

# ONE Minute Brief

25 June 2019

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## Economic and political news

Former Chief Financial Officer (CFO) of the Public Investment Corporation (PIC), Matshepo More, has dismissed allegations of impropriety and victimisation levelled against her by the PIC commission and PIC employees.

Public Protector, Busisiwe Mkhwebane, has denied news reports that investigations are underway on fresh money-laundering allegations against President, Cyril Ramaphosa.

Citadel Portfolio Manager, Mike van der Westhuizen, has criticised President, Cyril Ramaphosa's Eskom bailout plan and stated that it could pose a risk to South Africa's fiscal debt.

According to a news report, Natasha Mazzone is the front runner to replace Democratic Alliance (DA) chief whip, John Steenhuisen, who is set to become the party's federal executive chairperson.

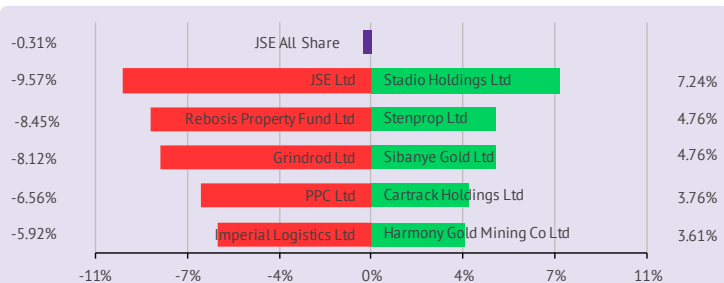
News reports indicate that the DA has laid corruption charges against former ministers Lynne Brown and Dipuo Peters as well as former North West Premier Supra Mahumapelo and former officials at South African Express (SAX).

## South Africa Market ▼

### South African markets closed lower

South African markets closed in the red yesterday, amid fears over US-China trade war and led by losses in retail and banking sector stocks. The JSE All Share Index fell 0.3% to close at 58,756.01.

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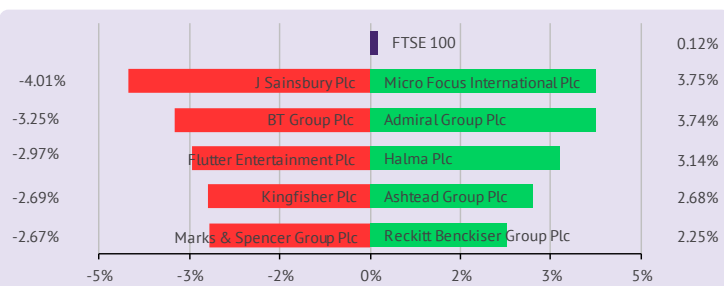


## UK Market ▲

### UK markets closed firmer

UK markets finished higher yesterday, boosted by energy sector stocks, amid ongoing US-Iran trade tensions. The FTSE 100 Index advanced 0.1% to close at 7,416.69. Today, the FTSE 100 futures are trading in negative territory.

