

ONE
Minute Brief

9 December 2019

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Economic and political news

In South Africa (SA), net gold & forex reserves fell to USD44.42bn in November from USD44.61bn in October. However, gross gold & forex reserves increased to USD54.89bn in November from USD54.53bn the previous month.

Yesterday, Eskom announced that stage 2 rotational power cuts would continue overnight and all day on Monday.

The South African Airways (SAA) has appointed Les Matuson as its business rescue practitioner.

Public Protector, Busisiwe Mkhwebane, stated that South African Revenue Service' (Sars) refusal to hand over the former President Jacob Zuma's tax records is 'a violation of the Constitution' and could result in "criminal sanctions".

The Democratic Alliance (DA) has written to Speaker of the National Assembly Thandi Modise, asking that removal proceedings be instituted against the Public Protector.

The President of South African agricultural lobby group, Agri SA, Dan Kriek has stepped down from his position, with effect from 31 December 2019.

Key indices

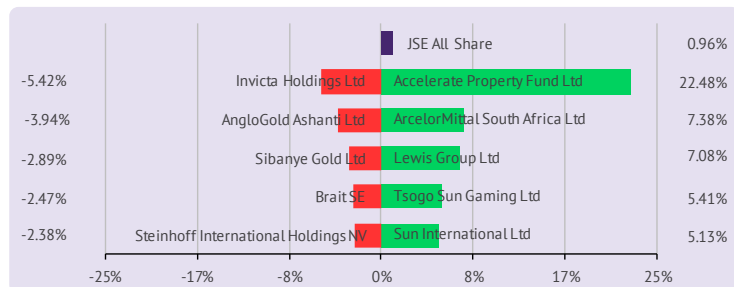
| | As at 06 Dec 2019 | | 1 Day Chg | 1 D % Chg | WTD % Chg | MTD % Chg | Prev. month % Chg | YTD % Chg |
|--------------------------------|----------------------|---|--------------|--------------|--------------|--------------|----------------------|--------------|
| JSE All Share (ZAR) | 55307.31 | ▲ | 527.55 | 0.96 | NA | -0.08 | -1.91 | 4.87 |
| JSE Top 40 (ZAR) | 49065.21 | ▲ | 475.50 | 0.98 | NA | -0.06 | -2.14 | 5.00 |
| FTSE 100(GBP) | 7239.66 | ▲ | 101.81 | 1.43 | NA | -1.45 | 1.35 | 7.60 |
| DAX 30 (EUR) | 13166.58 | ▲ | 111.78 | 0.86 | NA | -0.53 | 2.87 | 24.70 |
| CAC 40 (EUR) | 5871.91 | ▲ | 70.36 | 1.21 | NA | -0.56 | 3.06 | 24.12 |
| S&P 500 (USD) | 3145.91 | ▲ | 28.48 | 0.91 | NA | 0.16 | 3.40 | 25.49 |
| Nasdaq Composite (USD) | 8656.53 | ▲ | 85.83 | 1.00 | NA | -0.10 | 4.50 | 30.46 |
| DJIA (USD) | 28015.06 | ▲ | 337.27 | 1.22 | NA | -0.13 | 3.72 | 20.09 |
| MSCI Emerging Markets (USD) | 1048.96 | ▲ | 6.11 | 0.59 | NA | 0.86 | -0.19 | 8.60 |
| MSCI Developed World (USD) | 2296.39 | ▲ | 17.76 | 0.78 | NA | 0.18 | 2.63 | 21.89 |

South Africa Market ▲

South African markets closed higher

South African markets closed in the green on Friday, supported by gains in banking sector stocks. Data showed that SA's net foreign reserves fell in November. The JSE All Share Index rose 1.0% to close at 55,307.31.

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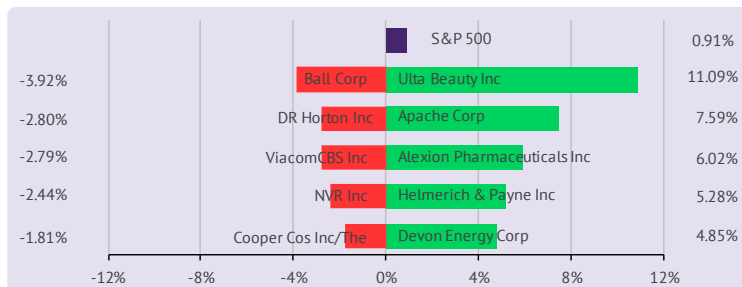


US Market ▲

US markets closed firmer

US markets closed higher on Friday, amid stronger-than-expected US jobs reports and renewed optimism over the US-China trade talks. The S&P 500 Index climbed 0.9% to close at 3,145.91. Today, the S&P 500 futures are trading in the red.

