

ONE
Minute Brief

12 June 2019



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Economic and political news

In South Africa (SA), manufacturing production rose 4.6% on an annual basis in April, compared to a revised rise of 1.3% in the previous month.

The employees of South African Airways (SAA) who are members of the National Union of Metalworkers SA (Numsa) and the SA Cabin Crew Association (Sacca) have threatened a total shutdown of the aviation industry. The unions have given the government seven days to fire the entire board of the airline and to persuade Chief Executive Officer, Vuyani Jarana, to withdraw his resignation.

Former ministers, Bathabile Dlamini and Derek Hanekom, have resigned as African National Congress' MPs, after not being reappointed to the cabinet.

Yesterday, the Presidential Advisory Panel on Land Reform and Agriculture submitted its final report to President, Cyril Ramaphosa and Deputy President, David Mabuza.

Greenpeace Africa has urged Eskom to stop coal-fired generation over the next 20 years stating that the utility is the biggest emitter of toxic pollutants and greenhouse gases in the country.

Key indices

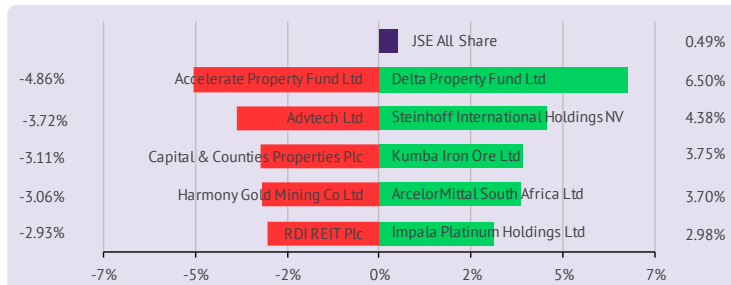
	As at 11 June 2019		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	58767.63	▲	286.58	0.49	1.15	5.60	-4.92	11.44
JSE Top 40 (ZAR)	52656.33	▲	299.29	0.57	1.31	6.19	-5.14	12.69
FTSE 100 (GBP)	7398.45	▲	22.91	0.31	0.91	3.31	-3.46	9.96
DAX 30 (EUR)	12155.81	▲	110.43	0.92	0.92	3.66	-5.00	15.12
CAC 40 (EUR)	5408.45	▲	25.95	0.48	0.83	3.86	-6.78	14.33
S&P 500 (USD)	2885.72	▼	-1.01	-0.03	0.43	4.86	-6.58	15.11
Nasdaq Composite (USD)	7822.57	▼	-0.60	-0.01	1.04	4.96	-7.93	17.89
DJIA (USD)	26048.51	▼	-14.17	-0.05	0.25	4.97	-6.69	11.66
MSCI Emerging Markets (USD)	1031.85	▲	9.82	0.96	2.43	3.39	-7.53	6.82
MSCI Developed World (USD)	2139.74	▲	4.24	0.20	0.60	4.57	-6.08	13.58

South Africa Market ▲

South African markets closed higher

South African markets closed in the green yesterday, boosted by gains in resources and mining sector stocks. Data showed that SA's annual manufacturing production rose more-than-expected in April. The JSE All Share Index rose 0.5% to close at 58,767.63.

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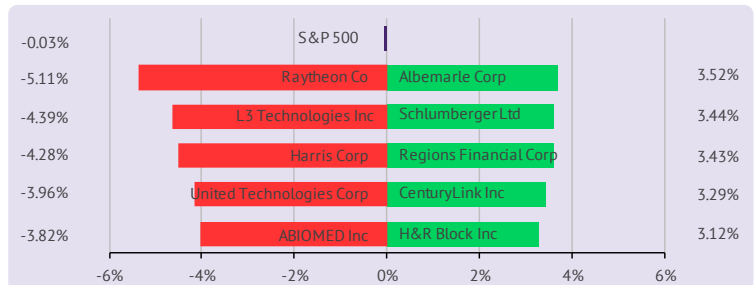


US Market ▼

US markets closed lower

US markets closed lower yesterday, amid ongoing US-China trade tensions and ahead of the Federal Reserve interest rate decision. Data revealed that the US annual producer price index (PPI) advanced less-than-anticipated in May. The S&P 500 Index marginally dropped to close at 2,885.72. Today, the S&P 500 futures are trading weaker.

