

# ONE Minute Brief

12 November 2019

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## Economic and political news

South African Revenue Service (Sars) Commissioner, Edward Kieswetter, has lodged a legal application to stop Public Protector, Busisiwe Mkhwebane, from obtaining former President, Jacob Zuma's tax information.

While warning that the probability of load shedding this week remains high, Eskom has indicated that it will only be implemented "if absolutely necessary".

The President of the African Development Bank (AfDB), Akinwumi Adesina, stated that Eskom must be fixed because energy security in the region largely depends on it.

Parliament's justice & correctional services portfolio committee aims to wind up the case relating to the dismissal of former senior National Prosecuting Authority (NPA) officials, Nomgcobo Jiba and Lawrence Mrwebi, by next week.

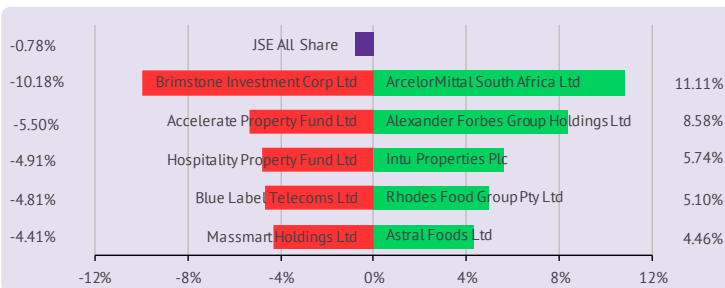
The Special Investigating Unit's (SIU) Special Tribunal announced that it has received its first batch of cases to initiate with civil proceedings against government departments and state organisations to recover the money stolen from the state.

## South Africa Market

### South African markets closed lower

South African markets closed in the red yesterday, led by losses in retail and resource sector stocks. The JSE All Share Index fell 0.8% to close at 56,174.93.

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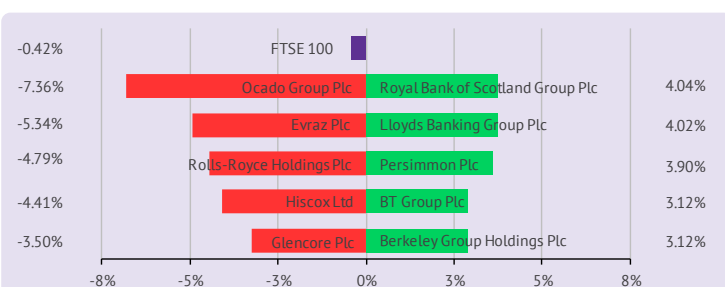


## UK Market

### UK markets closed in the red

UK markets finished lower yesterday, amid strength in the British Pound and escalation in protests in Hong Kong. Data revealed that UK's gross domestic product (GDP) rose less than market forecast on a quarterly basis in 3Q19. The FTSE 100 Index declined 0.4% to close at 7,328.54. Today, the FTSE 100 futures are trading in negative territory.

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## Key indices

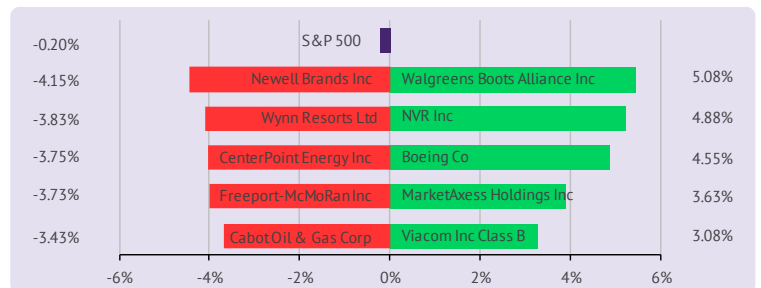
	As at 11 Nov 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	56174.93	▼ -442.09	-0.78	-0.78	-0.44	2.92	6.52
JSE Top 40 (ZAR)	49976.02	▼ -430.92	-0.85	-0.85	-0.38	2.78	6.95
FTSE 100 (GBP)*	7328.54	▼ -30.84	-0.42	-0.42	1.11	-2.16	8.92
DAX 30 (EUR)	13198.37	▼ -30.19	-0.23	-0.23	2.58	3.53	25.00
CAC 40 (EUR)	5893.82	▲ 4.12	0.07	0.07	2.86	0.92	24.59
S&P 500 (USD)*	3087.01	▼ -6.07	-0.20	-0.20	1.63	2.04	23.14
Nasdaq Composite (USD)	8464.28	▼ -11.04	-0.13	-0.13	2.07	3.66	27.56
DJIA (USD)*	27691.49	▲ 10.25	0.04	0.04	2.39	0.48	18.71
MSCI Emerging Markets (USD)	1052.88	▼ -11.96	-1.12	-1.12	1.05	4.09	9.00
MSCI Developed World (USD)	2266.36	▼ -2.47	-0.11	-0.11	1.47	2.45	20.30

