

ONE
Minute Brief

23 March 2020

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Economic and political news

Health Minister, Dr Zweli Mkhize, confirmed that South Africa (SA) now has 274 confirmed cases of COVID-19, representing an increase of 34 from Saturday's reported number of 240 cases.

News reports indicate that South African Airways (SAA) business rescue practitioners (BRP), Les Matuson and Siviwe have requested the creditors to approve a two-month extension for the publication of the plan until May 29, due to the coronavirus outbreak. Separately, the Democratic Alliance has urged the BRP to immediately apply to court to liquidate the airline.

On Sunday, Standard Bank announced a Coronavirus Business Interruption Payment Scheme which would provide a payment relief to small and medium-sized business owners and full-time students in a bid to soften the economic impact of the coronavirus.

President, Cyril Ramaphosa, is expected to make his scheduled Covid-19 address to the nation today.

News reports indicate that Zimbabwe has slashed its debt to Eskom to USD4mn from USD33mn.

Key indices

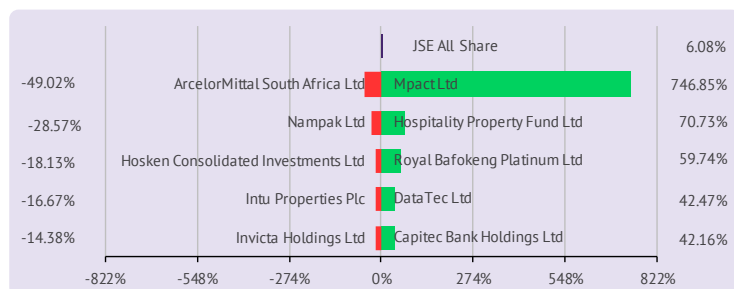
	As at 20 Mar 2020		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	40272.00	▲	2308.99	6.08	NA	-21.09	-8.99	-29.45
JSE Top 40 (ZAR)	36302.30	▲	2063.00	6.03	NA	-20.83	-8.43	-28.56
FTSE 100(GBP)	5190.78	▲	39.17	0.76	NA	-21.12	-9.68	-31.18
DAX 30 (EUR)	8928.95	▲	318.52	3.70	NA	-24.91	-8.41	-32.61
CAC 40 (EUR)	4048.80	▲	193.30	5.01	NA	-23.75	-8.55	-32.27
S&P 500 (USD)	2304.92	▼	-104.47	-4.34	NA	-21.98	-8.41	-28.66
Nasdaq Composite (USD)	6879.52	▼	-271.06	-3.79	NA	-19.70	-6.38	-23.33
DJIA (USD)	19173.98	▼	-913.21	-4.55	NA	-24.54	-10.07	-32.81
MSCI Emerging Markets (USD)	803.23	▲	36.82	4.80	NA	-20.12	-5.35	-27.94
MSCI Developed World (USD)	1650.94	▼	-43.51	-2.57	NA	-22.89	-8.59	-30.00

South Africa Market ▲

South African markets closed higher

South African markets closed in the green on Friday, boosted by gains in banking and platinum mining stocks. The JSE All Share Index rose 6.1% to close at 40,272.00.

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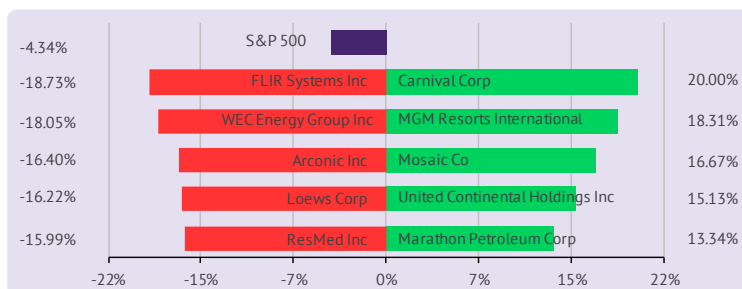


US Market ▼

US markets closed weaker

US markets closed lower on Friday, after New York and California imposed tight restrictions to keep people at home to curb the spread of the coronavirus. The S&P 500 Index dropped 4.3 % to close at 2,304.92. Today, the S&P 500 futures are trading in the red.

