

ONE  
Minute Brief

17 April 2020

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## Economic and political news

News reports indicate that the South African government would allow mines to operate at up to 50% capacity during a nationwide lockdown to contain the spread of the coronavirus.

The South African government has expressed concern over US President, Donald Trump's decision to cut funding to the World Health Organisation (WHO). Separately, the US government has committed to provide financial support to SA's Covid-19 response to the tune of USD2.77mn (ZAR51.5mn), up from a previous commitment of USD970,000.

Health Minister, Zweli Mkhize has confirmed that SA's COVID-19 cases increased to 2,605, with a death toll of 48.

Absa Bank, in its policy on coal financing, announced that it would consider conditional funding of new coal-fired power projects, joining most of the country's big banks still open to such lending despite pressure on the sector to help tackle climate change.

## Key indices

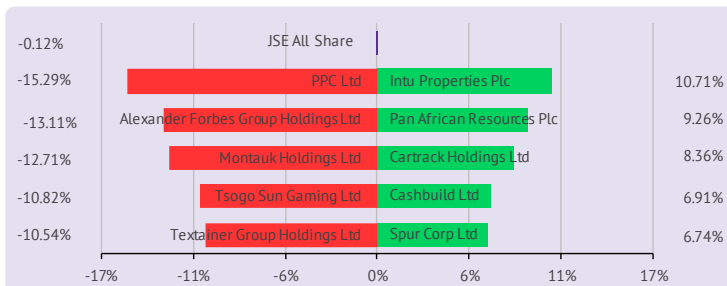
	As at 16 April 2020		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	48245.11	▼	-56.17	-0.12	0.49	8.44	-12.83	-15.48
JSE Top 40 (ZAR)	44180.00	▼	-22.90	-0.05	0.78	8.45	-11.15	-13.06
FTSE 100 (GBP)	5628.43	▲	30.78	0.55	-3.67	-0.77	-13.81	-25.38
DAX 30 (EUR)	10301.54	▲	21.78	0.21	-2.49	3.68	-16.44	-22.25
CAC 40 (EUR)	4350.16	▼	-3.56	-0.08	-3.48	-1.05	-17.21	-27.23
S&P 500 (USD)	2799.55	▲	16.19	0.58	0.35	8.32	-12.51	-13.35
Nasdaq Composite (USD)	8532.36	▲	139.19	1.66	4.65	10.81	-10.12	-4.91
DJIA (USD)	23537.68	▲	33.33	0.14	-0.77	7.39	-13.74	-17.52
MSCI Emerging Markets (USD)	884.86	▼	-3.28	-0.37	-0.37	4.28	-15.61	-20.62
MSCI Developed World (USD)	1964.33	▲	4.12	0.21	-0.39	6.02	-13.47	-16.71

## South Africa Market ▼

## South African markets closed lower

South African markets closed in the red yesterday, weighed down by losses in banking sector stocks. The JSE All Share Index fell 0.1% to close at 48,245.11.

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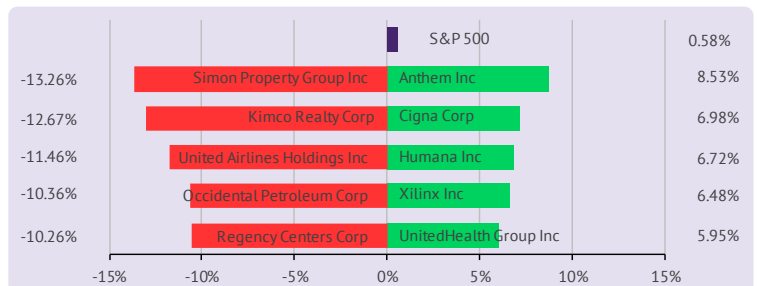


## US Market ▲

## US markets closed firmer

US markets closed higher yesterday, as shares in Amazon.com and Netflix surged to a record high. The S&P 500 Index climbed 0.6% to close at 2,799.55. Today, the S&P 500 futures are trading in the green.

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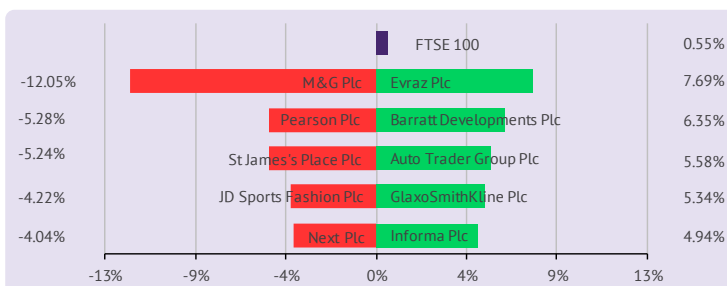


## UK Market ▲

## UK markets closed in the green

UK markets finished higher yesterday, amid weakness in the British Pound. The FTSE 100 Index advanced 0.6% to close at 5,628.43. Today, the FTSE 100 futures are trading in positive territory.

