

ONE Minute Brief

5 August 2019

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Economic and political news

Mineral Resources and Energy Minister, Gwede Mantashe, stated that the Slate Levy on petrol and diesel would fall to 0c per litre. Further, the Central Energy Fund (CEF) announced that petrol prices would increase by 11c per litre, while diesel prices would decrease by 13.29c per litre or 14.29c per litre depending on the sulphur content, with effect from 7 August 2019.

South African Communist Party (SACP) General Secretary, Blade Nzimande, has called on all sectors of society, regardless of their politics, to stand up against the "parasitic" state capture and corruption.

The South African Broadcasting Corporation (SABC) will release today its report on the findings of the commission of inquiry it had instituted into editorial interference.

Trade and Industry Minister, Ebrahim Patel, stated that the establishment of an African free-trade zone will help to increase exports to the US.

Denel stated that it expects to receive government cash in the third quarter of this year to support its turnaround strategy.

Key indices

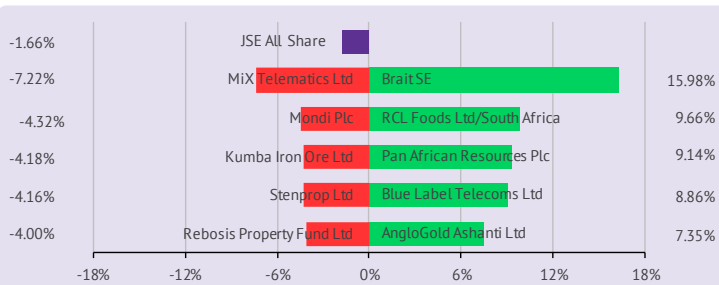
	As at 02 Aug 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	56273.92	▼ -949.69	-1.66	NA	-0.90	-2.44	6.71
JSE Top 40 (ZAR)	50332.33	▼ -999.19	-1.95	NA	-0.92	-2.68	7.72
FTSE 100(GBP)	7407.06	▼ -177.81	-2.34	NA	-2.37	2.17	10.09
DAX 30 (EUR)	11872.44	▼ -380.71	-3.11	NA	-2.60	-1.69	12.44
CAC 40 (EUR)	5359.00	▼ -198.41	-3.57	NA	-2.90	-0.36	13.28
S&P 500 (USD)	2932.05	▼ -21.51	-0.73	NA	-1.62	1.31	16.96
Nasdaq Composite (USD)	8004.07	▼ -107.05	-1.32	NA	-2.10	2.11	20.63
DJIA (USD)	26485.01	▼ -98.41	-0.37	NA	-1.41	0.99	13.54
MSCI Emerging Markets (USD)	1003.76	▼ -20.80	-2.03	NA	-3.21	-1.69	3.92
MSCI Developed World (USD)	2149.99	▼ -23.18	-1.07	NA	-1.72	0.42	14.12

South Africa Market ▼

South African markets closed lower

South African markets closed in the red on Friday, amid renewed US-China trade tensions and led by losses in industrial sector stocks. The JSE All Share Index fell 1.7% to close at 56,273.92.

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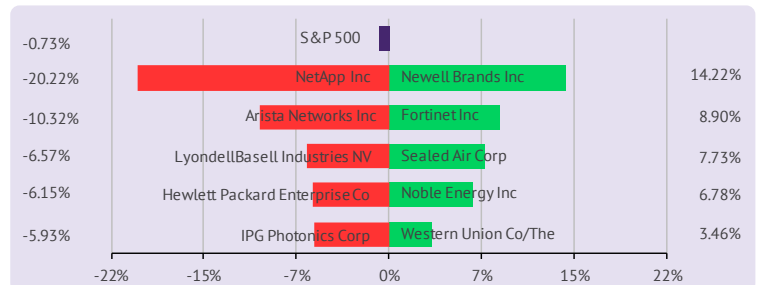


US Market ▼

US markets closed lower

US markets closed lower on Friday, amid disappointing US jobs data and escalating trade war conflict. Data showed that US unemployment rate remained unchanged in July. The S&P 500 Index dropped 0.7% to close at 2,932.05. Today, the S&P 500 futures are trading weaker.

