

ONE  
Minute Brief

10 December 2019

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## Economic and political news

Several mining companies announced that they had to shut their underground mining operations and processing plants on Monday night following the implementation of stage 6 load shedding by Eskom, due to technical problems at the Medupi power station. Eskom later announced that it had downgraded load-shedding from stage 6 back to stage 4, a cut of 4,000MW, down from the 6000MW cut announced earlier.

Transport Minister, Fikile Mbalula, has dissolved the interim board of the Passenger Rail Agency of South Africa (Prasa) and has placed the entity under administration with immediate effect for 12 months.

President, Cyril Ramaphosa, stated that he would take "drastic" steps if needed to prevent the country's state-owned companies from failing.

News reports indicate that South African Airways (SAA) may get just 5% of the USD60mn owed by Zimbabwe in funds from ticket sales.

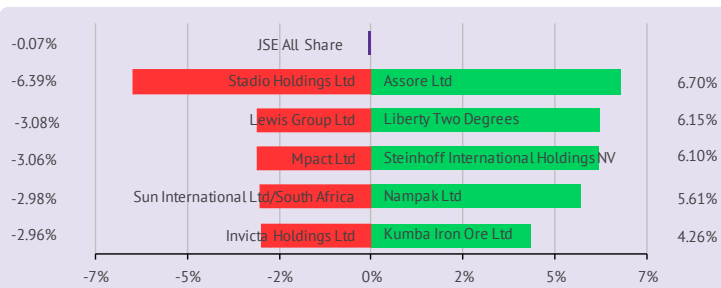
Former President, Jacob Zuma's lawyers have told the Zondo commission of inquiry into state capture that he will not meet the deadline to respond to an application by journalist Redi Tlhabi to cross-examine him because he has been hospitalised in an undisclosed foreign country.

## South Africa Market ▼

## South African markets closed lower

South African markets closed in the red yesterday, led by losses in gold mining sector stocks. The JSE All Share Index fell 0.1% to close at 55,269.20.

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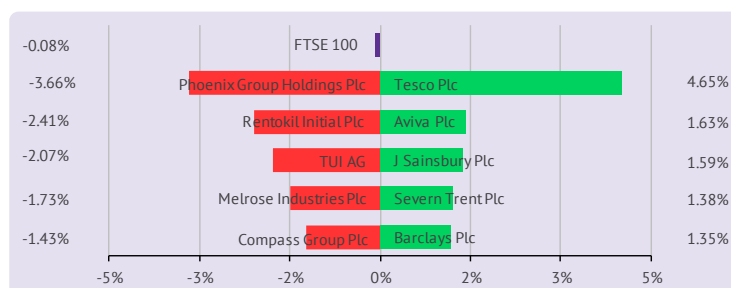


## UK Market ▼

## UK markets closed in the red

UK markets finished lower yesterday, led by losses in banking and mining sector stocks. The FTSE 100 Index declined 0.1% to close at 7,233.90. Today, the FTSE 100 futures are trading in negative territory.

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## Key indices

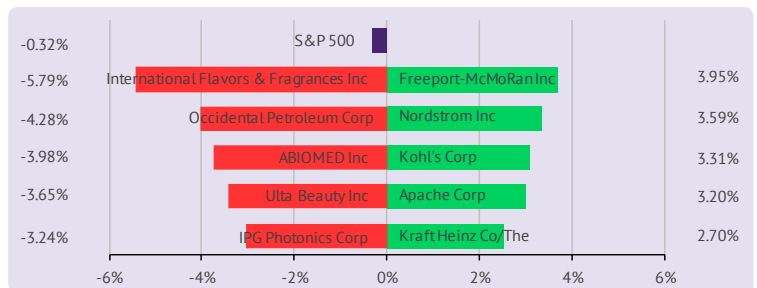
	As at 09 Dec 2019		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	55269.20	▼	-38.11	-0.07	-0.07	-0.14	-1.91	4.80
JSE Top 40 (ZAR)	49019.88	▼	-45.33	-0.09	-0.09	-0.15	-2.14	4.91
FTSE 100 (GBP)	7233.90	▼	-5.76	-0.08	-0.08	-1.53	1.35	7.52
DAX 30 (EUR)	13105.61	▼	-60.97	-0.46	-0.46	-0.99	2.87	24.12
CAC 40 (EUR)	5837.25	▼	-34.66	-0.59	-0.59	-1.15	3.06	23.39
S&P 500 (USD)	3135.96	▼	-9.95	-0.32	-0.32	-0.16	3.40	25.10
Nasdaq Composite (USD)	8621.83	▼	-34.70	-0.40	-0.40	-0.50	4.50	29.94
DIJA (USD)	27909.60	▼	-105.46	-0.38	-0.38	-0.51	3.72	19.64
MSCI Emerging Markets (USD)	1051.11	▲	2.15	0.21	0.21	1.06	-0.19	8.82
MSCI Developed World (USD)	2292.58	▼	-3.81	-0.17	-0.17	0.01	2.63	21.69

