

# ONE Minute Brief

15 October 2019

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## Economic and political news

During the Financial Times Africa Summit in London, President, Cyril Ramaphosa, stated that the South African Airways (SAA) is considering outside investment and is in talks with several potential partners.

President, Cyril Ramaphosa, stated that corruption under former President, Jacob Zuma, has cost South Africa (SA) more than ZAR500bn, which is about a tenth of the country's GDP.

The National Prosecuting Authority (NPA) has appointed advocates, Tembeka Ngcukaitobi, Wim Trengove, Ngwako Maenetje and Geoff Budlender, to assist with the investigation and prosecution of state capture crimes.

Finance Minister, Tito Mboweni, stated that the research to quantify the size of illegal activities in the South African economy is expected to be completed by March 2020.

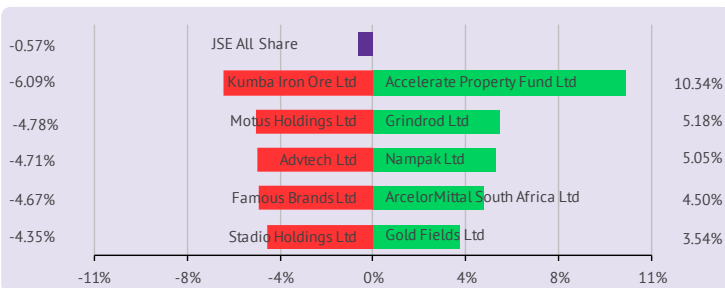
News reports indicate that the Economic Freedom Fighters wants to defend Public Protector, Busisiwe Mkhwebane's adverse report on the Financial Sector Conduct Authority (FSCA).

## South Africa Market ▼

### South African markets closed lower

South African markets closed in the red yesterday, weighed down by losses in resource sector stocks. The JSE All Share Index fell 0.6% to close at 55,219.21.

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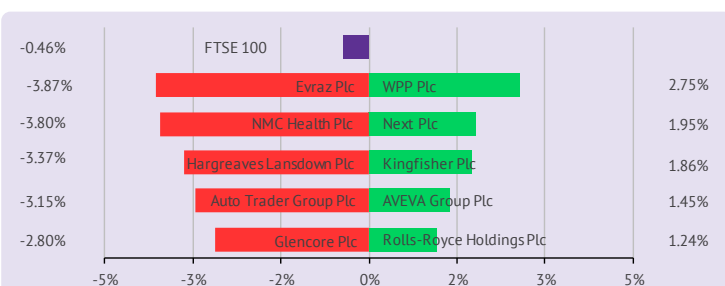


## UK Market ▼

### UK markets closed in the red

UK markets finished lower yesterday, amid renewed uncertainty over Brexit deal. The FTSE 100 Index declined 0.5% to close at 7,213.45. Today, the FTSE 100 futures are trading in positive territory.

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## Key indices

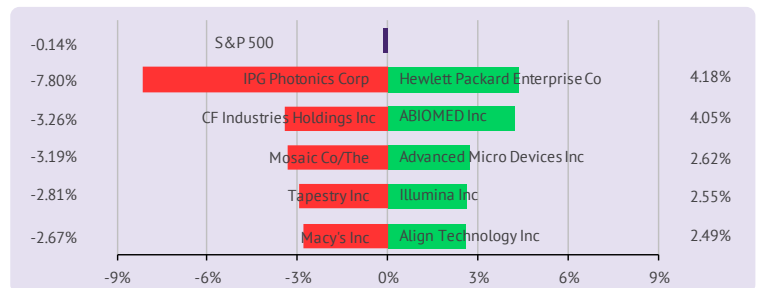
	As at 14 Oct 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	55219.21	▼ -317.81	-0.57	-0.57	0.72	-0.79	4.71
JSE Top 40 (ZAR)	49110.74	▼ -293.32	-0.59	-0.59	0.61	-1.03	5.10
FTSE 100 (GBP)	7213.45	▼ -33.63	-0.46	-0.46	-2.63	2.79	7.21
DAX 30 (EUR)	12486.56	▼ -25.09	-0.20	-0.20	0.47	4.09	18.26
CAC 40 (EUR)	5643.08	▼ -22.40	-0.40	-0.40	-0.61	3.60	19.29
S&P 500 (USD)	2966.15	▼ -4.12	-0.14	-0.14	-0.36	1.72	18.32
Nasdaq Composite (USD)	8048.65	▼ -8.39	-0.10	-0.10	0.62	0.46	21.30
DJIA (USD)	26787.36	▼ -29.23	-0.11	-0.11	-0.48	1.95	14.83
MSCI Emerging Markets (USD)	1017.45	▲ 5.91	0.58	0.58	1.64	1.69	5.33
MSCI Developed World (USD)	2175.28	▼ -4.05	-0.19	-0.19	-0.22	1.94	15.47

