

ONE Minute Brief

10 February 2020

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Economic and political news

The National Director of Public Prosecutions, Shamila Batohi, has withdrawn charges against three former officials at the South African Revenue Services (SARS) who were accused of being part of the so-called 'rogue unit'.

Public Protector, Busisiwe Mkhwebane, has filed an urgent bid in the Western Cape High Court to stop a parliamentary process aimed at removing her from office.

Eskom has indicated that it would continue to implement Stage 2 load shedding today, due to a shortage of generation capacity.

News reports indicate that SAA's business rescue practitioners, Siciwe Dongwana and Les Matuson, have defended their decision to cancel domestic routes as part of a turnaround plan, following objections from President Cyril Ramaphosa, government and labour unions.

President, Cyril Ramaphosa, will deliver his fourth State of the Nation Address (Sona) on Thursday.

The Democratic Alliance has asked Finance Minister, Tito Mboweni, to probe and provide clarity on the Public Investment Corporation's (PIC) land purchase, on behalf of the Government Employees Pension Fund.

Key indices

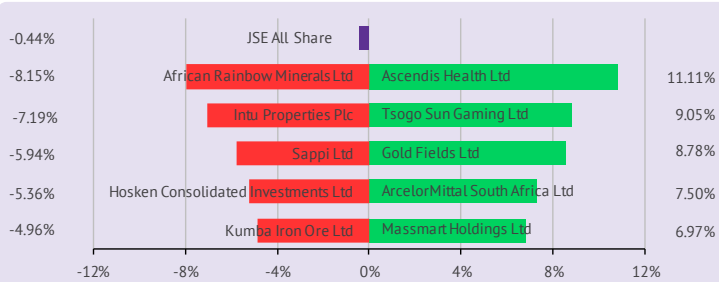
	As at 07 Feb 2020	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	57276.49	▼ -255.00	-0.44	NA	2.13	-1.76	0.34
JSE Top 40 (ZAR)	51396.07	▼ -216.00	-0.42	NA	2.64	-1.46	1.14
FTSE 100(GBP)	7466.70	▼ -38.09	-0.51	NA	2.48	-3.40	-1.00
DAX 30 (EUR)	13513.81	▼ -61.01	-0.45	NA	4.10	-2.02	2.00
CAC 40 (EUR)	6029.75	▼ -8.43	-0.14	NA	3.85	-2.87	0.86
S&P 500 (USD)	3327.71	▼ -18.07	-0.54	NA	3.17	-0.16	3.00
Nasdaq Composite (USD)	9520.51	▼ -51.64	-0.54	NA	4.04	1.99	6.11
DJIA (USD)	29102.51	▼ -277.26	-0.94	NA	3.00	-0.99	1.98
MSCI Emerging Markets (USD)	1091.65	▼ -10.74	-0.97	NA	2.76	-4.69	-2.06
MSCI Developed World (USD)	2404.75	▼ -11.73	-0.49	NA	2.66	-0.68	1.96

South Africa Market ▼

South African markets closed lower

South African markets closed in the red on Friday, amid broad sell-off in global equities and led by losses in industrial and financial sector stocks. The JSE All Share Index fell 0.4% to close at 57,276.49.

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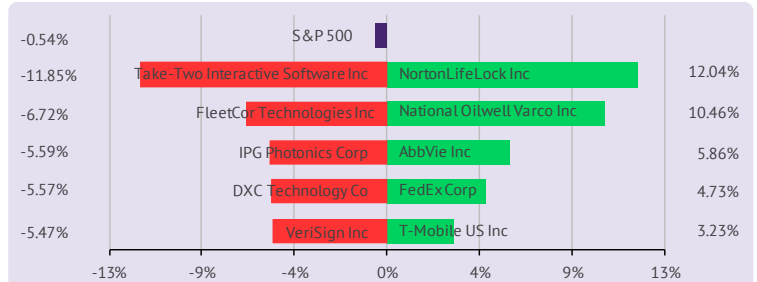


US Market ▼

US markets closed weaker

US markets closed lower on Friday, as growing worries about the global impact of the coronavirus epidemic overshadowed upbeat US jobs data. The S&P 500 Index dropped 0.5% to close at 3,327.71. Today, the S&P 500 futures are trading in the green.

