

ONE
Minute Brief

25 March 2020

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Economic and political news

In South Africa (SA), the leading index declined to 103.50 in January, compared to a revised reading 103.80 in the previous month. Moreover, foreign direct investment (FDI) declined to ZAR66.80bn in 2019, compared to ZAR72.10bn in the previous year.

Health Minister, Zweli Mkhize, confirmed that the number of coronavirus cases in the country increased to 554 and warned that the number of cases is expected to continue to rise for at least another fortnight.

South African Airways (SAA) stated that it would suspend all its domestic flights from 27 March to 16 April in support of the national lockdown to curb the spread of the coronavirus.

News reports indicate that Sasol would bid to provide Eskom with temporary supplies of power.

News reports indicate that a total of ZAR30bn has been allocated to a special National Disaster Benefit Fund, which would pay Unemployment Insurance Fund benefits for up to three months to qualifying workers whose income has been impacted by the coronavirus pandemic.

Key indices

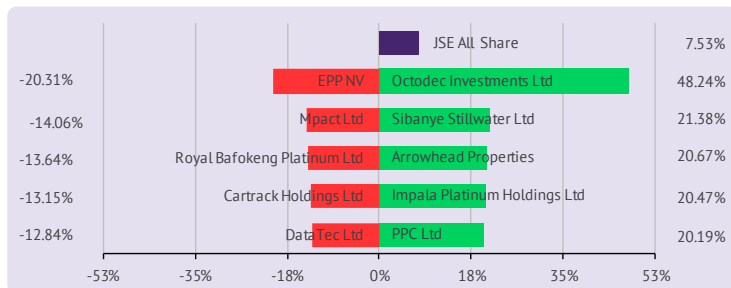
	As at 24 Mar 2020		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	41149.35	▲	2882.14	7.53	2.18	-19.38	-8.99	-27.91
JSE Top 40 (ZAR)	37550.72	▲	2854.82	8.23	3.44	-18.10	-8.43	-26.10
FTSE 100 (GBP)	5446.01	▲	452.12	9.05	4.92	-17.24	-9.68	-27.80
DAX 30 (EUR)	9700.57	▲	959.42	10.98	8.64	-18.42	-8.41	-26.78
CAC 40 (EUR)	4242.70	▲	328.39	8.39	4.79	-20.10	-8.55	-29.03
S&P 500 (USD)	2447.33	▲	209.93	9.38	6.18	-17.16	-8.41	-24.25
Nasdaq Composite (USD)	7417.86	▲	557.18	8.12	7.83	-13.42	-6.38	-17.33
DJIA (USD)	20704.91	▲	2112.98	11.37	7.98	-18.51	-10.07	-27.45
MSCI Emerging Markets (USD)	801.66	▲	43.45	5.73	-0.20	-20.27	-5.35	-28.08
MSCI Developed World (USD)	1742.61	▲	140.50	8.77	5.55	-18.61	-8.59	-26.11

South Africa Market ▲

South African markets closed higher

South African markets closed in the green yesterday, ahead of SA's Covid-19 lockdown and boosted by gains in industrial, banking and financial sector stocks. The JSE All Share Index climbed 7.5% to close at 41,149.35.

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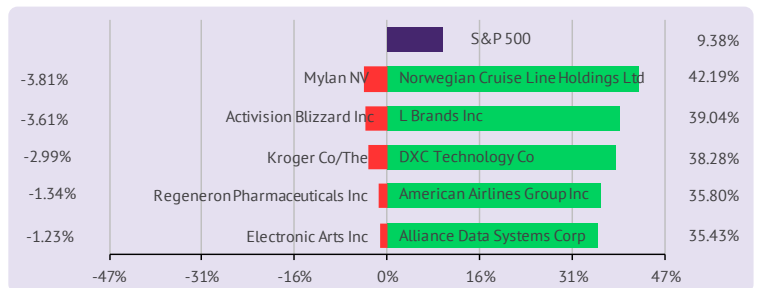


US Market ▲

US markets closed firmer

US markets closed higher yesterday, after the US lawmakers announced that they were close to a deal for a fiscal rescue package to combat the impact of the coronavirus epidemic. The S&P 500 Index climbed 9.4% to close at 2,447.33. Today, the S&P 500 futures are trading in the red.

