

# ONE Minute Brief

20 August 2019

**GTC**  
consult • partner • manage

## Economic and political news

Economic Freedom Fighters' (EFF) MPs, Tebogo Mokwele and Nkagisang Mokgosi, have resigned from parliament and the party's central command team, after they accepted that they had received funds from Ramaphosa's campaign for the ANC presidency.

The South African Broadcasting Corporation (SABC) has confirmed that it will appeal today to the Labour Court to have 28 irregular appointments declared unlawful and set aside, as they were made without following due process as per company policy.

News reports indicate that former Public Service and Administration Minister, Ngoako Ramathodi and former Communications Minister, Sipiwe Nyanda, are likely to file a defamation lawsuit against former President, Jacob Zuma, after he publicly called them spies.

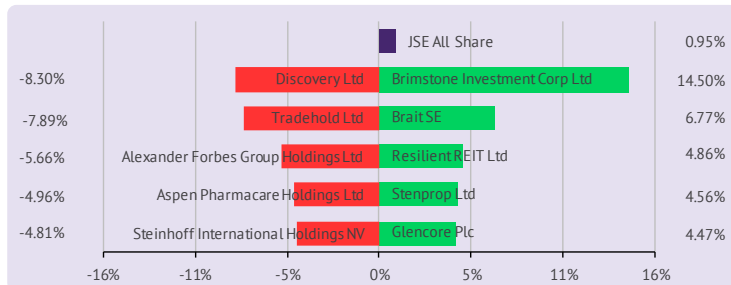
During his testimony at the commission of inquiry into state capture, former National Prosecuting Authority (NPA) head Mxolisi Nxasana, revealed that former Cabinet Minister Jeff Radebe wanted him out at National Director of Public Prosecutions as he had promised the position to Nomgcobo Jiba. Additionally, he stated that former senior prosecutors Nomgcobo Jiba and Lawrence Mrwebi peddled lies to Zuma in a bid to oust him.

## South Africa Market ▲

### South African markets closed higher

South African markets closed in the green yesterday, boosted by gains in resources, platinum mining and retail sector stocks. The JSE All Share Index rose 1.0% to close at 54,386.31.

To Read More Click [Here](#)

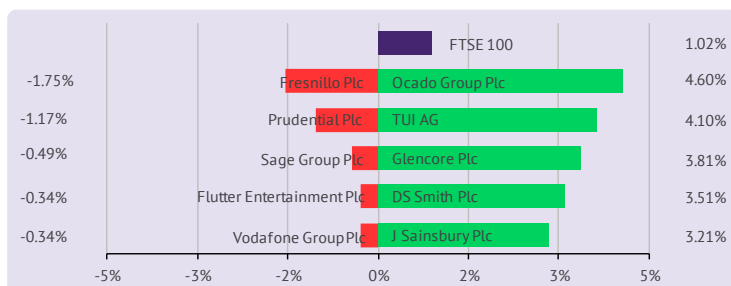


## UK Market ▲

### UK markets closed stronger

UK markets finished higher yesterday, as energy and banking sector stocks advanced, amid hopes of Chinese stimulus measures. The FTSE 100 Index advanced 1.0% to close at 7,189.65. Today, the FTSE 100 futures are trading in positive territory.

To Read More Click [Here](#)