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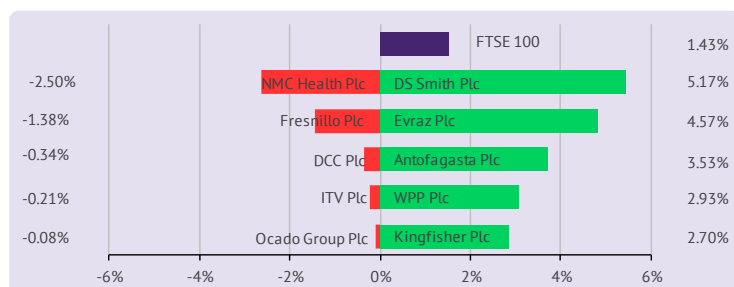


UK Market ▲

UK markets closed in the green

UK markets finished higher on Friday, boosted by gains in mining and banking sector stocks. Data indicated that UK's Halifax house prices climbed in November. The FTSE 100 Index advanced 1.4% to close at 7,239.66. Today, the FTSE 100 futures are trading in negative territory.

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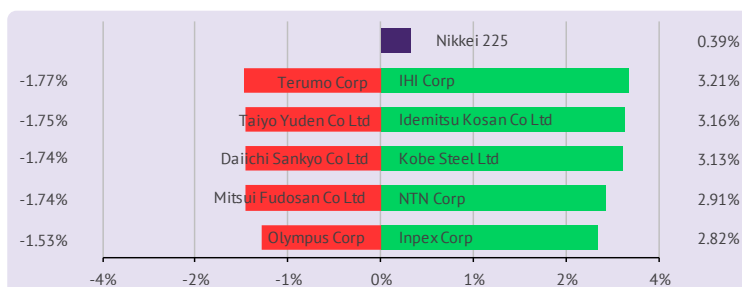


Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning, tracking overnight gains on Wall Street. The Nikkei 225 Index is trading 0.4% higher at 23,445.33.

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USD ZAR ▲

USD trading weaker against ZAR

At 06:00 SAST, the US Dollar marginally fell against the South African Rand to trade at R14.6184. With no major economic releases in the US today, investor sentiment will be determined by global macroeconomic news.

The US Dollar fell against the South African Rand on Friday. On the macro front, US non-farm payrolls jumped to a 10-month high level in November. Additionally, the Michigan consumer sentiment index unexpectedly advanced to a seven-month high level in December. Moreover, the unemployment rate unexpectedly declined to its lowest level in 50 years in November. Meanwhile, average hourly earnings of all employees rose less than market forecast on a monthly basis in November.

GBP ZAR ▲

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound is trading marginally lower against the South African Rand at R19.2186. With no major economic releases in the UK today, investor sentiment will be determined by global macroeconomic news.

The British Pound declined against the South African Rand on Friday. Data indicated that UK's Halifax house prices advanced at its fastest rate in seven months in November.

EUR ZAR ▲

EUR trading lower against ZAR

At 06:00 SAST, the Euro dropped 0.1% against the South African Rand to trade at R16.1608. Going forward, market participants will keep a tab on Eurozone's Sentix investor confidence index and Germany's trade balance for further directions.

The Euro weakened against the South African Rand on Friday. On the data front, Germany's industrial production declined at its fastest pace in six months in October.

AUD ZAR ▲

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.2% lower against the South African Rand at R9.9863. Elsewhere, in China, Australia's largest trading partner, trade surplus unexpectedly narrowed for fourth consecutive month in November.

The Australian Dollar fell against the South African Rand on Friday.

Key currencies & commodities

| | Current# | | 1 D % Chg | WTD % Chg | MTD % Chg | Prev. month % Chg | YTD % Chg |
|-------------------|----------|---|-----------|-----------|-----------|-------------------|-----------|
| USDZAR | 14.6184 | ▲ | -0.18 | NA | -0.33 | -2.85 | 1.92 |
| GBPZAR | 19.2186 | ▲ | -0.29 | NA | 1.42 | -3.00 | 4.90 |
| EURZAR | 16.1608 | ▲ | -0.57 | NA | 0.11 | -4.08 | -1.74 |
| AUDZAR | 9.9863 | ▲ | -0.05 | NA | 0.91 | -4.73 | -1.16 |
| EURUSD | 1.1055 | ▼ | -0.40 | NA | 0.38 | -1.20 | -3.55 |
| GBPUSD | 1.3144 | ▲ | -0.13 | NA | 1.66 | -0.13 | 3.03 |
| Brent (\$/barrel) | 64.2 | ▼ | 1.58 | NA | 6.45 | 1.46 | 19.68 |
| Gold (\$/oz) | 1464.2 | ▲ | -1.21 | NA | -0.44 | -3.25 | 13.88 |
| Platinum (\$/oz) | 894.6 | ▼ | -0.19 | NA | -0.17 | -3.57 | 12.94 |
| Copper (\$/MT)* | 5962.0 | ▲ | 1.76 | NA | 2.03 | 1.28 | 0.22 |

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

Gold ▲

Trading in the green

At 06:00 SAST, gold prices gained 0.3% to trade at \$1,464.20/oz.

