

ONE Minute Brief

24 June 2019

GTC
consult • partner • manage

Economic and political news

President, Cyril Ramaphosa, announced the appointment of 13 members to the Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities (CRL).

Inkatha Freedom Party's (IFP), Mkhuleko Hlengwa, has been selected as the new chairperson of parliament's Standing Committee on Public Accounts (Scopa).

Public Protector, Busisiwe Mkhwebane, has granted President, Cyril Ramaphosa, a time extension until next Friday, to respond to allegations relating to Bosasa donation case.

According to a news report, President, Cyril Ramaphosa's first State of the Nation Address (SONA) will be scrutinised in parliament this week.

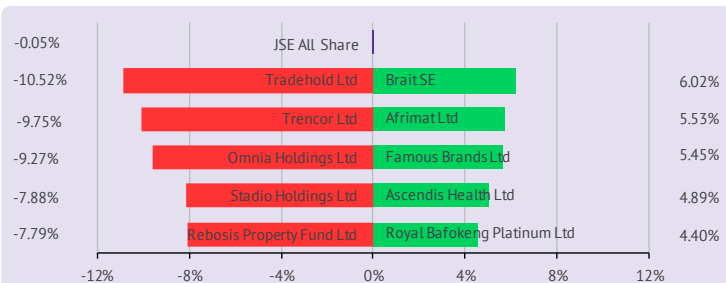
News report indicated that the Democratic Alliance has decided to distance itself from responsibility for the public protector's investigation into whether President Cyril Ramaphosa's election campaign funding accounts were involved in money laundering.

South Africa Market ▼

South African markets closed lower

South African markets closed in the red on Friday, weighed down by losses in retail and banking sector stocks. The JSE All Share Index fell 0.1% to close at 58,941.47.

To Read More Click [Here](#)

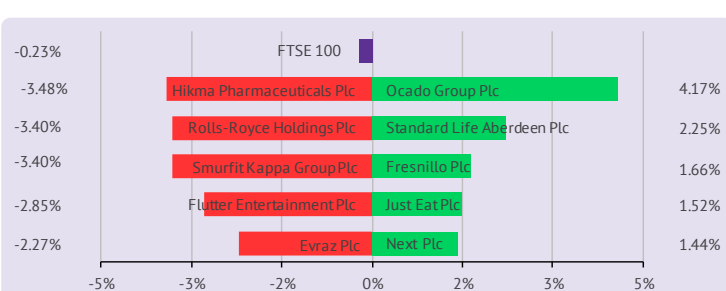


UK Market ▼

UK markets closed in the red

UK markets finished lower on Friday, amid rising fears over US-Iran tensions. Data revealed that UK's public sector net borrowing posted a more-than-expected deficit in May. The FTSE 100 Index declined 0.2% to close at 7,407.50. Today, the FTSE 100 futures are trading in positive territory.

To Read More Click [Here](#)



Key indices

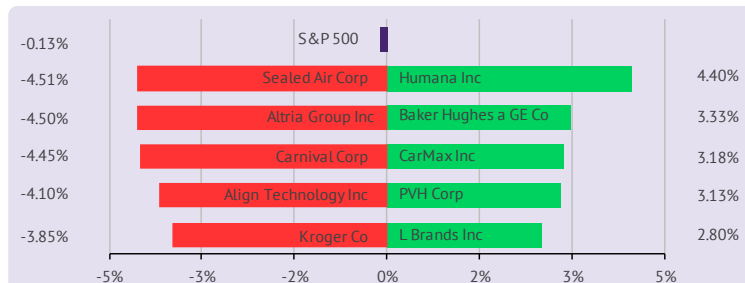
	As at 21 June 2019		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	58941.47	▼	-32.15	-0.05	NA	5.91	-4.92	11.77
JSE Top 40 (ZAR)	52902.88	▼	-57.92	-0.11	NA	6.69	-5.14	13.22
FTSE 100(GBP)	7407.50	▼	-16.94	-0.23	NA	3.43	-3.46	10.10
DAX 30 (EUR)	12339.92	▼	-15.47	-0.13	NA	5.23	-5.00	16.87
CAC 40 (EUR)	5528.33	▼	-7.24	-0.13	NA	6.16	-6.78	16.86
S&P 500 (USD)	2950.46	▼	-3.72	-0.13	NA	7.21	-6.58	17.70
Nasdaq Composite (USD)	8031.71	▼	-19.63	-0.24	NA	7.76	-7.93	21.05
DJIA (USD)	26719.13	▼	-34.04	-0.13	NA	7.67	-6.69	14.54
MSCI Emerging Markets (USD)	1053.23	▼	-0.56	-0.05	NA	5.53	-7.53	9.04
MSCI Developed World (USD)	2178.16	▼	-5.20	-0.24	NA	6.45	-6.08	15.62

