

ONE  
Minute Brief

21 April 2020

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## Economic and political news

In South Africa (SA), electricity consumption fell 5.1% on an annual basis in March, compared to a flat reading in February. Additionally, electricity production dropped 4.1% on an annual basis in March, compared to a rise of 1.0% in the previous month.

Eskom has declared force majeure on two coal supply agreements with Exxaro Resources, with effect from 16 April until a month after the lockdown has been lifted.

Health Minister, Zweli Mkhize has confirmed that COVID-19 cases in SA have increased to 3,300.

President, Cyril Ramaphosa stated that SA would increase welfare provision to help poor households suffering because of the lockdown.

News reports indicate that SA's government is considering a range of proposals to help the economy recover from the impact of the coronavirus pandemic, including the potential sale of a ZAR100bn social-impact bond.

News reports indicate that the Association of Mineworkers and Construction Workers of SA is set to head to court today in a bid to have the decision to allow mining companies to summon workers back to work declared unlawful and set aside.

## Key indices

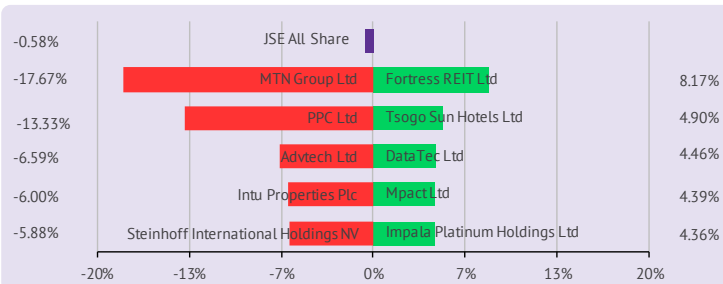
	As at 20 April 2020	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	48849.52	▼ -285.13	-0.58	-0.58	9.80	-12.83	-14.43
JSE Top 40 (ZAR)	44796.92	▼ -247.45	-0.55	-0.55	9.96	-11.15	-11.84
FTSE 100 (GBP)	5812.83	▲ 25.87	0.45	0.45	2.48	-13.81	-22.93
DAX 30 (EUR)	10675.90	▲ 50.12	0.47	0.47	7.45	-16.44	-19.42
CAC 40 (EUR)	4528.30	▲ 29.29	0.65	0.65	3.01	-17.21	-24.25
S&P 500 (USD)	2823.16	▼ -51.40	-1.79	-1.79	9.23	-12.51	-12.62
Nasdaq Composite (USD)	8560.73	▼ -89.41	-1.03	-1.03	11.18	-10.12	-4.59
DJIA (USD)	23650.44	▼ -592.05	-2.44	-2.44	7.91	-13.74	-17.13
MSCI Emerging Markets (USD)	899.33	▼ -1.99	-0.22	-0.22	5.98	-15.61	-19.32
MSCI Developed World (USD)	1994.03	▼ -23.48	-1.16	-1.16	7.63	-13.47	-15.45

## South Africa Market ▼

## South African markets closed lower

South African markets closed in the red yesterday, on the back of lower oil prices and weighed down by losses in banking and financial sector stocks. The JSE All Share Index fell 0.6% to close at 48,849.52.

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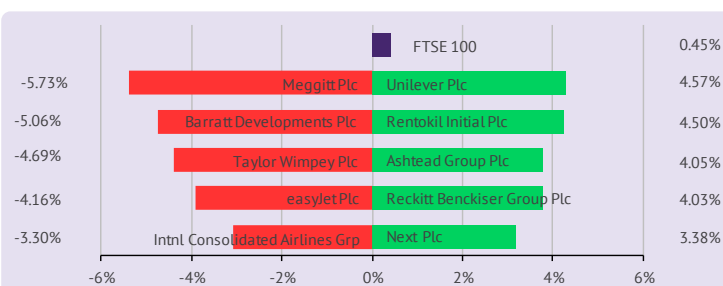


## UK Market ▲

## UK markets closed in the green

UK markets finished higher yesterday, boosted by gains in consumer staples and pharmaceutical sector stocks. However, gains were limited amid sharp losses in oil prices. The FTSE 100 Index rose 0.5% to close at 5,812.83. Today, the FTSE 100 futures are trading in negative territory.

