

ONE
Minute Brief

15 April 2020

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Economic and political news

Yesterday, the South African Reserve Bank (SARB) lowered its key interest rate by another 100bps to a record low of 4.25%, in the wake of a worsening economic fallout from the global Covid-19 pandemic. Moreover, Governor, Lesetja Kganyago, stated that the central bank expects South Africa's (SA) economy to contract by 6.1% this year.

Finance Minister, Tito Mboweni, has indicated that the ministry would revise its budget taking into account the effect of COVID-19. Meanwhile, he stated that SA would not consider International Monetary Fund (IMF) funding accompanied by a structural adjustment programme to contain the economic impact of the coronavirus pandemic.

Public Enterprises Minister, Pravin Gordhan, has rejected South African Airways (SAA) business rescue practitioners' request for a further ZAR10bn in funding.

Health Minister, Zweli Mkhize, stated that coronavirus cases in the country increased to 2,415. Separately, Mkhize appreciated China for sending thousands of units of personal protective equipment (PPE) to SA.

Key indices

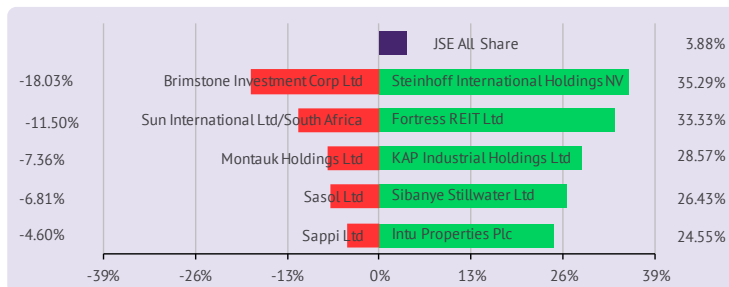
	As at 14 April 2020		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	49874.51	▲	1862.95	3.88	3.88	12.10	-12.83	-12.63
JSE Top 40 (ZAR)	45580.91	▲	1743.46	3.98	3.98	11.89	-11.15	-10.30
FTSE 100 (GBP)	5791.31	▼	-51.35	-0.88	-0.88	2.10	-13.81	-23.22
DAX 30 (EUR)	10696.56	▲	131.82	1.25	1.25	7.66	-16.44	-19.27
CAC 40 (EUR)	4523.91	▲	17.06	0.38	0.38	2.91	-17.21	-24.32
S&P 500 (USD)	2846.06	▲	84.43	3.06	2.02	10.12	-12.51	-11.91
Nasdaq Composite (USD)	8515.74	▲	323.32	3.95	4.44	10.59	-10.12	-5.09
DJIA (USD)	23949.76	▲	558.99	2.39	0.97	9.27	-13.74	-16.08
MSCI Emerging Markets (USD)	896.29	▲	13.14	1.49	0.91	5.62	-15.61	-19.59
MSCI Developed World (USD)	2006.81	▲	50.05	2.56	1.77	8.32	-13.47	-14.91

South Africa Market ▲

South African markets closed higher

South African markets closed in the green yesterday, led by gains in gold and platinum mining sector stocks. The JSE All Share Index rose 3.9% to close at 49,874.51.

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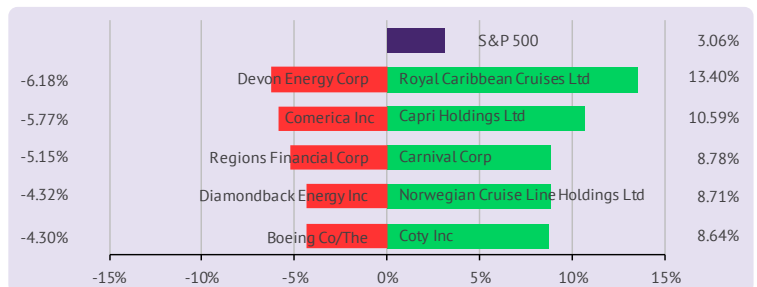


US Market ▲

US markets closed firmer

US markets closed higher yesterday, amid expectations that President, Donald Trump, might ease coronavirus-induced lockdowns. The S&P 500 Index climbed 3.1% to close at 2,846.06. 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, weighed down by losses in oil producers and amid signs that UK might extend its lockdown by another 3 weeks. The FTSE 100 Index declined 0.9% to close at 5,791.31. Today, the FTSE 100 futures are trading in negative territory.

