

# ONE Minute Brief

27 September 2019

**GTC**  
consult • partner • manage

## Economic and political news

In South Africa (SA), producer price inflation slowed to 4.5% on an annual basis in August, compared to a level of 4.9% in the previous month. Non-farm payrolls climbed 1.4% on a yearly basis in 2Q19, compared to an advance of 0.8% in the previous quarter.

The South African Labour Court has ruled that the planned banking sector strike by the Congress of South African Trade Unions (Cosatu) and SA Society of Bank Officials (Sasbo) was illegal and unprotected. Meanwhile, Cosatu and Sasbo indicated that they would appeal against the Labour Court ruling interdicting their planned strike.

News reports indicate that petrol prices would be hiked by 19 cents per litre from October, while the increase in diesel prices could be higher.

According to a news report, power utility, Eskom has shortlisted three candidates for the post of chief executive officer.

The South African Airways (SAA) Pilots' Association has threatened to go on strike if their demands are not fulfilled.

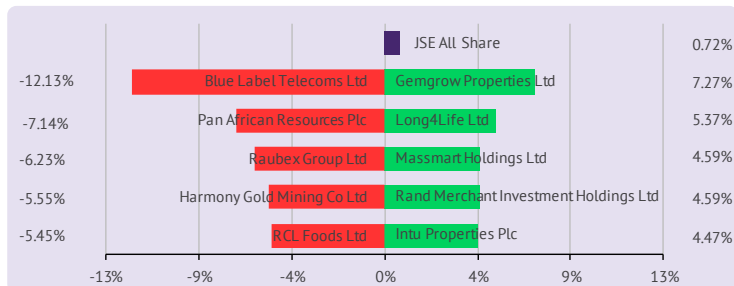
Former Independent Police Investigative Directorate (IPID) head, Robert McBride, has been nominated for the position of Deputy Public Protector.

## South Africa Market ▲

### South African markets closed higher

South African markets closed in the green yesterday, boosted by gains in banking, financial and retail sector stocks. Data showed that SA's non-farm payrolls increased in 2Q19. The JSE All Share Index rose 0.7% to close at 55,271.38.

To Read More Click [Here](#)

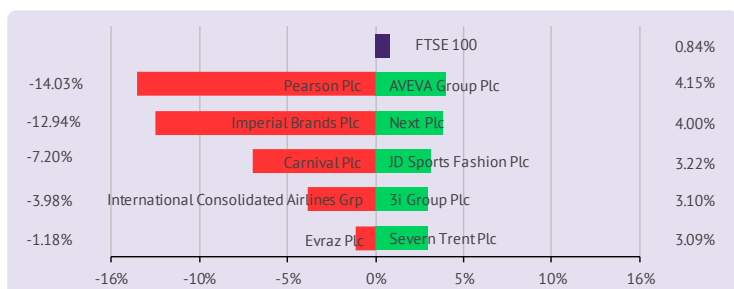


## UK Market ▲

### UK markets closed in the green

UK markets finished higher yesterday, amid optimism that US-China trade tensions would be resolved. The FTSE 100 Index advanced 0.8% to close at 7,351.08. Today, the FTSE 100 futures are trading in positive territory.

To Read More Click [Here](#)



## Key indices

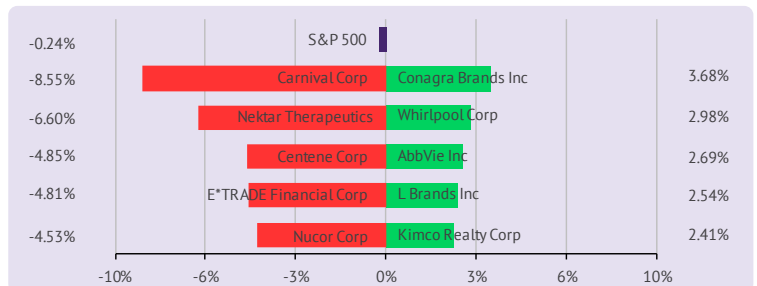
	As at 26 Sep 2019		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	55271.38	▲	394.55	0.72	-2.01	0.02	-2.69	4.81
JSE Top 40 (ZAR)	49243.65	▲	378.59	0.77	-2.18	-0.16	-2.91	5.39
FTSE 100 (GBP)	7351.08	▲	61.09	0.84	0.08	2.00	-5.00	9.26
DAX 30 (EUR)	12288.54	▲	54.36	0.44	-1.44	2.93	-2.05	16.38
CAC 40 (EUR)	5620.57	▲	36.77	0.66	-1.23	2.56	-0.70	18.81
S&P 500 (USD)	2977.62	▼	-7.25	-0.24	-0.48	1.75	-1.81	18.78
Nasdaq Composite (USD)	8030.66	▼	-46.72	-0.58	-1.07	0.85	-2.60	21.03
DJIA (USD)	26891.12	▼	-79.59	-0.30	-0.16	1.85	-1.72	15.28
MSCI Emerging Markets (USD)	1009.30	▲	3.73	0.37	-1.17	2.54	-5.08	4.49
MSCI Developed World (USD)	2183.46	▼	-1.11	-0.05	-0.64	2.10	-2.24	15.90

## US Market ▼

### US markets closed weaker

US markets closed lower yesterday, as investors remained cautious, following the release of a whistleblower report regarding the Democrats' impeachment action against President, Donald Trump. The S&P 500 Index dropped 0.2% to close at 2,977.62. Today, the S&P 500 futures are trading weaker.

