

ONE Minute Brief

21 October 2019

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Economic and political news

Yesterday, Helen Zille was appointed as the new Democratic Alliance (DA) Federal Council chair.

Eskom stated that there will be no load-shedding today and added that the probability of load-shedding for the week ahead was low.

The Western Cape High Court has rejected former Deputy National Director of Public Prosecutions, Nomgcobo Jiba's application to be reappointed.

News reports indicate that the PIC is likely to meet in November to consider options on ways to deal with Eskom's debt.

Parliament's ad hoc committee, appointed to draft the expropriation of land without compensation bill, indicated that the process would be concluded by the end of March 2020.

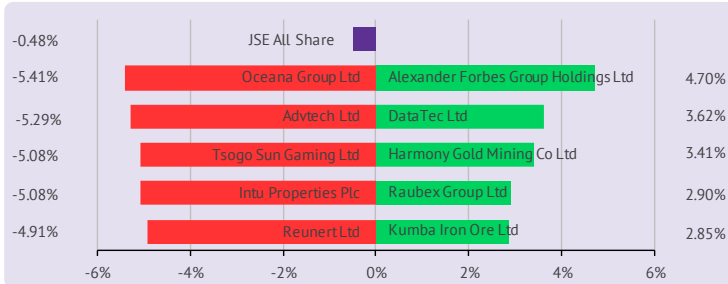
The Department of Energy stated that it published the incorrect version of the Integrated Resource Plan (IRP) 2019 in the Government Gazette on Friday.

South Africa Market ▼

South African markets closed lower

South African markets closed in the red on Friday, weighed down by losses in banking sector stocks. The JSE All Share Index fell 0.5% to close at 55,722.79.

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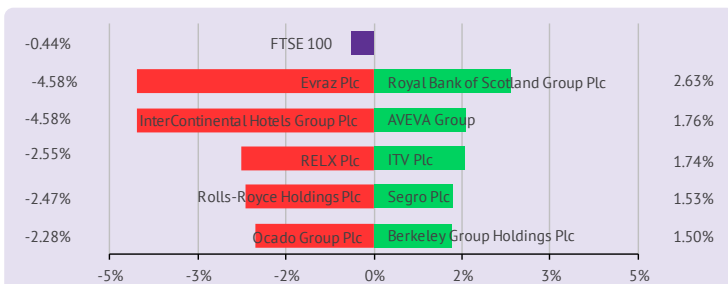


UK Market ▼

UK markets closed in the red

UK markets finished lower on Friday, amid fears over risks associated with the Brexit deal. The FTSE 100 Index declined 0.4% to close at 7,150.57. Today, the FTSE 100 futures are trading in positive territory.

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Key indices

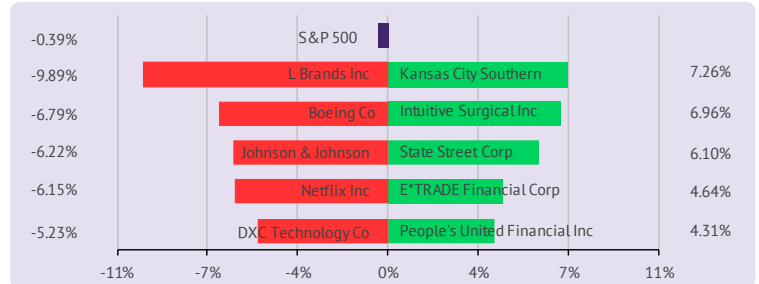
	As at 18 Oct 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	55722.79	▼ -270.63	-0.48	NA	1.64	-0.79	5.66
JSE Top 40 (ZAR)	49510.90	▼ -204.40	-0.41	NA	1.43	-1.03	5.96
FTSE 100 (GBP)	7150.57	▼ -31.75	-0.44	NA	-3.48	2.79	6.28
DAX 30 (EUR)	12633.60	▼ -21.35	-0.17	NA	1.65	4.09	19.65
CAC 40 (EUR)	5636.25	▼ -36.82	-0.65	NA	-0.73	3.60	19.14
S&P 500 (USD)	2986.20	▼ -11.75	-0.39	NA	0.32	1.72	19.12
Nasdaq Composite (USD)	8089.54	▼ -67.31	-0.83	NA	1.13	0.46	21.92
DJIA (USD)	26770.20	▼ -255.68	-0.95	NA	-0.54	1.95	14.76
MSCI Emerging Markets (USD)	1024.02	▼ -4.37	-0.42	NA	2.30	1.69	6.01
MSCI Developed World (USD)	2195.28	▼ -6.64	-0.30	NA	0.70	1.94	16.53

US Market ▼

US markets closed weaker

US markets closed lower on Friday, led by losses in technology sector stocks. The S&P 500 Index dropped 0.4% to close at 2,986.20. Today, the S&P 500 futures are trading in the green.