## Key indices

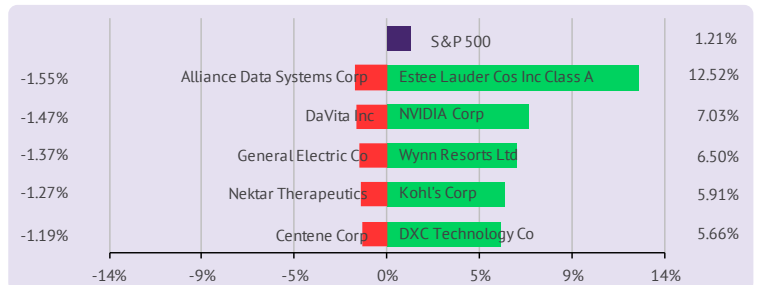
	As at 19 Aug 2019		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	54386.31	▲	511.79	0.95	0.95	-4.22	-2.44	3.13
JSE Top 40 (ZAR)	48646.95	▲	488.57	1.01	1.01	-4.24	-2.68	4.11
FTSE 100 (GBP)	7189.65	▲	72.50	1.02	1.02	-5.23	2.17	6.86
DAX 30 (EUR)	11715.37	▲	152.63	1.32	1.32	-3.89	-1.69	10.95
CAC 40 (EUR)	5371.56	▲	70.77	1.34	1.34	-2.67	-0.36	13.55
S&P 500 (USD)	2923.65	▲	34.97	1.21	1.21	-1.90	1.31	16.63
Nasdaq Composite (USD)	8002.81	▲	106.82	1.35	1.35	-2.11	2.11	20.61
DJIA (USD)	26135.79	▲	249.78	0.96	0.96	-2.71	0.99	12.04
MSCI Emerging Markets (USD)	977.73	▲	7.46	0.77	0.77	-5.72	-1.69	1.22
MSCI Developed World (USD)	2131.81	▲	23.31	1.11	1.11	-2.55	0.42	13.16

## US Market ▲

### US markets closed in the green

US markets closed higher yesterday, as stimulus plans by China and Germany eased fears of a slowdown in global economic growth. The S&P 500 Index climbed 1.2% to close at 2,923.65. Today, the S&P 500 futures are trading weaker.

To Read More Click [Here](#)

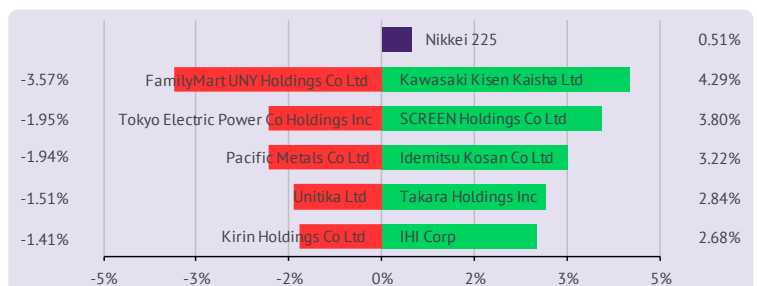


## Asian Market ▲

### Trading higher

Asian markets are trading firmer this morning, after China revealed plans to protect and boost its economy and amid trade optimism. The Nikkei 225 Index is trading 0.5% higher at 20,667.80.

To Read More Click [Here](#)



## USD ZAR ▲

### USD trading lower against ZAR

At 06:00 SAST, the US Dollar is trading 0.3% weaker against the South African Rand at R15.4190. With no major economic news in the US today, investor sentiment will be determined by global macroeconomic news.

The US Dollar rose against the South African Rand yesterday. Separately, the South African Rand fell against the US Dollar, amid expectations of a credit ratings downgrade by rating agency, Moody's, over additional Eskom bailout and signs of slowdown in global economic growth.

To Read More Click [Here](#)

## GBP ZAR ▲

### GBP trading weaker against ZAR

At 06:00 SAST, the British Pound is trading 0.3% lower against the South African Rand at R18.7074. Ahead in the day, traders will keep an eye on UK's CBI total trend orders for further indication.

The British Pound advanced against the South African Rand yesterday.

## EUR ZAR ▲

### EUR trading lower against ZAR

At 06:00 SAST, the Euro retreated 0.2% against the South African Rand to trade at R17.0978. Going forward, market participants will keep a tab on Eurozone's construction output and Germany's producer price index for further direction.

The Euro strengthened against the South African Rand yesterday. On the data front, Eurozone's consumer price inflation fell to its lowest level since late 2016 on an annual basis in July. Meanwhile, the region's current account surplus narrowed in June.

## AUD ZAR ▲

### AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar dropped 0.1% against the South African Rand to trade at R10.4528. Earlier in the session, Australia's ANZ Roy Morgan weekly consumer confidence index declined in the week ended 18 August 2019.

The Australian Dollar rose against the South African Rand yesterday.

