

# ONE Minute Brief

18 June 2019

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## Economic and political news

The UN world investment report indicated that Foreign Direct Investment (FDI) in South Africa more than doubled to USD5.3bn in 2018.

The Association of Mineworkers and Construction Union (AMCU) President, Joseph Mathunjwa, stated that the union is likely to seek a monthly basic wage of ZAR17,000 for its members from companies in the platinum sector.

Pilots at South African Airways have warned of a strike against the appointment of interim Chief Executive Officer, Zukisa Ramasia, claiming that he is not the right person for the job.

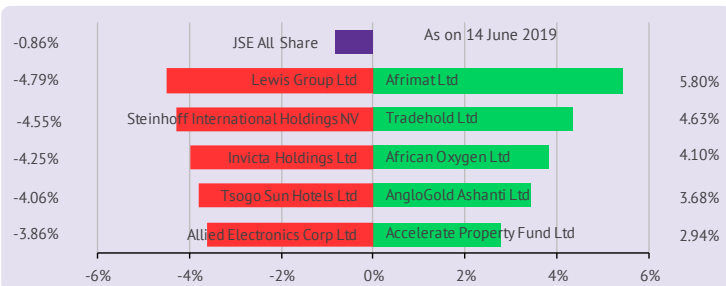
The spokesperson of the Department of International Relations and Cooperation indicated that he has been unsuccessful in his attempts to get in touch with Zindzi Mandela, the daughter of late Nelson Mandela and currently South Africa's Ambassador to Denmark, following controversial tweets from an account bearing her name on Friday.

## South Africa Market

### South African markets closed lower

South African markets closed in the red on Friday, weighed down by losses in resources and industrial sector stocks. The JSE All Share Index fell 0.9% to close at 58,193.78.

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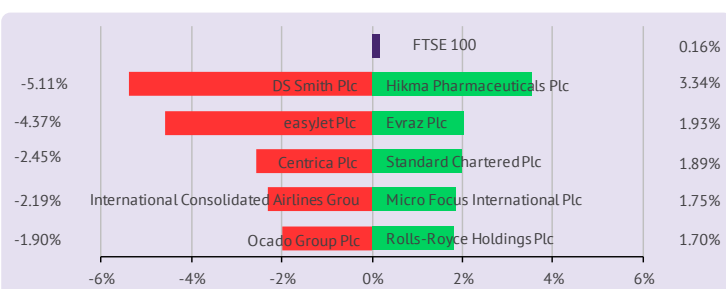


## UK Market

### UK markets closed firmer

UK markets finished in positive territory yesterday, boosted by gains in banking sector stocks. The FTSE 100 Index advanced 0.2% to close at 7,357.31. Today, the FTSE 100 futures are trading in negative territory.

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## Key indices

	As at 17 June 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)*	58193.78	▼ -503.85	-0.86	NA	4.57	-4.92	10.35
JSE Top 40 (ZAR)*	52166.68	▼ -425.75	-0.81	NA	5.20	-5.14	11.64
FTSE 100 (GBP)	7357.31	▲ 11.53	0.16	0.16	2.73	-3.46	9.35
DAX 30 (EUR)	12085.82	▼ -10.58	-0.09	-0.09	3.06	-5.00	14.46
CAC 40 (EUR)	5390.95	▲ 23.33	0.43	0.43	3.52	-6.78	13.96
S&P 500 (USD)	2889.67	▲ 2.69	0.09	0.09	5.00	-6.58	15.27
Nasdaq Composite (USD)	7845.02	▲ 48.37	0.62	0.62	5.26	-7.93	18.23
DJIA (USD)	26112.53	▲ 22.92	0.09	0.09	5.23	-6.69	11.94
MSCI Emerging Markets (USD)	1010.97	▼ -4.11	-0.40	-0.40	1.30	-7.53	4.66
MSCI Developed World (USD)	2130.86	▼ -0.09	0.00	0.00	4.14	-6.08	13.11

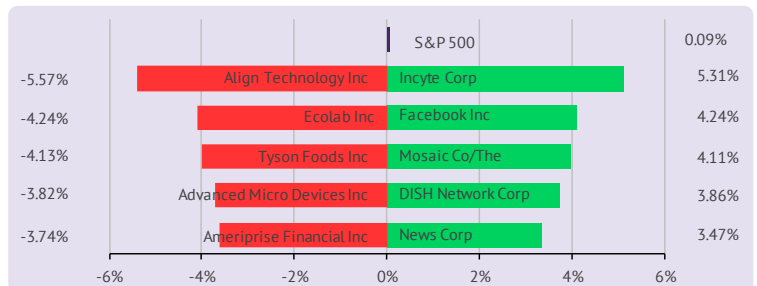
\* Values as on 14 June 2019

## US Market

### US markets closed higher

US markets closed firmer yesterday, supported by gains in technology sector stocks and ahead of the FOMC interest rate decision. Data revealed that the US NAHB housing market index unexpectedly fell in June. The S&P 500 Index climbed 0.1% to close at 2,889.67. Today, the S&P 500 futures are trading weaker.