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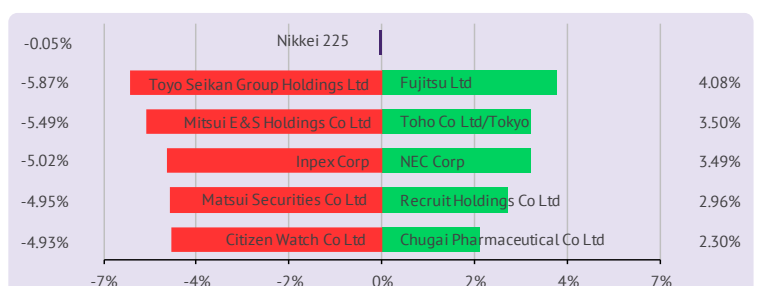


Asian Market ▼

Trading mostly lower

Asian markets are trading mostly lower this morning, amid concerns over the economic impact of the coronavirus pandemic. As at 6:00 SAST, the Nikkei 225 Index is trading 0.1% lower at 19,629.78.

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USD ZAR ▼

USD trading higher against ZAR

At 06:00 SAST, the US Dollar rose 0.1% against the South African Rand to trade at R18.3389. Later today, traders will keep a close watch on the US MBA mortgage applications, NY Empire State manufacturing index, retail sales, industrial production, business inventories, the NAHB housing market index and Fed's Beige Book report for further direction.

The US Dollar rose against the South African Rand yesterday. Separately, the South African Rand fell against the US Dollar, after SA's central bank slashed its key interest rate in a surprise move.

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GBP ZAR ▼

GBP trading firmer against ZAR

At 06:00 SAST, the British Pound climbed 0.1% against the South African Rand to trade at R23.1238. Ahead in the day, traders will keep an eye on UK's BRC like for like retail sales for further indication.

The British Pound advanced against the South African Rand yesterday, amid optimism that the lockdown measures implemented by the government may be slowing the spread of the novel coronavirus.

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EUR ZAR ▼

EUR trading higher against ZAR

At 06:00 SAST, the Euro climbed 0.1% against the South African Rand to trade at R20.1335. 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.

AUD ZAR ▲

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.3% weaker against the South African Rand at R11.7517. Earlier in the session, Australia's Westpac consumer confidence index plummeted in April. Elsewhere, China, Australia's largest trading partner, recorded a surplus 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	18.3389	▼	1.07	2.01	2.72	13.90	30.88
GBPZAR	23.1238	▼	1.96	3.37	4.21	10.46	24.46
EURZAR	20.1335	▼	1.71	2.17	2.22	13.95	28.17
AUDZAR	11.7517	▲	1.93	3.14	7.65	7.47	19.81
EURUSD	1.0978	▼	0.60	0.39	-0.46	0.05	-2.08
GBPUSD	1.2609	▼	0.86	1.35	1.63	-3.14	-4.78
Brent (\$/barrel)	30.0	▲	-6.74	-5.97	12.33	-46.95	-55.15
Gold (\$/oz)	1754.5	▼	0.68	1.18	10.94	1.07	15.34
Platinum (\$/oz)	815.7	▼	9.37	9.55	12.60	-16.23	-16.03
Copper (\$/MT)*	5134.0	▲	2.82	2.82	3.95	-12.08	-16.51

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

Gold ▼

Trading in the red

At 06:00 SAST, gold prices edged 0.1% lower to trade at \$1,754.50/oz.

Yesterday, gold prices rose 0.7% to close at \$1,756.70/oz, amid weakness in the greenback and concerns over global economic growth.

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Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged 1.4% higher to trade at \$30.00/bl. The American Petroleum Institute (API) reported that crude oil inventories rose by 13.14mn bls last week.

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Yesterday, Brent crude oil declined 6.7% to settle at \$29.60/bl, amid decline in energy demand due to disruptions to travel and trade.

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Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices marginally dropped to trade at \$815.70/oz.

Yesterday, platinum prices climbed 9.4% to close at \$815.70/oz.

Major South African corporate news

Capitec Bank Holdings Limited

In its FY20 results, the company announced that net income rose to ZAR16.66bn from ZAR14.57bn posted in the previous year. Its diluted EPS jumped 18.2% to ZAR53.91 from the prior year.

Remgro Limited

The company announced that the management has voluntarily decided to forego 30.0% of their salary for the months of April, May and June 2020. The savings to the company generated from this reduction in salaries would be paid to the Sukuma Relief Programme, an initiative aimed at supporting SMEs, and administered by Business Partners Limited.

Invicta Holdings Limited

The company announced that it had implemented measures prior to the lockdown to prevent and minimise potential infections and transmissions of the coronavirus within its operations worldwide. It has further introduced education and communication on COVID-19 and appropriate preventative measures to its employees. Meanwhile, the board is pleased to announce that a number of its businesses are involved in projects to develop and manufacture ventilators to supply SA and countries in Southern Africa.