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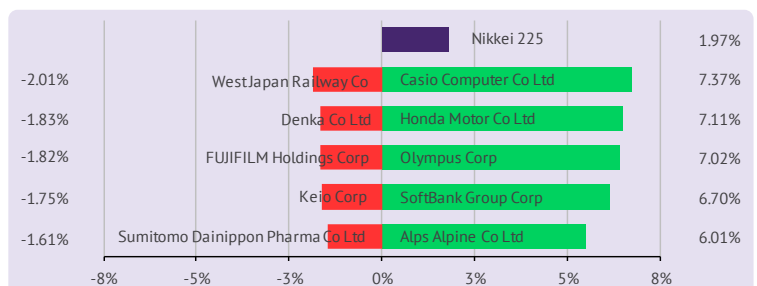


## Asian Market ▲

## Trading higher

Asian markets are trading higher this morning, despite disappointing China's growth data. As at 6:00 SAST, the Nikkei 225 Index is trading 2.0% higher at 19,670.72.

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## USD ZAR ▲

### USD trading weaker against ZAR

At 06:00 SAST, the US Dollar is trading 0.9% lower against the South African Rand at R18.7130. With no 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 Philadelphia Fed manufacturing index fell to its lowest level in nearly 40 years in April. Additionally, housing starts dropped more than market anticipations on monthly basis in March. Moreover, seasonally adjusted number of initial jobless claims dropped less-than-expected on weekly basis in week ended 11 April 2020. Meanwhile, building permits declined less than market consensus on monthly basis in March.

## GBP ZAR ▲

### GBP trading lower against ZAR

At 06:00 SAST, the British Pound fell 0.6% against the South African Rand at R23.3786. With no major economic releases in the UK today, investor sentiment will be determined by global macroeconomic news.

The British Pound advanced against the South African Rand yesterday.

## EUR ZAR ▲

### EUR trading weaker against ZAR

At 06:00 SAST, the Euro declined 0.6% against the South African Rand at R20.3382. Going forward, market participants will keep a tab on Eurozone's consumer price index (CPI) and construction output for further indications.

The Euro strengthened against the South African Rand yesterday. On the data front, Eurozone's seasonally adjusted industrial production dropped less-than-expected on a monthly basis in February. Separately, Germany's inflation slowed to a four-month low as estimated in March.

## AUD ZAR ▲

### AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.4% weaker against the South African Rand at R11.8942. Separately, in China, Australia's largest trading partner, GDP growth contracted in the first quarter of 2020, registering its first contraction since the end of the Cultural Revolution in 1976. Additionally, retail sales fell more than market anticipations in March. Meanwhile, the nation's industrial production declined less than market forecast in March.

The Australian Dollar rose against the South African Rand yesterday.

## Key currencies & commodities

	Current <sup>#</sup>		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	18.7130	▲	0.97	5.10	5.83	13.90	34.85
GBPZAR	23.3786	▲	0.41	5.21	6.06	10.46	26.68
EURZAR	20.3382	▲	0.27	3.89	3.95	13.95	30.34
AUDZAR	11.8942	▲	1.08	4.49	9.06	7.47	21.37
EURUSD	1.0866	▲	-0.64	-0.89	-1.73	0.05	-3.33
GBPUSD	1.2492	▲	-0.49	0.02	0.30	-3.14	-6.03
Brent (\$/barrel)	28.3	▲	0.47	-11.63	5.58	-46.95	-57.85
Gold (\$/oz)	1720.1	▼	-0.39	-0.91	8.65	1.07	12.95
Platinum (\$/oz)	789.3	▼	-1.41	6.00	8.96	-16.23	-18.75
Copper (\$/MT)*	5118.3	▲	0.71	2.51	3.63	-12.08	-16.76

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

## Gold ▼

### Trading in the red

At 06:00 SAST, gold prices edged slightly lower to trade at \$1,720.10/oz.

Yesterday, gold prices fell 0.4% to close at \$1,720.40/oz, amid strength in the greenback.

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## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil advanced 1.9% to trade at \$28.34/bl.

Yesterday, Brent crude oil advanced 0.5% to settle at \$27.82/bl. Separately, the Organisation of the Petroleum Exporting Countries (OPEC) slashed its global oil demand forecast amid the coronavirus outbreak.

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## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices marginally dropped to trade at \$789.30/oz.

Yesterday, platinum prices dropped 1.4% to close at \$789.30/oz.

## Major South African corporate news

### Anglo American Platinum Limited

The company announced the appointment of Natascha Viljoen as Chief Executive Officer (CEO) and Executive Director of the company, with immediate effect.

### Vodacom Group Limited

The company announced that it is working under strict conditions, across all its operations to limit and minimise the potential for COVID-19 transmission, and would continue to support and educate its people to follow the appropriate hygiene standards. Meanwhile, the company's conservative funding approach ensures that it has a well-managed balance sheet.

### Ascendis Health Limited

The company announced that a sale and purchase agreement has been concluded between its wholly owned subsidiary of the company, Ascendis Health International Holdings Limited and Atlas Invest B.V., a Dutch limited liability company registered in Netherlands forming part of the BioTech USA group of companies, a leading international sports nutrition business for the disposal of Ascendis Health's Scitec business unit in its Consumer Health segment, for a total consideration of EUR5.00mn.

