

ONE  
Minute Brief

2 March 2020

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## Economic and political news

In South Africa (SA), trade deficit stood at ZAR1.87bn in January, compared to a revised surplus of ZAR13.89bn in the prior month. Additionally, growth in private sector credit demand slowed to 5.01% in January, compared to a revised advance of 6.12% in the previous month. Meanwhile, M3 money supply growth expanded to 7.02% on an annual basis in January, compared to a revised rise of 6.15% in the prior month.

News reports indicate that the South African Airways' (SAA) Business Rescue Practitioners (BRPs), Siviwe Dongwana and Les Matuson, have been granted an extension to publish their business rescue plan by the end of March 2020.

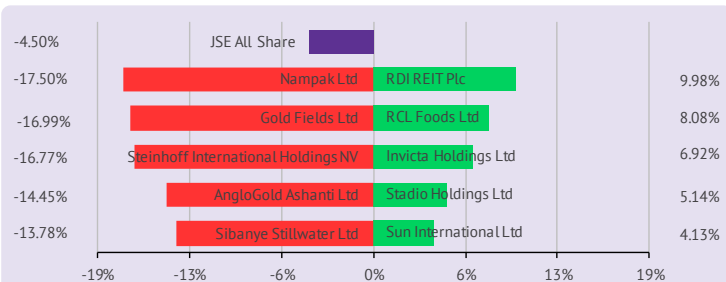
According to the Automobile Association (AA), petrol price is expected to drop between 9 cents and 19 cents per litre and diesel by around 55 cents per litre in March.

Head of the South African Revenue Service (SARS), Edward Kieswetter, stated that SA could lose tariffs on about ZAR70bn worth of trade under the African Continental Free Trade Area agreement.

## South Africa Market ▼

## South African markets closed sharply lower

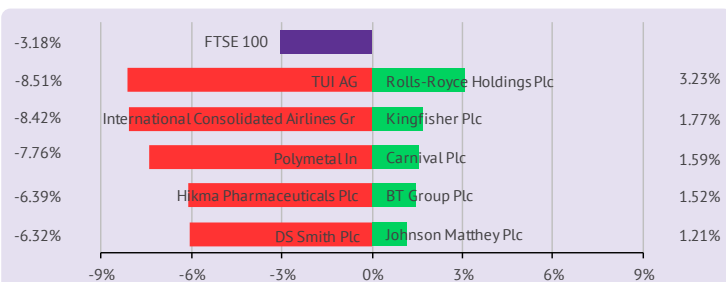
South African markets closed sharply lower on Friday, weighed down by losses in platinum mining, gold mining and resource sector stocks. Data indicated that SA recorded a trade deficit in January. The JSE All Share Index fell 4.5% to close at 51,038.18.

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## UK Market ▼

## UK markets closed in the red

UK markets finished lower on Friday, amid concerns that the coronavirus outbreak could result in a severe global recession. The FTSE 100 Index declined 3.2% to close at 6,580.61. Today, the FTSE 100 futures are trading in positive territory.

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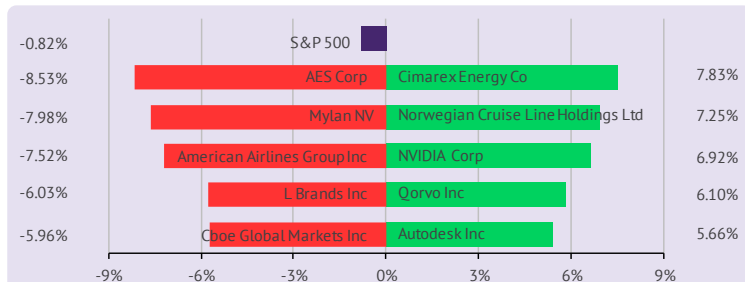
## Key indices

	As at 28 Feb 2020	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	51038.18	▼	-2406.65	-4.50	NA	NA	-8.99
JSE Top 40 (ZAR)	45851.76	▼	-2181.07	-4.54	NA	NA	-8.43
FTSE 100(GBP)	6580.61	▼	-215.79	-3.18	NA	NA	-9.68
DAX 30 (EUR)	11890.35	▼	-477.11	-3.86	NA	NA	-8.41
CAC 40 (EUR)	5309.90	▼	-185.70	-3.38	NA	NA	-8.55
S&P 500 (USD)	2954.22	▼	-24.54	-0.82	NA	NA	-8.41
Nasdaq Composite (USD)	8567.37	▲	0.89	0.01	NA	NA	-6.38
DJIA (USD)	25409.36	▼	-357.28	-1.39	NA	NA	-10.07
MSCI Emerging Markets (USD)	1005.52	▼	-25.15	-2.44	NA	NA	-5.35
MSCI Developed World (USD)	2141.12	▼	-36.12	-1.66	NA	NA	-8.59

