

ONE  
Minute Brief

24 March 2020

GTC  
consult • partner • manage

## Economic and political news

President, Cyril Ramaphosa, announced that South Africa (SA) would be placed under a temporary lockdown for 21-days from Thursday midnight to contain the Covid-19 outbreak.

News reports indicate that the South African government is considering establishing a 'National Disaster Benefit' fund that would pay workers ZAR3,500 per month as compensation when they are laid-off due to the effect of the coronavirus outbreak on businesses.

The North Gauteng High Court has ruled that Public Protector, Busisiwe Mkhwebane, cannot access former President, Jacob Zuma's tax records from the South African Revenue Service (SARS).

The Supreme Court of Appeal has dismissed with costs Old Mutual's former Chief Executive Officer, Peter Moyo's application, for leave to appeal the 14 January judgement in favour of Old Mutual.

News reports indicate that Eskom has offered to buy surplus electricity from existing generating plants to meet demand for the short term.

## Key indices

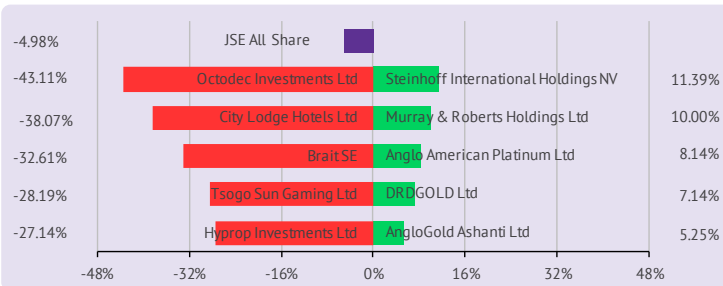
	As at 23 Mar 2020		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	38267.21	▼	-2004.79	-4.98	-4.98	-25.02	-8.99	-32.96
JSE Top 40 (ZAR)	34695.90	▼	-1606.40	-4.43	-4.43	-24.33	-8.43	-31.72
FTSE 100 (GBP)	4993.89	▼	-196.89	-3.79	-3.79	-24.11	-9.68	-33.79
DAX 30 (EUR)	8741.15	▼	-187.80	-2.10	-2.10	-26.49	-8.41	-34.02
CAC 40 (EUR)	3914.31	▼	-134.49	-3.32	-3.32	-26.28	-8.55	-34.52
S&P 500 (USD)	2237.40	▼	-67.52	-2.93	-2.93	-24.26	-8.41	-30.75
Nasdaq Composite (USD)	6860.67	▼	-18.85	-0.27	-0.27	-19.92	-6.38	-23.54
DJIA (USD)	18591.93	▼	-582.05	-3.04	-3.04	-26.83	-10.07	-34.85
MSCI Emerging Markets (USD)	758.20	▼	-45.03	-5.61	-5.61	-24.60	-5.35	-31.98
MSCI Developed World (USD)	1602.11	▼	-48.84	-2.96	-2.96	-25.17	-8.59	-32.07

## South Africa Market ▼

## South African markets closed lower

South African markets closed in the red yesterday, weighed down by losses in banking and property sector stocks. The JSE All Share Index fell 5.0% to close at 38,267.21.

To Read More Click [Here](#)

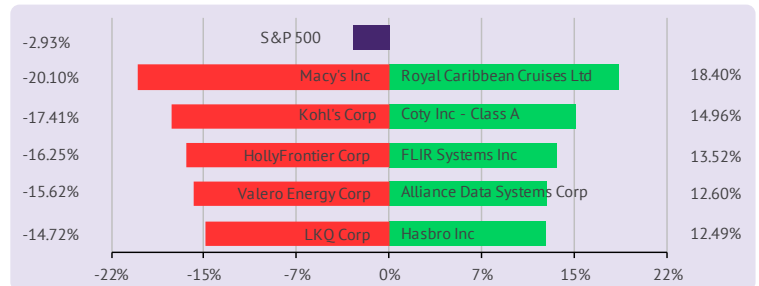


## US Market ▼

## US markets closed weaker

US markets closed lower yesterday, after a USD2tn coronavirus rescue package failed for a second time to pass a key procedural vote. The S&P 500 Index dropped 2.9% to close at 2,237.40. Today, the S&P 500 futures are trading in the green.

