

ONE Minute Brief

3 June 2019

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Economic and political news

South Africa (SA) recorded a trade deficit of ZAR3.43bn in April, compared to a revised surplus of ZAR4.71bn in the prior month. Private sector credit demand growth rose to 7.95% on a yearly basis in April, compared to a revised advance of 6.04% in the prior month. Annual M3 money supply climbed 8.77% in April, compared to a revised rise of 6.94% in the prior month.

The Public Servants Association has urged the Public Investment Corporation to stop investing in the debt of Eskom, as it is exposing pensioners to excessive risk.

South African Airways Chief Executive Officer, Vuyani Jarana, has resigned from his position, citing uncertainty about funding and drop in government support for the airline's turnaround plan.

AfriForum has warned that it will start seizing property from the Economic Freedom Fighters and Julius Malema, if the party does not pay the outstanding due to it before Friday, in line with court orders.

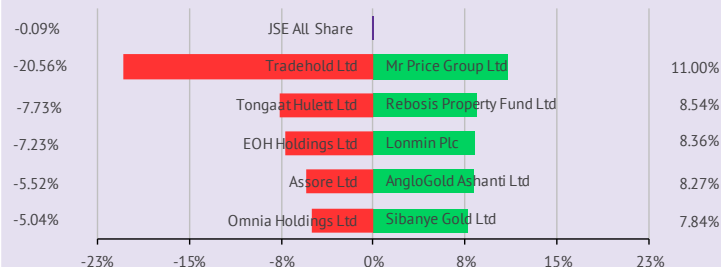
National Assembly speaker, Thandi Modise, has confirmed that she is seeking advice on how to deal with Democratic Alliance (DA)'s request to institute proceedings to remove Public Protector Advocate Busisiwe Mkhwebane.

South Africa Market ▼

South African markets closed lower

South African markets closed in the red on Friday, amid global trade tensions and led by losses in resources sector stocks. Data indicated that annual private sector credit demand growth rose more-than-expected in April. The JSE All Share Index fell 0.1% to close at 55,650.41.

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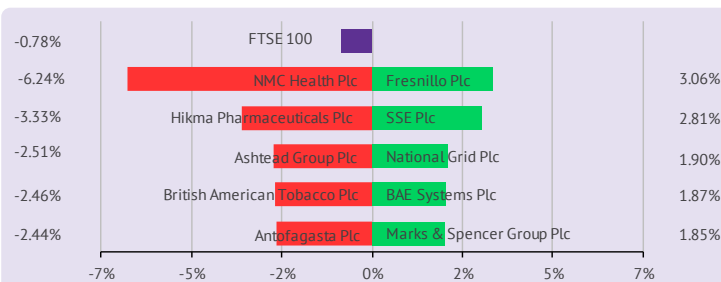


UK Market ▼

UK markets closed lower

UK markets finished lower on Friday, after US President, Donald Trump threatened to impose tariffs on Mexico. Data revealed that the UK's net consumer credit advanced in April. The FTSE 100 Index declined 0.8% to close at 7,161.71. Today, the FTSE 100 futures are trading in negative territory.

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Key indices

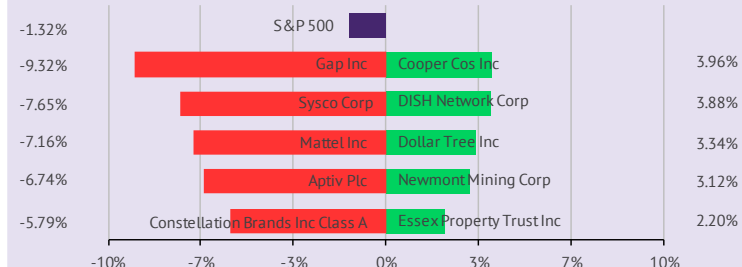
	As at 31 May 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	55650.41	▼	-50.18	-0.09	NA	NA	-4.92
JSE Top 40 (ZAR)	49587.47	▼	-79.38	-0.16	NA	NA	-5.14
FTSE 100(GBP)	7161.71	▼	-56.45	-0.78	NA	NA	-3.46
DAX 30 (EUR)	11726.84	▼	-175.24	-1.47	NA	NA	-5.00
CAC 40 (EUR)	5207.63	▼	-41.28	-0.79	NA	NA	-6.78
S&P 500 (USD)	2752.06	▼	-36.80	-1.32	NA	NA	-6.58
Nasdaq Composite (USD)	7453.15	▼	-114.57	-1.51	NA	NA	-7.93
DJIA (USD)	24815.04	▼	-354.84	-1.41	NA	NA	-6.69
MSCI Emerging Markets (USD)	998.00	▲	3.07	0.31	NA	NA	-7.53
MSCI Developed World (USD)	2046.25	▼	-20.24	-0.98	NA	NA	-6.08

US Market ▼

US markets closed lower

US markets closed lower on Friday, after President Donald Trump announced plans to impose tariffs on imports from Mexico. Data showed that personal income rose more-than-expected in April. The S&P 500 Index dropped 1.3% to close at 2,752.06. Today, the S&P 500 futures are trading in the red.

