

ONE
Minute Brief

12 August 2019



consult • partner • manage

Economic and political news

In South Africa (SA), manufacturing production dropped 3.2% on a yearly basis in June, compared to a revised rise of 0.4% in the previous month. Annual mining production declined 4.2% in June, compared to a fall of 1.5% in May. Gold production plunged 16.0% on an annual basis in June, compared to a drop of 24.4% in May. Platinum production fell 6.3% on a yearly basis in June, compared to a rise of 6.8% in the prior month.

On Thursday, the North Gauteng High Court ruled that President, Cyril Ramaphosa, acted reasonably and rationally in not immediately disciplining Public Enterprises Minister, Pravin Gordhan, over a decision regarding the early retirement of former Deputy Sars Commissioner, Ivan Pillay.

News reports indicate that President, Cyril Ramaphosa, has asked the Gauteng High Court to seal certain documents with Public Protector, Busisiwe Mkhwebane, which contain details linked to bank accounts for the CR17 campaign, as these were obtained unlawfully.

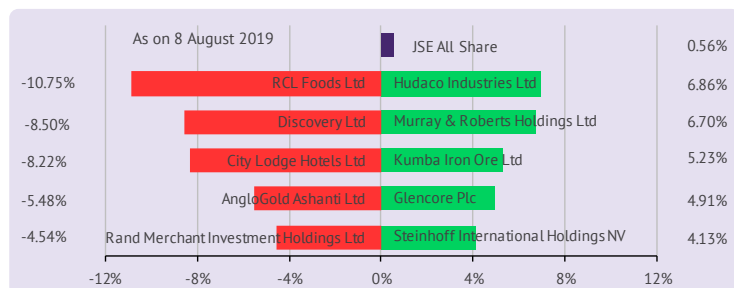
On Thursday, SA published its draft National Health Insurance (NHI) bill. Anban Pillay, deputy director general at the Health Department, estimates that its implementation would cost about ZAR256bn by 2022. Separately, Health Minister, Zweli Mkhize, stated that no new taxes will be implemented for NHI, for the time being.

South Africa Market ▲

South African markets closed higher

South African markets closed in the green on Thursday, boosted by gains in industrial and resources sector stocks. Data revealed that SA's annual manufacturing production fell in June. The JSE All Share Index rose 0.6% to close at 55,535.24.

To Read More Click [Here](#)

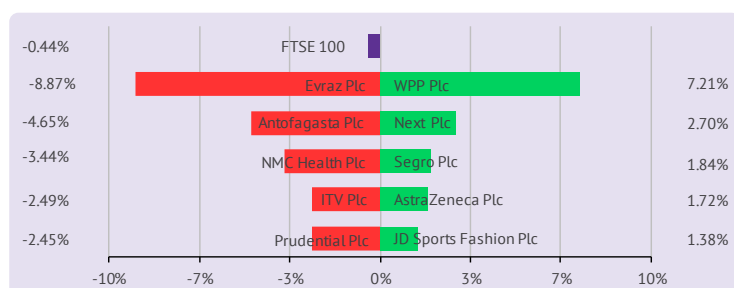


UK Market ▼

UK markets closed weaker

UK markets finished lower on Friday, amid political turmoil in Italy, US-China trade war concerns and after the British economy contracted for the first time since 2012 in 2Q19. The FTSE 100 Index declined 0.4% to close at 7,253.85. Today, the FTSE 100 futures are trading in positive territory.

