

ONE
Minute Brief

18 February 2020

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Economic and political news

Ratings agency, Moody's, has cut South Africa's (SA) GDP growth forecast for 2020 to 0.7% from 1.5% projected in September, citing persistent power cuts and weak domestic demand.

The North Gauteng High Court in Pretoria has officially withdrawn criminal charges against three former senior South African Revenue Service (SARS) officials, Ivan Pillay, Johann van Loggerenberg and Andries Janse van Rensburg.

Eskom has indicated that it would not implement load shedding today.

In the latest edition of a weekly newsletter, President, Cyril Ramaphosa, stated that the Presidential Youth Employment Intervention programme launched last week was a strategic national plan to address youth unemployment.

The Democratic Alliance (DA) has nominated Randall Williams as its candidate for Tshwane mayor position.

Key indices

	As at 17 Feb 2020		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	58187.96	▲	326.20	0.56	0.56	3.76	-1.76	1.93
JSE Top 40 (ZAR)	52357.57	▲	307.59	0.59	0.59	4.56	-1.46	3.03
FTSE 100 (GBP)	7433.25	▲	24.12	0.33	0.33	2.02	-3.40	-1.45
DAX 30 (EUR)	13783.89	▲	39.68	0.29	0.29	6.18	-2.02	4.04
CAC 40 (EUR)	6085.95	▲	16.60	0.27	0.27	4.82	-2.87	1.80
S&P 500 (USD)*	3380.16	▲	6.22	0.18	NA	4.79	-0.16	4.62
Nasdaq * Composite (USD)	9731.18	▲	19.21	0.20	NA	6.34	1.99	8.45
DJIA (USD)*	29398.08	▼	-25.23	-0.09	NA	4.04	-0.99	3.01
MSCI Emerging Markets (USD)	1107.99	▲	1.69	0.15	0.15	4.30	-4.69	-0.60
MSCI Developed World (USD)	2430.69	▼	-0.67	-0.03	-0.03	3.77	-0.68	3.06

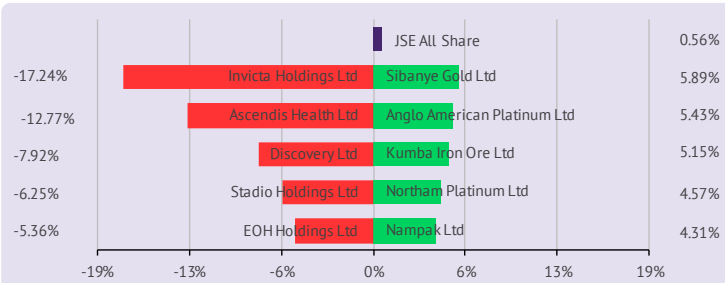
* Values as on 14 February 2020

South Africa Market ▲

South African markets closed higher

South African markets closed in the green yesterday, boosted by gains in platinum mining sector stocks. The JSE All Share Index rose 0.6% to close at 58,187.96.

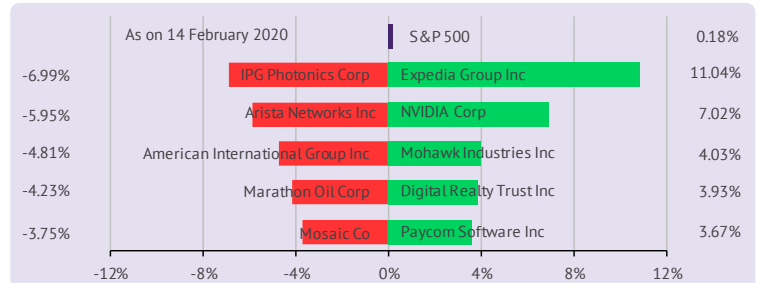
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US Market

US markets closed yesterday

US markets were closed yesterday on account of a public holiday. Today, the S&P 500 futures are trading in the red.

