

ONE
Minute Brief

25 February 2020



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Economic and political news

The Eastern Cape Court has issued an arrest warrant against Economic Freedom Fighters (EFF) leader, Julius Malema, for not appearing in the East London Magistrates Court on a charge related to the discharge of a firearm at an Eastern Cape rally in 2018. However, the warrant has been stayed until his next court appearance on 8 May.

The High Court in Pretoria has granted a final extension to the Commission of Inquiry into State Capture to complete its work by 31 March 2021.

A Bloomberg survey indicates that economists believe Moody's Investors Service will downgrade South Africa's (SA) status to "junk" in the first half of 2020.

The Democratic Alliance (DA) is planning to table the Fiscal Responsibility Bill, which contains measures to reduce fiscal debt.

Key indices

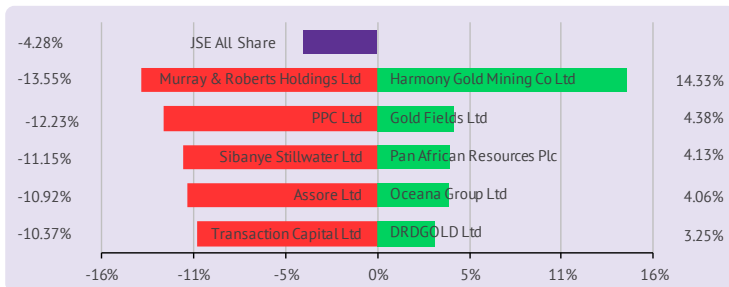
	As at 24 Feb 2020		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	54881.56	▼	-2454.65	-4.28	-4.28	-2.14	-1.76	-3.86
JSE Top 40 (ZAR)	49282.53	▼	-2299.90	-4.46	-4.46	-1.58	-1.46	-3.02
FTSE 100 (GBP)	7156.83	▼	-247.09	-3.34	-3.34	-1.77	-3.40	-5.11
DAX 30 (EUR)	13035.24	▼	-544.09	-4.01	-4.01	0.41	-2.02	-1.61
CAC 40 (EUR)	5791.87	▼	-237.85	-3.94	-3.94	-0.25	-2.87	-3.11
S&P 500 (USD)	3225.89	▼	-111.86	-3.35	-3.35	0.01	-0.16	-0.15
Nasdaq Composite (USD)	9221.28	▼	-355.31	-3.71	-3.71	0.77	1.99	2.77
DJIA (USD)	27960.80	▼	-1031.61	-3.56	-3.56	-1.04	-0.99	-2.02
MSCI Emerging Markets (USD)	1055.32	▼	-28.90	-2.67	-2.67	-0.66	-4.69	-5.32
MSCI Developed World (USD)	2330.75	▼	-72.05	-3.00	-3.00	-0.50	-0.68	-1.18

South Africa Market ▼

South African markets closed sharply lower

South African markets closed sharply weaker yesterday, amid broad sell-off in global equity markets. The JSE All Share Index fell 4.3% to close at 54,881.56.

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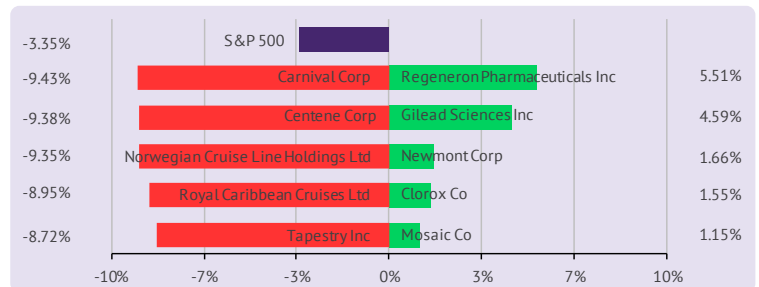


US Market ▼

US markets closed weaker

US markets closed sharply lower yesterday, as the spread of coronavirus beyond China stoked fears of a prolonged global economic slowdown. The S&P 500 Index dropped 3.4% to close at 3,225.89. Today, the S&P 500 futures are trading in the green.