## US Market

### US markets closed weaker

US markets closed lower yesterday, amid rising worries over US-China trade deal and political unrest in Hong Kong. The S&P 500 Index dropped 0.2% to close at 3,087.01. Today, the S&P 500 futures are trading in the red.

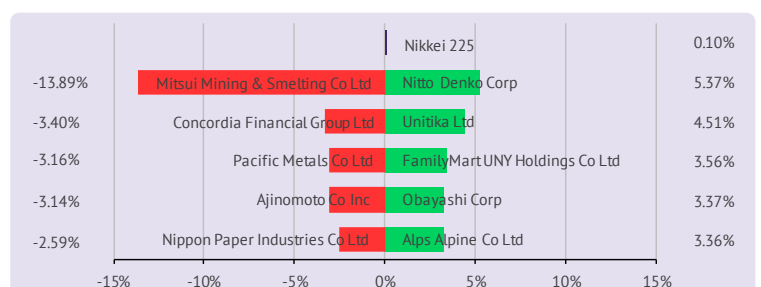
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## Asian Market

### Trading mixed

Asian markets are trading mixed this morning. The Nikkei 225 Index is trading 0.1% higher at 23,355.45.



## USD ZAR ▼

### USD trading higher against ZAR

At 06:00 SAST, the US Dollar gained 0.1% against the South African Rand to trade at R14.8966. Later today, traders will keep a close watch on the US NFIB business optimism index for further direction.

The US Dollar rose against the South African Rand yesterday.

## GBP ZAR ▼

### GBP trading stronger against ZAR

At 06:00 SAST, the British Pound is trading 0.1% firmer against the South African Rand at R19.1505. Ahead in the day, traders will keep an eye on UK's ILO unemployment rate and average earnings for further indication.

The British Pound advanced against the South African Rand yesterday, after Brexit Party leader, Nigel Farage, stated that his party would not challenge Conservative seats captured in the last election. On the data front, UK's GDP rose less than market expectations on a quarterly basis in the third quarter of 2019. Further, total trade deficit widened in September. Moreover, industrial and manufacturing production dropped more than market expectations on a monthly basis in September. Additionally, construction output declined on a monthly basis in September.

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## EUR ZAR ▼

### EUR trading firmer against ZAR

At 06:00 SAST, the Euro is trading 0.1% higher against the South African Rand at R16.4359. Going forward, market participants will keep a tab on the ZEW survey indices in the Eurozone and Germany for further cues.

The Euro strengthened against the South African Rand yesterday.

## AUD ZAR ▲

### AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar slightly declined against the South African Rand to trade at R10.1954. Earlier in the session, Australia's NAB business confidence index improved in October. Also, the NAB business conditions index unexpectedly rose in October.

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	14.8966	▼	0.20	0.20	-1.44	-0.23	3.74
GBPZAR	19.1505	▼	0.77	0.77	-2.08	4.97	4.42
EURZAR	16.4359	▼	0.41	0.41	-2.49	2.09	-0.22
AUDZAR	10.1954	▲	0.07	0.07	-1.99	1.86	0.76
EURUSD	1.1033	▼	0.14	0.14	-1.07	2.32	-3.78
GBPUSD	1.2859	▲	0.63	0.63	-0.67	5.31	0.79
Brent (\$/barrel)	62.3	▲	-0.53	-0.53	4.29	0.62	15.58
Gold (\$/oz)	1457.1	▼	-0.40	-0.40	-3.81	3.35	13.72
Platinum (\$/oz)	881.0	▲	-1.40	-1.40	-5.69	5.69	10.64
Copper (\$/MT)*	5859.3	▼	-0.87	-0.87	1.56	1.30	-1.51

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

## Gold ▼

### Trading in the red

At 06:00 SAST, gold prices are trading marginally lower at \$1,457.10/oz.

