

ONE
Minute Brief

11 March 2020

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Economic and political news

Eskom has won a High Court appeal against the National Energy Regulator of South Africa's (Nersa) decision to stop the utility from raising electricity tariffs in 2018/19. Separately, Eskom has indicated that Stage 4 load shedding will be implemented from 9.00 am today.

The Gauteng High Court in Pretoria has set aside Public Protector, Busisiwe Mkhwebane's report on President, Cyril Ramaphosa's campaign finances for the African National Congress' 2017 national election.

Alan Pullinger, CEO of FirstRand, warned that SA's economy has deteriorated so sharply that growth has "gone off a cliff" and a recovery could take as long as five years.

Former Economic Freedom Fighters' (EFF) secretary-general, Godrich Gardee, has resigned as a member of parliament but would remain as a member of the party and central command team.

The Democratic Alliance wants the Emfuleni Municipality to be dissolved, after its assets were seized to recover a ZAR2.3bn debt to Eskom.

Key indices

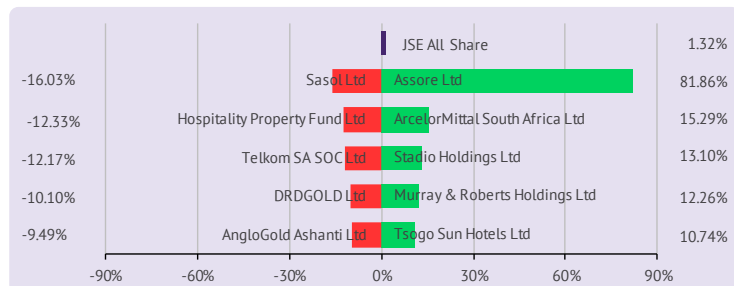
	As at 10 Mar 2020		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	49466.01	▲	646.46	1.32	-4.99	-3.08	-8.99	-13.35
JSE Top 40 (ZAR)	44252.34	▲	565.17	1.29	-5.36	-3.49	-8.43	-12.92
FTSE 100 (GBP)	5960.23	▼	-5.54	-0.09	-7.77	-9.43	-9.68	-20.98
DAX 30 (EUR)	10475.49	▼	-149.53	-1.41	-9.24	-11.90	-8.41	-20.93
CAC 40 (EUR)	4636.61	▼	-71.30	-1.51	-9.78	-12.68	-8.55	-22.44
S&P 500 (USD)	2882.23	▲	135.67	4.94	-3.03	-2.44	-8.41	-10.79
Nasdaq Composite (USD)	8344.25	▲	393.58	4.95	-2.70	-2.60	-6.38	-7.00
DJIA (USD)	25018.16	▲	1167.14	4.89	-3.27	-1.54	-10.07	-12.34
MSCI Emerging Markets (USD)	964.55	▲	16.63	1.75	-4.70	-4.07	-5.35	-13.47
MSCI Developed World (USD)	2051.96	▲	56.73	2.84	-4.53	-4.16	-8.59	-13.00

South Africa Market ▲

South African markets closed higher

South African markets closed in the green yesterday, boosted by gains in banking, financial and industrial sector stocks. The JSE All Share Index rose 1.3% to close at 49,466.01.

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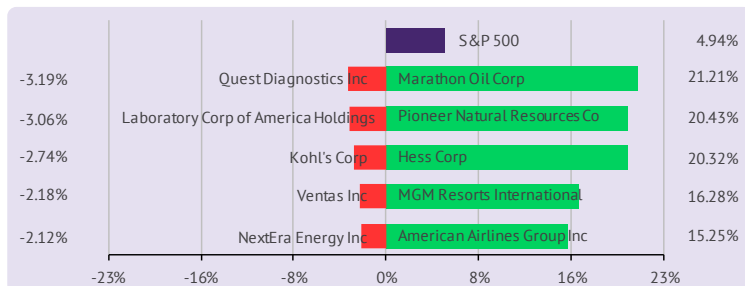


US Market ▲

US markets closed firmer

US markets closed higher yesterday, after President, Donald Trump, indicated that he would take "major steps" including payroll tax cut and other measures to contain the economic slowdown. The S&P 500 Index climbed 4.9% to close at 2,882.23. 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 lower yesterday, amid persistent worries about the spread of coronavirus. The FTSE 100 Index declined 0.1% to close at 5,960.23. Today, the FTSE 100 futures are trading in positive territory.

