

ONE Minute Brief

25 September 2019

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Economic and political news

The South African government stated that it has raised USD5bn from the sale of two new bonds in international markets.

According to the documents submitted by forensic accountant, Jared Watson, former Bosasa Chief Operations Officer, Angelo Agrizzi, lied at the state capture inquiry, where he made a string of allegations against the company and its late executive, Gavin Watson.

Lobby group Business Unity SA (Busa) has approached the Labour Court in Johannesburg to interdict finance union, Sasbo, from embarking on the planned shutdown on Friday.

Zambia's state power utility, Zesco Limited, announced that it has entered into an agreement with Eskom to import 300 MW of electricity for a period of six months starting from 1 October. The imports are expected to cost around USD22mn per month.

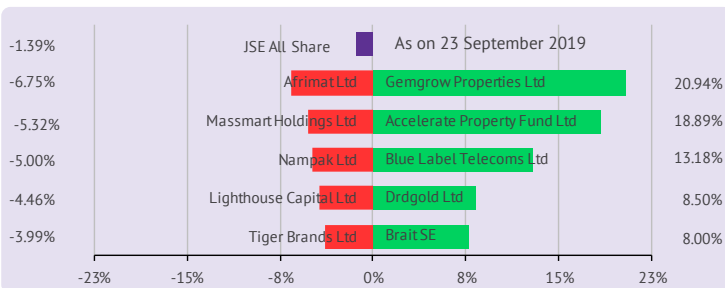
Tax ombud judge, Bernard Ngoepe, has advised the government to introduce a taxpayers bill of rights to improve the level of accountability of the South African Revenue Service (Sars).

South Africa Market

South African markets closed lower

South African markets closed in the red on Monday, weighed down by losses in industrial, financial and banking sector stocks. The JSE All Share Index fell 1.4% to close at 55,622.80.

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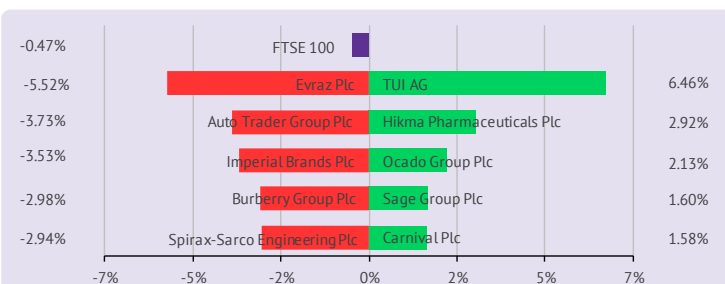


UK Market

UK markets closed weaker

UK markets finished lower yesterday, as the British Pound strengthened, after the Supreme Court ruled that Prime Minister, Boris Johnson's, decision to suspend UK Parliament was unlawful. The FTSE 100 Index declined 0.5% to close at 7,291.43. Today, the FTSE 100 futures are trading in negative territory.

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Key indices

	As at 24 Sep 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)*	55622.80	▼ -784.09	-1.39	-1.39	0.66	-2.69	5.47
JSE Top 40 (ZAR)*	49559.37	▼ -782.27	-1.55	-1.55	0.48	-2.91	6.06
FTSE 100 (GBP)	7291.43	▼ -34.65	-0.47	-0.73	1.17	-5.00	8.37
DAX 30 (EUR)	12307.15	▼ -35.18	-0.29	-1.29	3.08	-2.05	16.56
CAC 40 (EUR)	5628.33	▼ -2.43	-0.04	-1.10	2.70	-0.70	18.97
S&P 500 (USD)	2966.60	▼ -25.18	-0.84	-0.85	1.37	-1.81	18.34
Nasdaq Composite (USD)	7993.63	▼ -118.84	-1.46	-1.53	0.39	-2.60	20.47
DJIA (USD)	26807.77	▼ -142.22	-0.53	-0.47	1.53	-1.72	14.92
MSCI Emerging Markets (USD)	1011.35	▼ -3.88	-0.38	-0.97	2.74	-5.08	4.70
MSCI Developed World (USD)	2182.07	▼ -11.67	-0.53	-0.70	2.04	-2.24	15.83

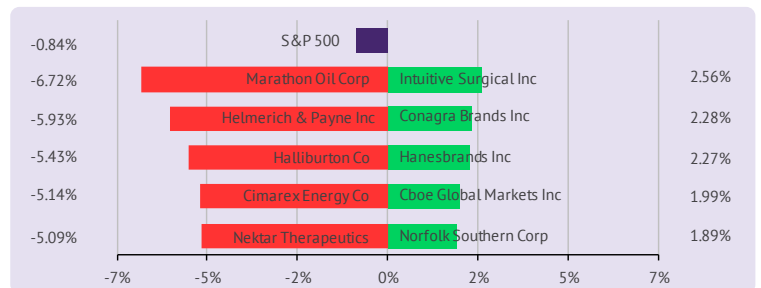
* Values as on 23 September 2019

US Market

US markets closed in the red

US markets closed lower yesterday, following US President, Donald Trump's critical comments on China and amid dismal US consumer confidence data. The S&P 500 Index dropped 0.8% to close at 2,966.60. Today, the S&P 500 futures are trading in the green.

