

ONE
Minute Brief

29 July 2019



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Economic and political news

Ratings agency, Fitch, has affirmed South Africa's (SA) credit rating at 'BB+', in sub-investment grade. However, the agency downgraded its outlook from 'stable' to 'negative', citing a widening budget deficit and increased support for struggling state firms, particularly Eskom.

The Agriculture, Land Reform and Rural Development Department has released a final report on land reform which recommends that expropriation without compensation be applied under specific circumstances on abandoned land, land held purely for speculative purposes, land already occupied and used by labour tenants and former labour tenants, and on inner city buildings with absentee landlords. Additionally, the advisory panel on land reform recommended that the Ingonyama Trust Act should either be scrapped or reviewed.

On Friday, a Johannesburg High Court approved a ZAR5bn settlement to former workers who suffered from silicosis after working in the gold mines.

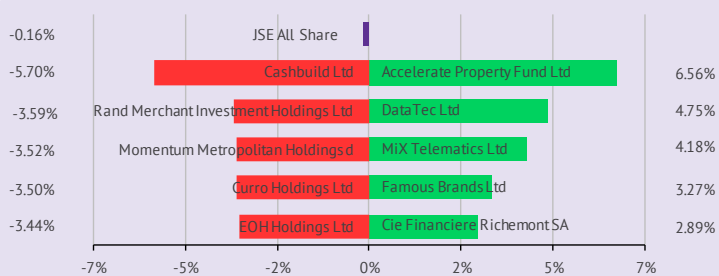
In his testimony at the state capture commission of inquiry, President, Cyril Ramaphosa, stated that he had only exchanged pleasantries in the past with members of the Gupta family.

South Africa Market ▼

South African markets closed lower

South African markets closed in the red on Friday, weighed down by losses in banking and financial sector stocks. The JSE All Share Index fell 0.2% to close at 57,570.54.

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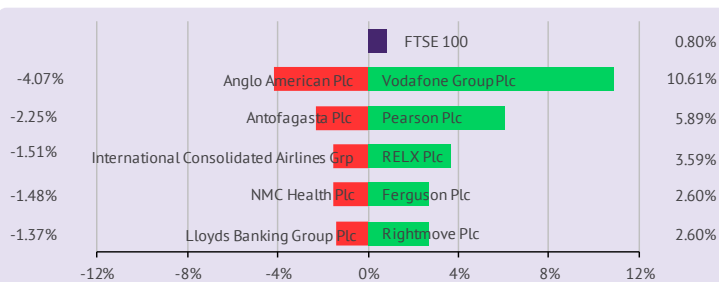


UK Market ▲

UK markets closed firmer

UK markets finished higher on Friday, as shares in Vodafone Group surged, amid plans to create a separate European tower company. The FTSE 100 Index advanced 0.8% to close at 7,549.06. Today, the FTSE 100 futures are trading in positive territory.

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Key indices

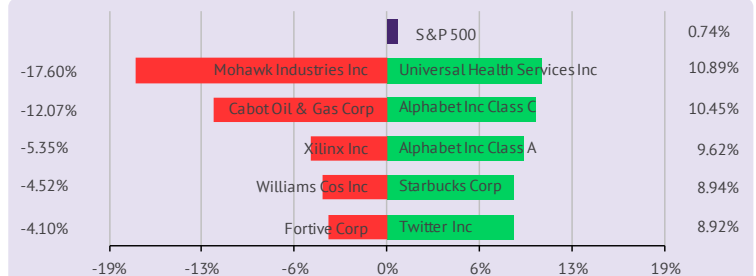
	As at 26 July 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	57570.54	▼	-92.35	-0.16	NA	-1.09	4.59
JSE Top 40 (ZAR)	51522.69	▼	-40.52	-0.08	NA	-1.30	5.27
FTSE 100(GBP)	7549.06	▲	60.01	0.80	NA	1.66	3.69
DAX 30 (EUR)	12419.90	▲	57.80	0.47	NA	0.17	5.73
CAC 40 (EUR)	5610.05	▲	32.00	0.57	NA	1.28	6.36
S&P 500 (USD)	3025.86	▲	22.19	0.74	NA	2.86	6.89
Nasdaq Composite (USD)	8330.21	▲	91.67	1.11	NA	4.05	7.42
DJIA (USD)	27192.45	▲	51.47	0.19	NA	2.23	7.19
MSCI Emerging Markets (USD)	1048.66	▼	-5.62	-0.53	NA	-0.59	5.70
MSCI Developed World (USD)	2215.71	▲	8.79	0.40	NA	1.72	6.46

US Market ▲

US markets closed higher

US markets closed stronger on Friday, following robust corporate earnings report and after the US economy slowed less than expected in 2Q19. The S&P 500 Index climbed 0.7% to close at 3,025.86. Today, the S&P 500 futures are trading weaker.

