

31 January 2020

## Key indices

	Last Close		Last week Chg	1W% Chg	WTD% Chg	1M% Chg	1Y% Chg
JSE All Share	56590.93	▼	-303.74	-0.53	-1.17	-0.86	4.54
JSE Top 40	50552.71	▼	-294.87	-0.58	-1.29	-0.52	5.38
FTSE 100	7381.96	▼	-125.71	-1.67	-2.69	-2.13	6.34
DAX 30	13157.12	▼	-231.30	-1.73	-3.09	-0.69	17.67
CAC 40	5871.77	▼	-100.02	-1.67	-2.53	-1.78	18.03
S&P 500	3283.66	▼	-41.88	-1.26	-0.36	1.64	22.48
Nasdaq Composite	9298.93	▼	-103.54	-1.10	-0.17	3.64	29.46
DJIA	28859.44	▼	-300.65	-1.03	-0.45	1.12	15.37
MSCI Emerging Markets	1072.79	▼	-49.41	-4.40	-4.16	-3.76	3.49
MSCI Developed World	2372.01	▼	-34.12	-1.42	-0.97	0.57	17.95

## Key currencies & commodities

	Current*		1W% Chg	WTD% Chg	1M% Chg	1Y% Chg
USDZAR	14.7713	▼	2.53	2.58	5.46	10.76
GBPZAR	19.3417	▼	2.36	2.73	4.14	10.58
EURZAR	16.2839	▼	2.29	2.63	3.75	6.43
AUDZAR	9.9188	▼	0.71	1.02	0.87	2.72
EURUSD	1.1024	▲	-0.21	0.06	-1.61	-3.90
GBPUSD	1.3094	▲	-0.23	0.15	-1.24	-0.18
Brent (\$/barrel)	59.2	▼	-6.04	-3.95	-11.68	-5.45
Gold (\$/oz)	1576.7	▲	1.16	0.74	3.97	20.89
Platinum (\$/oz)	983.9	▼	-2.12	-2.46	0.94	20.13
Copper (\$/MT)*	5568.3	▼	-6.51	-5.62	-9.44	-9.02

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

## South Africa Market ▼

### South African markets closed lower

South African markets closed in the red during the week, amid mounting concerns over the outbreak of the deadly coronavirus in China. Additionally, dismal economic data further weighed on investor sentiment. The JSE All Share Index fell 0.5% to close at 56,590.93.

## UK Market ▼

### UK market closed in the red

UK markets closed weaker during the week, after the Bank of England refrained from cutting benchmark interest rates at its recent policy meeting. The FTSE 100 Index declined 1.7% to close at 7,381.93.

## USD ZAR ▼

The US Dollar advanced against the South African Rand during the week, after the Federal Reserve indicated that it will hold its benchmark rates steady, as widely expected.

## EUR ZAR ▼

The Euro strengthened against the South African Rand during the week, as investors grew cautiously optimistic about the outlook for the euro area. On the data front, Eurozone's economic sentiment index improved in January while its unemployment rate declined to its lowest level since 2008 in December.

## Gold ▲

During the week, gold prices advanced 1.2% to close at \$1,576.7/oz, after the US Fed kept its interest rate unchanged. Moreover, concerns regarding the economic impact on China due to deadly virus outbreak, boosted gains in the safe haven commodity.

## US Market ▼

### US markets closed weaker

US markets ended lower during the week, after the Federal Reserve kept its benchmark interest rates on hold. Market participants also remained concerned about the economic impact due to the outbreak of the coronavirus in China. The S&P 500 Index dropped 1.3% to close at 3,283.66.

## Asian Market ▲

### Trading mostly higher

Asian markets are trading mostly higher this morning, amid hopes that China would take measures to control the outbreak of coronavirus. Moreover, data indicated that China's manufacturing activity climbed in line with market expectations in January. At 6:00 SAST, the Nikkei 225 Index is trading 1.2% higher at 23,251.4.

## GBP ZAR ▼

The British Pound climbed against the South African Rand during the week, after the Bank of England (BoE) kept its key interest rate unchanged. Moreover, positive economic data from the UK supported gains in the currency.

## AUD ZAR ▼

The Australian Dollar rose against the South African Rand during the week, amid robust inflation reading from Australia.