To Read More Click [Here](#)

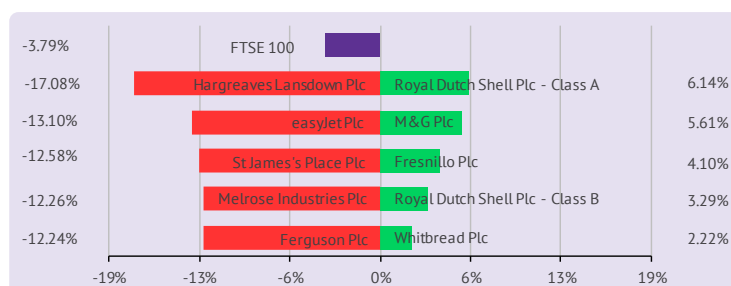


## UK Market ▼

## UK markets closed in the red

UK markets ended lower yesterday, with the FTSE 100 index hitting its lowest level since October 2011, after a raft of UK firms warned of weak corporate earnings and economists forecasted a pessimistic outlook for the global economy. The FTSE 100 Index fell 3.8% to close at 4,993.89. Today, the FTSE 100 futures are trading in positive territory.

To Read More Click [Here](#)

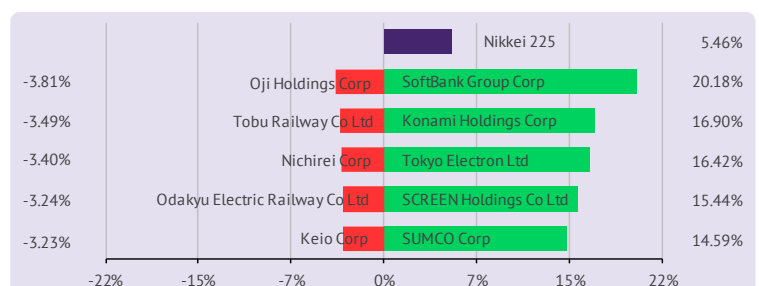


## Asian Market ▲

## Trading higher

Asian markets are trading higher this morning, on stimulus measures from global central banks to contain the economic impact of the coronavirus outbreak. As at 6:00 SAST, the Nikkei 225 Index is trading 5.5% higher at 17,809.81.

To Read More Click [Here](#)



## USD ZAR ▲

### USD trading weaker against ZAR

At 06:00 SAST, the US Dollar declined 0.7% against the South African Rand to trade at R17.7097. Later today, traders will keep a close watch on the US new home sales, the Richmond Fed manufacturing index, the Markit manufacturing and services PMIs for further direction.

The US Dollar rose against the South African Rand yesterday. On the macro front, the US Chicago Fed National Activity Index improved in February.

## GBP ZAR ▲

### GBP trading lower against ZAR

At 06:00 SAST, the British Pound fell 0.1% against the South African Rand to trade at R20.5775. Ahead in the day, traders will keep an eye on UK's CBI industrial trends survey orders, the Markit manufacturing and services PMIs for further indications.

The British Pound advanced against the South African Rand yesterday.

## EUR ZAR ▼

### EUR trading firmer against ZAR

At 06:00 SAST, the Euro slightly advanced against the South African Rand to trade at R19.1315. Going forward, market participants will keep a tab on the Markit manufacturing and services PMIs across the euro area for further cues.

The Euro strengthened against the South African Rand yesterday. On the data front, Eurozone's consumer confidence index declined to a 5-year low level in March.

## AUD ZAR ▼

### AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.8% firmer against the South African Rand at R10.4771. Earlier in the session, Australia's preliminary Commonwealth Bank manufacturing PMI dropped less-than-expected in March. Meanwhile, the preliminary Commonwealth Bank services PMI eased more than market forecast in March.

