

# ONE Minute Brief

22 October 2019

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## Economic and political news

The National Treasury confirmed that South Africa's (SA) Medium-Term Budget Policy Statement (MTBPS) will be presented to lawmakers on 30 October 2019.

Eskom stated that it has filed a case against Deloitte Consulting to recover more than ZAR207mn which the audit firm allegedly secured improperly in 2016.

Yesterday, Johannesburg Mayor, Herman Mashaba, resigned from his position and as a member of the Democratic Alliance.

President, Cyril Ramaphosa, stated that the government will soon appoint a permanent Chief Executive Officer for Eskom.

Eskom assured that its Hendrina Power Station which suffered a "multi-unit trip" yesterday, would not result in further electricity cuts.

Separately, Eskom announced that Medupi power station manager Rudi van der Wal has resigned to take up another job.

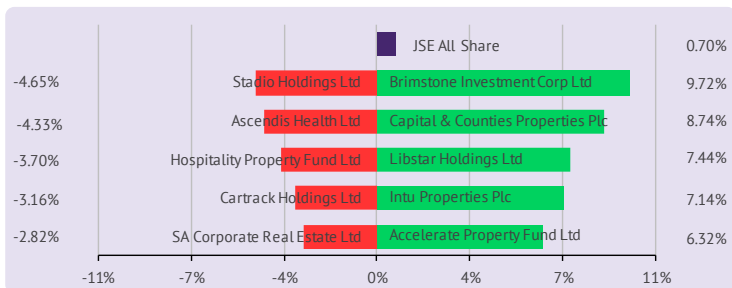
The Gauteng North High Court has postponed the delinquency case against former South African Airways (SAA) board chair Dudu Myeni to 25 November.

## South Africa Market ▲

### South African markets closed higher

South African markets closed in the green yesterday, boosted by gains in resource and banking sector stocks. The JSE All Share Index rose 0.7% to close at 56,110.78.

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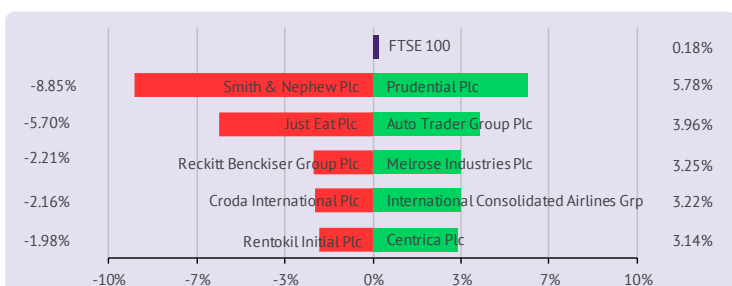


## UK Market ▲

### UK markets closed in the green

UK markets finished higher yesterday, after the British Parliament voted to request the European Union for a three-month Brexit delay. The FTSE 100 Index advanced 0.2% to close at 7,163.64. Today, the FTSE 100 futures are trading in positive territory.

