

ONE  
Minute Brief

30 May 2019

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## Economic and political news

The consumer confidence index, sponsored by the First National Bank (FNB) and compiled by the Bureau for Economic Research, rose to a level of 5.00 in 2Q19, compared to a reading of 2.00 in the prior quarter.

President, Cyril Ramaphosa, has reduced the number of ministers in his new Cabinet to 28 from 36, with women occupying half of the positions. Moreover, he has retained Tito Mboweni as Finance Minister and David Mabuza as Deputy President.

Sibanye-Stillwater stated that its Chairman, Sello Moloko, will step down from his position, to focus on his other business interests. Further, he would be succeeded by Vincent Maphai, with effect from 1 June 2019.

Yesterday, Transnet National Ports Authority obtained a court interdict to stop a strike at its ports by South African Transport and Allied Workers Union (Satawu).

The South African Reserve Bank (SARB), in its semi-annual review of financial stability, warned that weak economic growth in South Africa (SA) is increasing risks of higher debt defaults.

## Key indices

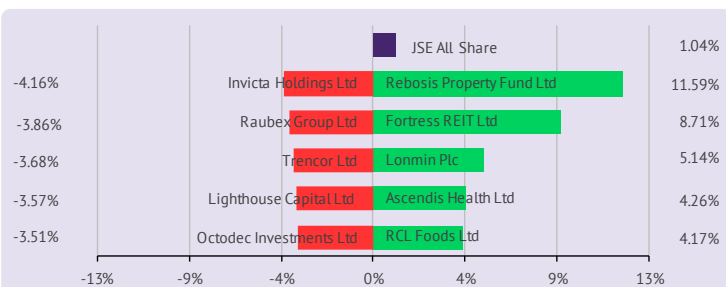
	As at 29 May 2019		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	54997.34	▲	565.71	1.04	1.05	-6.03	3.66	4.29
JSE Top 40 (ZAR)	49003.06	▲	538.39	1.11	1.19	-6.26	3.98	4.87
FTSE 100 (GBP)	7185.30	▼	-83.65	-1.15	-1.27	-3.14	1.91	6.79
DAX 30 (EUR)	11837.81	▼	-189.24	-1.57	-1.44	-4.10	7.10	12.11
CAC 40 (EUR)	5222.12	▼	-90.57	-1.70	-1.78	-6.52	4.41	10.39
S&P 500 (USD)	2783.02	▼	-19.37	-0.69	-1.52	-5.53	3.93	11.02
Nasdaq Composite (USD)	7547.31	▼	-60.04	-0.79	-1.17	-6.77	4.74	13.75
DJIA (USD)	25126.41	▼	-221.36	-0.87	-1.80	-5.51	2.56	7.71
MSCI Emerging Markets (USD)	985.44	▼	-2.72	-0.27	-0.12	-8.69	1.99	2.02
MSCI Developed World (USD)	2064.80	▼	-19.77	-0.95	-1.44	-5.23	3.37	9.60

## South Africa Market ▲

## South African markets closed higher

South African markets closed in the green yesterday, boosted by gains in banking and financial sector stocks. The JSE All Share Index rose 1.0% to close at 54,997.34.

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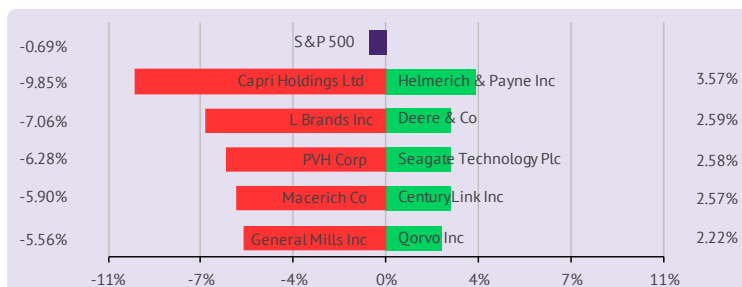


## US Market ▼

## US markets closed lower

US markets closed lower yesterday, as heightened US-China trade tensions sparked concerns about global growth. Data revealed that the US Richmond Fed manufacturing index rose less-than-expected in May. The S&P 500 Index dropped 0.7% to close at 2,783.02. Today, the S&P 500 futures are trading in the green.

