

# ONE Minute Brief

9 March 2020

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## Economic and political news

In South Africa (SA), net gold & forex reserves advanced to USD45.36bn in February, less than market anticipations and compared to a level of USD45.15bn in the previous month. Additionally, gross gold & forex reserves rose less-than-expected to USD54.71bn in February, compared to USD54.61bn in the prior month.

Ratings agency, Moody's, has cut SA's 2020 growth forecast to 0.4% from 0.7%, citing the impact of the coronavirus outbreak. Also, the agency has revised down its 2020 baseline growth forecasts for all G20 countries.

Eskom has announced that it would implement Stage 1 load shedding from 9am until 11pm today and expects to continue until Thursday.

The National Assembly has extended the deadline for parliament's ad-hoc committee to make amendments to Section 25 of the constitution and allow the expropriation of land without compensation to 29 May 2020.

Health Minister, Zweli Mkhize, stated that SA's government is adequately prepared to contain the spread of the coronavirus, with only a single case confirmed so far.

## Key indices

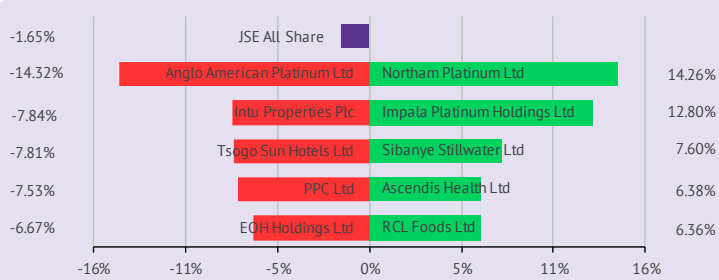
	As at 06 Mar 2020	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	52064.72	▼ -871.55	-1.65	NA	2.01	-8.99	-8.79
JSE Top 40 (ZAR)	46759.72	▼ -859.03	-1.80	NA	1.98	-8.43	-7.98
FTSE 100(GBP)	6462.55	▼ -242.88	-3.62	NA	-1.79	-9.68	-14.32
DAX 30 (EUR)	11541.87	▼ -402.85	-3.37	NA	-2.93	-8.41	-12.89
CAC 40 (EUR)	5139.11	▼ -221.99	-4.14	NA	-3.22	-8.55	-14.03
S&P 500 (USD)	2972.37	▼ -51.57	-1.71	NA	0.61	-8.41	-8.00
Nasdaq Composite (USD)	8575.62	▼ -162.98	-1.87	NA	0.10	-6.38	-4.42
DJIA (USD)	25864.78	▼ -256.50	-0.98	NA	1.79	-10.07	-9.37
MSCI Emerging Markets (USD)	1012.08	▼ -27.26	-2.62	NA	0.65	-5.35	-9.20
MSCI Developed World (USD)	2149.29	▼ -43.06	-1.96	NA	0.38	-8.59	-8.87

## South Africa Market ▼

### South African markets closed lower

South African markets closed in the red on Friday, amid sharp sell-off in global equity markets. Data showed that SA's gross gold & forex reserves rose less-than-expected in February. The JSE All Share Index fell 1.7% to close at 52,064.72.

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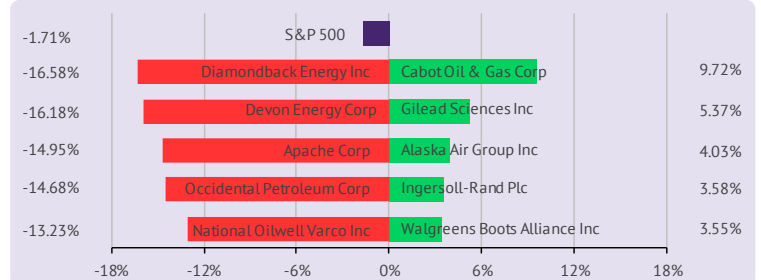


## US Market ▼

### US markets closed weaker

US markets closed lower on Friday, as fears of an economic slowdown escalated after reports confirmed more than 100,000 coronavirus cases globally. The S&P 500 Index dropped 1.7% to close at 2,972.37. Today, the S&P 500 futures are trading in the red.