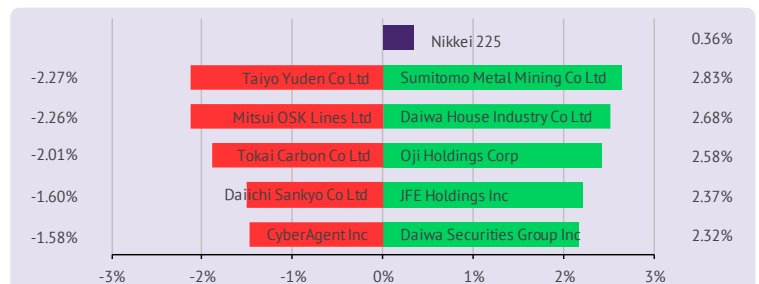
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Asian Market ▲

Trading mostly higher

Asian markets are trading mostly firmer this morning. The Nikkei 225 Index is trading 0.4% higher at 22,574.67.



USD ZAR ▲

USD trading weaker against ZAR

At 06:00 SAST, the US Dollar is trading 0.2% lower against the South African Rand at R14.7583. Amid no major economic news in the US today, market sentiment will be determined by global macroeconomic news.

The US Dollar fell against the South African Rand on Friday. On the macro front, the US leading indicator declined for a second consecutive month in September. Separately, the South African Rand rose against the US Dollar, after the South African government unveiled a long-delayed plan for electricity generation to address power cuts.

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GBP ZAR ▲

GBP trading lower against ZAR

At 06:00 SAST, the British Pound retreated 0.7% against the South African Rand to trade at R19.0582, amid concerns around Brexit delay. With no major economic news in the UK today, investor sentiment will be determined by any developments surrounding Brexit. Data indicated that UK's Rightmove house price index rebounded on a monthly basis in October.

The British Pound advanced against the South African Rand on Friday.

EUR ZAR ▲

EUR trading weaker against ZAR

At 06:00 SAST, the Euro is trading 0.3% lower against the South African Rand at R16.4703. Going forward, market participants will keep a tab on Germany's producer price index for further direction.

The Euro strengthened against the South African Rand on Friday. On the data front, Eurozone's current account surplus widened less than market expectations in August.

AUD ZAR ▼

AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar is trading marginally firmer against the South African Rand at R10.1297. Separately, in China, Australia's largest trading partner, the house prices growth slowed in September.

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

Key currencies & commodities

	Current#		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	14.7583	▲	-0.29	NA	-2.28	-0.39	3.10
GBPZAR	19.0582	▲	0.32	NA	3.08	0.78	4.72
EURZAR	16.4703	▲	0.07	NA	0.11	-1.13	0.34
AUDZAR	10.1297	▼	0.04	NA	-0.89	-0.10	0.03
EURUSD	1.1161	▼	0.38	NA	2.46	-0.76	-2.62
GBPUSD	1.2914	▼	0.72	NA	5.66	1.09	1.80
Brent (\$/barrel)	59.2	▼	-0.82	NA	0.29	0.00	10.45
Gold (\$/oz)	1493.8	▲	-0.27	NA	1.54	-3.76	16.15
Platinum (\$/oz)	892.3	▼	0.37	NA	1.01	-5.18	12.11
Copper (\$/MT)*	5784.8	▲	1.26	NA	1.57	0.70	-2.76

*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 \$1,493.80/oz.

On Friday, gold prices fell 0.3% to close at \$1,488.20/oz, as continued optimism over US-China trade deal and Brexit developments dented demand for the safe have asset.

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Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 0.3% lower to trade at \$59.22/bl.

On Friday, Brent crude oil dropped 0.8% to settle at \$59.42/bl, as concerns over China's economic growth raised worries about energy demand. Moreover, Baker Hughes reported that US oil rig count rose by 1 to 713 last week.

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Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices marginally retreated to trade at \$892.30/oz.

On Friday, platinum prices climbed 0.4% to close at \$892.30/oz.

Major South African corporate news

Old Mutual Limited

The company announced the resignation of Ms. Karabo Morule as Managing Director, with effect from 18 October 2019. She will remain in her role for three months to assist with the transition to an internal successor.

Major global economic news

Asia

In Japan, adjusted total merchandise trade deficit narrowed to JPY97.20bn in September, compared to a deficit of JPY130.80bn in the previous month.

In China, house prices rose 8.4% on an annual basis in September, compared to a rise of 8.8% in the prior month.

Eurozone

In the Eurozone, seasonally adjusted current account surplus widened to EUR26.60bn in August, less than market forecast and compared to a revised surplus of EUR22.00bn in the prior month.

