

ONE Minute Brief

11 November 2019

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Economic and political news

News reports indicate that France is planning to provide financial support to Eskom.

According to a news report, former President, Jacob Zuma, has not provided the commission of inquiry into state capture with any proof of his illness, after his lawyers indicated that he was unwell and would not appear before the commission.

News reports indicate that President, Cyril Ramaphosa, is planning to send the Copyright Amendment Bill back to the parliament, amid fears that if passed the US could suspend South Africa (SA) from a trade-preference programme.

President, Cyril Ramaphosa, has prevented Eskom from cutting the electricity supply to commuter train lines, due to unpaid bills by the Passenger Rail Agency of SA (Prasa).

VBS Mutual Bank liquidator, Anoosh Rooplal, stated that municipalities, the South African Reserve Bank (SARB) and the Public Investment Corporation have lodged claims against the bank.

Key indices

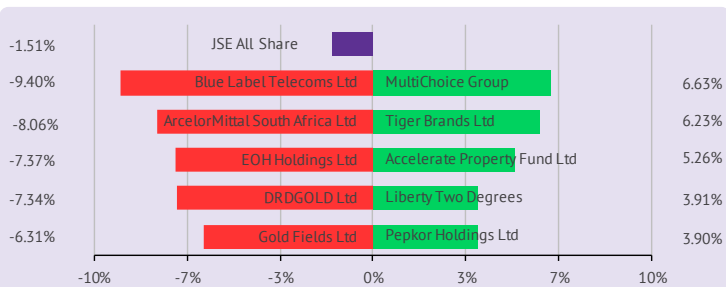
	As at 08 Nov 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	56617.02	▼ -865.98	-1.51	NA	0.34	2.92	7.36
JSE Top 40 (ZAR)	50406.94	▼ -816.40	-1.59	NA	0.48	2.78	7.88
FTSE 100(GBP)	7359.38	▼ -47.03	-0.63	NA	1.53	-2.16	9.38
DAX 30 (EUR)	13228.56	▼ -60.90	-0.46	NA	2.81	3.53	25.28
CAC 40 (EUR)	5889.70	▼ -1.29	-0.02	NA	2.79	0.92	24.50
S&P 500 (USD)	3093.08	▲ 7.90	0.26	NA	1.83	2.04	23.39
Nasdaq Composite (USD)	8475.31	▲ 40.80	0.48	NA	2.21	3.66	27.73
DJIA (USD)	27681.24	▲ 6.44	0.02	NA	2.35	0.48	18.66
MSCI Emerging Markets (USD)	1064.85	▼ -8.73	-0.81	NA	2.19	4.09	10.24
MSCI Developed World (USD)	2268.83	▲ 2.14	0.09	NA	1.58	2.45	20.43

South Africa Market ▼

South African markets closed lower

South African markets closed in the red on Friday, weighed down by losses in industrial and mining sector stocks. The JSE All Share Index fell 1.5% to close at 56,617.02.

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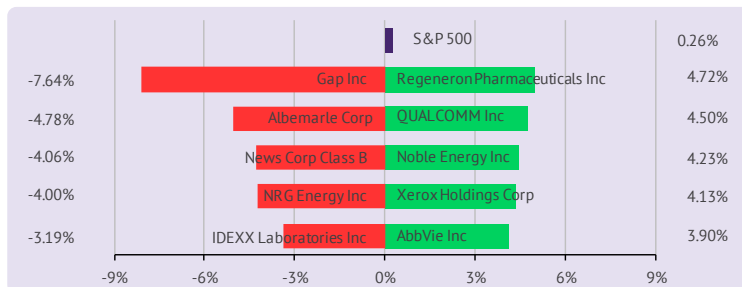


US Market ▲

US markets closed firmer

US markets closed higher on Friday, boosted by gains in technology and healthcare sector stocks. Data indicated that the US consumer sentiment index slightly improved in November. The S&P 500 Index climbed 0.3% to close at 3,093.08. Today, the S&P 500 futures are trading in the red.