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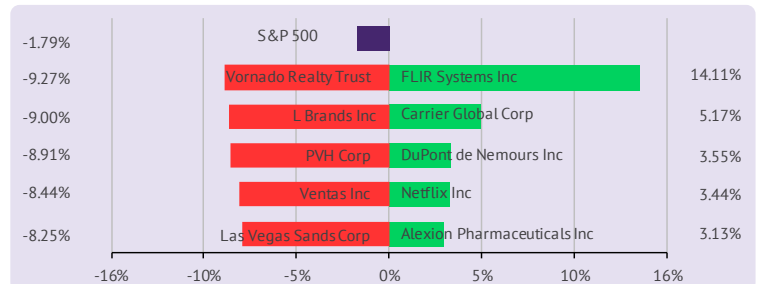


## US Market ▼

## US markets closed weaker

US markets closed lower yesterday, as energy sector stocks retreated after crude oil prices plunged to a historic low level. The S&P 500 Index dropped 1.8% to close at 2,823.16. Today, the S&P 500 futures are trading in the green.

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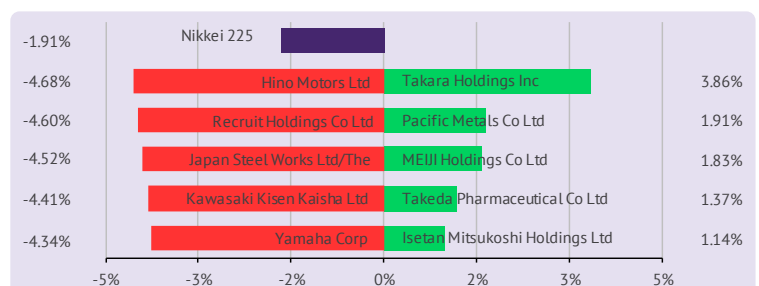


## Asian Market ▼

## Trading lower

Asian markets are trading lower this morning, amid uncertainty over the health of North Korean leader Kim Jong Un. As at 6:00 SAST, the Nikkei 225 Index is trading 1.9% lower at 19,292.48.

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## USD ZAR ▼

## USD trading firmer against ZAR

At 06:00 SAST, the US Dollar is trading 0.1% higher against the South African Rand at R18.8703. Later today, traders will keep a close watch on the US existing home sales for further direction.

The US Dollar rose against the South African Rand yesterday. On the macro front, the US Chicago Fed National Activity Index declined in March. Separately, in SA, electricity consumption fell on a yearly basis in March. Additionally, electricity production eased on an annual basis in March.

## GBP ZAR ▲

## GBP trading weaker against ZAR

At 06:00 SAST, the British Pound is trading 0.1% lower against the South African Rand at R23.4025. Ahead in the day, traders will keep an eye on UK's ILO unemployment rate and average earnings including bonus for further indication.

The British Pound declined against the South African Rand yesterday.

## EUR ZAR ▲

## EUR trading lower against ZAR

At 06:00 SAST, the Euro fell 0.2% against the South African Rand at R20.4482. Going forward, market participants will keep a tab on Eurozone's ZEW economic sentiment index along with Germany's ZEW survey indices for further cues.

The Euro strengthened against the South African Rand yesterday. On the data front, Eurozone's, both, trade surplus and current account surplus widened in February. Separately, Germany's producer price index (PPI) dropped for the second consecutive month in March.

## AUD ZAR ▲

## AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.4% lower against the South African Rand at R11.8943, after the Reserve Bank of Australia (RBA) in its minutes indicated that it would maintain its current loose monetary policy.