## US Market ▼

### US markets closed weaker

US markets closed lower yesterday, on economic growth concerns and as optimism over US-China trade deal faded. The S&P 500 Index dropped 0.1% to close at 2,966.15. Today, the S&P 500 futures are trading in the green.

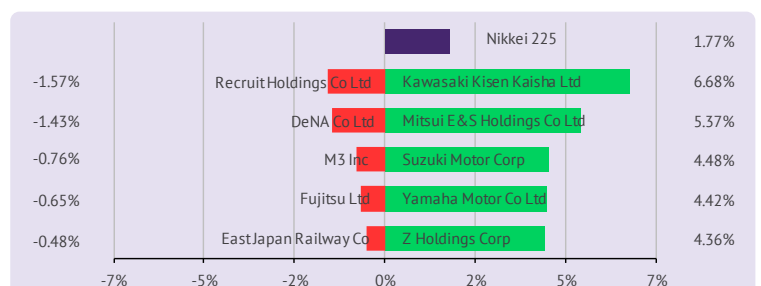
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## Asian Market ◀▶

### Trading mixed

Asian markets are trading mixed this morning. Data showed that Japan's monthly industrial production dropped as expected in August. The Nikkei 225 Index is trading 1.8% higher at 22,184.86.



## USD ZAR ▼

### USD trading higher against ZAR

At 06:00 SAST, the US Dollar slightly advanced against the South African Rand to trade at R14.8243. Later today, traders will keep a close watch on the US NY Empire State Manufacturing Index for further direction.

The US Dollar rose against the South African Rand yesterday.

## GBP ZAR ▼

### GBP trading stronger against ZAR

At 06:00 SAST, the British Pound gained 0.1% against the South African Rand to trade at R18.7003. Ahead in the day, traders will keep an eye on UK's ILO unemployment rate and average earnings for further cues.

The British Pound declined against the South African Rand yesterday.

## EUR ZAR ▼

### EUR trading firmer against ZAR

At 06:00 SAST, the Euro climbed 0.1% against the South African Rand to trade at R16.3526. Going forward, market participants will keep a tab on the ZEW survey indices in the Eurozone and Germany for further indication.

The Euro strengthened against the South African Rand yesterday. On the data front, Eurozone's industrial production rebounded on a monthly basis in August.

## AUD ZAR ▲

### AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar fell 0.1% against the South African Rand to trade at R10.0328. Meanwhile, in China, Australia's largest trading partner, the consumer price index (CPI) climbed more than market forecast to a 6-year high level on a yearly basis in September. Meanwhile, the annual producer price index (PPI) declined in line with market expectations in September, recording steepest decline since July 2016.

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	14.8243	▼	0.28	0.28	-2.11	-0.39	3.28
GBPZAR	18.7003	▼	-0.05	-0.05	0.40	0.78	2.00
EURZAR	16.3526	▼	0.12	0.12	-0.96	-1.13	-0.73
AUDZAR	10.0328	▲	-0.02	-0.02	-1.74	-0.10	-0.83
EURUSD	1.1032	▲	-0.14	-0.14	1.17	-0.76	-3.84
GBPUSD	1.2616	▲	-0.47	-0.47	2.60	1.09	-1.14
Brent (\$/barrel)	58.9	▼	-1.92	-1.92	0.17	0.00	10.32
Gold (\$/oz)	1498.6	▲	0.61	0.61	1.77	-3.76	16.42
Platinum (\$/oz)	894.6	▼	-0.10	-0.10	1.27	-5.18	12.40
Copper (\$/MT)*	5786.3	▲	0.39	0.39	1.60	0.70	-2.74

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

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices edged 0.5% higher to trade at \$1,498.60/oz.