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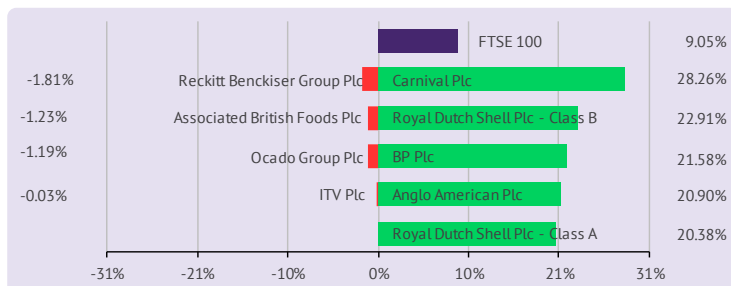


UK Market ▲

UK markets closed in the green

UK markets finished higher yesterday, amid optimism that the US government will come to an agreement on an economic rescue package. The FTSE 100 Index jumped 9.1% to close at 5,446.01. Today, the FTSE 100 futures are trading in positive territory.

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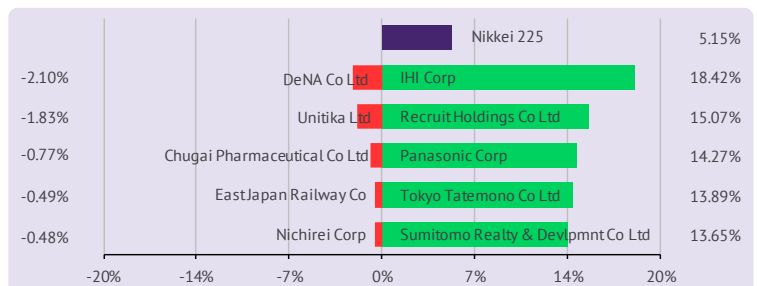


Asian Market ▲

Trading higher

Asian markets are trading higher this morning, tracking overnight gains on Wall Street. As at 6:00 SAST, the Nikkei 225 Index is trading 5.2% higher at 19,024.50.

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USD ZAR ▼

USD trading higher against ZAR

At 06:00 SAST, the US Dollar gained 0.2% against the South African Rand to trade at R17.5625. Later today, traders will keep a close watch on the US durable goods orders, factory orders, the MBA mortgage applications and the housing price index for further direction.

The US Dollar fell against the South African Rand yesterday. On the macro front, the US Markit manufacturing PMI fell its lowest level since 2009 in March. Further, the Richmond Fed manufacturing index rose less than market forecast in March. Moreover, the Markit services PMI dropped more-than-expected in March. On the flipside, new home sales declined less-than-expected on a monthly basis in February. Separately, the South African Rand rose against the US Dollar, amid expectations that the US Federal Reserve would announce an economic package. Meanwhile, SA's leading index eased in January.

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GBP ZAR ▼

GBP trading firmer against ZAR

At 06:00 SAST, the British Pound advanced 0.7% against the South African Rand to trade at R20.7310. Ahead in the day, traders will keep an eye on UK's consumer price index (CPI), retail price index, producer price index (PPI) and the DCLG house price index for further indication.

The British Pound declined against the South African Rand yesterday. Data indicated that UK's preliminary Markit manufacturing PMI dropped at its fastest pace since July 2012 in March. Additionally, the balance of firms reporting total order book above normal declined in March. On the contrary, the flash Markit services PMI plunged more than market consensus in March, marking its lowest since the series began in July 1996.

EUR ZAR ▼

EUR trading higher against ZAR

At 06:00 SAST, the Euro is trading 0.4% higher against the South African Rand at R18.9855. Going forward, market participants will keep a tab on Germany's Ifo survey indices for further cues.

The Euro weakened against the South African Rand yesterday. On the data front, Eurozone's preliminary Markit manufacturing PMI dropped less-than-expected in March, hitting its lowest level in 92 months. Meanwhile, the preliminary Markit services PMI tumbled in March. Separately, Germany's preliminary Markit manufacturing PMI eased less than market expectations in March. On the other hand, the flash Markit services PMI fell more-than-expected in March.

AUD ZAR ▼

AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.6% higher against the South African Rand at R10.5039.

