

# ONE Minute Brief

25 November 2019

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## Economic and political news

S&P Global slashed its outlook on South Africa's sovereign credit rating to 'Negative' from 'Stable', amid sluggish economic growth and worsening debt burden.

South African Airways (SAA) has signed a wage deal with trade unions, the National Union of Metal Workers of South Africa and the South African Cabin Crew Association, agreeing to a 5.9% pay rise for FY2019-20, backdated to April, thereby ending an eight-day strike.

Public Protector Busisiwe Mkhwebane is probing allegations of inappropriate conduct at the South African Social Security Agency (Sassa) in Gauteng, for the alleged misuse of state funds, the abuse of power, and victimisation.

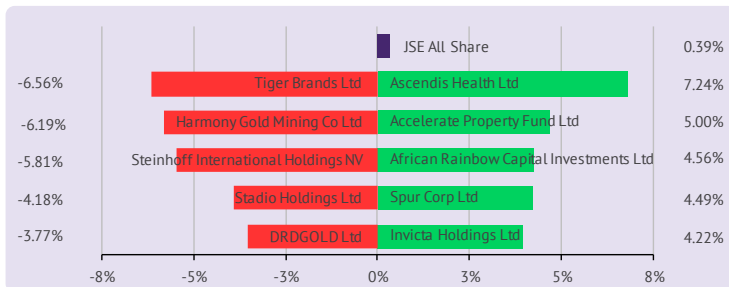
Democratic Alliance (DA) Federal Council Chairperson, Helen Zille and DA leader, John Steenhuisen, have supported Gwen Ngwenya to return as Head of Policy.

## South Africa Market ▲

### South African markets closed higher

South African markets closed in the green on Friday, boosted by gains in platinum mining and resource sector stocks. The JSE All Share Index rose 0.4% to close at 56,759.62.

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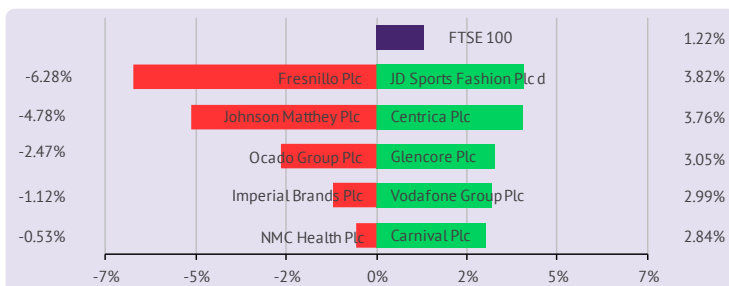


## UK Market ▲

### UK markets closed in the green

UK markets finished higher on Friday, amid a weaker pound and renewed optimism over the US-China trade deal. The FTSE 100 Index advanced 1.2% to close at 7,326.81. Today, the FTSE 100 futures are trading in positive territory.

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## Key indices

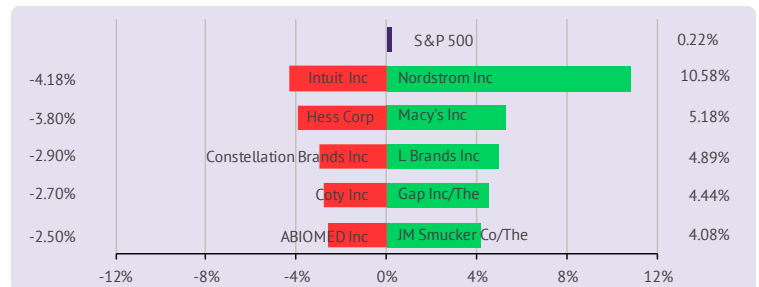
	As at 22 Nov 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	56759.62	▲ 219.37	0.39	NA	0.59	2.92	7.63
JSE Top 40 (ZAR)	50484.88	▲ 249.20	0.50	NA	0.63	2.78	8.04
FTSE 100(GBP)	7326.81	▲ 88.26	1.22	NA	1.08	-2.16	8.90
DAX 30 (EUR)	13163.88	▲ 26.18	0.20	NA	2.31	3.53	24.67
CAC 40 (EUR)	5893.13	▲ 11.92	0.20	NA	2.85	0.92	24.57
S&P 500 (USD)	3110.29	▲ 6.75	0.22	NA	2.39	2.04	24.07
Nasdaq Composite (USD)	8519.89	▲ 13.67	0.16	NA	2.74	3.66	28.40
DJIA (USD)	27875.62	▲ 109.33	0.39	NA	3.07	0.48	19.50
MSCI Emerging Markets (USD)	1048.55	▲ 3.97	0.38	NA	0.63	4.09	8.55
MSCI Developed World (USD)	2273.89	▲ 3.53	0.16	NA	1.81	2.45	20.70