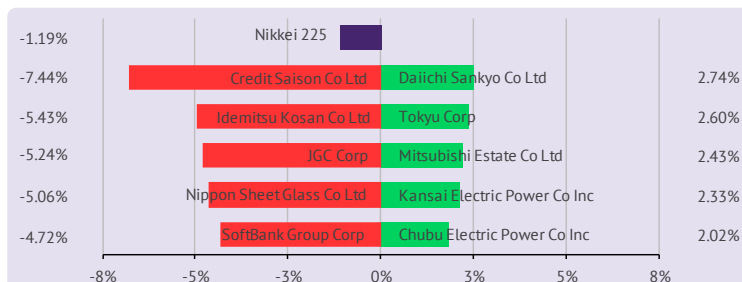
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Asian Market ▼

Trading mostly lower

Asian markets are trading mostly lower this morning. Data revealed that Japan's Nikkei manufacturing PMI advanced in May. The Nikkei 225 Index is trading 1.2% lower at 20,356.44.



USD ZAR ▲

USD trading lower against ZAR

At 06:00 SAST, the US Dollar fell 0.2% against the South African Rand to trade at R14.5551. Later today, traders will keep a close watch on the US Markit manufacturing PMI, the ISM manufacturing index and construction spending for further direction.

The US Dollar fell against the South African Rand on Friday. On the macro front, the US Michigan consumer sentiment index rose less than market forecast in May. Meanwhile, the nation's Chicago Purchasing Managers' Index (PMI) jumped more than market forecast in May. Additionally, personal income registered a more-than-expected advance in April. Moreover, personal spending climbed more than market anticipations in the same month. Separately, data showed that, SA recorded a trade deficit in April. On the other hand, the nation's annual private sector credit demand growth advanced more than market forecast in April. Additionally, M3 money supply registered a more-than-expected rise on a yearly basis in the same month.

GBP ZAR ▲

GBP trading lower against ZAR

At 06:00 SAST, the British Pound is trading marginally weaker against the South African Rand at R18.4188. Ahead in the day, traders will keep an eye on the UK's Markit manufacturing PMI for further cues.

The British Pound declined against the South African Rand on Friday, amid ongoing tensions over Brexit deal. Data indicated that the UK's Nationwide house price index unexpectedly eased on a monthly basis in May. Meanwhile, the nation's net consumer credit recorded a rise in April. Additionally, mortgage approvals jumped more than market forecast in April.

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EUR ZAR ▲

EUR trading weaker against ZAR

At 06:00 SAST, the Euro is trading 0.1% lower against the South African Rand at R16.2812. Going forward, market participants will keep a tab on the Markit manufacturing PMI across the euro area for further indication.

The Euro weakened against the South African Rand on Friday. On the data front, Germany's consumer price index (CPI) recorded a less-than-anticipated rise on an annual basis in May. Additionally, retail sales unexpectedly decline on a monthly basis in April.

AUD ZAR ▼

AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar advanced 0.1% against the South African Rand to trade at R10.1236. Earlier in the session, Australia's CBA manufacturing PMI registered a decline in May. Moreover, the AiG performance of manufacturing index eased in May. Meanwhile, in China, Australia's largest trading partner, the Caixin manufacturing PMI recorded an unchanged reading in May.

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

Key currencies & commodities

	Current#		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	14.5551	▲	-1.03	NA	NA	1.97	1.63
GBPZAR	18.4188	▲	-0.79	NA	NA	-1.16	0.54
EURZAR	16.2812	▲	-0.64	NA	NA	1.58	-1.02
AUDZAR	10.1236	▼	-0.67	NA	NA	0.29	-0.14
EURUSD	1.1185	▼	0.36	NA	NA	-0.41	-2.60
GBPUSD	1.2652	▼	0.17	NA	NA	-3.09	-0.98
Brent (\$/barrel)	61.3	▼	-7.30	NA	NA	-13.97	15.22
Gold (\$/oz)	1316.9	▲	1.45	NA	NA	1.56	1.91
Platinum (\$/oz)	801.0	▲	0.01	NA	NA	-10.93	-0.21
Copper (\$/MT)*	5806.0	▼	-0.27	NA	NA	-9.66	-2.40

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

Gold ▲

Trading in the green

At 06:00 SAST, gold prices advanced 0.9% to trade at \$1,316.90/oz.