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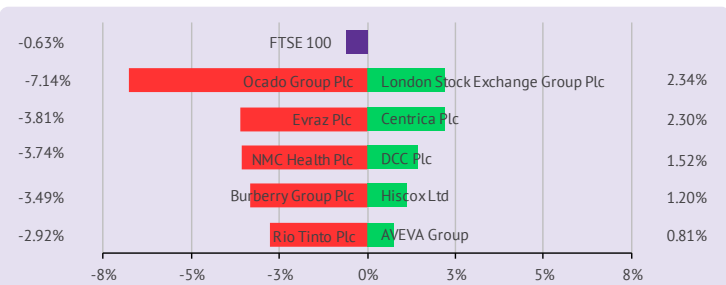


UK Market ▼

UK markets closed in the red

UK markets finished lower on Friday, losing its five-day winning streak, amid uncertainty over US-China trade deal and led by losses in mining sector stocks. The FTSE 100 Index declined 0.6% to close at 7,359.38. Today, the FTSE 100 futures are trading in negative territory.

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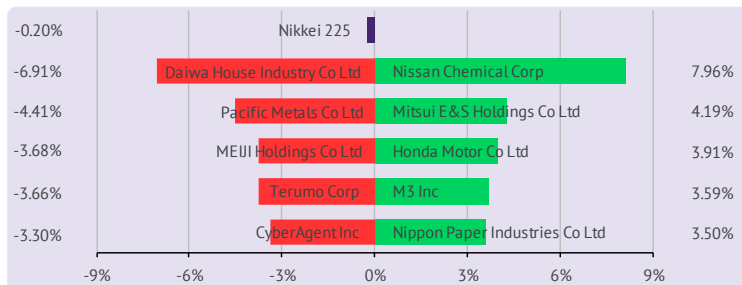


Asian Market ▼

Trading lower

Asian markets are trading lower this morning, as geopolitical tensions resurfaced in Hong Kong. The Nikkei 225 Index is trading 0.2% lower 23,344.25.

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USD ZAR ▼

USD trading higher against ZAR

At 06:00 SAST, the US Dollar is trading 0.3% firmer against the South African Rand at R14.8948. With no major economic releases in the US today, investor sentiment will be determined by global macroeconomic news.

The US Dollar rose against the South African Rand on Friday. On the data front, the US Michigan consumer sentiment index rose less than market expectations in November.

GBP ZAR ▼

GBP trading stronger against ZAR

At 06:00 SAST, the British Pound is trading 0.3% firmer against the South African Rand at R19.0439. Ahead in the day, traders will keep an eye on UK's gross domestic product, trade balance, industrial and manufacturing production for further indication.

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

EUR ZAR ▼

EUR trading higher against ZAR

At 06:00 SAST, the Euro rose 0.4% against the South African Rand to trade at R16.4181. Amid no major economic releases across the Eurozone today, market sentiment will be determined by global macroeconomic news.

The Euro strengthened against the South African Rand on Friday. On the macro front, Germany's trade surplus widened in September. Moreover, current account surplus widened more than market anticipations in September.

AUD ZAR ▼

AUD trading stronger against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.2% higher against the South African Rand at R10.2094. Separately, in China, Australia's largest trading partner, the consumer price index (CPI) climbed more than market expectations on a yearly basis in October. Meanwhile, the nation's annual producer price index (PPI) declined more than market forecast in October.

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	14.8948	▼	0.75	NA	-1.64	-0.23	3.53
GBPZAR	19.0439	▼	0.47	NA	-2.83	4.97	3.62
EURZAR	16.4181	▼	0.40	NA	-2.88	2.09	-0.62
AUDZAR	10.2094	▼	0.24	NA	-2.06	1.86	0.69
EURUSD	1.1023	▲	-0.29	NA	-1.20	2.32	-3.92
GBPUSD	1.2790	▲	-0.34	NA	-1.30	5.31	0.16
Brent (\$/barrel)	62.0	▼	0.35	NA	4.85	0.62	16.19
Gold (\$/oz)	1462.6	▼	-0.24	NA	-3.43	3.35	14.17
Platinum (\$/oz)	888.7	▼	-2.29	NA	-4.35	5.69	12.21
Copper (\$/MT)*	5910.8	▼	-0.93	NA	2.45	1.30	-0.64

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

Gold ▼

Trading in the red

At 06:00 SAST, gold prices edged slightly lower to trade at \$1,462.60/oz.

On Friday, gold prices fell 0.2% to close at \$1,462.90/oz, on optimism about progress on the US-China trade deal.

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Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil dropped 0.9% to trade at \$61.95/bl, amid renewed worries over the US-Sino trade agreement.

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On Friday, Brent crude oil advanced 0.4% to settle at \$62.51/bl, after Baker Hughes reported that US oil rig count fell by 7 to 684 for the week ended 08 November 2019.

