ONE Minute Brief

GTC
consult • partner • manage

31 March 2020

Economic and political news

In South Africa (SA), expansion in M3 money supply quickened to 7.69% on an annual basis in February, from 7.02% in the prior month. Additionally, growth in private sector credit demand expanded to 5.09% in February from 5.01% in the previous month.

President, Cyril Ramaphosa, announced that the government would roll out a mass screening program for the coronavirus and dispatch about 10,000 field workers to check up on people in their homes, as death toll increased to 3. Additionally, he stated that the number of confirmed coronavirus cases have increased from 1,280 to 1,326.

News reports indicate that the world's largest platinum producers, Anglo American Platinum, Sibanye-Stillwater and Impala Platinum have declared force majeure on supply contracts, to comply with the three-week national lockdown.

The Democratic Alliance has urged President, Cyril Ramaphosa to make food security a priority in the agriculture sector during the 21-days lockdown.

Trade union federation, Cosatu wants the Public Investment Corporation (PIC) to pressure landlords to provide a rental holiday for Edcon in a bid to save the retailer.

Key indices

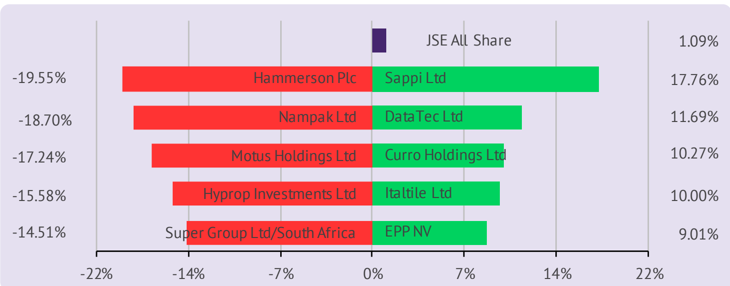
	As at 30 Mar 2020		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	43413.63	▲	466.80	1.09	1.09	-14.94	-8.99	-23.95
JSE Top 40 (ZAR)	39756.74	▲	584.35	1.49	1.49	-13.29	-8.43	-21.76
FTSE 100 (GBP)	5563.74	▲	53.41	0.97	0.97	-15.45	-9.68	-26.23
DAX 30 (EUR)	9815.97	▲	183.45	1.90	1.90	-17.45	-8.41	-25.91
CAC 40 (EUR)	4378.51	▲	27.02	0.62	0.62	-17.54	-8.55	-26.76
S&P 500 (USD)	2626.65	▲	85.18	3.35	3.35	-11.09	-8.41	-18.70
Nasdaq Composite (USD)	7774.15	▲	271.77	3.62	3.62	-9.26	-6.38	-13.36
DJIA (USD)	22327.48	▲	690.70	3.19	3.19	-12.13	-10.07	-21.76
MSCI Emerging Markets (USD)	832.02	▼	-10.52	-1.25	-1.25	-17.25	-5.35	-25.36
MSCI Developed World (USD)	1870.48	▲	43.31	2.37	2.37	-12.64	-8.59	-20.69

South Africa Market ▲

South African markets closed higher

South African markets closed in the green yesterday, boosted by gains in industrial, gold mining and resource sector stocks. Data indicated that SA's private sector credit demand advanced more than market forecast in February. The JSE All Share Index rose 1.1% to close at 43,413.63.

To Read More Click Here

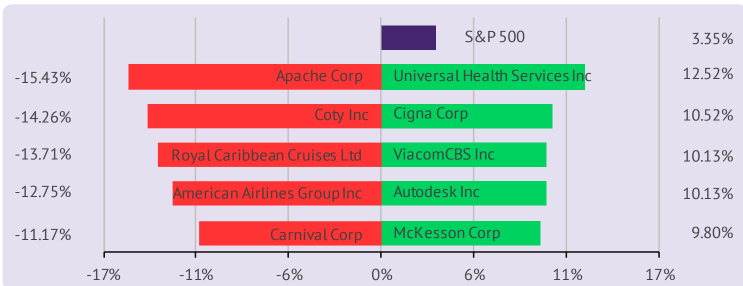


US Market ▲

US markets closed firmer

US markets closed higher yesterday, buoyed by gains in healthcare sector stocks. Data showed that the US pending home sales unexpectedly advanced in February. The S&P 500 Index climbed 3.4% to close at 2,626.65. Today, the S&P 500 futures are trading in the green.