## Key currencies & commodities

	Current#		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	15.4190	▲	1.05	1.05	7.83	1.82	7.80
GBPZAR	18.7074	▲	0.92	0.92	7.53	-2.45	2.38
EURZAR	17.0978	▲	0.90	0.90	7.87	-0.87	4.11
AUDZAR	10.4528	▲	0.83	0.83	6.55	-0.69	3.35
EURUSD	1.1087	▲	-0.11	-0.11	0.02	-2.61	-3.39
GBPUSD	1.2133	▲	-0.19	-0.19	-0.27	-4.23	-4.92
Brent (\$/barrel)	59.8	▲	1.88	1.88	-8.16	0.48	11.04
Gold (\$/oz)	1504.9	▲	-0.80	-0.80	5.21	0.88	17.10
Platinum (\$/oz)	854.4	▼	0.62	0.62	-2.51	5.19	7.65
Copper (\$/MT)*	5745.5	▲	0.45	0.45	-2.66	-1.33	-3.42

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

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices edged 0.3% higher to trade at \$1,504.90/oz.

Yesterday, gold prices fell 0.8% to close at \$1,500.40/oz, as rise in global equities and stimulus hopes lowered demand for the safe haven asset.

To Read More Click [Here](#)

## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil edged 0.1% higher to trade at \$59.79/bl, on optimism that US-China trade tensions would ease and on hopes that major economies would implement stimulus measures to lower possibilities of global economic slowdown.

To Read More Click [Here](#)

Yesterday, Brent crude oil advanced 1.9% to settle at \$59.74/bl, after an attack on a Saudi oil facility by Yemeni separatists.

To Read More Click [Here](#)

## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices retreated 0.3% to trade at \$854.40/oz.

Yesterday, platinum prices climbed 0.6% to close at \$856.80/oz.

## Major South African corporate news

### African Rainbow Minerals Limited

In its FY19 trading statement, the company announced that it expects HEPS to be between 2,577.00c and 2,779.00c, which is 2.0% to 10.0% higher from 2,526.00c recorded in the previous year. Further, the company expects its basic EPS to be between 1,700.00c and 1,866.00c, which is 22.0% to 29.0% lower from 2,393.00c report in the prior year.

## Major global economic news

### Asia

The Reserve Bank of Australia (RBA), in its August meeting minutes, indicated that the central bank is likely to lower its interest rates in order to achieve sustainable growth and inflation. Further, the policymakers discussed unconventional monetary policy measures, amid growing concerns over trade tensions and fears of economic slowdown.
















In Australia, the ANZ Roy Morgan weekly consumer confidence fell to a level of 112.80 in the week ended 18 August 2019, compared to a reading of 115.50 in the previous week.

### Eurozone

In the Eurozone, the final consumer price inflation slowed to 1.0% on a yearly basis in July, compared to a level of 1.3% in the previous month. The preliminary figures had recorded a reading of 1.1%.

In the Eurozone, seasonally adjusted current account surplus narrowed to EUR18.35bn in June, following a revised surplus of EUR30.29bn in the previous month.

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus	Previous	Frequency
 Germany	08:00	Producer Price Index (MoM) (Jul)	✓✓✓	-0.20%	-0.40%	Monthly
 Germany	08:00	Producer Price Index (YoY) (Jul)	✓✓✓	1.40%	1.20%	Monthly
 Japan	09:00	Convenience Store Sales (YoY) (Jul)	✓	-	0.00%	Monthly
 South Africa	09:00	Leading Indicator (Jun)	✓	103.50	103.90	Monthly
 Greece	10:00	Current Account (Jun)	✓	-	EUR0.30bn	Monthly
 Eurozone	11:00	Construction Output s.a. (MoM) (Jun)	✓✓✓	-	-0.30%	Monthly
 Eurozone	11:00	Construction Output w.d.a. (YoY) (Jun)	✓	-	2.00%	Monthly
 UK	12:00	CBI Trends Selling Prices (Aug)	✓✓	-	12.00	Monthly
 UK	12:00	CBI Industrial Trends Survey - Orders (Aug)	✓	-25.00	-34.00	Monthly
 Canada	14:30	Teranet - National Bank House Price Index (Jul)	✓	-	224.96	Monthly
 Canada	14:30	Teranet - National Bank House Price Index (MoM) (Jul)	✓✓	-	0.80%	Monthly
 Canada	14:30	Teranet - National Bank House Price Index (YoY) (Jul)	✓	-	0.50%	Monthly
 Canada	14:30	Manufacturing Sales (MoM) (Jun)	✓✓	-1.80%	1.60%	Monthly
 US	14:55	Redbook Index (YoY) (13-Aug)	✓	-	4.40%	Weekly
 US	14:55	Redbook Index s.a. (MoM) (13-Aug)	✓	-	-2.00%	Weekly

