

ONE
Minute Brief

20 April 2020

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Economic and political news

News reports indicate that South African Airways (SAA) has offered severance packages to its entire workforce, that would see their employment terminated by mutual agreement on April 30. Meanwhile, the National Transport Movement (NTM) has countered the offer, proposing that the services of all fixed-term contractors and consultants be terminated on 30 April; it also wants employees older than 55 years old to be granted early retirement with an added incentive like a 6-month salary.

Health Minister, Zweli Mkhize, has confirmed that South Africa's (SA) Covid-19 cases increased to total of 3,158.

Former President, Jacob Zuma, has removed his defence attorney, Daniel Mantsha and has appointed lawyer, Eric Mabuza to represent him, during his corruption trial next month.

Eskom's head of power generation, Bheki Nxumalo stated that load shedding will "most likely" resume next month and would then continue until August 2021.

Key indices

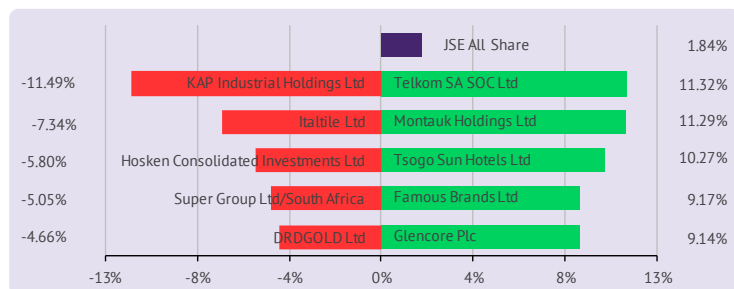
	As at 17 April 2020	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	49134.65	▲	889.54	1.84	NA	10.44	-12.83
JSE Top 40 (ZAR)	45044.37	▲	864.37	1.96	NA	10.57	-11.15
FTSE 100(GBP)	5786.96	▲	158.53	2.82	NA	2.03	-13.81
DAX 30 (EUR)	10625.78	▲	324.24	3.15	NA	6.94	-16.44
CAC 40 (EUR)	4499.01	▲	148.85	3.42	NA	2.34	-17.21
S&P 500 (USD)	2874.56	▲	75.01	2.68	NA	11.22	-12.51
Nasdaq Composite (USD)	8650.14	▲	117.78	1.38	NA	12.34	-10.12
DJIA (USD)	24242.49	▲	704.81	2.99	NA	10.61	-13.74
MSCI Emerging Markets (USD)	901.31	▲	16.45	1.86	NA	6.21	-15.61
MSCI Developed World (USD)	2017.51	▲	53.18	2.71	NA	8.89	-13.47

South Africa Market ▲

South African markets closed higher

South African markets closed in the green on Friday, boosted by gains banking, financial and resources sector stocks. The JSE All Share Index rose 1.8% to close at 49,134.65.

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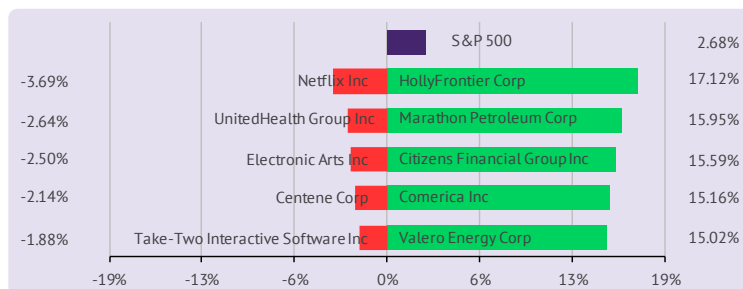


US Market ▲

US markets closed firmer

US markets closed higher on Friday, following President, Donald Trump's plan to reopen the US economy and amid hopes that a potential drug by Gilead could treat COVID-19. The S&P 500 Index climbed 2.7% to close at 2,874.56. Today, the S&P 500 futures are trading in the red.