The Australian Dollar rose against the South African Rand yesterday.

## Key currencies & commodities

	Current <sup>#</sup>		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	17.7097	▲	1.29	1.29	13.89	4.21	27.41
GBPZAR	20.5775	▲	0.52	0.52	2.60	1.28	10.94
EURZAR	19.1315	▼	1.78	1.78	10.74	3.73	21.85
AUDZAR	10.4771	▼	1.87	1.87	1.99	1.34	5.62
EURUSD	1.0802	▲	0.36	0.36	-2.72	-0.60	-4.34
GBPUSD	1.1629	▲	-0.75	-0.75	-9.99	-2.90	-12.94
Brent (\$/barrel)	27.7	▲	0.19	0.19	-45.58	-12.27	-59.05
Gold (\$/oz)	1596.4	▲	5.59	5.59	0.06	-1.02	2.92
Platinum (\$/oz)	657.3	▲	0.80	0.80	-27.43	-10.11	-35.40
Copper (\$/MT)*	4625.0	▼	-3.75	-3.75	-17.66	1.19	-24.78

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

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices climbed 1.8% to trade at \$1,596.40/oz.

Yesterday, gold prices rose 5.6% to close at \$1,567.60/oz, after the US Federal Reserve (Fed) unveiled a massive stimulus package that includes unlimited Treasury and mortgage-backed security purchases.

To Read More Click [Here](#)

## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil rose 2.4% to trade at \$27.68/bl.

Yesterday, Brent crude oil advanced 0.2% to settle at \$27.03/bl, after the Fed announced major asset purchases to support markets.

To Read More Click [Here](#)

## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices climbed 4.7% to trade at \$657.30/oz.

Yesterday, platinum prices climbed 0.8% to close at \$627.50/oz.

## Major South African corporate news

### ADvTECH Limited

In its FY19 results, the company announced that revenues increased by 16.0% to ZAR5.11bn from ZAR4.39bn recorded last year. EPS increased by 21.0% to 87.10c, from the restated 72.0c in the prior year. In view of the heightened uncertainty as a result of the rapidly evolving nature of COVID-19, the board has decided to defer the decision regarding a dividend declaration.

### Famous Brands Limited

The company announced that it is monitoring the Covid-19 situation and in response has followed some measures in which a crisis leadership team comprising of the Group Executive Committee has been established to monitor and immediately respond to the situation as it develops. Further stringent protocols have been implemented in terms of social distancing, reducing non-essential domestic and international travel, and enabling remote working where practical.

### Hyprop Investments Limited

The company announced that in a steady-state operating environment, it is in a strong financial position, with a see-through LTV of 34.2% and an interest cover ratio of 3.8 times. Moreover, the developing pandemic is believed to test the financial and operational capabilities. Further, it is working hard to safeguard the company. Further, the company has resolved to pay an interim dividend on or about 5 October 2020.

## Major global economic news

### Asia

In Australia, the preliminary Commonwealth Bank manufacturing PMI fell to a level of 50.10 in March, less than market anticipations and compared to a level of 50.20 in the previous month.

In March, the preliminary Commonwealth Bank services PMI declined more-than-expected to 39.80 in Australia, compared to a level of 49.00 in the previous month.

In Japan, the preliminary Jibun Bank manufacturing PMI eased to a level of 44.80 in March, more than market forecast and compared to a level of 47.80 in the previous month.

### US

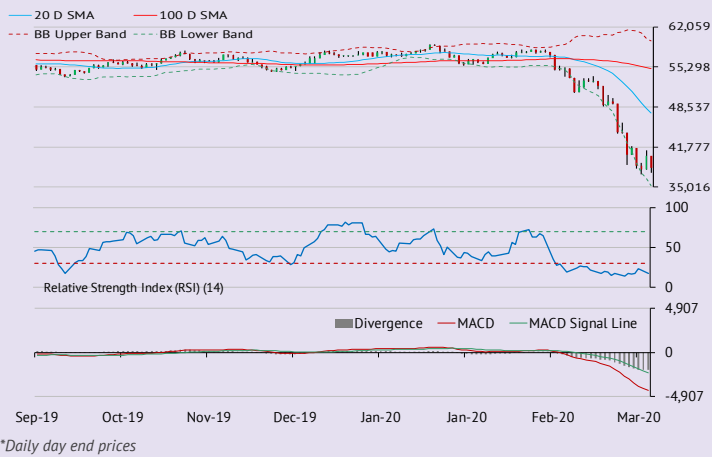
In the US, the Chicago Fed National Activity Index rose to a level of 0.16 in February, compared to a revised fall of -0.33 in the previous month.

