

ONE Minute Brief

18 November 2019

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Economic and political news

The National Union of Metalworkers of South Africa (Numsa) has threatened to shut down the nation's aviation sector with further industrial action after talks with the South African Airways (SAA) ended without a deal.

John Steenhuisen has been elected as the new interim leader of the Democratic Alliance, following the party's federal council meeting.

On Friday, the Association of Mineworkers and Construction Union (AMCU) finalised a three-year wage hike agreement with Anglo American Platinum, Impala Platinum, and Sibanye-Stillwater.

The South African Revenue Service (Sars) has dismissed its chief officer and legal counsel, Refiloe Mokoena, with immediate effect, for serious misconduct following a disciplinary hearing in connection with an alleged VAT repayment to the controversial Gupta family.

Eskom stated that utility's power system remains constrained and vulnerable, however the possibility of unplanned outages is low.

Key indices

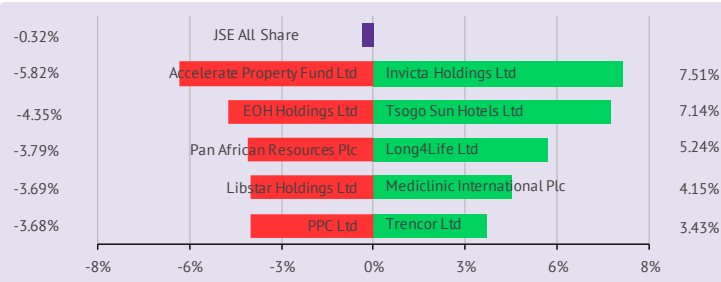
	As at 15 Nov 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	56054.77	▼ -181.17	-0.32	NA	-0.66	2.92	6.29
JSE Top 40 (ZAR)	49784.83	▼ -227.65	-0.46	NA	-0.76	2.78	6.54
FTSE 100(GBP)	7302.94	▲ 10.18	0.14	NA	0.75	-2.16	8.54
DAX 30 (EUR)	13241.75	▲ 61.52	0.47	NA	2.91	3.53	25.41
CAC 40 (EUR)	5939.27	▲ 38.19	0.65	NA	3.65	0.92	25.55
S&P 500 (USD)	3120.46	▲ 23.83	0.77	NA	2.73	2.04	24.48
Nasdaq Composite (USD)	8540.83	▲ 61.81	0.73	NA	3.00	3.66	28.72
DJIA (USD)	28004.89	▲ 222.93	0.80	NA	3.54	0.48	20.05
MSCI Emerging Markets (USD)	1048.79	▲ 6.54	0.63	NA	0.65	4.09	8.58
MSCI Developed World (USD)	2282.80	▲ 17.51	0.77	NA	2.21	2.45	21.17

South Africa Market ▼

South African markets closed lower

South African markets closed in the red on Friday, led by losses in mining and resource sector stocks. The JSE All Share Index fell 0.3% to close at 56,054.77.

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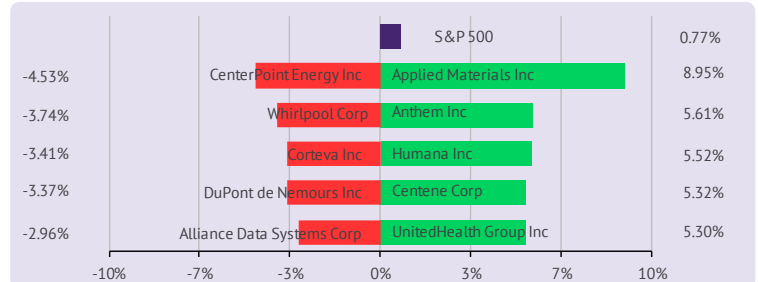


US Market ▲

US markets closed firmer

US markets closed higher on Friday, amid renewed hopes for a US-China trade deal and boosted by gains in healthcare sector stocks. The S&P 500 Index climbed 0.8% to close at 3,120.46. Today, the S&P 500 futures are trading in the red.

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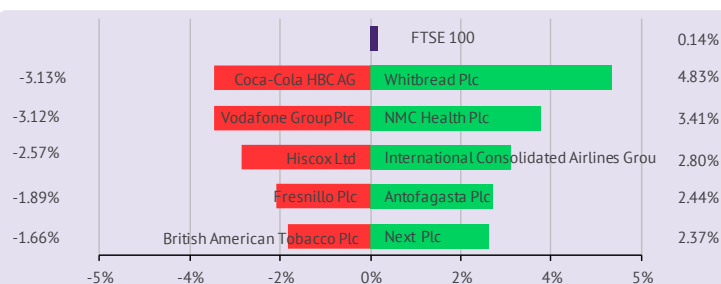


UK Market ▲

UK markets closed in the green

UK markets finished higher on Friday, after Nigel Farage's party stood down from more seats not held by the Conservative Party. The FTSE 100 Index advanced 0.1% to close at 7,302.94. Today, the FTSE 100 futures are trading in negative territory.