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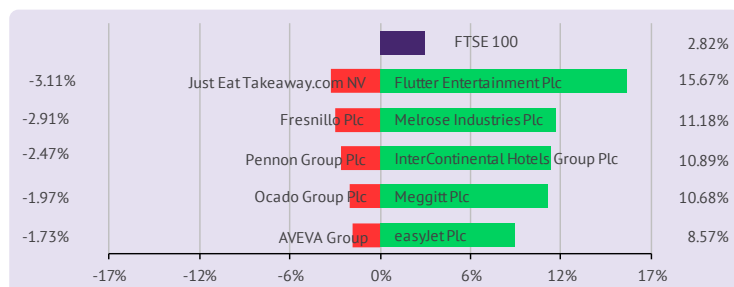


UK Market ▲

UK markets closed in the green

UK markets finished higher on Friday, on optimism about a potential treatment for COVID-19. The FTSE 100 Index advanced 2.8% to close at 5,786.96. Today, the FTSE 100 futures are trading in positive territory.

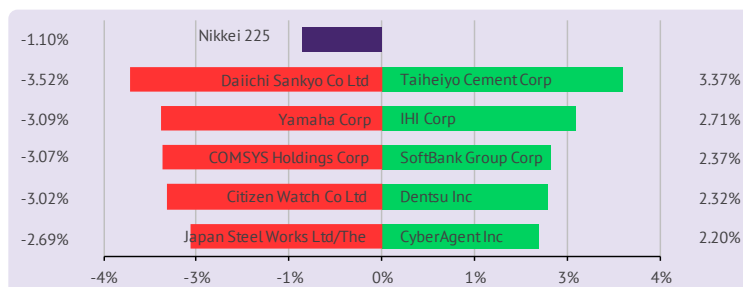
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Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning. As at 6:00 SAST, the Nikkei 225 Index is trading 1.1% lower at 19,677.49.



USD ZAR ▲

USD trading lower against ZAR

At 06:00 SAST, the US Dollar fell 0.1% against the South African Rand at R18.7961. Later today, traders will keep a close watch on the US Chicago Fed National Activity Index for further direction.

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

GBP ZAR ▲

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound declined 0.2% against the South African Rand at R23.4427. With no major economic releases in the UK today, investor sentiment will be determined by global macroeconomic news.

The British Pound declined against the South African Rand on Friday. Data indicated that UK's Rightmove house price index climbed on an annual basis in April.

EUR ZAR ▲

EUR trading lower against ZAR

At 06:00 SAST, the Euro is trading 0.1% weaker against the South African Rand at R20.4162. Going forward, market participants will keep a tab on Eurozone's current account and trade balance along with Germany's producer price index (PPI) for further cues.

The Euro weakened against the South African Rand on Friday. On the data front, Eurozone's inflation slowed as initially estimated in March. Moreover, construction output dropped on a monthly basis in February.

AUD ZAR ▲

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar retreated 0.5% against the South African Rand to trade at R11.9240.

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

Key currencies & commodities

	Current#		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	18.7961	▲	-0.37	NA	5.44	13.90	34.35
GBPZAR	23.4427	▲	-0.08	NA	5.97	10.46	26.57
EURZAR	20.4162	▲	-0.08	NA	3.87	13.95	30.24
AUDZAR	11.9240	▲	0.37	NA	9.46	7.47	21.82
EURUSD	1.0863	▼	0.32	NA	-1.41	0.05	-3.01
GBPUSD	1.2474	▼	0.34	NA	0.64	-3.14	-5.72
Brent (\$/barrel)	27.8	▼	0.93	NA	6.57	-46.95	-57.45
Gold (\$/oz)	1696.6	▲	-1.81	NA	6.68	1.07	10.91
Platinum (\$/oz)	781.3	▼	-1.01	NA	7.85	-16.23	-19.57
Copper (\$/MT)*	5194.0	▲	1.48	NA	5.17	-12.08	-15.53

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

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.4% higher to trade at \$1,696.60/oz.