To Read More Click Here

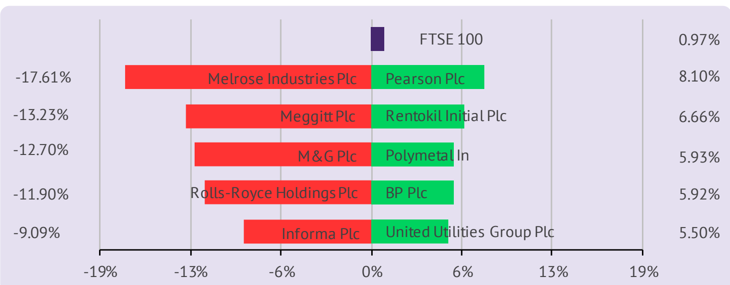


UK Market ▲

UK markets closed in the green

UK markets finished higher yesterday, led by gains in shares of AstraZeneca and amid weakness in the British Pound. The FTSE 100 Index advanced 1.0% to close at 5,563.74. Today, the FTSE 100 futures are trading in positive territory.

To Read More Click Here

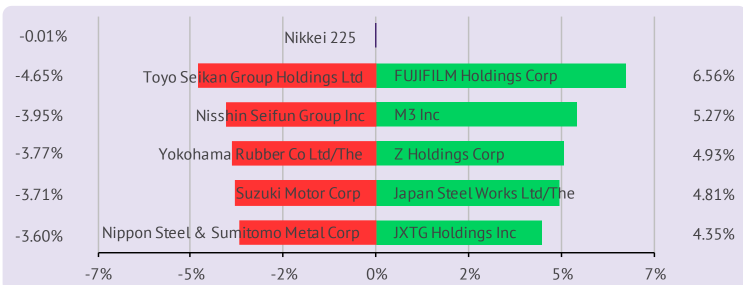


Asian Market ▲

Trading higher

Asian markets are trading higher this morning, as upbeat Chinese manufacturing data renewed hopes of a rebound in activity. As at 6:00 SAST, the Nikkei 225 Index is trading marginally lower at 19,082.34.

To Read More Click Here



GTC consult • partner • manage

USD ZAR

USD trading marginally higher against ZAR

At 06:00 SAST, the US Dollar slightly rose against the South African Rand to trade at R17.9396. Later today, traders will keep a close watch on the US consumer confidence index and the Chicago Purchasing Managers' Index for further direction.

The US Dollar rose against the South African Rand yesterday. On the macro front, the US pending home sales unexpectedly advanced on a monthly basis in February. Meanwhile, the Dallas Fed manufacturing business index unexpectedly declined in March. Data indicated that SA's M3 money supply advanced less-than-anticipated on an annual basis in February. On the other hand, private sector credit demand rose more than market forecast in February.

GBP ZAR

GBP trading lower against ZAR

At 06:00 SAST, the British Pound fell 0.6% against the South African Rand to trade at R22.1367. Ahead in the day, traders will keep an eye on UK's gross domestic product (GDP), current account balance and the BRC shop price index for further indication.

The British Pound advanced against the South African Rand yesterday. Data indicated that UK's consumer credit eased less-than-expected in February. Additionally, the GfK consumer confidence index dropped less than market consensus in March. Meanwhile, mortgage approvals advanced to a 6-year high level in February.

EUR ZAR

EUR trading weaker against ZAR

At 06:00 SAST, the Euro retreated 0.2% against the South African Rand to trade at R19.7754. Going forward, market participants will keep a tab on Eurozone's consumer price index (CPI) along with Germany's unemployment rate for further cues.

The Euro strengthened against the South African Rand yesterday. On the data front, Eurozone's the economic sentiment indicator dropped less than market anticipations in March. Meanwhile, the final consumer confidence declined to its lowest level since 2014 in March. Moreover, the business climate indicator fell more-than-expected in March. On the other hand, Germany's preliminary CPI climbed at par with market forecast in March.

AUD ZAR

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar fell 0.1% against the South African Rand at R11.0634. Earlier in the session, Australia's private sector credit demand advanced on an annual basis in February. Additionally, the HIA new home sales unexpectedly rose on a monthly basis in February. Elsewhere, in China, Australia's largest trading partner, both, the non-manufacturing PMI and the NBS manufacturing PMI, advanced more-than-expected in March.

