

ONE  
Minute Brief

14 April 2020


  
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## Economic and political news

President, Cyril Ramaphosa, has extended South Africa's (SA) nationwide lockdown by two weeks until 30 April.

Health Minister, Zweli Mkhize, has announced that the number of Covid-19 infections in the country rose to 2,272, with death toll at 27.

African Union (AU) Chairperson, Cyril Ramaphosa, has appointed Dr Ngozi Okonjo-Iweala, Dr Donald Kaberuka, Tidjane Thiam and Trevor Manuel as the AU's COVID-19 Special Envoys to address the economic challenges African countries will face as a result of the pandemic.

The National Energy Regulator of SA (Nersa) has suspended its Chief Executive Officer (CEO), Chris Forlee, pending an investigation.

The Democratic Alliance's (DA) interim leader, John Steenhuisen, has announced a "smart phase strategy" for the lockdown, involving four stages, in the hope of avoiding an "economic collapse".

According to a survey conducted by the National Association of Automobile Manufacturers of SA (Naamsa) SA's auto industry might have to lay off up to 10% of its workforce.

## Key indices

	As at 13 April 2020		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)*	48011.56	▲	1321.66	2.83	NA	7.91	-12.83	-15.89
JSE Top 40 (ZAR)*	43837.45	▲	1065.25	2.48	NA	7.61	-11.15	-13.73
FTSE 100 (GBP)*	5842.66	▲	164.93	2.90	NA	3.01	-13.81	-22.54
DAX 30 (EUR)*	10564.74	▲	231.85	2.24	NA	6.33	-16.44	-20.26
CAC 40 (EUR)*	4506.85	▲	64.10	1.44	NA	2.52	-17.21	-24.61
S&P 500 (USD)	2761.63	▼	-28.19	-1.01	-1.01	6.85	-12.51	-14.52
Nasdaq Composite (USD)	8192.43	▲	38.85	0.48	0.48	6.39	-10.12	-8.70
DJIA (USD)	23390.77	▼	-328.60	-1.39	-1.39	6.72	-13.74	-18.04
MSCI Emerging Markets (USD)	883.14	▼	-5.02	-0.56	-0.56	4.07	-15.61	-20.77
MSCI Developed World (USD)	1956.75	▼	-15.20	-0.77	-0.77	5.61	-13.47	-17.03

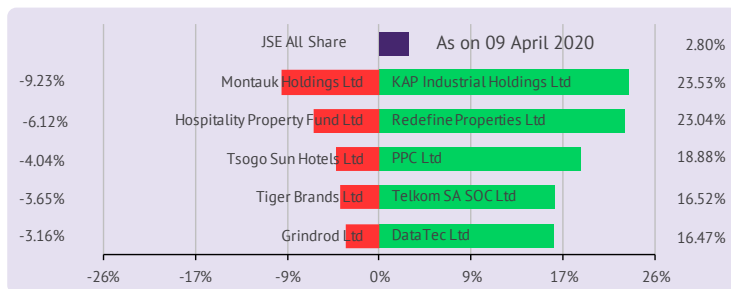
Note: \*Values as on 09 April 2020

## South Africa Market ▲

## South African markets closed higher

South African markets closed in the green on Thursday, boosted by gains in banking, financial and platinum mining sector stocks. The JSE All Share Index rose 2.8% to close at 48,011.56.

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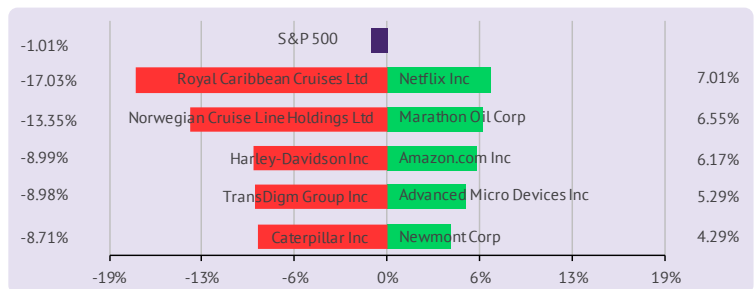


## US Market ▼

## US markets closed mostly weaker

US markets closed mostly lower yesterday, amid concerns ahead of corporate earnings results. The S&P 500 Index dropped 1.0% to close at 2,761.63. Today, the S&P 500 futures are trading in the green.