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	17.5625	▼	-1.76	-0.50	11.89	4.21	25.16
GBPZAR	20.7310	▼	-0.01	0.51	2.59	1.28	10.92
EURZAR	18.9855	▼	-1.17	0.59	9.45	3.73	20.42
AUDZAR	10.5039	▼	0.45	2.33	2.45	1.34	6.09
EURUSD	1.0809	▲	0.58	0.94	-2.16	-0.60	-3.79
GBPUSD	1.1800	▲	1.91	1.14	-8.27	-2.90	-11.28
Brent (\$/barrel)	27.9	▲	0.44	0.63	-45.34	-12.27	-58.86
Gold (\$/oz)	1669.5	▲	5.95	11.87	6.01	-1.02	9.04
Platinum (\$/oz)	727.3	▲	11.82	12.72	-18.85	-10.11	-27.76
Copper (\$/MT)*	4811.0	▲	4.02	0.12	-14.35	1.19	-21.76

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

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.5% higher to trade at \$1,669.50/oz.

Yesterday, gold prices rose 6.0% to close at \$1,660.80/oz, amid the closure of gold mining operations and on hopes of US stimulus package.

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Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged 2.6% higher to trade at \$27.85/bl, after the American Petroleum Institute (API) reported that crude oil inventories declined by 1.25mn bls last week.

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Yesterday, Brent crude oil advanced 0.4% to settle at \$27.15/bl, amid hopes that the US Congress would approve a massive fiscal stimulus package.

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Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged 3.6% higher to trade at \$727.30/oz.

Yesterday, platinum prices climbed 11.8% to close at \$701.70/oz.

Major South African corporate news

AngloGold Ashanti Limited

The company announced that as SA would go into a nationwide lockdown for 21 days in an effort to slow the spread of COVID-19, AngloGold Ashanti would temporarily suspend production from its South African operations for three weeks as of midnight on 26 March 2020. These operations would be safely placed into care and maintenance over that period. Further, the firm's Mponeng Mine, Mine Waste Solutions and surface rock-dump processing operations produced 419,000oz for the year ended 31 December 2019. An agreement has been reached to sell these assets to Harmony Gold Mining and the transaction is expected to close on about June 30 of this year.

Brait SE

The company announced that its portfolio companies have implemented effective measures to protect the health and safety of staff and customers and have business continuity plans in place to deal with the impact of Coronavirus. Further, the company intends to propose the reconstituted Board for approval by shareholders at the Annual General Meeting to be held in Malta before the end of August 2020.

Harmony Gold Mining Company Limited

The company announced that the COVID-19 directive would impact negatively on its annual production guidance of 1.40 Moz and thus on the company's FY2020 earnings.

Mpact Limited

The company announced that given the uncertainty as to the duration and extent of the impact that COVID-19 would have on the operational activities of Mpact' businesses, the Board has considered it prudent and in the best interests of the company and all its stakeholders to preserve the company's financial liquidity. As such the Board has resolved to postpone the payment of the dividend from 6 April 2020 to 7 September 2020.

Pan African Resources Plc

The company announced that in consideration of SA's national lockdown and its impact on the group's operations, FY20 production guidance is suspended until the company is in a better position to quantify the full impact of the lockdown. The company would continue to monitor the situation and will inform shareholders as new information becomes available.

Sun International Limited

The company announced that following the announcement by the South African President of the nationwide lockdown, Sun International would be closing all of its hotels and casinos until the end of the lockdown period. The full financial impact of the coronavirus on the company can only be determined once the lockdown has been uplifted and its ramifications properly assessed.

Major global economic news

US

In the US, the Markit manufacturing PMI fell to 49.20 in March, less than market anticipations and compared to a level of 50.70 in the previous month.

In March, the Markit services PMI dropped to a level of 39.10 in the US, more than market forecast and compared to a reading of 49.40 in the previous month.

In the US, the Richmond Fed manufacturing index rose to a level of 2.00 in March, less than market consensus and compared to a level of -2.00 in the previous month.

In February, new home sales declined 4.4% on a monthly basis to 0.77mn in the US, compared to a revised reading of 0.80mn in the previous month.

UK

In the UK, the preliminary Markit manufacturing PMI fell to a reading of 48.00 in March, less than market expectations and compared to a level of 51.70 in the previous month.

In March, the flash Markit services PMI plunged to a level of 35.70 in the UK, more than market anticipations and compared to a level of 53.20 in the prior month.

In the UK, the balance of firms reporting total order book above normal dropped less-than-expected to -29.00 in March, compared to a level of -18.00 in the prior month.

Eurozone

In the Eurozone, the preliminary Markit manufacturing PMI fell less-than-expected to 44.80 in March, compared to a level of 49.20 in the previous month.