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	17.9396	▼	1.77	1.77	14.53	4.21	28.12
GBPZAR	22.1367	▲	1.52	1.52	11.01	1.28	20.03
EURZAR	19.7754	▲	0.96	0.96	14.75	3.73	26.26
AUDZAR	11.0634	▲	1.81	1.81	8.64	1.34	12.51
EURUSD	1.1023	▼	-0.83	-0.83	0.20	-0.60	-1.47
GBPUSD	1.2339	▼	-0.37	-0.37	-3.19	-2.90	-6.36
Brent ($/barrel)	23.2	▲	-8.70	-8.70	-54.18	-12.27	-65.52
Gold ($/oz)	1637.0	▲	-0.18	-0.18	3.53	-1.02	6.49
Platinum ($/oz)	718.1	▼	-2.22	-2.22	-16.28	-10.11	-25.48
Copper ($/MT)*	4760.5	▼	-0.46	-0.46	-15.25	1.19	-22.58

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

Gold

Trading in the green

At 06:00 SAST, gold prices advanced 0.9% to trade at $1,637.00/oz.

Yesterday, gold prices fell 0.2% to close at $1,622.00/oz, amid strength in the US Dollar and as investors opted for cash to cover losses in equities.

To Read More Click Here

Brent Crude Oil

Trading stronger

At 06:00 SAST, Brent crude oil edged 1.9% higher to trade at $23.20/bl.

Yesterday, Brent crude oil declined 8.7% to settle at $22.76/bl, amid ongoing price war between Saudi Arabia and Russia and as demand for oil dropped.

To Read More Click Here

Platinum

Trading in negative territory

At 06:00 SAST, platinum prices edged 0.8% lower to trade at $718.10/oz.

Yesterday, platinum prices dropped 2.2% to close at $723.90/oz.

GTC
consult • partner • manage

Major South African corporate news

Barloworld Limited

In its pre-close voluntary operational update for the five months to 29 February 2020, the company announced that it has faced challenging trading environment for the first five months, characterised by continuing low business confidence, volatile commodity prices and depressed consumer demand. Moreover, management business contingency protocols have been initiated to manage the effects of COVID-19.

Pan African Resources Plc

The company announced that it has implemented the necessary measures at all its operations to conduct essential services during the 21-day lockdown period. Further, the company supports and is committed to all government efforts to contain the spread of COVID-19. Also, the group's only 20.0% are involved in the essential services, out of total staff and contractor complement.

Impala Platinum Holdings Limited

In its COVID-19 update, the company announced that it had ramped down all South African mining operations (Impala Rustenburg and Marula) and placed them on care and maintenance. Further, the group has applied for permission to conduct limited smelting operations at Impala Rustenburg together with limited operations at its Springs refinery.

Sanlam Limited

The company announced that it had a pleasing start to the 2020 financial year, with strong growth in most key performance indicators. Moreover, new business volumes increased by more than 30.0%. Sanlam remains well capitalised and resilient despite the volatile conditions due to COVID-19.

Nampak Limited

In its trading update for five months to 29 February 2020, the company announced that the impact of COVID-19 is expected to further hinder an already burdened economy and will put further pressure on consumers' disposable income. Meanwhile, the current economic uncertainty has resulted in a weaker Rand against major foreign currencies, as well as unpredictable share price movements amid concerns over debt levels, covenant compliance.

Santam Limited

The company announced that it is in the process of reviewing all relevant policy wordings to assess the potential insurance exposure relating to the COVID-19 pandemic and to determine how its policies may respond to claims made. Further, a high sense of urgency is being applied to conclude on the extent of its potential exposure.

Major global economic news

Asia

In Japan, the unemployment rate remained unchanged at 2.4% in February, in line with market forecast.

In February, seasonally adjusted retail trade unexpectedly advanced 0.6% on a monthly basis in Japan, compared to a similar rise in January.

In Japan, preliminary industrial production climbed 0.4% on a monthly basis in February, more than market anticipations and compared to a rise of 1.0% in the prior month.

In Australia, private sector credit demand rose 2.8% on an annual basis in February, compared to a revised advance of 2.6% in the previous month.

In February, the HIA new home sales unexpectedly jumped 6.2% on a monthly basis in Australia, compared to a rise of 5.7% in January.

In China, the non-manufacturing PMI rose to a level of 52.30 in March, more than market forecast and compared to a level of 29.60 in the previous month.

In March, the NBS manufacturing PMI climbed to a level of 52.00 in China, more than market expectations and compared to a level of 35.70 in the prior month.

Eurozone

In March, the final consumer confidence dropped to a level of -11.60 in the Eurozone, compared to a revised level of -6.60 in the February. The preliminary figures had also indicated a drop to -11.60.

In the Eurozone, the economic sentiment indicator fell to 94.50 in March, less than market consensus and compared to a revised reading of 103.40 in the earlier month.