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## Key indices

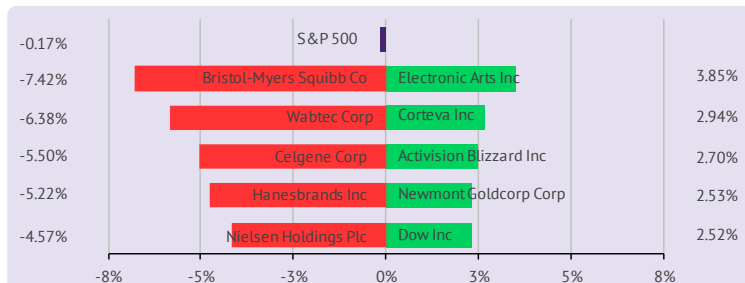
	As at 24 June 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	58756.01	▼ -185.46	-0.31	-0.31	5.58	-4.92	11.41
JSE Top 40 (ZAR)	52760.96	▼ -141.92	-0.27	-0.27	6.40	-5.14	12.91
FTSE 100 (GBP)	7416.69	▲ 9.19	0.12	0.12	3.56	-3.46	10.23
DAX 30 (EUR)	12274.57	▼ -65.35	-0.53	-0.53	4.67	-5.00	16.25
CAC 40 (EUR)	5521.71	▼ -6.62	-0.12	-0.12	6.03	-6.78	16.72
S&P 500 (USD)	2945.35	▼ -5.11	-0.17	-0.17	7.02	-6.58	17.49
Nasdaq Composite (USD)	8005.70	▼ -26.01	-0.32	-0.32	7.41	-7.93	20.65
DJIA (USD)	26727.54	▲ 8.41	0.03	0.03	7.71	-6.69	14.58
MSCI Emerging Markets (USD)	1053.06	▼ -0.17	-0.02	-0.02	5.52	-7.53	9.02
MSCI Developed World (USD)	2178.17	▲ 0.01	0.00	0.00	6.45	-6.08	15.62

## US Market ▼

### US markets closed mostly weaker

US markets closed mostly lower yesterday, weighed down by losses in healthcare sector stocks and as investors await the G20 summit. Data revealed that the US Chicago Fed national activity improved in May. The S&P 500 Index dropped 0.2% to close at 2,945.35. Today, the S&P 500 futures are trading weaker.

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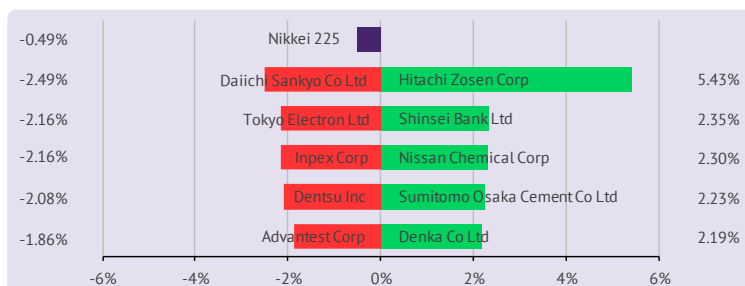


## Asian Market ▼

### Trading in negative territory

Asian markets are trading lower this morning, ahead of the meeting to be held between the US and Chinese Presidents. The Nikkei 225 Index is trading 0.5% lower at 21,182.02.

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## USD ZAR ▲

### USD trading lower against ZAR

At 06:00 SAST, the US Dollar marginally fell against the South African Rand to trade at R14.3594. Later today, traders will keep a close watch on the Federal Reserve Chairman, Jerome Powell's speech along with US house price index, the Richmond Fed manufacturing index, consumer confidence index and new home sales for further direction.

The US Dollar rose against the South African Rand yesterday. On the macro front, the US Chicago Fed national activity index improved in May. Meanwhile, the nation's Dallas Fed manufacturing index declined in June.

## GBP ZAR ▲

### GBP trading weaker against ZAR

At 06:00 SAST, the British Pound slightly fell against the South African Rand to trade at R18.3022. 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 yesterday.

## EUR ZAR ▲

### EUR trading lower against ZAR

At 06:00 SAST, the Euro marginally dropped against the South African Rand to trade at R16.3792. Amid no major economic news across the Eurozone today, market sentiment will be determined by global macroeconomic news.

The Euro strengthened against the South African Rand yesterday. On the data front, Germany's Ifo survey business climate index declined to its lowest level since November 2014 in June. Additionally, the Ifo survey business expectations index declined more than market forecast in June. Meanwhile, the nation's Ifo survey current assessment index registered an unexpected advance in the same month.

## AUD ZAR ▲

### AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% lower against the South African Rand at R9.9901. Earlier in the session, Australia's ANZ Roy Morgan weekly consumer confidence index registered an advance in the week ended 23 June 2019.

The Australian Dollar rose against the South African Rand yesterday.