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## Key indices

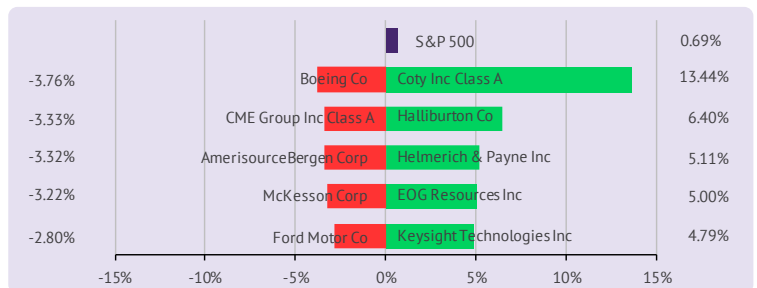
	As at 21 Oct 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	56110.78	▲ 387.99	0.70	0.70	2.35	-0.79	6.40
JSE Top 40 (ZAR)	49834.61	▲ 323.71	0.65	0.65	2.09	-1.03	6.65
FTSE 100 (GBP)	7163.64	▲ 13.07	0.18	0.18	-3.30	2.79	6.47
DAX 30 (EUR)	12747.96	▲ 114.36	0.91	0.91	2.57	4.09	20.73
CAC 40 (EUR)	5648.35	▲ 12.10	0.21	0.21	-0.52	3.60	19.40
S&P 500 (USD)	3006.72	▲ 20.52	0.69	0.69	1.01	1.72	19.94
Nasdaq Composite (USD)	8162.99	▲ 73.44	0.91	0.91	2.05	0.46	23.02
DJIA (USD)	26827.64	▲ 57.44	0.21	0.21	-0.33	1.95	15.00
MSCI Emerging Markets (USD)	1028.51	▲ 4.48	0.44	0.44	2.75	1.69	6.48
MSCI Developed World (USD)	2209.34	▲ 14.06	0.64	0.64	1.35	1.94	17.27

## US Market ▲

### US markets closed firmer

US markets closed higher yesterday, amid optimism over US-China trade talks as well as buoyant corporate earnings report. The S&P 500 Index climbed 0.7% to close at 3,006.72. Today, the S&P 500 futures are trading in the green.

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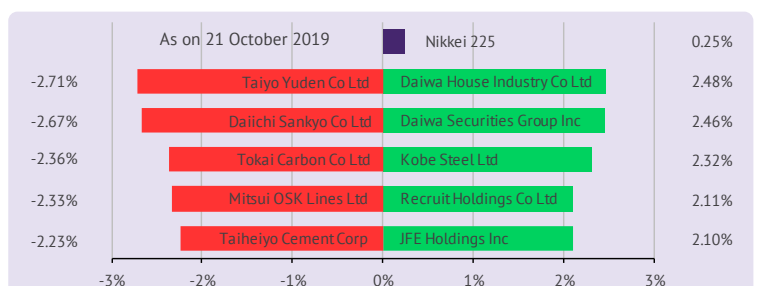


## Asian Market ▲

### Trading mostly higher

Asian markets are trading mostly higher this morning, amid US-China trade deal hopes. Markets in Japan are closed today on account of a public holiday.

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## USD ZAR ▼

### USD trading higher against ZAR

At 06:00 SAST, the US Dollar climbed 0.1% against the South African Rand to trade at R14.7690. Later today, traders will keep a close watch on the US existing home sales and the Richmond Fed manufacturing index for further indication.

The US Dollar fell against the South African Rand yesterday.

## GBP ZAR ▼

### GBP trading stronger against ZAR

At 06:00 SAST, the British Pound is trading 0.2% higher against the South African Rand at R19.1716. Ahead in the day, traders will keep an eye on UK's public sector net borrowing and CBI total trend orders for further direction.

The British Pound declined against the South African Rand yesterday.

## EUR ZAR ▼

### EUR trading firmer against ZAR

At 06:00 SAST, the Euro is trading 0.1% higher against the South African Rand at R16.4664. Amid no major economic releases across the Eurozone today, market sentiment will be determined by global macroeconomic news.

The Euro weakened against the South African Rand yesterday. On the data front, Germany's producer price index (PPI) fell less than market expectations on an annual basis in September.

## AUD ZAR ▼

### AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar rose 0.2% against the South African Rand to trade at R10.1517.

The Australian Dollar fell against the South African Rand yesterday.