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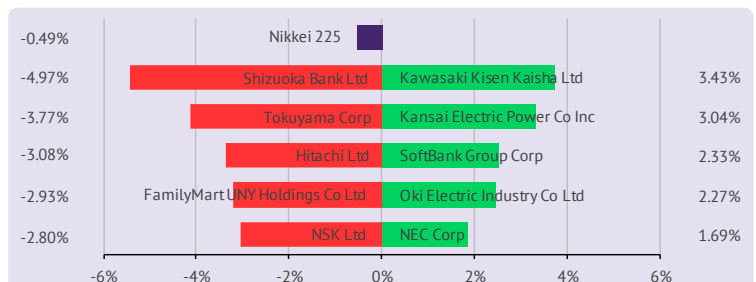


Asian Market ▼

Trading lower

Asian markets are trading weaker this morning, amid concerns over US-China trade talks. The Nikkei 225 Index is trading 0.5% lower at 21,552.64.

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USD ZAR ▲

USD trading weaker against ZAR

At 06:00 SAST, the US Dollar dropped 0.1% against the South African Rand to trade at R14.2875. Later today, traders will keep a close watch on the US Dallas Fed manufacturing index for further indication.

The US Dollar rose against the South African Rand on Friday, following better-than-expected US GDP data. Data showed that US GDP slowed in the second quarter, but exceeded market estimates. Separately, the South African rand declined against the dollar on Friday, after Fitch downgraded SA's credit rating outlook to negative.

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GBP ZAR ▲

GBP trading lower against ZAR

At 06:00 SAST, the British Pound is trading 0.2% weaker against the South African Rand at R17.6635. Ahead in the day, traders will keep an eye on UK's net consumer credit and mortgage approvals for further direction.

The British Pound advanced against the South African Rand on Friday.

EUR ZAR ▲

EUR trading weaker against ZAR

At 06:00 SAST, the Euro is trading 0.1% lower against the South African Rand at R15.8983. 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.

AUD ZAR ▲

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar retreated 0.1% against the South African Rand to trade at R9.8662.

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	14.2875	▲	1.52	NA	1.48	-3.38	-0.36
GBPZAR	17.6635	▲	0.86	NA	-1.02	-2.92	-3.39
EURZAR	15.8983	▲	1.36	NA	-0.69	-1.65	-3.32
AUDZAR	9.8662	▲	0.91	NA	-0.07	-2.20	-2.40
EURUSD	1.1129	▲	-0.17	NA	-2.15	1.83	-2.96
GBPUSD	1.2363	▼	-0.59	NA	-2.46	0.53	-2.90
Brent (\$/barrel)	63.3	▼	0.11	NA	-1.98	4.44	17.96
Gold (\$/oz)	1433.2	▲	0.33	NA	0.40	8.26	10.77
Platinum (\$/oz)	862.7	▼	-0.66	NA	3.26	5.20	8.39
Copper (\$/MT)*	5941.0	▼	-0.76	NA	-0.69	3.03	-0.13

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

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 1.0% higher to trade at \$1,433.20/oz.

On Friday, gold prices rose 0.3% to close at \$1,419.30/oz, amid expectations of an interest rate cut by the US central bank.

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Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 0.3% lower to trade at \$63.25/bl, amid signs of "constructive" talks on Iran's nuclear deal.

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On Friday, Brent crude oil advanced 0.1% to settle at \$63.46/bl, after Baker Hughes reported that US oil rig count fell by 3 to 776 last week.

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Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged marginally lower to trade at \$862.70/oz.

On Friday, platinum prices declined 0.7% to close at \$862.70/oz.

Major South African corporate news

Clover Industries Limited

The company announced that Brimstone Investment Corporation Limited has secured a suitable replacement broad-based black economic empowerment investor (Replacement B-BBEE Shareholder), to acquire Brimstone's interest in Milco SA, in order to facilitate Brimstone's exit from its participation in the Clover Scheme. The Replacement B-BEE Shareholder is BEEMilk Proprietary Limited, an entity representing a consortium of investors including Khulasande Capital Trust through its fund manager Khulasande Capital III Proprietary Limited, Global Capital Empowerment Fund and Ubisi Proprietary Limited.

Major global economic news

US

In the US, the preliminary annualised GDP climbed 2.1% on a quarterly basis in 2Q19, following an advance of 3.1% in the first quarter.