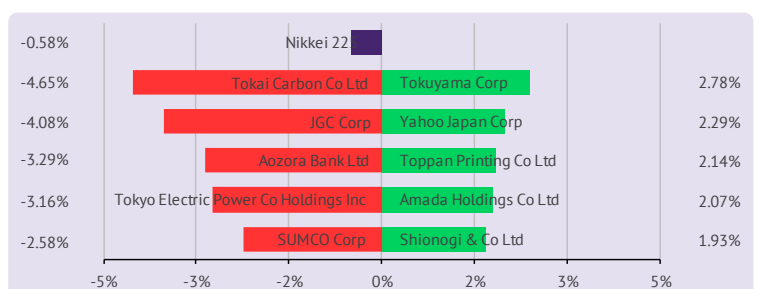
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## Asian Market

### Trading mostly higher

Asian markets are trading mostly higher this morning. The Nikkei 225 Index is trading 0.6% lower at 21,001.27.



## USD ZAR

### USD trading lower against ZAR

At 06:00 SAST, the US Dollar is trading 0.1% weaker against the South African Rand at R14.8032. Later today, traders will keep a close watch on the US housing starts and building permits for further indication.

The US Dollar fell against the South African Rand yesterday, after the US empire manufacturing index dropped more-than-expected in June, marking its lowest level in two-and-a-half years. Additionally, the NAHB housing market index registered an unexpected decline in June.

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## 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 R18.5358. With no major economic news in the UK today, investor sentiment will be determined by global macroeconomic news. Data revealed that UK's Rightmove house prices advanced on a monthly basis in June.

The British Pound declined against the South African Rand yesterday, amid concerns that Boris Johnson will replace Theresa May as the British Prime Minister.

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## EUR ZAR

### EUR trading higher against ZAR

At 06:00 SAST, the Euro slightly rose against the South African Rand to trade at R16.6250. Going forward, market participants will keep a tab on the European Central Bank President, Mario Draghi's speech, the consumer price index, trade balance along with the ZEW survey indices across the Eurozone for further direction.

The Euro strengthened against the South African Rand yesterday.











## AUD ZAR

### AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar retreated 0.3% against the South African Rand to trade at R10.1183. Earlier in the session, Australia's ANZ Roy Morgan weekly consumer confidence index registered a decline in the week ended 16 June 2019. Additionally, quarterly house price index dropped in the first quarter of 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	14.8032		-0.06	-0.06	1.60	1.97	3.25
GBPZAR	18.5358		-0.49	-0.49	0.76	-1.16	1.31
EURZAR	16.6250		0.03	0.03	2.02	1.58	0.98
AUDZAR	10.1183		-0.32	-0.32	0.39	0.29	0.25
EURUSD	1.1230		0.09	0.09	0.44	-0.41	-2.17
GBPUSD	1.2521		-0.44	-0.44	-0.75	-3.09	-1.72
Brent (\$/barrel)	60.9		-1.73	-1.73	-1.69	-13.97	13.27
Gold (\$/oz)	1344.8		-0.10	-0.10	2.52	1.56	4.48
Platinum (\$/oz)	791.2		-1.26	-1.26	0.05	-10.93	-0.16
Copper (\$/MT)*	5818.0		0.35	0.35	0.21	-9.66	-2.20

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

## Gold

### Trading in the green

At 06:00 SAST, gold prices rose 0.5% to trade at \$1,344.80/oz.

Yesterday, gold prices fell 0.1% to close at \$1,338.70/oz, amid uncertainty over interest rates, ahead of the FOMC meeting minutes.

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## Brent Crude Oil

### Trading weaker

At 06:00 SAST, Brent crude oil edged 0.1% lower to trade at \$60.90/bl.

Yesterday, Brent crude oil dropped 1.7% to settle at \$60.94/bl, amid ongoing worries over demand for the commodity. Separately, the Energy Information Administration forecasted that crude oil production from seven major US shale players will climb by 70,000bls a day to 8.520mn bls a day in July.

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## Platinum

### Trading in negative territory

At 06:00 SAST, platinum prices fell 0.4% to trade at \$791.20/oz.

Yesterday, platinum prices declined 1.3% to close at \$794.60/oz.

## Major South African corporate news

### Omnia Holdings Limited

In its FY19 trading update, the company announced that it expects its diluted loss per share to be between 591.00c and 670.00c, which is 172.0% to 164.0% lower than the previous year. Further, it anticipates headline loss per share to be between 59.00c and 139.00c during the period, which is 115.0% to 106.0% lower than the prior year.

