

# ONE Minute Brief

21 August 2019

**GTC**  
consult • partner • manage

## Economic and political news

In South Africa (SA), the leading indicator fell to 103.40 in June, compared to a level of 103.90 in May.

Mineral Resources and Energy Minister, Gwede Mantashe, stated that South Africa (SA) would add nuclear power capacity in an affordable way as part of its long-term plans.

The North Gauteng High Court has ruled that Denel must urgently pay taxes and other payments deducted from employees' salaries to the South African Revenue Service (SARS) and other institutions by the end of this month.

Former Deputy National Director of the National Prosecuting Authority (NPA), Nomgcobo Jiba, has filed an urgent application in the Western Cape High Court to stop the parliamentary process to review President, Cyril Ramaphosa's decision to remove her.

News reports indicate that the Competition Commission's health market inquiry, investigating the dynamics in the private healthcare market, plans to publish its long-awaited final report on 30 September 2019.

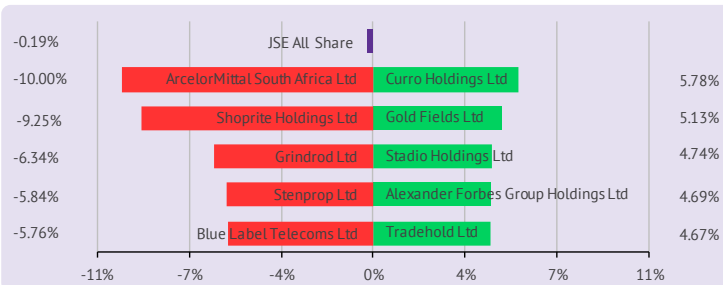
Mineral Resources and Energy Minister, Gwede Mantashe, stated that the labour unions opposing the government's plans to split Eskom into three entities will ultimately have to support the reforms.

## South Africa Market ▼

### South African markets closed lower

South African markets closed in the red yesterday, weighed down by losses in resources and industrial sector stocks. The JSE All Share Index fell 0.2% to close at 54,280.80.

To Read More Click [Here](#)



## Key indices

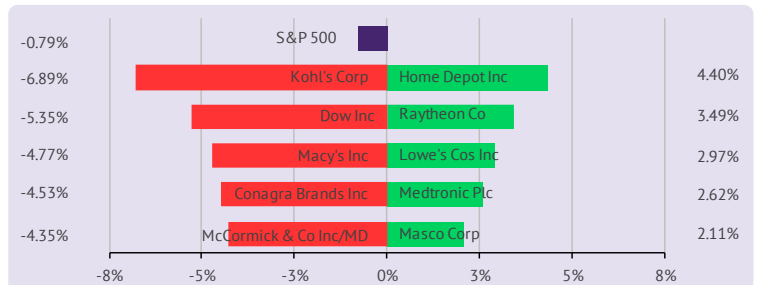
	As at 20 Aug 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	54280.80	▼ -105.51	-0.19	0.75	-4.41	-2.44	2.93
JSE Top 40 (ZAR)	48545.63	▼ -101.32	-0.21	0.80	-4.44	-2.68	3.89
FTSE 100 (GBP)	7125.00	▼ -64.65	-0.90	0.11	-6.09	2.17	5.90
DAX 30 (EUR)	11651.18	▼ -64.19	-0.55	0.76	-4.41	-1.69	10.34
CAC 40 (EUR)	5344.64	▼ -26.92	-0.50	0.83	-3.16	-0.36	12.98
S&P 500 (USD)	2900.51	▼ -23.14	-0.79	0.41	-2.68	1.31	15.70
Nasdaq Composite (USD)	7948.56	▼ -54.25	-0.68	0.67	-2.77	2.11	19.79
DJIA (USD)	25962.44	▼ -173.35	-0.66	0.30	-3.36	0.99	11.30
MSCI Emerging Markets (USD)	980.11	▲ 2.38	0.24	1.01	-5.49	-1.69	1.47
MSCI Developed World (USD)	2119.57	▼ -12.24	-0.57	0.53	-3.11	0.42	12.51

## US Market ▼

### US markets closed weaker

US markets closed in the red yesterday, ahead of the FOMC meeting minutes and amid concerns over the US economic growth. The S&P 500 Index dropped 0.8% to close at 2,900.51. Today, the S&P 500 futures are trading in the green.