## Major global economic news

### US

In the US, the Philadelphia Fed manufacturing index dropped to a level of -56.60 in April, compared to a level of -12.70 in the previous month.

In March, housing starts dropped 22.3% to an annual rate of 1.22mn in the US, more than market consensus. In the prior month, housing starts had recorded a revised reading of 1.56mn.

In the US, building permits declined 6.8% to an annual rate of 1.35mn in March, less than market anticipations. In the prior month, building permits had recorded a revised level of 1.45mn.

In week ended 10 April 2020, seasonally adjusted initial jobless claims declined to 5245.00K on weekly basis in the US, less than market forecast and compared to a revised level of 6615.00K in the previous week.

### Asia

In China, GDP declined 9.8% on a quarterly basis in 1Q20, less than market expectations and compared to an advance of 1.5% in the previous quarter.

In March, industrial production dropped 1.1% on an annual basis in China, less than market anticipations and compared to a fall of 13.5% in the previous month.

In China, retail sales plunged 15.8% on an annual basis in March, more than market forecast and compared to a drop of 20.5% in the previous month.

### Eurozone

In the Eurozone, seasonally adjusted industrial production fell 0.1% on a monthly basis in February, less than market anticipations and compared to a rise of 2.3% in the prior month.

In Germany, the final CPI climbed 1.4% on an annual basis in March, compared to a rise of 1.7% in the previous month. The preliminary figures had also indicated an advance of 1.4%.

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
China	04:00	Gross Domestic Product (QoQ) (Q1)	✓✓✓	-9.80%*	1.50%	Quarterly
China	04:00	Industrial Production (YoY) (Mar)	✓✓	-1.10%*	-13.50%	Monthly
China	04:00	Industrial Production YTD (YoY) (Mar)	✓✓	-8.40%*	-13.50%	Monthly
China	04:00	Retail Sales (YoY) (Mar)	✓✓✓	-15.80%*	8.00%	Monthly
China	04:00	Retail Sales YTD (YoY) (Mar)	✓	-19.00%*	-20.50%	Monthly
China	04:00	Fixed Assets Inv Excl. Rural YTD (YoY) (Mar)	✓	-16.10%*	-24.50%	Monthly
China	04:00	Gross Domestic Product (YoY) (Q1)	✓✓✓	-6.80%*	6.00%	Quarterly
China	04:00	NBS Press Conference	✓✓	-	-	As Scheduled
Japan	06:30	Industrial Production (MoM) (Feb) (F)	✓✓✓	-0.30%*	1.00%	Monthly
Japan	06:30	Industrial Production (YoY) (Feb) (F)	✓✓✓	-5.70%*	-2.30%	Monthly
Japan	06:30	Industrial Production Index (Feb)	✓	-	99.80	Monthly
Japan	06:30	Tertiary Industry Index (MoM) (Feb)	✓✓	-0.50%*	0.80%	Monthly
Japan	06:30	Capacity Utilisation (MoM) (Feb)	✓	-1.80%*	1.10%	Monthly
Eurozone	08:00	EU 27 New Car Registrations (YoY) (Mar)	✓	-	-7.40%	Monthly
Italy	10:00	Trade Balance Non-EU (Feb)	✓✓✓	-	EUR3.40bn	Monthly
Italy	10:00	Exports (Feb)	✓	-	EUR36553.00mn	Monthly
Italy	10:00	Imports (Feb)	✓	-	EUR36012.00mn	Monthly
Italy	10:00	Trade Balance EU (Feb)	✓✓✓	-	EUR0.83bn	Monthly
Italy	10:00	Trade Balance (Feb)	✓✓✓	-	EUR542.00mn	Monthly
Eurozone	11:00	Construction Output w.d.a. (YoY) (Feb)	✓	-	6.00%	Monthly
Eurozone	11:00	Consumer Price Index (MoM) (Mar) (F)	✓✓✓	0.50%	0.20%	Monthly
Eurozone	11:00	Consumer Price Index - Core (YoY) (Mar) (F)	✓✓✓	1.00%	1.20%	Monthly
Eurozone	11:00	Consumer Price Index (YoY) (Mar) (F)	✓✓✓	0.70%	1.20%	Monthly
Eurozone	11:00	Construction Output s.a. (MoM) (Feb)	✓✓✓	-	3.60%	Monthly
Canada	14:30	Foreign Portfolio Investment in Canadian Securities (Feb)	✓	-	CAD17.01bn	Monthly
Canada	14:30	Canadian Portfolio Investment in Foreign Securities (Feb)	✓	-	-CAD9.10bn	Monthly
Italy	15:00	Bank of Italy Releases the Quarterly Economic Bulletin	✓	-	-	As Scheduled
US	16:00	Leading Indicator (MoM) (Mar)	✓✓✓	-	0.10%	Monthly

Note: ✓✓✓High    ✓✓Medium    ✓Low

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