On Friday, gold prices fell 1.8% to close at \$1,689.20/oz, after the US President, Donald Trump, announced plans to restart the economy and on hopes of a potential COVID-19 treatment.

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Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil dropped 1.2% to trade at \$27.75/bl, on demand concerns.

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On Friday, Brent crude oil advanced 0.9% to settle at \$28.08/bl, after Baker Hughes reported that US oil rig count fell by 66 to 438 last week.

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Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices marginally dropped to trade at \$781.30/oz.

On Friday, platinum prices dropped 1.0% to close at \$781.30/oz.

Major South African corporate news

Fortress REIT Limited

In its operational update, the company announced that collections to date of total rental and rates and utilities invoiced for April 2020 amounted to approximately 62.0%. Moreover, the company withdrew previous guidance of distributable earnings and dividends for FY20, due to uncertainty surrounding the impact of the COVID-19 pandemic and related nationwide lockdown and ongoing negotiations with tenants regarding rentals.

Impala Platinum Holdings Limited

In its COVID-19 update, the company announced that the group's internal planning to secure operational resilience during the coronavirus pandemic has been ongoing since January 2020. Further, it would establish a mechanism to enable members of its board, the Group Executive Committee and all employees to donate up to one third of their salaries over the next three months. Meanwhile, all South African operations (Impala Rustenburg mining, processing and refining and Marula mining and concentrating) were successfully ramped down and placed on care and maintenance.

Major global economic news

Asia

In Japan, final industrial production slid 0.3% on a monthly basis in February, compared to an advance of 1.0% in the prior month. The preliminary figures had indicated a rise of 0.4%.

In Japan, merchandise trade surplus narrowed to JPY4.90bn in March, more than market expectations and compared to a revised surplus of JPY1108.80bn in the previous month.

The People's Bank of China (PBoC), in latest interest rate decision, lowered its benchmark interest rates by 20 bps to a record low of 3.85% from 4.05%, citing widespread disruptions to businesses and activities from the COVID-19 crisis.

Eurozone

In the Eurozone, the final consumer price index (CPI) climbed 0.7% on an annual basis in March, compared to an advance of 1.2% in the previous month. The preliminary figures had also indicated an advance of 0.7%.

In February, seasonally adjusted construction output declined 1.5% on a monthly basis in the Eurozone, compared to a revised rise of 4.0% in the previous month.

UK

In the UK, the Rightmove house price index advanced 2.5% on a yearly basis in April, compared to a rise of 3.5% in the previous month.