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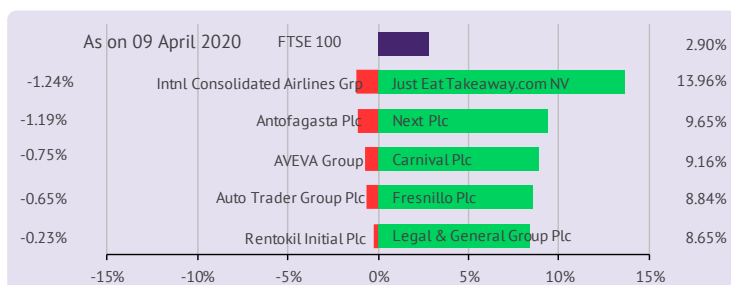


## UK Market ▲

## UK markets closed in the green

UK markets finished higher on Thursday, after the US Federal Reserve (Fed) announced additional stimulus package and amid hopes that the coronavirus pandemic would soon subside. The FTSE 100 Index advanced 2.9% to close at 5,842.66. Today, the FTSE 100 futures are trading in positive territory.

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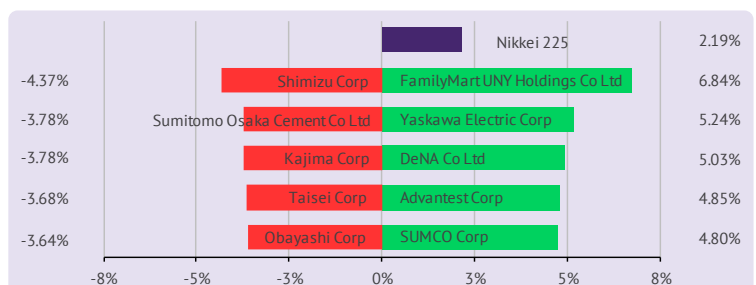


## Asian Market ▲

## Trading higher

Asian markets are trading higher this morning, on hopes that the coronavirus pandemic is nearing its peak and following the release of China's trade data for March. As at 6:00 SAST, the Nikkei 225 Index is trading 2.2% higher at 19,460.44.

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## USD ZAR ▲

### USD trading weaker against ZAR

At 06:00 SAST, the US Dollar is trading 0.6% weaker against the South African Rand at R18.0273. Amid lack of 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 yesterday. On the macro front, the US producer price index (PPI) advanced more than market forecast on an annual basis in March. Additionally, budget deficit narrowed more than market anticipations in March. Meanwhile, consumer price index (CPI) climbed less-than-expected on an annual basis in March. Moreover, the preliminary Michigan consumer sentiment index dropped to its lowest level since 2011 in April. Further, the number of initial jobless claims declined less-than-expected on weekly basis in week ended 03 April 2020.

## GBP ZAR ▲

### GBP trading lower against ZAR

At 06:00 SAST, the British Pound marginally dropped against the South African Rand at R22.6518. With no major economic releases in UK today, investor sentiment will be determined by global macroeconomic news.

The British Pound advanced against the South African Rand yesterday. Data indicated that UK's manufacturing production advanced more-than-expected on a monthly basis in February. Additionally, industrial production advanced in line with market forecast on a monthly basis in February. Meanwhile, the nations' gross domestic product (GDP) unexpectedly declined on a monthly basis in February. Additionally, the NIESR GDP estimate dropped in March. Moreover, the country reported a total trade deficit in February.

## EUR ZAR ▲

### EUR trading lower against ZAR

At 06:00 SAST, the Euro fell 0.2% against the South African Rand to trade at R19.7369. Amid no major economic releases across the Eurozone today, market sentiment will be determined by global macroeconomic news.

The Euro strengthened against the South African Rand yesterday. On the data front, Germany's trade surplus unexpectedly widened in February.

## AUD ZAR ▼

### AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.2% firmer against the South African Rand at R11.5905. Earlier in the session, in Australia, both, the NAB business confidence index and the NAB business conditions index unexpectedly declined in March. Elsewhere, in China, Australia's largest trading partner, the PPI declined more than market anticipations on an annual basis in March. Moreover, the CPI advanced less than market forecast 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	18.0273	▲	0.94	0.94	1.64	13.90	29.50
GBPZAR	22.6518	▲	1.38	1.38	2.20	10.46	22.07
EURZAR	19.7369	▲	0.45	0.45	0.51	13.95	26.02
AUDZAR	11.5905	▼	1.19	1.19	5.61	7.47	17.54
EURUSD	1.0946	▲	-0.21	-0.21	-1.06	0.05	-2.67
GBPUSD	1.2563	▲	0.48	0.48	0.76	-3.14	-5.60
Brent (\$/barrel)	32.2	▲	0.83	0.83	20.46	-46.95	-51.91
Gold (\$/oz)	1779.6	▲	0.50	0.50	10.19	1.07	14.56
Platinum (\$/oz)	745.8	▼	0.16	0.16	2.95	-16.23	-23.22
Copper (\$/MT)*	4993.0	-	0.00	NA	1.10	-12.08	-18.80

\*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 \$1,779.60/oz.