### Eurozone

In the Eurozone, the preliminary consumer confidence index dropped to a level of -11.60 in March, compared a drop of -6.60 in the previous month.

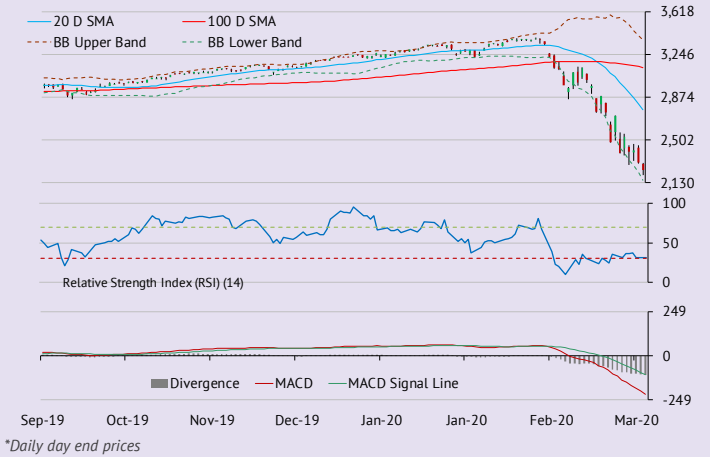
## Technical snapshot

### JSE All Share



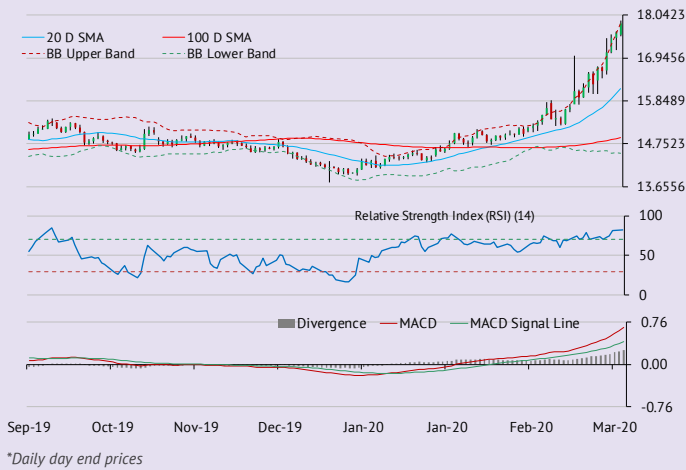
The JSE All Share index is expected to find support at 36,319.34, and a fall through could take it to the next support level of 34,371.47. The index is expected to find its first resistance at 41,073.66, and a rise through could take it to the next resistance level of 43,880.11.

### S&P 500



The S&P 500 index is expected to find support at 2,101.53, and a fall through could take it to the next support level of 1,965.66. The index is expected to find its first resistance at 2,463.60, and a rise through could take it to the next resistance level of 2,689.80.

### USD ZAR



The pair is expected to find support at 16.8811, and a fall through could take it to the next support level of 15.9253. The pair is expected to find its first resistance at 18.3459, and a rise through could take it to the next resistance level of 18.8549.

### XAU USD



Gold is expected to find support at \$1,493.63/oz, and a fall through could take it to the next support level of \$1,419.67/oz. The precious metal is expected to find its first resistance at \$1,605.43/oz, and a rise through could take it to the next resistance level of \$1,643.27/oz.