To Read More Click [Here](#)

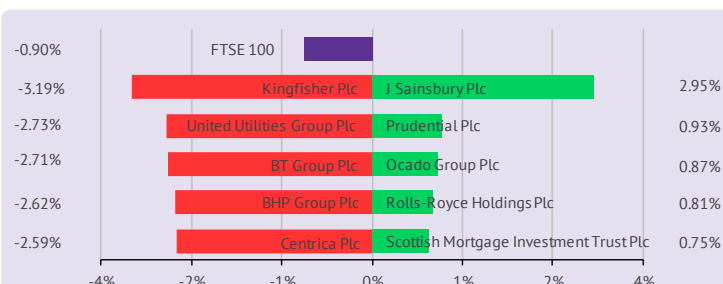


## UK Market ▼

### UK markets closed in negative territory

UK markets finished lower yesterday, amid ongoing US-China trade tensions and political worries in Italy. Data revealed that UK's CBI total trend orders advanced in August. The FTSE 100 Index declined 0.9% to close at 7,125.00. Today, the FTSE 100 futures are trading in negative territory.

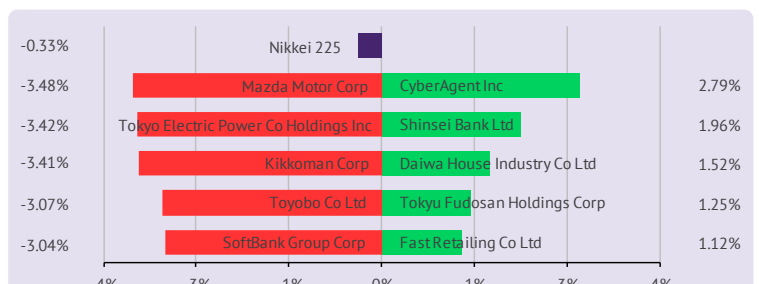
To Read More Click [Here](#)



## Asian Market ▲

### Trading mostly firmer

Asian markets are trading mostly higher this morning. The Nikkei 225 Index is trading 0.3% lower at 20,609.35.



## USD ZAR ▲

### USD trading lower against ZAR

At 06:00 SAST, the US Dollar fell 0.1% against the South African Rand to trade at R15.3428. Later today, traders will keep a close watch on the US FOMC meeting minutes, existing home sales and the MBA mortgage applications for further direction.

The US Dollar fell against the South African Rand yesterday. Separately, in SA, the leading indicator fell more than market expectations in June.

## GBP ZAR ▲

### GBP trading weaker against ZAR

At 06:00 SAST, the British Pound retreated 0.2% against the South African Rand to trade at R18.6528. Ahead in the day, traders will keep an eye on UK's public sector net borrowing for further cues.

The British Pound declined against the South African Rand yesterday, as the European Union rejected British Prime Minister, Boris Johnson's latest call for the Irish backstop to be cancelled. On the macro front, UK's CBI total trend orders advanced in August.

To Read More Click [Here](#)

## EUR ZAR ▲

### EUR trading lower against ZAR

At 06:00 SAST, the Euro is trading 0.2% weaker against the South African Rand at R17.0237. Amid no major economic news across the Eurozone today, market sentiment will be determined by global macroeconomic news.

The Euro weakened against the South African Rand yesterday, amid ongoing political uncertainty in Italy. On the data front, Eurozone's construction output remained flat on a monthly basis in June. Separately, Germany's producer price index (PPI) climbed on an annual basis in July.

To Read More Click [Here](#)

## 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 R10.4060. Earlier in the session, Australia's monthly Westpac leading 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	15.3428	▲	-0.66	0.38	7.12	1.82	7.09
GBPZAR	18.6528	▲	-0.31	0.60	7.19	-2.45	2.06
EURZAR	17.0237	▲	-0.45	0.45	7.39	-0.87	3.64
AUDZAR	10.4060	▲	-0.46	0.36	6.06	-0.69	2.87
EURUSD	1.1095	▼	0.20	0.09	0.22	-2.61	-3.20
GBPUSD	1.2157	▼	0.36	0.17	0.09	-4.23	-4.58
Brent (\$/barrel)	60.4	▲	0.49	2.37	-7.72	0.48	11.58
Gold (\$/oz)	1512.9	▲	0.28	-0.52	5.50	0.88	17.43
Platinum (\$/oz)	849.1	▼	-0.47	0.15	-2.97	5.19	7.15
Copper (\$/MT)*	5682.8	▼	-1.09	-0.64	-3.72	-1.33	-4.48

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

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices edged 0.6% higher to trade at \$1,512.90/oz.