US Market ▼

US markets closed lower

US markets closed weaker on Friday, amid escalating trade tensions between the US and Iran. Data showed that the US Markit manufacturing PMI unexpectedly dropped in June. The S&P 500 Index dropped 0.1% to close at 2,950.46. Today, the S&P 500 futures are trading higher.

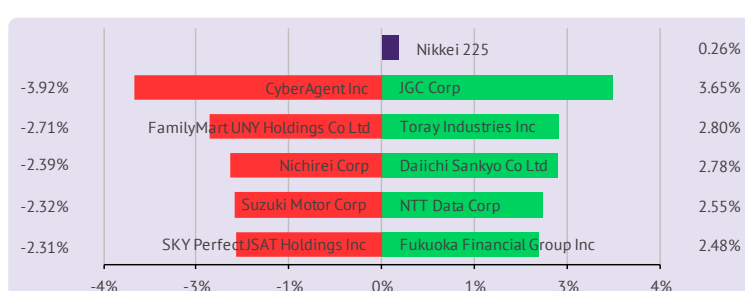
To Read More Click [Here](#)



Asian Market ▲

Trading mostly firmer

Asian markets are trading mostly higher this morning. The Nikkei 225 Index is trading 0.3% higher at 21,313.08.



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 R14.3118. Later today, traders will keep a close watch on the US Chicago Fed National Activity Index and the Dallas Fed manufacturing index for further indication.

The US Dollar rose against the South African Rand on Friday. On the macro front, the US existing home sales advanced on a monthly basis in May. On the other hand, the nation's Markit manufacturing PMI unexpectedly declined to its lowest level since September 2009 in June. Additionally, the Markit services PMI registered an unexpected decline in the same month, marking its lowest level since March 2016.

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 R18.2483. With no major economic news in the UK today, investor sentiment will be determined by global macroeconomic news.

The British Pound advanced against the South African Rand on Friday. Data indicated that UK's public sector net borrowing posted a more-than-anticipated deficit in May.

EUR ZAR ▲

EUR trading lower against ZAR

At 06:00 SAST, the Euro retreated 0.1% against the South African Rand to trade at R16.2878. Going forward, market participants will keep a tab on Germany's Ifo indices for further direction.

The Euro strengthened against the South African Rand on Friday. On the data front, Eurozone's Markit manufacturing PMI recorded a less-than-expected advance in June. Meanwhile, the nation's Markit services PMI climbed more than market forecast in June. Germany's Markit manufacturing PMI jumped more-than-anticipated in June. Additionally, the Markit services PMI surprised with an advance in the same month.

AUD ZAR ▼

AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.3% higher against the South African Rand at R9.9559.

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

Key currencies & commodities

	Current#		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	14.3118	▲	0.00	NA	-1.69	1.97	-0.08
GBPZAR	18.2483	▲	0.30	NA	-0.88	-1.16	-0.34
EURZAR	16.2878	▲	0.69	NA	0.06	1.58	-0.96
AUDZAR	9.9559	▼	0.01	NA	-1.80	0.29	-1.94
EURUSD	1.1381	▲	0.67	NA	1.79	-0.41	-0.85
GBPUSD	1.2750	▲	0.28	NA	0.86	-3.09	-0.13
Brent (\$/barrel)	65.5	▲	1.16	NA	5.18	-13.97	21.19
Gold (\$/oz)	1407.2	▲	0.24	NA	6.92	1.56	8.97
Platinum (\$/oz)	811.4	▲	0.67	NA	2.12	-10.93	1.90
Copper (\$/MT)*	5957.5	▼	-0.05	NA	2.61	-9.66	0.14

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

Gold ▲

Trading in the green

At 06:00 SAST, gold prices gained 0.8% to trade at \$1,407.20/oz.