US

In the US, leading indicator slid 0.1% on a monthly basis in September. In the prior month, leading indicator had registered a revised drop of 0.2%.

UK

In the UK, the Rightmove house price index climbed 0.6% on a monthly basis in October, compared to a drop of 0.2% in the previous month.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
UK	01:01	Rightmove House Price Index (MoM) (Oct)	✓	0.60%*	-0.20%	Monthly
UK	01:01	Rightmove House Price Index (YoY) (Oct)	✓	-0.20%*	0.20%	Monthly
Japan	01:50	Adjusted Merchandise Trade Balance (Sep)	✓✓✓	-JPY97.20bn*	-JPY130.80bn	Monthly
Japan	01:50	Exports (YoY) (Sep)	✓✓	-5.20%*	-8.20%	Monthly
Japan	01:50	Merchandise Trade Balance Total (Sep)	✓✓✓	-JPY123.00bn*	-JPY136.30bn	Monthly
Japan	06:30	All Industry Activity Index (MoM) (Aug)	✓✓✓	0.00%*	0.20%	Monthly
Germany	08:00	Producer Price Index (MoM) (Sep)	✓✓✓	-	-0.50%	Monthly
Germany	08:00	Producer Price Index (YoY) (Sep)	✓✓✓	-	0.30%	Monthly
Japan	09:00	Convenience Store Sales (YoY) (Sep)	✓	-	0.80%	Monthly
Switzerland	09:00	M3 Money Supply (YoY) (Sep)	✓	-	2.70%	Monthly
Greece	10:00	Current Account (Aug)	✓	-	EUR1.28bn	Monthly
Germany	12:00	German Buba Monthly Report	✓	-	-	As scheduled
UK	17:00	BoE's Haldane speech	✓✓	-	-	As scheduled

Note: ✓✓✓High ✓✓Medium ✓Low

40 best performers on the All Share Index

Company name	Last close	1 Week % change	MTD % change	YTD % change
Impala Platinum Holdings Ltd	10253	-0.46	7.61	179.53
Sibanye Gold Ltd	2581	10.54	23.02	157.58
Northam Platinum Ltd	9983	3.76	20.10	130.77
Anglo American Platinum Ltd	107540	-2.56	17.78	104.74
Harmony Gold Mining Co Ltd	4696	6.46	8.45	86.35
AngloGold Ashanti Ltd	30670	3.57	7.96	69.56
Gold Fields Ltd	8269	2.21	8.63	69.33
Royal Bafokeng Platinum Ltd	4202	0.77	7.74	68.92
Cartrack Holdings Ltd	2375	-2.06	20.25	67.15
Allied Electronics Corp Ltd	2631	0.69	3.58	48.86
Kumba Iron Ore Ltd	35952	-7.37	-3.99	42.13
Clover Industries Ltd	2494	0.00	0.52	38.76
Transaction Capital Ltd	2288	3.39	3.30	36.37
Pioneer Foods Group Ltd	10749	0.46	1.40	33.56
Investec Australia Property Fund	1580	-1.43	0.32	32.99
Distell Group Holdings Ltd	13700	-0.81	0.74	31.73
Clicks Group Ltd	24446	-2.02	13.71	30.26
Sirius Real Estate Ltd	1391	0.29	-0.50	30.01
Quilter Plc	2747	6.27	7.47	29.85
Bid Corp Ltd	33350	-1.62	3.56	28.50
Pan African Resources Plc	205	-2.84	-5.53	28.13
Resilient REIT Ltd	6659	-0.61	2.76	27.40
Metair Investments Ltd	2370	3.09	3.04	26.93
DataTec Ltd	3347	2.83	0.24	26.10
Lighthouse Capital Ltd	856	0.71	6.73	25.90
Reinet Investments SCA	26717	0.82	-2.67	23.91
Spur Corp Ltd	2601	-2.03	9.42	23.77
AECI Ltd	9630	-2.86	0.35	21.93
Capitec Bank Holdings Ltd	135017	0.22	4.87	21.76
NEPI Rockcastle Plc	12800	-1.00	0.01	21.68
Mediclinic International Plc	7197	11.03	16.74	21.54
Fortress REIT Ltd	2051	-0.34	-0.44	21.25
Alexander Forbes Group Holdings Ltd	557	0.91	-0.54	20.91
Naspers Ltd	229933	1.36	0.19	20.34
Cie Financiere Richemont SA	10964	2.80	-1.83	20.14
Stenprop Ltd	2031	1.50	4.96	18.52
Anglo American Plc	36240	-1.45	3.03	17.95
Equites Property Fund Ltd	2198	3.05	7.22	17.54
Liberty Holdings Ltd	12046	0.90	7.17	17.24
Ascendis Health Ltd	485	15.75	14.12	16.59
JSE All Share Index	55723	0.33	1.64	5.66

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