Yesterday, gold prices rose 0.6% to close at \$1,491.70/oz, amid uncertainty surrounding US-China trade deal.

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## Brent Crude Oil ▼

### Trading weaker

At 06:00 SAST, Brent crude oil edged 0.8% lower to trade at \$58.89/bl.

Yesterday, Brent crude oil dropped 1.9% to settle at \$59.35/bl, as worries about global crude oil demand resurfaced.

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## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices edged marginally lower to trade at \$894.60/oz.

Yesterday, platinum prices declined 0.1% to close at \$894.60/oz.

## Major South African corporate news

### Wilson Bayly Holmes-Ovcon Limited

The company announced that it has received formal notification stating that Old Mutual has acquired an interest in the ordinary shares of the company, such that the total interest in the ordinary shares of the company held by Old Mutual now amounts to 10.0% of the total issued ordinary shares.

## Major global economic news

### Asia

The Reserve Bank of Australia's (RBA) October meeting minutes showed that policymakers debated the recent interest rate cut, citing that it could raise house prices and fail to deliver a boost to the economy. Additionally, the central bank signalled that it may cut interest rates again despite housing bubble risks.

In China, the CPI rose 3.0% on an annual basis in September, more than market expectations and compared to an advance of 2.8% in the prior month.

In China, the PPI dropped 1.2% on an annual basis in September, meeting market expectations. In the previous month, the PPI had dropped 0.8%.

In Japan, final industrial production eased 1.2% on a monthly basis in August, meeting market expectations. In the previous month, industrial production had risen 1.3%. The preliminary figures had also recorded a fall of 1.2%.

### Eurozone

In the Eurozone, seasonally adjusted industrial production climbed 0.4% on a monthly basis in August, more than market expectations. Industrial production had registered a drop of 0.4% in the previous month.

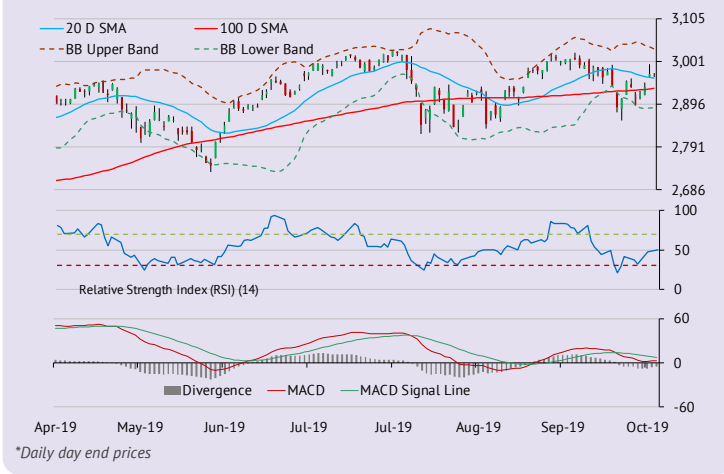
## Technical snapshot

### JSE All Share



The JSE All Share index is expected to find support at 54,364.93, and a fall through could take it to the next support level of 53,510.66. The index is expected to find its first resistance at 55,913.73, and a rise through could take it to the next resistance level of 56,608.26.

### S&P 500



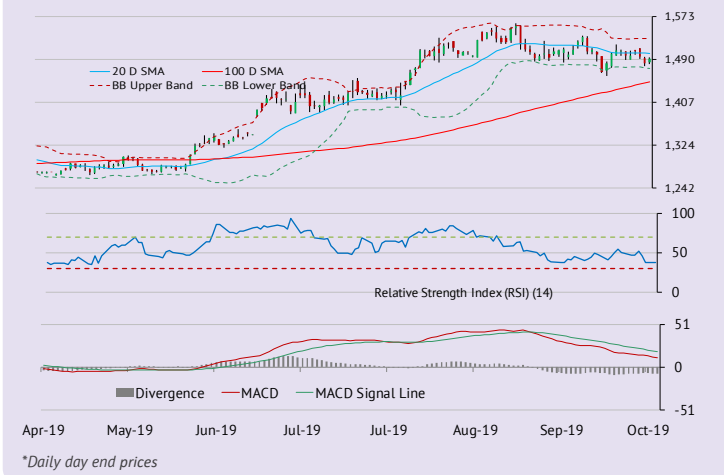
The S&P 500 index is expected to find support at 2,908.11, and a fall through could take it to the next support level of 2,850.08. The index is expected to find its first resistance at 3,008.73, and a rise through could take it to the next resistance level of 3,051.32.

