

ONE Minute Brief

28 May 2019

GTC
consult • partner • manage

Economic and political news

The Democratic Alliance's (DA) national campaign manager, Jonathan Moakes, has resigned from his position.

According to a news report, State Security Agency's (SSA) special adviser, Bob Mhlanga, has been suspended.

According to a news report, the Public Investment Corporation (PIC) has no trace of documents to show how and why it invested almost ZAR3.9bn into Erin Energy.

Former Transnet employee, Gerhard van der Westhuizen, in his testimony at the state capture inquiry, revealed that Neotel paid Gupta-linked letterbox company, Homix upto ZAR25mn to close the ZAR1.8bn deal with Transnet.

Key indices

	As at 27 May 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	54488.15	▲	64.59	0.12	0.12	-6.90	3.66
JSE Top 40 (ZAR)	48497.10	▲	69.43	0.14	0.14	-7.23	3.98
FTSE 100 (GBP)*	7277.73	▲	46.69	0.65	NA	-1.89	8.17
DAX 30 (EUR)	12071.18	▲	60.14	0.50	0.50	-2.21	7.10
CAC 40 (EUR)	5336.19	▲	19.68	0.37	0.37	-4.48	4.41
S&P 500 (USD)*	2826.06	▲	3.82	0.14	NA	-4.07	3.93
Nasdaq Composite (USD)*	7637.01	▲	8.72	0.11	NA	-5.66	4.74
DJIA (USD)*	25585.69	▲	95.22	0.37	NA	-3.79	2.56
MSCI Emerging Markets (USD)	989.15	▲	2.50	0.25	0.25	-8.35	1.99
MSCI Developed World (USD)	2096.43	▲	1.40	0.07	0.07	-3.78	3.37

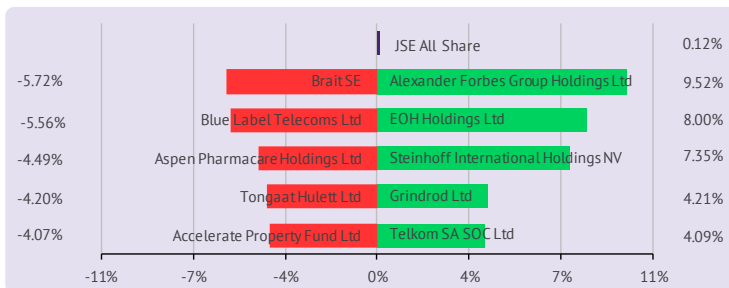
*Values as on 24 May 2019

South Africa Market ▲

South African markets closed higher

South African markets closed in the green yesterday, amid gains in resources, financial and industrial sector stocks. The JSE All Share Index rose 0.1% to close at 54,488.15.

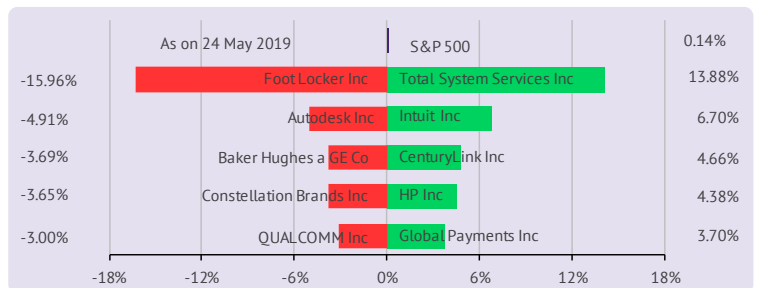
To Read More Click [Here](#)



US Market

US markets were closed yesterday

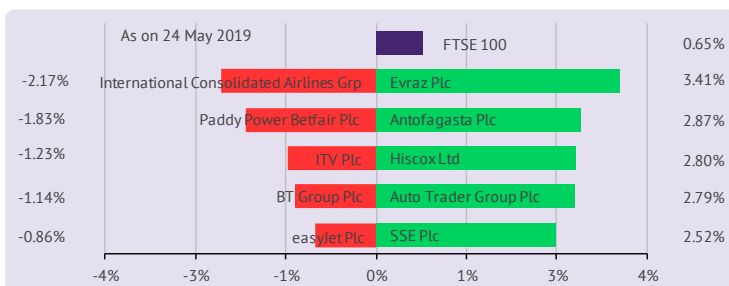
Markets in the US were closed yesterday on account of a national holiday. Today, the S&P 500 futures are trading in the green.



