

# ONE Minute Brief

19 August 2019

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## Economic and political news

Trade union, Solidarity, has given former Eskom Chief Executive Officer (CEO), Brian Molefe, seven days to pay the ZAR700,000 owed to it, whereas Eskom has given him until next week to pay around ZAR10mn in pension payments that were unlawfully paid to him.

Economic Freedom Fighter's (EFF) spokesperson, Mbuyiseni Ndlozi, confirmed that the party's MP, Tebogo Mokwele, received ZAR40,000 during President, Cyril Ramaphosa's CR17 presidential campaign.

The Pretoria High Court has ruled that former Energy Minister, Jeff Radebe's decision to remove SA Nuclear Energy Corporation (Necsa) Chair, Kelvin Kemm and board member, Pamela Bosman, was unlawful.

News reports indicate that former members of the South African Broadcasting Corporation's (SABC) interim board would request South Gauteng High Court to review and set aside a report by the Special Investigating Unit (SIU) implicating them in "irregularities" in the awarding of a ZAR185mn tender for security services at the firm.

Justice and Correctional Services Minister, Ronald Lamola announced that National Deputy Director of Public Prosecutions, Advocate Silas Ramaite is taking early retirement at the end of the month for personal reasons.

## Key indices

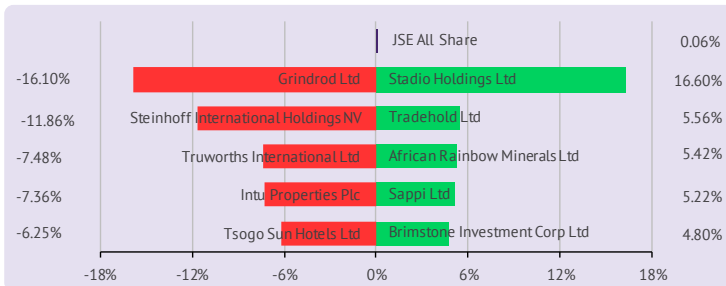
	As at 16 Aug 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg	
JSE All Share (ZAR)	53874.52	▲	33.59	0.06	NA	-5.12	-2.44	2.16
JSE Top 40 (ZAR)	48158.38	▲	41.41	0.09	NA	-5.20	-2.68	3.06
FTSE 100(GBP)	7117.15	▲	50.14	0.71	NA	-6.19	2.17	5.78
DAX 30 (EUR)	11562.74	▲	150.07	1.31	NA	-5.14	-1.69	9.51
CAC 40 (EUR)	5300.79	▲	63.86	1.22	NA	-3.95	-0.36	12.05
S&P 500 (USD)	2888.68	▲	41.08	1.44	NA	-3.08	1.31	15.23
Nasdaq Composite (USD)	7895.99	▲	129.38	1.67	NA	-3.42	2.11	19.00
DJIA (USD)	25886.01	▲	306.62	1.20	NA	-3.64	0.99	10.97
MSCI Emerging Markets (USD)	970.27	▲	6.75	0.70	NA	-6.44	-1.69	0.45
MSCI Developed World (USD)	2108.50	▲	25.66	1.23	NA	-3.61	0.42	11.92

## South Africa Market ▲

### South African markets closed higher

South African markets closed in the green on Friday, supported by gains in industrial sector stocks. The JSE All Share Index rose 0.1% to close at 53,874.52.

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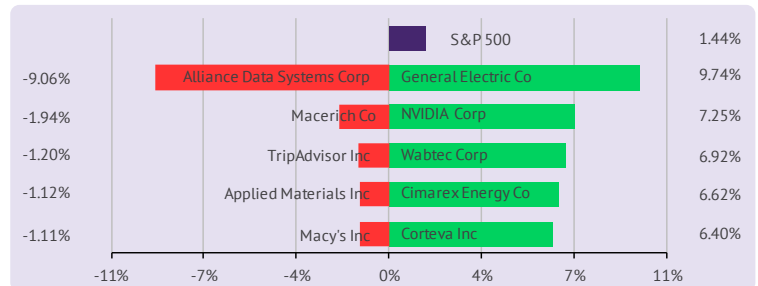


## US Market ▲

### US markets closed higher

US markets closed in the green on Friday, as rise in US bond yields reduced recession fears. The S&P 500 Index climbed 1.4% to close at 2,888.68. Today, the S&P 500 futures are trading in the green.