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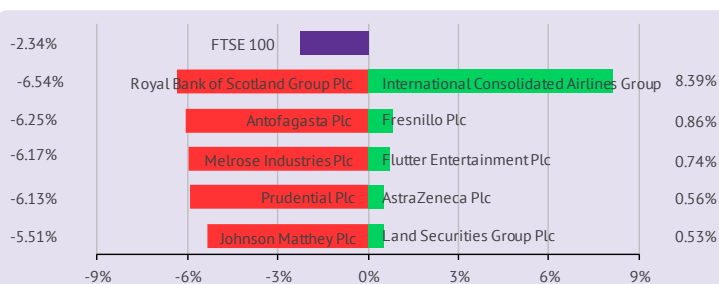


UK Market ▼

UK markets closed weaker

UK markets finished lower on Friday, amid rising US-China trade worries and as shares of Royal Bank of Scotland fell, after the company issued a profit warning. Data indicated that UK's Markit construction PMI rose less than expected in July. The FTSE 100 Index declined 2.3% to close at 7,407.06. Today, the FTSE 100 futures are trading in negative territory.

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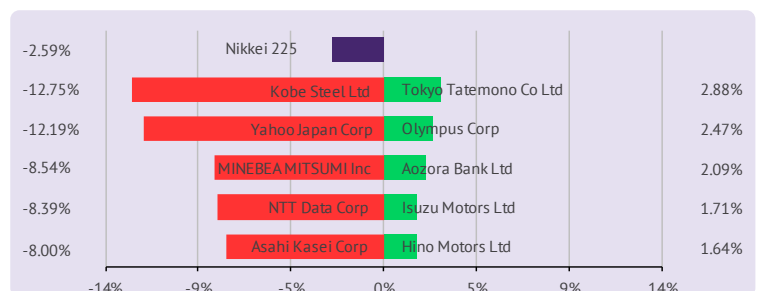


Asian Market ▼

Trading lower

Asian markets are trading lower this morning, amid ongoing US-China trade tensions. The Nikkei 225 Index is trading 2.6% lower at 20,542.04.

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USD ZAR ▼

USD trading higher against ZAR

At 06:00 SAST, the US Dollar advanced 0.4% against the South African Rand to trade at R14.8409. Later today, traders will keep a close watch on the US Markit services PMI and the ISM services PMI for further direction.

The US Dollar rose against the South African Rand on Friday. Data indicated that growth in the US non-farm payrolls growth slowed in July. Additionally, trade deficit narrowed less than market expectations in June. Moreover, factory orders recorded a less-than-anticipated advance in June. On the other hand, average hourly earnings climbed more than market forecast on a monthly basis in July. Moreover, durable goods orders rose in June. Further, the Michigan consumer sentiment index improved in July. Meanwhile, unemployment rate remained unchanged in July.

GBP ZAR ▼

GBP trading stronger against ZAR

At 06:00 SAST, the British Pound is trading 0.2% firmer against the South African Rand at R18.0268. Ahead in the day, traders will keep an eye on UK's Markit services PMI and BRC like-for-like sales for further indication.

The British Pound advanced against the South African Rand on Friday. On the data front, UK's Markit construction PMI rose less than expected in July.

EUR ZAR ▼

EUR trading firmer against ZAR

At 06:00 SAST, the Euro climbed 0.5% against the South African Rand to trade at R16.5098. Going forward, market participants will keep a tab on Eurozone's Sentix investor confidence index along with the Markit services PMI across the Eurozone for further cues.

The Euro strengthened against the South African Rand on Friday. On the macro front, Eurozone's producer price index (PPI) advanced less than market forecast on an annual basis in June. Meanwhile, the region's monthly retail sales rebounded in June.

AUD ZAR ▼

AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar rose 0.1% against the South African Rand to trade at R10.0677. Earlier in the session, Australia's CBA services PMI recorded a rise in July. On the other hand, the nation's AiG performance of service index declined in July. Meanwhile, in China, Australia's largest trading partner, the Caixin services PMI unexpectedly dropped in July.

