

ONE  
Minute Brief

23 July 2019


  
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## Economic and political news

Public Enterprises Minister, Pravin Gordhan and Public Protector, Busisiwe Mkhwebane will head to the North Gauteng High Court today, which is set to hear Gordhan's application to suspend and interdict the remedial orders by the Public Protector on the rogue unit at South African Revenue Service (Sars).

News reports indicate that the South African government has allocated an additional ZAR59bn to Eskom, over the next two years, so that it can service its debt.

South Africa's Constitutional Court has ruled that Public Protector, Busisiwe Mkhwebane, should pay 15% of the legal fees incurred by the South African Reserve Bank when investigating an apartheid-era Bankorp bailout.

Health Minister, Zweli Mkhize, stated that President, Cyril Ramaphosa's long-delayed National Health Insurance (NHI) bill will be signed on Thursday.

News reports indicate that Eskom is seeking a new Chief Executive Officer to replace Phakamani Hadebe, who resigned in May and is set to leave at the end of July.

## Key indices

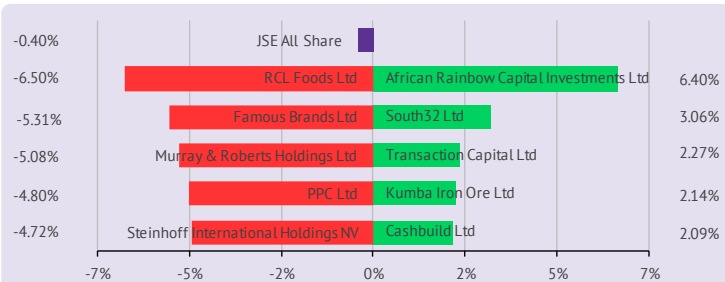
	As at 22 July 2019		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	58015.09	▼	-233.64	-0.40	-0.40	-0.32	4.59	10.01
JSE Top 40 (ZAR)	51890.58	▼	-216.60	-0.42	-0.42	-0.59	5.27	11.05
FTSE 100 (GBP)	7514.93	▲	6.23	0.08	0.08	1.20	3.69	11.69
DAX 30 (EUR)	12289.40	▲	29.33	0.24	0.24	-0.88	5.73	16.39
CAC 40 (EUR)	5567.02	▲	14.68	0.26	0.26	0.51	6.36	17.68
S&P 500 (USD)	2985.03	▲	8.42	0.28	0.28	1.47	6.89	19.07
Nasdaq Composite (USD)	8204.14	▲	57.65	0.71	0.71	2.47	7.42	23.64
DJIA (USD)	27171.90	▲	17.70	0.07	0.07	2.15	7.19	16.48
MSCI Emerging Markets (USD)	1053.81	▼	-3.68	-0.35	-0.35	-0.10	5.70	9.10
MSCI Developed World (USD)	2197.67	▲	3.06	0.14	0.14	0.89	6.46	16.65

## South Africa Market ▼

## South African markets closed lower

South African markets closed in the red yesterday, weighed down by losses in banking and financial sector stocks. The JSE All Share Index fell 0.4% to close at 58,015.09.

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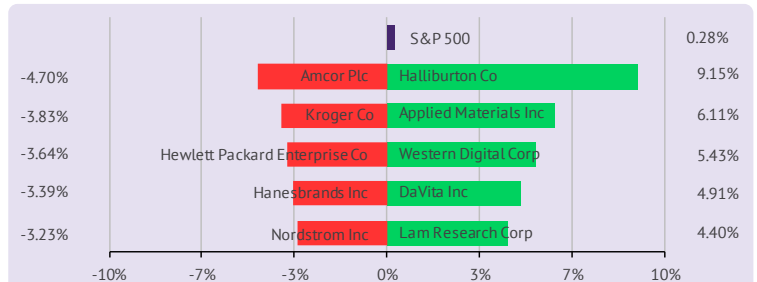


## US Market ▲

## US markets closed firmer

US markets closed higher yesterday, boosted by gains in technology stocks and on expectations of better-than-expected quarterly results. Data revealed that the US Chicago Fed National Activity index rose less-than-expected in June. The S&P 500 Index climbed 0.3% to close at 2,985.03. Today, the S&P 500 futures are trading in the green.

