

ONE
Minute Brief

16 March 2020

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Economic and political news

President, Cyril Ramaphosa, has declared a national state of disaster and announced a range of measures to contain the spread of Covid-19 outbreak, including travel restrictions on foreigners from hard-hit countries, ban on mass gatherings of more than 100 people, closure of schools, cancellation of large events and celebrations.

News reports indicate that the Supreme Court of Appeal (SCA) has dismissed former President, Jacob Zuma's application to appeal the Pietermaritzburg High Court's decision that he should stand trial for corruption.

The Congress of South African Trade Unions (Cosatu) has urged the South African government to come up with a stimulus plan to prepare for the impact of the coronavirus.

Eskom has indicated that it does not expect load shedding today.

News reports indicate that the Gauteng executive committee has received approval from the national department of cooperative governance and traditional affairs to go ahead with the dissolution of the City of Tshwane.

Key indices

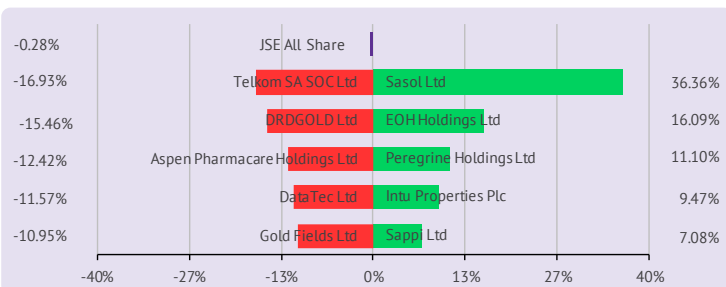
	As at 13 Mar 2020		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	44177.63	▼	-125.84	-0.28	NA	-13.44	-8.99	-22.61
JSE Top 40 (ZAR)	39476.09	▼	-60.09	-0.15	NA	-13.90	-8.43	-22.32
FTSE 100(GBP)	5366.11	▲	128.63	2.46	NA	-18.46	-9.68	-28.85
DAX 30 (EUR)	9232.08	▲	70.95	0.77	NA	-22.36	-8.41	-30.32
CAC 40 (EUR)	4118.36	▲	74.10	1.83	NA	-22.44	-8.55	-31.11
S&P 500 (USD)	2711.02	▲	230.38	9.29	NA	-8.23	-8.41	-16.09
Nasdaq Composite (USD)	7874.88	▲	673.07	9.35	NA	-8.08	-6.38	-12.23
DJIA (USD)	23185.62	▲	1985.00	9.36	NA	-8.75	-10.07	-18.76
MSCI Emerging Markets (USD)	891.19	▲	8.07	0.91	NA	-11.37	-5.35	-20.05
MSCI Developed World (USD)	1881.64	▲	105.12	5.92	NA	-12.12	-8.59	-20.22

South Africa Market ▼

South African markets closed lower

South African markets closed in the red on Friday, amid surge in the number of coronavirus cases globally and weighed down by losses in banking and industrial sector stocks. The JSE All Share Index fell 0.3% to close at 44,177.63.

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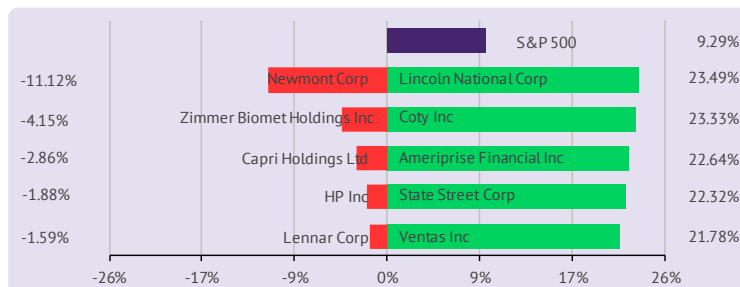


US Market ▲

US markets closed firmer

US markets closed higher on Friday, after US President, Donald Trump, declared a national emergency to curb the coronavirus outbreak, fuelling hopes for more global fiscal stimulus. The S&P 500 Index jumped 9.3% to close at 2,711.02. Today, the S&P 500 futures are trading in the red.

