

ONE  
Minute Brief

24 February 2020


  
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## Economic and political news

The Special Investigating Unit (SIU) has obtained an order from the High Court in Pretoria to set aside a coal supply contract worth ZAR3.7bn between Eskom and the Gupta-owned mining group, Tegeta Exploration and Resources. The court ruled that the agreement is invalid and unlawful and has granted the SIU to lodge a prosecution regarding the case.

Eskom has indicated that it does not expect to implement load shedding today.

News reports indicate that, Minister in the Presidency, Jackson Mthembu, Statistician General, Risenga Maluleke, and South African Statistics Council Chairman, Professor David Everatt, would approach Finance Minister, Tito Mboweni and the National Treasury on the funding problems for Statistics South Africa (Stats SA).

The Economic Freedom Fighters (EFF) has dismissed reports that its party leader in Gauteng, Mandisa Mashego, has resigned to join the newly found political party People's Dialogue of former City of Joburg's mayor Herman Mashaba.

The South African Transport and Allied Workers Union (Satawu) has urged Public Enterprises Minister, Pravin Gordhan, to intervene and ensure that SA Express is overhauled.

## Key indices

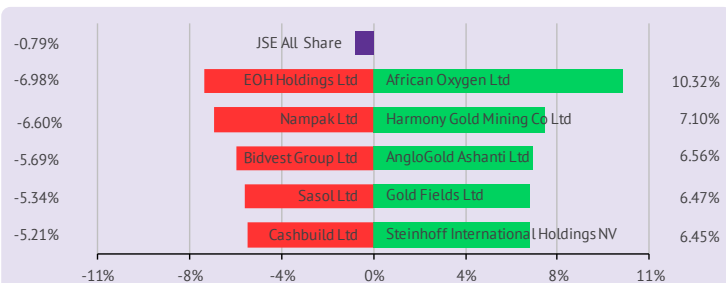
	As at 21 Feb 2020	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	57336.21	▼ -456.82	-0.79	NA	2.24	-1.76	0.44
JSE Top 40 (ZAR)	51582.43	▼ -450.83	-0.87	NA	3.02	-1.46	1.51
FTSE 100(GBP)	7403.92	▼ -32.72	-0.44	NA	1.62	-3.40	-1.84
DAX 30 (EUR)	13579.33	▼ -84.67	-0.62	NA	4.60	-2.02	2.49
CAC 40 (EUR)	6029.72	▼ -32.58	-0.54	NA	3.85	-2.87	0.86
S&P 500 (USD)	3337.75	▼ -35.48	-1.05	NA	3.48	-0.16	3.31
Nasdaq Composite (USD)	9576.59	▼ -174.38	-1.79	NA	4.65	1.99	6.73
DJIA (USD)	28992.41	▼ -227.57	-0.78	NA	2.61	-0.99	1.59
MSCI Emerging Markets (USD)	1084.22	▼ -11.10	-1.01	NA	2.06	-4.69	-2.73
MSCI Developed World (USD)	2402.80	▼ -17.40	-0.72	NA	2.58	-0.68	1.88

## South Africa Market ▼

## South African markets closed lower

South African markets closed in the red on Friday, weighed down by losses in banking and financial sector stocks. The JSE All Share Index fell 0.8% to close at 57,336.21.

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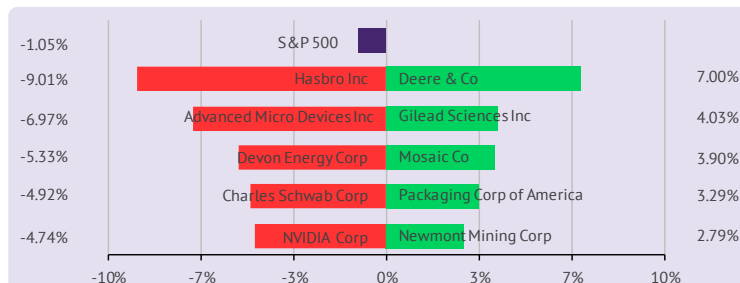


## US Market ▼

## US markets closed weaker

US markets closed lower on Friday, after the number of new coronavirus cases escalated, stoking concerns over a global economic slowdown. The S&P 500 Index dropped 1.1% to close at 3,337.75. Today, the S&P 500 futures are trading in the red.