40 best performers on the All Share Index

Company name	Last close	1 Week % change	MTD % change	YTD % change
Steinhoff International Holdings NV	136	33.33	22.52	61.90
Pan African Resources PLC	293	22.08	37.56	35.65
AngloGold Ashanti Ltd	41231	8.39	29.21	31.00
Net 1 UEPS Technologies Inc	6624	12.75	12.75	28.45
Gold Fields Ltd	12028	6.56	30.34	26.70
Naspers Ltd	277554	7.22	8.69	21.16
British American Tobacco PLC	69292	4.84	15.75	18.47
Assore Ltd	31410	-0.39	5.54	18.11
Clicks Group Ltd	26930	1.35	4.50	6.25
Rhodes Food Group Pty Ltd	1548	7.65	7.13	5.57
Harmony Gold Mining Co Ltd	5380	13.84	36.03	5.08
Vodacom Group Ltd	12065	-2.23	3.11	4.64
Reinet Investments SCA	28781	3.96	1.15	3.72
Santam Ltd	29100	5.19	8.58	3.53
Trencor Ltd	938	4.57	10.35	3.08
JSE Ltd	11328	-0.19	11.88	2.84
Pioneer Foods Group Ltd	10991	0.00	0.00	2.07
Peregrine Holdings Ltd	1865	-1.53	21.90	1.96
AfroCentric Investment Corp Ltd	343	-4.72	8.89	1.18
Cartrack Holdings Ltd	2425	15.42	21.25	0.89
Oceana Group Ltd	6145	4.15	11.73	-0.16
Stenprop Ltd	2324	1.04	8.09	-1.81
Cie Financiere Richemont SA	10698	6.10	10.53	-2.33
Sirius Real Estate Ltd	1553	-0.26	8.53%	-2.94
BHP Group PLC	30875	4.92	14.18	-3.09
Mondi PLC	31331	4.07	3.29	-3.98
Shoprite Holdings Ltd	11898	-4.37	-4.82	-4.22
Quilter PLC	2719	3.54	9.21	-4.32
Astral Foods Ltd	20152	1.27	4.97	-5.32
MiX Telematics Ltd	678	-2.59	11.51	-5.38
Pick n Pay Stores Ltd	6041	0.38	-0.31	-5.45
SPAR Group Ltd/The	18496	2.31	1.77	-6.35
Aspen Pharmacare Holdings Ltd	11150	2.20	20.62	-6.48
South32 Ltd	2436	5.96	22.23	-6.83
Liberty Two Degrees	570	7.95	17.53	-8.84
Lighthouse Capital Ltd	784	12.00	28.52%	-9.89
Montauk Holdings Ltd	3400	-14.87	-15.00	-10.53
Coronation Fund Managers Ltd	3545	-1.53	12.54	-11.26
Investec Australia Property Fund	1300	-2.18	8.42	-11.32
Zeder Investments Ltd	422	-3.65	-4.09	-11.34
JSE All Share Index	49135	2.34	10.44	-13.93

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus	Previous	Frequency
Germany	08:00	Producer Price Index (MoM) (Mar)	✓✓✓	-0.10%	-0.40%	Monthly
Germany	08:00	Producer Price Index (YoY) (Mar)	✓✓✓	0.20%	-0.10%	Monthly
Eurozone	10:00	Current Account s.a (Feb)	✓✓✓	-	EUR35.00bn	Monthly
Italy	10:00	Current Account (Feb)	✓	-	-EUR0.21bn	Monthly
Switzerland	10:00	Total Sight Deposits (CHF) (17-Apr)	✓	-	CHF634100.00mn	Weekly
Switzerland	10:00	Domestic Sight Deposits (CHF) (17-Apr)	✓	-	CHF552000.00mn	Weekly
Eurozone	11:00	Trade Balance s.a. (Feb)	✓✓✓	-	EUR17.30bn	Monthly
Eurozone	11:00	Trade Balance n.s.a. (Feb)	✓✓	-	EUR1.30bn	Monthly
South Africa	13:00	Sales by Takeaway & Fast Food Outlets (Feb)	✓	-	ZAR1895.40mn	Monthly
South Africa	13:00	Sales by Takeaway & Fast Food Outlets s.a. (Feb)	✓	-	ZAR2014.90mn	Monthly
South Africa	13:00	Food and beverages - Total Income (Feb)	✓	-	ZAR5775.80mn	Monthly
Canada	14:30	Teranet - National Bank House Price Index (MoM) (Mar)	✓✓	-	0.40%	Monthly
Canada	14:30	Teranet - National Bank House Price Index (YoY) (Mar)	✓	-	2.87%	Monthly
Canada	14:30	Teranet - National Bank House Price Index (Mar)	✓	-	229.41	Monthly
Canada	14:30	Wholesale Sales (Feb)	✓	-	CAD65.20bn	Monthly
Canada	14:30	Wholesale Sales (MoM) (Feb)	✓✓✓	-	1.80%	Monthly
US	14:30	Chicago Fed National Activity Index (Mar)	✓✓✓	-	0.16	Monthly
Eurozone	-	ECB Survey of Professional Forecasters	✓✓	-	-	As Scheduled
Germany	-	German Buba Monthly Report	✓	-	-	As Scheduled
Japan	-	Convenience Store Sales (YoY) (Mar)	✓	-	2.60%	Monthly

Note: ✓✓✓High ✓✓Medium ✓Low

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