UK Market

UK markets were closed yesterday

Markets in the UK were closed yesterday on account of a public holiday. Today, the FTSE 100 futures are trading in positive territory.

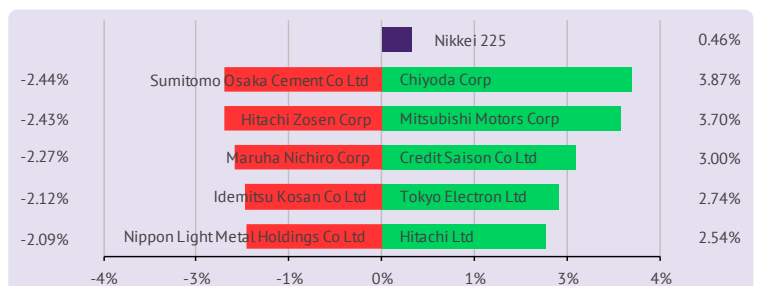


Asian Market ▲

Trading higher

Asian markets are trading higher this morning, on hopes of a trade deal between the US and Japan. The Nikkei 225 Index is trading 0.5% higher at 21,280.94.

To Read More Click [Here](#)



USD ZAR ▼

USD trading higher against ZAR

At 06:00 SAST, the US Dollar is trading 0.2% firmer against the South African Rand at R14.4504. Later today, traders will keep a close watch on the US house price index, the consumer confidence index and the Dallas Fed manufacturing index for further indication.

The US Dollar rose against the South African Rand yesterday.

GBP ZAR ▼

GBP trading stronger against ZAR

At 06:00 SAST, the British Pound gained 0.1% against the South African Rand to trade at R18.3181. Ahead in the day, traders will keep an eye on the UK's BBA loans for house purchase and the BRC shop price index for further cues.

The British Pound declined against the South African Rand yesterday, amid ongoing Brexit uncertainty.

To Read More Click [Here](#)

EUR ZAR ▼

EUR trading firmer against ZAR

At 06:00 SAST, the Euro is trading slightly higher against the South African Rand at R16.1586. Going forward, market participants will keep a tab on the Eurozone's business climate indicator, economic and consumer confidence indices along with Germany's GfK consumer confidence index for further direction.

The Euro weakened against the South African Rand yesterday, following reports that the European Union is planning to take disciplinary action against Italy for its failure to meet budget rules.

To Read More Click [Here](#)

AUD ZAR ▼

AUD trading stronger against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.3% higher against the South African Rand at R10.0079. Earlier in the session, Australia's ANZ Roy Morgan weekly consumer confidence index advanced in the week ended 26 May 2019.

The Australian Dollar fell against the South African Rand yesterday.

Key currencies & commodities

	Current**		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	14.4504	▼	0.11	0.11	0.91	-1.40	0.57
GBPZAR	18.3181	▼	-0.18	-0.18	-1.84	-1.36	-0.15
EURZAR	16.1586	▼	-0.02	-0.02	0.71	-1.44	-1.86
AUDZAR	10.0079	▼	-0.02	-0.02	-0.97	-2.06	-1.40
EURUSD	1.1182	▲	-0.08	-0.08	-0.19	-0.03	-2.38
GBPUSD	1.2674	▲	-0.28	-0.28	-2.71	-0.02	-0.59
Brent (\$/barrel)	70.0	▼	2.07	2.07	-2.71	6.63	30.32
Gold (\$/oz)#	1287.8	▲	-0.14	NA	-0.16	-0.56	0.18
Platinum (\$/oz)#	812.8	▲	0.43	NA	-9.96	5.04	0.88
Copper (\$/MT)*#	5932.0	▲	0.53	NA	-7.70	-0.92	-0.29

*As of previous close, **As on 06:00 SAST # 1D% change as on 24 May 2019

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.3% higher to trade at \$1,287.80/oz.

Trading in gold was closed yesterday on account of a public holiday in the US.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 0.1% lower to trade at \$70.03/bl.

Yesterday, Brent crude oil advanced 2.1% to settle at \$70.11/bl, on the back of ongoing Middle East tensions and OPEC-led crude oil supply cuts.