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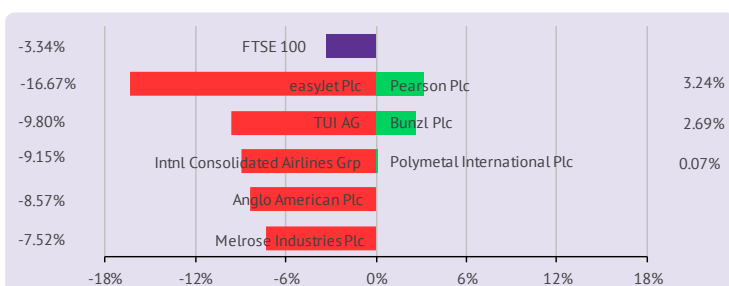


UK Market ▼

UK markets closed in the red

UK markets finished significantly lower yesterday, amid a surge in coronavirus cases outside China. The FTSE 100 Index declined 3.3% to close at 7,156.83. Today, the FTSE 100 futures are trading in positive territory.

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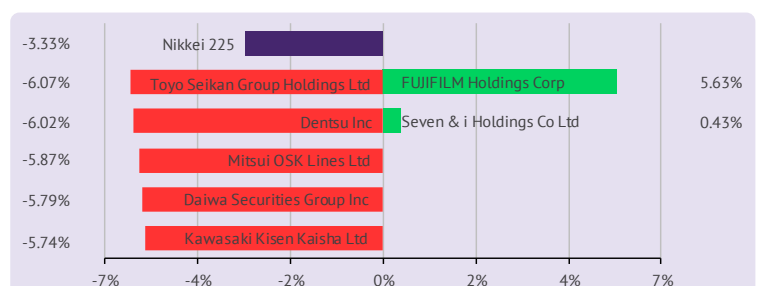


Asian Market ▼

Trading lower

Asian markets are trading lower this morning, tracking overnight losses on Wall Street. As at 6:00 SAST, the Nikkei 225 Index is trading 3.3% lower at 22,607.59.

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USD ZAR ▲

USD trading weaker against ZAR

At 06:00 SAST, the US Dollar retreated 0.2% against the South African Rand to trade at R15.1128. Later today, traders will keep a close watch on the US house price index, the Richmond Fed manufacturing index and consumer confidence index for further direction.

The US Dollar rose against the South African Rand yesterday. On the macro front, the US Chicago Fed National Activity index unexpectedly advanced in January. On the other hand, the Dallas Fed manufacturing business index climbed less than market anticipations in February. Separately, the South African Rand fell against the US Dollar, amid sharp rise coronavirus cases as well as concerns over the upcoming budget speech.

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GBP ZAR ▲

GBP trading lower against ZAR

At 06:00 SAST, the British Pound fell 0.2% against the South African Rand to trade at R19.5514. Ahead in the day, traders will keep an eye on UK's CBI distributive trades survey for further indication.

The British Pound advanced against the South African Rand yesterday.

EUR ZAR ▲

EUR trading weaker against ZAR

At 06:00 SAST, the Euro is trading 0.2% lower against the South African Rand at R16.4153. Going forward, market participants will keep a tab on Germany's gross domestic product for further cues.

The Euro strengthened against the South African Rand yesterday. On the data front, Germany's Ifo business expectations index as well as the Ifo business climate index unexpectedly advanced in February. Moreover, the Ifo current assessment index declined less than market expectations in February.

AUD ZAR ▲

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar slightly dropped against the South African Rand to trade at R10.0062.