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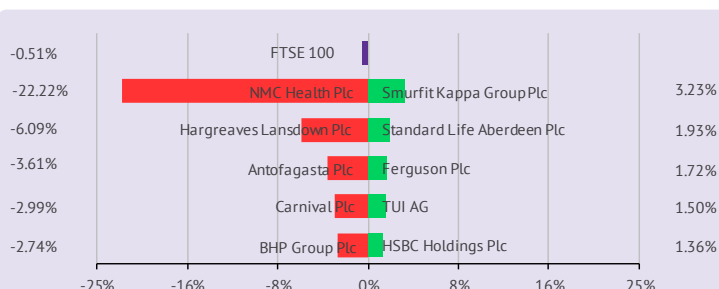


UK Market ▼

UK markets closed in the red

UK markets finished lower on Friday, ending its winning streak of four consecutive sessions, amid profit booking and ongoing concerns over the coronavirus outbreak. The FTSE 100 Index declined 0.5% to close at 7,466.70. Today, the FTSE 100 futures are trading in positive territory.

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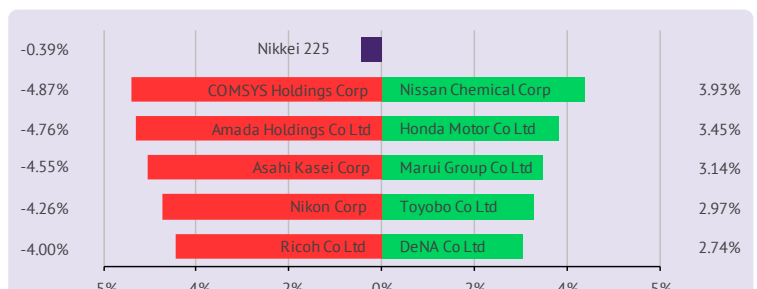


Asian Market ▼

Trading mostly lower

Asian markets are trading mostly lower this morning, as the coronavirus death toll climbed in China. As at 6:00 SAST, the Nikkei 225 Index is trading 0.4% lower at 23,736.07.

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USD ZAR ▲

USD trading lower against ZAR

At 06:00 SAST, the US Dollar dropped 0.3% against the South African Rand to trade at R15.0141. Amid no major economic releases in the US today, investors would focus on global macroeconomic events for further direction.

The US Dollar rose against the South African Rand on Friday, amid stronger-than-expected US jobs data. On the data front, US non-farm payrolls jumped more-than-expected in January. Moreover, average hourly earnings climbed on an annual basis in January. Further, consumer credit advanced more than market consensus in December, marking its highest level in five months. On the flipside, the region's unemployment rate unexpectedly increased in January.

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GBP ZAR ▲

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound is fell 0.3% against the South African Rand at R19.3635. Amid lack of macroeconomic releases in the UK today, market sentiment will be determined by global macroeconomic factors.

The British Pound advanced against the South African Rand on Friday. Data showed that UK's Halifax house prices UK house prices advanced at its fastest pace since February 2018 in January.

EUR ZAR ▲

EUR trading lower against ZAR

At 06:00 SAST, the Euro declined 0.3% against the South African Rand to trade at R16.4459. Going forward, market participants will keep a tab on Eurozone's Sentix investor confidence index for further indication.

The Euro strengthened against the South African Rand on Friday. On the macro front, Germany's trade surplus unexpectedly widened in December. Further, the nation's current account surplus unexpectedly expanded in December. Meanwhile, industrial production fell on a monthly basis in the same month.

AUD ZAR ▼

AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar slightly rose against the South African Rand to trade at R10.0608. Elsewhere, in China, Australia's largest trading partner, consumer price inflation jumped to its highest level in more than eight years in January. Additionally, the producer price index (PPI) rebounded on an annual basis in January.

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

Key currencies & commodities

	Current#		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	15.0141	▲	1.00	NA	0.24	7.34	7.60
GBPZAR	19.3635	▲	0.68	NA	-2.05	6.76	4.58
EURZAR	16.4459	▲	0.70	NA	-0.94	6.08	5.08
AUDZAR	10.0608	▼	0.20	NA	0.04	2.19	2.24
EURUSD	1.0953	▲	-0.34	NA	-1.33	-1.07	-2.38
GBPUSD	1.2896	▲	-0.30	NA	-2.38	-0.38	-2.75
Brent (\$/barrel)	54.3	▼	-0.84	NA	-3.80	-14.21	-17.47
Gold (\$/oz)	1574.4	▲	0.22	NA	-0.90	3.93	2.99
Platinum (\$/oz)	975.1	▲	0.19	NA	0.76	-0.98	-0.23
Copper (\$/MT)*	5648.3	▼	-1.29	NA	1.75	-9.72	-8.14

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

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.4% higher to trade at \$1,574.40/oz.

On Friday, gold prices rose 0.2% to close at \$1,568.60/oz, amid rising worries about the spread of the coronavirus and its impact on the global economy.

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Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 0.3% lower to trade at \$54.33/bl, on oversupply concerns.