## Key currencies & commodities

	Current#		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	14.7690	▼	-0.21	-0.21	-2.49	-0.39	2.88
GBPZAR	19.1716	▼	-0.31	-0.31	2.77	0.78	4.40
EURZAR	16.4664	▼	-0.35	-0.35	-0.24	-1.13	0.00
AUDZAR	10.1517	▼	0.10	0.10	-0.79	-0.10	0.13
EURUSD	1.1149	▼	-0.15	-0.15	2.30	-0.76	-2.76
GBPUSD	1.2980	▲	-0.18	-0.18	5.46	1.09	1.62
Brent (\$/barrel)	59.0	▼	-0.77	-0.77	-0.49	0.00	9.59
Gold (\$/oz)	1487.3	▲	-0.39	-0.39	1.14	-3.76	15.69
Platinum (\$/oz)	888.5	▼	-0.43	-0.43	0.58	-5.18	11.63
Copper (\$/MT)*	5804.3	▲	0.34	0.34	1.91	0.70	-2.43

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

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices edged 0.3% higher to trade at \$1,487.30/oz.

Yesterday, gold prices fell 0.4% to close at \$1,482.40/oz, as investors' appetite for riskier assets improved on hopes of US-China trade agreement.

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## Brent Crude Oil ▼

### Trading weaker

At 06:00 SAST, Brent crude oil marginally declined to trade at \$58.96/bl.

Yesterday, Brent crude oil dropped 0.8% to settle at \$58.96/bl, amid continued worries over demand for oil.

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## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices marginally retreated to trade at \$888.50/oz.

Yesterday, platinum prices declined 0.4% to close at \$888.50/oz.

## Major South African corporate news

### Cashbuild Limited
















In its 1Q20 operational update, the company announced that revenues rose 2.0% compared to corresponding period of the previous year. During the quarter, the group added three new stores, refurbished one store and closed one store at the expiration of its lease agreement, bringing the total number of stores trading at the end of the quarter to 317.

## Major global economic news

### Eurozone

In Germany, the PPI dropped 0.1% on a yearly basis in September, less than market forecast. The PPI had climbed 0.3% in the prior month.

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus	Previous	Frequency
 South Africa	09:00	Leading Indicator (Aug)	✓	-	103.90	Monthly
 Spain	10:00	Trade Balance (Aug)	✓✓✓	-	-EUR2.49bn	Monthly
 Eurozone	10:00	ECB Bank Lending Survey	✓✓✓	-	-	As scheduled
 UK	10:30	Public Sector Net Cash Requirement (Sep)	✓✓	-	GBP6.40bn	Monthly
 UK	10:30	Public Sector Net Borrowing (Sep)	✓✓	GBP8.70bn	GBP5.77bn	Monthly
 UK	12:00	CBI Trends Selling Prices (Oct)	✓✓	-	12.00	Monthly
 UK	12:00	CBI Business Optimism (10)	✓	-	-32.00	Quarterly
 UK	12:00	CBI Industrial Trends Survey - Orders (Oct)	✓	-23.00	-28.00	Monthly
 Canada	14:30	Retail Sales (MoM) (Aug)	✓✓	-	0.40%	Monthly
 Canada	14:30	Retail Sales ex Autos (MoM) (Aug)	✓	-0.30%	-0.10%	Monthly
 US	14:55	Redbook Index (YoY) (18-Oct)	✓	-	4.10%	Weekly
 US	14:55	Redbook Index s.a. (MoM) (18-Oct)	✓	-	-0.20%	Weekly
 US	16:00	Richmond Fed Manufacturing Index (Oct)	✓	-14.00	-9.00	Monthly
 US	16:00	Existing Home Sales (Sep)	✓✓✓	5.45mn	5.49mn	Monthly
 US	16:00	Existing Home Sales (MoM) (Sep)	✓✓✓	0.10%	1.30%	Monthly

