

ONE Minute Brief

29 May 2019

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Economic and political news

Yesterday, the African National Congress (ANC) Deputy President, David Mabuza, was sworn in as a member of parliament.

Shareholders of both Lonmin and Sibanye-Stillwater have approved a planned merger of the companies, thereby creating the world's largest platinum producer.

Former Public Enterprises Minister, Pravin Gordhan, has requested the court to set aside the Public Protector, Busisiwe Mkhwebane's report, stating that it was politically motivated. Separately, the African Transformation Movement (ATM) has urged the Parliament to probe the fitness of Pravin Gordhan to be an MP, following Mkhwebane's report.

The South African Transport and Allied Workers Union (Satawu), has warned over a "total shutdown" at major ports across the country starting from tomorrow over a payment dispute at Transnet National Ports Authority (TNPA).

The Democratic Alliance has decided to offer the position of chairperson of the Standing Committee on Public Accounts (Scopa) in the Western Cape legislature to the ANC.

Key indices

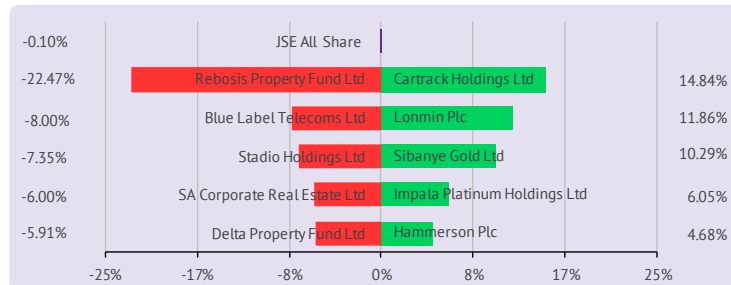
	As at 28 May 2019		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	54431.63	▼	-56.52	-0.10	0.01	-7.00	3.66	3.21
JSE Top 40 (ZAR)	48464.67	▼	-32.43	-0.07	0.08	-7.29	3.98	3.72
FTSE 100 (GBP)	7268.95	▼	-8.78	-0.12	-0.12	-2.01	1.91	8.04
DAX 30 (EUR)	12027.05	▼	-44.13	-0.37	0.13	-2.57	7.10	13.90
CAC 40 (EUR)	5312.69	▼	-23.50	-0.44	-0.07	-4.90	4.41	12.30
S&P 500 (USD)	2802.39	▼	-23.67	-0.84	-0.84	-4.87	3.93	11.79
Nasdaq Composite (USD)	7607.35	▼	-29.66	-0.39	-0.39	-6.03	4.74	14.65
DJIA (USD)	25347.77	▼	-237.92	-0.93	-0.93	-4.68	2.56	8.66
MSCI Emerging Markets (USD)	988.16	▼	-1.00	-0.10	0.15	-8.44	1.99	2.30
MSCI Developed World (USD)	2084.57	▼	-11.86	-0.57	-0.50	-4.32	3.37	10.65

South Africa Market ▼

South African markets closed lower

South African markets closed in the red yesterday, weighed down by losses in banking and retail sector stocks. The JSE All Share Index fell 0.1% to close at 54,431.63.

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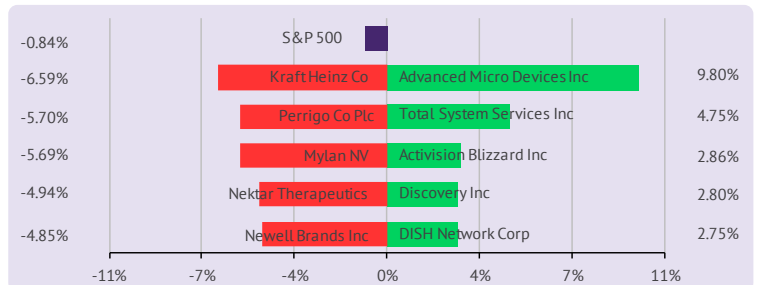


US Market ▼

US markets closed lower

US markets closed lower yesterday, as rising US-China trade tensions, sparked fears about a possible slowdown in the US economy. Data showed that the US consumer confidence index rose more-than-expected in May. The S&P 500 Index dropped 0.8% to close at 2,802.39. Today, the S&P 500 futures are trading weaker.