In Germany, the final CPI rose 1.4% on an annual basis in March, at par with market forecast and compared to an advance of 1.7% in February.

UK

In the US, pending home sales unexpectedly rose 2.4% on a monthly basis in February, compared to a revised rise of 5.3% in January.

In the US, the Dallas Fed manufacturing business index unexpectedly plunged to a level of -70.00 in March from 1.20 in February.

UK

In UK, consumer credit fell to a level of GBP0.90bn in February, less than market expectations and compared to a revised level of GBP1.11bn in the previous month.

In February, mortgage approvals unexpectedly advanced to a level of 73.55K in UK, compared to a revised level of 71.34K in the prior month.

In UK, the GfK consumer confidence index fell less-than-expected to a level of -9.00 in March, compared to a reading of -7.00 in the previous month.

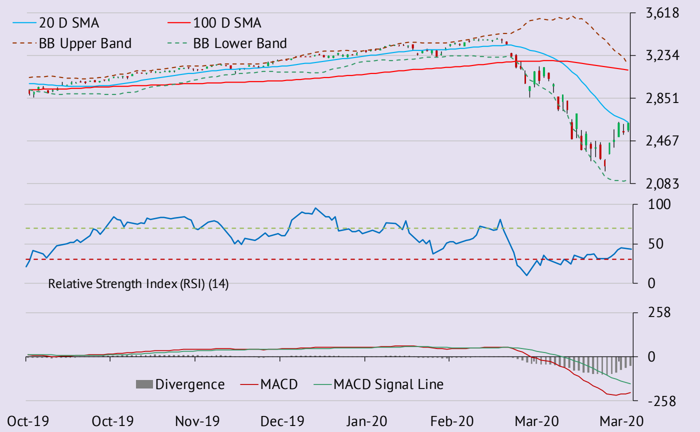
Technical snapshot

JSE All Share

Daily day end prices

The JSE All Share index is expected to find support at 39,323.43, and a fall through could take it to the next support level of 35,233.24. The index is expected to find its first resistance at 46,447.60, and a rise through could take it to the next resistance level of 49,481.58.

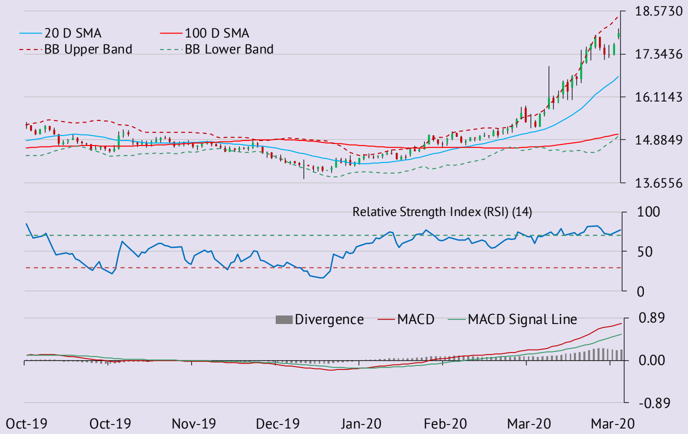
S&P 500



Daily day end prices

The S&P 500 index is expected to find support at 2,435.06, and a fall through could take it to the next support level of 2,243.46. The index is expected to find its first resistance at 2,727.63, and a rise through could take it to the next resistance level of 2,828.60.

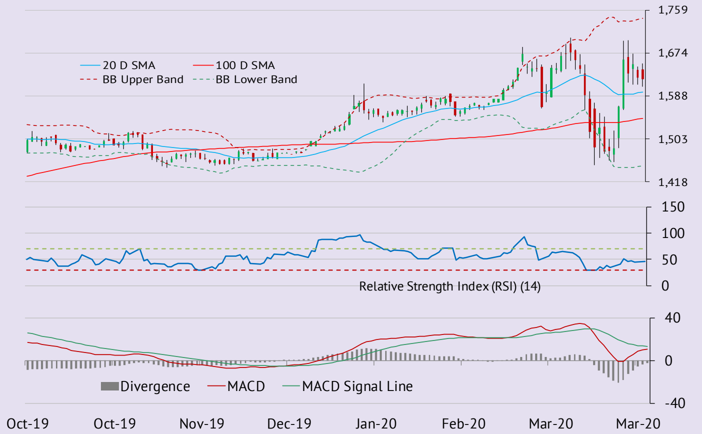
USD ZAR



Daily day end prices

The pair is expected to find support at 17.3812, and a fall through could take it to the next support level of 16.8257. The pair is expected to find its first resistance at 18.2893, and a rise through could take it to the next resistance level of 18.6419.