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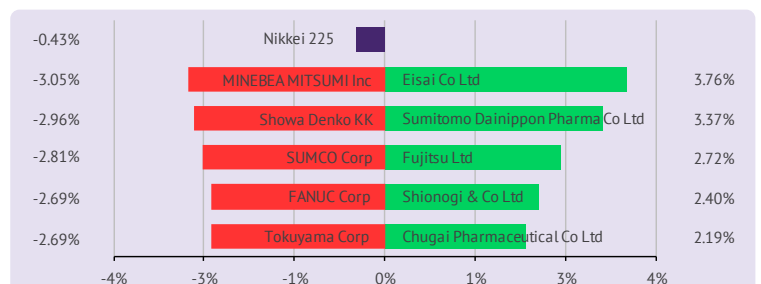


Asian Market

Trading lower

Asian markets are trading weaker this morning, after the US lawmakers called for an impeachment inquiry into President, Donald Trump. The Nikkei 225 Index is trading 0.4% lower at 22,004.32.

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USD ZAR ▼

USD trading higher against ZAR

At 06:00 SAST, the US Dollar is trading marginally firmer against the South African Rand at R14.8685. Later today, traders will keep a close watch on the US MBA mortgage applications and new home sales for further indication.

The US Dollar fell against the South African Rand yesterday, after the US House of Representatives decided to open a formal impeachment inquiry against President, Donald Trump. Additionally, the US consumer confidence index declined to a 3-month low level in September. Further, the Richmond Fed manufacturing index fell less than market forecast in September. On the other hand, the nation's house price index climbed more than market expectations on a monthly basis in July.

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GBP ZAR ▲

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound is trading 0.2% lower against the South African Rand at R18.5362. Ahead in the day, traders will keep an eye on UK's BBA mortgage applications for further cues.

The British Pound advanced against the South African Rand yesterday, after the UK Supreme Court ruled against British Prime Minister, Boris Johnson's decision to suspend parliament just weeks before Brexit. On the macro front, UK's public sector net borrowing recorded a deficit in August.

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EUR ZAR ▲

EUR trading lower against ZAR

At 06:00 SAST, the Euro is trading 0.2% weaker against the South African Rand at R16.3574. Going forward, market participants will keep a tab on the European Central Bank's non-monetary policy meeting for further direction.

The Euro strengthened against the South African Rand yesterday. On the data front, Germany's Ifo current assessment index improved in September. Additionally, Ifo business climate index climbed more than market forecast in the same month. Meanwhile, the nation's Ifo expectations index unexpectedly declined in September.

AUD ZAR ▲

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar retreated 0.2% against the South African Rand to trade at R10.0912.

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	14.8685	▼	-0.23	-0.45	-2.16	5.94	3.63
GBPZAR	18.5362	▲	0.28	-0.24	0.59	5.87	1.40
EURZAR	16.3574	▲	0.03	-0.39	-1.79	5.04	-0.44
AUDZAR	10.0912	▲	0.18	0.06	-1.13	4.16	-0.12
EURUSD	1.1002	▼	0.25	0.03	0.35	-0.85	-3.90
GBPUSD	1.2467	▼	0.47	0.07	2.72	-0.02	-2.09
Brent (\$/barrel)	62.6	▼	-2.58	-1.84	6.50	-8.92	17.29
Gold (\$/oz)	1537.2	▲	0.56	1.63	0.63	6.79	19.61
Platinum (\$/oz)	953.4	▼	0.16	1.36	2.54	6.01	20.04
Copper (\$/MT)*	5753.3	▲	0.05	-0.29	1.72	-4.18	-3.29

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

Gold ▲

Trading in the green

At 06:00 SAST, gold prices rose 0.3% to trade at \$1,537.20/oz.

Yesterday, gold prices rose 0.6% to close at \$1,532.60/oz, as the US equities fell, following impeachment proceedings against President, Donald Trump.

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Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil fell 0.7% to trade at \$62.64/bl, after the American Petroleum Institute reported that crude oil inventories advanced by 1.4mn bls in the week ended 20 September 2019.