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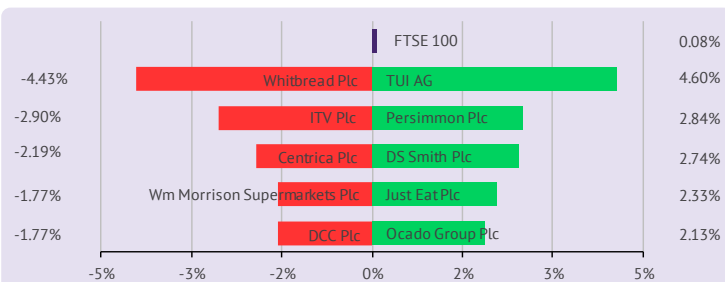


## UK Market ▲

## UK markets closed in the green

UK markets finished higher yesterday, on the back of higher crude oil prices. The FTSE 100 Index advanced 0.1% to close at 7,514.93. Today, the FTSE 100 futures are trading in positive territory.

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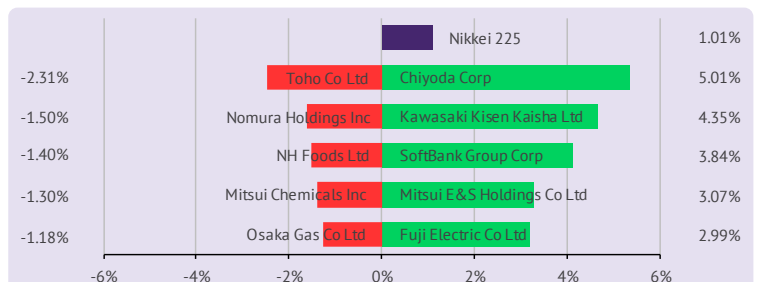


## Asian Market ▲

## Trading higher

Asian markets are trading firmer this morning, mirroring overnight gains in their US counterparts. The Nikkei 225 Index is trading 1.0% higher at 21,632.63.

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## USD ZAR ▼

## USD trading higher against ZAR

At 06:00 SAST, the US Dollar climbed 0.3% against the South African Rand to trade at R13.9039. Later today, traders will keep a close watch on the US house price index, the Richmond Fed manufacturing index and existing home sales for further indication.

The US Dollar fell against the South African Rand yesterday. On the macro front, the US Chicago Fed National Activity index advanced less than market forecast in June.

## GBP ZAR ▼

## GBP trading firmer against ZAR

At 06:00 SAST, the British Pound rose 0.1% against the South African Rand to trade at R17.3202. Ahead in the day, traders will keep an eye on UK's CBI total trend orders for further direction.

The British Pound declined against the South African Rand yesterday, following the resignation of Foreign Office Minister, Alan Duncan, ahead of the expected appointment of Boris Johnson as the British Prime Minister.

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## EUR ZAR ▼

## EUR trading stronger against ZAR

At 06:00 SAST, the Euro is trading 0.2% firmer against the South African Rand at R15.5654. Going forward, market participants will keep a tab on Eurozone's consumer confidence index for further cues.

The Euro weakened against the South African Rand yesterday.

## AUD ZAR ▼

## AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% firmer against the South African Rand at R9.7658. Earlier in the session, Australia's ANZ Roy Morgan weekly consumer confidence index recorded a rise in the week ended 21 July 2019.

The Australian Dollar fell against the South African Rand yesterday.

## Key currencies &amp; commodities

	Current#		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	13.9039	▼	-0.52	-0.52	-1.59	-3.38	-3.37
GBPZAR	17.3202	▼	-0.76	-0.76	-3.26	-2.92	-5.58
EURZAR	15.5654	▼	-0.62	-0.62	-3.02	-1.65	-5.59
AUDZAR	9.7658	▼	-0.61	-0.61	-1.33	-2.20	-3.63
EURUSD	1.1195	▼	-0.11	-0.11	-1.44	1.83	-2.25
GBPUSD	1.2458	▼	-0.21	-0.21	-1.73	0.53	-2.18
Brent (\$/barrel)	63.3	▲	1.26	1.26	-2.29	4.44	17.58
Gold (\$/oz)	1418.1	▼	0.01	0.01	0.93	8.26	11.36
Platinum (\$/oz)	847.3	-	0.17	0.17	1.41	5.20	6.46
Copper (\$/MT)*	5997.0	▼	-0.96	-0.96	0.25	3.03	0.81

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

## Gold ▼

## Trading in the red

At 06:00 SAST, gold prices dropped 0.6% to trade at \$1,418.10/oz.