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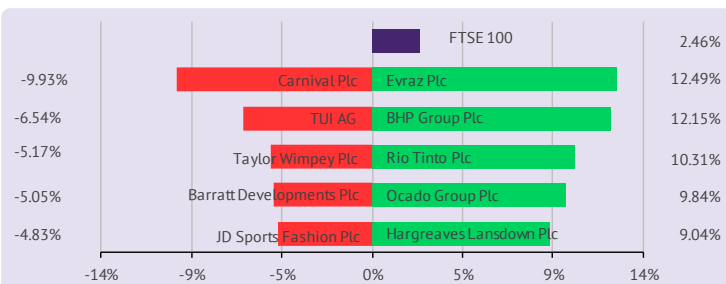


UK Market ▲

UK markets closed in the green

UK markets finished higher on Friday, as economic stimulus from policymakers to contain the economic impact of the coronavirus outbreak buoyed investor sentiment. The FTSE 100 Index advanced 2.5% to close at 5,366.11. Today, the FTSE 100 futures are trading in negative territory.

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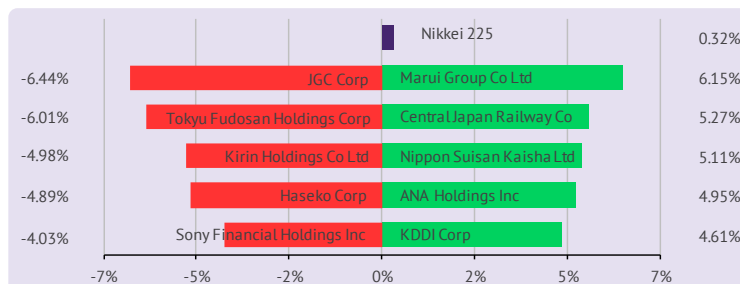


Asian Market ▼

Trading mostly lower

Asian markets are trading mostly lower this morning, after the US Federal Reserve (Fed), in a surprise move, cut its key interest rate to zero and announced a massive quantitative easing program. As at 6:00 SAST, the Nikkei 225 Index is trading 0.3% higher at 17,486.69.

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USD ZAR ▼

USD trading higher against ZAR

At 06:00 SAST, the US Dollar advanced 0.3% against the South African Rand to trade at R16.3214. Later today, traders will keep a close watch on the US NY Empire State manufacturing index for further direction.

The US Dollar fell against the South African Rand on Friday. On the macro front, the US Michigan consumer sentiment index dropped less-than-expected in March.

GBP ZAR ▼

GBP trading firmer against ZAR

At 06:00 SAST, the British Pound is trading 0.9% higher against the South African Rand at R20.1518. With no major economic releases in the UK today, investor sentiment will be determined by global macroeconomic news. Data indicated that UK's Rightmove house price index advanced on a monthly basis in March.

The British Pound declined against the South African Rand on Friday.

EUR ZAR ▼

EUR trading higher against ZAR

At 06:00 SAST, the Euro is trading 0.6% firmer against the South African Rand at R18.1552. Amid no major economic releases across the Eurozone today, market sentiment will be determined by global macroeconomic news.

The Euro weakened against the South African Rand on Friday. On the data front, Germany's consumer price index (CPI) remained unchanged on an annual basis in February.

AUD ZAR ▼

AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.2% higher against the South African Rand at R10.0758. Elsewhere, in China, Australia's largest trading partner, house price index rose in February. Meanwhile, both, industrial production and retail sales unexpectedly dropped in February.

