

ONE
Minute Brief

16 July 2019



consult • partner • manage

Economic and political news

In his testimony before the commission of inquiry into state capture, former President, Jacob Zuma, admitted that he had encouraged the Gupta family to establish a “progressive media force” by starting The New Age newspaper and the ANN7 television station. However, he insisted that he had no unlawful dealings with the Gupta family.

Eskom's group treasurer, Andre Pillay, has resigned from his position and will leave the utility at the end of August.

President, Cyril Ramaphosa, has filed an urgent court application to set aside Public Protector, Busisiwe Mkhwebane's remedial actions against Public Enterprises Minister, Pravin Gordhan.

Former Public Investment Corporation (PIC) Chief Executive Officer, Dan Matjila, during his testimony before the commission of inquiry into the PIC, stated that he did not force a merger between KiliCap and Sakhumnotho so that they could secure funding from the PIC for the Tosaco Energy deal.

Key indices

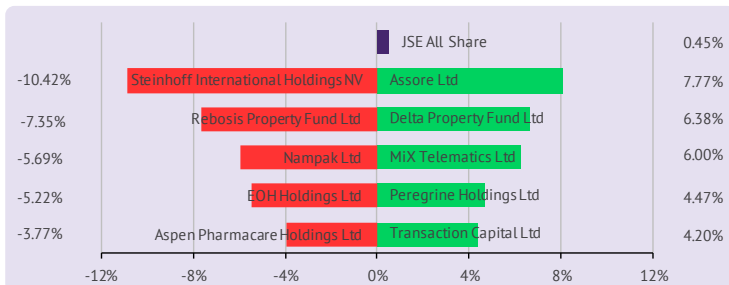
	As at 15 July 2019		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	57537.23	▲	259.88	0.45	0.45	-1.15	4.59	9.10
JSE Top 40 (ZAR)	51447.25	▲	257.72	0.50	0.50	-1.44	5.27	10.10
FTSE 100 (GBP)	7531.72	▲	25.75	0.34	0.34	1.43	3.69	11.94
DAX 30 (EUR)	12387.34	▲	64.02	0.52	0.52	-0.09	5.73	17.32
CAC 40 (EUR)	5578.21	▲	5.35	0.10	0.10	0.71	6.36	17.92
S&P 500 (USD)	3014.30	▲	0.53	0.02	0.02	2.47	6.89	20.24
Nasdaq Composite (USD)	8258.19	▲	14.04	0.17	0.17	3.15	7.42	24.46
DJIA (USD)	27359.16	▲	27.13	0.10	0.10	2.85	7.19	17.28
MSCI Emerging Markets (USD)	1057.75	▲	6.84	0.65	0.65	0.27	5.70	9.51
MSCI Developed World (USD)	2214.34	▲	1.70	0.08	0.08	1.65	6.46	17.54

South Africa Market ▲

South African markets closed higher

South African markets closed in the green yesterday, boosted by gains in platinum mining and industrial sector stocks. The JSE All Share Index rose 0.5% to close at 57,537.23.

To Read More Click [Here](#)

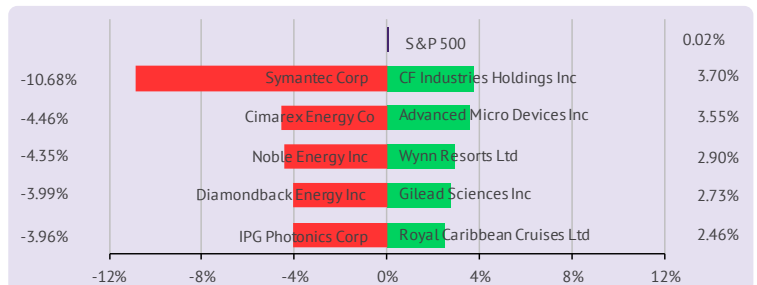


US Market ▲

US markets closed higher

US markets closed higher yesterday, ahead of the second-quarter earnings reports. Data revealed that the US Empire State Manufacturing Index rebounded in July. The S&P 500 Index marginally advanced to close at 3,014.30. Today, the S&P 500 futures are trading in the green.

To Read More Click [Here](#)

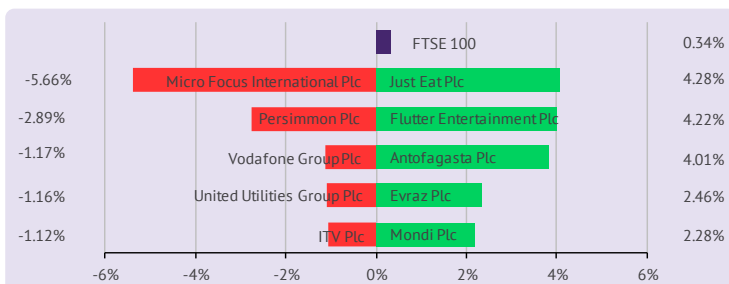


UK Market ▲

UK markets closed higher

UK markets finished higher yesterday, following strong Chinese economic data and as shares in Antofagasta surged after its joint venture won a court dispute. The FTSE 100 Index advanced 0.3% to close at 7,531.72. Today, the FTSE 100 futures are trading in negative territory.