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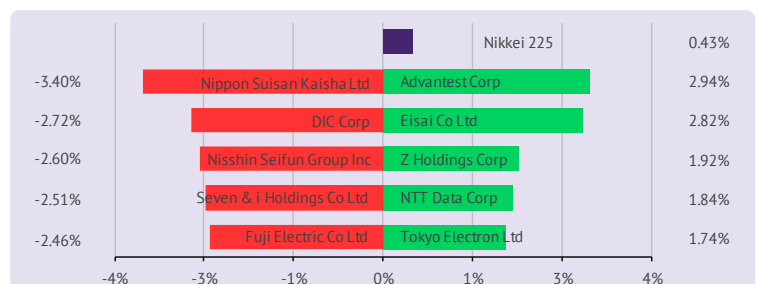


Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning, after China's central bank cut its key interest rate for the first time since 2015. The Nikkei 225 Index is trading 0.4% higher at 23,403.86.

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USD ZAR ▲

USD trading lower against ZAR

At 06:00 SAST, the US Dollar is trading 0.1% weaker against the South African Rand at R14.6953. Later today, traders will keep a close watch on the US NAHB housing market index for further direction.

The US Dollar fell against the South African Rand on Friday. On the macro front, industrial production declined more than market anticipation on a monthly basis in October. Moreover, the NY Empire State manufacturing index unexpectedly dropped in November. Additionally, business inventories unexpectedly recorded a flat reading in September. Meanwhile, retail sales rose more than market forecast on a monthly basis in October.

GBP ZAR ▼

GBP trading firmer against ZAR

At 06:00 SAST, the British Pound rose 0.1% against the South African Rand to trade at R19.0029. Amid no major economic releases in the UK today, market sentiment will be determined by global macroeconomic news. Data showed that UK's Rightmove house price index rebounded on a yearly basis in November.

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

EUR ZAR ▲

EUR trading weaker against ZAR

At 06:00 SAST, the Euro retreated marginally against the South African Rand to trade at R16.2585. 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 on Friday. On the data front, Eurozone's trade surplus narrowed more than market consensus in September. On the other hand, the region's consumer price index (CPI) advanced in line with market expectations on an annual basis in October.

AUD ZAR ▲

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.2% weaker against the South African Rand at R10.0121.

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

Key currencies & commodities

	Current#		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	14.6953	▲	-0.77	NA	-2.58	-0.23	2.54
GBPZAR	19.0029	▼	-0.58	NA	-2.83	4.97	3.62
EURZAR	16.2585	▲	-0.50	NA	-3.46	2.09	-1.21
AUDZAR	10.0121	▲	-0.29	NA	-3.59	1.86	-0.89
EURUSD	1.1064	▲	0.26	NA	-0.91	2.32	-3.63
GBPUSD	1.2931	▲	0.12	NA	-0.35	5.31	1.12
Brent (\$/barrel)	63.3	▲	1.64	NA	6.17	0.62	17.66
Gold (\$/oz)	1466.3	▼	-0.33	NA	-3.06	3.35	14.61
Platinum (\$/oz)	893.3	▼	1.33	NA	-4.20	5.69	12.39
Copper (\$/MT)*	5825.5	▲	0.65	NA	0.97	1.30	-2.08

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

Gold ▼

Trading in the red

At 06:00 SAST, gold prices dropped 0.1% to trade at \$1,466.30/oz.

On Friday, gold prices fell 0.3% to close at \$1,468.50/oz, amid optimism over US-China trade deal.

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Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil climbed slightly to trade at \$63.32/bl.

On Friday, Brent crude oil advanced 1.6% to settle at \$63.30/bl, after Baker Hughes reported that US oil rig count fell by 10 to 674 for the week ended 15 November 2019.

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Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged lower 0.1% to trade at \$893.30/oz.

On Friday, platinum prices climbed 1.3% to close at \$894.50/oz.

Major South African corporate news

Accelerate Property Fund Limited

The company announced that it has entered into a sale of letting enterprise agreement with Sheraton Textiles Holdings (Pty) Ltd, to dispose of Edcon Warehouse in the Township of Elfindale, Southfield, City of Cape Town. The consideration for the transaction amounts to ZAR94.00mn, split between cash and refundable deposit.

Invicta Holdings Limited

In its 1H19 trading statement, the company announced that it expects EPS to increase by between 135.00c and 145.00c, compared to 8.00c reported in the same period of the previous year. The company expects its HEPS to rise by between 140.00c and 155.00c, compared to 2.00c in the prior year.

Oceana Group Limited

In its FY19 results, the company announced that revenues decreased slightly to ZAR7.65bn from ZAR7.66bn posted in the corresponding period of the previous year. Its diluted EPS fell 28.0% to 486.10c from 674.6c in the same period of the prior year. The company has declared a final dividend of 240.00c per share.

Major global economic news

US

In the US, business inventories recorded a flat reading in September, compared to a revised drop of 0.1% in the previous month.

In October, industrial production declined 0.8% on a monthly basis in the US, more than market anticipation and compared to a revised drop of 0.3% in the previous month.

In the US, retail sales rose 0.3% on a monthly basis in October, more than market expectations. The retail sales fell 0.3% in the prior month.

In November, the NY Empire State manufacturing index unexpectedly dropped to 2.90 in the US. The index had registered a level of 4.00 in the prior month.