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	15.1128	▲	0.96	0.96	0.81	7.34	8.21
GBPZAR	19.5514	▲	0.73	0.73	-1.16	6.76	5.53
EURZAR	16.4153	▲	1.02	1.02	-1.24	6.08	4.76
AUDZAR	10.0062	▲	0.65	0.65	-0.47	2.19	1.72
EURUSD	1.0862	▲	0.06	0.06	-2.15	-1.07	-3.20
GBPUSD	1.2939	▲	-0.31	-0.31	-2.14	-0.38	-2.51
Brent (\$/barrel)	56.5	▲	-3.76	-3.76	-0.57	-14.21	-14.70
Gold (\$/oz)	1659.7	▼	1.69	1.69	5.65	3.93	9.80
Platinum (\$/oz)	967.4	▼	-0.19	-0.19	1.28	-0.98	0.29
Copper (\$/MT)*	5665.8	▼	-1.40	-1.40	2.06	-9.72	-7.86

*As of previous close, #As on 06:00 SAST ** 1D% change as on 14 February 2020

Gold ▼

Trading in the red

At 06:00 SAST, gold prices fell 0.8% to trade at \$1,659.70/oz.

Yesterday, gold prices rose 1.7% to close at \$1,672.40/oz, amid mounting concerns over the sharp rise in coronavirus cases outside China.

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Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil climbed 0.4% to trade at \$56.51/bl.

Yesterday, Brent crude oil declined 3.8% to settle at \$56.30/bl, as surge in the number of coronavirus cases outside China stoked worries about crude demand.

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Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices dropped 0.7% to trade at \$967.40/oz.

Yesterday, platinum prices dropped 0.2% to close at \$974.20/oz.

Major South African corporate news

Aveng Limited

In its 1H20 results, the company announced that revenues decreased to ZAR11.19bn from ZAR13.37bn posted in the corresponding period of the previous year. Its diluted loss per share stood at 0.20c, compared to a loss of 5.40c in the same period of the prior year.

Blue Label Telecoms Limited

In its 1H20 trading statement, the company announced that it expects HEPS to be between 39.24c and 40.74c, compared to headline loss per share of 15.02c. The company expects its EPS to be between 34.20c and 35.46c, compared to a loss per share of 12.59c.

Cashbuild Limited

In its 1H20 trading statement, the company announced that it expects EPS to be between 717.20c and 756.00c, compared to 956.20c recorded in the same period of the prior year. Further, the company expects HEPS to be between 729.20c and 777.80c, compared to 972.30c in the preceding year.

Super Group Limited

In its 1H20 results, the company announced that revenues declined 3.0% to ZAR18.86bn from ZAR19.4bn reported in the same period of the preceding year. Its diluted EPS stood at 142.00c, compared to 175.90c recorded in the corresponding period of the previous year.

Clientele Limited

In its 1H20 results, the company announced that insurance premium revenues stood at ZAR1.15bn. Its diluted EPS fell 8.0% to 52.62c from the same period of the prior year.

JSE Limited

In its FY19 results, the company announced that revenues fell to ZAR2.19bn from ZAR2.20bn recorded last year. Its diluted loss per share stood at 5.70c, compared to 0.80c recorded in the previous year.

Sasol Limited

In its 1H20 results, the company announced that revenues declined 3.7% to ZAR99.17bn from the same period of the preceding year. Its diluted EPS stood at ZAR6.53, compared to ZAR23.76 recorded in the corresponding period of the previous year.

Major global economic news

Eurozone

In Germany, the Ifo business expectations index unexpectedly rose to a level of 93.40 in February, compared to a reading of 92.90 in the prior month.

In February, the Ifo business climate index unexpectedly advanced to a level of 96.10 in Germany, compared to a revised level of 96.00 in the previous month.

In Germany, the Ifo current assessment index dropped to 98.90 in February, less than market anticipations and compared to a revised level of 99.20 in the previous month.

Asia

In Japan, the corporate service price index advanced 2.3% on an annual basis in January, more than market consensus and compared to a rise of 2.1% in the prior month.