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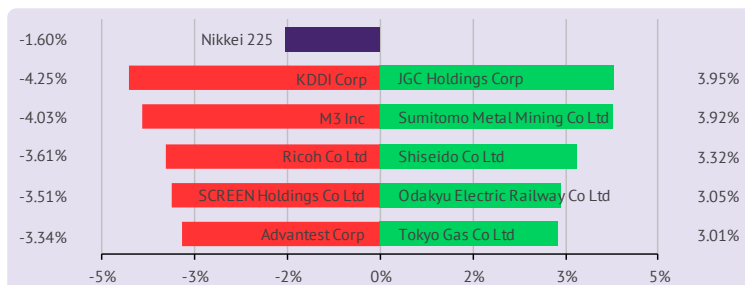


Asian Market ▼

Trading mostly lower

Asian markets are trading mostly lower this morning, amid skepticism over Washington's stimulus measures to reduce the impact of the coronavirus outbreak. As at 6:00 SAST, the Nikkei 225 Index is trading 1.6% lower at 19,549.62.

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USD ZAR ▼

USD trading higher against ZAR

At 06:00 SAST, the US Dollar is trading 0.1% firmer against the South African Rand at R15.9573. Later today, traders will keep a close watch on the US monthly budget statement, the consumer price index (CPI) and the MBA mortgage applications for further direction.

The US Dollar fell against the South African Rand yesterday. On the macro front, the US NFIB small business optimism index advanced in line with market forecast in February.

GBP ZAR ▼

GBP trading firmer against ZAR

At 06:00 SAST, the British Pound is trading 0.2% higher against the South African Rand at R20.6099. Ahead in the day, traders will keep an eye on UK's total trade balance, industrial production, manufacturing production and the NIESR GDP estimate for further indication.

The British Pound declined against the South African Rand yesterday.

EUR ZAR ▼

EUR trading higher against ZAR

At 06:00 SAST, the Euro is trading 0.5% firmer against the South African Rand at R18.0759. Amid lack of economic releases across the Eurozone today, market sentiment will be determined by global macroeconomic news.

The Euro weakened against the South African Rand yesterday. On the data front, Eurozone's economic growth slowed as initially estimated in 4Q19.

AUD ZAR ▼

AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar climbed 0.2% against the South African Rand to trade at R10.3960. Earlier in the session, Australia's Westpac consumer confidence index declined to a five-year low level in March. Meanwhile, home loan approvals advanced in January.

The Australian Dollar fell against the South African Rand yesterday.

Key currencies & commodities

	Current#		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	15.9573	▼	-0.93	1.69	1.80	4.21	13.88
GBPZAR	20.6099	▼	-2.57	0.61	2.53	1.28	10.86
EURZAR	18.0759	▼	-2.43	1.70	4.13	3.73	14.57
AUDZAR	10.3960	▼	-2.13	-0.38	1.80	1.34	5.43
EURUSD	1.1330	▲	-1.48	-0.03	2.31	-0.60	0.61
GBPUSD	1.2918	▲	-1.57	-1.05	0.69	-2.90	-2.61
Brent (\$/barrel)	38.5	▲	8.32	-17.78	-25.07	-12.27	-43.61
Gold (\$/oz)	1659.7	▼	-0.92	-0.72	5.97	-1.02	9.01
Platinum (\$/oz)	877.7	▲	0.76	-3.01	0.54	-10.11	-10.50
Copper (\$/MT)*	5555.8	▲	0.62	-0.59	-1.09	1.19	-9.65

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

Gold ▼

Trading in the red

At 06:00 SAST, gold prices marginally declined to trade at \$1,659.70/oz.

Yesterday, gold prices fell 0.9% to close at \$1,660.30/oz, on hopes of economic relief measures to contain the economic impact from the coronavirus outbreak.

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Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged 3.4% higher to trade at \$38.47/bl. The American Petroleum Institute (API) reported that crude oil inventories climbed by 6.4mn bls in the week ended 6 March 2020.

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Yesterday, Brent crude oil advanced 8.3% to settle at \$37.22/bl, amid hopes of economic stimulus and after Russia hinted at further talks with Saudi Arabia.

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Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices rose 1.0% to trade at \$877.70/oz.

Yesterday, platinum prices climbed 0.8% to close at \$869.40/oz.

Major South African corporate news

Assore Limited

The company announced that it is planning to offer ZAR7.8bn in a bid to buy out minority shareholders and is also planning to delist from the JSE.