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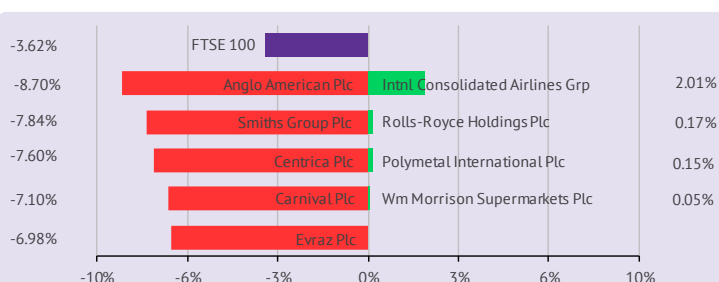


## UK Market ▼

### UK markets closed in the red

UK markets finished sharply lower on Friday, amid steep fall in oil prices and growing worries over the coronavirus outbreak. The FTSE 100 Index declined 3.6% to close at 6,462.55. Today, the FTSE 100 futures are trading in negative territory.

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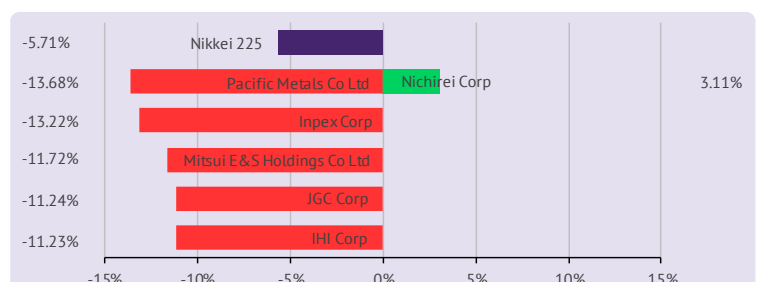


## Asian Market ▼

### Trading lower

Asian markets are trading lower this morning, amid mounting worries over the coronavirus outbreak. As at 6:00 SAST, the Nikkei 225 Index is trading 5.7% lower at 19,565.38.

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## USD ZAR ▼

### USD trading higher against ZAR

At 06:00 SAST, the US Dollar is trading 2.9% firmer against the South African Rand at R16.1327. With no major economic releases in the US today, investor sentiment will be determined by global macroeconomic news.

The US Dollar rose against the South African Rand on Friday. On the macro front, the US trade deficit narrowed more than market expectations in January. Additionally, unemployment rate unexpectedly dropped in February. Moreover, non-farm payrolls climbed more than market consensus in February. Also, average hourly earnings of all employees advanced at par with market expectations on a monthly basis in February. Separately, the South African Rand fell against the US Dollar, after reports indicated a rise in the number of coronavirus cases in SA. Data showed that, SA's, both, gross and net gold & forex reserves rose less than market forecast in February.

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## GBP ZAR ▼

### GBP trading firmer against ZAR

At 06:00 SAST, the British Pound is trading 3.2% higher against the South African Rand at R21.1055. 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, after European Union's (EU) chief Brexit negotiator stated that a trade deal between Britain and the EU would be finalised this year. Data indicated that UK's Halifax house price index climbed less-than-anticipated in the three months to February.

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## EUR ZAR ▼

### EUR trading firmer against ZAR

At 06:00 SAST, the Euro rose 4.1% against the South African Rand to trade at R18.4030. Going forward, market participants will keep a tab on Eurozone's Sentix investor confidence along with Germany's trade balance, current account balance and industrial production for further directions.

The Euro strengthened against the South African Rand on Friday. On the data front, Germany's seasonally adjusted factory orders rebounded to its highest level since July 2014 in January.

## AUD ZAR ▼

### AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar gained 1.1% against the South African Rand to trade at R10.5279. Elsewhere, in China, Australia's largest trading partner reported trade deficit 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	16.1327	▼	0.33	NA	0.12	4.21	11.99
GBPZAR	21.1055	▼	1.03	NA	1.91	1.28	10.19
EURZAR	18.4030	▼	0.70	NA	2.39	3.73	12.66
AUDZAR	10.5279	▼	0.73	NA	2.19	1.34	5.83
EURUSD	1.1413	▲	0.42	NA	2.34	-0.60	0.63
GBPUSD	1.3076	▲	0.73	NA	1.75	-2.90	-1.58
Brent (\$/barrel)	32.3	▼	-9.44	NA	-8.86	-12.27	-31.41
Gold (\$/oz)	1676.3	▲	0.26	NA	6.75	-1.02	9.80
Platinum (\$/oz)	889.1	▼	3.55	NA	3.67	-10.11	-7.72
Copper (\$/MT)*	5589.0	▼	-1.17	NA	-0.50	1.19	-9.11

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

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices edged 0.2% higher to trade at \$1,676.30/oz.