To Read More Click [Here](#)



Key indices

	As at 9 Aug 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)*	55535.24	▲	309.92	0.56	NA	-2.20	5.31
JSE Top 40 (ZAR)*	49619.58	▲	365.84	0.74	NA	-2.32	6.19
FTSE 100(GBP)	7253.85	▼	-32.05	-0.44	NA	2.17	7.81
DAX 30 (EUR)	11693.80	▼	-151.61	-1.28	NA	-1.69	10.75
CAC 40 (EUR)	5327.92	▼	-60.04	-1.11	NA	-0.36	12.62
S&P 500 (USD)	2918.65	▼	-19.44	-0.66	NA	1.31	16.43
Nasdaq Composite (USD)	7959.14	▼	-80.02	-1.00	NA	2.11	19.95
DJIA (USD)	26287.44	▼	-90.75	-0.34	NA	0.99	12.69
MSCI Emerging Markets (USD)	981.19	▼	-3.10	-0.32	NA	-5.38	1.58
MSCI Developed World (USD)	2135.34	▼	-11.56	-0.54	NA	-2.39	13.35

* Values as on 8 August 2019

US Market ▼

US markets closed in the red

US markets closed lower on Friday, as US-China trade tensions resurfaced, after the US President, Donald Trump, stated that a near-term deal between the US and China on tariffs was unlikely soon. The S&P 500 Index dropped 0.7% to close at 2,918.65. Today, the S&P 500 futures are trading in the green.

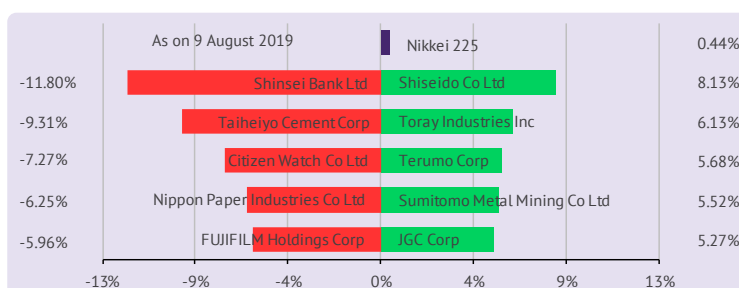
To Read More Click [Here](#)



Asian Market ▲

Trading higher

Asian markets are trading higher this morning. Markets in Japan are closed today on account of a public holiday.



USD ZAR ▲

USD trading lower against ZAR

At 06:00 SAST, the US Dollar marginally fell against the South African Rand to trade at R15.2495. Later today, traders will keep a close watch on the US monthly budget statement for further direction.

The US Dollar rose against the South African Rand on Friday. On the data front, the US producer price index (PPI) climbed in line with market forecast on an annual basis in July. Separately, in SA, manufacturing production fell for the first time since September 2018 on a yearly basis in June. Additionally, annual mining production dropped more than market forecast in June, marking its eighth consecutive decline. Moreover, gold production registered a decline on a yearly basis in June. Also, annual platinum production slid on a yearly basis in the same month.

GBP ZAR ▼

GBP trading higher against ZAR

At 06:00 SAST, the British Pound slightly advanced against the South African Rand to trade at R18.3500. 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 posted a trade surplus in June. Further, industrial production dropped less than market forecast on a monthly basis in June. On the other hand, the nation's gross domestic product (GDP) unexpectedly declined for the first time in 7 years on a quarterly basis in the second quarter of 2019. Further, construction output recorded a more-than-anticipated decline on a monthly basis in June. Also, monthly manufacturing production recorded a more-than-expected fall in the same month.

EUR ZAR ▼

EUR trading firmer against ZAR

At 06:00 SAST, the Euro marginally rose against the South African Rand to trade at R17.0889. 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 Germany's trade surplus narrowed more than market expectations in June. Further, current account surplus widened less-than-anticipated in June.

AUD ZAR ▲

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar slightly dropped against the South African Rand to trade at R10.3519.