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On Friday, Brent crude oil declined 0.8% to settle at \$54.47/bl, on lingering fears about the effect of coronavirus on energy demand. Additionally, Baker Hughes reported that the US oil rig count rose by 1 to 676 for the week ended 07 February.

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Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged 0.6% higher to trade at \$975.10/oz.

On Friday, platinum prices edged 0.2% higher to close at \$969.20/oz.

Major South African corporate news

EOH Holdings Limited

The company announced the appointment of Mr. Andrew Mthembu as the new Chairman of the EOH Group, with effect from 6 February 2020, to replace the late Dr Xolani Mkhwanazi, who was Chairman of the board at the time of his passing on 4 January 2020.

Mediclinic International Plc

The company announced that its Mediclinic Southern Africa division has received approval for its proposed acquisition of a controlling share in Matlosana Medical Health Services Proprietary Limited (Matlosana), based in Klerksdorp in the North-West Province of South Africa. The acquisition includes two multi-disciplinary hospitals namely the 185-bed Wilmed Park Hospital and the 62-bed Sunningdale Hospital. In addition, the acquisition includes a 51.0% share in the 50-bed Parkmed Neuro Clinic psychiatric hospital.

Major global economic news

US

In the US, non-farm payrolls jumped more-than-expected by 225.00K in January, compared to a revised level of 147.00K in the previous month.

In January, average hourly earnings climbed 3.1% on an annual basis in January, compared to a revised rise of 3.0% in the prior month.

In the US, the unemployment rate unexpectedly increased to 3.6% in January, compared to 3.5% in the earlier month.

In the US, consumer credit increased by USD22.06bn in December. In the prior month, consumer credit had recorded a revised rise of USD11.81bn.

Eurozone

In Germany, seasonally adjusted industrial production dropped 3.5% on a monthly basis in December, compared to a revised rise of 1.2% in the prior month.

In December, non-seasonally adjusted current account surplus unexpectedly widened to EUR29.40bn in Germany, compared to a revised surplus of EUR24.10bn in the previous month.

In Germany, seasonally adjusted trade surplus unexpectedly widened to EUR19.20bn in December, compared to a revised surplus of EUR18.50bn in the previous month.

Asia

In China, the consumer price index (CPI) climbed 5.4% on a yearly basis in January, more than market forecast. In the previous month, the CPI had recorded a rise of 4.5%.

In January, the PPI rose 0.1% on an annual basis in China, compared to a drop of 0.5% in the previous month.

In December, Japan posted a trade surplus (BOP basis) of JPY120.70bn, compared to a deficit of JPY2.50bn in the prior month.

In Japan, current account surplus narrowed to JPY524.00bn in December, compared to a surplus of JPY1436.80bn in November.

UK

In the UK, the Halifax house prices advanced 4.1% on an annual basis in the November-January 2020 period, more than market forecast and compared to a rise of 4.0% in the October-December 2019 period.

40 best performers on the All Share Index

Company name	Last close	1 Week % change	MTD % change	YTD % change
Steinhoff International Holdings NV	136	51.11	51.11	61.90
Montauk Holdings Ltd	5555	40.42	40.42	46.18
Rebosis Property Fund Ltd	42	0.00	0.00	31.25
Net 1 UEPS Technologies Inc	6384	21.53	21.53	23.79
Transaction Capital Ltd	2587	5.72	5.72	22.61
Reinet Investments SCA	33358	3.40	3.40	20.21
MiX Telematics Ltd	860	4.88	4.88	19.44
Massmart Holdings Ltd	5881	10.19	10.19	14.59
Naspers Ltd	262404	6.64	6.64	14.55
Quilter PLC	3306	-0.57	-0.57	12.83
British American Tobacco PLC	67000	1.67	1.67	12.16
Pan African Resources PLC	241	-5.12	-5.12	11.57
Sirius Real Estate Ltd	1785	1.08	1.08	11.56
Rhodes Food Group Pty Ltd	1633	0.43	0.43	11.37
ArcelorMittal South Africa Ltd	129	0.78	0.78	8.40
Cartrack Holdings Ltd	2601	0.08	0.08	8.21
Gold Fields Ltd	10319	5.52	5.52	7.64
Royal Bafokeng Platinum Ltd	5340	2.71	2.71	7.62
Netcare Ltd	2021	0.80	0.80	7.19
RDI REIT PLC	2574	-0.43	-0.43	6.63
Coronation Fund Managers Ltd	4234	0.81	0.81	5.98
Stenprop Ltd	2498	-5.74	-5.74	5.54
Bidvest Group Ltd/The	21545	4.08	4.08	5.22
Investec Australia Property Fund	1535	0.66	0.66	4.71
Glencore PLC	4537	3.68	3.68	4.59
Life Healthcare Group Holdings Ltd	2576	2.88	2.88	4.50
Sibanye Gold Ltd	3742	-4.25	-4.25	4.26
Investec Ltd	8627	2.64	2.64	3.99
Murray & Roberts Holdings Ltd	1107	3.07	3.07	3.85
RCL Foods Ltd/South Africa	1146	-4.50	-4.50	3.71
Investec PLC	8478	2.45	2.45	3.44
Vodacom Group Ltd	11903	1.52	1.52	3.24
Cie Financiere Richemont SA	11295	2.97	2.97	3.12
Peregrine Holdings Ltd	1885	-0.74	-0.74	3.06
Pick n Pay Stores Ltd	6550	0.85	0.85	2.52
Hudaco Industries Ltd	10922	7.61	7.61	2.42
Mpact Ltd	1525	-1.99	-1.99	2.35
Impala Platinum Holdings Ltd	14675	3.71	3.71	2.25
Santam Ltd	29602	4.76	4.76	2.03
Metair Investments Ltd	2350	0.64	0.64	1.73
JSE All Share Index	57276	2.13	2.13	0.34