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The Australian Dollar fell against the South African Rand yesterday.

## Key currencies &amp; commodities

	Current#		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	18.8703	▼	0.26	0.26	5.71	13.90	34.69
GBPZAR	23.4025	▲	-0.25	-0.25	5.71	10.46	26.26
EURZAR	20.4482	▲	0.18	0.18	4.06	13.95	30.47
AUDZAR	11.8943	▲	-0.34	-0.34	9.09	7.47	21.41
EURUSD	1.0838	▼	-0.12	-0.12	-1.53	0.05	-3.13
GBPUSD	1.2404	▼	-0.46	-0.46	0.18	-3.14	-6.15
Brent (\$/barrel)	25.4	▼	-8.94	-8.94	-2.96	-46.95	-61.26
Gold (\$/oz)	1706.1	▲	0.73	0.73	7.46	1.07	11.72
Platinum (\$/oz)	792.0	▼	1.37	1.37	9.33	-16.23	-18.47
Copper (\$/MT)*	5159.3	▼	-0.67	-0.67	4.46	-12.08	-16.10

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

## Gold ▲

## Trading in the green

At 06:00 SAST, gold prices edged 0.3% higher to trade at \$1,706.10/oz.

Yesterday, gold prices rose 0.7% to close at \$1,701.60/oz, as collapse in crude prices and persistent concerns over coronavirus linked economic damage increased demand for the safe haven asset.

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## Brent Crude Oil ▼

## Trading weaker

At 06:00 SAST, Brent crude oil declined 0.8% to trade at \$25.37/bl.

Yesterday, Brent crude oil declined 8.9% to settle at \$25.57/bl, amid deepening concerns over declining demand for oil.

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## Platinum ▼

## Trading in negative territory

At 06:00 SAST, platinum prices edged marginally lower to trade at \$792.00/oz.

Yesterday, platinum prices climbed 1.4% to close at \$792.00/oz.

## Major South African corporate news

### Arrowhead Properties Limited

The company announced that the potential impact of COVID-19 on the business remains uncertain. Moreover, more than 65% of the firm's April 2020 total billings have been collected as at the date of this announcement. Further, the board believes that given the current unprecedented circumstances and prevailing uncertainty, it is important that the company retain as much capital as possible to protect its balance sheet and bolster liquidity. Accordingly, the board has resolved to defer the decision on the payment of an 1H20 interim dividend, until the release of the financial results for the year ended 30 September 2020, expected to be on or about 25 November 2020.

### EOH Holdings Limited

The company announced that RIB Limited has agreed to an acceleration of the call option to purchase the remaining 30.0% of the issued ordinary share capital of Construction Computer Software (Pty) Ltd for an agreed consideration of ZAR142,794,000, effective no later than 31 May 2020.

### Exxaro Resources Limited

The company announced that Eskom Holdings SOC Limited has served a subsidiary of Exxaro, Exxaro Coal (Proprietary) Limited, with letters calling for majeure on the coal supply agreements in place for the supply of coal to the Medupi and Matimba power stations. As indicated in the letters received, this would be applicable for the period starting at 16 April 2020 until one month after national lockdown has been completely lifted. The effect of the letters received by Exxaro, is that Eskom would not be taking the full contractually agreed tons of coal for the aforesaid period.

### Harmony Gold Mining Co Limited

In its COVID-19 impact report, the company announced that it has rolled out a risk assessment-based COVID-19 prevention strategy across all of its operations before the lockdown was announced in March 2020. Further, it has ensured rigorous screening as employees return to work. Meanwhile, the company has conducted its own audits to check that the operations have adhered to its COVID-19 SOP. Also, it announced that an approximate 55.0% increase in operating free cash flow margin is expected for the quarter ended 31 March 2020.

### Raubex Group Limited

In its FY20 trading statement, the company announced that EPS is expected to be between 135.60c and 145.10c and HEPS is likely to be between 125.40c and 136.80c.