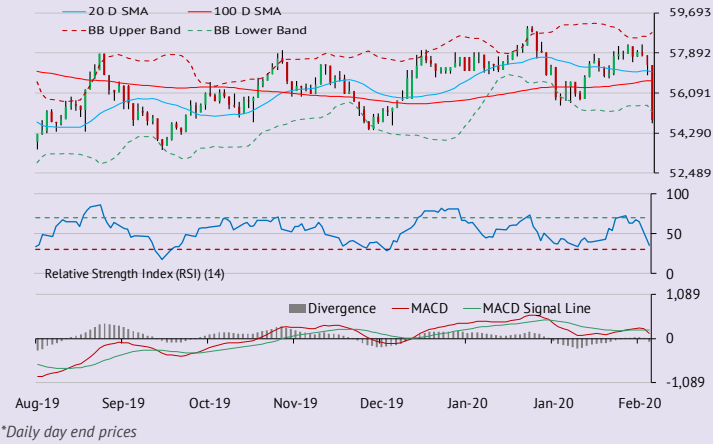
US

In the US, the Chicago Fed National Activity Index unexpectedly climbed to -0.25 in January, compared to a revised level of -0.51 in the previous month.

In February, the Dallas Fed manufacturing business index rose to 1.20 in the US, less than market forecast and compared to a level of -0.20 in the previous month.

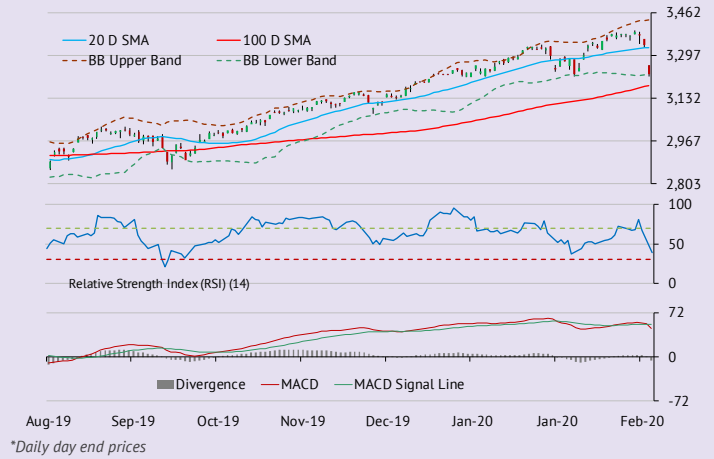
Technical snapshot

JSE All Share



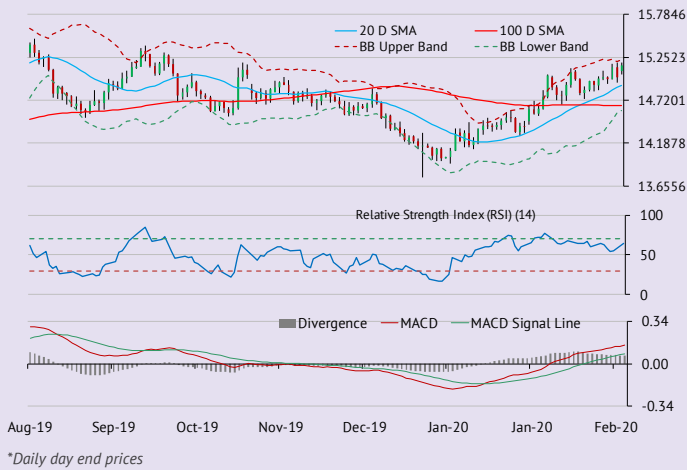
The JSE All Share index is expected to find support at 53,647.67, and a fall through could take it to the next support level of 52,413.78. The index is expected to find its first resistance at 57,192.97, and a rise through could take it to the next resistance level of 59,504.38.