Yesterday, gold prices marginally rose to close at \$1,426.90/oz, ahead of the Federal Reserve (Fed) rate cut decision.

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## Brent Crude Oil ▲

## Trading stronger

At 06:00 SAST, Brent crude oil gained 0.1% to trade at \$63.33/bl, after the International Energy Agency stated that it would act quickly if needed to keep the market supplied amid tensions in the Middle East.

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Yesterday, Brent crude oil advanced 1.3% to settle at \$63.26/bl, amid escalating Middle East tensions.

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## Platinum ▼

## Trading in negative territory

At 06:00 SAST, platinum prices are trading marginally lower at \$847.30/oz.

Yesterday, platinum prices climbed 0.2% to close at \$847.30/oz.

## Major South African corporate news

### Anglo American Platinum Limited

In its 1H19 results, the company announced that its revenues increased to ZAR42.89bn from ZAR33.50bn posted in the corresponding period of the previous year. Its diluted EPS stood at ZAR27.79, compared to ZAR8.28 recorded in the same period of the prior year. The company declared an interim dividend of ZAR11.00 per share.

### Cashbuild Limited

In its 4Q19 operational update, the company announced that revenues rose 7.0% compared to the corresponding period of the previous year. The company added three new stores, closed six stores at the expiration of their lease agreements, relocated one store and refurbished 11 of its stores.

### Sappi Limited

The company announced the appointment of Mike Haws as President and Chief Executive Officer of its North American operations, with effect from 1 October 2019. He would succeed Mark Gardner who would retire at the end of September 2019.

## Major global economic news




















### US

In the US, the Chicago Fed National Activity Index improved to -0.02 in June, less than market expectations. In the prior month, the index had registered a revised level of -0.03.

### Asia

In Australia, the ANZ Roy Morgan weekly consumer confidence index rose to a level of 116.30 in the week ended 21 July 2019, compared to a reading of 115.90 in the previous week.

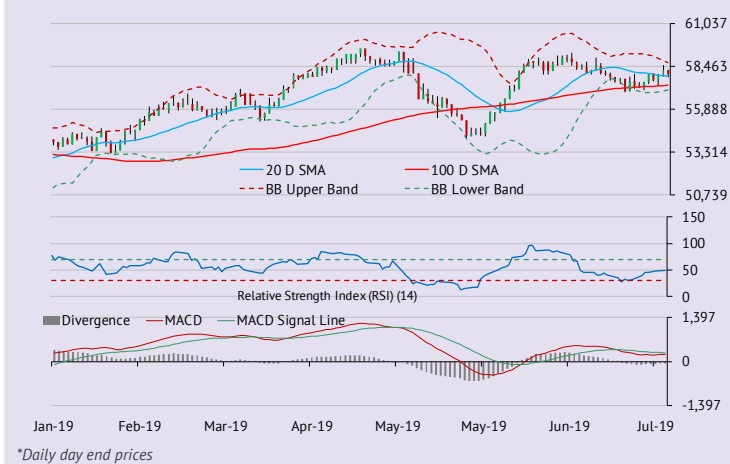
## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus	Previous/ **Previous est.	Frequency
 Japan	07:00	Supermarket Sales (YoY) (Jun)	✓	-	-0.70%	Monthly
 Japan	07:30	Nationwide Department Store Sales (YoY) (Jun)	✓	-	-0.80%	Monthly
 Japan	07:30	Tokyo Department Store Sales (YoY) (Jun)	✓	-	-1.60%	Monthly
 Japan	08:00	Machine Tool Orders (YoY) (Jun) (F)	✓✓✓	-	-38.00%**	Monthly
 South Africa	09:00	Leading Indicator (May)	✓	-	105.50	Monthly
 Eurozone	10:00	ECB Bank Lending Survey	✓✓✓	-	-	As scheduled
 UK	10:30	FPC Meeting Minutes	✓✓✓	-	-	As scheduled
 UK	12:00	CBI Trends Selling Prices (Jul)	✓✓	-	4.00	Monthly
 UK	12:00	CBI Industrial Trends Survey - Orders (Jul)	✓	-15.00	-15.00	Monthly
 UK	12:00	CBI Business Optimism (Jul)	✓	-20.00	-13.00	Quarterly
 UK	14:15	BoE's Haldane speech	✓✓	-	-	As scheduled
 US	14:55	Redbook Index (YoY) (19-Jul)	✓	-	4.70%	Weekly
 US	14:55	Redbook Index s.a. (MoM) (19-Jul)	✓	-	1.00%	Weekly
 US	15:00	House Price Index s.a. (May)	✓✓	-	274.70	Monthly
 US	15:00	Housing Price Index (MoM) (May)	✓	0.30%	0.40%	Monthly
 US	16:00	Richmond Fed Manufacturing Index (Jul)	✓	5.00	3.00	Monthly
 Eurozone	16:00	Consumer Confidence (Jul) (P)	✓✓✓	-7.20	-7.20	Monthly
 US	16:00	Existing Home Sales (Jun)	✓✓✓	5.33mn	5.34mn	Monthly
 US	16:00	Existing Home Sales (MoM) (Jun)	✓✓✓	-0.20%	2.50%	Monthly

