

# ONE Minute Brief

26 September 2019

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## Economic and political news

In South Africa (SA), the leading indicator rose to 103.90 in July, compared to a revised level of 103.20 in June.

The South African Reserve Bank (SARB), in its quarterly bulletin, indicated that SA's foreign direct investment (FDI) rose to ZAR26.3bn in the second quarter of 2019 from ZAR11.7bn in the previous quarter.

Today, the South African Labour Court will rule whether the SA Society of Bank Officials (Sasbo) and Cosatu can go ahead with their planned banking strike against job losses and retrenchments in the sector.

Accountability Now has filed an urgent application in the Pretoria High Court to have Public Protector, Busisiwe Mkhwebane, declared unfit to hold office.

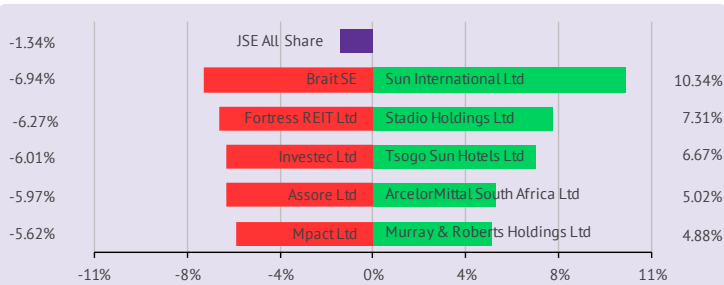
Former Executive Director for the Independent Police Investigative Directorate (IPID), Robert McBride, stated that he would approach the High Court for an interdict against any remedial action directed against him by Public Protector, Busisiwe Mkhwebane.

## South Africa Market ▼

### South African markets closed lower

South African markets closed in the red yesterday, led by losses in banking and financial sector stocks. Data showed that SA's leading indicator climbed in July. The JSE All Share Index fell 1.3% to close at 54,876.83.

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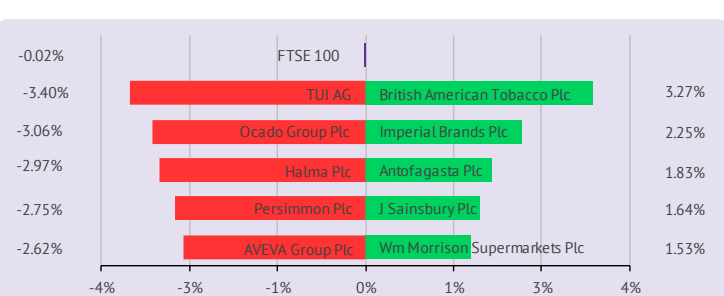


## UK Market ▼

### UK markets closed in the red

UK markets finished lower yesterday, amid continued uncertainty surrounding Brexit. Data revealed that UK's BBA mortgage approvals dropped in August. The FTSE 100 Index marginally declined to close at 7,289.99. Today, the FTSE 100 futures are trading in positive territory.

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## Key indices

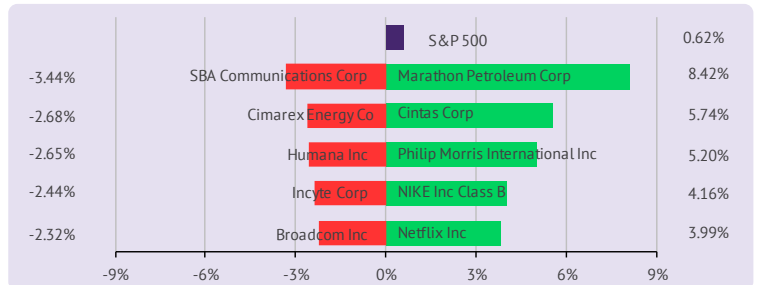
	As at 25 Sep 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	54876.83	▼ -745.97	-1.34	-2.71	-0.69	-2.69	4.06
JSE Top 40 (ZAR)	48865.06	▼ -694.31	-1.40	-2.93	-0.92	-2.91	4.58
FTSE 100 (GBP)	7289.99	▼ -1.44	-0.02	-0.75	1.15	-5.00	8.35
DAX 30 (EUR)	12234.18	▼ -72.97	-0.59	-1.88	2.47	-2.05	15.87
CAC 40 (EUR)	5583.80	▼ -44.53	-0.79	-1.88	1.89	-0.70	18.03
S&P 500 (USD)	2984.87	▲ 18.27	0.62	-0.24	2.00	-1.81	19.07
Nasdaq Composite (USD)	8077.38	▲ 83.76	1.05	-0.50	1.44	-2.60	21.73
DJIA (USD)	26970.71	▲ 162.94	0.61	0.13	2.15	-1.72	15.62
MSCI Emerging Markets (USD)	1005.56	▼ -5.79	-0.57	-1.54	2.16	-5.08	4.10
MSCI Developed World (USD)	2184.56	▲ 2.49	0.11	-0.59	2.15	-2.24	15.96