S&P 500



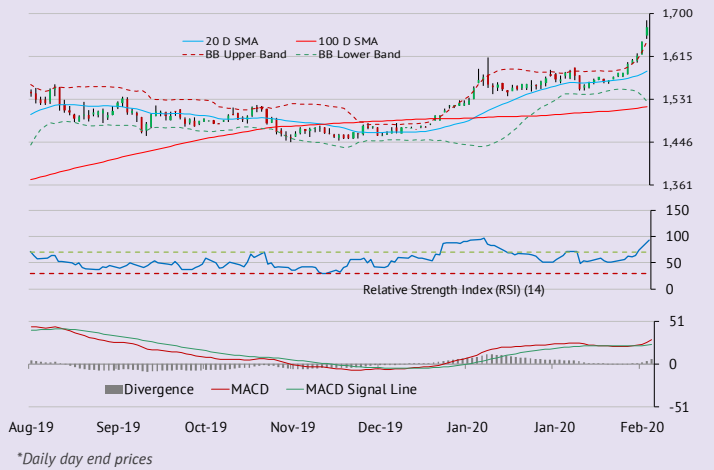
The S&P 500 index is expected to find support at 3,162.52, and a fall through could take it to the next support level of 3,099.15. The index is expected to find its first resistance at 3,341.39, and a rise through could take it to the next resistance level of 3,456.89.

USD ZAR



The pair is expected to find support at 14.9880, and a fall through could take it to the next support level of 14.8260. The pair is expected to find its first resistance at 15.2506, and a rise through could take it to the next resistance level of 15.3512.

XAU USD



Gold is expected to find support at \$1,605.93/oz, and a fall through could take it to the next support level of \$1,539.47/oz. The precious metal is expected to find its first resistance at \$1,712.73/oz, and a rise through could take it to the next resistance level of \$1,753.07/oz.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
Japan	01:50	Corporate Service Price (YoY) (Jan)	✓	2.30%*	2.10%	Monthly
Japan	07:00	Coincident Index (Dec) (F)	✓	-	94.70**	Monthly
Japan	07:00	Leading Economic Index (Dec) (F)	✓✓✓	-	91.60**	Monthly
South Africa	09:00	Leading Indicator (Dec)	✓	-	104.40	Monthly
Germany	09:00	Gross Domestic Product n.s.a. (YoY) (Q4) (F)	✓✓	0.30%	0.30%**	Quarterly
Germany	09:00	Gross Domestic Product s.a. (QoQ) (Q4) (F)	✓✓✓	0.00%	0.00%**	Quarterly
Germany	09:00	Gross Domestic Product w.d.a. (YoY) (Q4) (F)	✓✓	0.40%	0.40%**	Quarterly
Germany	09:00	Private Consumption (QoQ) (Q4)	✓	0.20%	0.40%	Quarterly
Germany	09:00	Capital Investment (QoQ) (Q4)	✓	-0.20%	-0.10%	Quarterly
Germany	09:00	Government Spending (QoQ) (Q4)	✓	0.30%	0.80%	Quarterly
UK	09:00	CBI Distributive Trades Survey - Realised (Feb)	✓✓	4.00%	0.00%	Monthly
US	09:00	Consumer Confidence (Feb)	✓✓✓	132.00	131.60	Monthly
US	09:00	Richmond Fed Manufacturing Index (Feb)	✓	10.00	20.00	Monthly
US	09:00	Housing Price Index (MoM) (Dec)	✓	0.40%	0.20%	Monthly
US	09:00	S&P/Case-Shiller 20 City s.a. (MoM) (Dec)	✓✓✓	0.40%	0.48%	Monthly
US	09:00	S&P/Case-Shiller Composite-20 (YoY) (Dec)	✓✓	2.85%	2.55%	Monthly
Eurozone	10:00	ECB's Hernandez de Cos speaks in Madrid	✓	-	-	As scheduled
US	16:00	S&P/Case-Shiller Home Price Index (Dec)	✓	-	212.56	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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