Royal Bafokeng Platinum Limited

The company announced that it has received a written notification claiming force majeure under the Disposal of Concentrate Agreement between Royal Bafokeng Resources Proprietary Limited, a wholly owned subsidiary of the company and Rustenburg Platinum Mines Limited, a wholly owned subsidiary of Anglo American Platinum Limited.

FirstRand Limited

In its 1H20 results, the company announced that revenues advanced 8.0% to ZAR31.89bn from ZAR29.44bn reported in the same period of the preceding year. Its diluted EPS stood at 249.70c, compared to 237.80c recorded in the corresponding period of the previous year. Further, the company has declared a cash dividend of 146.00c per share.

Major global economic news

US

In the US, the NFIB small business optimism index rose to a level of 104.50 in February, at par with market expectations and compared to a level of 104.30 in the prior month.

Eurozone

In the Eurozone, seasonally adjusted final gross domestic product (GDP) climbed 0.1% on a quarterly basis in 4Q19, compared to a revised rise of 0.3% in prior quarter. The preliminary figures had indicated a rise of 0.1%.

Asia

In Australia, the Westpac consumer confidence index dropped 3.8% to 91.90 in March, compared to a level of 95.50 in the previous month.

In January, home loan approvals climbed 3.1% in Australia, compared to a rise of 3.5% in the prior month.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus	Previous	Frequency
UK	11:30	Index of Services (MoM) (Jan)	✓	-	0.30%	Monthly
UK	11:30	Gross Domestic Product s.a. (MoM) (Jan)	✓	0.20%	0.30%	Monthly
UK	11:30	Construction Output s.a. (MoM) (Jan)	✓✓	-	0.40%	Monthly
UK	11:30	Index of Services (3M/3M) (Jan)	✓	-	0.10%	Monthly
UK	11:30	Construction Output s.a. (YoY) (Jan)	✓	-	5.00%	Monthly
UK	11:30	Industrial Production (MoM) (Jan)	✓✓✓	0.30%	0.10%	Monthly
UK	11:30	Industrial Production (YoY) (Jan)	✓✓✓	-2.60%	-1.80%	Monthly
UK	11:30	Manufacturing Production (MoM) (Jan)	✓✓✓	0.20%	0.30%	Monthly
UK	11:30	Manufacturing Production (YoY) (Jan)	✓✓✓	-3.50%	-2.50%	Monthly
UK	11:30	Visible Trade Balance (Jan)	✓✓✓	-GBP7.00bn	GBP0.84bn	Monthly
UK	11:30	Trade Balance; non-EU (Jan)	✓✓✓	-GBP1.50bn	GBP6.72bn	Monthly
UK	11:30	Total Trade Balance (Jan)	✓✓✓	-	GBP7.72bn	Monthly
South Africa	12:00	BER Business Confidence Index (Q1)	✓	-	GeOeral	Quarterly
US	13:00	MBA Mortgage Applications (06-Mar)	✓	-	15.10%	Weekly
US	14:30	Real Average Weekly Earnings (YoY) (Feb)	✓	-	0.00%	Monthly
US	14:30	Consumer Price Index (MoM) (Feb)	✓✓✓	-	0.10%	Monthly
US	14:30	Consumer Price Index Ex Food & Energy (MoM) (Feb)	✓✓✓	0.20%	0.20%	Monthly
US	14:30	Consumer Price Index (YoY) (Feb)	✓✓✓	2.20%	2.50%	Monthly
US	14:30	Consumer Price Index Ex Food & Energy (YoY) (Feb)	✓✓✓	2.30%	2.30%	Monthly
US	14:30	Consumer Price Index n.s.a. (Feb)	✓	258.53	257.97	Monthly
US	14:30	Consumer Price Index Core s.a. (Feb)	✓	-	266.48	Monthly
US	16:30	DOE Distillate Inventory (06-Mar)	✓✓✓	-	-4008.00K	Weekly
US	16:30	DOE Cushing OK Crude Inventory (Barrels) (06-Mar)	✓✓✓	-	-1971.00K	Weekly
US	16:30	DOE Gasoline Inventories (06-Mar)	✓✓✓	-	-4339.00K	Weekly
US	16:30	EIA Crude Oil Stocks Change (Barrels) (06-Mar)	✓✓✓	2.95mn	0.78mn	Weekly
US	20:00	Monthly Budget Statement (Feb)	✓✓✓	-USD236.25bn	-USD33.00bn	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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