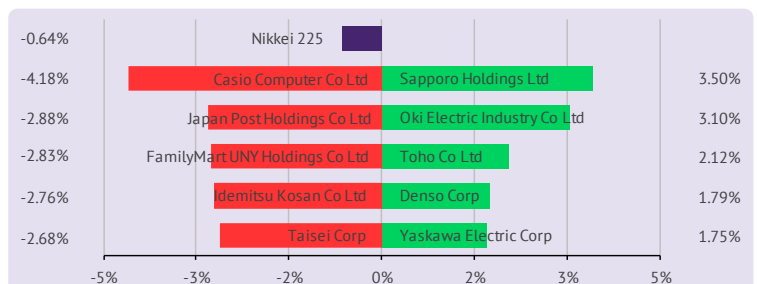
To Read More Click [Here](#)



Asian Market ◀▶

Trading mixed

Asian markets are trading mixed this morning. The Nikkei 225 Index is trading 0.7% lower at 21,547.71.



USD ZAR ▲

USD trading weaker against ZAR

At 06:00 SAST, the US Dollar is trading slightly lower against the South African Rand at R13.9016. Later today, traders will keep a close watch on the US advance retail sales, the NAHB housing market index, business inventories, industrial and manufacturing production for further indication.

The US Dollar fell against the South African Rand yesterday. On the data front, the US Empire State Manufacturing Index climbed more than market forecast in July, recording its highest level in two years.

GBP ZAR ▲

GBP trading lower against ZAR

At 06:00 SAST, the British Pound marginally dropped against the South African Rand to trade at R17.3991. Ahead in the day, traders will keep an eye on UK's ILO unemployment rate and average weekly earnings for further direction.

The British Pound declined against the South African Rand yesterday.

EUR ZAR ▼

EUR trading higher against ZAR

At 06:00 SAST, the Euro marginally rose against the South African Rand to trade at R15.6532. Going forward, market participants will keep a tab on Eurozone's trade balance and the ZEW survey indices across the Eurozone.

The Euro weakened against the South African Rand yesterday.

AUD ZAR ▲

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar is trading slightly weaker against the South African Rand at R9.7829. Earlier in the session, Australia's ANZ Roy Morgan weekly consumer confidence index declined in the week ended 14 July 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	13.9016	▲	-0.40	-0.40	-1.30	-3.38	-3.09
GBPZAR	17.3991	▲	-0.86	-0.86	-2.69	-2.92	-5.02
EURZAR	15.6532	▼	-0.50	-0.50	-2.30	-1.65	-4.89
AUDZAR	9.7829	▲	-0.11	-0.11	-1.00	-2.20	-3.31
EURUSD	1.1260	▲	-0.11	-0.11	-1.01	1.83	-1.82
GBPUSD	1.2515	▼	-0.45	-0.45	-1.42	0.53	-1.87
Brent (\$/barrel)	66.5	▲	-0.36	-0.36	2.69	4.44	23.57
Gold (\$/oz)	1414.7	▲	0.09	0.09	-0.01	8.26	10.32
Platinum (\$/oz)	839.5	-	1.34	1.34	0.48	5.20	5.48
Copper (\$/MT)*	5976.0	▲	0.80	0.80	-0.10	3.03	0.45

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

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.1% higher to trade at \$1,414.70/oz.

Yesterday, gold prices rose 0.1% to close at \$1,413.50/oz.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged 0.1% higher to trade at \$66.53/bl.

Yesterday, Brent crude oil dropped 0.4% to settle at \$66.48/bl, as oil production in the Gulf of Mexico began after Hurricane Barry swept through over the weekend. Separately, the Energy Information Administration forecasted that crude oil production from seven major US shale plays will climb by 49,000bls a day to 8.546mn bls a day in August.

To Read More Click [Here](#)

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices retreated marginally to trade at \$839.50/oz.

Yesterday, platinum prices climbed 1.3% to close at \$839.50/oz.

Major South African corporate news

Bidvest Group Limited

The company announced that it has entered into an agreement to acquire 100.0% of Eqstra Fleet Management and Logistics from enX for an enterprise value consideration of ZAR3.10bn including an equity value of ZAR1.30bn, calculated as at 31 August 2018. The purchase price would be settled by Bidvest Bank and existing Eqstra debt would be refinanced by the banks' available capital.