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

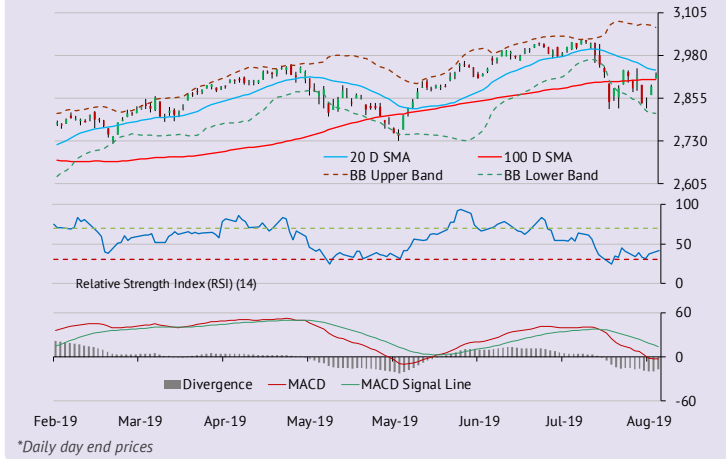
## Technical snapshot

### JSE All Share



The JSE All Share index is expected to find support at 53,307.34, and a fall through could take it to the next support level of 52,228.38. The index is expected to find its first resistance at 55,418.40, and a rise through could take it to the next resistance level of 56,450.50.

### S&P 500



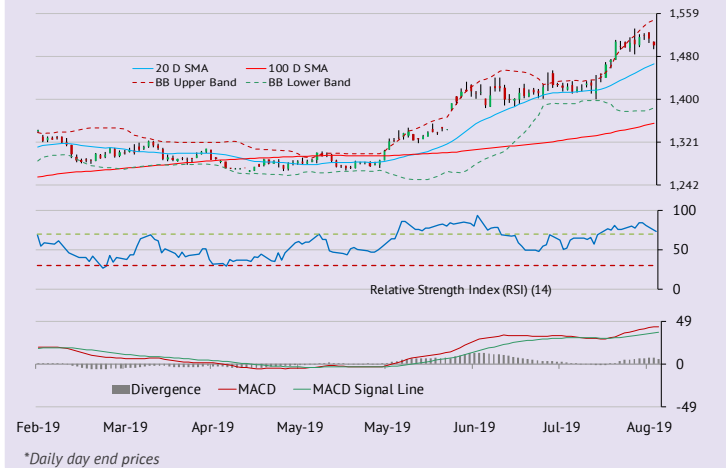
The S&P 500 index is expected to find support at 2,851.67, and a fall through could take it to the next support level of 2,779.69. The index is expected to find its first resistance at 2,969.47, and a rise through could take it to the next resistance level of 3,015.29.

### USD ZAR



The pair is expected to find support at 15.2024, and a fall through could take it to the next support level of 14.9385. The pair is expected to find its first resistance at 15.6149, and a rise through could take it to the next resistance level of 15.7635.

### XAU USD



Gold is expected to find support at \$1,478.93/oz, and a fall through could take it to the next support level of \$1,457.47/oz. The precious metal is expected to find its first resistance at \$1,526.63/oz, and a rise through could take it to the next resistance level of \$1,552.87/oz.

### 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](http://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 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