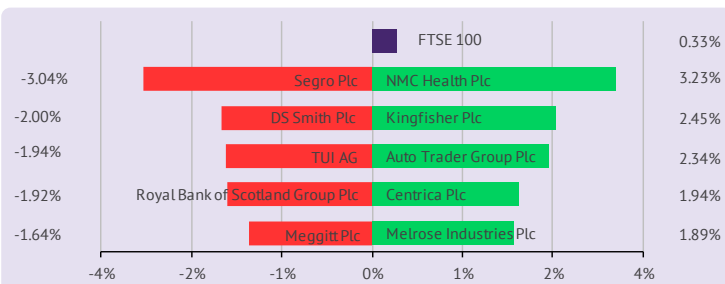


UK Market ▲

UK markets closed in the green

UK markets finished higher yesterday, after China took stimulus measures to contain the economic slowdown caused due to the coronavirus epidemic. The FTSE 100 Index advanced 0.3% to close at 7,433.25. Today, the FTSE 100 futures are trading in negative territory.

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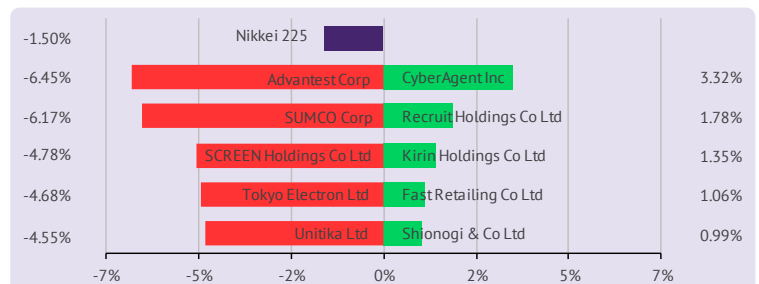


Asian Market ▼

Trading lower

Asian markets are trading lower this morning, amid mounting concerns over the coronavirus outbreak. As at 6:00 SAST, the Nikkei 225 Index is trading 1.5% lower at 23,169.53.

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USD ZAR ▼

USD trading higher against ZAR

At 06:00 SAST, the US Dollar climbed 0.2% against the South African Rand to trade at R15.0179. Later today, traders will keep a close watch on the US NY Empire State manufacturing index and the NAHB housing market index for further direction.

The US Dollar rose against the South African Rand yesterday. Separately, the South African Rand fell against the US dollar, after Moody's slashed SA's 2020 GDP growth forecast.

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GBP ZAR ▼

GBP trading firmer against ZAR

At 06:00 SAST, the British Pound gained 0.2% against the South African Rand to trade at R19.5298. Ahead in the day, traders will keep an eye on UK's ILO unemployment rate and average earnings including bonus for further indication.

The British Pound advanced against the South African Rand yesterday, amid expectations of expansion in fiscal policy under the leadership of Britain's new finance minister.

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EUR ZAR ▼

EUR trading higher against ZAR

At 06:00 SAST, the Euro rose 0.1% against the South African Rand to trade at R16.2687. Going forward, market participants will keep a tab on ZEW economic sentiment indicator across the Eurozone for further cues.

The Euro strengthened against the South African Rand yesterday.

AUD ZAR ▲

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.2% weaker against the South African Rand at R10.0460, following the Reserve Bank of Australia's (RBA) meeting minutes, which highlighted concerns about the coronavirus impact. Elsewhere, in China, Australia's largest trading partner, the house price index advanced in January.

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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	15.0179	▼	0.51	0.51	-0.27	7.34	7.05
GBPZAR	19.5298	▼	0.19	0.19	-1.63	6.76	5.03
EURZAR	16.2687	▼	0.58	0.58	-2.44	6.08	3.48
AUDZAR	10.0460	▲	0.53	0.53	0.10	2.19	2.30
EURUSD	1.0833	▼	0.05	0.05	-2.32	-1.07	-3.36
GBPUSD	1.3005	▼	-0.30	-0.30	-1.50	-0.38	-1.88
Brent (\$/barrel)	57.0	▼	0.61	0.61	1.85	-14.21	-12.62
Gold (\$/oz)**	1589.7	▲	0.48	NA	-0.01	3.93	3.91
Platinum (\$/oz)**	974.2	▲	-0.61	NA	0.72	-0.98	-0.27
Copper (\$/MT)*	5796.8	▲	0.80	0.80	4.42	-9.72	-5.73

*As of previous close, #As on 06:00 SAST ** 1D% change as on 14 February 2020

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.4% higher to trade at \$1,589.70/oz.

Trading in gold was closed yesterday on account of a public holiday in the US.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 1.1% lower to trade at \$57.04/bl.

Yesterday, Brent crude oil advanced 0.6% to settle at \$57.67/bl, amid expectations that output cuts by the Organisation of the Petroleum Exporting Countries (OPEC) and its allies, including Russia could tighten global crude supply and support prices.