SA Corporate Real Estate Limited

The company announced that Mr. Arthur Moloto, currently the Lead Independent Director, has been appointed as Chairman with immediate effect. Further to the announcement of resignation of Mrs. Antoinette Basson as Financial Director of the company, it has been noted that she has rescinded her resignation, and the Board after considering various other candidates, has consented and accepted the rescission, following which she would continue in her role as Financial Director.

Major global economic news

Asia

The Reserve Bank of Australia (RBA), in its July monetary policy meeting minutes, reiterated that it is prepared to alter interest rates "if needed" and would continue to monitor labour market for further developments, in order to support economic growth and achieve the inflation target.

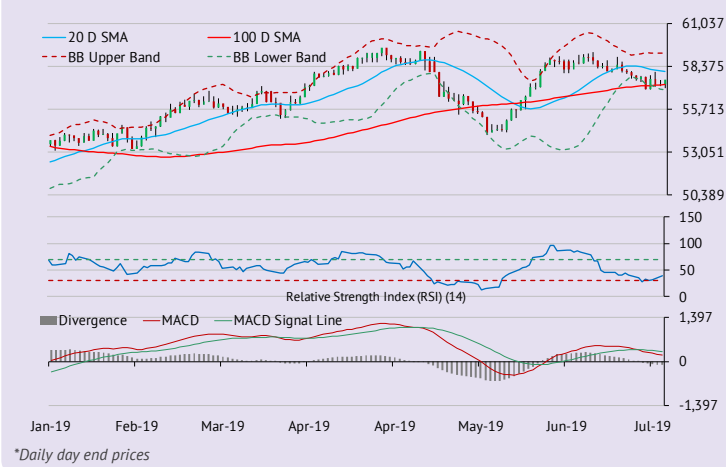
In Australia, the ANZ Roy Morgan weekly consumer confidence index dropped to a level of 115.80 in the week ended 14 July 2019, compared to a reading of 117.60 in the previous week.

US

In the US, the NY Empire State Manufacturing Index advanced more-than-expected to 4.30 in July, compared to a reading of -8.60 in the previous month.

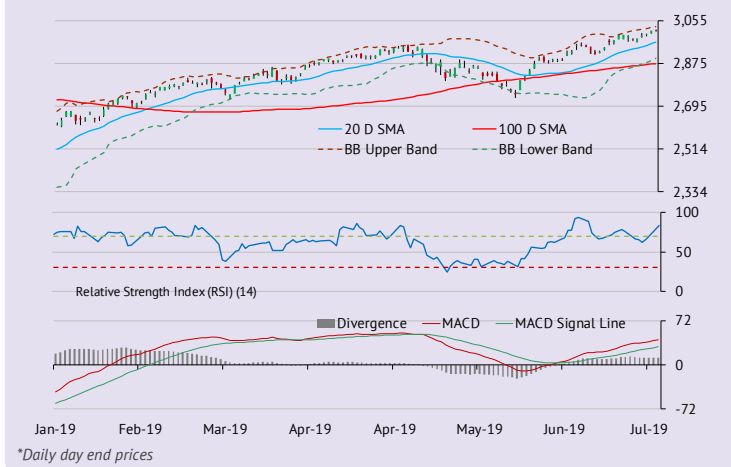
Technical snapshot

JSE All Share



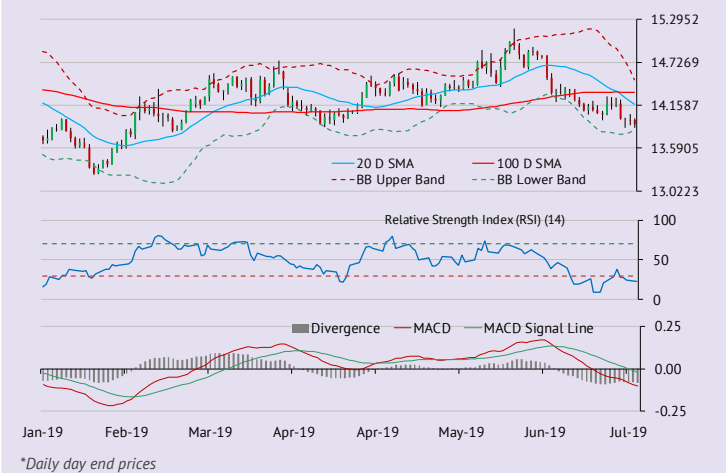
The JSE All Share index is expected to find support at 56,962.92, and a fall through could take it to the next support level of 56,388.62. The index is expected to find its first resistance at 58,072.46, and a rise through could take it to the next resistance level of 58,607.70.