### USD ZAR



The pair is expected to find support at 14,578.9, and a fall through could take it to the next support level of 14,340.9. The pair is expected to find its first resistance at 15,182.9, and a rise through could take it to the next resistance level of 15,548.9.

### XAU USD



Gold is expected to find support at \$1,475.33/oz, and a fall through could take it to the next support level of \$1,458.97/oz. The precious metal is expected to find its first resistance at \$1,509.63/oz, and a rise through could take it to the next resistance level of \$1,527.57/oz.

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
Japan	02:30	BoJ's Governor Kuroda speech	✓✓✓	-	-	As scheduled
China	03:30	Consumer Price Index (YoY) (Sep)	✓✓✓	0.90%*	2.80%	Monthly
China	03:30	Producer Price Index (YoY) (Sep)	✓✓✓	-1.20%*	-0.80%	Monthly
Japan	06:30	Capacity Utilisation (MoM) (Aug)	✓	-2.90%*	1.10%	Monthly
Japan	06:30	Industrial Production (MoM) (Aug) (F)	✓✓✓	-1.20%*	-1.20%**	Monthly
Japan	06:30	Industrial Production (YoY) (Aug) (F)	✓✓✓	-4.70%*	-4.70%**	Monthly
Japan	06:30	Tertiary Industry Index (MoM) (Aug)	✓✓	0.40%*	0.10%	Monthly
US	10:25	Fed's Bullard Speaks at Bloomberg Conference in London	✓	-	-	As scheduled
UK	10:30	Claimant Count Rate s.a. (Sep)	✓✓	-	3.30%	Monthly
UK	10:30	Employment Change (3M/3M) (Aug)	✓✓✓	-	31.00K	Monthly
UK	10:30	Average Earnings Excluding Bonus (3Mo/Yr) (Aug)	✓	3.70%	3.80%	Monthly
UK	10:30	Average Earnings Including Bonus (3Mo/Yr) (Aug)	✓✓	3.90%	4.00%	Monthly
UK	10:30	Claimant Count Change (Sep)	✓✓✓	27.90K	28.20K	Monthly
UK	10:30	ILO Unemployment Rate (3M) (Aug)	✓✓✓	3.80%	3.80%	Monthly
UK	10:30	BoE Governor Mark Carney Speaks In Parliamentary Testimony	✓	-	-	As scheduled
Germany	11:00	ZEW Survey - Current Situation (Oct)	✓✓	-26.00	-19.90	Monthly
Germany	11:00	ZEW Survey - Economic Sentiment (Oct)	✓✓✓	-27.30	-22.50	Monthly
Eurozone	11:00	ZEW Survey - Economic Sentiment (Oct)	✓✓	-33.00	-22.40	Monthly
UK	12:15	Riksbank Governor Ingves Speaks in London	✓	-	-	As scheduled
UK	14:30	BoE's Vlieghe speech	✓✓	-	-	As scheduled
US	14:30	NY Empire State Manufacturing Index (Oct)	✓✓	8.00	2.00	Monthly
US	15:00	Fed's Bostic Speaks on Community Development	✓	-	-	As scheduled
US	18:45	Fed's George Speaks at Payments System Conference	✓	-	-	As scheduled
US	21:30	Fed's Daly Speaks Los Angeles World Affairs Council	✓	-	-	As scheduled
US	-	Monthly Budget Statement (Sep)	✓✓✓	-	-USD119.12bn	Monthly

Note: ✓✓✓High    ✓✓Medium    ✓Low

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