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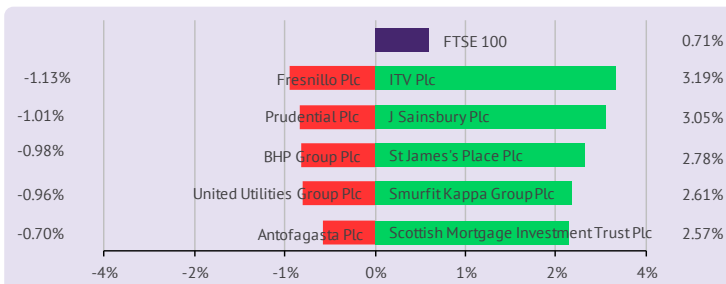


## UK Market ▲

### UK markets closed firmer

UK markets finished higher on Friday, after a technical glitch delayed the start of trading by almost 2 hours. The FTSE 100 Index advanced 0.7% to close at 7,117.15. Today, the FTSE 100 futures are trading in positive territory.

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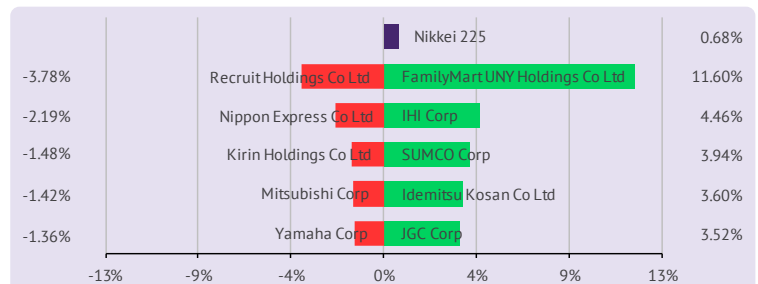


## Asian Market ▲

### Trading stronger

Asian markets are trading higher this morning, on hopes of additional stimulus from central banks around the global. Data showed that Japan posted a more-than-expected trade deficit in July. The Nikkei 225 Index is trading 0.7% higher at 20,557.75.

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## USD ZAR ▲

### USD trading weaker against ZAR

At 06:00 SAST, the US Dollar fell 0.1% against the South African Rand to trade at R15.2841. Amid no major economic news in the US today, market sentiment will be determined by global macroeconomic news.

The US Dollar rose against the South African Rand on Friday. On the macro front, the US monthly building permits jumped more than market forecast in July. Meanwhile, the nation's housing starts unexpectedly declined for a third consecutive month in July. Additionally, the Michigan consumer sentiment index dropped more-than-expected in August.

## GBP ZAR ▲

### GBP trading lower against ZAR

At 06:00 SAST, the British Pound fell 0.1% against the South African Rand to trade at R18.5728. With no major economic news in the UK today, investor sentiment will be determined by global macroeconomic news. Data indicated that UK's Rightmove house prices declined on a monthly basis in August.

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

## EUR ZAR ▲

### EUR trading weaker against ZAR

At 06:00 SAST, the Euro dropped 0.2% against the South African Rand to trade at R16.9521. Going forward, market participants will keep a tab on Eurozone's consumer price index and current account balance for further direction.

The Euro strengthened against the South African Rand on Friday. On the data front, Eurozone's trade surplus narrowed more than market forecast in June.