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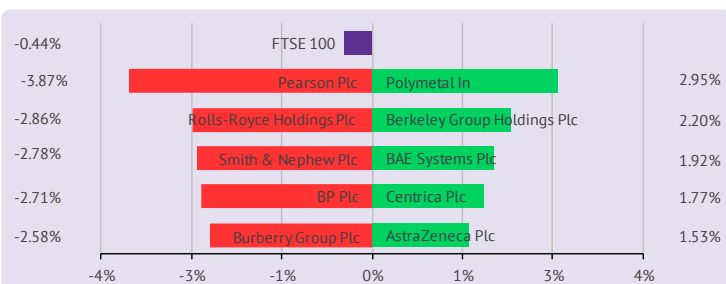


## UK Market ▼

## UK markets closed in the red

UK markets finished lower on Friday, amid ongoing concerns over the spread of coronavirus from China to neighbouring countries. The FTSE 100 Index declined 0.4% to close at 7,403.92. Today, the FTSE 100 futures are trading in negative territory.

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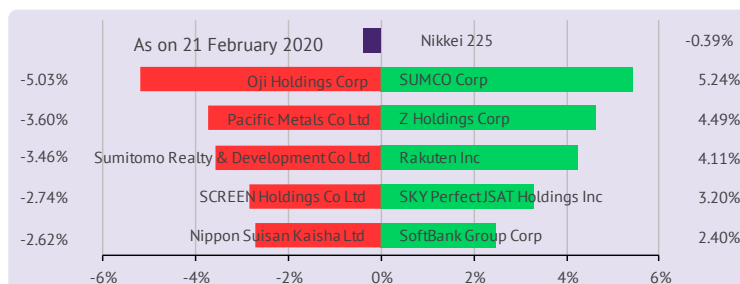


## Asian Market ▼

## Trading lower

Asian markets are trading lower this morning, as South Korean stocks slumped after the country issued a high alert over coronavirus following a recent spike in cases. Markets in Japan are closed today on account of a public holiday.

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## USD ZAR ▼

### USD trading higher against ZAR

At 06:00 SAST, the US Dollar is trading 0.5% firmer against the South African Rand at R15.0732. Later today, traders will keep a close watch on the US Dallas Fed manufacturing index and the Chicago Fed National Activity Index for further direction.

The US Dollar fell against the South African Rand on Friday. On the macro front, the US preliminary Markit manufacturing PMI and the flash Markit services PMI declined more than market expectations in February. Meanwhile, existing home sales dropped less than market forecast on a monthly basis in January.

## GBP ZAR ▼

### GBP trading firmer against ZAR

At 06:00 SAST, the British Pound rose 0.2% against the South African Rand to trade at R19.4944. Ahead in the day, traders will keep an eye on UK's BBA mortgage approvals for further indications.

The British Pound declined against the South African Rand on Friday. Data indicated that UK's preliminary Markit services PMI unexpectedly advanced at its fastest pace in 10 months in February. Moreover, public sector net borrowing reported a surplus in January. On the other hand, the flash Markit manufacturing PMI fell to a two-month low level in February.

## EUR ZAR ▼

### EUR trading higher against ZAR

At 06:00 SAST, the Euro is trading 0.2% higher against the South African Rand at R16.3116. Going forward, market participants will keep a tab on Germany's IFO survey indices for further cues.

The Euro weakened against the South African Rand on Friday. On the data front, Eurozone's preliminary Markit manufacturing PMI advanced to a 12-month high level in February. Additionally, the preliminary Markit services PMI climbed in February, marking its highest level in two months. Moreover, the final consumer price index (CPI) rose on an annual basis in January. Separately, Germany's preliminary Markit manufacturing PMI unexpectedly advanced to a 13-year high level in February. On the contrary, the flash Markit services PMI dropped in February, hitting its lowest level in 2 months.

## AUD ZAR ▼

### AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar climbed 0.2% against the South African Rand to trade at R9.9615.