On Friday, gold prices fell 1.2% to close at \$1,459.10/oz, following upbeat US jobs data.

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Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 0.3% lower to trade at \$64.19/bl. after China's exports of goods and services shrank in November.

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On Friday, Brent crude oil advanced 1.6% to settle at \$64.39/bl, after the Organization of the Petroleum Exporting Countries and its allies announced production cut by an additional 500,000 barrels a day starting in January. Separately, Baker Hughes reported that US oil rig count fell by 5 to 663 last week.

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Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged 0.5% lower to trade at \$894.60/oz.

On Friday, platinum prices dropped 0.2% to close at \$898.90/oz.

Major South African corporate news

SPUR Corporation Limited

The company announced that Muzi Kuzwayo, who served as independent Non-Executive Director on the Board for 11 years, has not made himself available for re-election to the Board and has stepped down from the position of Director, with effect from 6 December 2019.

Major global economic news

US

In the US, the flash Michigan consumer sentiment index climbed to a level of 99.20 in December, compared to a level of 96.80 in the prior month.

In November, average hourly earnings of all employees rose 0.2% on a monthly basis in the US, less than market forecast. In the previous month, average hourly earnings of all employees had risen by a revised 0.4%.

In the US, non-farm payrolls jumped more-than-expected by 266.00K in November, compared to a revised increase of 156.00K in the prior month.

In November, the unemployment rate unexpectedly declined to 3.5% in the US, compared to 3.6% in the prior month.

Eurozone

In Germany, seasonally adjusted industrial production unexpectedly dropped 1.7% on a monthly basis in October, compared to a drop of 0.6% in the previous month.

Asia

In China, trade surplus unexpectedly narrowed to USD38.73bn in November, compared to a surplus of USD42.81bn in the previous month.

In October, trade surplus (BOP basis) widened to JPY254.00bn in Japan, compared to surplus of JPY1.10bn in the previous month.

In Japan, the final gross domestic product (GDP) advanced 0.4% on a quarterly basis in 3Q19, compared to 0.3% in the previous quarter. The preliminary figures had recorded an advance of 0.1%.

UK

In the UK, the Halifax house price index advanced 2.1% on a yearly basis in three months to November, more than market consensus and compared to a rise 0.9% in the August-October 2019 period.

40 best performers on the All Share Index

| Company name | Last close | 1 Week % change | MTD % change | YTD % change |
|----------------------------------|--------------|-----------------|--------------|--------------|
| Impala Platinum Holdings Ltd | 12490 | 10.92 | 10.92 | 240.51 |
| Sibanye Gold Ltd | 3061 | 5.99 | 5.99 | 205.49 |
| Northam Platinum Ltd | 11456 | 7.07 | 7.07 | 164.82 |
| Anglo American Platinum Ltd | 125618 | 3.60 | 3.60 | 139.16 |
| Harmony Gold Mining Co Ltd | 4574 | 1.60 | 1.60 | 81.51 |
| Royal Bafokeng Platinum Ltd | 4505 | 2.88 | 2.88 | 81.10 |
| Gold Fields Ltd | 8666 | 12.62 | 12.62 | 77.46 |
| Cartrack Holdings Ltd | 2501 | -6.99 | -6.99 | 76.01 |
| Kumba Iron Ore Ltd | 39876 | 6.09 | 6.09 | 57.65 |
| AngloGold Ashanti Ltd | 27700 | 1.07 | 1.07 | 53.14 |
| Sirius Real Estate Ltd | 1593 | 5.36 | 5.36 | 48.90 |
| Astral Foods Ltd | 20500 | 2.92 | 2.92 | 40.95 |
| Raubex Group Ltd | 2312 | 2.89 | 2.89 | 38.88 |
| Lighthouse Capital Ltd | 880 | -0.56 | -0.56 | 37.64 |
| Clicks Group Ltd | 25666 | 2.48 | 2.48 | 36.76 |
| Allied Electronics Corp Ltd | 2361 | 2.65 | 2.65 | 35.22 |
| Pioneer Foods Group Ltd | 10850 | 0.70 | 0.70 | 34.81 |
| Quilter PLC | 2850 | 3.07 | 3.07 | 34.72 |
| AECI Ltd | 10600 | 0.68 | 0.68 | 34.22 |
| Stenprop Ltd | 2300 | 5.70 | 5.70 | 34.21 |
| Resilient REIT Ltd | 6930 | 3.9 | 3.90 | 32.58 |
| Reinet Investments SCA | 28131 | -1.37 | -1.37 | 30.47 |
| Anglo American PLC | 39856 | 3.41 | 3.41 | 29.72 |
| Distell Group Holdings Ltd | 13400 | 2.24 | 2.24 | 28.85 |
| British American Tobacco PLC | 57278 | -0.82 | -0.82 | 28.53 |
| Transaction Capital Ltd | 2142 | -2.19 | -2.19 | 27.67 |
| Bid Corp Ltd | 33120 | 2.66 | 2.66 | 27.61 |
| Metair Investments Ltd | 2373 | 0.55 | 0.55 | 27.09 |
| Mediclinic International PLC | 7431 | 1.59 | 1.59 | 26.56 |
| Pan African Resources PLC | 202 | 0.00 | 0.00 | 26.25 |
| Spur Corp Ltd | 2650 | 0.19 | 0.19 | 26.10 |
| Tradehold Ltd | 1200 | 0.00 | 0.00 | 25.14 |
| Capitec Bank Holdings Ltd | 138000 | -2.63 | -2.63 | 25.14 |
| Libstar Holdings Ltd | 850 | 0.00 | 0.00 | 24.79 |
| Investec Australia Property Fund | 1447 | -0.89 | -0.89 | 24.42 |
| DataTec Ltd | 3225 | -6.90 | -6.90 | 21.50 |
| Cie Financiere Richemont SA | 11069 | -0.68 | -0.68 | 21.30 |
| NEPI Rockcastle PLC | 12745 | 2.7 | 2.77 | 21.15 |
| BHP Group PLC | 32770 | 0.97 | 0.97 | 20.39 |
| Investec Property Fund Ltd | 1574 | 2.21 | 2.21 | 20.25 |
| JSE All Share Index | 55307 | -0.08 | -0.08 | 4.87 |