## US Market ▲

### US markets closed firmer

US markets closed higher yesterday, after the US President, Donald Trump, stated that a trade deal with China could soon be finalised. Data indicated that the US monthly new home sales rebounded in August. The S&P 500 Index climbed 0.6% to close at 2,984.87. Today, the S&P 500 futures are trading weaker.

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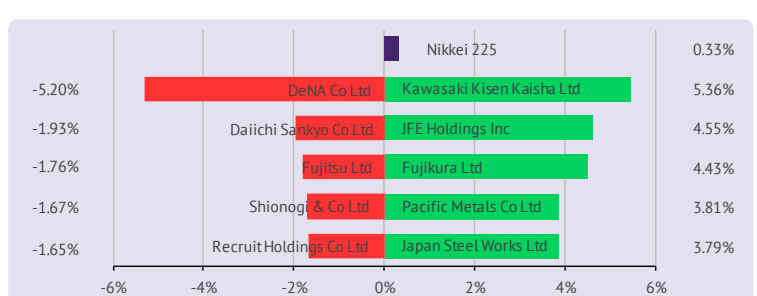


## Asian Market ▲

### Trading mostly higher

Asian markets are trading mostly firmer this morning, on hopes of US-China trade progress. The Nikkei 225 Index is trading 0.3% higher at 22,092.65.

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## USD ZAR ▼

### USD trading higher against ZAR

At 06:00 SAST, the US Dollar slightly climbed against the South African Rand to trade at R14.9926. Later today, traders will keep a close watch on the US gross domestic product, initial jobless claims, pending home sales data and the Kansas Fed manufacturing activity index for further indication.

The US Dollar rose against the South African Rand yesterday, following positive comments from President, Donald Trump, over US-China trade deal. On the macro front, the US new home sales unexpectedly climbed on a monthly basis in August. On the other hand, the nation's MBA mortgage applications declined in the week ended 20 September 2019, marking its largest fall since December 2016. Separately, in SA, the leading indicator advanced in July.

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## GBP ZAR ▼

### GBP trading stronger against ZAR

At 06:00 SAST, the British Pound gained 0.2% against the South African Rand to trade at R18.5528. 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 yesterday, as the British Parliament resumed, after the Supreme Court ruled against Prime Minister, Boris Johnson's decision to suspend parliament. On the data front, UK's BBA mortgage approvals fell in August.

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## EUR ZAR ▼

### EUR trading higher against ZAR

At 06:00 SAST, the Euro is trading 0.2% firmer against the South African Rand at R16.4347. Going forward, market participants will keep a tab on Eurozone's Economic Bulletin along with Germany's GfK consumer confidence index and European Central Bank President, Mario Draghi's speech for further direction.

The Euro strengthened against the South African Rand yesterday.

## AUD ZAR ▼

### AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% higher against the South African Rand at R10.1314.

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	14.9926	▼	0.82	0.36	-1.36	5.94	4.48
GBPZAR	18.5528	▼	-0.35	-0.59	0.24	5.87	1.05
EURZAR	16.4347	▼	0.10	-0.30	-1.70	5.04	-0.34
AUDZAR	10.1314	▼	0.08	0.14	-1.05	4.16	-0.03
EURUSD	1.0962	▲	-0.70	-0.67	-0.36	-0.85	-4.57
GBPUSD	1.2374	▲	-1.07	-1.00	1.62	-0.02	-3.14
Brent (\$/barrel)	62.4	▲	-1.13	-2.94	5.30	-8.92	15.97
Gold (\$/oz)	1516.1	▲	-1.79	-0.19	-1.18	6.79	17.47
Platinum (\$/oz)	932.1	▲	-2.88	-1.56	-0.41	6.01	16.58
Copper (\$/MT)*	5757.0	▲	0.07	-0.23	1.79	-4.18	-3.23

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

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices edged 0.7% higher to trade at \$1,516.10/oz.