### SA Corporate Real Estate Limited

The company announced the appointment of Director, Ms. Emily Mauristene Hendricks, as the interim Chairman of the Board of Directors with immediate effect. Further, the company indicated that Mr. Jeff Molobela will remain as an independent Non-Executive Director on the Board of Directors.

## Major global economic news

### US

In the US, the NY Empire State manufacturing index eased to -8.60 in June, more than market expectations. In the previous month, the index had recorded a reading of 17.80.

In June, the NAHB housing market index registered an unexpected drop to 64.00 in the US. The index had recorded a level of 66.00 in the previous month.

### Asia

In Australia, the ANZ Roy Morgan weekly consumer confidence index dropped to a level of 114.20 in the week ended 16 June 2019, compared to a reading of 114.60 in the prior week.

In Australia, the house price index eased 3.0% on a quarterly basis in 1Q19, more than market expectations and compared to a fall of 2.4% in the previous quarter.

### UK

In the UK, the Rightmove house price index recorded a rise of 0.3% on a monthly basis in June. The index had recorded a rise of 0.9% in May.

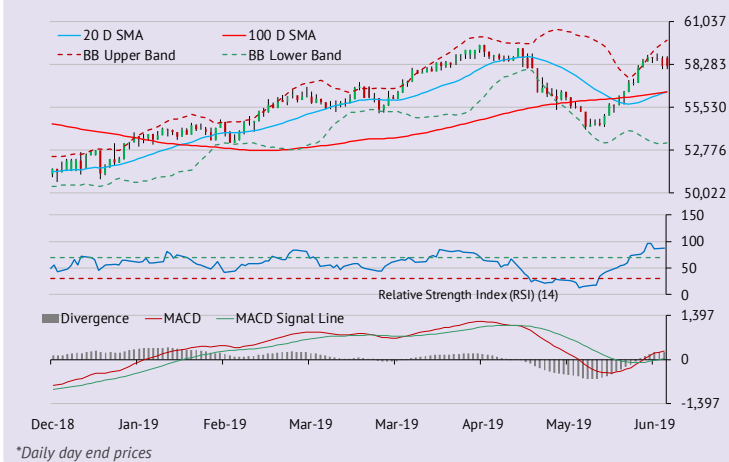
## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus	Previous/ **Previous est.	Frequency
 Germany	08:00	Producer Price Index (MoM) (May)	✓✓✓	-	0.50%	Monthly
 Germany	08:00	Producer Price Index (YoY) (May)	✓✓✓	-	2.50%	Monthly
 Eurozone	08:00	EU 27 New Car Registrations (YoY) (May)	✓	-	-0.40%	Monthly
 Eurozone	10:00	Draghi Gives Introductory Speech at ECB Forum in Sintra	✓✓✓	-	-	As scheduled
 Eurozone	10:30	ECB's De Guindos speech	✓✓✓	-	-	As scheduled
 Eurozone	11:00	ZEW Survey - Economic Sentiment (Jun)	✓✓	-	-1.60	Monthly
 Eurozone	11:00	Trade Balance n.s.a. (Apr)	✓✓	-	EUR22.50bn	Monthly
 Eurozone	11:00	Consumer Price Index - Core (YoY) (May) (F)	✓✓✓	0.80%	0.80%**	Monthly
 Germany	11:00	ZEW Survey - Current Situation (Jun)	✓✓	6.10	8.20	Monthly
 Eurozone	11:00	Consumer Price Index (MoM) (May)	✓✓✓	0.20%	0.70%	Monthly
 Eurozone	11:00	Consumer Price Index (YoY) (May) (F)	✓✓✓	1.20%	1.20%**	Monthly
 Germany	11:00	ZEW Survey - Economic Sentiment (Jun)	✓✓✓	-5.60	-2.10	Monthly
 Eurozone	11:00	Trade Balance s.a. (Apr)	✓✓✓	EUR17.00bn	EUR17.90bn	Monthly
 US	14:30	Building Permits (May)	✓✓✓	1293.00K	1296.00K	Monthly
 US	14:30	Housing Starts (May)	✓✓✓	1240.00K	1235.00K	Monthly
 US	14:30	Housing Starts (MoM) (May)	✓✓✓	0.40%	5.70%	Monthly
 US	14:30	Building Permits (MoM) (May)	✓✓✓	0.20%	0.60%	Monthly
 US	14:55	Redbook Index (YoY) (14-Jun)	✓	-	5.00%	Weekly
 US	14:55	Redbook Index s.a. (MoM) (14-Jun)	✓	-	-2.60%	Weekly
 UK	16:00	BOE Governor Carney speaks at Policy Panel in Sintra	✓✓✓	-	-	As scheduled
 Eurozone	16:00	ECB's Draghi speaks at Policy Panel in Sintra	✓✓✓	-	-	As scheduled
 Eurozone	16:00	ECB's Lane speech	✓✓	-	-	As scheduled