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

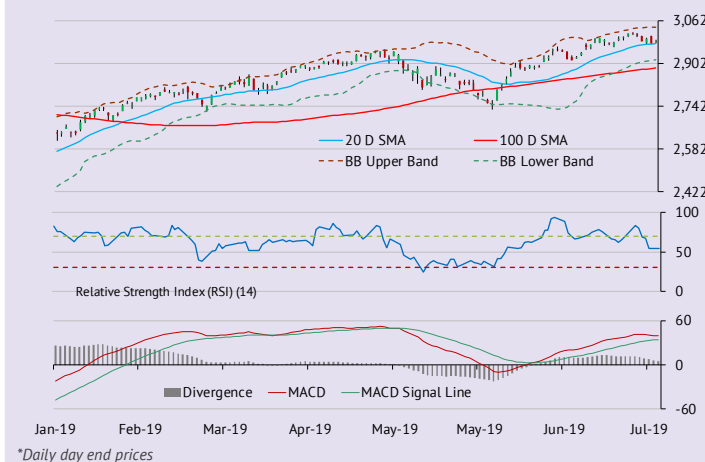
## Technical snapshot

### JSE All Share



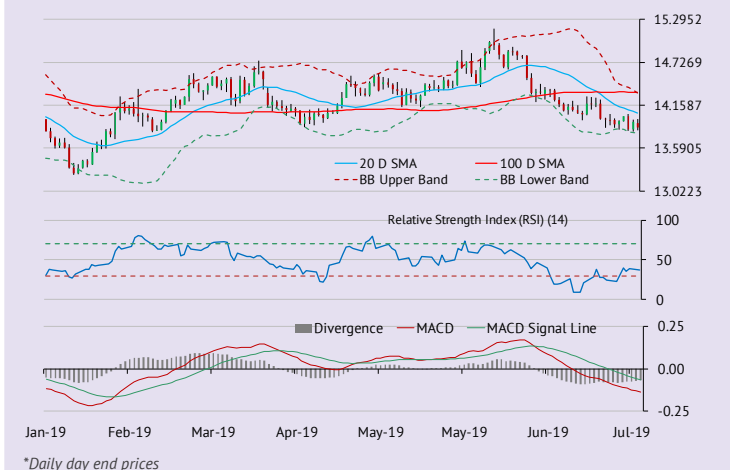
The JSE All Share index is expected to find support at 57,353.52, and a fall through could take it to the next support level of 56,691.96. The index is expected to find its first resistance at 58,615.33, and a rise through could take it to the next resistance level of 59,215.58.

### S&P 500



The S&P 500 index is expected to find support at 2,967.07, and a fall through could take it to the next support level of 2,949.12. The index is expected to find its first resistance at 3,009.00, and a rise through could take it to the next resistance level of 3,032.98.

### USD ZAR



The pair is expected to find support at 13.7707, and a fall through could take it to the next support level of 13.6781. The pair is expected to find its first resistance at 13.9992, and a rise through could take it to the next resistance level of 14.1351.

### XAU USD



Gold is expected to find support at \$1,400.67/oz, and a fall through could take it to the next support level of \$1,374.43/oz. The precious metal is expected to find its first resistance at \$1,453.77/oz, and a rise through could take it to the next resistance level of \$1,480.63/oz.

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