## US Market ▼

## US markets closed mostly weaker

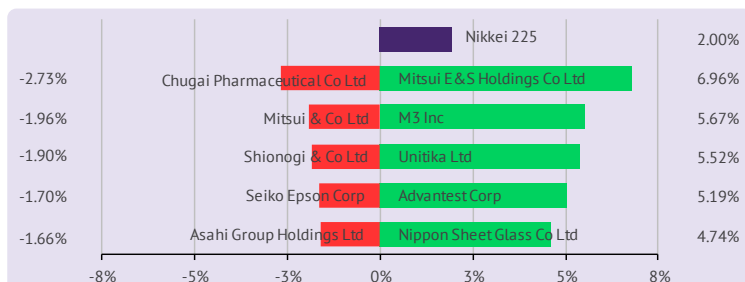
US markets closed mostly lower on Friday, amid fears that the fast-spreading coronavirus could cause a global recession. The S&P 500 Index dropped 0.8% to close at 2,954.22. Today, the S&P 500 futures are trading in the green.

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## Asian Market ▲

## Trading mostly higher

Asian markets are trading mostly higher this morning. Data showed that Japan's Jibun Bank manufacturing PMI advanced in February. As at 6:00 SAST, the Nikkei 225 Index is trading 2.0% higher at 21,566.44.



## USD ZAR ▲

### USD trading weaker against ZAR

At 06:00 SAST, the US Dollar is trading 0.3% lower against the South African Rand at R15.6216. Later today, traders will keep a close watch on the US Markit manufacturing PMI and the ISM manufacturing PMI for further direction.

The US Dollar rose against the South African Rand on Friday. On the macro front, the US final Michigan consumer sentiment index advanced more-than-expected in February. Additionally, the Chicago Fed Purchasing Managers' Index rose in February. Moreover, both, personal spending as well as personal income increased in January. Also, advance goods trade deficit narrowed in January. Separately, the South African Rand fell against the US Dollar, amid mounting concerns over the coronavirus outbreak. On the data front, SA recorded a trade deficit in January. Additionally, private sector credit demand growth slowed in January. Meanwhile, growth in M3 money supply expanded on an annual basis in January.

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## GBP ZAR ▲

### GBP trading lower against ZAR

At 06:00 SAST, the British Pound declined 0.2% against the South African Rand to trade at R20.0386. Ahead in the day, traders will keep an eye on UK's Markit manufacturing PMI and mortgage approvals for further indication.

The British Pound advanced against the South African Rand on Friday. Data indicated that UK's seasonally adjusted Nationwide house prices advanced at its fastest pace since July 2018 in February.

## EUR ZAR ▲

### EUR trading weaker against ZAR

At 06:00 SAST, the Euro is trading 0.1% lower against the South African Rand at R17.2617. Going forward, market participants will keep a tab on the Markit manufacturing PMI across the Eurozone.

The Euro strengthened against the South African Rand on Friday. On the data front, Germany's seasonally adjusted unemployment rate remained unchanged at par with market expectations in February. Meanwhile, the flash consumer price index (CPI) climbed on an annual basis in February.

## AUD ZAR ▼

### AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar slightly rose against the South African Rand to trade at R10.1912. Earlier in the session, Australia's AiG performance of manufacturing index dropped in February. Meanwhile, the Commonwealth Bank manufacturing PMI rose more-than-expected in February. Elsewhere, in China, Australia's largest trading partner, the NBS manufacturing PMI declined more than market anticipations in February. Additionally, the Caixin manufacturing PMI fell more than market forecast in February.

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	15.6216	▲	1.14	NA	NA	4.21	11.86
GBPZAR	20.0386	▲	0.60	NA	NA	1.28	8.13
EURZAR	17.2617	▲	1.41	NA	NA	3.73	10.03
AUDZAR	10.1912	▼	0.18	NA	NA	1.34	3.56
EURUSD	1.1049	▲	0.23	NA	NA	-0.60	-1.67
GBPUSD	1.2828	▲	-0.50	NA	NA	-2.90	-3.27
Brent (\$/barrel)	51.4	▲	-4.81	NA	NA	-12.27	-24.74
Gold (\$/oz)	1600.0	▲	-4.61	NA	NA	-1.02	2.86
Platinum (\$/oz)	883.4	▲	-4.51	NA	NA	-10.11	-10.98
Copper (\$/MT)*	5617.3	▲	0.34	NA	NA	1.19	-8.65

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

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices edged 2.1% higher to trade at \$1,600.00/oz.