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	15.2495	▲	1.41	NA	6.35	1.82	6.32
GBPZAR	18.3500	▼	0.61	NA	5.17	-2.45	0.14
EURZAR	17.0889	▼	1.59	NA	7.55	-0.87	3.80
AUDZAR	10.3519	▲	1.31	NA	5.45	-0.69	2.27
EURUSD	1.1206	▲	0.18	NA	1.12	-2.61	-2.33
GBPUSD	1.2033	▲	-0.82	NA	-1.04	-4.23	-5.65
Brent (\$/barrel)	58.4	▼	2.00	NA	-10.02	0.48	8.79
Gold (\$/oz)	1508.2	▲	-0.07	NA	4.94	0.88	16.80
Platinum (\$/oz)	865.1	▲	-0.43	NA	-1.72	5.19	8.53
Copper (\$/MT)*	5732.0	▼	-0.76	NA	-2.88	-1.33	-3.65

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

Gold ▲

Trading in the green

At 06:00 SAST, gold prices rose 0.8% to trade at \$1,508.20/oz.

On Friday, gold prices fell 0.1% to close at \$1,496.60/oz.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil fell 0.2% to trade at \$58.44/bl, as the International Energy Agency (IEA) cut its 2019 and 2020 global oil demand growth forecast, amid worries about an economic slowdown and US-China trade tensions.

To Read More Click [Here](#)

On Friday, Brent crude oil advanced 2.0% to settle at \$58.53/bl, after Baker Hughes reported that US oil rig count fell by 6 to 764 last week, marking its lowest level since February 2018.

To Read More Click [Here](#)

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged 0.2% higher to trade at \$865.10/oz.

On Friday, platinum prices declined 0.4% to close at \$863.80/oz.

Major South African corporate news

AngloGold Ashanti Limited

In its 1H19 results, the company announced that revenues declined 8.8% to USD1.83bn from USD2.00bn recorded in the same period of the preceding year. Its diluted EPS stood at 27.00c, compared to 8.00c recorded in the corresponding period of the previous year.

Gold Fields Limited

In its 1H19 trading statement, the company announced that it expects HEPS to decrease by 37.5% to 5.00c per share compared to the same period of the previous year.

MTN Group Limited

In its 1H19 results, the company announced that revenues increased to ZAR72.51bn from ZAR62.78bn posted in the corresponding period of the previous year. Its diluted EPS rose 1.3% to 243.00c from 240.00c in the same period of the prior year. The company declared an interim dividend of 195.00c per share.

Sibanye Gold Limited

In its 2Q19 operating update, the company announced that its mined 2E Platinum Group Metals (PGM) production from the US PGM operations rose 18.0% to 153,874.00oz. The company's 4E PGM production advanced 8.0% to 283,526.00oz compared with the previous quarter. Further, gold production surged 46.0% to 155,956.00oz during the period.

Standard Bank Group Limited

In its 1H19 results, the company indicated that its total income rose to ZAR66.06bn from ZAR62.07bn posted in the corresponding period of the previous year. Its diluted EPS increased 4.0% to 818.50c compared to the same period of the prior year.

Major global economic news

UK

In the UK, flash GDP unexpectedly fell 0.2% on a quarterly basis in 2Q19. In the prior quarter, GDP had advanced 0.5%.

In the UK, industrial production dropped 0.1% on a monthly basis in June, less than market expectations. Industrial production had risen by a revised 1.2% in the previous month.

In the UK, manufacturing production fell 0.2% on a monthly basis in June, more-than-anticipated and compared to an advance of 1.4% in May.

In the UK, construction output fell 0.7% on a monthly basis in June, more than market forecast and compared to a revised rise of 0.3% in the previous month.

In June, UK posted a trade surplus of GBP1.78bn, compared to a revised deficit of GBP2.00bn in the prior month.

US

In the US, the PPI advanced 1.7% on an annual basis in July, at par with market expectations. The PPI had registered a similar rise in the previous month.

Eurozone

In Germany, seasonally adjusted trade surplus narrowed more-than-expected to EUR16.80bn in June, compared to a surplus of EUR20.60bn in the prior month.

In Germany, non-seasonally adjusted current account surplus widened less-than-anticipated to EUR20.60bn in June, compared to a revised surplus of EUR16.20bn in the prior month.