## US Market ▼

## US markets closed weaker

US markets closed lower yesterday, ahead of China tariff deadline and policy updates from global central banks. The S&P 500 Index dropped 0.3% to close at 3,135.96. Today, the S&P 500 futures are trading in the green.

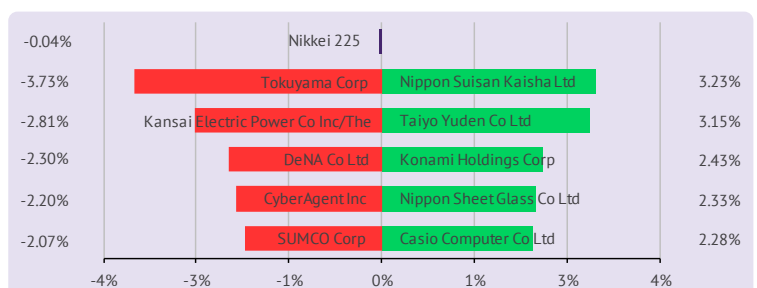
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## Asian Market ▼

## Trading mostly lower

Asian markets are trading mostly lower this morning. The Nikkei 225 Index is trading marginally lower at 23,421.80.



## USD ZAR ▲

### USD trading lower against ZAR

At 06:00 SAST, the US Dollar is trading 0.1% weaker against the South African Rand at R14.6637. Later today, traders will keep a close watch on the US NFIB Business Optimism Index for further direction.

The US Dollar rose against the South African Rand yesterday.

## GBP ZAR ▼

### GBP trading firmer against ZAR

At 06:00 SAST, the British Pound is trading marginally higher against the South African Rand at R19.2892. Ahead in the day, traders will keep an eye on UK's industrial production, total trade balance, gross domestic product, NIESR GDP estimate and manufacturing production for further indication.

The British Pound advanced against the South African Rand yesterday, after polls indicated that the ruling Conservative Party could win the December general elections.

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## EUR ZAR ▲

### EUR trading weaker against ZAR

At 06:00 SAST, the Euro slightly lower against the South African Rand to trade at R16.2301. Going forward, market participants will keep a tab on the ZEW survey indices across the euro area for further cues.

The Euro strengthened against the South African Rand yesterday. Data indicated that, Eurozone's Sentix investor confidence index unexpectedly rose for the first time in eight months in December. Separately, Germany's trade surplus unexpectedly widened in October. Meanwhile, the country's current account surplus narrowed less than market expectations in October.

## AUD ZAR ▼

### AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar advanced 0.1% against the South African Rand to trade at R10.0179. Earlier in the session, Australia's NAB business conditions index remained unchanged in November. Additionally, the business confidence index remained flat in November. Meanwhile, the house price index advanced more than market expectations on a quarterly basis in 3Q19. Elsewhere, in China, Australia's largest trading partner, the consumer price index (CPI) climbed more than market forecast on an annual basis in November. Meanwhile, the producer price index (PPI) declined less than market consensus on a yearly basis in November.

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	14.6637	▲	0.34	0.34	0.01	-2.85	2.26
GBPZAR	19.2892	▼	0.33	0.33	1.75	-3.00	5.24
EURZAR	16.2301	▲	0.38	0.38	0.49	-4.08	-1.37
AUDZAR	10.0179	▼	0.05	0.05	0.97	-4.73	-1.11
EURUSD	1.1067	▲	0.04	0.04	0.42	-1.20	-3.51
GBPUSD	1.3151	▲	0.05	0.05	1.72	-0.13	3.08
Brent (\$/barrel)	64.1	▼	-0.22	-0.22	6.22	1.46	19.42
Gold (\$/oz)	1464.6	▲	0.01	0.01	-0.43	-3.25	13.89
Platinum (\$/oz)	898.9	▲	-0.04	-0.04	-0.21	-3.57	12.89
Copper (\$/MT)*	6046.8	▲	1.42	1.42	3.48	1.28	1.64

\*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 \$1,464.60/oz.