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	14.8409	▼	0.81	NA	3.09	1.82	3.06
GBPZAR	18.0268	▼	1.08	NA	3.10	-2.45	-1.83
EURZAR	16.5098	▼	1.04	NA	3.43	-0.87	-0.18
AUDZAR	10.0677	▼	0.80	NA	2.43	-0.69	-0.65
EURUSD	1.1124	▲	0.21	NA	0.29	-2.61	-3.13
GBPUSD	1.2147	▼	0.28	NA	0.02	-4.23	-4.64
Brent (\$/barrel)	61.2	▼	2.30	NA	-4.86	0.48	15.04
Gold (\$/oz)	1464.8	▲	1.74	NA	1.37	0.88	12.82
Platinum (\$/oz)	855.6	▲	0.20	NA	-2.95	5.19	7.17
Copper (\$/MT)*	5703.8	▼	-2.91	NA	-3.36	-1.33	-4.12

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

Gold ▲

Trading in the green

At 06:00 SAST, gold prices advanced 1.3% to trade at \$1,464.80/oz, amid weakness in the US Dollar.

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On Friday, gold prices rose 1.7% to close at \$1,445.60/oz, amid rising trade war worries between the US and China.

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Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil fell 1.2% to trade at \$61.15/bl.

On Friday, Brent crude oil advanced 2.3% to settle at \$61.89/bl, after Baker Hughes reported that US oil rig count fell by 6 to 770 last week, recording its fifth consecutive weekly decline.

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Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices climbed 0.3% to trade at \$855.60/oz.

On Friday, platinum prices climbed 0.2% to close at \$853.00/oz.

Major South African corporate news

Gold Fields Limited

In its 1H19 results, the company announced that it expects its basic EPS to be between 8.00c and 10.00c and its HEPS to be between 6.80c and 7.20c, compared to 8.00c recorded in the same period of the preceding year.

Major global economic news

US

In the US, non-farm payrolls recorded a less-than-expected rise of 164.00K in July, following a revised increase of 193.00K in the previous month.

In July, unemployment rate remained unchanged at 3.7% in the US.

In the US, average hourly earnings recorded a rise of 0.3% on a monthly basis in July, compared to a revised similar advance in the previous month.

In the US, trade deficit narrowed less-than-anticipated to USD55.20bn in June, compared to a revised deficit of USD55.30bn in the previous month.

In June, factory orders advanced 0.6% on a monthly basis in the US, less than market expectations. Factory orders had registered a revised drop of 1.3% in the previous month.

In the US, final durable goods orders recorded a rise of 1.9% on a monthly basis in June. Durable goods orders had registered a revised drop of 2.3% in the prior month. The preliminary figures had recorded an advance of 2.0%.

In July, the final Michigan consumer sentiment index recorded a rise to 98.40 in the US, less than market expectations. The index had registered a reading of 98.20 in the prior month. The preliminary figures had also recorded a rise to 98.40.

Eurozone

In the Eurozone, the PPI rose 0.7% on a yearly basis in June, less than market expectations. In the previous month, the PPI had risen 1.6%.

In June, seasonally adjusted retail sales registered a more-than-anticipated rise of 1.1% on a monthly basis in the Eurozone. In the previous month, retail sales had recorded a revised drop of 0.6%.

Asia

In Australia, the CBA services PMI rose to a level of 52.10 in July, compared to a reading of 51.90 in the previous month.

In July, the AiG performance of services index dropped to 43.90 in Australia, compared to a reading of 52.20 in the previous month.

In China, the Markit services PMI index unexpectedly declined to 51.60 in July. In the previous month, the Markit services PMI index had registered a level of 52.00.

In Japan, the Markit services PMI slightly fell to 51.80 in July, following a reading of 51.9 in the prior month.

UK

In the UK, the Markit construction PMI rose less than expected to 45.30 in July. In the previous month, the construction PMI had registered a level of 43.10.