## Key currencies & commodities

	Current#		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	14.3594	▲	0.22	0.22	-1.47	1.97	0.13
GBPZAR	18.3022	▲	0.24	0.24	-0.63	-1.16	-0.09
EURZAR	16.3792	▲	0.51	0.51	0.57	1.58	-0.46
AUDZAR	9.9901	▲	0.74	0.74	-1.07	0.29	-1.21
EURUSD	1.1407	▲	0.26	0.26	2.06	-0.41	-0.59
GBPUSD	1.2745	▲	0.05	0.05	0.90	-3.09	-0.09
Brent (\$/barrel)	64.3	▼	-0.52	-0.52	4.63	-13.97	20.56
Gold (\$/oz)	1438.3	▲	1.30	1.30	8.31	1.56	10.38
Platinum (\$/oz)	815.0	▲	0.09	0.09	2.20	-10.93	1.99
Copper (\$/MT)*	5941.3	▼	-0.27	-0.27	2.33	-9.66	-0.13

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

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices edged 1.7% higher to trade at \$1,438.30/oz, amid escalating tensions between US and Iran.

Yesterday, gold prices rose 1.3% to close at \$1,414.30/oz, amid speculation of lower interest rates by the US central bank and persisting geopolitical tensions between the US and Iran.

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## Brent Crude Oil ▼

### Trading weaker

At 06:00 SAST, Brent crude oil retreated 0.9% to trade at \$64.28/bl.

Yesterday, Brent crude oil dropped 0.5% to settle at \$64.86/bl, amid rising US-Iran trade tensions, after the US announced new sanctions on Iran.

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## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices gained 0.4% to trade at \$815.00/oz.

Yesterday, platinum prices climbed 0.1% to close at \$811.70/oz.

## Major South African corporate news

### JSE Limited

In its 1H19 trading statement, the company announced that it expects EPS to be between 425.56c and 491.03c, compared to 654.70c recorded in the corresponding period of the previous year. The company also anticipates its HEPS to be between 425.49c and 490.95c, compared to 654.60c in the preceding year.

### Invicta Holdings Limited

In its FY19 results, the company announced that its revenues advanced 5.0% to ZAR10.45bn from ZAR9.99bn in the preceding year. Its diluted EPS stood at 126.00c, compared to 78.00c recorded in the previous year.

## Major global economic news

### Eurozone

In Germany, the Ifo business climate index eased to 97.40 in June. The index had registered a level of 97.90 in the previous month.

In Germany, the Ifo business expectations index dropped more-than-expected to 94.20 in June. The index had registered a reading of 95.30 in the previous month.

In June, the Ifo current assessment index recorded an unexpected rise to a level of 100.80 in Germany. The index had recorded a level of 100.60 in the previous month.

### Asia

The Bank of Japan (BoJ) officials indicated that central bank would be more careful over the rising cost of monetary easing, as it pledged to keep ultra-low interest rates for at least until the spring of 2020, amid rising global trade tensions.

In Australia, the ANZ Roy Morgan weekly consumer confidence index rose to a level of 114.30 in the week ended 23 June 2019, compared to a reading of 114.20 in the previous week.

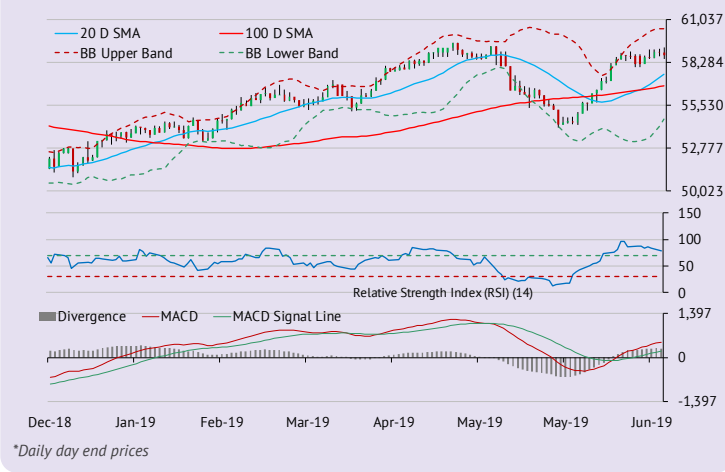
### US

In the US, the Chicago Fed National Activity Index rose to -0.05 in May, compared to a level of -0.48 in the prior month.