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Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged 0.5% lower to trade at \$888.70/oz.

On Friday, platinum prices dropped 2.3% to close at \$893.10/oz.

Major South African corporate news

Cie Financiere Richemont SA

In its 1H19 results, the company announced that revenues increased to EUR7.40bn from EUR6.81bn posted in the corresponding period of the previous year. Its diluted EPS fell 61.6% to EUR1.53 from EUR4.00 posted in the same period of the prior year.

Gold Fields Limited

In its 3Q19 operational performance update, the company indicated that gold production fell to 523.00koz, compared to 533.00koz in the same period of the prior year. Revenues excluding Asanko, increased to USD1,469.00/oz compared with USD1,184.00/oz last year.

Reunert Limited

The industrial company, in its FY19 operational update and trading statement, indicated that EPS is expected to be between 466.00c and 515.00c. Further, HEPS is likely to be in the range of 544.00c to 602.00c.

Steinhoff International Holdings

The company, in an update on developments since the implementation of its financial restructuring in August 2019, announced that it is considering and evaluating a range of strategic options for the Pepco Group, including a potential public listing. This process remains in its early stages and no definitive decision has been taken with respect to any specific course of action at this point.

Tiger Brands Limited

The company announced that as part of the strategic review conducted by the Board in 2017, the role of Value Added Meat Products within the group's portfolio had been earmarked for further evaluation, given the business' unique value chain and the perishable nature of its underlying products. Further, all formalities relating to the closure of Deli Foods in Nigeria are expected to be completed within the next few months. The impact of the closure of Deli Foods on Tiger Brands' net asset value and HEPS is not material.

Major global economic news

Asia

In China, the CPI rose 3.8% on an annual basis in October. The CPI had recorded a rise of 3.0% in the previous month.

In China, the PPI fell 1.6% on a yearly basis in October, compared to a drop of 1.20% in the previous month.

In Japan, non-seasonally adjusted current account surplus narrowed to JPY1612.90bn in September. Japan had posted a surplus of JPY2157.70bn in the previous month.

In Japan, trade surplus (BOP basis) unexpectedly narrowed to JPY1.10bn in September, following a surplus of JPY50.90bn in the prior month.

Eurozone

In Germany, seasonally adjusted trade surplus widened to EUR19.20bn in September, compared to a revised surplus of EUR18.70bn in the previous month.

In Germany, non-seasonally adjusted current account surplus widened to EUR25.50bn in September, more than market expectations and compared to a surplus of EUR16.90bn in the prior month.

US

In the US, the flash Michigan consumer sentiment index advanced less-than-expected to a level of 95.70 in November. In the previous month, the index had recorded a level of 95.50.

40 best performers on the All Share Index

Company name	Last close	1 Week % change	MTD % change	YTD % change
Impala Platinum Holdings Ltd	10635	-1.15	2.41	189.94
Sibanye Gold Ltd	2677	-5.61	-8.16	167.17
Northam Platinum Ltd	10400	0.97	1.96	140.41
Anglo American Platinum Ltd	112507	-0.57	-0.23	114.20
Cartrack Holdings Ltd	2700	-3.61	3.81	90.02
Harmony Gold Mining Co Ltd	4589	-10.86	-12.24	82.10
Royal Bafokeng Platinum Ltd	4254	-3.34	-3.30	71.01
Gold Fields Ltd	7645	-16.58	-17.74	56.55
AngloGold Ashanti Ltd	28300	-12.72	-14.34	56.45
Kumba Iron Ore Ltd	36514	-1.36	-0.77	44.35
Clover Industries Ltd	2494	0.00	0.00	38.76
DataTec Ltd	3680	1.52	2.48	38.64
Allied Electronics Corp Ltd	2403	-4.45	-5.09	35.96
Pioneer Foods Group Ltd	10900	0.61	1.20	35.43
Bid Corp Ltd	34917	-0.80	-0.95	34.54
Clicks Group Ltd	25000	2.46	1.72	33.21
Transaction Capital Ltd	2230	1.36	1.13	32.92
Capitec Bank Holdings Ltd	145005	5.15	5.61	31.49
Lighthouse Capital Ltd	890	-1.77	-5.32	30.90
Investec Australia Property Fund	1555	-4.37	-4.31	30.88
Distell Group Holdings Ltd	13585	0.25	1.26	30.63
Sirius Real Estate Ltd	1396	-2.65	-1.69	30.48
Spur Corp Ltd	2700	1.85	0.04	28.48
Resilient REIT Ltd	6714	0.81	-0.27	28.45
Quilter Plc	2711	0.22	1.35	28.15
Pan African Resources Plc	205	-15.64	-14.58	28.13
Reinet Investments SCA	27582	-2.19	-2.73	27.92
Metair Investments Ltd	2377	-3.18	-3.18	27.31
Anglo American Plc	39053	-1.05	1.02	27.11
AECI Ltd	9990	2.85	2.30	26.49
Fortress REIT Ltd	2085	-0.67	-0.76	23.26
Libstar Holdings Ltd	839	4.22	5.27	23.17
Stenprop Ltd	2101	-4.02	-6.58	22.60
British American Tobacco Plc	54550	2.20	2.87	22.41
NEPI Rockcastle Plc	12800	-1.55	-2.66	21.68
Cie Financiere Richemont SA	11077	-7.48	-6.66	21.38
Mediclinic International Plc	7139	1.05	0.58	20.56
BHP Group Plc	32755	0.68	2.13	20.34
Tradehold Ltd	1149	-2.63	2.22	19.82
Alexander Forbes Group Holdings Ltd	548	5.38	6.00	18.95
JSE All Share Index	56617	-0.06	0.34	7.36