RMB Holdings Limited

The company announced that its board and management along with Rand Merchant Investment Holdings Limited have approved the formation of a joint COVID-19 support fund. Moreover, the governance arrangements and the structure of the fund are currently being finalised. Further, the company stated that the RMH Board has now finalised the terms of the proposed restructure of RMH's portfolio of assets and liabilities, in order to unlock the discount to NAV of RMH and return incremental value to Shareholders.

Pan African Resources Plc

The company announced that it would continue with preventative measures for the spread and detection of COVID-19 at all its operations, while continuing to undertake essential services during the National Lockdown, as detailed in the group's announcement of 30 March 2020. Further, the group has obtained authorisation from the South African Department of Mineral Resources and Energy to conduct surface re-mining and processing activities on a reduced scale, subject to compliance with and adherence to all relevant regulations and applicable legislation.































Major global economic news

Asia

In China, trade surplus stood at USD19.90bn in March, compared to a deficit of USD7.09bn in the previous month.

In Australia, the Westpac consumer confidence index plummeted 17.7% to 75.60 in April, compared to 91.90 in the previous month.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
 US	02:00	U.S. Treasury, General Account - Week Average (15-Apr)	✓	-	USD698.58bn	Weekly
 France	08:45	Consumer Price Index (YoY) (Mar) (F)	✓✓✓	-	1.40%	Monthly
 South Africa	11:30	Retail Sales (MoM) (Feb)	✓✓	-	0.90%	Monthly
 Eurozone	12:00	ECB Balance sheet (06-Apr)	✓✓	-	EUR5199.82bn	Weekly
 South Africa	13:00	Retail Sales - General Dealers (Feb)	✓	-	ZAR37275.00mn	Monthly
 South Africa	13:00	Retail Sales (YoY) (Feb)	✓✓	-	1.20%	Monthly
 US	13:00	MBA Mortgage Applications (10-Apr)	✓	-	-	Weekly
 US	14:30	Advance Retail Sales (MoM) (Mar)	✓✓✓	-3.40%	-0.50%	Monthly
 US	14:30	Retail Sales ex Autos (MoM) (Mar)	✓✓✓	-1.40%	-0.40%	Monthly
 US	14:30	NY Empire State Manufacturing Index (Apr)	✓✓	-35.00	-21.50	Monthly
 US	14:30	Retail Sales Ex Auto & Gas (Mar)	✓✓✓	-	-0.20%	Monthly
 US	14:30	Retail Sales "Control Group" (MoM) (Mar)	✓✓	-	0.00%	Monthly
 Canada	15:00	Existing Home Sales (MoM) (Mar)	✓	-	-	Monthly
 US	15:15	Capacity Utilisation (Mar)	✓	73.90%	77.00%	Monthly
 US	15:15	Manufacturing (SIC) Production (MoM) (Mar)	✓✓✓	-	0.10%	Monthly
 US	15:15	Industrial Production (MoM) (Mar)	✓✓✓	-2.20%	0.60%	Monthly
 Canada	16:00	BoC Rate Statement	✓✓✓	-	-	As Scheduled
 Canada	16:00	Bank of Canada Monetary Policy Report	✓✓✓	-	-	As Scheduled
 Canada	16:00	Bank of Canada Interest Rate Decision	✓✓✓	-	1.00%	As Scheduled
 US	16:00	Business Inventories (Feb)	✓	-0.30%	-0.10%	Monthly
 US	16:00	NAHB Housing Market Index (Apr)	✓	65.00	72.00	Monthly
 US	16:30	DOE Distillate Inventory (10-Apr)	✓✓✓	-	476.00K	Weekly
 US	16:30	DOE Cushing OK Crude Inventory (Bls) (10-Apr)	✓✓✓	-	6417.00K	Weekly
 US	16:30	EIA Crude Oil Stocks Change (Bls) (10-Apr)	✓✓✓	-	15.18mn	Weekly
 US	16:30	DOE Gasoline Inventories (10-Apr)	✓✓✓	-	10497.00K	Weekly
 Canada	17:15	BoC Press Conference	✓✓✓	-	-	As Scheduled
 US	20:00	U.S. Federal Reserve Releases Beige Book	✓✓	-	-	As Scheduled
 US	21:00	Fed's Beige Book	✓✓✓	-	-	As Scheduled
 US	22:00	Total Net TIC Flows (Feb)	✓	-	USD122.90bn	Monthly
 US	22:00	Net Long-Term TIC Flows (Feb)	✓✓	-	USD20.90bn	Monthly

Note: ✓✓✓High ✓✓Medium ✓Low

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