Asia

In Japan, retail trade recorded a flat reading on a monthly basis in June, compared to a rise of 0.4% in the previous month.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
Japan	01:50	Large Retailer's Sales (Jun)	✓✓	-0.50%*	-0.50%	Monthly
Japan	01:50	Retail Trade (YoY) (Jun)	✓✓✓	0.50%*	1.20%	Monthly
Japan	01:50	Retail Trade s.a. (MoM) (Jun)	✓✓✓	0.00%*	0.30%	Monthly
South Africa	08:00	M3 Money Supply (YoY) (Jun)	✓	8.50%	9.07%	Monthly
South Africa	08:00	Private Sector Credit (YoY) (Jun)	✓	7.10%	7.66%	Monthly
Spain	09:00	Retail Sales (YoY) (Jun)	✓✓✓	-	3.10%	Monthly
Spain	09:00	Consumer Price Index (MoM) (Jul) (P)	✓✓✓	-	-0.10%	Monthly
Spain	09:00	Consumer Price Index (YoY) (Jul) (P)	✓✓✓	-	0.40%	Monthly
Spain	09:00	Harmonised Index of Consumer Prices (MoM) (Jul) (P)	✓✓✓	-	-0.10%	Monthly
Spain	09:00	Harmonised Index of Consumer Prices (YoY) (Jul) (P)	✓✓✓	-	0.60%	Monthly
Spain	09:00	Consumer Price Index (MoM) (Jul) (F)	✓✓✓	-0.70%	-0.10%**	Monthly
Spain	09:00	Consumer Price Index (YoY) (Jul) (F)	✓✓✓	0.50%	0.40%**	Monthly
Spain	09:00	Harmonised Index of Consumer Prices (MoM) (Jul) (F)	✓✓✓	-1.20%	-0.10%**	Monthly
Spain	09:00	Harmonised Index of Consumer Prices (YoY) (Jul) (F)	✓✓✓	0.60%	0.60%**	Monthly
Italy	10:00	Producer Price Index (MoM) (Jun)	✓✓	-	0.00%	Monthly
Italy	10:00	Producer Price Index (YoY) (Jun)	✓	-	1.80%	Monthly
UK	10:30	M4 Ex IOFCs 3M Annualised (Jun)	✓	-	2.80%	Monthly
UK	10:30	M4 Money Supply (MoM) (Jun)	✓	-	-0.10%	Monthly
UK	10:30	M4 Money Supply (YoY) (Jun)	✓	-	2.20%	Monthly
UK	10:30	Net Consumer Credit (Jun)	✓✓	GBP0.90bn	GBP0.80bn	Monthly
UK	10:30	Net Lending Sec. on Dwellings (Jun)	✓✓	GBP3.50bn	GBP3.10bn	Monthly
UK	10:30	Mortgage Approvals (Jun)	✓✓✓	65.80K	65.40K	Monthly
US	16:30	Dallas Fed Manufacturing Business Index (Jul)	✓✓✓	-5.00	-12.10	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	7425	3.59	6.45	102.43
Sibanye Gold Ltd	1853	2.43	10.56	84.93
Kumba Iron Ore Ltd	47817	-0.38	-4.25	76.21
Anglo American Platinum Ltd	84822	2.11	1.35	59.29
Allied Electronics Corp Ltd	2810	0.25	5.84	58.99
Gold Fields Ltd	7618	-2.46	-0.74	54.96
Northam Platinum Ltd	6424	0.12	8.88	48.50
AngloGold Ashanti Ltd	26418	-1.15	4.00	46.05
Harmony Gold Mining Co Ltd	3523	2.50	11.00	39.80
Transaction Capital Ltd	2304	4.73	15.37	37.33
Royal Bafokeng Platinum Ltd	3411	-8.75	-1.42	37.12
Telkom SA SOC Ltd	8339	-5.55	-9.55	35.15
Cartrack Holdings Ltd	1919	2.35	-2.84	35.05
Cie Financiere Richemont SA	12485	3.09	4.44	33.32
Libstar Holdings Ltd	884	-2.32	-8.77	29.78
Pioneer Foods Group Ltd	10364	1.11	50.20	28.77
African Rainbow Minerals Ltd	17794	-3.82	-2.32	27.95
Naspers Ltd	357453	3.31	4.53	27.46
Clover Industries Ltd	2290	-2.55	13.09	27.41
Exxaro Resources Ltd	16971	-2.78	-1.33	27.33
DataTec Ltd	3374	1.54	0.05	27.11
Afrimat Ltd	3480	2.35	8.75	26.91
Distell Group Holdings Ltd	13242	0.02	2.10	24.92
MTN Group Ltd	10678	-2.06	0.03	24.45
Pan African Resources Plc	199	1.53	6.99	24.38
Alexander Forbes Group Holdings Ltd	570	0.88	5.76	23.73
Assore Ltd	34728	-6.30	-5.32	23.19
Quilter Plc	2635	0.76	5.02	22.86
Metair Investments Ltd	2291	-1.25	-2.72	22.70
Ascendis Health Ltd	510	-7.27	8.51	22.60
Fortress REIT Ltd	2146	0.09	0.09	22.51
BHP Group Plc	34532	-2.26	-4.28	22.22
NEPI Rockcastle Plc	13250	2.32	2.39	21.45
Bid Corp Ltd	31327	2.38	2.05	19.47
Investec Australia Property Fund	1416	-1.12	-0.98	19.18
British American Tobacco Plc	53630	-0.94	8.45	18.29
Resilient REIT Ltd	6400	0.16	3.29	17.22
Anglo American Plc	36918	-5.05	-8.30	16.84
Octodec Investments Ltd	1889	1.07	2.66	16.65
Reinet Investments SCA	25400	5.73	11.81	16.27
JSE All Share Index	57571	-1.16	-1.09	9.17

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