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	01:50	Machinery Orders (MoM) (Sep)	✓	-2.90%*	-2.40%	Monthly
Japan	01:50	Machinery Orders (YoY) (Sep)	✓✓	5.10%*	-14.50%	Monthly
Japan	01:50	Adjusted Current Account Total (Sep)	✓	JPY1485.20bn*	JPY1720.30bn	Monthly
Japan	01:50	Current Account n.s.a. (Sep)	✓	JPY1612.90bn*	JPY2157.70bn	Monthly
Japan	01:50	Trade Balance - BOP Basis (Sep)	✓✓✓	JPY1.10bn*	JPY50.90bn	Monthly
Japan	07:00	Eco Watchers Survey: Current (Oct)	✓✓	47.10	46.70	Monthly
Japan	07:00	Eco Watchers Survey: Outlook (Oct)	✓✓	41.30	36.90	Monthly
UK	11:30	Index of Services (MoM) (Sep)	✓	-	0.40%	Monthly
UK	11:30	Construction Output s.a. (YoY) (Sep)	✓	-	2.40%	Monthly
UK	11:30	Private Consumption (QoQ) (Q3) (P)	✓	-	0.60%	Quarterly
UK	11:30	Gross Fixed Capital Formation (Q3) (P)	✓	-	1.20%	Quarterly
UK	11:30	Government Spending (Q3) (P)	✓	-	0.80%	Quarterly
UK	11:30	Exports (QoQ) (Q3) (P)	✓	-	1.50%	Quarterly
UK	11:30	Imports (QoQ) (Q3) (P)	✓	-	10.80%	Quarterly
UK	11:30	Trade Balance; non-EU (Sep)	✓✓✓	-GBP3.84bn	-GBP2.21bn	Monthly
UK	11:30	Index of Services (3M/3M) (Sep)	✓	0.40%	0.40%	Monthly
UK	11:30	Industrial Production (YoY) (Sep)	✓✓✓	-0.90%	-1.80%	Monthly
UK	11:30	Total Business Investment (YoY) (Q3) (P)	✓	-1.80%	-1.40%	Quarterly
UK	11:30	Manufacturing Production (MoM) (Sep)	✓✓✓	0.60%	-0.70%	Monthly
UK	11:30	Industrial Production (MoM) (Sep)	✓✓✓	-0.40%	-0.60%	Monthly
UK	11:30	Gross Domestic Product s.a. (YoY) (Q3) (P)	✓✓✓	1.20%	1.30%	Quarterly
UK	11:30	Visible Trade Balance (Sep)	✓✓✓	-GBP11.89bn	-GBP9.81bn	Monthly
UK	11:30	Total Business Investment (QoQ) (Q3) (P)	✓	0.30%	-0.40%	Quarterly
UK	11:30	Gross Domestic Product s.a. (QoQ) (Q3) (P)	✓✓✓	-0.20%	-0.20%	Quarterly
UK	11:30	Manufacturing Production (YoY) (Sep)	✓✓✓	-0.70%	-1.70%	Monthly
US	15:15	Fed's Rosengren speech	✓✓	-	-	As scheduled

Note: ✓✓✓High ✓✓Medium ✓Low

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