On Friday, gold prices rose 0.3% to close at \$1,672.40/oz, as rising worries over the coronavirus outbreak diminished global growth prospects thereby increasing demand for the safe haven asset.

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## Brent Crude Oil ▼

### Trading weaker

At 06:00 SAST, Brent crude oil plunged 28.6% to trade at \$32.33/bl, after Saudi Arabia slashed pricing for its crude oil by the most in more than 30 years.

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On Friday, Brent crude oil plummeted 9.4% to settle at \$45.27/bl, as a three-year pact between the Organisation of the Petroleum Exporting Countries (OPEC) and Russia collapsed, after the latter disagreed to support deeper oil cuts. Additionally, Baker Hughes reported that US oil

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## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices edged 0.8% lower to trade at \$889.10/oz.

On Friday, platinum prices climbed 3.6% to close at \$896.40/oz.

## Major South African corporate news

### Capitec Bank Holdings Limited

In its FY20 trading statement, the company announced that it expects HEPS to be between ZAR54.01 and ZAR55.38 compared to ZAR45.77 reported in the same period of the preceding year. Further, it expects EPS to be between ZAR53.94 and ZAR55.31 compared to ZAR45.71 posted in the prior year.

### Sanlam Limited

In its FY19 trading statement, the company announced that it expects diluted HEPS to be between 330.80c and 374.90c, compared to 441.10c in the preceding year. Further, it expects diluted EPS to be between 307.80c and 363.80c, compared to 559.70c last year.

### Life Healthcare Group Holdings Limited

In its trading update for the five months ended February 2020, the company announced that trading is slightly ahead of expectations and the published outlook, with paid patient days (PPD's) above 1.0% and PET-CT scan volumes around 15.0% above the corresponding prior period.

## Major global economic news

### US

In the US, trade deficit narrowed to USD45.30bn in January, more than market anticipations and compared to a revised deficit of USD48.60bn in the prior month.

In February, the unemployment rate unexpectedly eased to 3.5% in US, compared to a rate of 3.6% in the previous month.

In the US, non-farm payrolls rose by 273.00K in February, more than market expectations and compared to a revised reading of 273.00K jobs in the prior month.

In February, average hourly earnings of all employees advanced 0.3% on a monthly basis in the US, in line with market forecast and compared to a rise of 0.2% in the prior month.

### Asia

In China, trade deficit stood at USD7.09bn in February, compared to surplus of USD47.21bn in the previous month.

In Japan, trade deficit (BOP basis) stood at JPY985.10bn in January, compared to a surplus of JPY120.70bn in the earlier month.

In 4Q19, gross domestic product (GDP) dropped 1.8% on a quarterly basis in Japan, more than market expectations and compared to fall of 1.6% in the previous quarter.

In Japan, the leading index fell to 90.30 in January, compared to a revised reading of 91.00 in December.

### Eurozone

In Germany, seasonally adjusted factory orders advanced 5.5% on a monthly basis In January, more than market anticipations and compared to a fall of 2.1% in the prior month.