### Steinhoff International Holdings NV

In its COVID-19 update, the company announced that financial regulators in countries in which it operates have indicated that they would take into consideration the operational restrictions relating to the pandemic and that it would have an impact on the timetable for the publication of its FY19 annual report and audited consolidated financial statements. Moreover, it would be able to publish its FY19 annual report, including the audited consolidated financial statements, on 30 June 2020.

## Major global economic news

### Eurozone

In the Eurozone, seasonally adjusted trade surplus widened to EUR25.80bn in February, compared to a revised surplus of EUR18.20bn in the previous month.

In February, seasonally adjusted current account surplus widened to EUR40.20bn in the Eurozone, compared to a revised surplus of EUR31.80bn in January.

In Germany, the PPI declined 0.8% on an annual basis in March, in line with market expectations and compared to a drop of 0.1% in the previous month.

### Asia

The Reserve Bank of Australia (RBA), in its latest monetary policy meeting minutes, indicated that it would not increase the cash rate target until progress is made towards full employment and it is confident that inflation will be sustainably within the 2%–3% target band. Additionally, the board remained committed to supporting jobs, incomes and businesses. Furthermore, the central bank assured that it would continue to do what was necessary to achieve the three-year yield target. However, the bank warned that the economy could shrink "significantly" in the June quarter and remain "subdued" through September, due to the coronavirus outbreak.

### US

In the US, the Chicago Fed National Activity Index dropped to a level of -4.19 in March, compared to a revised reading of 0.06 in the prior month.

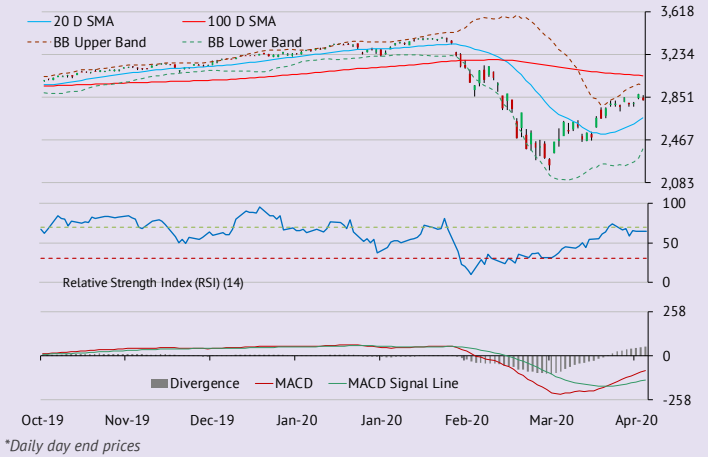
## Technical snapshot

### JSE All Share



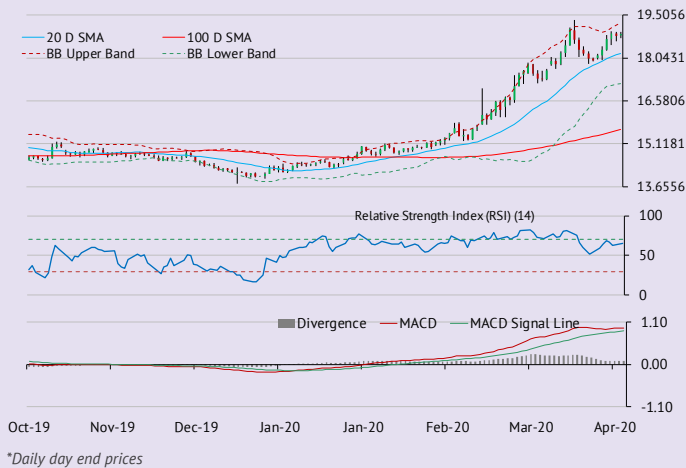
The JSE All Share index is expected to find support at 47,904.59, and a fall through could take it to the next support level of 46,959.66. The index is expected to find its first resistance at 49,867.82, and a rise through could take it to the next resistance level of 50,886.12.