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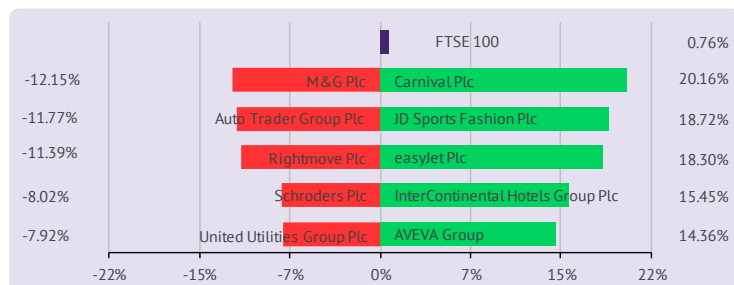


UK Market ▲

UK markets closed in the green

UK markets finished higher on Friday, amid expectations of more stimulus actions from central banks to contain the negative impact of the coronavirus outbreak. The FTSE 100 Index advanced 0.8% to close at 5,190.78. Today, the FTSE 100 futures are trading in negative territory.

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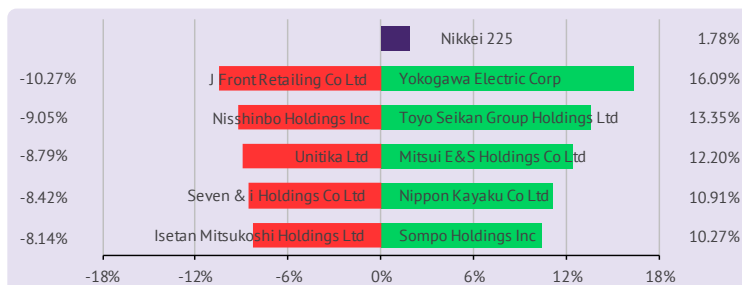


Asian Market ▼

Trading mostly lower

Asian markets are trading mostly lower this morning, as mounting concerns over the economic impact of the global coronavirus outbreak continued to weigh on investor sentiment. As at 6:00 SAST, the Nikkei 225 Index is trading 1.8% higher at 16,848.23.

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USD ZAR ▼

USD trading higher against ZAR

At 06:00 SAST, the US Dollar rose 0.6% against the South African Rand to trade at R17.7104. Later today, traders will keep a close watch on the US, Chicago Fed National Activity Index for further directions.

The US Dollar rose against the South African Rand on Friday. On the macro front, the US existing home sales surged to a 13-year high level in February.

GBP ZAR ▼

GBP trading firmer against ZAR

At 06:00 SAST, the British Pound climbed 0.8% against the South African Rand at R20.6500. With no major economic releases in the UK today, investor sentiment will be determined by global macroeconomic news.

The British Pound advanced against the South African Rand on Friday. Data indicated that UK's public sector net borrowing deficit unexpectedly posted a surplus in February. Meanwhile, consumer inflation expectations declined on an annual basis in February.

EUR ZAR ▼

EUR trading stronger against ZAR

At 06:00 SAST, the Euro rose 1.0% against the South African Rand to trade at R18.9891. Going forward, market participants will keep a tab on the Eurozone's consumer confidence index for further indications.

The Euro strengthened against the South African Rand on Friday. On the data front, Eurozone's seasonally adjusted current account surplus widened less-than-expected in February. Separately, Germany's producer price index (PPI) unexpectedly eased on an annual basis in February.

AUD ZAR ▼

AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar slightly advanced against the South African Rand to trade at R10.2038.

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

Key currencies & commodities

	Current#		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	17.7104	▼	0.82	NA	12.45	4.21	25.79
GBPZAR	20.6500	▼	2.11	NA	2.07	1.28	10.36
EURZAR	18.9891	▼	0.65	NA	8.80	3.73	19.71
AUDZAR	10.2038	▼	1.65	NA	0.11	1.34	3.68
EURUSD	1.0724	▲	-0.04	NA	-3.07	-0.60	-4.68
GBPUSD	1.1661	▲	1.25	NA	-9.31	-2.90	-12.28
Brent (\$/barrel)	26.2	▼	-5.23	NA	-45.68	-12.27	-59.12
Gold (\$/oz)	1497.4	▲	0.36	NA	-5.24	-1.02	-2.53
Platinum (\$/oz)	626.6	▲	4.31	NA	-28.01	-10.11	-35.92
Copper (\$/MT)*	4805.3	▼	-0.31	NA	-14.46	1.19	-21.85

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

Gold ▲

Trading in the green

At 06:00 SAST, gold prices climbed 0.9% to trade at \$1,497.40/oz.