On Friday, gold prices rose 1.5% to close at \$1,305.80/oz, amid heightened tariff tensions between the US and its global trade partners.

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Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 1.1% lower to trade at \$61.30/bl.

On Friday, Brent crude oil plunged 7.3% to settle at \$61.99/bl, amid rising concerns about demand for the commodity. Additionally, Baker Hughes reported that US oil rig count rose by 3 to 800 last week, recording its first rise in 4 weeks.

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Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices advanced 0.9% to trade at \$801.00/oz.

On Friday, platinum prices marginally rose to close at \$794.20/oz.

Major South African corporate news

Mr Price Group Limited

In its FY19 results, the company announced that its revenues advanced to ZAR22.59bn from ZAR21.35bn posted in the corresponding period of the previous year. Its diluted EPS rose 7.0% to 1,125.70c compared to the same period of the prior year. The company declared a cash dividend of 424.80c per share.

Consolidated Infrastructure Group Limited

In its 1H19 trading statement, the company announced that it expects its loss per share to be between 415.00c and 495.00c. Moreover, it anticipates headline loss per share to be in between 385.00c and 455.00c. The company's current reporting period has been impacted by a tough macro-economic environment with pressure on most of the company's businesses, especially in the engineering, procurement and construction businesses.

Major global economic news

US

In the US, the Chicago Fed PMI climbed more-than-expected to 54.20 in May. In the previous month, the index had registered a level of 52.60.

In the US, personal income rose 0.5% on a monthly basis in April, more than market expectations. In the previous month, personal income had registered a rise of 0.1%.

In the US, personal spending recorded a rise of 0.3% on a monthly basis in April, more than market forecast. Personal spending recorded a revised advance of 1.1% in the previous month.

In May, the final Michigan consumer sentiment index climbed less-than-anticipated to 100.00 in the US. The index had recorded a level of 97.20 in the prior month. The preliminary figures had recorded an advance to 102.40.

Asia

In Australia, the CBA manufacturing PMI dropped to a level of 51.00 in May, compared to a reading of 51.10 in the previous month.

In Australia, the AiG performance of manufacturing index recorded a drop to 52.70 in May, compared to a level of 54.80 in the prior month.

In Japan, the final Nikkei manufacturing PMI eased to 49.80 in May, compared to a reading of 50.20 in the previous month. The preliminary figures had recorded a drop to 49.60.

In China, the Caixin manufacturing PMI index remained unchanged at a level of 50.20 in May.

UK

In the UK, net consumer credit recorded a rise of GBP0.90bn in April, compared to a revised advance of GBP0.60bn in the prior month.

In the UK, number of mortgage approvals for house purchases climbed more-than-expected to 66.30K in April. In the prior month, number of mortgage approvals for house purchases had recorded a revised reading of 62.60K.

In the UK, the seasonally adjusted Nationwide house prices recorded an unexpected drop of 0.2% on a monthly basis in May. Nationwide house prices had recorded a revised rise of 0.3% in the prior month.

Eurozone

In Germany, the flash CPI advanced 1.4% on an annual basis in May, less than market expectations. In the prior month, the CPI had recorded a rise of 2.0%.

In Germany, retail sales unexpectedly dropped 2.0% on a monthly basis in April. Retail sales had dropped 0.2% in the previous month.