To Read More Click [Here](#)

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices gained 1.2% to trade at \$812.80/oz.

Trading in platinum was closed yesterday on account of a public holiday in the US.

Major South African corporate news

Reunert Limited

In its 1H19 results, the company revealed that its revenues advanced 9.2% to ZAR5.29bn from ZAR4.84bn in the same period of the preceding year. Its diluted EPS stood at 223.00c, compared to 270.00c recorded in the corresponding period of the previous year. The company declared an interim cash dividend of 130.00c per share.

Telkom SA SOC Limited

In its FY19 results, the company stated that its revenues increased 5.3% to ZAR41.77bn, compared to ZAR39.66bn posted in the corresponding period of the previous year. Its diluted EPS fell 2.1% to 551.80c from an EPS of 563.60c in the same period of the prior year. The company declared a final dividend of 249.40c per share.

Major global economic news

Asia

In Australia, the ANZ Roy Morgan weekly consumer confidence index rose to a level of 118.60 in the week ended 26 May 2019, compared to a reading of 117.20 in the prior week.

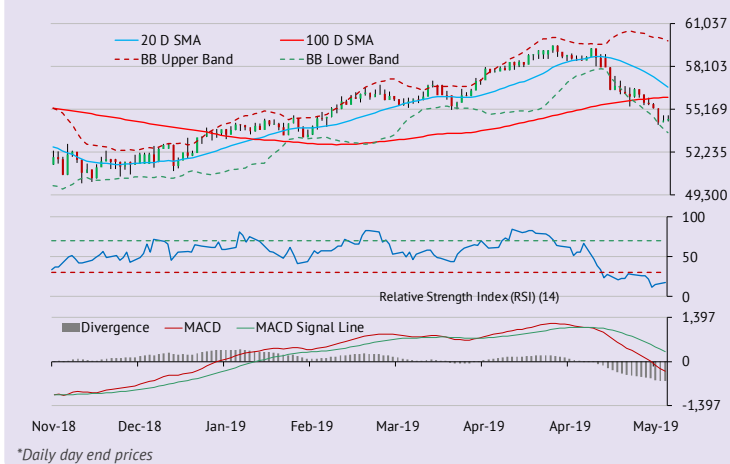
Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
 Japan	01:50	Corporate Service Price (YoY) (Apr)	✓	0.90%*	1.10%	Monthly
 Germany	08:00	Gfk Consumer Confidence Survey (Jun)	✓✓✓	10.40	10.40	Monthly
 Germany	08:00	Import Price Index s.a. (MoM) (Apr)	✓✓	0.60%	0.00%	Monthly
 Germany	08:00	Import Price Index n.s.a. (YoY) (Apr)	✓✓	1.70%	1.70%	Monthly
 Eurozone	09:30	ECB's Villeroy Speaks in Paris	✓	-	-	As scheduled
 Eurozone	10:00	M3 Money Supply (YoY) (Apr)	✓	4.40%	4.50%	Monthly
 UK	10:30	BBA Mortgage Approvals (Apr)	✓✓	39.52K	39.98K	Monthly
 Eurozone	11:00	Consumer Confidence (May) (F)	✓✓✓	-6.50	-6.50**	Monthly
 Eurozone	11:00	Services Sentiment Indicator (May)	✓	11.00	11.50	Monthly
 Eurozone	11:00	Business Climate Indicator (May)	✓✓	0.40	0.42	Monthly
 Eurozone	11:00	Economic Sentiment Indicator (May)	✓	104.00	104.00	Monthly
 Eurozone	11:00	Industrial Confidence (May)	✓	-4.30	-4.10	Monthly
 US	15:00	House Price Index s.a. (Mar)	✓✓	-	272.83	Monthly
 US	15:00	House Price Purchase Index (QoQ) (Q1)	✓✓	-	1.10%	Quarterly
 US	15:00	Housing Price Index (MoM) (Mar)	✓	0.20%	0.30%	Monthly
 US	16:00	Consumer Confidence (May)	✓✓✓	130.00	129.20	Monthly
 US	16:30	Dallas Fed Manufacturing Business Index (May)	✓✓✓	5.80	2.00	Monthly
 UK	-	Nationwide House Prices n.s.a. (YoY) (May)	✓✓	1.20%	0.90%	Monthly
 UK	-	Nationwide House Prices s.a. (MoM) (May)	✓✓✓	0.00%	0.40%	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

