Crude Oil ▲

## Trading stronger

At 06:00 SAST, Brent crude oil gained 0.3% to trade at \$72.20/bl, amid rising concerns over trade war and amid speculation that the Organization of the Petroleum Exporting Countries (OPEC) will continue withholding supply this year.

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Yesterday, Brent crude oil dropped 0.3% to settle at \$71.97/bl, amid fears about a slowdown in energy demand.

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## Platinum ▼

## Trading in negative territory

At 06:00 SAST, platinum prices are trading marginally lower at \$814.10/oz.

Yesterday, platinum prices declined 1.7% to close at \$833.60/oz.

## Major South African corporate news

### Barloworld Limited

In its 1H19 results, the company announced that revenues fell to ZAR30.37bn from ZAR30.85bn posted in the corresponding period of the previous year. Its diluted EPS stood at 436.90c, down from 474.20c recorded in the prior year. The company has declared an interim dividend of 165.00c per share for the period.

### Pioneer Foods Group Limited

In its 1H19 results, the company announced that revenues increased to ZAR11.04bn from ZAR9.90bn posted in the corresponding period of the previous year. Its diluted EPS fell 14.0% to 272.30c from the prior year. The company has declared an interim gross dividend of 105.00c per share for the period.

## Major global economic news

### US

Federal Reserve Chairman, Jerome Powell, warned over the rising levels of business debt. However, he stated that it does not pose a larger threat to the financial system and considers the risks to be “moderate”.

In the US, the Chicago Fed national activity index registered a more-than-anticipated drop to -0.45 in April. In the prior month, the index had registered a revised level of 0.05.

### Eurozone

In the Eurozone, seasonally adjusted current account surplus unexpectedly narrowed to EUR24.70bn in March, compared to a revised surplus of EUR27.80bn in the prior month.

In Germany, the PPI advanced 2.5% on an annual basis in April, more than market expectations. The PPI had advanced 2.4% in the previous month.

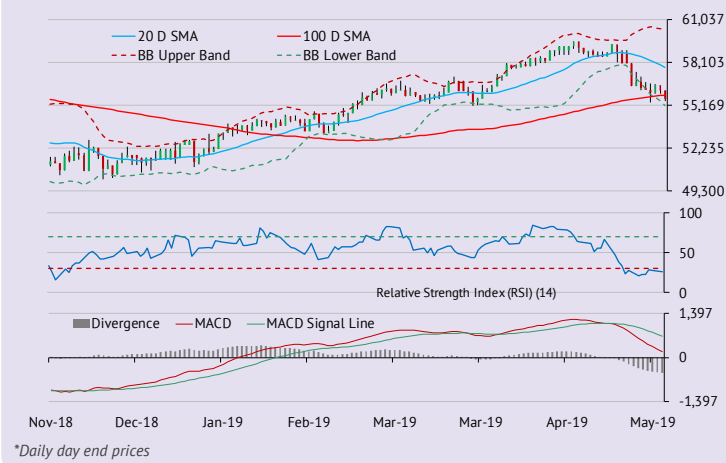
### Asia

The Reserve Bank of Australia (RBA), in its May meeting minutes, indicated that the central bank would cut interest rate twice in next seven months if there was no further improvement in the jobs market. The bank highlighted downside risks to the household consumption growth and global economy and expressed uncertainty over a gradual return to its inflation target.

In Australia, the ANZ Roy Morgan weekly consumer confidence index rose to a level of 117.20 in the week ended 19 May 2019, compared to a reading of 114.80 in the previous month.

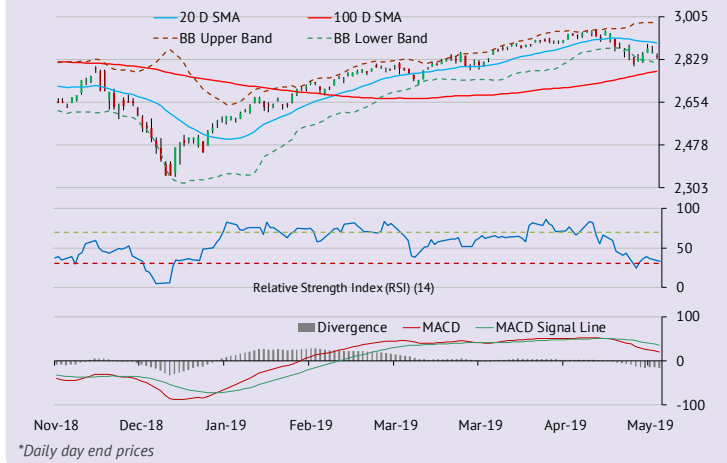
## Technical snapshot

### JSE All Share



The JSE All Share index is expected to find support at 55,080.22, and a fall through could take it to the next support level of 54,543.46. The index is expected to find its first resistance at 56,447.30, and a rise through could take it to the next resistance level of 57,277.62.