## US Market ▲

### US markets closed firmer

US markets closed higher on Friday, amid hopes of a trade deal between the US-China and following upbeat US economic data. The S&P 500 Index climbed 0.2% to close at 3,110.29. Today, the S&P 500 futures are trading in the green.

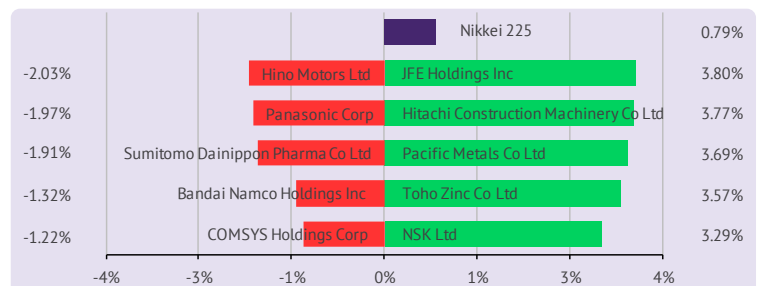
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## Asian Market ▲

### Trading higher

Asian markets are trading higher this morning. The Nikkei 225 Index is trading 0.8% higher at 23,294.35.



## USD ZAR ▲

### USD trading lower against ZAR

At 06:00 SAST, the US Dollar dropped 0.2% against the South African Rand to trade at R14.6901. Later today, traders will keep a close watch on the US Chicago Fed National activity index and Dallas Fed manufacturing business index for further indication.

The US Dollar rose against the South African Rand on Friday, after better than expected economic data highlighted strength in the US economy. The US Markit manufacturing and services PMIs climbed more than market forecast in November, while the nation's Michigan consumer sentiment index rose more than expected in November. The South African Rand weakened against the US Dollar, after ratings agency, S&P Global, slashed its outlook on South Africa's sovereign credit rating to negative from stable, citing sluggish economic growth and the government's worsening fiscal and debt woes.

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## GBP ZAR ▲

### GBP trading weaker against ZAR

At 06:00 SAST, the British Pound declined 0.1% against the South African Rand to trade at R18.8724. Ahead in the day, traders will keep an eye on UK's CBI distributive trade survey for further direction.

The British Pound declined against the South African Rand on Friday, after data indicated that UK's Markit services PMI unexpectedly dropped to a 40-month low in November. Additionally, UK manufacturing PMI fell more than forecast in November.

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## EUR ZAR ▲

### EUR trading lower against ZAR

At 06:00 SAST, the Euro is trading 0.2% weaker against the South African Rand at R16.1886. Going forward, market participants will keep a tab on Eurozone's Ifo business indices for further cues.

The Euro weakened against the South African Rand on Friday. Data indicated that Eurozone's Markit services PMI unexpectedly dropped in November. Meanwhile, the region's Markit manufacturing PMI advanced more than market expectation in November. Germany's GDP rose at par with market anticipations on a quarterly basis in 3Q19 while the region's Markit manufacturing rose more than market forecast in November.

## AUD ZAR ▲

### AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar marginally retreated against the South African Rand to trade at R9.9831.

