

# ONE Minute Brief

5 February 2020

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## Economic and political news

Eskom has cancelled plans to suspend load shedding during rush hour traffic and confirmed that it would continue with Stage 2 load-shedding until Thursday morning.

The Pietermaritzburg High Court has issued an arrest warrant against former President, Jacob Zuma, after he failed to appear in court on grounds of medical treatment. However, judge, Dhaya Pillay stayed the warrant until his corruption trial on 6 May.

Former Democratic Alliance (DA) youth leader, Mbali Ntuli is set to contest for the position of federal leader in April.

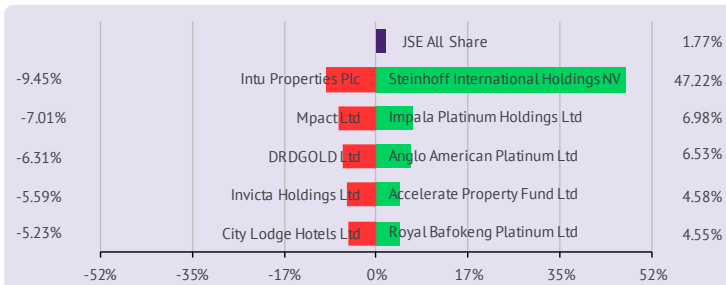
Public Enterprises Minister, Pravin Gordhan, stated that Eskom's transmission business will be "self-standing" within the next month or so.

## South Africa Market ▲

### South African markets closed higher

South African markets closed in the green for the second consecutive session yesterday, boosted by gains in banking and platinum mining sector stocks. The JSE All Share Index rose 1.8% to close at 56,817.03.

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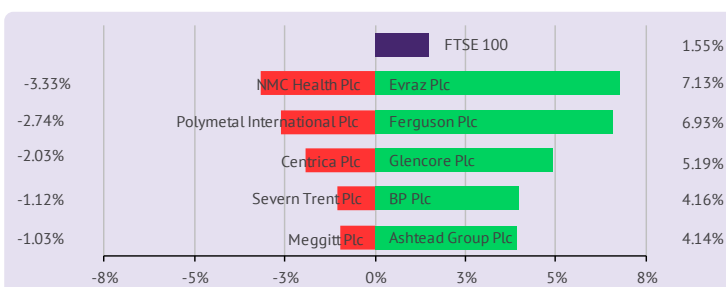


## UK Market ▲

### UK markets closed in the green

UK markets finished higher yesterday, after China's liquidity measures to support the economy eased concerns about the global impact of the coronavirus outbreak. The FTSE 100 Index advanced 1.6% to close at 7,439.82. Today, the FTSE 100 futures are trading in negative territory.

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## Key indices

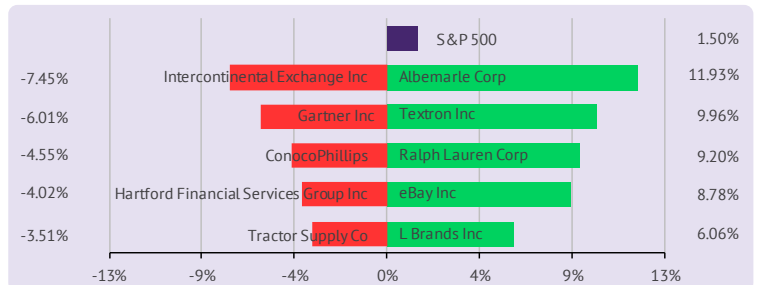
	As at 04 Feb 2020	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	56817.03	▲ 988.54	1.77	1.32	1.32	-1.76	-0.47
JSE Top 40 (ZAR)	50892.53	▲ 989.28	1.98	1.64	1.64	-1.46	0.15
FTSE 100 (GBP)	7439.82	▲ 113.51	1.55	2.11	2.11	-3.40	-1.36
DAX 30 (EUR)	13281.74	▲ 236.55	1.81	2.31	2.31	-2.02	0.25
CAC 40 (EUR)	5935.05	▲ 102.54	1.76	2.22	2.22	-2.87	-0.72
S&P 500 (USD)	3297.59	▲ 48.67	1.50	2.23	2.23	-0.16	2.07
Nasdaq Composite (USD)	9467.97	▲ 194.57	2.10	3.46	3.46	1.99	5.52
DJIA (USD)	28807.63	▲ 407.82	1.44	1.95	1.95	-0.99	0.94
MSCI Emerging Markets (USD)	1085.39	▲ 25.07	2.36	2.17	2.17	-4.69	-2.63
MSCI Developed World (USD)	2383.30	▲ 31.84	1.35	1.75	1.75	-0.68	1.05

## US Market ▲

### US markets closed firmer

US markets closed higher yesterday, as concerns over coronavirus outbreak and its impact on global economy faded amid stimulus efforts by the People's Bank of China. The S&P 500 Index climbed 1.5% to close at 3,297.59. Today, the S&P 500 futures are trading in the red.