In the US, the Dallas Fed manufacturing index declined to -12.10 in June, compared to a reading of -5.30 in the previous month.

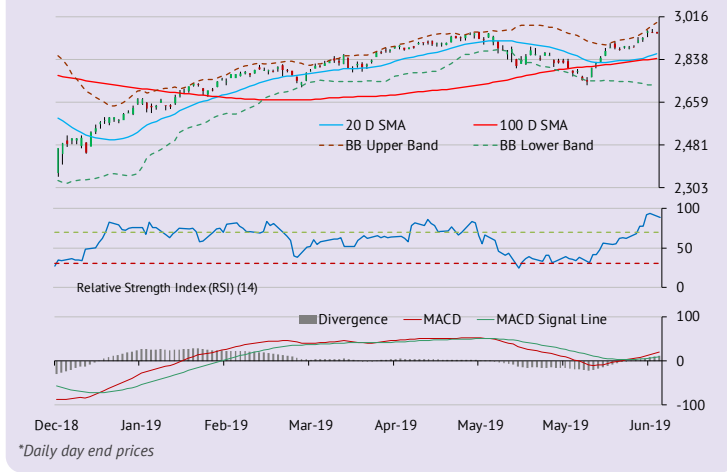
## Technical snapshot

### JSE All Share



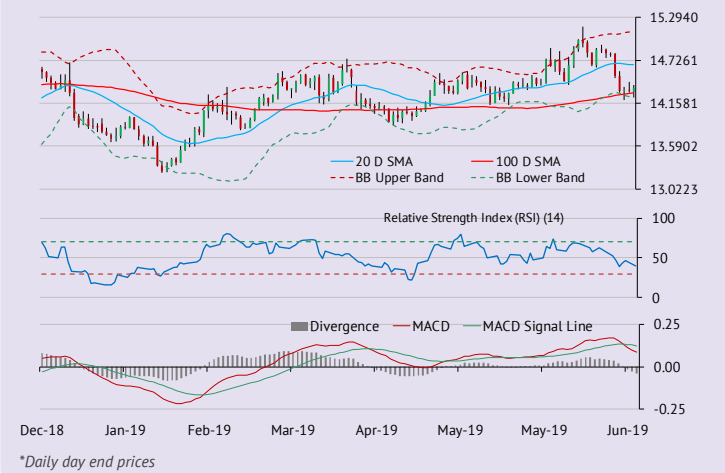
The JSE All Share index is expected to find support at 58,208.78, and a fall through could take it to the next support level of 57,661.56. The index is expected to find its first resistance at 59,288.23, and a rise through could take it to the next resistance level of 59,820.46.

### S&P 500



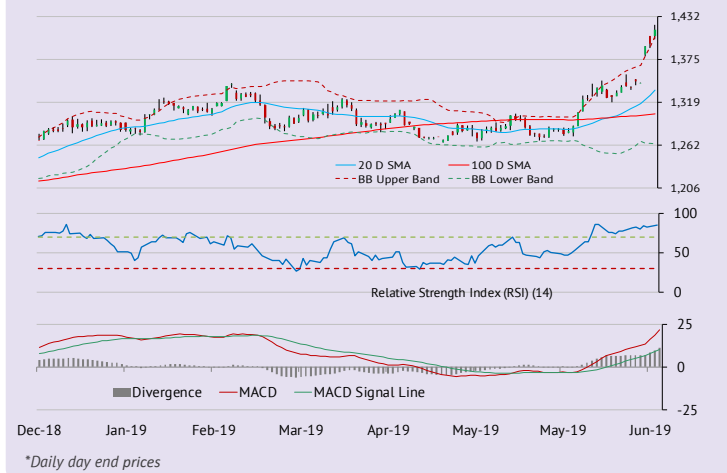
The S&P 500 index is expected to find support at 2,912.48, and a fall through could take it to the next support level of 2,879.60. The index is expected to find its first resistance at 2,971.19, and a rise through could take it to the next resistance level of 2,997.02.