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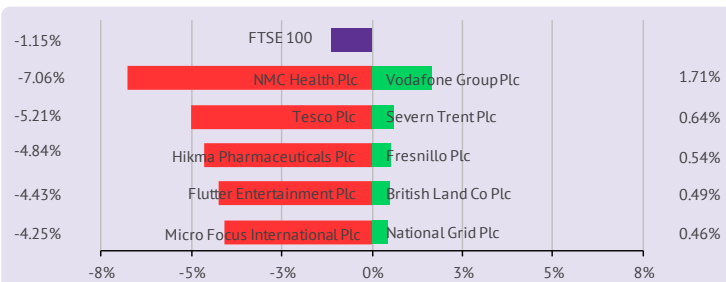


## UK Market ▼

## UK markets closed lower

UK markets finished lower yesterday, amid rising fears of a no-deal Brexit and US-China trade dispute. The FTSE 100 Index declined 1.2% to close at 7,185.30. Today, the FTSE 100 futures are trading in positive territory.

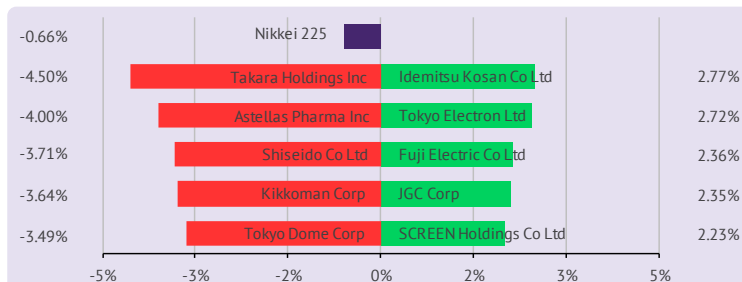
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## Asian Market ▼

## Trading mostly lower

Asian markets are trading mostly lower this morning. The Nikkei 225 Index is trading 0.7% lower at 20,864.84.



## USD ZAR ▲

### USD trading lower against ZAR

At 06:00 SAST, the US Dollar fell 0.1% against the South African Rand to trade at R14.6323. Later today, traders will keep a close watch on the US gross domestic product, initial jobless claims, advance goods trade balance and pending home sales data for further direction.

The US Dollar fell against the South African Rand yesterday. On the macro front, the US MBA mortgage applications dropped to a one-month low level in the week ended 24 May 2019. Further, the Richmond Fed manufacturing index registered a less-than-anticipated advance in May.

## GBP ZAR ▲

### GBP trading weaker against ZAR

At 06:00 SAST, the British Pound is trading 0.1% lower against the South African Rand at R18.4785. Amid no major economic news in the UK today, investor sentiment would be determined by global macroeconomic factors.

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

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## EUR ZAR ▲

### EUR trading lower against ZAR

At 06:00 SAST, the Euro fell 0.1% against the South African Rand to trade at R16.2971. Amid no major economic news across the Eurozone, market sentiment will be determined by global macroeconomic news.

The Euro weakened against the South African Rand yesterday. On the data front, Germany's unemployment rate unexpectedly rose for the first time in more than five years in May.

## AUD ZAR ▲

### AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar marginally retreated against the South African Rand to trade at R10.1342. Earlier in the session, Australia's building approvals recorded an unexpected decline on a monthly basis in April.

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	14.6323	▲	-0.55	1.67	2.48	-1.40	2.13
GBPZAR	18.4785	▲	-0.77	0.95	-0.74	-1.36	0.97
EURZAR	16.2971	▲	-0.82	0.97	1.71	-1.44	-0.90
AUDZAR	10.1342	▲	-0.64	1.53	0.56	-2.06	0.13
EURUSD	1.1138	▼	-0.26	-0.64	-0.75	-0.03	-2.93
GBPUSD	1.2628	▼	-0.21	-0.69	-3.12	-0.02	-1.00
Brent (\$/barrel)	69.7	▲	-0.94	1.11	-3.62	6.63	29.09
Gold (\$/oz)	1282.3	▲	0.31	-0.20	-0.37	-0.56	-0.02
Platinum (\$/oz)	789.7	▼	-0.68	-1.39	-11.21	5.04	-0.53
Copper (\$/MT)*	5854.0	▼	-1.46	-1.31	-8.91	-0.92	-1.60

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

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices rose 0.1% to trade at \$1,282.30/oz.

Yesterday, gold prices rose 0.3% to close at \$1,281.00/oz, as US-China trade tensions stoked global growth fears.

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## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil edged 0.3% higher to trade at \$69.67/bl, after the American Petroleum Institute reported that crude oil inventories declined by 5.3mn bls in the week ended 24 May 2019.