To Read More Click [Here](#)

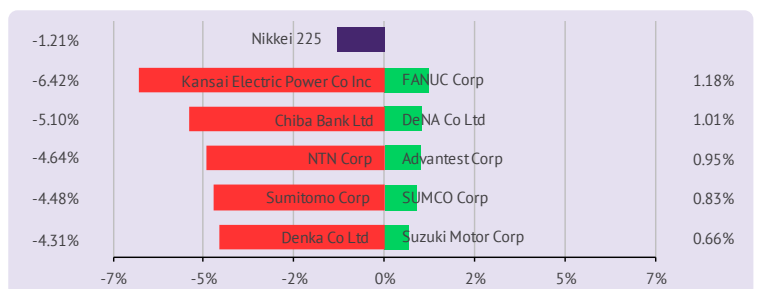


## Asian Market ▼

### Trading weaker

Asian markets are trading lower this morning, amid political tensions in the US. The Nikkei 225 Index is trading 1.2% lower at 21,781.08.

To Read More Click [Here](#)



## USD ZAR ▼

### USD trading firmer against ZAR

At 06:00 SAST, the US Dollar is trading 0.1% higher against the South African Rand at R15.0298. Later today, traders will keep a close watch on the US durable goods orders, the Michigan consumer sentiment index, personal income and personal spending data for further direction.

The US Dollar rose against the South African Rand yesterday. On the data front, the US GDP growth slowed in the second quarter of 2019. Additionally, pending home sales rebounded on a monthly basis in August. Moreover, the Kansas Fed manufacturing activity index improved in September. On the other hand, the nation's initial jobless claims increased in the week ended 20 September 2019. Separately, in SA, the producer price inflation slowed on a yearly basis in August. Meanwhile, the nation's non-farm payrolls climbed in the second quarter of 2019.

## GBP ZAR ▼

### GBP trading stronger against ZAR

At 06:00 SAST, the British Pound is trading 0.1% firmer against the South African Rand at R18.5328. With no major economic releases in the UK today, investor sentiment will be determined by global macroeconomic news. Data indicated that UK's GfK consumer confidence index unexpectedly rose in September.

The British Pound declined against the South African Rand yesterday, amid ongoing Brexit woes.

To Read More Click [Here](#)

## EUR ZAR ▼

### EUR trading firmer against ZAR

At 06:00 SAST, the Euro is trading 0.1% higher against the South African Rand at R16.4184. Going forward, market participants will keep a tab on Eurozone's consumer confidence index, business climate and economic sentiment indicator for further indication.

The Euro weakened against the South African Rand yesterday. On the macro front, Germany's GfK consumer confidence index unexpectedly advanced in October.

## AUD ZAR ▼

### AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.3% firmer against the South African Rand at R10.1585.

The Australian Dollar rose against the South African Rand yesterday.

## Key currencies & commodities

	Current <sup>#</sup>		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	15.0298	▼	0.13	0.50	-1.23	5.94	4.62
GBPZAR	18.5328	▼	-0.04	-0.63	0.20	5.87	1.00
EURZAR	16.4184	▼	-0.04	-0.34	-1.74	5.04	-0.39
AUDZAR	10.1585	▼	0.12	0.25	-0.94	4.16	0.08
EURUSD	1.0924	▲	-0.20	-0.87	-0.56	-0.85	-4.76
GBPUSD	1.2330	▲	-0.20	-1.20	1.41	-0.02	-3.34
Brent (\$/barrel)	62.2	▼	0.56	-2.40	5.89	-8.92	16.62
Gold (\$/oz)	1513.7	▲	0.19	-0.01	-0.99	6.79	17.69
Platinum (\$/oz)	931.6	▼	0.88	-0.69	0.47	6.01	17.62
Copper (\$/MT)*	5693.3	▼	-1.11	-1.33	0.66	-4.18	-4.30

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

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices edged 0.4% higher to trade at \$1,513.70/oz.

Yesterday, gold prices rose 0.2% to close at \$1,507.90/oz, erasing its previous session losses.

To Read More Click [Here](#)

## Brent Crude Oil ▼

### Trading weaker

At 06:00 SAST, Brent crude oil edged 0.9% lower to trade at \$62.17/bl, amid fears of weak global economic growth and its impact on oil demand.

To Read More Click [Here](#)

Yesterday, Brent crude oil advanced 0.6% to settle at \$62.74/bl, after the US Department of Defense stated that the US would deploy military equipment and personnel in support of Saudi Arabia following recent attacks on the Kingdom.

To Read More Click [Here](#)

## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices fell 0.5% to trade at \$931.60/oz.