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Yesterday, Brent crude oil dropped 2.6% to settle at \$63.10/bl, amid rising concerns over crude demand.

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Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged 0.2% lower to trade at \$953.40/oz.

Yesterday, platinum prices climbed 0.2% to close at \$955.40/oz.

Major South African corporate news

Afrocentric Investment Corporation Limited

The company announced that Mr. Anthony Pedersen has resigned as an Executive Director and Chief Executive Officer of Medscheme Holdings Proprietary Limited, with effect from 23 September 2019. Further, Mr Anthony would continue to lead the Medscheme business until the end of December 2019.

Major global economic news

US

In the US, the CB consumer confidence index dropped to 125.10 in September, compared to a revised reading of 134.20 in the prior month.

In the US, the housing price index rose 0.4% on a monthly basis in July, more than market expectations. In the previous month, the index had advanced 0.2%.

In the US, the Richmond Fed manufacturing index eased to -9.00 in September, less than market expectations. The index had registered a reading of 1.00 in the prior month.

UK

In the UK, public sector net borrowing reported a deficit of GBP5.77bn in August, compared to a revised surplus of GBP1.47bn in the same period last year.

Eurozone

In Germany, the Ifo current assessment index unexpectedly rose to 98.50 in September, compared to a revised level of 97.40 in the previous month.

In Germany, the Ifo business climate index rose to 94.60 in September, more than market forecast and compared to a reading of 94.30 in the previous month.

In September, the Ifo business expectations index unexpectedly fell to 90.80 in Germany. The index had registered a reading of 91.30 in the prior month.

Technical snapshot

JSE All Share



The JSE All Share index is expected to find support at 55,022.04, and a fall through could take it to the next support level of 54,421.29. The index is expected to find its first resistance at 56,559.39, and a rise through could take it to the next resistance level of 57,495.99.

S&P 500



The S&P 500 index is expected to find support at 2,942.22, and a fall through could take it to the next support level of 2,917.85. The index is expected to find its first resistance at 3,006.48, and a rise through could take it to the next resistance level of 3,046.37.

USD ZAR



The pair is expected to find support at 14.6422, and a fall through could take it to the next support level of 14.4170. The pair is expected to find its first resistance at 15.0404, and a rise through could take it to the next resistance level of 15.2134.

XAU USD



Gold is expected to find support at \$1,499.20/oz, and a fall through could take it to the next support level of \$1,465.80/oz. The precious metal is expected to find its first resistance at \$1,550.80/oz, and a rise through could take it to the next resistance level of \$1,569.00/oz.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	01:50	BoJ Monetary Policy Meeting Minutes	✓✓✓	-	-	As scheduled
Japan	01:50	Corporate Service Price (YoY) (Aug)	✓	0.60%*	0.60%	Monthly
Japan	03:30	BoJ's Masai speech	✓✓	-	-	As scheduled
Japan	07:00	Supermarket Sales (YoY) (Aug)	✓	-	-7.10%	Monthly
Germany	08:00	Gfk Consumer Confidence Survey (Oct)	✓✓✓	9.60	9.70	Monthly
France	08:45	Consumer Confidence (Sep)	✓✓✓	102.00	102.00	Monthly
Spain	09:00	Producer Price Index (MoM) (Aug)	✓	-	0.50%	Monthly
Spain	09:00	Producer Price Index (YoY) (Aug)	✓	-	-0.80%	Monthly
South Africa	09:00	Leading Indicator (Jul)	✓	-	103.40	Monthly
Eurozone	09:00	ECB's Coeure Speaks in Frankfurt	✓	-	-	As scheduled
Switzerland	10:00	ZEW Survey - Expectations (Sep)	✓✓	-	-37.50	Monthly
UK	10:30	BBA Mortgage Approvals (Aug)	✓✓	-	43.34 K	Monthly
UK	12:00	CBI Distributive Trades Survey - Realised (Sep)	✓✓	-25.00%	-49.00%	Monthly
US	13:00	MBA Mortgage Applications (20-Sep)	✓	-	-0.10%	Weekly
Switzerland	15:00	SNB Quarterly Bulletin (Q3)	✓✓	-	-	As scheduled
Eurozone	16:00	ECB's Coeure at Hearing in Berlin	✓	-	-	As scheduled
US	16:00	New Home Sales (Aug)	✓✓✓	660.00K	635.00K	Monthly
US	16:00	New Home Sales (MoM) (Aug)	✓✓✓	3.90%	-12.80%	Monthly

Note: ✓✓✓High ✓✓Medium ✓Low

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