40 best performers on the All Share Index

Company name	Last close	1 Week % change	MTD % change	YTD % change
Impala Platinum Holdings Ltd	7453	0.38	-3.30	103.19
Sibanye Gold Ltd	1864	0.59	2.31	86.03
Gold Fields Ltd	7911	3.85	4.04	60.92
Kumba Iron Ore Ltd	43400	-9.24	-8.91	59.93
AngloGold Ashanti Ltd	28248	6.93	11.29	56.17
Allied Electronics Corp Ltd	2727	-2.95	-2.19	54.29
Harmony Gold Mining Co Ltd	3888	10.36	5.28	54.29
Anglo American Platinum Ltd	78752	-7.16	-7.80	47.89
Cartrack Holdings Ltd	2000	4.22	-2.39	40.75
Northam Platinum Ltd	6075	-5.43	-3.62	40.43
Telkom SA SOC Ltd	8500	1.93	-1.35	37.76
Transaction Capital Ltd	2292	-0.52	-0.35	36.61
Pan African Resources Plc	215	8.04	9.14	34.38
Cie Financiere Richemont SA	12316	-1.35	0.37	31.51
MTN Group Ltd	11136	4.29	-1.22	29.78
Pioneer Foods Group Ltd	10390	0.25	0.70	29.10
Clover Industries Ltd	2320	1.31	0.87	29.08
Afrimat Ltd	3514	0.98	0.98	28.15
Libstar Holdings Ltd	870	-1.58	0.58	27.73
DataTec Ltd	3361	-0.39	-0.27	26.62
Royal Bafokeng Platinum Ltd	3149	-7.68	-7.71	26.59
Metair Investments Ltd	2357	2.88	-1.17	26.23
Investec Australia Property Fund	1499	5.86	4.02	26.17
Naspers Ltd	351094	-1.78	0.10	25.19
British American Tobacco Plc	55948	4.32	9.19	23.41
Distell Group Holdings Ltd	13066	-1.33	-1.43	23.26
Alexander Forbes Group Holdings Ltd	561	-1.58	-0.71	21.78
Fortress REIT Ltd	2127	-0.89	-0.37	21.42
African Rainbow Minerals Ltd	16732	-5.97	-5.97	20.31
Tradehold Ltd	1150	6.98	0.00	19.93
Ascendis Health Ltd	498	-2.35	-0.40	19.71
Reinet Investments SCA	26100	2.76	3.30	19.48
NEPI Rockcastle Plc	12926	-2.45	-0.32	18.48
Bid Corp Ltd	30855	-1.51	2.84	17.67
Quilter Plc	2508	-4.82	-0.08	16.94
BHP Group Plc	33038	-4.33	-3.81	16.93
AECI Ltd	9315	-0.15	0.16	15.91
Exxaro Resources Ltd	15390	-9.32	-8.04	15.46
Assore Ltd	32325	-6.92	-7.93	14.67
Net 1 UEPS Technologies Inc	5750	0.00	0.00	14.43
JSE All Share Index	56274	-2.25	-0.90	6.71

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
 China	03:45	Caixin/Markit Services PMI (Jul)	✓✓✓	51.60*	52.00	Monthly
 China	03:45	HSBC China Composite PMI (Jul)	✓✓✓	50.90*	50.60	Monthly
 Switzerland	08:30	Real Retail Sales (YoY) (Jun)	✓✓	-	-1.70%	Monthly
 Spain	09:15	Markit Services PMI (Jul)	✓✓✓	-	53.60	Monthly
 Italy	09:45	Markit Services PMI (Jul)	✓✓✓	-	50.50	Monthly
 France	09:50	Markit Services PMI (Jul) (F)	✓✓✓	-	52.20**	Monthly
 Germany	09:55	Markit Services PMI (Jul) (F)	✓✓✓	55.40	55.40**	Monthly
 Eurozone	10:00	Markit Composite PMI (Jul) (F)	✓✓✓	-	51.50**	Monthly
 UK	10:00	New Car Registrations (YoY) (Jul)	✓	-	-4.90%	Monthly
 Eurozone	10:00	Markit Services PMI (Jul) (F)	✓✓✓	53.30	53.30**	Monthly
 Eurozone	10:30	Sentix Investor Confidence (Aug)	✓✓✓	-	-5.80	Monthly
 UK	10:30	Official Reserves (Changes) (Jul)	✓✓	-	GBP3650.00 mn	Monthly
 UK	10:30	Markit Services PMI (Jul)	✓✓✓	50.10	50.20	Monthly
 US	15:45	Markit Services PMI (Jul) (F)	✓✓✓	-	52.20**	Monthly
 US	15:45	Markit Composite PMI (Jul) (F)	✓✓✓	-	51.60**	Monthly
 US	16:00	ISM Non-Manufacturing PMI (Jul)	✓✓✓	-	55.10	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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