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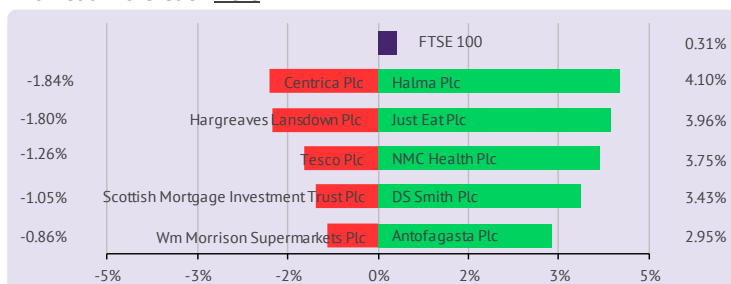


UK Market ▲

UK markets closed higher

UK markets finished higher yesterday, supported by gains in mining sector stocks and after China decided to increase government spending to boost economic growth. Data indicated that UK's jobless rate remained steady in three months to April. The FTSE 100 Index advanced 0.3% to close at 7,398.45. Today, the FTSE 100 futures are trading in negative territory.

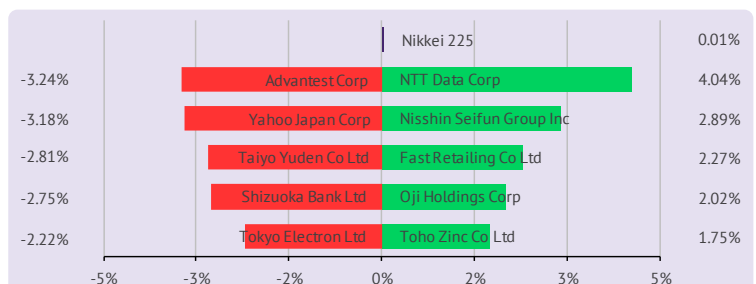
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Asian Market ▼

Trading mostly lower

Asian markets are trading mostly lower this morning. The Nikkei 225 Index is trading slightly higher at 21,206.40.



USD ZAR ▲

USD trading lower against ZAR

At 06:00 SAST, the US Dollar declined 0.1% against the South African Rand to trade at R14.6567. Later today, traders will keep a close watch on the US consumer price index (CPI), the MBA mortgage applications, average hourly earnings and monthly budget statement for further indication.

The US Dollar fell against the South African Rand yesterday. On the macro front, the US PPI advanced less than market forecast on an annual basis in May. On the other hand, the nation's NFIB small optimism index surprised with a rise in May. Separately, in SA, manufacturing production climbed to its highest level since June 2016 on a yearly basis in April.

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 R18.6390. Ahead in the day, traders will keep an eye on UK's RICS house price balance for further cues.

The British Pound declined against the South African Rand yesterday, amid ongoing political uncertainty in the UK. On the data front UK's average weekly earnings jumped more than market anticipations on a yearly basis in the February-April 2019 period. Further, the ILO unemployment rate remained unchanged at a 45-year low rate in the February-April 2019 period.

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EUR ZAR ▲

EUR trading lower against ZAR

At 06:00 SAST, the Euro marginally fell against the South African Rand to trade at R16.6096. Going forward, market participants will keep a tab on the European Central Bank President, Mario Draghi's speech for further direction.

The Euro weakened against the South African Rand yesterday. Data indicated that Eurozone's Sentix investor confidence index declined sharply in June.

AUD ZAR ▲

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar declined 0.3% against the South African Rand to trade at R10.1847. Earlier in the session, Australia's Westpac consumer confidence index recorded a drop on monthly basis in June. Meanwhile, in China, Australia's largest trading partner, the CPI advanced at par with market forecast on a yearly basis in May, notching its highest level in 15 months. Additionally, the annual PPI climbed meeting market expectations in May.

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	14.6567	▲	-1.06	-1.90	0.60	1.97	2.24
GBPZAR	18.6390	▲	-0.76	-2.02	1.32	-1.16	1.87
EURZAR	16.6096	▲	-0.93	-1.96	1.98	1.58	0.94
AUDZAR	10.1847	▲	-1.06	-2.53	1.01	0.29	0.87
EURUSD	1.1333	▲	0.12	-0.07	1.41	-0.41	-1.23
GBPUSD	1.2717	▲	0.32	-0.09	0.76	-3.09	-0.23
Brent (\$/barrel)	61.4	▼	0.00	-1.58	0.48	-13.97	15.78
Gold (\$/oz)	1336.3	▲	0.13	-1.10	1.58	1.56	3.52
Platinum (\$/oz)	817.6	▲	1.13	1.02	2.53	-10.93	2.31
Copper (\$/MT)*	5857.5	▼	-0.05	1.38	0.89	-9.66	-1.54

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

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.7% higher to trade at \$1,336.30/oz.