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

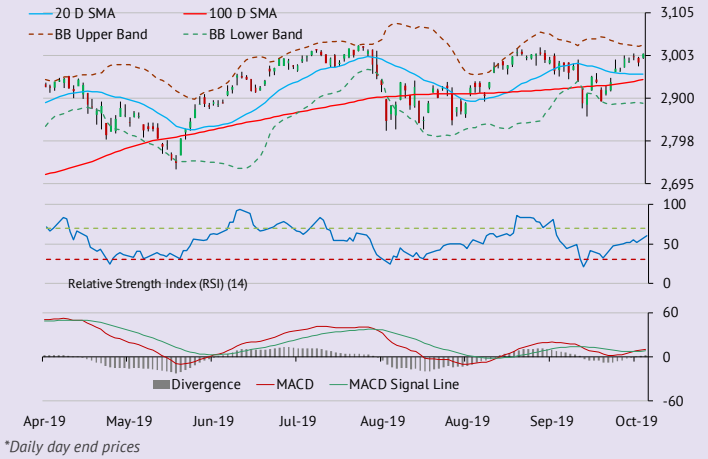
## Technical snapshot

### JSE All Share



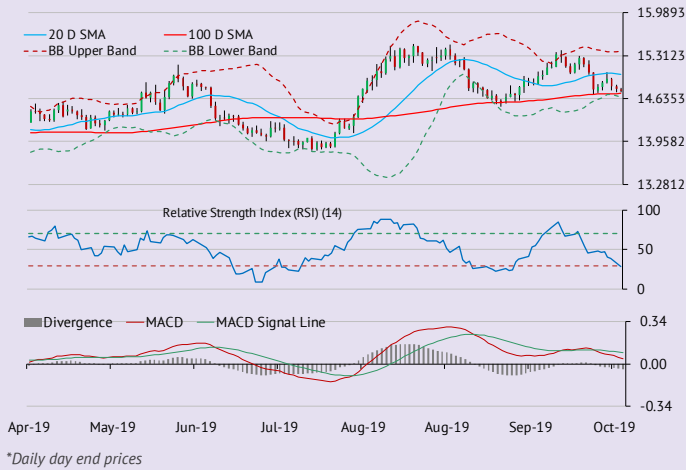
The JSE All Share index is expected to find support at 55,361.06, and a fall through could take it to the next support level of 54,611.34. The index is expected to find its first resistance at 56,718.65, and a rise through could take it to the next resistance level of 57,326.52.

### S&P 500



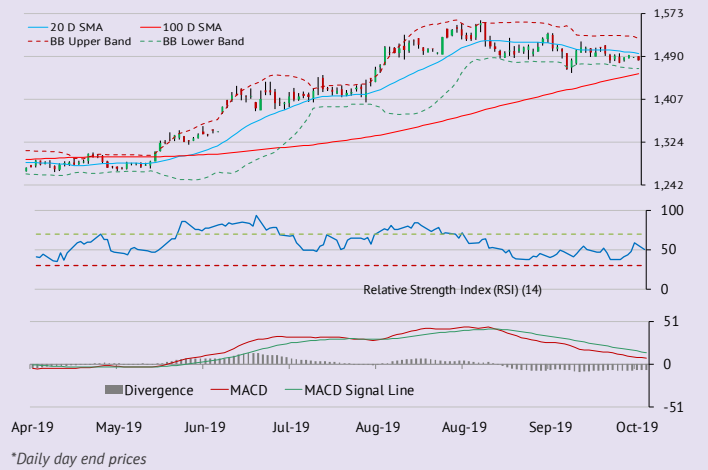
The S&P 500 index is expected to find support at 2,984.12, and a fall through could take it to the next support level of 2,961.53. The index is expected to find its first resistance at 3,018.80, and a rise through could take it to the next resistance level of 3,030.89.

### USD ZAR



The pair is expected to find support at 14.6437, and a fall through could take it to the next support level of 14.5280. The pair is expected to find its first resistance at 14.9650, and a rise through could take it to the next resistance level of 15.1706.

### XAU USD



Gold is expected to find support at \$1,474.20/oz, and a fall through could take it to the next support level of \$1,466.00/oz. The precious metal is expected to find its first resistance at \$1,493.00/oz, and a rise through could take it to the next resistance level of \$1,503.60/oz.

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