Yesterday, gold prices fell 1.8% to close at \$1,505.10/oz, as strength in the US Dollar dented demand for the precious yellow metal.

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## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil marginally climbed to trade at \$62.41/bl.

Yesterday, Brent crude oil dropped 1.1% to settle at \$62.39/bl, as Saudi Arabia restored its oil production capacity faster-than-expected. Additionally, the US Energy Information Administration (EIA) reported that crude oil inventories rose by 2.4mn bls for the week ended 20 September 2019, recording its second consecutive increase.

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## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices edged 0.5% higher to trade at \$932.10/oz.

Yesterday, platinum prices declined 2.9% to close at \$927.90/oz.

## Major South African corporate news

### Nampak Limited

In its trading update for 11 months to 31 August 2019, the company announced that Bevcan South Africa volumes have been stronger than expected at the start of peak season due to good market growth and higher allocations. This has partially offset expected market share shed to new entrants. Though volumes for the crates business continued to be subdued, the company secured a significant contract for the supply of crates to a major soft drink manufacturer for a period of three years.

## Major global economic news

### US

In the US, the MBA mortgage applications fell 10.1% on a weekly basis in the week ended 20 September 2019, compared to a drop of 0.1% in the previous week.

In the US, new home sales unexpectedly advanced by 7.1% to a level of 713.00K on monthly basis in August. In the prior month, new home sales had registered a revised reading of 666.00K.

### UK

In the UK, the BBA mortgage approvals dropped to a level of 42.58K in August, compared to a revised reading of 43.30K in the previous month.

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus	Previous/ **Previous est.	Frequency
Japan	8:00	Machine Tool Orders (YoY) (Aug) (F)	✓✓✓	-	-37.10%**	Monthly
Germany	8:00	GfK Consumer Confidence Survey (Oct)	✓✓✓	9.70	9.70	Monthly
Eurozone	10:00	Private Loans (YoY) (Aug)	✓	3.40%	3.40%	Monthly
Eurozone	10:00	M3 Money Supply (3m) (Aug)	✓	-	4.80%	Monthly
Eurozone	10:00	M3 Money Supply (YoY) (Aug)	✓	5.10%	5.20%	Monthly
South Africa	11:30	Producer Price Index (MoM) (Aug)	✓✓	0.20%	-0.20%	Monthly
South Africa	11:30	Producer Price Index (YoY) (Aug)	✓✓	5.40%	4.90%	Monthly
US	14:30	Gross Domestic Product Annualised (QoQ) (Q2) (F)	✓✓✓	-	2.00%**	Quarterly
US	14:30	Personal Consumption (QoQ) (Q2) (F)	✓✓✓	-	4.70%**	Quarterly
US	14:30	Wholesale Inventories (MoM) (Aug) (P)	✓✓✓	0.30%	0.20%	Monthly
US	14:30	Gross Domestic Purchases Price Index (QoQ) (Q2) (F)	✓✓✓	2.40%	2.40%**	Quarterly
US	14:30	Continuing Jobless Claims (14-Sep)	✓✓✓	1665.00K	1661.00K	Weekly
US	14:30	Initial Jobless Claims (21-Sep)	✓✓✓	212.00K	208.00K	Weekly
US	14:30	Personal Consumption Expenditure Core (QoQ) (Q2) (F)	✓✓✓	1.70%	1.70%**	Quarterly
Eurozone	15:30	ECB President Mario Draghi Speaks in Frankfurt	✓	-	-	As scheduled
Eurozone	15:45	BoE Deputy Governor Cunliffe Speaks in Frankfurt	✓	-	-	As scheduled
US	16:00	Pending Home Sales (Aug)	✓	-	105.60	Monthly
US	16:00	Pending Home Sales (YoY) (Aug)	✓	-	1.70%	Monthly
US	16:00	Pending Home Sales (MoM) (Aug)	✓✓	0.30%	-2.50%	Monthly
US	17:00	Kansas City Fed Manufacturing Activity (Sep)	✓✓✓	-4.00	-6.00	Monthly

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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