

# ONE Minute Brief

13 August 2019

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## Economic and political news

The North Gauteng High Court has granted President, Cyril Ramaphosa, an interdict to halt Public Protector, Busisiwe Mkhwebane's remedial action against him related to the payment made by Bosasa to his CR17 campaign.

Dan Matjila, the former Chief Executive Officer (CEO) of the Public Investment Corporation (PIC), during his testimony at the judicial commission of inquiry into PIC, stated that the state-owned pension fund's ZAR4.3bn investment in Ayo Technology Solutions has not been lost and is earning interest.

National Treasury's former Deputy Director-General in the Free State, Anna Sussana Fourie, in her testimony at the state capture inquiry into the Estina Dairy Project, stated that the provincial treasury CEO, Humphrey Kgomongwe, asked her to process a ZAR30mn payment for the Estina dairy project without any documents attached to support the instruction.

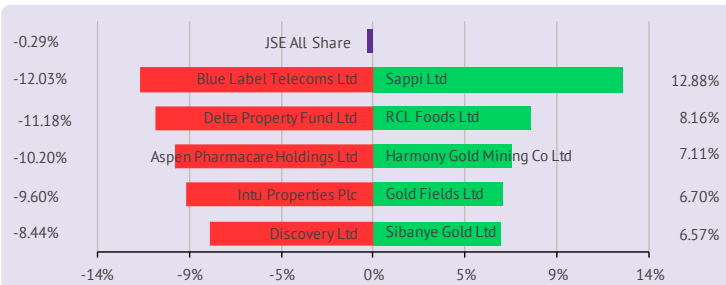
Public Works and Infrastructure Minister, Patricia de Lille, stated that the department of public works is ready to transfer more than 100 plots of state-owned land to land-claim recipients as soon as outstanding paperwork is completed.

## South Africa Market ▼

### South African markets closed lower

South African markets closed in the red yesterday, weighed down by losses in banking and financial sector stocks. The JSE All Share Index fell 0.3% to close at 55,371.53.

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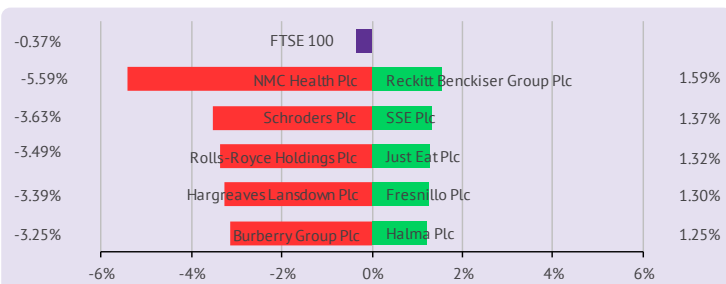


## UK Market ▼

### UK markets closed weaker

UK markets finished lower yesterday, as Asia-exposed stocks suffered losses amid protests in Hong Kong. The FTSE 100 Index declined 0.4% to close at 7,226.72. Today, the FTSE 100 futures are trading in positive territory.

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## Key indices

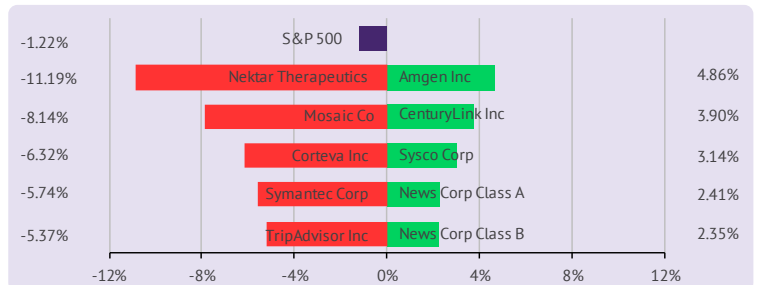
	As at 12 Aug 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	55371.53	▼ -163.71	-0.29	-0.29	-2.49	-2.44	5.00
JSE Top 40 (ZAR)	49512.94	▼ -106.64	-0.21	-0.21	-2.53	-2.68	5.96
FTSE 100 (GBP)	7226.72	▼ -27.13	-0.37	-0.37	-4.75	2.17	7.41
DAX 30 (EUR)	11679.68	▼ -14.12	-0.12	-0.12	-4.18	-1.69	10.61
CAC 40 (EUR)	5310.31	▼ -17.61	-0.33	-0.33	-3.78	-0.36	12.25
S&P 500 (USD)	2883.09	▼ -35.56	-1.22	-1.22	-3.26	1.31	15.01
Nasdaq Composite (USD)	7863.41	▼ -95.73	-1.20	-1.20	-3.82	2.11	18.51
DJIA (USD)	25897.71	▼ -389.73	-1.48	-1.48	-3.60	0.99	11.02
MSCI Emerging Markets (USD)	974.48	▼ -6.72	-0.68	-0.68	-6.03	-1.69	0.88
MSCI Developed World (USD)	2117.65	▼ -17.70	-0.83	-0.83	-3.20	0.42	12.41

