

ONE Minute Brief

22 July 2019

GTC
consult • partner • manage

Economic and political news

Public Protector, Busisiwe Mkhwebane's report revealed that President, Cyril Ramaphosa, "deliberately misled" parliament about a ZAR500,000 donation he received for his 2017 election campaign to lead the African National Congress (ANC). Meanwhile, President, Cyril Ramaphosa, announced that he would take urgent court action to contest the findings of Public Protector Busisiwe Mkhwebane's report, which alleged that he violated the Executive Ethics Code.

Public Protector, Busisiwe Mkhwebane, has threatened court action against National Assembly speaker, Thandi Modise, accusing her of violating the rules of Parliament and attempts to remove her.

Former President, Jacob Zuma, has agreed to continue with his testimony at a public inquiry into state corruption, withdrawing an earlier refusal to testify.

News report indicate that former senior National Prosecuting Authority (NPA) officials, Nomgcobo Jiba and Lawrence Mrwebi, have been granted 10 days to make representations to parliament, on why they should be reinstated in their positions at the NPA.

Key indices

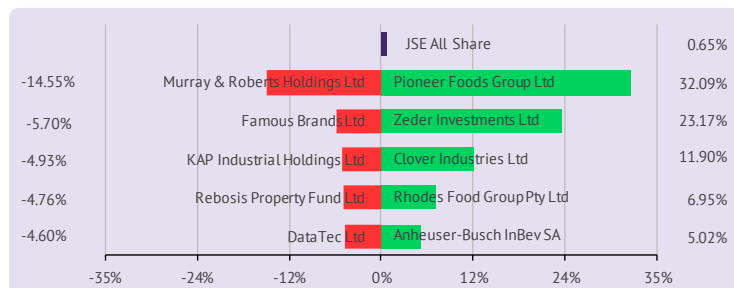
	As at 19 July 2019		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	58248.73	▲	376.20	0.65	NA	0.08	4.59	10.45
JSE Top 40 (ZAR)	52107.18	▲	373.82	0.72	NA	-0.18	5.27	11.52
FTSE 100(GBP)	7508.70	▲	15.61	0.21	NA	1.12	3.69	11.60
DAX 30 (EUR)	12260.07	▲	32.22	0.26	NA	-1.12	5.73	16.11
CAC 40 (EUR)	5552.34	▲	1.79	0.03	NA	0.24	6.36	17.37
S&P 500 (USD)	2976.61	▼	-18.50	-0.62	NA	1.18	6.89	18.74
Nasdaq Composite (USD)	8146.49	▼	-60.75	-0.74	NA	1.75	7.42	22.78
DJIA (USD)	27154.20	▼	-68.77	-0.25	NA	2.08	7.19	16.40
MSCI Emerging Markets (USD)	1057.49	▲	5.77	0.55	NA	0.25	5.70	9.48
MSCI Developed World (USD)	2194.61	▼	-3.79	-0.17	NA	0.75	6.46	16.49

South Africa Market ▲

South African markets closed higher

South African markets closed in the green on Friday, boosted by gains in banking and gold mining sector stocks. The JSE All Share Index rose 0.7% to close at 58,248.73.

To Read More Click [Here](#)

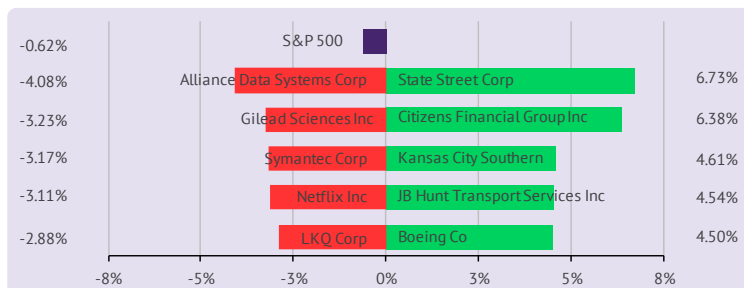


US Market ▼

US markets closed lower

US markets closed lower on Friday, amid dismal corporate earnings report and after the US Federal Reserve (Fed) signalled a smaller rate cut. Data revealed that the US Michigan consumer sentiment index rose less-than-expected in July. The S&P 500 Index dropped 0.6% to close at 2,976.61. Today, the S&P 500 futures are trading weaker.