Asia

Japan's preliminary annualised gross domestic product (GDP) advanced 1.8% on a quarterly basis in 2Q19, higher than market consensus. In the prior quarter, the GDP had recorded a rise of 2.2%.

40 best performers on the All Share Index

Company name	Last close	1 Week % change	MTD % change	YTD % change
Impala Platinum Holdings Ltd	7630	2.37	-1.00	108.02
Sibanye Gold Ltd	2008	7.73	10.21	100.40
Gold Fields Ltd	8786	11.06	15.54	78.72
Harmony Gold Mining Co Ltd	4362	12.19	18.12	73.10
Anglo American Platinum Ltd	88891	14.43	5.51	69.24
AngloGold Ashanti Ltd	30248	7.08	19.17	67.22
Kumba Iron Ore Ltd	43107	-0.68	-9.52	58.85
Pan African Resources PLC	252	17.21	27.92	57.50
Allied Electronics Corp Ltd	2566	-5.90	-7.96	45.18
Northam Platinum Ltd	6215	2.30	-1.40	43.67
Telkom SA SOC Ltd	8370	-1.53	-2.86	35.65
Transaction Capital Ltd	2270	-0.96	-1.30	35.30
Cartrack Holdings Ltd	1900	-5.00	-7.27	33.72
DataTec Ltd	3503	4.22	3.95	31.97
Investec Australia Property Fund	1560	4.07	8.26	31.30
Cie Financiere Richemont SA	12223	-0.76	-0.38	30.52
Clover Industries Ltd	2337	0.73	1.61	30.02
Pioneer Foods Group Ltd	10420	0.29	0.99	29.47
MTN Group Ltd	10947	-1.70	-2.89	27.58
Royal Bafokeng Platinum Ltd	3160	0.35	-7.39	27.03
British American Tobacco PLC	56000	0.09	9.29	23.52
Metair Investments Ltd	2300	-2.42	-3.56	23.18
Naspers Ltd	344999	-1.74	-1.64	23.02
Afrimat Ltd	3349	-4.70	-3.76	22.13
Libstar Holdings Ltd	824	-5.29	-4.74	20.97
African Rainbow Minerals Ltd	16782	0.30	-5.69	20.67
Alexander Forbes Group Holdings Ltd	553	-1.43	-2.12	20.04
Fortress REIT Ltd	2102	-1.18	-1.55	19.99
NEPI Rockcastle PLC	13031	0.81	0.49	19.44
Tradehold Ltd	1140	-0.87	-0.87	18.89
Distell Group Holdings Ltd	12525	-4.14	-5.51	18.15
AECI Ltd	9467	1.63	1.80	17.80
BHP Group PLC	33183	0.44	-3.39	17.44
Reinet Investments SCA	25415	-2.62	0.59	16.34
Quilter PLC	2490	-0.72	-0.80	16.10
Bid Corp Ltd	30425	-1.39	1.40	16.03
Ascendis Health Ltd	475	-4.62	-5.00	14.18
Assore Ltd	32130	-0.60	-8.49	13.98
Investec Property Fund Ltd	1490	-0.07	-0.53	13.83
Sirius Real Estate Ltd	1217	2.44	5.46	13.75
JSE All Share Index	55535	-1.31	-2.20	5.31

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus	Previous/ **Previous est.	Frequency
 Portugal	12:00	Consumer Price Index (MoM) (Jul) (F)	✓	-	-1.30%**	Monthly
 Portugal	12:00	Consumer Price Index (YoY) (Jul) (F)	✓	-	-0.30%**	Monthly
 US	18:00	USDA WASDE Report	✓	-	-	As scheduled
 US	20:00	Monthly Budget Statement (Jul)	✓✓✓	-USD123.00bn	-USD8.50bn	Monthly
 US	-	Mortgage Delinquencies (Q2)	✓	-	4.42%	Quarterly
 US	-	MBA Mortgage Foreclosures (Q2)	✓	-	0.92%	Quarterly

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