Yesterday, gold prices fell 0.4% to close at \$1,457.10/oz.

## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil edged 0.1% higher to trade at \$62.25/bl.

Yesterday, Brent crude oil declined 0.5% to settle at \$62.18/bl, as US-China trade tensions stoked concerns about demand for energy.

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## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices slightly gained to trade at \$881.00/oz.

Yesterday, platinum prices dropped 1.4% to close at \$880.60/oz.

## Major South African corporate news

### Aspen Pharmacare Holdings Limited

The company announced that its wholly owned subsidiary, Aspen Global Incorporated (AGI), has concluded an agreement to divest its Japanese operations and any related intellectual property to Sandoz, a Novartis Division, for a cash consideration of up to EUR400.00mn. Additionally, AGI has entered into a five-year manufacturing and supply agreement with Sandoz, which will take effect from completion of the transaction, for the supply of active pharmaceutical ingredients, semi-finished and finished products related to the portfolio of divested brands.

### Rebosis Property Fund Limited

In its FY19 results, the company announced that revenues fell to ZAR1.84bn from ZAR2.26bn posted in the corresponding period of the previous year. Its diluted EPS per A class share increased 5.2% to 265.50c from 252.86c posted in the same period of the prior year. Meanwhile, its diluted EPS per B class share stood at 503.29c, compared to 163.75c recorded in the previous year.

### Raubex Group Limited

In its 1H20 results, the company announced that revenues declined 1.9% to ZAR4.40bn from ZAR4.48bn posted in the same period of the preceding year. Its diluted EPS stood at 64.40c, compared to 35.60c recorded in the corresponding period of the previous year. The company declared a gross interim cash dividend of 22.00c per share.

### Vodacom Group Limited

In its 1H19 results, the company announced that revenues increased to ZAR44.39bn from ZAR42.71bn posted in the corresponding period of the previous year. Its diluted EPS rose 19.8% to 454.00c from 379.00c posted in the same period of the prior year. The company declared an interim dividend of 380.00c per share and a special dividend of 60.00c per share.

## Major global economic news

### UK

In the UK, GDP rose 0.3% on a quarterly basis in 3Q19, less than market expectations. GDP had dropped 0.2% in the previous quarter.

In the UK, manufacturing production dropped 0.4% on a monthly basis in September, more than market forecast. In the previous month, manufacturing production fell 0.7%.

In the UK, industrial production declined 0.3% on a monthly basis in September, more than market consensus and compared to a revised fall of 0.7% in the previous month.

In September, total trade deficit widened to GBP3.36bn in the UK, compared to a revised trade deficit of GBP1.76bn in the previous month.

In the UK, construction output fell 0.2% on a monthly basis in September. Construction output had advanced by a revised 0.1% in the prior month.

### Asia

In Australia, the NAB business confidence index rose to a level of 2.00 in October, compared to a flat reading in the previous month.

In Australia, the NAB business conditions index unexpectedly rose to a level of 3.00 in October, compared to a level of 2.00 in the prior month.