### USD ZAR



The pair is expected to find support at 14,100.1, and a fall through could take it to the next support level of 13,834.7. The pair is expected to find its first resistance at 14,727.7, and a rise through could take it to the next resistance level of 15,089.9.

### XAU USD



Gold is expected to find support at \$1,363.73/oz, and a fall through could take it to the next support level of \$1,313.17/oz. The precious metal is expected to find its first resistance at \$1,442.73/oz, and a rise through could take it to the next resistance level of \$1,471.17/oz.

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	01:50	BoJ Monetary Policy Meeting Minutes	✓✓✓	-	-	As scheduled
Japan	01:50	Corporate Service Price (YoY) (May)	✓	0.80%*	1.00%	Monthly
France	08:45	Business Climate (Jun)	✓	-	106.00	Monthly
France	08:45	Own-Company Production Outlook (Jun)	✓	13.00	13.00	Monthly
France	08:45	Production Outlook Indicator (Jun)	✓	5.00	4.00	Monthly
South Africa	09:00	Leading Indicator (Apr)	✓	104.90	104.50	Monthly
Eurozone	10:15	ECB's De Guindos speech	✓✓	-	-	As scheduled
UK	12:00	CBI Distributive Trades Survey - Realised (Jun)	✓✓	-5.00%	-27.00%	Monthly
US	14:45	Fed's Williams Makes Opening Remarks at Finance Forum	✓	-	-	As scheduled
US	14:55	Redbook Index (YoY) (21-Jun)	✓	-	5.40%	Weekly
US	14:55	Redbook Index s.a. (MoM) (21-Jun)	✓	-	-2.40%	Weekly
US	15:00	House Price Index s.a. (Apr)	✓✓	-	273.40	Monthly
US	15:00	S&P/Case-Shiller 20 City s.a. (MoM) (Apr)	✓✓✓	0.10%	0.09%	Monthly
US	15:00	S&P/Case-Shiller Composite-20 (YoY) (Apr)	✓✓	2.50%	2.68%	Monthly
US	15:00	S&P/Case-Shiller Home Price Index (Apr)	✓	-	206.23	Monthly
US	15:00	Housing Price Index (MoM) (Apr)	✓	0.20%	0.10%	Monthly
US	16:00	Revisions: Retail Sales	✓	-	-	As scheduled
US	16:00	Consumer Confidence (Jun)	✓✓✓	131.00	134.10	Monthly
US	16:00	New Home Sales (MoM) (May)	✓✓✓	1.60%	-6.90%	Monthly
US	16:00	Richmond Fed Manufacturing Index (Jun)	✓	2.00	5.00	Monthly
US	16:00	New Home Sales (May)	✓✓✓	684.00K	673.00K	Monthly
US	18:00	Fed's Bostic speech	✓✓	-	-	As scheduled
US	19:00	Powell to speak at Council on Foreign Relations in New York	✓✓✓	-	-	As scheduled
Eurozone	20:15	ECB's Cœuré speech	✓✓	-	-	As scheduled
US	21:30	Fed's Barkin Speaks in Ottawa	✓	-	-	As scheduled
US	-	OPEC Meeting	✓✓	-	-	As scheduled

Note: ✓✓✓High    ✓✓Medium    ✓Low

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