On Friday, gold prices fell 4.6% to close at \$1,566.70/oz, as investors began to liquidate assets.

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## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil edged 3.6% higher to trade at \$51.44/bl, amid hopes that the Organisation of the Petroleum Exporting Countries (OPEC) and its allies could deepen oil supply cuts.

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On Friday, Brent crude oil declined 4.8% to settle at \$49.67/bl, amid persistent fears that the spread of coronavirus would affect energy demand. Separately, Baker Hughes reported that the US oil rig count fell by 1 to 678 last week.

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## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices edged 2.2% higher to trade at \$883.40/oz.

On Friday, platinum prices dropped 4.5% to close at \$864.70/oz.

## Major South African corporate news

### Barloworld Limited

The company announced that it has entered into a sale and purchase agreement with Tongaat Hulett Limited in terms of which the company, through one of its wholly-owned subsidiaries, will acquire the Tongaat Hulett Starch business as a going concern for an enterprise value of ZAR5.35bn, on a debt free/cash free basis. Moreover, the acquisition will be funded from the company's existing cash resources and local debt facilities.

### Blue Label Telecoms Limited

In its 1H20 results, the company announced that revenues increased to ZAR11.49bn from ZAR11.27bn posted in the corresponding period of the previous year. Its EPS stood at 34.83c compared to a loss per share of 15.11c reported in the same period of the prior year.

### Northam Platinum Limited

In its 1H20 results, the company announced that revenues advanced 57.0% to ZAR7.82bn from ZAR5.0bn reported in the same period of the preceding year. Its diluted EPS stood at 328.00cc, compared to a loss per share of 18.20c recorded in the corresponding period of the previous year.

### Sun International Limited

In its FY19 trading statement, the company announced that total income rose by 3.7% to ZAR17.20bn, compared to the prior year. Further, the company expects HEPS to be between 580.00c and 622.00c, compared to 213.00c last year. Also, it expects its EPS to be between 475.00c and 570.00c, compared to a loss per share of 6.00c.

## Major global economic news

### Asia

In Japan, housing starts dropped 10.1% on an annual basis in January, compared to a drop of 7.9% in the previous month.

In February, the Jibun Bank manufacturing PMI rose to 47.80 in Japan, more than market expectations and compared to a level of 47.60 in the prior month.

In China, the NBS manufacturing PMI dropped to a level of 35.70 in February, more than market forecast and compared to a level of 50.00 in the previous month.

In February, the Caixin manufacturing PMI eased to 40.30 in China, more than market consensus and compared to a level of 51.10 in the previous month.

In Australia, the AiG performance of manufacturing index declined to a level of 44.30 in February, compared to a level of 45.40 in the previous month.

In February, the Commonwealth Bank manufacturing PMI advanced to a level of 50.20 in Australia, more than market anticipations and compared to a revised level of 49.60 in the previous month.

### US

In the US, the final Michigan consumer sentiment index climbed to 101.00 in February. In the prior month, the index had recorded a level of 99.80. The preliminary figures had indicated an advance to 100.90.

In February, the Chicago Fed Purchasing Managers' Index advanced to 49.00 in the US, compared to a level of 42.90 in the prior month.

In the US, advance goods trade deficit narrowed to USD65.50bn in January, compared to a revised deficit of USD68.67bn in the previous month.

In January, personal spending rose 0.2% on a monthly basis in the US, less than market forecast and compared to a revised rise of 0.4% in the prior month.

In the US, personal income advanced 0.6% on a monthly basis in January, compared to a revised rise of 0.1% in the previous month.

### Eurozone

In Germany, the seasonally adjusted unemployment rate remained unchanged at 5.0% in February, in line with market expectations.

In February, the CPI rose 1.7% on a yearly basis in Germany, compared to a similar rise in the previous month.

### UK

In the UK, seasonally adjusted Nationwide house prices rose 2.3% on a yearly basis in February, in line with market expectations and compared to a rise of 1.9% in the previous month.