Yesterday, gold prices rose 0.5% to close at \$1,744.80/oz, as growing concerns over the economic impact from the coronavirus pandemic increased demand for the safe haven asset.

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## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil edged 1.6% higher to trade at \$32.24/bl.

Yesterday, Brent crude oil advanced 0.8% to settle at \$31.74/bl, after the Organisation of the Petroleum Exporting Countries and its allies agreed to cut output by 9.7mn bls per day in May and June, representing about 10% of global supply.

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## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices edged marginally lower to trade at \$745.80/oz.

Yesterday, platinum prices climbed 0.2% to close at \$745.80/oz.

## Major South African corporate news

### Zeder Investments Limited

In its FY20 trading statement, the company announced that it expects HEPS to be between 23.70c and 24.50c, compared to 45.10c in the last year. Further, the company expects attributable EPS to be between 32.90c and 33.90c, compared to 5.20c in the prior year.

## Major global economic news

### US

In the US, the CPI climbed 1.5% on an annual basis in March, less than market anticipations and compared to an advance of 2.3% in the previous month.

In March, budget deficit narrowed to USD119.00bn in the US, more than market forecast and compared to a deficit of USD235.00bn in the previous month.

In the US, the preliminary Michigan consumer sentiment index eased more-than-expected to 71.00 in April, compared to a level of 89.10 in the prior month.

In March, the PPI advanced 0.7% on an annual basis in US, more than market consensus and compared to a rise of 1.3% in the prior month.

In the US, seasonally adjusted number of initial jobless claims declined to 6606.00K on weekly basis in week ended 03 April 2020, less than market expectations and compared to a revised reading of 6867.00K in the previous week.

Fed Chairman, Jerome Powell, in his speech, stated that the US central bank was committed to using all its powers "forcefully, pro-actively, and aggressively" until it believes that the economy is on the road to recovery. Additionally, he believes that the country's economic recovery could be robust despite the sharp slowdown caused by the coronavirus-induced shutdown. He also reiterated that the Fed's decision to keep borrowing costs low to stabilise the economy and subdue the virus would continue.

### Asia

In China, the PPI dropped 1.5% on an annual basis in March, more than market expectations and compared to a drop of 0.4% in the previous month.

In March, the CPI rose 4.3% on an annual basis in China, less than market consensus and compared to a rise of 5.2% in the prior month.

In Australia, the NAB business confidence index unexpectedly declined to -66.00 in March, compared to a revised fall of -2.00 in the previous month.

In March, the NAB business conditions index unexpectedly eased to a level of -21.00 in Australia, compared to a flat reading in the previous month.

In Japan, the PPI fell 0.4% on a yearly basis in March, compared to a rise of 0.8% in the earlier month.

### UK

In UK, manufacturing production rose 0.5% on a monthly basis in February, compared to a revised rise of 0.4% in the prior month.

In February, industrial production advanced 0.1% on a monthly basis in UK, in line with market forecast and compared to a revised rise 0.2% in the prior month.

In February, total trade deficit stood at GBP2.79bn in UK, compared to a revised surplus of GBP2.41bn in the previous month.

In UK, the GDP unexpectedly dropped 0.1% on a monthly basis in February, compared to a revised rise of 0.1% in the previous month.

In March, the NIESR GDP estimate slid 4.8% in UK, compared to a revised rise of 0.1% in the previous month.

### Eurozone

In February, seasonally adjusted trade surplus unexpectedly widened to EUR21.60bn in Germany, compared to a revised surplus of EUR18.70bn in the prior month.

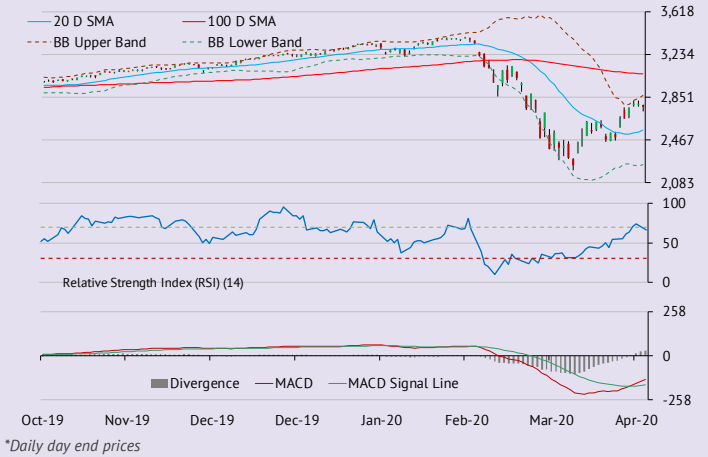
## Technical snapshot

### JSE All Share



The JSE All Share index is expected to find support at 46,728.29, and a fall through could take it to the next support level of 45,445.01. The index is expected to find its first resistance at 48,806.90, and a rise through could take it to the next resistance level of 49,602.23.