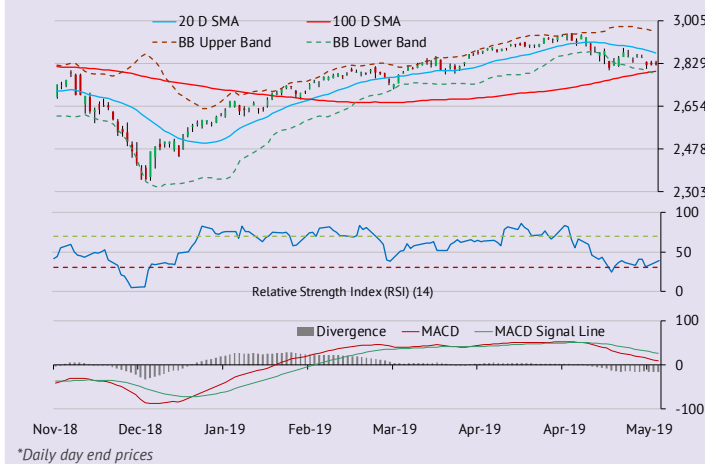
Technical snapshot

JSE All Share



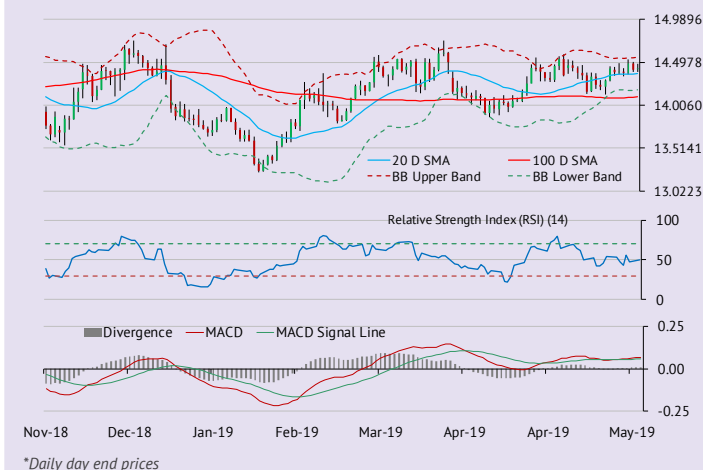
The JSE All Share index is expected to find support at 53,748.52, and a fall through could take it to the next support level of 53,008.89. The index is expected to find its first resistance at 55,586.44, and a rise through could take it to the next resistance level of 56,684.73.

S&P 500



The S&P 500 index is expected to find support at 2,798.07, and a fall through could take it to the next support level of 2,770.09. The index is expected to find its first resistance at 2,861.46, and a rise through could take it to the next resistance level of 2,896.87.

USD ZAR



The pair is expected to find support at 14.3315, and a fall through could take it to the next support level of 14.2350. The pair is expected to find its first resistance at 14.5301, and a rise through could take it to the next resistance level of 14.6322.

XAU USD



Gold is expected to find support at \$1,272.70/oz, and a fall through could take it to the next support level of \$1,261.80/oz. The precious metal is expected to find its first resistance at \$1,290.80/oz, and a rise through could take it to the next resistance level of \$1,298.00/oz.

Disclaimer

This report and its contents are confidential, privileged and only for the information of the intended recipient. GTC (Pty) Ltd make no representations or warranties in respect of this report or its content and will not be liable for any loss or damage of any nature arising from this report, the content thereof, your reliance thereon its unauthorised use or any electronic viruses associated therewith. Please note that content does not necessarily represent or reflect the views and opinions of GTC (Pty) Ltd. This report is proprietary to GTC (Pty) Ltd and you may not copy or distribute the report without the prior written consent of the authors. Any feedback or contributions are most welcome.

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

An Authorised Financial
Services Provider
FSP no. 731

GTC Group of products and services include: Employee Benefits Consulting • Employee Benefits Administration • Private Client Wealth Management • Healthcare Consulting • Short-Term Risk Solutions • Stockbroking • Derivatives Trading • Unit Trust Management • Asset Management • Fiduciary Services