On Friday, gold prices rose 0.4% to close at \$1,484.60/oz, as fiscal measures from global central banks to counter the economic impact from coronavirus reduced investors' appetite for cash.

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Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 3.0% lower to trade at \$26.18/bl, as escalation in lockdowns to curb the spread of the global coronavirus outbreak reduced the demand outlook for oil.

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On Friday, Brent crude oil declined 5.2% to settle at \$26.98/bl, as economic stimulus plans from government worldwide failed to ease concerns about the economic impact of coronavirus on oil demand and as Saudi Arabia and Russia oversupplied the market. Separately, Baker Hughes reported that US oil rig count fell by 19 to 664 last week.

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Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged 0.7% higher to trade at \$626.60/oz.

On Friday, platinum prices climbed 4.3% to close at \$622.50/oz.

Major South African corporate news

DataTec Limited

In its FY20 business update, the company announced that the COVID-19 virus outbreak has very rapidly spread across the globe in recent weeks and into every region where the company operates. Further, the company is continuing to take appropriate action to ensure the safety of all employees and customers, by following the World Health Organization and local country and government guidelines.

Grand Parade Investments Limited

In its 1H20 results, the company announced that revenues advanced to ZAR844.37mn from ZAR707.32mn recorded in the same period of the preceding year. Its diluted EPS stood at 2.72c, compared to 8.39c recorded in the corresponding period of the previous year.

Murray & Roberts Holdings Limited

The company announced that the group undertakes projects globally but predominantly in Australasia, the Americas and sub-Saharan Africa. During ongoing rapid spread of COVID-19, most projects have not yet been impacted by COVID-19. Further, it also continued to hold a view that near term investment in large greenfield oil and gas engineering, procurement and construction opportunities in Australasia remains unlikely, and the Oil & Gas platform does not rely on these opportunities for its short-term business plans.

Pan African Resources Plc

The company announced that it has rolled out a range of awareness, risk mitigation and prevention strategies across all of its operations amid the escalating COVID-19 pandemic. Currently, all of the company's operations continue to function as normal.

Steinhoff International Holdings NV

The company announced that many of the businesses in the group source products from various countries in Asia and some factory supply have been negatively impacted by the outbreak and spread of the Coronavirus. Moreover, its turnover has reduced, particularly in general merchandise. Meanwhile, this would continue for the duration of these restrictions. The performance of its FMCG focused businesses has been more resilient, partially offsetting this impact.

Major global economic news

UK

In the UK, public sector net borrowing surplus unexpectedly posed a surplus of GBP0.39bn in February, compared to a revised surplus of GBP12.43bn in the previous month.

In the UK, consumer inflation expectations fell to 3.0% on an annual basis in February, compared to 3.1% in the previous month.

Eurozone

In the Eurozone, seasonally adjusted current account surplus widened to EUR34.70bn in January, less than market expectations and compared to a surplus of EUR32.60bn in the previous month.

In Germany, the PPI unexpectedly dropped 0.1% on an annual basis in February, compared to a rise of 0.2% in the previous month.












US

In the US, existing home sales advanced 6.5% on a monthly basis to an annual rate of 5.77mn in February, more than market anticipations and compared to a level of 5.46mn in the previous month.