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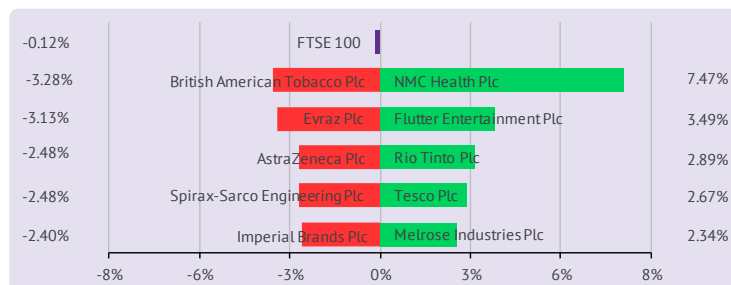


UK Market ▼

UK markets closed lower

UK markets finished lower yesterday, as tobacco sector stocks dropped, following reports of declining cigarette industry volumes. Data revealed that the UK's BBA loans for house purchase unexpectedly rose in April. The FTSE 100 Index declined 0.1% to close at 7,268.95. Today, the FTSE 100 futures are trading in negative territory.

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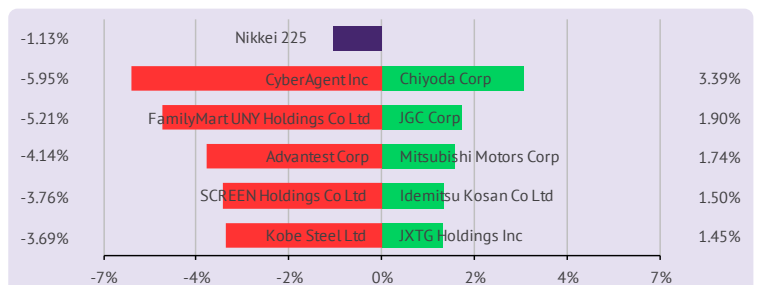


Asian Market ▼

Trading lower

Asian markets are trading lower this morning, tracking overnight losses on Wall Street. The Nikkei 225 Index is trading 1.1% lower at 21,020.03.

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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 R14.7029. Later today, traders will keep a close watch on the US MBA mortgage applications and the Richmond Fed manufacturing index for further direction.

The US Dollar rose against the South African Rand yesterday, amid rising fears of recession in the US. On the macro front, the US consumer confidence index climbed more than market forecast to a six-months high level in May. On the flipside, the nation's house price index advanced less than market expectations on a monthly basis in March. Further, the Dallas Fed manufacturing index unexpectedly declined in May.

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GBP ZAR ▲

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound dropped 0.1% against the South African Rand to trade at R18.6151. With no major economic news in the UK today, investor sentiment will be determined by global macroeconomic news. On the macro front, the BRC shop price index rose on a yearly basis in May.

The British Pound advanced against the South African Rand yesterday. On the data front, the UK's BBA loans for house purchase surprised with an advance in April.

EUR ZAR ▲

EUR trading lower against ZAR

At 06:00 SAST, the Euro fell 0.2% against the South African Rand to trade at R16.4163. Going forward, market participants will keep a tab on Germany's unemployment rate for further direction.

The Euro strengthened against the South African Rand yesterday. Data indicated that the Eurozone's consumer confidence index rose in line with market anticipations in May. Additionally, the economic confidence index climbed more than market expectations for the first time in almost a year in the same month. Meanwhile, the region's business climate indicator declined more than market forecast in May. Separately, Germany's GfK consumer confidence index registered an unexpected drop in June, marking its lowest level since May 2017.

AUD ZAR ▲

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% lower against the South African Rand at R10.1892.

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	14.7029	▲	2.12	2.24	3.05	-1.40	2.70
GBPZAR	18.6151	▲	1.90	1.72	0.03	-1.36	1.75
EURZAR	16.4163	▲	1.82	1.80	2.55	-1.44	-0.08
AUDZAR	10.1892	▲	2.21	2.19	1.21	-2.06	0.78
EURUSD	1.1166	▼	-0.30	-0.38	-0.49	-0.03	-2.68
GBPUSD	1.2661	▼	-0.21	-0.48	-2.91	-0.02	-0.79
Brent (\$/barrel)	69.6	▼	0.00	2.07	-2.71	6.63	30.32
Gold (\$/oz)	1284.5	▲	-0.51	-0.51	-0.67	-0.56	-0.33
Platinum (\$/oz)	796.1	▼	-0.72	-0.72	-10.61	5.04	0.15
Copper (\$/MT)*	5941.0	▲	0.15	0.15	-7.56	-0.92	-0.13

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

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.6% higher to trade at \$1,284.50/oz.

Yesterday, gold prices fell 0.5% to close at \$1,277./oz, as strength in the US Dollar dented demand for the safe haven asset.