Yesterday, gold prices marginally rose to close at \$1,459.30/oz, amid renewed worries over the US-China trade deal ahead of 15 December deadline for fresh US tariffs.

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## Brent Crude Oil ▼

### Trading weaker

At 06:00 SAST, Brent crude oil edged 0.2% lower to trade at \$64.14/bl, on global demand outlook.

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Yesterday, Brent crude oil declined 0.2% to settle at \$64.25/bl, amid renewed concerns over US-China trade deal as data revealed that Chinese exports declined for a fourth straight month.

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## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices edged slightly higher to trade at \$898.90/oz.

Yesterday, platinum prices marginally dropped to close at \$898.50/oz.

## Major South African corporate news

### KAP Industrial Holdings Limited

In its operational update, the company announced that for the period from 1 July 2019 to 30 November 2019, the integrated timber division's panel operations performed well for the period with production volume growth in anticipation of two major upgrade projects, which are planned for the 2H19. New vehicle assembly volumes slowed significantly during 2Q19 with certain OEM's closing during November for an extended annual shutdown.

### Nedbank Group Limited

The company announced that it has agreed to dispose of along with Nedgroup Investments Africa, 100.0% of the issued shares of Nedbank Malawi and the cession and delegation of a term loan from Nedbank Limited to Nedbank Malawi. The disposal is subject to suspensive conditions that are standard for a transaction of this nature. MyBucks Banking Corporation Limited is the buyer.

## Major global economic news

### Asia

In China, the CPI advanced 4.5% on an annual basis in November, more than market anticipations and compared to a rise of 3.8% in the previous month.

In November, the PPI declined 1.4% on a yearly basis in China, less than market expectations. In the previous month, the PPI had fallen 1.6%.

In Australia, the NAB business conditions index remained unchanged at 4.00 in November.

In November, the business confidence index remained flat in Australia. The index had registered a level of 2.00 in the previous month.

In Australia, the house price index advanced 2.4% in on a quarterly basis in 3Q19, more than market expectations. In the previous quarter, the index had registered a drop of 0.7%.

### Eurozone

In the Eurozone, the Sentix investor confidence index unexpectedly rose to a level of 0.70 in December, compared to a level of -4.50 in the prior month.

In October, the seasonally adjusted trade surplus unexpectedly widened to EUR20.60bn in Germany, compared to a surplus of EUR19.20bn in the prior month.

In Germany, the non-seasonally adjusted current account surplus narrowed to EUR22.70bn in October, less than market expectations and compared to a revised surplus of EUR24.90bn in the previous month.

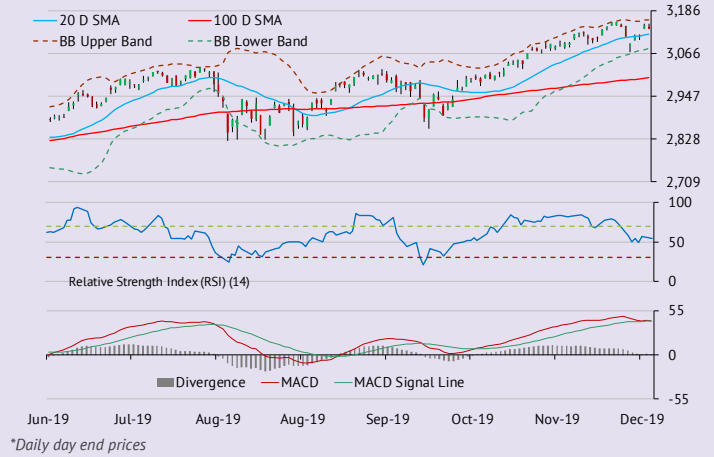
## Technical snapshot

### JSE All Share



The JSE All Share index is expected to find support at 54,616.96, and a fall through could take it to the next support level of 53,964.73. The index is expected to find its first resistance at 55,718.31, and a rise through could take it to the next resistance level of 56,167.43.