## AUD ZAR ▲

### AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% weaker against the South African Rand at R10.3675.

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	15.2841	▲	0.18	NA	6.71	1.82	6.69
GBPZAR	18.5728	▲	0.68	NA	6.55	-2.45	1.45
EURZAR	16.9521	▲	0.07	NA	6.90	-0.87	3.17
AUDZAR	10.3675	▲	0.23	NA	5.67	-0.69	2.49
EURUSD	1.1091	▲	-0.15	NA	0.13	-2.61	-3.29
GBPUSD	1.2153	▲	0.50	NA	-0.08	-4.23	-4.74
Brent (\$/barrel)	59.3	▲	0.70	NA	-9.85	0.48	9.00
Gold (\$/oz)	1519.4	▲	-0.47	NA	6.06	0.88	18.04
Platinum (\$/oz)	851.6	▲	1.13	NA	-3.12	5.19	6.99
Copper (\$/MT)*	5719.5	▼	-0.14	NA	-3.10	-1.33	-3.86

\*As of previous close

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices edged 0.5% higher to trade at \$1,519.40/oz.

On Friday, gold prices fell 0.5% to close at \$1,512.50/oz, on easing worries about global economic slowdown.

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## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil edged 1.0% higher to trade at \$59.25/bl, following an attack on a Saudi oil facility by Yemeni separatists and amid optimism over US-China trade deal.

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On Friday, Brent crude oil advanced 0.7% to settle at \$58.64/bl, as expectations of further stimulus by major central banks eased recession concerns. Meanwhile, Baker Hughes reported that US oil rig count rose by 6 to 770 last week, recording its first increase in 7 weeks.

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## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices are trading marginally higher at \$851.60/oz.

On Friday, platinum prices climbed 1.1% to close at \$851.50/oz.

## Major South African corporate news

### City Lodge Hotels Limited

In its FY19 results, the company announced that revenues increased to ZAR1.55bn from ZAR1.50bn posted in the corresponding period of the previous year. Its diluted EPS fell 27.0% to 560.70c from the same period of the prior year. The company declared a final dividend of 137.00c per share.

### Grindrod Limited

In its 1H19 trading statement, the company indicated that it expects HEPS to be between 18.70c and 21.60c compared to 8.30c recorded in the corresponding period of the previous year. The company also expects its EPS to be between 18.70c and 21.60c.

### Sanlam Limited

In its 1H19 trading statement, the company announced that it expects diluted HEPS to be between 161.60c and 186.50c, compared to the same period of the preceding year and diluted EPS to be between 159.20c and 183.70c, compared to 244.90c recorded in the previous year.

## Major global economic news

### US

In the US, housing starts unexpectedly dropped by 4.0% to an annual rate of 1191.00K on monthly basis in July. Housing starts had registered a revised level of 1241.00K in the previous month.

In the US, building permits jumped 8.4% to an annual rate of 1336.00K on a monthly basis in July, more than market expectations. In the prior month, building permits had recorded a revised level of 1232.00K.

In the US, the preliminary Michigan consumer sentiment index dropped more-than-expected to 92.10 in August, compared to a reading of 98.40 in the previous month.

### UK

In the UK, the Rightmove house price index dropped 1.0% on a monthly basis in August. In the prior month, the index had fallen 0.2%.











### Eurozone

In the Eurozone, seasonally adjusted trade surplus narrowed to EUR17.90bn in June, more than market expectations and compared to a revised surplus of EUR19.60bn in the previous month.

### Asia

Japan posted a merchandise trade deficit (total) of JPY249.60bn in July, compared to a revised surplus of JPY589.60bn in the prior month.