### S&P 500



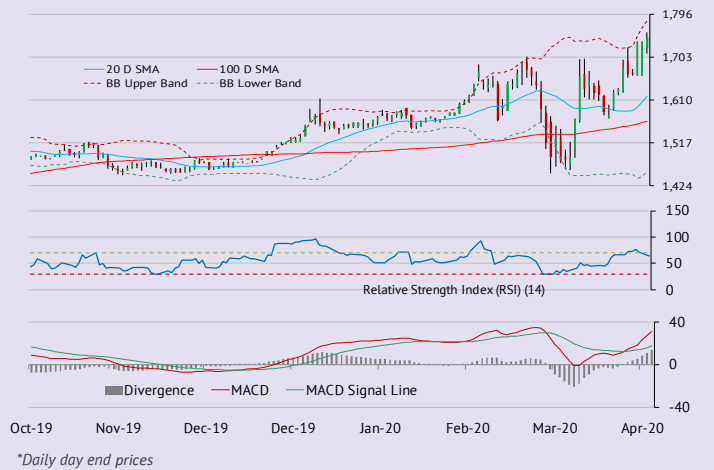
The S&P 500 index is expected to find support at 2,673.34, and a fall through could take it to the next support level of 2,585.06. The index is expected to find its first resistance at 2,834.24, and a rise through could take it to the next resistance level of 2,906.86.

### USD ZAR



The pair is expected to find support at 17.7392, and a fall through could take it to the next support level of 17.3485. The pair is expected to find its first resistance at 18.6326, and a rise through could take it to the next resistance level of 19.1353.

### XAU USD



Gold is expected to find support at \$1,682.93/oz, and a fall through could take it to the next support level of \$1,621.07/oz. The precious metal is expected to find its first resistance at \$1,781.73/oz, and a rise through could take it to the next resistance level of \$1,818.67/oz.

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus	Previous	Frequency
 Switzerland	10:00	Domestic Sight Deposits (CHF) (10-Apr)	✓	-	CHF535600.00mn	Weekly
 Switzerland	10:00	Total Sight Deposits (CHF) (10-Apr)	✓	-	CHF627200.00mn	Weekly
 US	12:00	NFIB Small Business Optimism (Mar)	✓	-	104.50	Monthly
 UK	13:45	3-7 Years Maturity Gilt Buyback - Offer/Cover Ratio	✓	-	3.79	As Scheduled
 UK	13:45	3-7 Years Maturity Gilt Buyback - Total Offers Accepted	✓	-	GBP1499.90mn	As Scheduled
 UK	13:45	3-7 Years Maturity Gilt Buyback - Total Offers Received	✓	-	GBP5691.10mn	As Scheduled
 US	14:30	Import Price Index (MoM) (Mar)	✓	-1.70%	-0.50%	Monthly
 US	14:30	Import Price Index (YoY) (Mar)	✓	-2.20%	-1.20%	Monthly
 US	14:30	Export Price Index (MoM) (Mar)	✓	-1.90%	-1.10%	Monthly
 US	14:30	Export Price Index (YoY) (Mar)	✓	-2.10%	-1.30%	Monthly
 UK	14:45	7-15 Years Gilt Buyback - Offer/Cover Ratio	✓	-	3.44	As Scheduled
 UK	14:45	7-15 Years Gilt Buyback - Total Offers Accepted	✓	-	GBP1499.90mn	As Scheduled
 UK	14:45	7-15 Years Gilt Buyback - Total Offers Received	✓	-	GBP5163.10mn	As Scheduled
 US	14:55	Redbook Index (YoY) (10-Apr)	✓	-	5.30%	Weekly
 US	14:55	Redbook Index s.a. (MoM) (10-Apr)	✓	-	0.90%	Weekly
 UK	15:45	15+ Years Gilt Buyback - Total Offers Received	✓	-	GBP4071.20mn	As Scheduled
 UK	15:45	15+ Years Gilt Buyback - Offer/Cover Ratio	✓	-	2.71	As Scheduled
 UK	15:45	15+ Years Gilt Buyback - Total Offers Accepted	✓	-	GBP1500.00mn	As Scheduled
 US	18:30	Fed's Evans speaks at Economic Forecast Event	✓✓✓	-	-	As Scheduled

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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