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	15.0732	▼	-0.81	NA	-0.15	7.34	7.18
GBPZAR	19.4944	▼	-0.22	NA	-1.87	6.76	4.76
EURZAR	16.3116	▼	-0.22	NA	-2.23	6.08	3.71
AUDZAR	9.9615	▼	-0.58	NA	-1.11	2.19	1.06
EURUSD	1.0822	▼	0.57	NA	-2.22	-1.07	-3.26
GBPUSD	1.2936	▼	0.64	NA	-1.83	-0.38	-2.21
Brent (\$/barrel)	57.0	▼	-1.37	NA	3.32	-14.21	-11.36
Gold (\$/oz)	1663.6	▲	1.73	NA	3.90	3.93	7.98
Platinum (\$/oz)	974.1	▼	-0.30	NA	1.48	-0.98	0.48
Copper (\$/MT)*	5746.0	▲	0.67	NA	3.51	-9.72	-6.55

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

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices rose 1.2% to trade at \$1,663.60/oz.

On Friday, gold prices rose 1.7% to close at \$1,644.60/oz, as dismal US economic data and mounting concerns over the global economic fallout increased demand for the safe haven asset.

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## Brent Crude Oil ▼

### Trading weaker

At 06:00 SAST, Brent crude oil edged 2.5% lower to trade at \$57.02/bl, on renewed concerns about crude demand as the virus spread in several countries outside China

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On Friday, Brent crude oil declined 1.4% to settle at \$58.50/bl, amid a disagreement between Saudi Arabia and Russia over the effect of China's coronavirus outbreak on global crude demand. Moreover, Baker Hughes reported that the US oil rig count rose by 1 to 679 last week.

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## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices edged 0.2% lower to trade at \$974.10/oz.

On Friday, platinum prices dropped 0.3% to close at \$ 976.10/oz.

## Major South African corporate news

### AngloGold Ashanti Limited

In its FY19 results, the company announced that revenues rose to USD3.53bn from USD3.34bn posted in the corresponding period of the previous year. Its diluted EPS increased 67.3% from the same period of the prior year to 87.00c.

### Aspen Pharmacare Holdings Limited

In its 1H20 trading statement, the company announced that it expects revenue growth between 2.0% and 4.0%. Further, the company expects its HEPS to be between 622.80c and 648.20c, compared to 635.50c in the same period last year and its EPS to be between 675.60c and 704.30c, compared to 718.70c recorded in the corresponding period of the prior year.

### Assore Limited

In its 1H20 results, the company announced that revenues declined 12.2% to ZAR3.47bn from ZAR3.94bn recorded in the same period of the preceding year. Its diluted EPS stood at ZAR20.14, compared with ZAR28.27 recorded in the corresponding period of the previous year. The company approved interim dividend of 700.00c per share.

### Aveng Limited

In its 1H20 trading statement, the company announced that it expects its headline loss per share to be between 1.00c and 1.20c and its loss per share is likely to be between 0.80c and 1.00c, compared to loss per share of 7.20c in the same period of the preceding year.

### Spur Corp Limited

In its 1H20 trading update, the company announced that it expects its diluted EPS to be between 121.59c and 126.19c, compared to 92.11c in the same period of the previous year. The company expects its diluted HEPS to be between 121.60c and 126.20c, from 92.12c in the corresponding period of the preceding year.

## Major global economic news

### Eurozone

In the Eurozone, the preliminary Markit manufacturing PMI unexpectedly climbed to a level of 49.10 in February, compared to a level of 47.90 in the prior month.

In February, the preliminary Markit services PMI unexpectedly rose to 52.80 in the Eurozone, compared to a level of 52.50 in the previous month.

In the Eurozone, the final consumer price index (CPI) advanced 1.4% on an annual basis in January, compared to an advance of 1.3% in the previous month. The preliminary figures had indicated an advance of 1.4%.

In Germany, the preliminary Markit manufacturing PMI unexpectedly increased to a level of 47.80 in February, compared to a level of 45.30 in the previous month.

In February, the flash Markit services PMI declined more-than-expected to 53.30 in Germany, compared a level of 54.20 in the prior month.

### UK

In the UK, the preliminary Markit services PMI dropped to 53.30 in February, compared to a level of 53.90 in the previous month.

In February, the preliminary Markit manufacturing PMI unexpectedly climbed to a level of 51.90 in the UK. In the previous month, the manufacturing PMI had registered a level of 50.00.

In the UK, public sector net borrowing reported a surplus of GBP10.54bn in January, less than market forecast and compared to a revised deficit of GBP3.46bn in the previous month.

### US

In the US, the preliminary Markit manufacturing PMI dropped more-than-expected to 50.80 in February, compared to a level of 51.90 in the previous month.










In February, the flash Markit services PMI declined to 49.40 in the US, compared to a level of 53.40 in the previous month.