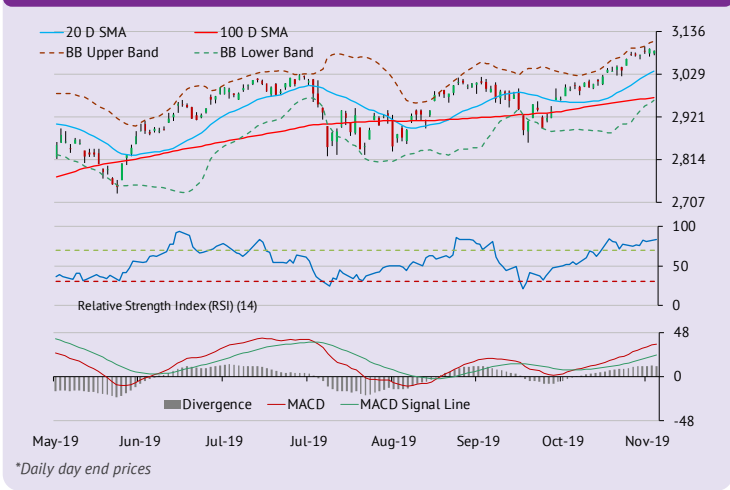
## Technical snapshot

### JSE All Share



The JSE All Share index is expected to find support at 55,397.58, and a fall through could take it to the next support level of 54,620.23. The index is expected to find its first resistance at 57,485.20, and a rise through could take it to the next resistance level of 58,795.47.

### S&P 500



The S&P 500 index is expected to find support at 3,069.34, and a fall through could take it to the next support level of 3,051.68. The index is expected to find its first resistance at 3,101.22, and a rise through could take it to the next resistance level of 3,115.44.

### USD ZAR



The pair is expected to find support at 14.7103, and a fall through could take it to the next support level of 14.5376. The pair is expected to find its first resistance at 15.0090, and a rise through could take it to the next resistance level of 15.1350.

### XAU USD



Gold is expected to find support at \$1,433.37/oz, and a fall through could take it to the next support level of \$1,409.63/oz. The precious metal is expected to find its first resistance at \$1,496.37/oz, and a rise through could take it to the next resistance level of \$1,535.63/oz.

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/	Previous	Frequency
Japan	01:50	Money Supply M3 (YoY) (Oct)	✓	2.10%*	2.00%	Monthly
Japan	01:50	Money Supply M2+CD (YoY) (Oct)	✓	2.50%*	2.40%	Monthly
Japan	08:00	Machine Tool Orders (YoY) (Oct) (P)	✓✓✓	-	-35.50%	Monthly
France	09:30	Bank of France Business Sentiment (Oct)	✓✓✓	-	96.00	Monthly
Eurozone	10:00	ECB Executive Board member Coeure Speaks in Frankfurt	✓	-	-	As scheduled
Eurozone	10:30	ECB's Mersch Speaks in Frankfurt	✓	-	-	As scheduled
UK	11:30	Claimant Count Rate s.a. (Oct)	✓✓	-	3.30%	Monthly
UK	11:30	Employment Change (3M/3M) (Sep)	✓✓✓	-	-56.00K	Monthly
UK	11:30	ILO Unemployment Rate (3M) (Sep)	✓✓✓	3.90%	3.90%	Monthly
UK	11:30	Average Earnings Including Bonus (3Mo/Yr) (Sep)	✓✓	3.80%	3.80%	Monthly
UK	11:30	Average Earnings Excluding Bonus (3Mo/Yr) (Sep)	✓	3.80%	3.80%	Monthly
UK	11:30	Claimant Count Change (Oct)	✓✓✓	20.00K	21.10K	Monthly
Eurozone	12:00	ZEW Survey - Economic Sentiment (Nov)	✓✓	-32.50	-23.50	Monthly
Germany	12:00	ZEW Survey - Current Situation (Nov)	✓✓	-22.00	-25.30	Monthly
Germany	12:00	ZEW Survey - Economic Sentiment (Nov)	✓✓✓	-13.00	-22.80	Monthly
Eurozone	12:15	SSM's Enria Speaks in Brussels	✓	-	-	As scheduled
US	12:30	Fed's Clarida Discusses Monetary Policy and Price Stability	✓	-	-	As scheduled
US	13:00	NFIB Small Business Optimism (Oct)	✓	103.50	101.80	Monthly
US	15:55	Redbook Index (YoY) (08-Nov)	✓	-	5.50%	Weekly
US	15:55	Redbook Index s.a. (MoM) (08-Nov)	✓	-	0.30%	Weekly
US	19:00	Fed's Barkin speech	✓	-	-	As scheduled
US	20:00	Fed's Harker Speaks in New York	✓	-	-	As scheduled
US	-	Composite Leading Indicator (Sep)	✓	-	98.80	Monthly
France	-	Composite leading indicator (Sep)	✓	-	99.40	Monthly

Note: ✓✓✓High    ✓✓Medium    ✓Low

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