### S&P 500



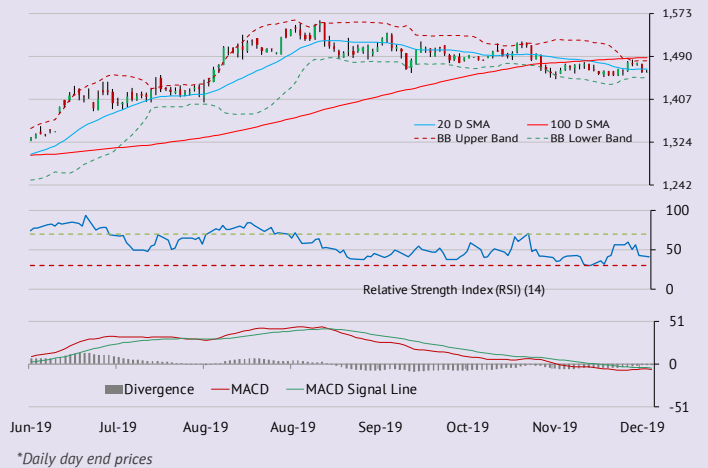
The S&P 500 index is expected to find support at 3,087.33, and a fall through could take it to the next support level of 3,038.69. The index is expected to find its first resistance at 3,167.60, and a rise through could take it to the next resistance level of 3,199.23.

### USD ZAR



The pair is expected to find support at 14.5642, and a fall through could take it to the next support level of 14.4568. The pair is expected to find its first resistance at 14.7381, and a rise through could take it to the next resistance level of 14.8046.

### XAU USD



Gold is expected to find support at \$1,450.53/oz, and a fall through could take it to the next support level of \$1,441.77/oz. The precious metal is expected to find its first resistance at \$1,475.73/oz, and a rise through could take it to the next resistance level of \$1,492.17/oz.

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	1:50	Money Supply M3 (YoY) (Nov)	✓	2.30%*	2.00%	Monthly
Japan	1:50	Money Supply M2+CD (YoY) (Nov)	✓	2.80%*	2.40%	Monthly
Japan	1:50	Money Supply M2+CD (YoY) (Nov)	✓	2.50%	2.50%	Monthly
Japan	2:01	Manpower Survey (Q1)	✓	25.00%*	26.00%	Quarterly
Japan	8:00	Machine Tool Orders (YoY) (Nov) (P)	✓✓✓	-	-37.40%	Monthly
UK	10:30	Manufacturing Production (Oct)	✓	-	101.00	Monthly
UK	11:30	Industrial Production (Oct)	✓	-	100.30	Monthly
UK	11:30	Index of Services (MoM) (Oct)	✓	-	0.00%	Monthly
UK	11:30	Manufacturing Production (MoM) (Oct)	✓✓✓	-	-0.40%	Monthly
UK	11:30	Construction Output s.a. (YoY) (Oct)	✓	-	0.50%	Monthly
UK	11:30	Trade Balance; non-EU (Oct)	✓✓✓	-GBP3.60bn	-GBP4.03bn	Monthly
UK	11:30	Index of Services (3M/3M) (Oct)	✓	0.50%	0.40%	Monthly
UK	11:30	Industrial Production (YoY) (Oct)	✓✓✓	-1.20%	-1.40%	Monthly
UK	11:30	Industrial Production (MoM) (Oct)	✓✓✓	0.20%	-0.30%	Monthly
UK	11:30	Manufacturing Production (YoY) (Oct)	✓✓✓	-1.50%	-1.80%	Monthly
UK	11:30	Visible Trade Balance (Oct)	✓✓✓	-	-GBP12.54bn	Monthly
Germany	12:00	ZEW Survey - Economic Sentiment (Dec)	✓✓✓	-	-2.10	Monthly
Eurozone	12:00	ZEW Survey - Economic Sentiment (Dec)	✓✓	-17.70	-1.00	Monthly
Germany	12:00	ZEW Survey - Current Situation (Dec)	✓✓	-22.00	-24.70	Monthly
South Africa	13:00	Manufacturing Production s.a. (MoM) (Oct)	✓✓✓	-	-2.40%	Monthly
US	13:00	NFIB Small Business Optimism (Nov)	✓	102.80	102.40	Monthly
South Africa	13:00	Manufacturing Production Index (YoY) (Oct)	✓✓	-0.20%	-2.40%	Monthly

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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