To Read More Click [Here](#)

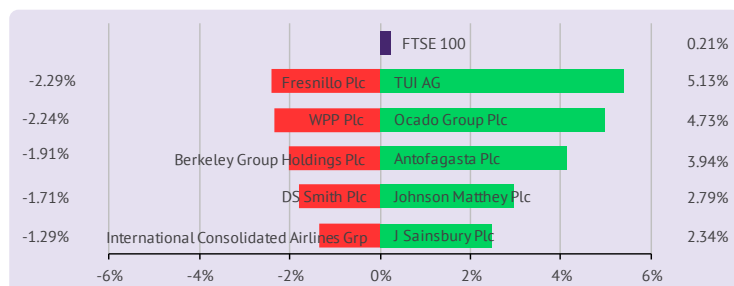


UK Market ▲

UK markets closed stronger

UK markets finished higher on Friday, amid renewed hopes of an interest rate cut by the US Fed. The FTSE 100 Index advanced 0.2% to close at 7,508.70. Today, the FTSE 100 futures are trading in negative territory.

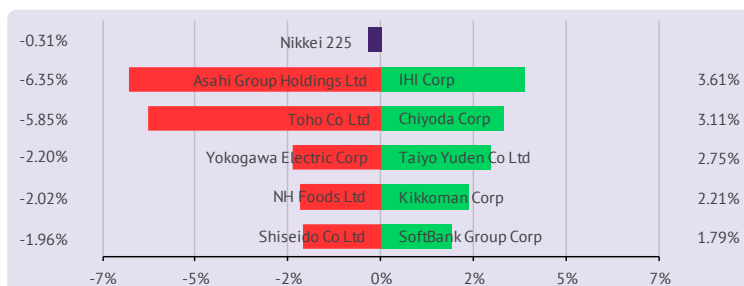
To Read More Click [Here](#)



Asian Market ▼

Trading lower

Asian markets are trading lower this morning. The Nikkei 225 Index is trading 0.3% lower at 21,399.98.



USD ZAR ▼

USD trading higher against ZAR

At 06:00 SAST, the US Dollar is trading marginally firmer against the South African Rand at R13.9360. Later today, traders will keep a close watch on the US Chicago Fed National Activity index for further cues.

The US Dollar rose against the South African Rand on Friday. On the data front, the US Michigan consumer sentiment index advanced less-than-expected in July.

GBP ZAR ▲

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound is trading slightly lower against the South African Rand at R17.4274. 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. On the macro front, UK's public sector net borrowing rose sharply in June, marking its highest level in four years.

EUR ZAR ▲

EUR trading lower against ZAR

At 06:00 SAST, the Euro marginally retreated against the South African Rand to trade at R15.6339. 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 on Friday. Data indicated that Eurozone's current account surplus widened in May. Separately, Germany's producer price index (PPI) climbed less than market forecast on an annual basis in June.

AUD ZAR ▲

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar is trading marginally lower against the South African Rand at R9.8146.

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	13.9360	▼	0.68	NA	-1.07	-3.38	-2.86
GBPZAR	17.4274	▲	0.37	NA	-2.52	-2.92	-4.86
EURZAR	15.6339	▲	0.18	NA	-2.42	-1.65	-5.00
AUDZAR	9.8146	▲	0.23	NA	-0.72	-2.20	-3.04
EURUSD	1.1219	▼	-0.50	NA	-1.34	1.83	-2.15
GBPUSD	1.2506	▲	-0.37	NA	-1.53	0.53	-1.98
Brent (\$/barrel)	63.3	▲	0.87	NA	-3.51	4.44	16.12
Gold (\$/oz)	1427.8	▲	-0.10	NA	0.92	8.26	11.35
Platinum (\$/oz)	845.9	=	0.26	NA	1.24	5.20	6.28
Copper (\$/MT)*	6055.3	▲	1.42	NA	1.22	3.03	1.79

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

Gold ▲

Trading in the green

At 06:00 SAST, gold prices climbed 0.1% to trade at \$1,427.80/oz.

On Friday, gold prices fell 0.1% to close at \$1,426.70/oz, as strength in the US Dollar dented demand for the safe haven asset.

To Read More Click [Here](#)

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged 1.4% higher to trade at \$63.32/bl.

On Friday, Brent crude oil advanced 0.9% to settle at \$62.47/bl, on reports that Iran has seized a UK-flagged tanker in the Gulf of Oman, thereby escalating Middle East tensions. Additionally, Baker Hughes reported that the number of active US oil rigs fell by 5 to 779 last week.

To Read More Click [Here](#)

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices are trading marginally lower at \$845.90/oz.

On Friday, platinum prices climbed 0.3% to close at \$845.90/oz.

Major South African corporate news

Clover Industries Limited

The company announced that Competition Commission of South Africa has recommended to the Competition Tribunal of South Africa that the Clover Scheme be approved subject to a number of conditions, including in particular, conditions relating to employment and local procurement which were part of the investment case for Milco SA.