Yesterday, gold prices rose 0.1% to close at \$1,326.40/oz, amid weakness in the US equities and ongoing US-China trade tensions.

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Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 1.4% lower to trade at \$61.42/bl, amid weaker oil demand outlook and after the American Petroleum Institute reported that the US crude supplies climbed by 4.9mn bls in the week ended 7 June 2019.

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Yesterday, Brent crude oil remained steady to settle at \$62.29/bl.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged 0.4% higher to trade at \$817.60/oz.

Yesterday, platinum prices climbed 1.1% to close at \$814.30/oz.

Major South African corporate news

Super Group Limited

The company announced that it has appointed Mr. David Ian Cathrall as an independent Non-Executive Director, with effect from 1 June 2019.

Major global economic news

Asia

In China, the CPI rose 2.7% on a yearly basis in May, in line with market expectations. In the prior month, the CPI had advanced 2.5%.

In China, the PPI climbed 0.6% on an annual basis in May, at par with market forecast. In the prior month, the PPI had recorded a rise of 0.9%.

In Australia, the Westpac consumer confidence index dropped 0.6% to a level of 100.70 on monthly basis in June, compared to a reading of 101.30 in the prior month.

In Japan, machinery orders unexpectedly rose 5.2% on a monthly basis in April. In the prior month, machinery orders had advanced 3.8%.

UK

In the UK, the ILO unemployment rate remained unchanged at 3.8% in the February-April 2019 period, in line with market expectations.

In the UK, average earnings including bonus registered a more-than-expected rise of 3.1% on an annual basis in the February-April 2019 period, compared to a revised rise of 3.3% in the January-March 2019 period.

US

In the US, the PPI registered a less-than-anticipated rise of 1.8% on a yearly basis in May, compared to an advance of 2.2% in the previous month.

In the US, the NFIB small business optimism index unexpectedly rose to a level of 105.00 in May, compared to a level of 103.50 in the previous month.

Eurozone

In the Eurozone, the Sentix investor confidence index dropped to -3.30 in June, compared to 5.30 in the prior month.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
 Japan	01:50	Domestic Corporate Goods Price Index (MoM) (May)	✓	-0.10%*	0.40%	Monthly
 Japan	01:50	Domestic Corporate Goods Price Index (YoY) (May)	✓	0.70%*	1.30%	Monthly
 Japan	01:50	Machinery Orders (YoY) (Apr)	✓✓	2.50%*	-0.70%	Monthly
 Japan	01:50	Machinery Orders (MoM) (Apr)	✓	5.20%*	3.80%	Monthly
 China	03:30	Producer Price Index (YoY) (May)	✓✓✓	0.60%*	0.90%	Monthly
 China	03:30	Consumer Price Index (YoY) (May)	✓✓✓	2.70%*	2.50%	Monthly
 China	03:30	Consumer Price Index (MoM) (May)	✓✓✓	0.00%*	0.10%	Monthly
 Eurozone	10:00	ECB's Muller Speaks on Outlook for Euro Area, Estonian Economy	✓	-	-	As scheduled
 Eurozone	10:15	ECB President Draghi Speaks in Frankfurt	✓✓✓	-	-	As scheduled
 Eurozone	11:00	ECB Vice President Guindos Speaks in Frankfurt	✓	-	-	As scheduled
 US	13:00	MBA Mortgage Applications (07-Jun)	✓	-	1.50%	Weekly
 South Africa	13:00	Retail Sales (MoM) (Apr)	✓✓	0.00%	-0.70%	Monthly
 South Africa	13:00	Retail Sales (YoY) (Apr)	✓✓	1.20%	0.20%	Monthly
 US	14:30	Consumer Price Index n.s.a. (MoM) (May)	✓	-	0.50%	Monthly
 US	14:30	Consumer Price Index (MoM) (May)	✓✓✓	0.10%	0.30%	Monthly
 US	14:30	Consumer Price Index (YoY) (May)	✓✓✓	1.90%	2.00%	Monthly
 US	14:30	Consumer Price Index n.s.a. (May)	✓	256.18	255.55	Monthly
 Eurozone	16:15	ECB's Cœuré speech	✓✓	-	-	As scheduled
 US	20:00	Monthly Budget Statement (May)	✓✓✓	-USD200.00bn	USD160.30bn	Monthly

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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