## 40 best performers on the All Share Index

Company name	Last close	1 Week % change	MTD % change	YTD % change
Steinhoff International Holdings NV	134	-18.79	NA	59.52
Sibanye Gold Ltd	4433	0.00	NA	23.52
Reinet Investments SCA	32237	-5.46	NA	16.17
Montauk Holdings Ltd	4290	-14.15	NA	12.89
MiX Telematics Ltd	800	-3.61	NA	11.65
Pan African Resources Plc	238	-1.65	NA	10.19
Harmony Gold Mining Co Ltd	5555	-6.32	NA	8.50
Stenprop Ltd	2500	-0.24	NA	5.63
Net 1 UEPS Technologies Inc	5400	-15.66	NA	4.71
Naspers Ltd	238094	-10.65	NA	3.94
British American Tobacco Plc	60789	-7.21	NA	1.76
Pioneer Foods Group Ltd	10897	0.06	NA	1.20
Royal Bafokeng Platinum Ltd	4999	-16.66	NA	0.75
Cartrack Holdings Ltd	2400	-7.66	NA	-0.15
Sirius Real Estate Ltd	1594	-10.45	NA	-0.38
RCL Foods Ltd/South Africa	1097	-0.09	NA	-0.72
Quilter Plc	2903	-12.93	NA	-0.92
Coronation Fund Managers Ltd	3933	-10.61	NA	-1.55
Peregrine Holdings Ltd	1799	0.33	NA	-1.65
AECI Ltd	10421	2.17	NA	-2.61
Netcare Ltd	1830	-5.67	NA	-2.94
Rebosis Property Fund Ltd	31	-18.42	NA	-3.13
Gold Fields Ltd	9222	-18.83	NA	-3.81
Blue Label Telecoms Ltd	248	-6.06	NA	-3.88
RDI REIT Plc	2315	-7.40	NA	-4.10
Rhodes Food Group Pty Ltd	1400	-9.85	NA	-4.52
Investec Plc	7820	-10.48	NA	-4.59
Investec Australia Property Fund	1397	-7.05	NA	-4.71
Trencor Ltd	866	-5.87	NA	-4.84
Cie Financiere Richemont SA	10420	-5.74	NA	-4.87
Vodacom Group Ltd	10967	-8.78	NA	-4.88
Investec Ltd	7887	-10.91	NA	-4.93
Libstar Holdings Ltd	716	3.47	NA	-5.67
Mondi Plc	30568	-7.71	NA	-6.32
Hudaco Industries Ltd	9562	-6.62	NA	-6.76
Clicks Group Ltd	23550	-4.32	NA	-7.09
EPP NV	1590	-0.38	NA	-7.29
DataTec Ltd	3060	-12.07	NA	-7.83
NEPI Rockcastle Plc	11400	-9.32	NA	-7.94
Stadio Holdings Ltd	184	-0.54	NA	-8.00
<b>JSE All Share Index</b>	<b>51038</b>	<b>-10.98</b>	<b>NA</b>	<b>-10.59</b>

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus	Previous	Frequency
South Africa	11:00	PMI Manufacturing (Feb)	✓✓	-	45.20	Monthly
UK	11:30	M4 Money Supply (YoY) (Jan)	✓	-	3.80%	Monthly
UK	11:30	M4 Ex IOFCs 3M Annualised (Jan)	✓	-	4.50%	Monthly
UK	11:30	Net Consumer Credit (Jan)	✓✓	-	GBP1.22bn	Monthly
UK	11:30	Net Lending Sec. on Dwellings (Jan)	✓✓	-	GBP4.55bn	Monthly
UK	11:30	Mortgage Approvals (Jan)	✓✓✓	-	67.24 K	Monthly
UK	11:30	M4 Money Supply (MoM) (Jan)	✓	-	0.10%	Monthly
US	16:45	Markit Manufacturing PMI (Feb) (F)	✓✓✓	-	51.90	Monthly
US	17:00	Construction Spending (MoM) (Jan)	✓✓✓	0.40%	-0.20%	Monthly
US	17:00	ISM Manufacturing PMI (Feb)	✓✓✓	50.50	50.90	Monthly
US	17:00	ISM New Orders (Feb)	✓	49.80	52.00	Monthly
US	17:00	ISM Prices Paid (Feb)	✓✓	50.80	53.30	Monthly
US	17:00	ISM Employment (Feb)	✓	46.60	46.60	Monthly
Germany	-	Retail Sales (MoM) (Jan)	✓✓✓	-	-3.30%	Monthly
Germany	-	Retail Sales (YoY) (Jan)	✓✓✓	-	0.80%	Monthly
Japan	-	Japan Foreign Reserves (Feb)	✓	-	USD1322.60bn	Monthly
South Africa	-	Naamsa Vehicle Sales (YoY) (Feb)	✓	-	-8.10%	Monthly

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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formerly Grant Thornton Capital

**a** GTC, The Wanderers Office Park,  
52 Corlett Drive, Illovo, 2196  
**p** P O Box 55118, Illovo, 2116

**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

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