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
 UK	01:01	Rightmove House Price Index (MoM) (Aug)	✓	-1.00%*	-0.20%	Monthly
 UK	01:01	Rightmove House Price Index (YoY) (Aug)	✓	1.20%*	-0.20%	Monthly
 Japan	01:50	Adjusted Merchandise Trade Balance (Jul)	✓✓✓	-JPY126.80 bn*	-JPY33.90 bn	Monthly
 Japan	01:50	Merchandise Trade Balance Total (Jul)	✓✓✓	-JPY249.60 bn*	JPY589.50 bn	Monthly
 Japan	01:50	Exports (YoY) (Jul)	✓✓	-1.60%*	-6.70%	Monthly
 Japan	01:50	Imports (YoY) (Jul)	✓✓	-1.20%*	-5.20%	Monthly
 Japan	06:00	Tokyo Condominium Sales (YoY) (Jul)	✓	-35.50%*	-15.00%	Monthly
 Eurozone	10:00	Current Account s.a (Jun)	✓✓✓	-	EUR29.70bn	Monthly
 Eurozone	11:00	Consumer Price Index - Core (YoY) (Jul) (F)	✓✓✓	0.90%	0.90%**	Monthly
 Eurozone	11:00	Consumer Price Index (MoM) (Jul)	✓✓✓	-0.40%	0.20%	Monthly

Note: ✓✓✓High    ✓✓Medium    ✓Low

## 40 best performers on the All Share Index

Company name	Last close	1 Week % change	MTD % change	YTD % change
Sibanye Gold Ltd	1966	-2.09	7.90	96.21
Impala Platinum Holdings Ltd	7100	-6.95	-7.88	93.57
Harmony Gold Mining Co Ltd	4480	2.71	21.31	77.78
AngloGold Ashanti Ltd	31536	4.26	24.25	74.34
Kumba Iron Ore Ltd	41313	2.82	-6.97	63.33
Gold Fields Ltd	7961	-9.39	4.69	61.94
Anglo American Platinum Ltd	79453	-10.62	-5.69	51.27
Pan African Resources Plc	242	-3.97	22.84	51.25
Allied Electronics Corp Ltd	2430	-5.30	-12.84	37.49
Telkom SA SOC Ltd	8431	0.73	-2.15	36.64
Transaction Capital Ltd	2260	-0.44	-1.74	34.70
Cartrack Holdings Ltd	1900	0.00	-7.27	33.72
Northam Platinum Ltd	5679	-8.62	-9.90	31.28
Pioneer Foods Group Ltd	10490	0.67	1.67	30.34
Investec Australia Property Fund	1529	-1.99	6.11	28.69
DataTec Ltd	3338	-4.71	-0.95	25.76
Clover Industries Ltd	2258	-3.38	-1.83	25.63
British American Tobacco Plc	56027	0.05	9.34	23.58
Cie Financiere Richemont SA	11525	-5.71	-6.07	23.06
Alexander Forbes Group Holdings Ltd	565	2.17	0.00	22.64
MTN Group Ltd	10501	-4.07	-6.85	22.38
Royal Bafokeng Platinum Ltd	3020	-4.43	-11.49	21.40
Distell Group Holdings Ltd	12800	2.20	-3.44	20.75
Naspers Ltd	337000	-2.32	-3.92	20.16
Fortress REIT Ltd	2100	-0.10	-1.64	19.88
Metair Investments Ltd	2230	-3.04	-6.50	19.43
Tradehold Ltd	1140	0.00	-0.87	18.89
NEPI Rockcastle Plc	12781	-1.92	-1.43	17.15
Afrimat Ltd	3198	-4.51	-8.10	16.62
Sirius Real Estate Ltd	1245	2.30	7.89	16.37
African Rainbow Minerals Ltd	16048	-4.37	-9.82	15.39
Reinet Investments SCA	25191	-0.88	-0.30	15.32
BHP Group Plc	32567	-1.86	-5.19	15.26
Bid Corp Ltd	29742	-2.24	-0.87	13.43
AECI Ltd	9035	-4.56	-2.85	12.42
Libstar Holdings Ltd	765	-7.16	-11.56	12.31
Investec Property Fund Ltd	1470	-1.34	-1.87	12.30
Lighthouse Capital Ltd	760	1.33	2.98	11.78
Ascendis Health Ltd	460	-3.16	-8.00	10.58
Resilient REIT Ltd	6027	0.43	-2.03	10.39
<b>JSE All Share Index</b>	<b>53875</b>	<b>-2.99</b>	<b>-5.12</b>	<b>2.16</b>

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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

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