## Brent Crude Oil ▼

During the week, Brent crude oil dropped 4.0% to settle at \$59.20/bbl, amid demand concerns, after China cancelled flights to the country's major cities. Moreover, a rise in US crude oil inventories dampened prices.

## SA economic & political news

- South African Airways secured a loan of ZAR3.5bn from the Development Bank of Southern Africa (DBSA) but would cancel 53 domestic and 46 international flights in February.
- The Automobile Association indicated a rise in petrol and diesel prices in February.
- Eskom seeks contempt of court order against Trillian Management Consulting, for defaulting nearly ZAR600mn to the power utility.
- The ANC is expected to propose a new amendment to land expropriation without compensation
- The SA government plans to communicate with US administration regarding the review of the preferential trade agreement between the two countries.
- Health Minister, Dr Zweli Mkhize, indicated that SA government has taken adequate measures to control and prevent the spread of coronavirus.
- SA's private sector credit climbed less than market expectations in December.
- M3 money supply in SA advanced less market forecast in December.
- SA's producer price index rose in line with market anticipation in December.
- IMF warned that SA economy is expected to grow by just 0.8% in 2020, amid weak economic growth.

## Global economic and political news

- Germany's flash Markit manufacturing PMI rose more than market expectation in January.
- In Eurozone, the preliminary Markit manufacturing PMI climbed in January.
- In the UK, the flash Markit services PMI advanced in January.
- The preliminary US Markit manufacturing PMI unexpectedly declined in January.
- The US consumer confidence index advanced to its highest level since August in January.
- The preliminary durable goods orders in the US rebounded in December.
- In Australia, the consumer price index rose on an annual basis in 4Q19.
- Germany's consumer confidence index unexpectedly advanced in February.
- The US Fed kept its key interest rate unchanged at its latest policy meeting.
- Pending home sales in the US unexpectedly declined in December.
- Germany's unemployment rate remained unchanged in January.
- The Bank of England kept its key interest rate unchanged in its January meeting.
- In the US, the annualised gross domestic product advanced in 4Q19 in line with market expectations.

## SA corporate news

- Sasol shares have been approved for a secondary listing on South African stock exchange.
- Investec Property Fund has sold its interest in Musina Mall for ZAR727mn.
- Tiger Brands Chief Executive Officer, Lawrence Mac Dougall, has retired from his position with immediate effect.
- MTN has officially relaunched its mobile money service in SA.
- MTN Group intends to raise ZAR60bn from an extended asset-sale plan.

## Upcoming key economic events

- In South Africa, investors will keep a close watch on business confidence index, total new vehicle sales, gross and net gold & forex reserves.
- In the US, ISM manufacturing PMI, factory orders, ADP employment change, trade balance, initial jobless claims, average hourly earnings and Nonfarm payrolls are some of the key events scheduled for the next week.
- Eurozone's retail sales, Markit manufacturing and services PMIs along with Germany's Markit manufacturing PMI, factory orders, industrial production and trade balance will be on traders' radar.
- Britain's Markit manufacturing and services PMI and Halifax house price index are some of the key economic indicators to be released next week.
- In Asia, Japan's Jibun bank services PMI, leading economic indicator and China's Caixin manufacturing PMI, Caixin services PMI and trade balance would keep investors on their toes.

### Disclaimer

This report and its contents are confidential, privileged and only for the information of the intended recipient. GTC (Pty) Ltd make no representations or warranties in respect of this report or its content and will not be liable for any loss or damage of any nature arising from this report, the content thereof, your reliance thereon its unauthorised use or any electronic viruses associated therewith. Please note that content does not necessarily represent or reflect the views and opinions of GTC (Pty) Ltd. This report is proprietary to GTC (Pty) Ltd and you may not copy or distribute the report without the prior written consent of the authors. Any feedback or contributions are most welcome.

formerly Grant Thornton Capital

a GTC, The Wanderers Office Park,

p P O Box 55118, Illovo, 2116

**GTC is nationally represented in Johannesburg, Cape Town and Durban.**

t +27 (0) 10 597 6800

f +27 (0) 10 597 6801

w [www.gtc.co.za](http://www.gtc.co.za)

GTC (Pty) Ltd.

reg. no. 1996/001488/07

directors: G.K. Mockler, F.Dildar

An Authorised Financial

Services Provider

FSP no. 731