40 best performers on the All Share Index

Company name	Last close	1 Week % change	MTD % change	YTD % change
Lonmin Plc	1374	26.40	NA	63.77
Kumba Iron Ore Ltd	44204	0.00	NA	62.90
Impala Platinum Holdings Ltd	5800	8.37	NA	58.12
Telkom SA SOC Ltd	9172	6.08	NA	44.92
Allied Electronics Corp Ltd	2465	4.60	NA	39.47
Anglo American Platinum Ltd	73278	11.68	NA	37.61
Sibanye Gold Ltd	1376	19.76	NA	37.33
Cartrack Holdings Ltd	1940	25.16	NA	35.66
Assore Ltd	38169	-1.19	NA	35.40
Gold Fields Ltd	6544	19.00	NA	33.11
DataTec Ltd	3590	1.99	NA	31.21
Northam Platinum Ltd	5631	8.14	NA	30.17
Exxaro Resources Ltd	16988	5.32	NA	27.45
Libstar Holdings Ltd	860	-2.16	NA	26.26
Metair Investments Ltd	2355	0.94	NA	26.13
Distell Group Holdings Ltd	12768	2.88	NA	20.45
Ascendis Health Ltd	500	1.42	NA	20.19
Hospitality Property Fund Ltd	1050	1.84	NA	20.00
MTN Group Ltd	10264	2.33	NA	19.62
Capitec Bank Holdings Ltd	131921	2.41	NA	18.97
African Rainbow Minerals Ltd	16495	0.79	NA	18.61
MiX Telematics Ltd	1000	2.03	NA	18.44
Grindrod Ltd	714	7.37	NA	18.27
AECI Ltd	9500	2.70	NA	18.21
Barloworld Ltd	13211	1.35	NA	17.97
Transaction Capital Ltd	1998	-2.54	NA	17.46
Stenprop Ltd	2074	0.39	NA	17.40
Naspers Ltd	327561	4.73	NA	16.80
Raubex Group Ltd	1963	-1.99	NA	16.74
Bid Corp Ltd	30432	3.6	NA	16.06
BHP Group Plc	32781	-0.06	NA	16.02
Investec Australia Property Fund	1369	8.82	NA	15.23
Royal Bafokeng Platinum Ltd	2850	0.42	NA	14.57
Mpact Ltd	2350	0.04	NA	14.42
Standard Bank Group Ltd	19875	2.61	NA	14.34
Fortress REIT Ltd	1995	2.47	NA	13.89
Cie Financiere Richemont SA	10642	-0.13	NA	13.64
Investec Property Fund Ltd	1560	0.97	NA	13.45
Quilter Plc	2424	-0.66	NA	13.02
JSE All Share Index	55650	2.25	NA	5.52

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
Japan	01:50	Capital Spending (Q1)	✓✓✓	6.10%*	5.70%	Quarterly
Japan	01:50	Capital Spending Ex Software (YoY) (Q1)	✓	6.90%*	5.50%	Quarterly
Japan	02:30	Nomura/ JMMA Manufacturing PMI (May) (F)	✓✓✓	49.80*	49.60**	Monthly
China	03:45	Caixin/Markit Manufacturing PMI (May)	✓✓✓	50.20*	50.20	Monthly
US	03:45	Fed's Daly Speaks at Asian Bank Symposium in Singapore	✓	-	-	As scheduled
Japan	07:00	Vehicle Sales (YoY) (May)	✓	-	2.50%	Monthly
Germany	09:55	Markit Manufacturing PMI (May) (F)	✓✓✓	44.30	44.30**	Monthly
Eurozone	10:00	Markit Manufacturing PMI (May) (F)	✓✓✓	47.70	47.70**	Monthly
UK	10:30	Markit Manufacturing PMI (May)	✓✓✓	52.00	53.10	Monthly
South Africa	11:00	PMI Manufacturing (May)	✓✓	48.00	47.20	Monthly
US	15:10	Fed's Quarles Discusses Libor Transition	✓	-	-	As scheduled
US	15:45	Markit Manufacturing PMI (May) (F)	✓✓✓	50.60	50.60**	Monthly
US	16:00	ISM New Export Orders (May)	✓	-	49.50	Monthly
US	16:00	ISM Imports (May)	✓	-	49.80	Monthly
US	16:00	ISM Backlog Orders (May)	✓	-	53.90	Monthly
US	16:00	ISM Inventories (May)	✓	-	52.90	Monthly
US	16:00	ISM Production (May)	✓	-	52.30	Monthly
US	16:00	ISM New Orders (May)	✓	-	51.70	Monthly
US	16:00	ISM Employment (May)	✓	-	-	Monthly
US	16:00	ISM Manufacturing PMI (May)	✓✓✓	53.00	52.80	Monthly
US	16:00	ISM Prices Paid (May)	✓✓	51.00	-	Monthly
US	16:00	Construction Spending (MoM) (Apr)	✓✓	0.40%	-0.90%	Monthly
US	18:40	Fed's Barkin Speaks to Charlotte Economics Club	✓	-	-	As scheduled
US	19:25	Fed's Bullard Speaks in Chicago	✓	-	-	As scheduled
South Africa	-	Naamsa Vehicle Sales (YoY) (May)	✓	0.90%	0.70%	Monthly
US	-	Total Vehicle Sales (May)	✓	16.90mn	16.40mn	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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