## US Market ▼

### US markets closed lower

US markets closed lower yesterday, amid geopolitical tensions and recession fears. Data indicated that the US monthly budget deficit widened in July. The S&P 500 Index dropped 1.2% to close at 2,883.09. Today, the S&P 500 futures are trading in the green.

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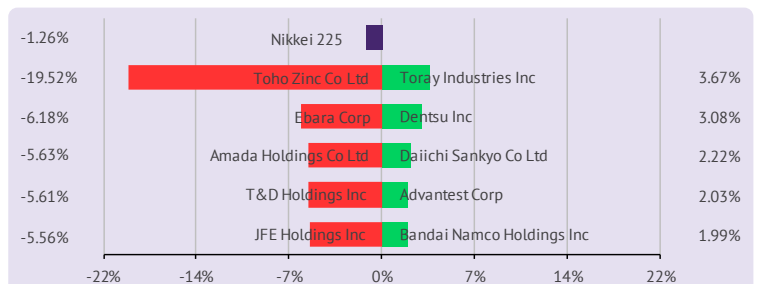


## Asian Market ▼

### Trading lower

Asian markets are trading lower this morning, amid ongoing tensions in Hong Kong. The Nikkei 225 Index is trading 1.3% lower at 20,423.71.

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## USD ZAR ▲

### USD trading weaker against ZAR

At 06:00 SAST, the US Dollar is trading 0.3% lower against the South African Rand at R15.2632. Later today, traders will keep a close watch on the US consumer price index (CPI), the NFIB small optimism index and average hourly earnings for further direction.

The US Dollar rose against the South African Rand yesterday. On the data front, the US monthly budget deficit widened in July. Separately, the South African Rand declined against the dollar, weighed down by local political woes.

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## GBP ZAR ▲

### GBP trading lower against ZAR

At 06:00 SAST, the British Pound is trading 0.3% weaker against the South African Rand at R18.4142. Ahead in the day, traders will keep an eye on UK's ILO unemployment rate and average weekly earnings for further cues.

The British Pound advanced against the South African Rand yesterday.

## EUR ZAR ▲

### EUR trading weaker against ZAR

At 06:00 SAST, the Euro declined 0.5% against the South African Rand to trade at R17.0781. Going forward, market participants will keep a tab on the ZEW survey indices across the Eurozone along with Germany's CPI for further indication.

The Euro strengthened against the South African Rand yesterday.

## AUD ZAR ▲

### AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar fell 0.1% against the South African Rand to trade at R10.3164. Earlier in the session, Australia's ANZ Roy Morgan weekly consumer confidence index dropped in the week ended 11 August 2019. Moreover, the NAB business conditions index declined in July. Meanwhile, the nation's the NAB business confidence index advanced in July.

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	15.2632	▲	0.32	0.32	6.69	1.82	6.66
GBPZAR	18.4142	▲	0.71	0.71	5.91	-2.45	0.84
EURZAR	17.0781	▲	0.47	0.47	8.06	-0.87	4.29
AUDZAR	10.3164	▲	-0.21	-0.21	5.23	-0.69	2.06
EURUSD	1.1189	▼	0.12	0.12	1.25	-2.61	-2.21
GBPUSD	1.2064	▼	0.36	0.36	-0.68	-4.23	-5.32
Brent (\$/barrel)	58.4	▼	0.07	0.07	-9.96	0.48	8.87
Gold (\$/oz)	1527.4	▲	0.58	0.58	5.55	0.88	17.48
Platinum (\$/oz)	863.4	▼	-0.01	-0.01	-1.73	5.19	8.52
Copper (\$/MT)*	5715.8	▼	-0.28	-0.28	-3.16	-1.33	-3.92

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

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices edged 1.5% higher to trade at \$1,527.40/oz.