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Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 0.7% lower to trade at \$69.64/bl, amid fears that trade war tensions could lead to global economic slowdown.

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Yesterday, Brent crude oil remained flat at \$70.11/bl.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices dropped 0.1% to trade at \$796.10/oz.

Yesterday, platinum prices declined/ 0.7% to close at \$797.10/oz.

Major South African corporate news

Investec Australia Property Fund

The company announced that it has been admitted to the official list of the ASX Limited on 28 May 2019, on a deferred settlement basis.

MTN Group Limited

The company announced that it is planning to sell its stake in Amadeus to private equity firm, HarbourVest, in a deal worth around ZAR1.2bn.

Sibanye Gold Limited

The company announced that a ordinary resolution was passed by the requisite majority of votes at the general meeting regarding the issuance and allotment of company's ordinary shares as the consideration payable in connection with the all-share offer to acquire the entire issued share capital of Lonmin Plc.

Major global economic news

Eurozone

In the Eurozone, the business climate indicator eased more-than-expected to 0.30 in May. The business climate indicator had recorded a level of 0.42 in the prior month.

In the Eurozone, the economic sentiment indicator advanced to 105.10 in May, more than market expectations. The economic sentiment indicator had recorded a revised reading of 103.90 in the previous month.

In the Eurozone, the final consumer confidence index recorded a rise to -6.50 in May, meeting market forecast and compared to a revised reading of -7.30 in the prior month.

In Germany, the GfK consumer confidence index unexpectedly fell to a level of 10.10 in June. In the previous month, the index had registered a revised reading of 10.20.

US

In the US, the CB consumer confidence index recorded a rise to 134.10 in May. In the previous month, the index had registered a level of 129.20.

In the US, the housing price index recorded a less-than-anticipated rise of 0.1% on a monthly basis in March. In the prior month, the index had registered a revised rise of 0.4%.

In the US, the Dallas Fed manufacturing business index recorded an unexpected drop to a level of -5.30 in May. The index had recorded a reading of 2.00 in the prior month.

UK

In the UK, the BBA mortgage approvals registered an unexpected rise to a level of 42.99K in April. The BBA mortgage approvals had recorded a revised level of 40.56K in the prior month.

In the UK, the BRC shop price index registered a rise of 0.8% on a yearly basis in May. In the prior month, the index had advanced 0.4%.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
UK	01:01	BRC Shop Price Index (YoY) (May)	✓✓✓	0.80%*	0.40%	Monthly
France	08:45	Gross Domestic Product (QoQ) (Q1) (F)	✓✓✓	0.30%	0.30%**	Quarterly
France	08:45	Gross Domestic Product (YoY) (Q1) (F)	✓✓✓	1.10%	0.90%**	Quarterly
France	08:45	Consumer Spending (MoM) (Apr)	✓	0.40%	-0.10%	Monthly
France	08:45	Consumer Spending (YoY) (Apr)	✓	0.60%	-1.90%	Monthly
France	08:45	Consumer Price Index (EU norm) (MoM) (May) (P)	✓✓✓	0.30%	0.40%	Monthly
France	08:45	Consumer Price Index (EU norm) (YoY) (May) (P)	✓✓✓	1.20%	1.50%	Monthly
France	08:45	Consumer Price Index (MoM) (May) (P)	✓✓✓	0.20%	0.30%	Monthly
Germany	09:00	German Buba President Weidmann speech	✓✓	-	-	As scheduled
Eurozone	09:30	ECB's Mersch Speaks in Frankfurt	✓	-	-	As scheduled
Germany	09:55	Unemployment Rate s.a. (May)	✓✓✓	4.90%	4.90%	Monthly
Germany	09:55	Unemployment Change (May)	✓✓✓	-8.00K	-12.00K	Monthly
Eurozone	10:00	ECB's Rehn Speaks in London	✓	-	-	As scheduled
Eurozone	10:00	Publication of the ECB Financial Stability Review	✓✓	-	-	As scheduled
US	13:00	MBA Mortgage Applications (24-May)	✓	-	2.40%	Weekly
US	14:55	Redbook Index (YoY) (24-May)	✓	-	5.20%	Weekly
US	14:55	Redbook Index s.a. (MoM) (24-May)	✓	-	1.20%	Weekly
US	16:00	Richmond Fed Manufacturing Index (May)	✓	6.00	3.00	Monthly
Japan	-	Bol's Governor Kuroda speech	✓✓✓	-	-	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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