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	02:30	Nikkei Japan Composite PMI (Mar) (P)	✓✓✓	35.80*	47.00	Monthly
Japan	02:30	Nomura/ JMMA Manufacturing PMI (Mar) (P)	✓✓✓	44.80*	47.80	Monthly
Japan	02:30	Nikkei Japan Services PMI (Mar) (P)	✓✓	32.70*	46.80	Monthly
US	03:45	Fed's Bullard Speaks at Bank of France Event in Paris	✓	-	-	As Scheduled
Japan	07:00	Leading Economic Index (Jan) (F)	✓✓✓	90.30	91.00	Monthly
Japan	07:00	Coincident Index (Jan) (F)	✓	94.70	94.40	Monthly
Japan	07:00	Supermarket Sales (YoY) (Feb)	✓	-	-	Monthly
Japan	07:30	Nationwide Department Store Sales (YoY) (Feb)	✓	-	-5.00%	Monthly
Japan	07:30	Tokyo Department Store Sales (YoY) (Feb)	✓	-	-2.40%	Monthly
Japan	08:00	Machine Tool Orders (YoY) (Feb) (F)	✓✓✓	-	-35.60%	Monthly
South Africa	09:00	Number of Foreign Tourist Arrivals (Jan)	✓	-	981038.00	Monthly
South Africa	09:00	Leading Indicator (Jan)	✓	-	104.40	Monthly
France	10:15	Markit Composite PMI (Mar) (P)	✓✓✓	38.00	52.00	Monthly
France	10:15	Markit Manufacturing PMI (Mar) (P)	✓✓✓	40.00	49.80	Monthly
France	10:15	Markit Services PMI (Mar) (P)	✓✓✓	41.50	52.50	Monthly
Eurozone	10:20	ECB's Lagarde Speaks at ECB and Its Watchers Conference	✓	-	-	As Scheduled
Germany	10:30	Markit Manufacturing PMI (Mar) (P)	✓✓✓	40.00	48.00	Monthly
Germany	10:30	Markit Services PMI (Mar) (P)	✓✓✓	42.50	52.50	Monthly
Germany	10:30	Markit Composite PMI (Mar) (P)	✓✓✓	39.10	50.70	Monthly
Eurozone	11:00	Markit Manufacturing PMI (Mar) (P)	✓✓✓	39.00	49.20	Monthly
Eurozone	11:00	Markit Services PMI (Mar) (P)	✓✓✓	38.40	52.60	Monthly
Eurozone	11:00	Markit Composite PMI (Mar) (P)	✓✓✓	37.80	51.60	Monthly
UK	11:30	Markit Manufacturing PMI (Mar) (P)	✓✓✓	45.00	51.70	Monthly
UK	11:30	Markit Composite PMI (Mar) (P)	✓✓✓	-	53.00	Monthly
UK	11:30	FPC Meeting Minutes	✓✓	-	-	As Scheduled
UK	11:30	Markit Services PMI (Mar) (P)	✓✓✓	45.00	53.20	Monthly
UK	13:00	CBI Industrial Trends Survey - Orders (Mar)	✓	-30.00	-18.00	Monthly
UK	13:00	CBI Trends Selling Prices (Mar)	✓✓	-	-2.00	Monthly
US	15:45	Markit Manufacturing PMI (Mar) (P)	✓✓✓	43.00	50.70	Monthly
US	15:45	Markit Services PMI (Mar) (P)	✓✓✓	42.00	49.40	Monthly

Note: ✓✓✓High    ✓✓Medium    ✓Low

### 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

52 Corlett Drive, Illovo, 2196

**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

GTC (Pty) Ltd.

**reg. no.** 1996/001488/07

**directors:** G.K. Mockler, F.Dildar

An Authorised Financial

Services Provider

**FSP no.** 731

**GTC Group of products and services include:** Employee Benefits Consulting • Employee Benefits Administration • Private Client Wealth Management • Healthcare Consulting • Short-Term Risk Solutions • Stockbroking • Derivatives Trading • Unit Trust Management • Asset Management • Fiduciary Services