In March, the preliminary Markit services PMI tumbled to 28.40 in the Eurozone, compared to 52.60 in the previous month.

In Germany, the preliminary Markit manufacturing PMI dropped to a level of 45.70 in March, less than market consensus and compared to a level of 48.00 in the previous month.

In March, the flash Markit services PMI declined to a level of 34.50 in Germany, more than market forecast and compared to a reading of 52.50 in the earlier month.

Asia

In Japan, the coincident index advanced to a level of 95.20 in January, compared to a level of 94.40 in the prior month. The preliminary figures had indicated a rise to a level of 94.70.

In January, the final leading economic index dropped to a level of 90.50 in Japan, compared to a reading of 90.90 in the previous month. The preliminary figures had indicated a fall to a level of 90.30.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus	Previous	Frequency
Japan	01:50	BoJ Summary of Opinions	✓	-	-	As Scheduled
US	02:00	U.S. Treasury, General Account - Week Average (25-Mar)	✓	-	USD362.58bn	Weekly
UK	09:00	Retail Price Index (Feb)	✓	-	290.60	Monthly
UK	09:00	PPI Core Output n.s.a. (MoM) (Feb)	✓	0.00%	0.10%	Monthly
UK	09:00	Retail Price Index (MoM) (Feb)	✓✓✓	0.50%	-0.40%	Monthly
UK	09:00	PPI Core Output n.s.a. (YoY) (Feb)	✓✓	-	0.70%	Monthly
UK	09:00	Retail Price Index (YoY) (Feb)	✓✓	2.50%	2.70%	Monthly
UK	09:00	House Price Index (YoY) (Jan)	✓	2.40%	2.20%	Monthly
UK	09:00	Retail Price Index Ex Mort Int.Payments (YoY) (Feb)	✓✓	-	2.80%	Monthly
UK	09:00	Producer Price Index - Input n.s.a. (MoM) (Feb)	✓	-2.00%	0.90%	Monthly
UK	09:00	Consumer Price Index (MoM) (Feb)	✓✓✓	-	-0.30%	Monthly
UK	09:00	Producer Price Index - Input n.s.a. (YoY) (Feb)	✓	-0.90%	2.10%	Monthly
UK	09:00	Consumer Price Index (YoY) (Feb)	✓✓✓	1.60%	1.80%	Monthly
UK	09:00	Producer Price Index - Output n.s.a. (MoM) (Feb)	✓	-	0.30%	Monthly
UK	09:00	Consumer Price Index Core (YoY) (Feb)	✓✓✓	1.50%	1.60%	Monthly
UK	09:00	Producer Price Index - Output n.s.a. (YoY) (Feb)	✓✓	0.50%	0.70%	Monthly
Germany	11:00	IFO - Business Climate (Mar) (F)	✓✓✓	-	96.10	Monthly
Germany	11:00	IFO - Expectations (Mar) (F)	✓✓	-	93.40	Monthly
Germany	11:00	IFO - Current Assessment (Mar) (F)	✓✓	-	98.90	Monthly
Switzerland	11:00	ZEW Survey - Expectations (Mar)	✓✓	-	7.70	Monthly
Eurozone	12:00	ECB Balance sheet (16-Mar)	✓✓	-	EUR4704.24bn	Weekly
UK	13:00	CBI Distributive Trades Survey - Realised (Mar)	✓✓	-	1.00%	Monthly
US	13:00	MBA Mortgage Applications (20-Mar)	✓	-	-8.40%	Weekly
US	13:00	MBA Purchase Index s.a. (Current Change) (20-Mar)	✓	-	-1.00%	Weekly
US	13:00	MBA Refinance Index (Current Change) (20-Mar)	✓	-	-10.00%	Weekly
US	13:00	MBA Market Index (20-Mar)	✓	-	1073.60	Weekly
US	13:00	MBA Purchase Index s.a. (20-Mar)	✓	-	278.10	Weekly
US	13:00	MBA Refinance Index (20-Mar)	✓	-	5751.0	Weekly
US	14:30	Cap Goods Ship Nondef Ex Air (Feb) (P)	✓	-	1.00%	Monthly
US	14:30	Durable Goods Orders (Feb) (P)	✓✓✓	-0.80%	-0.20%	Monthly

Note: ✓✓✓High ✓✓Medium ✓Low

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