### S&P 500



The S&P 500 index is expected to find support at 2,763.39, and a fall through could take it to the next support level of 2,703.63. The index is expected to find its first resistance at 2,881.07, and a rise through could take it to the next resistance level of 2,938.99.

### USD ZAR



The pair is expected to find support at 18.2387, and a fall through could take it to the next support level of 17.6206. The pair is expected to find its first resistance at 19.2180, and a rise through could take it to the next resistance level of 19.5792.

### XAU USD



Gold is expected to find support at \$1,662.73/oz, and a fall through could take it to the next support level of \$1,623.87/oz. The precious metal is expected to find its first resistance at \$1,757.73/oz, and a rise through could take it to the next resistance level of \$1,813.87/oz.

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus	Previous	Frequency
Japan	08:00	Machine Tool Orders (YoY) (Mar) (F)	✓✓✓	-	-29.60%	Monthly
Switzerland	08:00	Imports (MoM) (Mar)	✓	-	-1.44%	Monthly
Switzerland	08:00	Trade Balance s.a. (Mar)	✓✓	-	CHF2.76bn	Monthly
Switzerland	08:00	Exports (MoM) (Mar)	✓	-	-5.03%	Monthly
UK	08:00	Claimant Count Rate s.a. (Mar)	✓	-	3.50%	Monthly
UK	08:00	Average Earnings Including Bonus (3Mo/Yr) (Feb)	✓	3.00%	3.10%	Monthly
UK	08:00	Average Earnings Excluding Bonus (3Mo/Yr) (Feb)	✓	3.20%	3.10%	Monthly
UK	08:00	ILO Unemployment Rate (3M) (Feb)	✓	3.80%	3.90%	Monthly
UK	08:00	Employment Change (3M/3M) (Feb)	✓	-	184.00K	Monthly
UK	08:00	Claimant Count Change (Mar)	✓	21.00 K	17.30K	Monthly
South Africa	09:00	Number of Foreign Tourist Arrivals (Feb)	✓	-	1093268.00	Monthly
South Africa	09:00	Leading Indicator (Feb)	✓	-	103.50	Monthly
Switzerland	09:00	M3 Money Supply (YoY) (Mar)	✓	-	-0.03%	Monthly
Switzerland	09:00	M2 Money Supply (YoY) (Mar)	✓	-	-0.35%	Monthly
Switzerland	09:00	M1 Money Supply (YoY) (Mar)	✓	-	0.15%	Monthly
Spain	10:00	Trade Balance (Feb)	✓✓✓	-	-EUR3.51bn	Monthly
Eurozone	11:00	ZEW Survey - Economic Sentiment (Apr)	✓✓	-	-49.50	Monthly
Germany	11:00	ZEW Survey - Current Situation (Apr)	✓✓	-30.00	-43.10	Monthly
Germany	11:00	ZEW Survey - Economic Sentiment (Apr)	✓✓✓	-43.00	-49.50	Monthly
Canada	14:30	Retail Sales (MoM) (Feb)	✓✓	0.00%	0.40%	Monthly
Canada	14:30	Retail Sales ex Autos (MoM) (Feb)	✓	-0.10%	-0.10%	Monthly
US	14:55	Redbook Index s.a. (MoM) (17-Apr)	✓	-	-8.30%	Weekly
US	14:55	Redbook Index (YoY) (17-Apr)	✓	-	-2.00%	Weekly
US	16:00	Existing Home Sales (Mar)	✓✓✓	5.40mn	5.77mn	Monthly
US	16:00	Existing Home Sales (MoM) (Mar)	✓✓✓	0.70%	6.50%	Monthly
Japan	-	Supermarket Sales (YoY) (Mar)	✓	-	4.10%	Monthly

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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