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Yesterday, Brent crude oil dropped 0.9% to settle at \$69.45/bl, as concerns about demand for the commodity grew, amid escalating US-China trade tensions.

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## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices edged 0.3% lower to trade at \$789.70/oz.

Yesterday, platinum prices declined 0.7% to close at \$791.70/oz.

## Major South African corporate news

### Arrowhead Properties Limited

In its 1H19 results, the company announced that its rental income increased to ZAR1.18bn from ZAR1.11bn posted in the corresponding period of the previous year. Its diluted loss per share stood at 29.43c, compared to an EPS of 11.58c in the prior year. Separately, the company announced the resignation of Imraan Suleman as Chief Financial Officer (CFO) and the appointment of Arend de Kock as interim acting CFO.

### Santam Limited

In its operational update for four months ended 30 April 2019, the company announced that it experienced a number of significant catastrophe events, including fires, hail damage and the storm and flood damage during the period. Further, significant crop insurance losses were experienced as a result of hail damage. However, the group achieved improved investment income results, given the positive market value adjustments on the investment portfolio and foreign currency gains during the period under review.

### Famous Brands Limited

In its FY19 results, the company announced that revenues advanced 2.2% to ZAR7.18bn from ZAR7.02bn in the same period of the preceding year. Its diluted loss per share stood at 479.00c, compared to a profit of 22.00c recorded in the previous year. The company declared a dividend of 100.00c per share.

## Major global economic news

### US

In the US, the MBA mortgage applications fell 3.3% on a weekly basis in the week ended 24 May 2019. In the previous week, the MBA mortgage applications had risen 2.4%.

In the US, the Richmond Fed manufacturing index rose less than market expectations to a level of 5.00 in May, compared to a reading of 3.00 in the previous month.

### Eurozone

In Germany, seasonally adjusted unemployment rate unexpectedly advanced to 5.0% in May, compared to 4.9% in the previous month.

### Asia

In Australia, seasonally adjusted building approvals unexpectedly fell 4.7% on a monthly basis in April. Building approvals had registered a revised drop of 13.4% in the previous month.

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
Japan	1:50	Foreign Buying Japan Bonds (24-May)	✓	JPY578.70bn*	-JPY194.90bn	Weekly
Japan	1:50	Foreign Buying Japan Stocks (24-May)	✓	-JPY128.20bn*	-JPY57.30bn	Weekly
Japan	1:50	Japan Buying Foreign Bonds (24-May)	✓	-JPY189.00bn*	JPY1359.00bn	Weekly
Japan	1:50	Japan Buying Foreign Stocks (24-May)	✓	JPY18.80bn*	JPY221.70bn	Weekly
South Africa	8:00	M3 Money Supply (YoY) (Apr)	✓	7.00%	6.95%	Monthly
South Africa	8:00	Private Sector Credit (YoY) (Apr)	✓	6.20%	6.10%	Monthly
UK	9:30	BoE's Dave Ramsden speaks in Inverness, Scotland	✓✓	-	-	As scheduled
South Africa	11:30	Producer Price Index (MoM) (Apr)	✓✓	0.80%	1.30%	Monthly
South Africa	11:30	Producer Price Index (YoY) (Apr)	✓✓	5.90%	6.20%	Monthly
US	14:30	Gross Domestic Purchases Price Index (QoQ) (Q1) (S)	✓✓✓	0.90%	0.90%**	Quarterly
US	14:30	Gross Domestic Product Annualised (QoQ) (Q1) (S)	✓✓✓	3.00%	3.20%**	Quarterly
US	14:30	Wholesale Inventories (MoM) (Apr) (P)	✓✓✓	0.10%	-0.10%	Monthly
US	14:30	Personal Consumption (QoQ) (Q1) (S)	✓✓✓	1.20%	1.20%**	Quarterly
US	14:30	Personal Consumption Expenditure Core (QoQ) (Q1) (S)	✓✓✓	1.30%	1.30%**	Quarterly
US	14:30	Continuing Jobless Claims (18-May)	✓✓✓	1662.00K	1676.00K	Weekly
US	14:30	Initial Jobless Claims (25-May)	✓✓✓	214.00K	211.00K	Weekly
US	16:00	Pending Home Sales (Apr)	✓	-	105.80	Monthly
US	16:00	Pending Home Sales (MoM) (Apr)	✓✓	0.50%	3.80%	Monthly
US	16:00	Pending Home Sales (YoY) (Apr)	✓	0.10%	-3.20%	Monthly

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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