Murray & Roberts Holdings Limited

The company announced that Competition Commission of South Africa (Competition Commission) published a media statement regarding its recommendation to the Competition Tribunal of South Africa that the merger involving ATON and the company be prohibited. The Competition Commission has not yet provided the parties with the full reasons for its recommendation.

PPC Limited

In its FY19 results, the company announced that revenues increased to ZAR10.41bn from ZAR10.27bn posted in the corresponding period of the previous year. Its diluted EPS rose 60.0% YoY to 16.00c from the same period of the prior year.

Major global economic news

Eurozone

In the Eurozone, seasonally adjusted current account surplus widened to EUR29.70bn in May, compared to a revised surplus of EUR22.40bn in the prior month.

In Germany, the PPI recorded a rise of 1.2% on a yearly basis in June, less than market expectations. The PPI had advanced 1.9% in the previous month.






UK

In the UK, public sector net borrowing jumped to GBP7.20bn in June, compared to a revised deficit of GBP4.50bn in the previous month.

US

In the US, the flash Michigan consumer sentiment index rose to a level of 98.40 in July, less than market forecast. The index had recorded a level of 98.20 in the prior month.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus	Previous	Frequency
 Switzerland	09:00	M3 Money Supply (YoY) (Jun)	✓	-	3.40%	Monthly
 Japan	09:00	Convenience Store Sales (YoY) (Jun)	✓	-	1.70%	Monthly
 Germany	12:00	German Buba Monthly Report	✓	-	-	As scheduled
 US	14:30	Chicago Fed National Activity Index (Jun)	✓✓✓	-	-0.05	Monthly
 Canada	14:30	Wholesale Sales (MoM) (May)	✓✓✓	-	1.70%	Monthly

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	7168	-0.86	2.77	95.42
Sibanye Gold Ltd	1809	8.71	7.94	80.54
Kumba Iron Ore Ltd	48000	3.08	-3.88	76.88
Gold Fields Ltd	7810	8.16	1.76	58.87
Allied Electronics Corp Ltd	2803	1.12	5.57	58.59
Anglo American Platinum Ltd	83072	4.68	-0.74	56.00
Royal Bafokeng Platinum Ltd	3738	4.68	8.03	50.26
Northam Platinum Ltd	6416	1.21	8.75	48.31
AngloGold Ashanti Ltd	26724	5.86	5.21	47.74
Telkom SA SOC Ltd	8829	1.13	-4.23	43.09
Harmony Gold Mining Co Ltd	3437	4.37	8.29	36.39
African Rainbow Minerals Ltd	18500	6.26	1.55	33.02
Libstar Holdings Ltd	905	4.02	-6.60	32.86
Ascendis Health Ltd	550	9.13	17.02	32.21
Cartrack Holdings Ltd	1875	0.81	-5.06	31.96
Assore Ltd	37061	6.77	1.04	31.47
Transaction Capital Ltd	2200	6.23	10.17	31.13
Exxaro Resources Ltd	17456	3.89	1.49	30.96
Clover Industries Ltd	2350	14.63	16.05	30.75
Cie Financiere Richemont SA	12111	3.00	1.31	29.32
Pioneer Foods Group Ltd	10250	45.72	48.55	27.36
MTN Group Ltd	10903	5.89	2.14	27.07
DataTec Ltd	3425	-5.78	-1.47	25.18
BHP Group Plc	35332	1.35	-2.06	25.05
Distell Group Holdings Ltd	13240	-1.12	2.08	24.90
Metair Investments Ltd	2320	0.22	-1.49	24.25
Afrimat Ltd	3400	-2.86	6.25	23.99
Net 1 UEPS Technologies Inc	6200	3.68	12.22	23.38
Naspers Ltd	346001	1.59	1.18	23.37
Anglo American Plc	38882	3.13	-3.42	23.06
Alexander Forbes Group Holdings Ltd	565	-0.82	4.84	22.64
Pan African Resources Plc	196	-0.51	5.38	22.50
Fortress REIT Ltd	2144	0.42	0.00	22.39
Quilter Plc	2615	1.75	4.22	21.93
Mpact Ltd	2481	-0.76	11.86	20.80
Investec Australia Property Fund	1432	0.85	0.14	20.53
British American Tobacco Plc	54138	5.79	9.48	19.41
NEPI Rockcastle Plc	12950	-0.04	0.07	18.70
Resilient REIT Ltd	6390	-0.02	3.13	17.04
Investec Property Fund Ltd	1532	1.46	0.13	17.04
JSE All Share Index	58249	1.70	0.08	10.45

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