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Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged 0.6% higher to trade at \$974.20/oz.

Trading in platinum was closed yesterday on account of a public holiday in the US.

Major South African corporate news

African Rainbow Minerals Limited

In its 1H20 trading statement, the company announced that it expects EPS to be between 1,081.00c and 1,114.00c, compared to 682.00c in the same period of the prior year and its HEPS to be between 1,100.00c and 1,125.00c, compared to 1,149.00c in the previous year.

Discovery Limited

In its 1H20 trading statement, the company announced that it expects EPS to be between 1,081.00c and 1,114.00c, compared to 682.00c in the same period of the prior year and its HEPS to be between 1,100.00c and 1,125.00c, compared to 1,149.00c in the previous year.

Investec Limited

The company announced that it has acknowledged the confirmation made by Ninety One regarding its intention to proceed with an Initial Public Offering (IPO) of Ninety One shares and certain details of the IPO. The intention to float follows the announcements by Investec on 10 February regarding the successful outcome of the company's shareholder vote to proceed with the demerger and listing of Ninety One and Investec's announcements on 31 January 2020 of Ninety One's expected intention to float and release of a Ninety One registration document.

Mpact Limited

In its FY19 trading statement, the company announced that it expects revenues to rise by approximately 5.0% to ZAR11.10bn. Further, it expects HEPS to be between 175.00c and 195.00c, compared to 235.30c and its underlying EPS to be between 185.00c and 200.00c, compared to 247.70c in the preceding year.

Sibanye Gold Limited

The company announced that it has appointed Richard (Rick) Menell as the lead independent director, with immediate effect. Meanwhile, Rick was appointed as a Non-Executive Director of the company on 1 January 2013.

Major global economic news

Asia

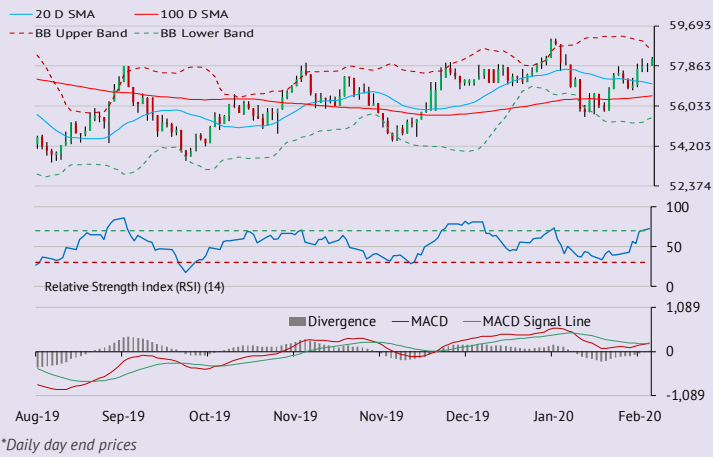
In China, the house price index rose 6.3% in January, compared to 6.6% in the previous month.

In Japan, final industrial production advanced 1.2% on a monthly basis in December, compared to a rise of 1.3% in the prior month. The preliminary figures had recorded an advance of 1.3%.

The RBA, in its February monetary policy meeting minutes, reviewed the case for further reduction in cash rate and signalled that the board was prepared to ease monetary policy further if needed. Further, the central bank reiterated that low interest rates would be required for an extended period to reach full employment and achieve its inflation target. Additionally, the minutes suggested that coronavirus presented a 'material risk' to China's economy, and thus Australia.