Yesterday, gold prices rose 0.3% to close at \$1,504.60/oz, amid a drop in the US Treasury yields.

To Read More Click [Here](#)

## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil edged 0.5% higher to trade at \$60.35/bl.

Yesterday, Brent crude oil advanced 0.5% to settle at \$60.03/bl, after the American Petroleum Institute reported that the US crude supplies fell by 3.5mn bls in the week ended 16 August 2019.

To Read More Click [Here](#)

## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices edged 0.4% lower to trade at \$849.10/oz.

Yesterday, platinum prices declined 0.5% to close at \$852.80/oz.

## Major South African corporate news

### Harmony Gold Mining Co Limited

In its FY19 results, the company announced that its revenues advanced to ZAR26.91bn from ZAR20.45bn in the preceding year. Its diluted loss narrowed to 500.00c per share, from 1,004.00c recorded in the previous year.

### Shoprite Holdings Limited

In its FY19 results, the company announced that its revenues increased to ZAR150.40bn from ZAR145.88bn posted in the previous year. Its diluted EPS fell 18.0% to 767.30c from 903.30c in the prior year.

### KAP Industrial Holdings Limited

In its FY19 results, the company announced that revenues rose 12.0% to ZAR25.60bn from ZAR22.81bn in the previous year. Its diluted EPS declined 30.0% to 41.30c from 59.10c the same period of the prior year.

## Major global economic news

### Eurozone

In the Eurozone, seasonally adjusted construction output remained flat on a monthly basis in June. Construction output had dropped by a revised 0.5% in the previous month.

In Germany, the PPI rose 1.1% in July, more than market expectations and compared to a rise of 1.2% in the prior month.

### Asia

In Australia, the Westpac leading index recorded a rise of 0.10% on a monthly basis in July. The index had dropped 0.08% in the prior month.

### UK

In the UK, the balance of firms reporting total order book above normal rose to a level of -13.00 in August, compared to a reading of -34.00 in the previous month.

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus	Previous	Frequency
US	00:00	Fed's Quarles speech	✓✓	-	-	As scheduled
Japan	07:00	Supermarket Sales (YoY) (Jul)	✓	-	-0.50%	Monthly
Japan	07:30	Nationwide Department Store Sales (YoY) (Jul)	✓	-	-0.90%	Monthly
Japan	07:30	Tokyo Department Store Sales (YoY) (Jul)	✓	-	-1.30%	Monthly
Switzerland	09:00	M3 Money Supply (YoY) (Jul)	✓	-	3.70%	Monthly
Spain	10:00	Trade Balance (Jun)	✓✓✓	-	-EUR2.11bn	Monthly
South Africa	10:00	Consumer Price Index (MoM) (Jul)	✓✓	0.70%	0.40%	Monthly
South Africa	10:00	Consumer Price Index (YoY) (Jul)	✓✓	4.30%	4.50%	Monthly
UK	10:30	Public Sector Net Cash Requirement (Jul)	✓✓	-	GBP15.20bn	Monthly
UK	10:30	PSNB ex Interventions (Jul)	✓	-GBP2.90bn	GBP7.20bn	Monthly
UK	10:30	Public Sector Net Borrowing (Jul)	✓✓	-GBP3.40bn	GBP6.50bn	Monthly
US	13:00	MBA Mortgage Applications (16-Aug)	✓	-	21.70%	Weekly
Canada	14:30	Consumer Price Index s.a. (MoM) (Jul)	✓✓✓	-	-0.10%	Monthly
Canada	14:30	Consumer Price Index (Jul)	✓✓	136.60	136.30	Monthly
Canada	14:30	Consumer Price Index n.s.a. (MoM) (Jul)	✓✓✓	0.20%	-0.20%	Monthly
Canada	14:30	Consumer Price Index (YoY) (Jul)	✓✓✓	1.70%	2.00%	Monthly
US	16:00	Existing Home Sales (Jul)	✓✓✓	5.40mn	5.27mn	Monthly
US	16:00	Existing Home Sales (MoM) (Jul)	✓✓✓	2.50%	-1.70%	Monthly
US	20:00	Fed Releases Minutes of FOMC Meeting	✓✓✓	-	-	As scheduled

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