Note: ✓✓✓High    ✓✓Medium    ✓Low

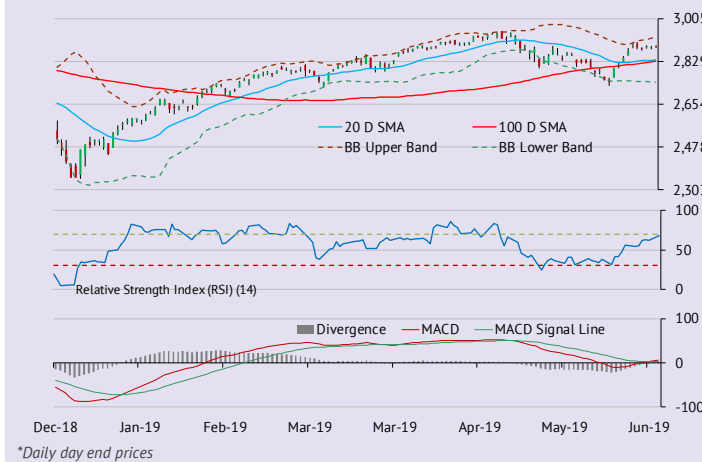
## Technical snapshot

### JSE All Share



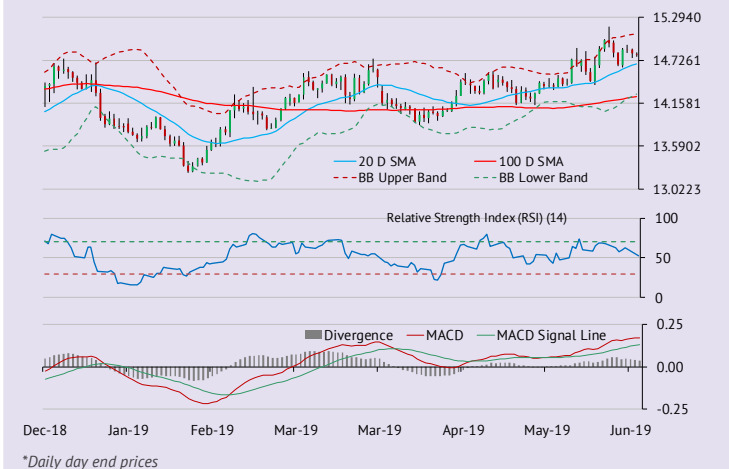
The JSE All Share index is expected to find support at 57,775.06, and a fall through could take it to the next support level of 57,356.33. The index is expected to find its first resistance at 58,807.22, and a rise through could take it to the next resistance level of 59,420.65.

### S&P 500



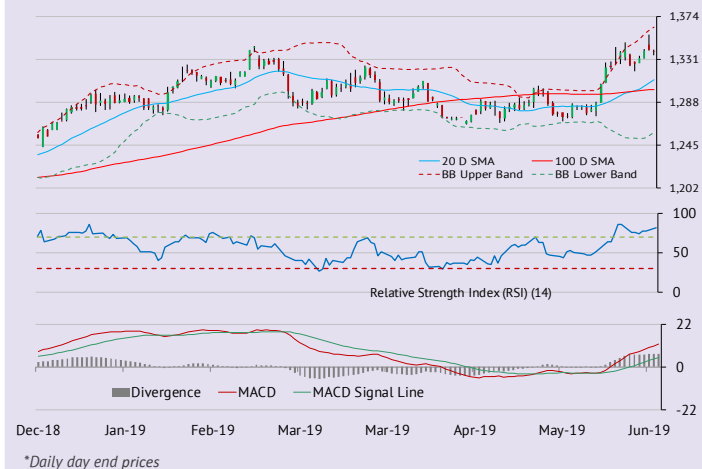
The S&P 500 index is expected to find support at 2,872.70, and a fall through could take it to the next support level of 2,855.72. The index is expected to find its first resistance at 2,908.63, and a rise through could take it to the next resistance level of 2,927.58.

### USD ZAR



The pair is expected to find support at 14.6526, and a fall through could take it to the next support level of 14.4923. The pair is expected to find its first resistance at 14.9537, and a rise through could take it to the next resistance level of 15.0945.

### XAU USD



Gold is expected to find support at \$1,320.07/oz, and a fall through could take it to the next support level of \$1,301.43/oz. The precious metal is expected to find its first resistance at \$1,356.37/oz, and a rise through could take it to the next resistance level of \$1,374.03/oz.

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