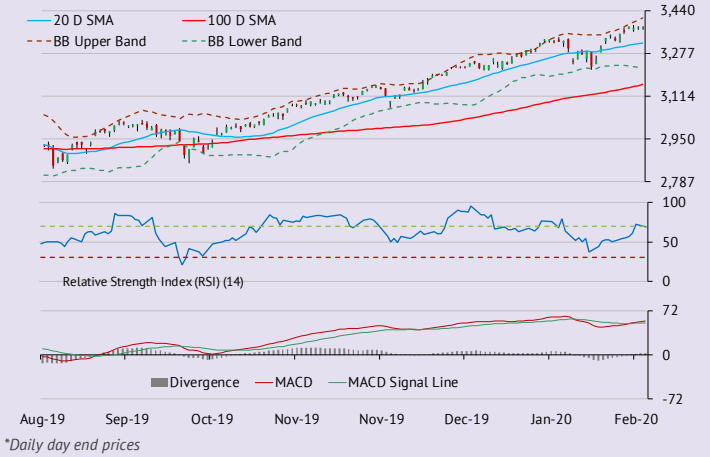
Technical snapshot

JSE All Share



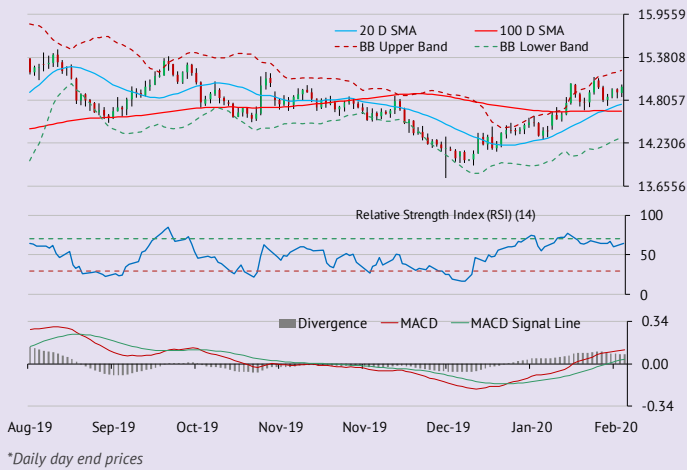
The JSE All Share index is expected to find support at 57,204.25, and a fall through could take it to the next support level of 56,220.53. The index is expected to find its first resistance at 58,721.20, and a rise through could take it to the next resistance level of 59,254.43.

S&P 500



The S&P 500 index is expected to find support at 3,360.22, and a fall through could take it to the next support level of 3,340.29. The index is expected to find its first resistance at 3,392.59, and a rise through could take it to the next resistance level of 3,405.03.

USD ZAR







The pair is expected to find support at 14.8069, and a fall through could take it to the next support level of 14.6263. The pair is expected to find its first resistance at 15.0943, and a rise through could take it to the next resistance level of 15.2011.

XAU USD



Gold is expected to find support at \$1,568.33/oz, and a fall through could take it to the next support level of \$1,553.97/oz. The precious metal is expected to find its first resistance at \$1,589.73/oz, and a rise through could take it to the next resistance level of \$1,596.77/oz.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus	Previous	Frequency
 Eurozone	09:00	EU 27 New Car Registrations (YoY) (Jan)	✓	-	21.70%	Monthly
 UK	11:30	Claimant Count Rate s.a. (Jan)	✓✓	-	3.50%	Monthly
 UK	11:30	Employment Change (3M/3M) (Dec)	✓✓✓	-	208.00K	Monthly
 UK	11:30	Claimant Count Change (Jan)	✓✓✓	22.60K	14.90K	Monthly
 UK	11:30	ILO Unemployment Rate (3M) (Dec)	✓✓✓	3.80%	3.80%	Monthly
 UK	11:30	Average Earnings Including Bonus (3Mo/Yr) (Dec)	✓✓	3.10%	3.20%	Monthly
 UK	11:30	Average Earnings Excluding Bonus (3Mo/Yr) (Dec)	✓	3.30%	3.40%	Monthly
 Germany	12:00	ZEW Survey - Current Situation (Feb)	✓✓	-10.00	-9.50	Monthly
 US	15:30	NY Empire State Manufacturing Index (Feb)	✓✓	4.50	4.80	Monthly
 US	17:00	NAHB Housing Market Index (Feb)	✓	74.00	75.00	Monthly
 US	23:00	Total Net TIC Flows (Dec)	✓	-USD0.40bn	USD73.10bn	Monthly
 US	23:00	Net Long-Term TIC Flows (Dec)	✓✓	USD25.50bn	USD22.90bn	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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formerly Grant Thornton Capital

a GTC, The Wanderers Office Park

52 Corlett Drive, Illovo, 2196

p P O Box 55118, Illovo, 2116

GTC is nationally represented in Johannesburg, Cape Town and Durban.

t +27 (0) 10 597 6800

f +27 (0) 10 597 6801

w www.gtc.co.za

GTC (Pty) Ltd.

reg. no. 1996/001488/07

directors: G.K. Mockler, F.Dildar

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