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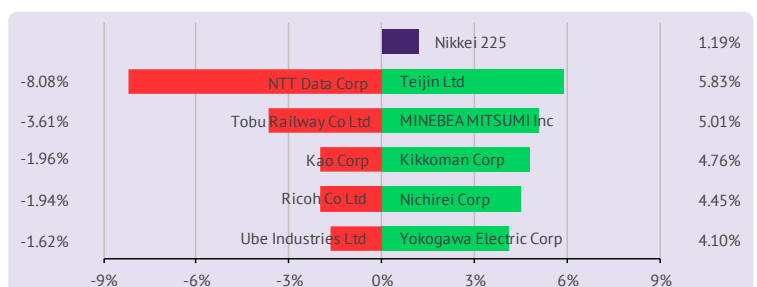


## Asian Market ▲

### Trading higher

Asian markets are trading higher this morning, amid renewed hopes that Chinese stimulus would reduce the economic impact of the coronavirus outbreak. As at 6:00 SAST, the Nikkei 225 Index is trading 1.2% higher at 23,358.90.

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## USD ZAR ▼

### USD trading firmer against ZAR

At 06:00 SAST, the US Dollar is trading 0.3% higher against the South African Rand at R14.8245. Later today, traders will keep a close watch on the US MBA mortgage applications, ADP employment change, trade balance, the Markit services PMI and the ISM non-manufacturing PMI for further direction.

The US Dollar fell against the South African Rand yesterday. On the macro front, the US final durable goods orders rebounded on a monthly basis in December. Additionally, factory orders advanced more than market anticipations on a monthly basis in December.

## GBP ZAR ▼

### GBP trading higher against ZAR

At 06:00 SAST, the British Pound is trading 0.2% firmer against the South African Rand at R19.3034. Ahead in the day, traders will keep an eye on UK's Markit services PMI for further indication.

The British Pound declined against the South African Rand yesterday, amid ongoing concerns over Brexit deal. Data indicated that UK's Markit construction PMI contracted at its slowest pace in eight months in January.

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## EUR ZAR ▼

### EUR trading firmer against ZAR

At 06:00 SAST, the Euro advanced 0.2% against the South African Rand to trade at R16.3589. Going forward, market participants will keep a tab on Eurozone's retail sales and the Markit services PMIs across the euro area for further cues.

The Euro weakened against the South African Rand yesterday. On the data front, Eurozone's producer price index (PPI) fell for the fifth consecutive month in December.

## AUD ZAR ▼

### AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar rose 0.3% against the South African Rand to trade at R9.9880. Earlier in the session, Australia's AiG performance of construction index and the Commonwealth Bank services PMI, both, climbed in January. Elsewhere, in China, Australia's largest trading partner, the Caixin services PMI unexpectedly dipped in January.

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	14.8245	▼	-0.68	-1.63	-1.63	7.34	5.59
GBPZAR	19.3034	▼	-0.38	-2.80	-2.80	6.76	3.77
EURZAR	16.3589	▼	-0.80	-1.95	-1.95	6.08	4.01
AUDZAR	9.9880	▼	0.01	-0.93	-0.93	2.19	1.25
EURUSD	1.1034	▼	-0.14	-0.44	-0.44	-1.07	-1.51
GBPUSD	1.3021	▼	0.28	-1.33	-1.33	-0.38	-1.70
Brent (\$/barrel)	54.6	▲	-0.90	-4.70	-4.70	-14.21	-18.24
Gold (\$/oz)	1560.2	▲	-1.70	-2.05	-2.05	3.93	1.79
Platinum (\$/oz)	966.2	▲	-0.47	0.44	0.44	-0.98	-0.55
Copper (\$/MT)*	5594.5	▲	1.65	0.78	0.78	-9.72	-9.02

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

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices gained 0.6% to trade at \$1,560.20/oz.