Yesterday, gold prices rose 0.6% to close at \$1,505.30/oz, amid concerns over US-China trade war and slowing global economic growth.

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## Brent Crude Oil ▼

### Trading weaker

At 06:00 SAST, Brent crude oil fell 0.3% to trade at \$58.40/bl, amid gloomy forecasts for oil demand growth.

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Yesterday, Brent crude oil advanced 0.1% to settle at \$58.57/bl, as investors shrugged off worries over global economic growth.

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## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices are trading marginally lower at \$863.40/oz.

Yesterday, platinum prices marginally declined to close at \$863.70/oz.

## Major South African corporate news

### Northam Platinum Limited

In its FY19 trading statement, the company announced that it expects revenues to be around ZAR10.60bn, compared to ZAR7.60bn recorded in the same period of the previous year. Further, the company expects to report HEPS between 14.80c and 16.80c and basic EPS between 16.20c and 18.20c.

## Major global economic news

### Asia

In Australia, the ANZ Roy Morgan weekly consumer confidence index fell to a level of 115.50 in the week ended 11 August 2019, compared to a reading of 115.80 in the previous week.

In July, the NAB business conditions index dropped to 2.00 in Australia, compared to a revised reading of 4.00 in the previous month.

In Australia, the NAB business confidence index rose to 4.00 in July, compared to a level of 2.00 in the prior month.

### US

In the US, budget deficit widened to USD119.70bn in July, compared to a deficit of USD8.50bn in the previous month.

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
Japan	06:30	Tertiary Industry Index (MoM) (Jun)	✓✓	-0.10%*	-0.20%	Monthly
Germany	08:00	Wholesale Price Index (MoM) (Jul)	✓	-	-0.50%	Monthly
Germany	08:00	Wholesale Price Index (YoY) (Jul)	✓	-	0.30%	Monthly
Japan	08:00	Machine Tool Orders (YoY) (Jul) (P)	✓✓✓	-	-37.90%	Monthly
Germany	08:00	Consumer Price Index (MoM) (Jul) (F)	✓✓✓	0.50%	0.50%**	Monthly
Germany	08:00	Consumer Price Index (YoY) (Jul) (F)	✓✓✓	1.70%	1.70%**	Monthly
Japan	08:00	Machine Tool Orders (YoY) (Jul)	✓	-	-37.90%	Monthly
UK	10:30	Claimant Count Change (Jul)	✓✓✓	-	38.00K	Monthly
UK	10:30	Claimant Count Rate s.a. (Jul)	✓✓	-	3.20%	Monthly
UK	10:30	Average Earnings Excluding Bonus (3Mo/Yr) (Jun)	✓	3.80%	3.60%	Monthly
UK	10:30	Average Earnings Including Bonus (3Mo/Yr) (Jun)	✓✓	3.70%	3.40%	Monthly
UK	10:30	ILO Unemployment Rate (3M) (Jun)	✓✓✓	3.80%	3.80%	Monthly
UK	10:30	Employment Change (3M/3M) (Jun)	✓✓✓	60.00K	28.00K	Monthly
Eurozone	11:00	ZEW Survey - Economic Sentiment (Aug)	✓✓	-	-20.30	Monthly
Germany	11:00	ZEW Survey - Current Situation (Aug)	✓✓	-6.50	-1.10	Monthly
Germany	11:00	ZEW Survey - Economic Sentiment (Aug)	✓✓✓	-28.00	-24.50	Monthly
US	12:00	NFIB Small Business Optimism (Jul)	✓	104.00	103.30	Monthly
US	14:30	Consumer Price Index Core s.a. (Jul)	✓	-	262.80	Monthly
US	14:30	Consumer Price Index (YoY) (Jul)	✓✓✓	1.70%	1.60%	Monthly
US	14:30	Consumer Price Index (MoM) (Jul)	✓✓✓	0.30%	0.10%	Monthly
US	14:30	Consumer Price Index n.s.a. (Jul)	✓	256.46	256.14	Monthly
US	14:30	Consumer Price Index n.s.a. (MoM) (Jul)	✓	0.30%	0.01%	Monthly
US	17:00	New York Fed to release Q2 Household Debt and Credit Report	✓✓	-	-	As scheduled