UK

In the UK, the Rightmove house price index advanced 0.3% on a yearly basis in November, compared to a drop of 0.2% in the previous month.

Eurozone

In the Eurozone, seasonally adjusted trade surplus narrowed more than market consensus to EUR18.30bn in September, following a revised trade surplus of EUR19.70bn in the prior month.

In October, the final CPI advanced 0.7% on an annual basis in the Eurozone, meeting market expectations. In the prior month, the CPI rose 0.8%. The preliminary figures had also indicated a rise of 0.7%.

40 best performers on the All Share Index

Company name	Last close	1 Week % change	MTD % change	YTD % change
Impala Platinum Holdings Ltd	10978	3.23	5.71	199.29
Sibanye Gold Ltd	2802	4.67	-3.88	179.64
Northam Platinum Ltd	10748	3.35	5.37	148.45
Anglo American Platinum Ltd	117614	4.54	4.30	123.92
Harmony Gold Mining Co Ltd	4866	6.04	-6.94	93.10
Cartrack Holdings Ltd	2552	-5.48	-1.88	79.60
Royal Bafokeng Platinum Ltd	4311	1.34	-2.00	73.30
Gold Fields Ltd	8008	4.75	-13.84	63.99
AngloGold Ashanti Ltd	29183	3.12	-11.67	61.3
Kumba Iron Ore Ltd	37307	2.17	1.38	47.49
DataTec Ltd	3699	0.52	3.01	39.36
Allied Electronics Corp Ltd	2380	0.25	-4.85	36.31
Clicks Group Ltd	25577	2.31	4.06	36.28
Pioneer Foods Group Ltd	10900	0.00	1.20	35.43
Lighthouse Capital Ltd	901	1.24	-4.15	32.52
Transaction Capital Ltd	2210	-0.90	0.23	31.72
Capitec Bank Holdings Ltd	144888	-0.08	5.53	31.38
Reinet Investments SCA	28236	2.37	-0.43	30.96
Sirius Real Estate Ltd	1400	0.29	-1.41	30.86
Bid Corp Ltd	33872	-2.99	-3.91	30.51
Distell Group Holdings Ltd	13445	-1.03	0.22	29.28
Investec Australia Property Fund	1527	-1.80	-6.03	28.52
AECI Ltd	10130	1.40	3.74	28.26
Pan African Resources PLC	203	-0.98	-15.42	26.88
Mediclinic International PLC	7499	5.04	5.65	26.64
Spur Corp Ltd	2661	-1.44	-1.41	26.62
Resilient REIT Ltd	6607	-1.59	-1.86	26.41
Metair Investments Ltd	2355	-0.93	-4.07	26.13
Raubex Group Ltd	2113	7.04	8.19	25.66
Quilter PLC	2655	-2.07	-0.75	25.50
Anglo American PLC	38458	-1.52	-0.52	25.17
Stenprop Ltd	2098	-0.14	-6.71	22.43
Fortress REIT Ltd	2051	-1.63	-2.38	21.25
British American Tobacco PLC	53600	-1.74	1.07	20.28
NEPI Rockcastle PLC	12648	-1.19	-3.82	20.23
Cie Financiere Richemont SA	10916	-1.45	-8.01	19.62
Capital & Counties Properties PLC	5019	7.52	0.32	19.30
Libstar Holdings Ltd	810	-3.46	1.63	18.92
Investec Property Fund Ltd	1555	0.97	-2.45	18.79
Alexander Forbes Group Holdings Ltd	546	-0.36	5.61	18.52
JSE All Share Index	56055	-0.99	-0.66	6.29

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
UK	02:01	Rightmove House Price Index (MoM) (Nov)	✓	-1.30%*	0.60%	Monthly
UK	02:01	Rightmove House Price Index (YoY) (Nov)	✓	0.30%*	-0.20%	Monthly
Japan	04:30	Tokyo Condominium Sales (YoY) (Oct)	✓	-29.50%*	-30.00%	Monthly
Eurozone	11:00	ECB's Guindos speaks in Frankfurt	✓	-	-	As scheduled
Germany	11:30	Panel discussion with Prof Dr Joachim Wuermeling at Digital Finance	✓	-	-	As scheduled
Germany	13:00	German Buba Monthly Report	✓	-	-	As scheduled
Eurozone	14:30	ECB's Hernandez de Cos to speak in Madrid	✓	-	-	As scheduled
Germany	15:00	Speech and Panel discussion held by Dr Sabine Mauderer at Euro Finance	✓	-	-	As scheduled
Eurozone	15:20	ECB's Lane speaks in Paris	✓	-	-	As scheduled
US	17:00	NAHB Housing Market Index (Nov)	✓	71.00	71.00	Monthly
US	19:00	Fed's Mester Speaks at University of Maryland	✓	-	-	As scheduled
US	23:00	Net Long-Term TIC Flows (Sep)	✓✓	-	USD41.10bn	Monthly
US	23:00	Total Net TIC Flows (Sep)	✓	-	USD70.50bn	Monthly

Note: ✓✓✓High ✓✓Medium ✓Low

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