Economic calendar

| Country | SAST | Economic indicator | Relevance | Consensus/ *Actual | Previous/ **Previous est. | Frequency |
|----------|-------|--|-----------|-----------------------|------------------------------|-----------|
| Japan | 01:50 | Gross Domestic Product (QoQ) (Q3) (F) | ✓✓ | 0.40%* | 0.10%** | Quarterly |
| Japan | 01:50 | Gross Domestic Product Annualised (Q3) (F) | ✓✓✓ | 1.80%* | 0.20%** | Quarterly |
| Japan | 01:50 | Gross Domestic Product Deflator (YoY) (Q3) (F) | ✓ | 0.60% | 0.60%** | Quarterly |
| Japan | 01:50 | Nominal Gross Domestic Product (QoQ) (Q3) (F) | ✓✓ | 0.60%* | 0.30%** | Quarterly |
| Japan | 01:50 | Bank Lending including Trusts (YoY) (Nov) | ✓ | 2.10%* | 2.00% | Monthly |
| Japan | 01:50 | Bank Lending ex-Trust (YoY) (Nov) | ✓ | 2.30%* | 2.20% | Monthly |
| Japan | 01:50 | Adjusted Current Account Total (Oct) | ✓ | JPY1732.20bn* | JPY1485.20bn | Monthly |
| Japan | 01:50 | Trade Balance - BOP Basis (Oct) | ✓✓✓ | JPY254.00bn* | JPY1.10bn | Monthly |
| Japan | 06:30 | Bankruptcies (YoY) (Nov) | ✓✓ | 1.39%* | 6.84% | Monthly |
| Japan | 07:00 | Eco Watchers Survey: Outlook (Nov) | ✓✓ | 40.50 | 43.70 | Monthly |
| Japan | 07:00 | Eco Watchers Survey: Current (Nov) | ✓✓ | 39.30 | 36.70 | Monthly |
| Germany | 09:00 | Labour Costs s.a. (QoQ) (Q3) | ✓✓ | - | 0.80% | Quarterly |
| Germany | 09:00 | Labour Costs w.d.a. (YoY) (Q3) | ✓ | - | 3.20% | Quarterly |
| Germany | 09:00 | Trade Balance n.s.a. (Oct) | ✓✓✓ | - | EUR21.10bn | Monthly |
| Germany | 09:00 | Exports s.a. (MoM) (Oct) | ✓ | 0.20% | 1.50% | Monthly |
| Germany | 09:00 | Current Account n.s.a. (Oct) | ✓ | EUR19.50bn | EUR25.50bn | Monthly |
| Germany | 09:00 | Imports s.a. (MoM) (Oct) | ✓ | -0.10% | 1.30% | Monthly |
| France | 09:30 | Bank of France Business Sentiment (Nov) | ✓✓✓ | - | 98.00 | Monthly |
| Eurozone | 11:30 | Sentix Investor Confidence (Dec) | ✓✓✓ | - | -4.50 | Monthly |

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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