On Friday, gold prices rose 0.2% to close at \$1,396.20/oz, following the US Federal Reserve's dovish stance and amid rising US-Iran trade tensions.

To Read More Click [Here](#)

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged 0.4% higher to trade at \$65.47/bl.

On Friday, Brent crude oil advanced 1.2% to settle at \$65.20/bl, amid ongoing tensions in the Middle East. Meanwhile, Baker Hughes reported that US oil rig count rose by 1 to 789 last week.

To Read More Click [Here](#)

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices marginally gained to trade at \$811.40/oz.

On Friday, platinum prices climbed 0.7% to close at \$811.00/oz.

Major South African corporate news

Naspers Limited

In its FY19 results, the company announced that its revenues advanced 10.0% to USD3.29bn from USD2.99bn in the preceding year. Its diluted EPS stood at 961.00c, compared to 2,585.00c recorded in the previous year.

PPC Limited

In its FY19 trading statement, the company announced that it expects its basic EPS to increase between 17.00c and 19.00c, which is 70.0% to 90.0% higher compared to the prior year. The company anticipates HEPS to rise between 20.00c and 23.00c, which is 33.0% to 53.0% higher than the previous year. The company also expects its EBITDA to increase between 0.0% and 7.0%.

Major global economic news

Eurozone

In the Eurozone, the preliminary Markit manufacturing PMI rose to a level of 47.80 in June, less than market expectations. In the prior month, the Markit manufacturing PMI had recorded a level of 47.70.

In June, the flash Markit services PMI advanced more-than-anticipated to 53.40 in the Eurozone. In the prior month, the Markit services PMI had registered a level of 52.90.

In Germany, the flash Markit manufacturing PMI registered a more-than-expected rise to 45.40 in June. In the previous month, the Markit manufacturing PMI had registered a level of 44.30.

In Germany, the preliminary Markit services PMI recorded an unexpected rise to 55.60 in June, compared to a level of 55.40 in the prior month.

US

In the US, existing home sales rose 2.5% to a level of 5.34mn on a monthly basis in May, compared to a revised level of 5.21mn in the prior month.












In the US, the flash Markit manufacturing PMI unexpectedly fell to a level of 50.10 in June, compared to a level of 50.50 in the prior month.

In the US, the flash Markit services PMI recorded an unexpected drop to 50.70 in June. In the prior month, the Markit services PMI had recorded a reading of 50.90.

UK

In the UK, public sector net borrowing posted a deficit of GBP4.46bn in May, compared to a revised deficit of GBP6.15bn in the prior month.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus	Previous/ **Previous est.	Frequency
 Japan	07:00	Supermarket Sales (YoY) (May)	✓	-	-1.00%	Monthly
 Japan	07:00	Coincident Index (Apr) (F)	✓	-	101.90**	Monthly
 Japan	07:00	Leading Economic Index (Apr) (F)	✓✓✓	-	95.50**	Monthly
 Germany	10:00	Ifo - Business Climate (Jun)	✓✓✓	97.50	97.90	Monthly
 Germany	10:00	Ifo - Current Assessment (Jun)	✓✓	100.00	100.60	Monthly
 Germany	10:00	Ifo - Expectations (Jun)	✓✓	95.00	95.30	Monthly
 US	14:30	Chicago Fed National Activity Index (May)	✓✓✓	0.10	-0.45	Monthly
 US	16:30	Dallas Fed Manufacturing Business Index (Jun)	✓✓✓	1.00	-5.30	Monthly
 Germany	-	Import Price Index s.a. (MoM) (May)	✓✓	-	0.30%	Monthly
 Germany	-	Import Price Index n.s.a. (YoY) (May)	✓✓	-	1.40%	Monthly
 UK	-	Inflation Report Hearings	✓✓✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