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

## Key currencies & commodities

	Current <sup>#</sup>		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	14.6901	▲	0.22	NA	-2.55	-0.23	2.57
GBPZAR	18.8724	▲	-0.31	NA	-3.28	4.97	3.14
EURZAR	16.1886	▲	-0.11	NA	-3.71	2.09	-1.47
AUDZAR	9.9831	▲	0.18	NA	-4.05	1.86	-1.36
EURUSD	1.1020	▼	-0.34	NA	-1.17	2.32	-3.89
GBPUSD	1.2843	▲	-0.62	NA	-0.83	5.31	0.63
Brent (\$/barrel)	63.6	▲	-0.91	NA	6.32	0.62	17.83
Gold (\$/oz)	1468.0	▲	0.00	NA	-3.38	3.35	14.23
Platinum (\$/oz)	898.5	▲	-2.71	NA	-4.40	5.69	12.15
Copper (\$/MT)*	5837.8	▲	0.48	NA	1.18	1.30	-1.87

\*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 \$1,468.00/oz.

On Friday, gold prices remained unchanged to close at \$1,463.60/oz.

## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil gained 0.3% to trade at \$63.55/bbl.

On Friday, Brent crude oil declined 0.9% to settle at \$63.39/bbl, as uncertainty over the US-China trade deal overshadowed hopes of an extension to OPEC production cuts. On the other hand, the Baker Hughes reported that US oil rig count fell by 3 to 671 last week.

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## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices edged 0.7% higher to trade at \$898.50/oz.

On Friday, platinum prices dropped 2.7% to close at \$892.60/oz.

## Major South African corporate news

### Naspers Limited

In its 1H19 results, the company announced that revenues rose to USD1.73bn from USD1.51bn posted in the corresponding period of the previous year. Its diluted EPS decreased 33.5% from the same period of the prior year to 509.00c.

### Tiger Brands Limited

In its FY19 results, the company announced that revenues increased to ZAR29.23bn from ZAR28.36bn posted in the corresponding period of the previous year. The company declared a final dividend of 434.00c per share.

## Major global economic news

### Eurozone

In the Eurozone, the Markit services PMI unexpectedly dropped to a level of 51.50 in November, compared to a level of 52.20 in the previous month.

In November, the Markit manufacturing PMI rose to a level of 46.60 in the Eurozone, more than market expectations and compared to a level of 45.90 in the prior month.

In Germany, the seasonally adjusted final GDP advanced 0.1% on a quarterly basis in 3Q19, at par with market expectations. In the previous quarter, GDP had registered a revised drop of 0.2%. The preliminary figures had also indicated a rise of 0.1%.

In November, the Markit manufacturing PMI climbed more than market forecast to a level of 43.80 in Germany. The index had registered a level of 42.10 in the prior month.

In Germany, the Markit services PMI unexpectedly fell to a level of 51.30 in November. In the previous month, the index had recorded a reading of 51.60.

### US

In the US, the preliminary Markit manufacturing PMI rose to a level of 52.20 in November, more than market expectations and compared to a level of 51.30 in the prior month.

In November, the preliminary Markit services PMI climbed to a level of 51.60 in US, more than market consensus. The index had recorded a reading of 50.60 in the previous month.

In the US, the final Michigan consumer sentiment index advanced to a level of 96.80 in November, more than market expectations. In the prior month, the index recorded a level of 95.70.

In November, the Kansas City Fed manufacturing activity index unexpectedly fell to a level of -5.00 in the US, compare to a level of 8.00 in the previous month.

### UK

In UK, the Markit services PMI unexpectedly declined to a level of 48.60 in November, compared to a level of 50.00 in the prior month.

In November, the Markit manufacturing PMI dropped to a level of 48.30 in the UK, more than market consensus. The index had recorded a level of 49.60 in the previous month.