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

Key currencies & commodities

	Current#		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	16.3214	▼	-1.62	NA	3.93	4.21	16.26
GBPZAR	20.1518	▼	-3.88	NA	-0.45	1.28	7.64
EURZAR	18.1552	▼	-2.43	NA	4.51	3.73	14.99
AUDZAR	10.0758	▼	-2.50	NA	-1.29	1.34	2.23
EURUSD	1.1121	▲	-0.70	NA	0.73	-0.60	-0.95
GBPUSD	1.2343	▲	-2.33	NA	-4.25	-2.90	-7.38
Brent (\$/barrel)	32.9	▼	1.90	NA	-31.85	-12.27	-48.71
Gold (\$/oz)	1546.6	▲	-4.63	NA	-3.19	-1.02	-0.42
Platinum (\$/oz)	764.9	▲	-4.85	NA	-13.97	-10.11	-23.42
Copper (\$/MT)*	5447.8	▲	0.42	NA	-3.02	1.19	-11.40

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

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 2.0% higher to trade at \$1,546.60/oz.

On Friday, gold prices fell 4.6% to close at \$1,516.70/oz, as investors tried to meet margin calls across other markets.

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Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 2.9% lower to trade at \$32.88/bl.

On Friday, Brent crude oil advanced 1.9% to settle at \$33.85/bl. Separately, Baker Hughes reported that US oil rig count rose by 1 to 683 last week.

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Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged 2.8% higher to trade at \$764.90/oz.

On Friday, platinum prices dropped 4.9% to close at \$743.90/oz.

Major South African corporate news

Trencor Limited

In its FY19 trading statement, the company announced that it expects basic loss per share to be between 250.00c and 280.00c, compared to a basic EPS of 1,610.00c in the previous year. It expects its headline loss per share to be between 10.00c and 20.00c, compared to headline loss per share of 1,818.00c in the preceding year.

Major global economic news

Asia

In China, the house price index rose 5.8% in February. In the previous month, the house price index had recorded an advance of 6.3%.

In February, industrial production unexpectedly plunged 13.5% on an annual basis in China, compared to a rise of 6.9% in the previous month.

In China, retail sales unexpectedly tumbled 20.5% on an annual basis in February, compared to a rise of 8.0% in the previous month.

UK

The Bank of England (BoE), in its latest meeting minutes, revealed that it has considered the option to cut interest rates further and elevate asset purchases to help lessen the economic shock of the coronavirus outbreak. Moreover, officials stated that risk appetite in global financial markets has deteriorated substantially, reflecting an escalation of concerns over the impact of Covid-19.

In the UK, the Rightmove house price index rose 1.0% on a monthly basis in March, compared to an advance of 0.8% in previous month.

US

The US Fed, in its second emergency move, slashed its benchmark interest rate to a range of 0-0.25% and pledged to keep the interest rate steady until it is confident that the economy has recovered from impact of coronavirus pandemic. Moreover, the Fed stated that it would purchase USD700bn worth of treasury bonds and mortgage-backed securities.

In the US, the Michigan consumer sentiment index fell to a level of 95.90 in March, less than market forecast and compared to a level of 101.00 in the previous month.

Eurozone

In Germany, the CPI remained unchanged at 1.7% on an annual basis in February. Preliminary figures also indicted recorded an advance of 1.7%.