40 best performers on the All Share Index

Company name	Last close	1 Week % change	MTD % change	YTD % change
Impala Platinum Holdings Ltd	6810	-1.45	17.41	85.66
Kumba Iron Ore Ltd	48253	1.54	9.16	77.82
Lonmin Plc	1480	0.00	7.71	76.40
Gold Fields Ltd	7709	-1.17	17.80	56.81
Telkom SA SOC Ltd	9557	0.36	6.88	54.89
Sibanye Gold Ltd	1534	2.61	11.48	53.09
Anglo American Platinum Ltd	81308	0.35	10.96	52.69
Allied Electronics Corp Ltd	2581	7.99	4.71	46.03
Libstar Holdings Ltd	950	2.26	10.47	39.47
Northam Platinum Ltd	5925	-4.67	5.22	36.96
Exxaro Resources Ltd	17983	4.32	5.86	34.92
AngloGold Ashanti Ltd	24199	1.80	24.30	33.78
Cartrack Holdings Ltd	1889	2.11	-2.01	32.94
Royal Bafokeng Platinum Ltd	3250	1.28	14.04	30.65
Metair Investments Ltd	2425	2.36	2.97	29.88
MTN Group Ltd	11032	3.35	7.48	28.57
Cie Financiere Richemont SA	12010	2.06	12.85	28.24
African Rainbow Minerals Ltd	17834	-1.56	8.12	28.24
Assore Ltd	36145	-6.67	-5.30	28.22
DataTec Ltd	3506	-2.61	-2.34	28.14
Distell Group Holdings Ltd	13388	-0.09	4.86	26.30
BHP Group Plc	35640	-0.12	8.72	26.14
Bid Corp Ltd	32653	4.54	7.30	24.53
Pan African Resources Plc	198	3.66	10.00	23.75
Anglo American Plc	39081	-0.46	12.25	23.69
Naspers Ltd	344159	-0.20	5.07	22.72
Transaction Capital Ltd	2045	7.63	3.77	21.89
Afrimat Ltd	3340	5.20	10.73	21.80
NEPI Rockcastle Plc	13167	1.50	7.00	20.68
Quilter Plc	2572	0.47	6.11	19.93
Coronation Fund Managers Ltd	4754	3.82	5.60	19.21
Harmony Gold Mining Co Ltd	2994	2.85	18.57	18.81
Standard Bank Group Ltd	20631	5.30	3.80	18.69
Fortress REIT Ltd	2076	0.83	4.06	18.51
Ascendis Health Ltd	493	2.71	-1.40	18.51
Capitec Bank Holdings Ltd	131012	2.48	-0.69	18.15
Hospitality Property Fund Ltd	969	1.47	-1.71	17.95
MMI Holdings Ltd	1972	4.78	5.17	17.65
Investec Ltd	9269	3.13	8.17	17.33
Investec Property Fund Ltd	1534	3.65	3.29	17.19
JSE All Share Index	58941	1.28	5.91	11.77

Disclaimer

This report and its contents are confidential, privileged and only for the information of the intended recipient. GTC (Pty) Ltd make no representations or warranties in respect of this report or its content and will not be liable for any loss or damage of any nature arising from this report, the content thereof, your reliance thereon its unauthorised use or any electronic viruses associated therewith. Please note that content does not necessarily represent or reflect the views and opinions of GTC (Pty) Ltd. This report is proprietary to GTC (Pty) Ltd and you may not copy or distribute the report without the prior written consent of the authors. Any feedback or contributions are most welcome.

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

An Authorised Financial
Services Provider
FSP no. 731

GTC is nationally represented in Johannesburg, Cape Town and Durban.

GTC Group of products and services include: Employee Benefits Consulting • Employee Benefits Administration • Private Client Wealth Management • Healthcare Consulting • Short-Term Risk Solutions • Stockbroking • Derivatives Trading • Unit Trust Management • Asset Management • Fiduciary Services