Yesterday, gold prices fell 1.7% to close at \$1,550.40/oz, after China's central bank intervened to combat the economic impact of the deadly coronavirus epidemic.

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## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil rose 1.1% to trade at \$54.58/bl. Separately, the American Petroleum Institute (API) reported that crude oil inventories rose by 4.2mn bls last week.

Yesterday, Brent crude oil declined 0.9% to settle at \$53.96/bl, amid growing concerns over the impact of coronavirus outbreak on energy demand.

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## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices slightly rose to trade at \$966.20/oz.

Yesterday, platinum prices dropped 0.5% to close at \$966.10/oz.

## Major South African corporate news

### Nedbank Group Limited

The company announced that Mr Joel Netshitenzhe has resigned from his position as independent Non-Executive Director, with effect from the close of Nedbank Group's Annual General Meeting (AGM) on 22 May 2020.

### Vodacom Group Limited

The company announced that it has added about half a million new subscribers, after special promotions over the summer months and continued regulatory pressure to cut mobile prices. Additionally, the company stated that it would launch next-generation 5G services in SA in 2020.

## Major global economic news

### Asia

In Australia, the AiG performance of construction index rose to 41.30 in January, compared to a reading of 38.90 in the previous month.

In January, the Commonwealth Bank services PMI advanced to a level of 50.60 in Australia, compared to a level of 48.90 in the previous month.

In Japan, the Jibun Bank services PMI climbed to a level of 51.00 in January, less than market expectations and compared to a level of 49.40 in the previous month.

In China, the Caixin services PMI unexpectedly fell to 51.80 in January. In the previous month, the index recorded a level of 52.50.

### US

In the US, final durable goods orders climbed 2.4% on a monthly basis in December, compared to a revised drop of 3.1% in the previous month. The preliminary figures had also indicated an advance of 2.4%.

In December, factory orders rose 1.8% on a monthly basis in the US, more than market anticipations. Factory orders had recorded a revised drop of 1.2% in the previous month.

### Eurozone

In the Eurozone, the PPI declined 0.7% on an annual basis in December, in line with market forecast and compared to a drop of 1.4% in the previous month.

### UK

In the UK, the Markit construction PMI advanced to a level of 48.40 in January, more than market expectations. In the previous month, the construction PMI had registered a level of 44.40.

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
Japan	03:30	BoJ's Wakatabe speech	✓	-	-	As scheduled
China	03:45	HSBC China Composite PMI (Jan)	✓✓✓	51.90*	52.60	Monthly
China	03:45	Caixin/Markit Services PMI (Jan)	✓✓✓	51.80*	52.50	Monthly
UK	11:00	New Car Registrations (YoY) (Jan)	✓	-	3.40%	Monthly
UK	11:30	Official Reserves (Changes) (Jan)	✓✓	-	USD2143.00mn	Monthly
Eurozone	12:00	Retail Sales Index s.a. (Dec)	✓✓	-	109.60	Monthly
Eurozone	12:00	Retail Sales (YoY) (Dec)	✓✓✓	1.30%	2.20%	Monthly
Eurozone	12:00	Retail Sales (MoM) (Dec)	✓✓✓	0.60%	1.00%	Monthly
US	14:00	MBA Mortgage Applications (31-Jan)	✓	-	7.20%	Weekly
US	15:15	ADP Employment Change (Jan)	✓✓✓	155.00K	202.00K	Monthly
US	15:30	Trade Balance (Dec)	✓✓✓	-USD44.60bn	-USD43.10bn	Monthly
US	16:45	Markit Services PMI (Jan) (F)	✓✓✓	53.20	53.20**	Monthly
US	17:00	ISM Non-Manufacturing PMI (Jan)	✓✓✓	55.10	55.00	Monthly
US	17:30	DOE Cushing OK Crude Inventory (31-Jan)	✓✓✓	-	758.00K bls	Weekly
US	17:30	DOE Distillate Inventory (31-Jan)	✓✓✓	-	-1289.00K bls	Weekly
US	17:30	DOE Gasoline Inventories (31-Jan)	✓✓✓	-	1203.00K bls	Weekly
US	17:30	EIA Crude Oil Stocks Change (31-Jan)	✓✓✓	-	3.55mn bls	Weekly

Note: ✓✓✓High    ✓✓Medium    ✓Low

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