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	01:50	Bank Lending including Trusts (YoY) (Jan)	✓	1.90%*	1.80%	Monthly
Japan	01:50	Bank Lending ex-Trust (YoY) (Jan)	✓	2.00%*	1.90%	Monthly
Japan	01:50	Housing Loans (YoY) (Q4)	✓	2.80%*	2.90%	Quarterly
Japan	01:50	Adjusted Current Account Total (Dec)	✓	JPY1714.70bn*	JPY1794.90 bn	Monthly
Japan	01:50	Current Account n.s.a. (Dec)	✓	JPY524.00bn*	JPY1436.80 bn	Monthly
Japan	01:50	Trade Balance - BOP Basis (Dec)	✓✓✓	JPY120.70bn*	-JPY2.50 bn	Monthly
China	03:30	Consumer Price Index (MoM) (Jan)	✓✓✓	1.40%*	0.00%	Monthly
China	03:30	Producer Price Index (YoY) (Jan)	✓✓✓	0.10%*	-0.50%	Monthly
China	03:30	Consumer Price Index (YoY) (Jan)	✓✓✓	5.40%*	4.50%	Monthly
Japan	06:30	Bankruptcies (YoY) (Jan)	✓✓	-	13.18%	Monthly
Japan	07:00	Eco Watchers Survey: Outlook (Jan)	✓✓	47.10	45.40	Monthly
Japan	07:00	Eco Watchers Survey: Current (Jan)	✓✓	40.50	39.80	Monthly
Switzerland	08:45	Unemployment Rate n.s.a. (Jan)	✓✓	-	2.50%	Monthly
Switzerland	08:45	Unemployment Rate s.a. (Jan)	✓✓	2.30%	2.30%	Monthly
China	09:00	FDI - Foreign Direct Investment YTD (YoY) (Jan)	✓	-	-	Monthly
Switzerland	09:30	Harmonised Index of Consumer Prices (HICP) (MoM) (Jan)	✓✓	-	0.20%	Monthly
Switzerland	09:30	Harmonised Index of Consumer Prices (HICP) (YoY) (Jan)	✓✓	-	-0.10%	Monthly
France	09:30	Bank of France Business Sentiment (Jan)	✓✓✓	-	97.00	Monthly
Switzerland	09:30	Consumer Price Index (YoY) (Jan)	✓✓	0.60%	0.20%	Monthly
Switzerland	09:30	Consumer Price Index (MoM) (Jan)	✓✓	-0.20%	0.00%	Monthly
Italy	11:00	Industrial Production n.s.a. (YoY) (Dec)	✓✓	-	-3.70%	Monthly
Italy	11:00	Industrial Production w.d.a.(YoY) (Dec)	✓✓	-0.80%	-0.60%	Monthly
Italy	11:00	Industrial Production s.a. (MoM) (Dec)	✓✓	-0.30%	0.10%	Monthly
Eurozone	11:30	Sentix Investor Confidence (Feb)	✓✓✓	12.70	7.60	Monthly
Greece	12:00	Industrial Production (YoY) (Dec)	✓	-	-8.10%	Monthly
US	15:15	Fed's Bowman speech	✓✓	-	-	As scheduled
Canada	15:15	Housing Starts s.a. (Jan)	✓✓✓	210.00 K	197.33 K	Monthly
Canada	15:30	Building Permits (MoM) (Dec)	✓	-	-2.40%	Monthly

Note: ✓✓✓High ✓✓Medium ✓Low

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