40 best performers on the All Share Index

Company name	Last close	1 Week % change	MTD % change	YTD % change
Sibanye Gold Ltd	4433	0.00	0.00	23.52
Steinhoff International Holdings NV	102	-38.18	-23.88	21.43
Assore Ltd	31075	78.56	83.09	16.85
Net 1 UEPS Technologies Inc	5400	-0.97	0.00	4.71
Peregrine Holdings Ltd	1911	3.80	6.23	4.48
Pan African Resources PLC	223	-11.16	-6.30	3.24
Pioneer Foods Group Ltd	11000	0.36	0.95	2.16
Reinet Investments SCA	27516	-12.78	-14.64	-0.84
Montauk Holdings Ltd	3700	-7.55	-13.75	-2.63
Stenprop Ltd	2299	-11.17	-8.04	-2.87
Naspers Ltd	222200	-10.03	-6.68	-3.00
RCL Foods Ltd/South Africa	1060	-6.85	-3.37	-4.07
Libstar Holdings Ltd	714	-5.56	-0.28	-5.93
Italtile Ltd	1210	-3.97	4.15	-5.95
Cartrack Holdings Ltd	2185	-7.02	-8.96	-9.09
Netcare Ltd	1711	-12.88	-6.50	-9.25
British American Tobacco PLC	54201	-15.01	-10.84	-9.27
DataTec Ltd	3011	-13.97	-1.60	-9.31
Trencor Ltd	825	0.24	-4.73	-9.34
Rebosis Property Fund Ltd	29	-12.12	-6.45	-9.38
Clicks Group Ltd	22942	-11.41	-2.58	-9.49
Santam Ltd	26210	1.13	4.84	-9.66
Astral Foods Ltd	19215	-4.46	2.37	-9.72
Zeder Investments Ltd	426	-2.96	0.47	-10.50
JSE Ltd	10695	4.21	6.95	-10.52
Life Healthcare Group Holdings Ltd	2192	-7.94	-1.70	-11.08
Vodacom Group Ltd	10197	-8.64	-7.02	-11.56
Hudaco Industries Ltd	9046	-7.69	-5.40	-11.79
Sirius Real Estate Ltd	1408	-14.15	-11.67	-12.00
Lighthouse Capital Ltd	760	-9.42	-5.00	-12.64
Coronation Fund Managers Ltd	3487	-12.83	-11.34	-12.72
Harmony Gold Mining Co Ltd	4446	-28.97	-19.96	-13.16
Quilter PLC	2542	-10.14	-12.44	-13.24
Liberty Two Degrees	580	0.17	7.41	-13.43
Investec Australia Property Fund	1269	-12.24	-9.16	-13.44
NEPI Rockcastle PLC	10244	-10.76	-6.38	-13.81
Murray & Roberts Holdings Ltd	916	-4.58	-0.22	-14.07
AECI Ltd	9185	-12.44	-11.86	-14.16
Raubex Group Ltd	2050	-4.25	-2.38	-14.55
Mondi PLC	27792	-14.85	-9.08	-14.82
JSE All Share Index	44178	-15.15	-13.44	-22.61

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actuals	Previous	Frequency
China	04:00	Industrial Production YTD (YoY) (Feb)	✓✓	-13.50%*	5.70%	Monthly
China	04:00	Retail Sales YTD (YoY) (Feb)	✓	-20.50%*	8.00%	Monthly
China	04:00	Fixed Assets Inv Excl. Rural YTD (YoY) (Feb)	✓	-24.50%*	5.40%	Monthly
Switzerland	09:30	Producer and Import Prices (MoM) (Feb)	✓	-	0.00%	Monthly
Switzerland	09:30	Producer and Import Prices (YoY) (Feb)	✓	-	-1.00%	Monthly
South Africa	10:00	BER Consumer Confidence (Q1)	✓	-	-	Quarterly
Italy	11:00	Consumer Price Index (EU Norm) (YoY) (Feb) (F)	✓✓✓	0.40%	0.40%	Monthly
Switzerland	11:00	Domestic Sight Deposits (CHF) (13-Mar)	✓	-	CHF503600.00mn	Weekly
Switzerland	11:00	Total Sight Deposits (CHF) (13-Mar)	✓	-	CHF598500.00mn	Weekly
US	14:30	NY Empire State Manufacturing Index (Mar)	✓✓	8.70	12.90	Monthly
US	22:00	Net Long-Term TIC Flows (Jan)	✓✓	USD28.40bn	USD85.60bn	Monthly
US	22:00	Total Net TIC Flows (Jan)	✓	-USD19.80bn	USD78.20bn	Monthly
China	-	NBS Press Conference	✓	-	-	As Scheduled
Germany	-	German Buba Monthly Report	✓	-	-	As Scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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