### UK

In UK, the Halifax house price index rose 2.8% on a yearly basis in the three months to February, less than market expectations and compared to an advanced of 4.1% 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	165	23.13	23.13	96.43
Sibanye Gold Ltd	4433	0.00	0.00	23.52
Harmony Gold Mining Co Ltd	6259	12.67	12.67	22.25
Pan African Resources Plc	251	5.46	5.46	16.20
Gold Fields Ltd	11120	20.58	20.58	15.99
Reinet Investments SCA	31548	-2.14	-2.14	13.69
Stenprop Ltd	2588	3.52	3.52	9.34
Northam Platinum Ltd	13500	21.39	21.39	9.21
Naspers Ltd	246975	3.73	3.73	7.81
British American Tobacco Plc	63775	4.91	4.91	6.76
Net 1 UEPS Technologies Inc	5453	0.98	0.98	5.74
AngloGold Ashanti Ltd	33464	20.47	20.47	5.73
DataTec Ltd	3500	14.38	14.38	5.42
Montauk Holdings Ltd	4002	-6.71	-6.71	5.32
MiX Telematics Ltd	751	-6.13	-6.13	4.81
Netcare Ltd	1964	7.32	7.32	4.17
Rebosis Property Fund Ltd	33	6.45	6.45	3.13
RCL Foods Ltd	1138	3.74	3.74	2.99
Sirius Real Estate Ltd	1640	2.89	2.89	2.50
Clicks Group Ltd	25898	9.97	9.97	2.18
Pioneer Foods Group Ltd	10960	0.58	0.58	1.79
Peregrine Holdings Ltd	1841	2.33	2.33	0.65
Coronation Fund Managers Ltd	4000	1.70	1.70	0.13
Mondi Plc	32640	6.78	6.78	0.03
RDI REIT Plc	2411	4.15	4.15	-0.12
Libstar Holdings Ltd	756	5.59	5.59	-0.40
Blue Label Telecoms Ltd	255	2.82	2.82	-1.16
Investec Australia Property Fund	1446	3.51	3.51	-1.36
Impala Platinum Holdings Ltd	14100	13.12	13.12	-1.76
AECI Ltd	10490	0.66	0.66	-1.96
Italtile Ltd	1260	8.45	8.45	-2.06
Cartrack Holdings Ltd	2350	-2.08	-2.08	-2.23
Vodacom Group Ltd	11161	1.77	1.77	-3.20
Life Healthcare Group Holdings Ltd	2381	6.77	6.77	-3.41
Transaction Capital Ltd	2038	10.64	10.64	-3.41
NEPI Rockcastle Plc	11959	4.90	4.90	-3.42
Quilter Plc	2829	-2.55	-2.55	-3.45
Lighthouse Capital Ltd	839	4.88	4.88	-3.56
Shoprite Holdings Ltd	12124	8.13	8.13	-3.72
African Oxygen Ltd	2065	8.68	8.68	-4.00
<b>JSE All Share Index</b>	<b>52065</b>	<b>2.01</b>	<b>2.01</b>	<b>-8.79</b>

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	01:50	Bank Lending including Trusts (YoY) (Feb)	✓	2.10%*	1.80%	Monthly
Japan	01:50	Bank Lending ex-Trust (YoY) (Feb)	✓	2.20%*	1.90%	Monthly
Japan	01:50	Current Account n.s.a. (Jan)	✓	JPY612.30bn*	JPY1436.80bn	Monthly
Japan	01:50	Gross Domestic Product (QoQ) (Q4) (F)	✓✓	-1.80%*	0.40%	Quarterly
Japan	01:50	Adjusted Current Account Total (Jan)	✓	JPY1626.80bn*	JPY1794.90bn	Monthly
Japan	01:50	Gross Domestic Product Annualised (Q4) (F)	✓✓✓	-7.10%*	1.80%	Quarterly
Japan	01:50	Trade Balance - BOP Basis (Jan)	✓✓✓	-JPY985.10bn*	-JPY2.50bn	Monthly
Japan	01:50	Gross Domestic Product Deflator (YoY) (Q4) (F)	✓	1.20%*	0.60%	Quarterly
Japan	01:50	Nominal Gross Domestic Product (QoQ) (Q4) (F)	✓✓	-1.50%*	0.60%	Quarterly
Japan	06:30	Bankruptcies (YoY) (Feb)	✓✓	-	16.06%	Monthly
Japan	07:00	Eco Watchers Survey: Current (Feb)	✓✓	-	41.90	Monthly
Japan	07:00	Eco Watchers Survey: Outlook (Feb)	✓✓	-	41.80	Monthly
Germany	09:00	Trade Balance n.s.a. (Jan)	✓✓✓	EUR15.40bn	EUR19.20bn	Monthly
Germany	09:00	Current Account n.s.a. (Jan)	✓	EUR20.10bn	EUR29.40bn	Monthly
Germany	09:00	Exports s.a. (MoM) (Jan)	✓	-0.20%	0.10%	Monthly
Germany	09:00	Imports s.a. (MoM) (Jan)	✓	-0.20%	-0.70%	Monthly
Germany	09:00	Industrial Production s.a. (MoM) (Jan)	✓✓✓	1.50%	-3.50%	Monthly
Germany	09:00	Industrial Production n.s.a. and w.d.a. (YoY) (Jan)	✓✓✓	-4.50%	-6.80%	Monthly
Eurozone	11:30	Sentix Investor Confidence (Mar)	✓✓✓	-	5.20	Monthly

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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