### S&P 500



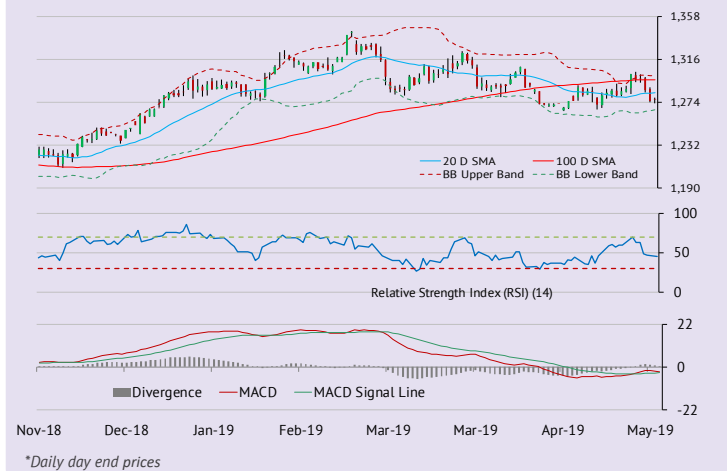
The S&P 500 index is expected to find support at 2,806.16, and a fall through could take it to the next support level of 2,772.08. The index is expected to find its first resistance at 2,883.23, and a rise through could take it to the next resistance level of 2,926.22.

### USD ZAR



The pair is expected to find support at 14.1946, and a fall through could take it to the next support level of 14.0023. The pair is expected to find its first resistance at 14.5148, and a rise through could take it to the next resistance level of 14.6427.

### XAU USD



Gold is expected to find support at \$1,265.67/oz, and a fall through could take it to the next support level of \$1,254.03/oz. The precious metal is expected to find its first resistance at \$1,296.57/oz, and a rise through could take it to the next resistance level of \$1,315.83/oz.

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
US	01:00	Powell Speaks at Atlanta Fed Financial Markets Conference	✓✓✓	-	-	As scheduled
Japan	01:50	Housing Loans (YoY) (Q1)	✓	2.40%*	2.40%	Quarterly
Japan	06:00	Tokyo Condominium Sales (YoY) (Apr)	✓	-39.30%*	-7.70%	Monthly
Japan	07:30	Nationwide Department Store Sales (YoY) (Apr)	✓	-	0.10%	Monthly
Japan	07:30	Tokyo Department Store Sales (YoY) (Apr)	✓	-	0.60%	Monthly
South Africa	09:00	Leading Indicator (Mar)	✓	105.00	104.90	Monthly
Spain	10:00	Trade Balance (Mar)	✓✓✓	-	-EUR2.63bn	Monthly
Greece	10:00	Current Account (Mar)	✓	-	-EUR0.99bn	Monthly
UK	10:30	BoE's Carney, Broadbent, Tenreyro, Saunders Speak in London	✓✓✓	-	-	As scheduled
Eurozone	11:00	OECD Economic Outlook	✓✓✓	-	-	As scheduled
Eurozone	11:00	ECB Vice President Guindos Speaks in London	✓	-	-	As scheduled
UK	12:00	CBI Industrial Trends Survey - Orders (May)	✓	-5.00	-5.00	Monthly
UK	12:00	CBI Trends Selling Prices (May)	✓✓	0.00	1.00	Monthly
Eurozone	12:30	ECB's Visco Speaks at Rome Festival of Sustainable Development	✓	-	-	As scheduled
US	14:55	Redbook Index (YoY) (10-May)	✓	-	5.90%	Weekly
US	14:55	Redbook Index s.a. (MoM) (10-May)	✓	-	1.30%	Weekly
Eurozone	16:00	Consumer Confidence (May) (P)	✓✓✓	-7.70	-7.90	Monthly
US	16:00	Existing Home Sales (Apr)	✓✓✓	5.35mn	5.21mn	Monthly
US	16:00	Existing Home Sales (MoM) (Apr)	✓✓✓	2.70%	-4.90%	Monthly
US	16:45	Fed's Evans speech	✓	-	-	As scheduled
US	18:00	Fed's Rosengren speech	✓✓	-	-	As scheduled
UK	-	Inflation Report Hearings	✓✓✓	-	-	As scheduled

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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