XAU USD



Daily day end prices

Gold is expected to find support at $1,555.23/oz, and a fall through could take it to the next support level of $1,488.47/oz. The precious metal is expected to find its first resistance at $1,694.03/oz, and a rise through could take it to the next resistance level of $1,766.07/oz.

GTC consult • partner • manage

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
China	03:00	NBS Manufacturing PMI (Mar)	✓✓	52.00*	35.70	Monthly
China	03:00	NBS Non-manufacturing PMI (Mar)	✓	52.30*	29.60	Monthly
Japan	07:00	Construction Orders (YoY) (Feb)	✓	-0.70%	-17.00%	Monthly
Japan	07:00	Housing Starts (YoY) (Feb)	✓	-14.70%	-10.10%	Monthly
Germany	08:00	Import Price Index s.a. (MoM) (Feb)	✓✓	-0.30%	-0.40%	Monthly
Germany	08:00	Import Price Index n.s.a. (YoY) (Feb)	✓✓	-1.50%	-0.90%	Monthly
UK	08:00	Total Business Investment (QoQ) (Q4) (F)	✓	-	0.00%	Quarterly
UK	08:00	Gross Domestic Product s.a. (QoQ) (Q4) (F)	✓✓✓	-	0.40%	Quarterly
UK	08:00	Total Business Investment (YoY) (Q4) (F)	✓	-	0.50%	Quarterly
UK	08:00	Gross Domestic Product s.a. (YoY) (Q4) (F)	✓✓✓	1.10%	1.10%	Quarterly
UK	08:00	Current Account (Q4)	✓✓	-	-GBP15.86bn	Quarterly
Switzerland	08:30	Real Retail Sales (YoY) (Feb)	✓✓	-0.70%	-0.10%	Monthly
France	08:45	Consumer Price Index (MoM) (Mar) (P)	✓✓✓	-	0.00%	Monthly
France	08:45	Consumer Price Index (YoY) (Mar) (P)	✓✓✓	-	1.40%	Monthly
France	08:45	Producer Price Index (MoM) (Feb)	✓✓	-0.10%	-0.10%	Monthly
France	08:45	Producer Price Index (YoY) (Feb)	✓	-	0.20%	Monthly
Spain	09:00	Gross Domestic Product s.a. (QoQ) (Q4) (F)	✓✓✓	0.50%	0.40%	Quarterly
Spain	09:00	Gross Domestic Product s.a. (YoY) (Q4) (F)	✓✓	1.80%	1.90%	Quarterly
Germany	09:55	Unemployment Change (Mar)	✓✓✓	28.00 K	-10.00 K	Monthly
Germany	09:55	Unemployment Rate s.a. (Mar)	✓✓✓	5.10%	5.00%	Monthly
Eurozone	11:00	Consumer Price Index - Core (YoY) (Mar) (P)	✓✓✓	1.20%	1.20%	Monthly
Eurozone	11:00	Consumer Price Index (MoM) (Mar) (P)	✓✓✓	-	0.20%	Monthly
Italy	11:00	Consumer Price Index (MoM) (Mar) (P)	✓✓✓	0.10%	-0.10%	Monthly
Italy	11:00	Consumer Price Index (YoY) (Mar) (P)	✓✓✓	-	0.30%	Monthly
South Africa	11:30	Non-Farm Payrolls (QoQ) (Q4)	✓	-	0.00%	Quarterly
South Africa	11:30	Non-Farm Payrolls (YoY) (Q4)	✓	-	1.40%	Quarterly
South Africa	14:00	Trade Balance (Feb)	✓✓	-	-ZAR1.87bn	Monthly
Canada	14:30	Gross Domestic Product (YoY) (Jan)	✓✓✓	-	1.90%	Monthly
Canada	14:30	Industrial Product Price (MoM) (Feb)	✓	0.10%	-0.30%	Monthly
Canada	14:30	Raw Material Price Index (MoM) (Feb)	✓	-0.80%	-2.20%	Monthly

Note: ✓✓✓High ✓✓Medium ✓Low

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

An Authorised Financial Services Provider
FSP no. 731

GTC is nationally represented in Johannesburg, Cape Town and Durban.

GTC Group of products and services include: Employee Benefits Consulting • Employee Benefits Administration • Private Client Wealth Management • Healthcare Consulting • Short-Term Risk Solutions • Stockbroking • Derivatives Trading • Unit Trust Management • Asset Management • Fiduciary Services