S&P 500



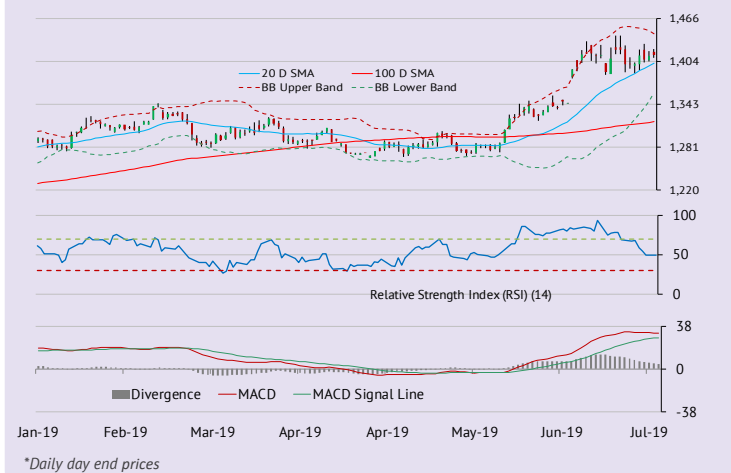
The S&P 500 index is expected to find support at 2,979.23, and a fall through could take it to the next support level of 2,944.15. The index is expected to find its first resistance at 3,033.59, and a rise through could take it to the next resistance level of 3,052.87.

USD ZAR



The pair is expected to find support at 13.7532, and a fall through could take it to the next support level of 13.6025. The pair is expected to find its first resistance at 14.1586, and a rise through could take it to the next resistance level of 14.4133.

XAU USD



Gold is expected to find support at \$1,390.87/oz, and a fall through could take it to the next support level of \$1,368.23/oz. The precious metal is expected to find its first resistance at \$1,432.77/oz, and a rise through could take it to the next resistance level of \$1,452.03/oz.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus	Previous	Frequency
UK	10:30	Claimant Count Change (Jun)	✓✓✓	-	23.20K	Monthly
UK	10:30	Claimant Count Rate s.a. (Jun)	✓✓	-	3.10%	Monthly
UK	10:30	Average Earnings Excluding Bonus (3Mo/Yr) (May)	✓	3.50%	3.40%	Monthly
UK	10:30	Average Earnings Including Bonus (3Mo/Yr) (May)	✓✓	3.10%	3.10%	Monthly
UK	10:30	ILO Unemployment Rate (3M) (May)	✓✓✓	3.80%	3.80%	Monthly
UK	10:30	Employment Change (3M/3M) (May)	✓✓✓	45.00K	32.00K	Monthly
Eurozone	11:00	ZEW Survey - Economic Sentiment (Jul)	✓✓	-	-20.20	Monthly
Eurozone	11:00	Trade Balance n.s.a. (May)	✓✓	-	EUR15.70bn	Monthly
Germany	11:00	ZEW Survey - Economic Sentiment (Jul)	✓✓✓	-22.00	21.10	Monthly
Germany	11:00	ZEW Survey - Current Situation (Jul)	✓✓	5.00	7.80	Monthly
Eurozone	11:00	Trade Balance s.a. (May)	✓✓✓	EUR17.80bn	EUR15.30bn	Monthly
UK	14:00	BoE's Carney speaks on panel in Paris	✓✓✓	-	-	As scheduled
US	14:15	Fed's Bostic Moderates Fed Listens Event in Augusta, Georgia	✓	-	-	As scheduled
US	14:15	Fed's Bowman Makes Introductory Remarks at Fed Listens Event	✓	-	-	As scheduled
US	14:30	Advance Retail Sales (MoM) (Jun)	✓✓✓	0.10%	0.50%	Monthly
US	14:30	Import Price Index (MoM) (Jun)	✓	-0.60%	-0.30%	Monthly
US	14:30	Retail Sales ex Autos (MoM) (Jun)	✓✓✓	0.20%	0.50%	Monthly
US	15:15	Industrial Production (MoM) (Jun)	✓✓✓	0.10%	0.40%	Monthly
US	15:15	Manufacturing (SIC) Production (MoM) (Jun)	✓✓✓	0.30%	0.20%	Monthly
US	16:00	NAHB Housing Market Index (Jul)	✓	64.00	64.00	Monthly
US	16:00	Business Inventories (May)	✓	0.30%	0.50%	Monthly
US	18:20	Fed's Kaplan Speaks at NABE Conference in Washington	✓	-	-	As scheduled
US	19:00	Powell Speaks at bank of France Dinner in Paris	✓✓✓	-	-	As scheduled
US	21:30	Fed's Evans to Speak in Chicago	✓	-	-	As scheduled
US	22:00	Net Long-Term TIC Flows (May)	✓✓	-	USD46.90bn	Monthly
US	22:00	Total Net TIC Flows (May)	✓	-	-USD7.80bn	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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