40 best performers on the All Share Index

Company name	Last close	1 Week % change	MTD % change	YTD % change
Montauk Holdings Ltd	4700	27.03	9.56	23.68
Pan African Resources PLC	250	12.1	5.04	15.74
Assore Ltd	28829	-7.23	69.86	8.40
Net 1 UEPS Technologies Inc	5500	1.85	1.85	6.65
Vodacom Group Ltd	11937	17.06	8.84	3.53
Pioneer Foods Group Ltd	10991	-0.08	0.86	2.07
Cartrack Holdings Ltd	2398	9.75	-0.08	-0.23
Reinet Investments SCA	26828	-2.50	-16.78	-3.32
Clicks Group Ltd	24413	6.41	3.66	-3.68
Dis-Chem Pharmacies Ltd	2552	16.53	18.04	-3.70
Pick n Pay Stores Ltd	6121	20.02	10.81	-4.19
Naspers Ltd	215500	-3.02	-9.4	-5.93
Steinhoff International Holdings NV	79	-22.55	-41.04	-5.95
Peregrine Holdings Ltd	1703	-10.88	-5.34	-6.89
Stenprop Ltd	2200	-4.31	-12.00	-7.05
SPAR Group Ltd/The	18050	15.99	10.06	-8.61
Astral Foods Ltd	19440	1.17	3.57	-8.66
RCL Foods Ltd/South Africa	1000	-5.66	-8.84	-9.50
British American Tobacco PLC	53350	-1.57	-12.24	-10.69
Cie Financiere Richemont SA	9718	6.29	-6.74	-11.28
Libstar Holdings Ltd	670	-6.16	-6.42	-11.73
Trencor Ltd	801	-2.91	-7.51	-11.98
Aspen Pharmacare Holdings Ltd	10484	20.51	4.84	-12.06
Zeder Investments Ltd	417	-2.11	-1.65	-12.39
Shoprite Holdings Ltd	10835	4.83	-2.05	-12.78
Italtile Ltd	1120	-7.44	-3.60	-12.95
Oceana Group Ltd	5340	3.69	-2.38	-13.24
Santam Ltd	24484	-6.59	-2.06	-15.61
AfroCentric Investment Corp Ltd	285	0.00	-5.00	-15.93
AngloGold Ashanti Ltd	26370	-0.90	-4.54	-16.22
JSE Ltd	10000	-6.50	0.00	-16.33
Investec Australia Property Fund	1225	-3.47	-12.31	-16.44
Netcare Ltd	1560	-8.83	-14.75	-17.26
Raubex Group Ltd	1980	-3.41	-5.71	-17.47
Tiger Brands Ltd	16949	10.35	11.94	-17.88
Rhodes Food Group Pty Ltd	1199	-0.17	-14.36	-18.23
Gold Fields Ltd	7756	-2.44	-15.07	-18.30
Tradehold Ltd	975	-1.91	2.63	-18.55
Mondi PLC	26537	-4.52	-13.19	-18.67
Brimstone Investment Corp Ltd	630	-0.32	-10.00	-18.71
JSE All Share Index	40272	-8.84	-21.09	-29.45

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus	Previous	Frequency
 Japan	09:00	Convenience Store Sales (YoY) (Feb)	✓	-	0.40%	Monthly
 Switzerland	10:00	M3 Money Supply (YoY) (Feb)	✓	-	0.30%	Monthly
 Switzerland	11:00	Domestic Sight Deposits (CHF) (20-Mar)	✓	-	CHF505900.00mn	Weekly
 Switzerland	11:00	Total Sight Deposits (CHF) (20-Mar)	✓	-	CHF603000.00mn	Weekly
 South Africa	13:00	Sales by Takeaway & Fast Food Outlets (Jan)	✓	-	ZAR2441.50mn	Monthly
 South Africa	13:00	Food and beverages - Total Income (Jan)	✓	-	ZAR7422.20mn	Monthly
 South Africa	13:00	Sales by Takeaway & Fast Food Outlets s.a. (Jan)	✓	-	ZAR2014.20mn	Monthly
 Canada	14:30	Wholesale Sales (MoM) (Jan)	✓✓✓	0.50%	0.90%	Monthly
 Canada	14:30	Wholesale Sales (Jan)	✓	-	CAD63.88bn	Monthly
 US	14:30	Chicago Fed National Activity Index (Feb)	✓✓✓	-	-0.25	Monthly
 Eurozone	17:00	Consumer Confidence (Mar) (P)	✓✓✓	-6.50	-6.60	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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