Note: ✓✓✓High    ✓✓Medium    ✓Low

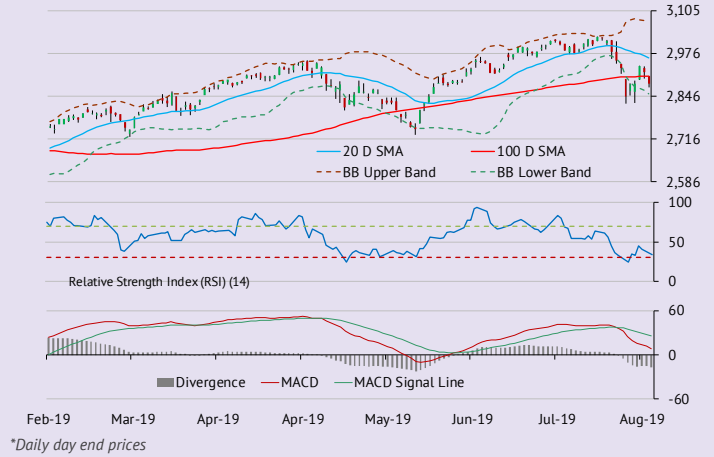
## Technical snapshot

### JSE All Share



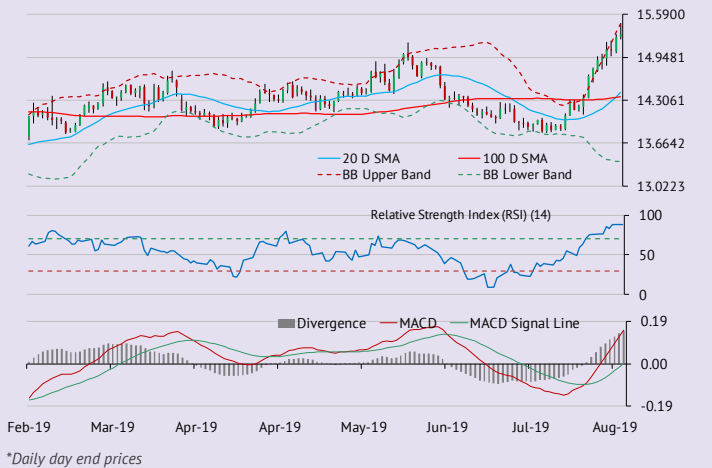
The JSE All Share index is expected to find support at 54,853.72, and a fall through could take it to the next support level of 54,335.91. The index is expected to find its first resistance at 55,990.55, and a rise through could take it to the next resistance level of 56,609.57.

### S&P 500



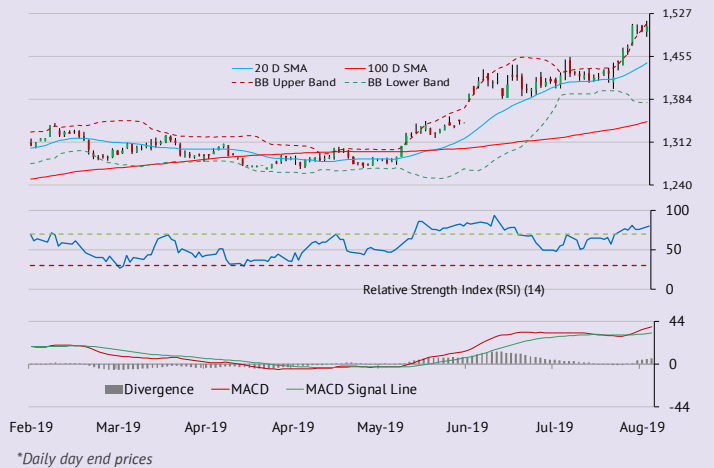
The S&P 500 index is expected to find support at 2,826.29, and a fall through could take it to the next support level of 2,769.50. The index is expected to find its first resistance at 2,939.30, and a rise through could take it to the next resistance level of 2,995.52.

### USD ZAR



The pair is expected to find support at 14.8884, and a fall through could take it to the next support level of 14.4748. The pair is expected to find its first resistance at 15.5909, and a rise through could take it to the next resistance level of 15.8798.

### XAU USD



Gold is expected to find support at \$1,470.37/oz, and a fall through could take it to the next support level of \$1,435.43/oz. The precious metal is expected to find its first resistance at \$1,527.57/oz, and a rise through could take it to the next resistance level of \$1,549.83/oz.

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