## 40 best performers on the All Share Index

Company name	Last close	1 Week % change	MTD % change	YTD % change
Impala Platinum Holdings Ltd	11231	2.30	8.15	206.19
Sibanye Gold Ltd	2776	-0.93	-4.77	177.05
Northam Platinum Ltd	10577	-1.59	3.70	144.50
Anglo American Platinum Ltd	124113	5.53	10.06	136.29
Harmony Gold Mining Co Ltd	4697	-3.47	-10.17	86.39
Cartrack Holdings Ltd	2500	-2.04	-3.88	75.94
Royal Bafokeng Platinum Ltd	4330	0.44	-1.57	74.06
Gold Fields Ltd	7768	-3.00	-16.42	59.07
AngloGold Ashanti Ltd	28222	-3.29	-14.58	56.02
Kumba Iron Ore Ltd	38193	2.37	3.79	50.99
Reinet Investments SCA	29950	6.07	5.62	38.91
Lighthouse Capital Ltd	900	3.44	-0.86	37.07
Clicks Group Ltd	25591	0.05	4.12	36.36
Allied Electronics Corp Ltd	2352	-1.18	-5.97	34.70
Sirius Real Estate Ltd	1440	2.86	1.41	34.59
DataTec Ltd	3569	-3.51	-0.61	34.46
Distell Group Holdings Ltd	13969	3.90	4.12	34.32
Pioneer Foods Group Ltd	10780	-1.10	0.08	33.94
Astral Foods Ltd	19311	12.27	19.73	32.78
Bid Corp Ltd	34327	1.34	-2.62	32.26
Spur Corp Ltd	2769	4.06	2.59	31.76
Capitec Bank Holdings Ltd	145229	0.24	5.78	31.69
AECI Ltd	10270	1.38	5.17	30.04
Transaction Capital Ltd	2180	-1.36	-1.13	29.94
Raubex Group Ltd	2183	3.31	11.78	29.83
Pan African Resources Plc	206	1.48	-14.17	28.75
Investec Australia Property Fund	1492	-0.19	-6.21	28.28
Resilient REIT Ltd	6685	1.18	-0.70	27.90
Metair Investments Ltd	2365	0.42	-3.67	26.66
Anglo American PLC	38908	1.17	0.64	26.63
British American Tobacco Plc	56375	5.18	6.31	26.51
Mediclinic International Plc	7485	-0.19	5.45	26.40
Stenprop Ltd	2159	2.91	-4.00	25.99
Quilter Plc	2665	0.38	-0.37	25.97
Tradehold Ltd	1200	7.62	6.76	25.14
Cie Financiere Richemont SA	11152	2.16	-6.03	22.20
NEPI Rockcastle Plc	12701	0.42	-3.41	20.74
African Rainbow Minerals Ltd	15694	1.25	3.80	20.00
Libstar Holdings Ltd	815	0.62	2.26	19.65
Afrimat Ltd	3279	2.15	2.69	19.58
<b>JSE All Share Index</b>	<b>56760</b>	<b>1.26</b>	<b>0.59</b>	<b>7.63</b>

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus	Previous/ **Previous est.	Frequency
Japan	07:00	Coincident Index (Sep) (F)	✓	101.00	101.00**	Monthly
Japan	07:00	Leading Economic Index (Sep) (F)	✓✓✓	92.20	92.20**	Monthly
Spain	10:00	Producer Price Index (MoM) (Oct)	✓	-	0.10%	Monthly
Spain	10:00	Producer Price Index (YoY) (Oct)	✓	-	-3.30%	Monthly
Germany	11:00	IFO - Business Climate (Nov)	✓✓✓	95.00	94.60	Monthly
Germany	11:00	IFO - Expectations (Nov)	✓✓	92.50	91.50	Monthly
Germany	11:00	IFO - Current Assessment (Nov)	✓✓	98.00	97.80	Monthly
Eurozone	13:00	ECB's Villeroy speaks in Paris	✓	-	-	As scheduled
UK	13:00	CBI Distributive Trades Survey - Realised (Nov)	✓✓	-20.00%	-10.00%	Monthly
Canada	15:30	Wholesale Sales (MoM) (Sep)	✓✓✓	-	-1.20%	Monthly
US	15:30	Chicago Fed National Activity Index (Nov)	✓✓✓	-0.43	-0.45	Monthly
US	15:30	Chicago Fed National Activity Index (Nov)	✓✓✓	-0.43	-0.45	Monthly
US	17:30	Dallas Fed Manufacturing Business Index (Nov)	✓✓✓	-11.30	-5.10	Monthly
Eurozone	20:00	ECB's Lane Speaks in London	✓	-	-	As scheduled

Note: ✓✓✓High    ✓✓Medium    ✓Low

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