In the US, existing home sales declined 1.3% on a monthly basis to a level of 5.46mn in January, less than market consensus and compared to a revised level of 5.53mn in the prior month.

## 40 best performers on the All Share Index

Company name	Last close	1 Week % change	MTD % change	YTD % change
Steinhoff International Holdings NV	165	-5.71	83.33	96.43
Montauk Holdings Ltd	4997	11.04	26.31	31.50
Net 1 UEPS Technologies Inc	6403	-15.62	21.89	24.16
Sibanye Gold Ltd	4433	5.30	13.43	23.5
Reinet Investments SCA	34100	-1.54	5.70	22.88
Royal Bafokeng Platinum Ltd	5998	5.28	15.37	20.88
Northam Platinum Ltd	14741	10.11	17.28	19.24
Rebosis Property Fund Ltd	38	-5.00	-9.52	18.75
Gold Fields Ltd	11361	20.10	16.18	18.50
Naspers Ltd	266461	-1.58	8.29	16.32
MiX Telematics Ltd	830	0.48	1.71	15.83
Harmony Gold Mining Co Ltd	5930	27.04	16.66	15.82
Impala Platinum Holdings Ltd	16373	-0.50	15.71	14.08
Quilter PLC	3334	1.03	0.27	13.79
Pan African Resources PLC	242	-0.82	-4.72	12.04
Sirius Real Estate Ltd	1780	-0.50	0.79	11.25
Transaction Capital Ltd	2325	-10.58	-4.99	10.19
Coronation Fund Managers Ltd	4400	2.56	4.76	10.14
British American Tobacco PLC	65509	0.40	-0.59	9.66
Cartrack Holdings Ltd	2599	6.34	0.00	8.13
AngloGold Ashanti Ltd	33800	14.06	11.26	6.79
Investec Ltd	8853	-0.93	5.33	6.71
Investec PLC	8735	-0.26	5.56	6.58
Anglo American Platinum Ltd	138540	9.82	15.50	5.97
MTN Group Ltd	8739	0.19	8.17	5.94
Rhodes Food Group Pty Ltd	1553	-7.28	-4.49	5.92
Stenprop Ltd	2506	0.24	-5.43	5.88
DataTec Ltd	3480	-0.43	3.88	4.82
Vodacom Group Ltd	12022	-1.35	2.53	4.27
Anglo American PLC	41527	1.71	6.31	4.12
RDI REIT PLC	2500	0.00	-3.29	3.5
Murray & Roberts Holdings Ltd	1100	0.46	2.42	3.19
Netcare Ltd	1940	-3.00	-3.24	2.90
Investec Australia Property Fund	1503	-0.73	-1.44	2.52
African Oxygen Ltd	2202	8.96	2.13	2.37
Blue Label Telecoms Ltd	264	6.45	-3.65	2.33
Metair Investments Ltd	2360	1.72	1.07	2.16
NEPI Rockcastle PLC	12571	1.79	1.79	1.52
Mondi PLC	33120	2.83	8.78	1.50
African Rainbow Minerals Ltd	16600	2.47	-1.72	1.43
<b>JSE All Share Index</b>	<b>57336</b>	<b>-0.91</b>	<b>2.24</b>	<b>0.44</b>

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus	Previous	Frequency
 Eurozone	10:20	ECB's Lagarde Speaks at ECB and Its Watchers Conference	✓	-	-	As scheduled
 Germany	11:00	IFO - Business Climate (Feb)	✓✓✓	96.00	95.90	Monthly
 Germany	11:00	IFO - Current Assessment (Feb)	✓✓	99.00	99.10	Monthly
 Germany	11:00	IFO - Expectations (Feb)	✓✓	93.30	92.90	Monthly
 US	15:30	Chicago Fed National Activity Index (Jan)	✓✓✓	-0.92	-0.35	Monthly
 US	17:30	Dallas Fed Manufacturing Business Index (Feb)	✓✓✓	11.80	-0.20	Monthly
 US	22:00	Fed's Mester Speaks on Economy at NABE Conference	✓	-	-	As scheduled
 Germany	-	Import Price Index s.a. (MoM) (Jan)	✓✓	-	0.20%	Monthly
 Germany	-	Import Price Index n.s.a. (YoY) (Jan)	✓✓	-	-0.70%	Monthly

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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