Yesterday, platinum prices declined 2.9% to close at \$927.90/oz.

## Major South African corporate news

### Blue Label Telecoms Limited

In its FY19 results, the company announced that revenues declined 3.2% to ZAR25.87bn from the same period of the preceding year. Its basic loss per share stood at 727.81c, compared to an EPS of 131.13c recorded in the corresponding period of the previous year.

### Capitec Bank Holdings Limited

In its 1H19 results, the company announced that net income increased to ZAR7.84bn from ZAR6.74bn posted in the corresponding period of the previous year. Its diluted EPS rose 20.0% to ZAR25.45 from the same period of the prior year. The company declared an interim dividend of 755.00c per share.

## Major global economic news

### US

In the US, final annualised GDP rose 2.0% on a quarterly basis in 2Q19. In the previous quarter, annualised GDP had climbed 3.1%. The preliminary figures had also indicated a rise of 2.0%.

In the US, seasonally adjusted initial jobless claims rose to a level of 213.00K in the week ended 20 September 2019, more than market expectations and compared to a revised reading of 210.00K in the prior week.

In the US, advance goods trade deficit widened to USD72.83bn in August, less than market forecast and compared to a revised deficit of USD72.46bn in the prior month.

In the US, pending home sales climbed 1.6% on a monthly basis in August, more than market expectations. Pending home sales had recorded a drop of 2.5% in the previous month.

In the US, the Kansas Fed Manufacturing Activity rose to a level of -2.00 in September. The index had registered a level of -6.00 in the previous month.

### Eurozone

In the Eurozone, private sector loans advanced 3.4% in August, in line with market forecast and compared to a similar rise in the previous month.

In Germany, the GfK consumer confidence index unexpectedly rose to a level of 9.90 in October, compared to a reading of 9.70 in the previous month.

### UK

In the UK, the GfK consumer confidence index unexpectedly climbed to a level of -12.00 in September. The index had registered a level of -14.00 in the previous month.

### Asia

In Japan, the Tokyo consumer price index (CPI) rose 0.4% on a yearly basis in September, less than market expectations and compared to a rise of 0.6% in the prior month.

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
UK	01:01	GfK Consumer Confidence (Sep)	✓✓✓	-12.00*	-14.00	Monthly
Japan	01:30	Tokyo CPI ex Fresh Food (YoY) (Sep)	✓✓✓	0.50%*	0.70%	Monthly
Japan	01:30	Tokyo CPI ex Food, Energy (YoY) (Sep)	✓	0.60%*	0.70%	Monthly
Japan	01:30	Tokyo Consumer Price Index (YoY) (Sep)	✓✓✓	0.40%*	0.60%	Monthly
China	03:30	Industrial Profits (YoY) (Aug)	✓✓	-2.00%*	2.60%	Monthly
Germany	08:00	Retail Sales (MoM) (Aug)	✓✓✓	-	-2.20%	Monthly
Germany	08:00	Retail Sales (YoY) (Aug)	✓✓✓	-	4.40%	Monthly
Germany	08:00	Import Price Index (Aug)	✓	-	101.10	Monthly
Germany	08:00	Import Price Index s.a. (MoM) (Aug)	✓✓	-0.30%	-0.20%	Monthly
Germany	08:00	Import Price Index n.s.a. (YoY) (Aug)	✓✓	-2.60%	-2.10%	Monthly
UK	09:00	BoE's Saunders speech	✓✓	-	-	As scheduled
Eurozone	09:15	ECB Policy Makers Guindos, Knot Speak in Frankfurt	✓	-	-	As scheduled
Eurozone	11:00	Business Climate Indicator (Sep)	✓✓	-	0.11	Monthly
Eurozone	11:00	Economic Sentiment Indicator (Sep)	✓	-	103.10	Monthly
Eurozone	11:00	Industrial Confidence (Sep)	✓	-	-5.90	Monthly
Eurozone	11:00	Consumer Confidence (Sep) (F)	✓✓✓	-7.00	-6.50**	Monthly
Eurozone	11:00	Services Sentiment Indicator (Sep)	✓	9.30	9.30	Monthly
Germany	11:10	German Buba President Weidmann speech	✓✓	-	-	As scheduled
US	14:30	Personal Income (MoM) (Aug)	✓✓	0.40%	0.10%	Monthly
US	14:30	Personal Spending (Aug)	✓✓	0.30%	0.60%	Monthly
US	14:30	Durable Goods Orders (Aug) (P)	✓✓✓	-3.10%	2.00%	Monthly
US	14:30	Durable Goods Orders ex Transportation (Aug) (P)	✓✓	0.10%	-0.40%	Monthly
US	14:30	Fed's Quarles speech	✓✓	-	-	As scheduled
Eurozone	15:00	ECB Policy Maker Hernandez De Cos Speaks in Frankfurt	✓	-	-	As scheduled
US	16:00	Reuters/Michigan Consumer Sentiment Index (Sep) (F)	✓✓✓	92.00	92.00**	Monthly

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](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 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