

ONE  
Minute Brief

23 April 2020

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## Economic and political news

In South Africa (SA), consumer price inflation slowed to 4.1% on an annual basis in March, compared to a level of 4.6% in the previous month.

News reports indicate that the cabinet has been weighing up a proposal to ease SA's national lockdown with a five-stage "alert system" that pegs economic activity to the severity of Covid-19 transmission.

Health Minister, Zweli Mkhize, has confirmed that country's total COVID-19 cases increased to 3,635, with death toll at 65.

The Joint Standing Committee on Defence has agreed to refer Democratic Alliance (DA) interim leader, John Steenhuisen to National Assembly speaker, Thandi Modise for improper conduct after tweeting a copy of President, Cyril Ramaphosa's letter informing Parliament that he was deploying the entire South African National Defence Force (SANDF).

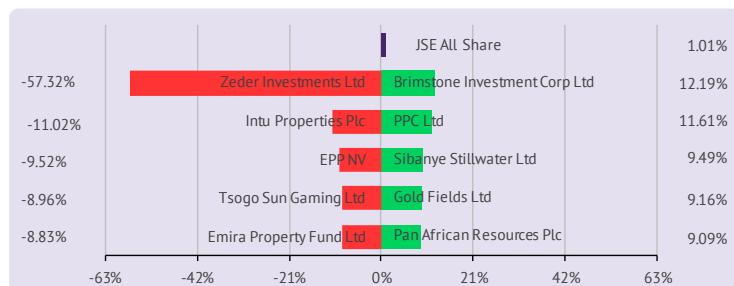
News reports indicate that Exxaro Resources is planning to take action against Eskom, following the utility's move to declare force majeure on supply coal agreements.

## South Africa Market ▲

## South African markets closed higher

South African markets closed in the green yesterday, boosted by gains in gold mining and resources sector stocks. The JSE All Share Index rose 1.0% to close at 48,108.49.

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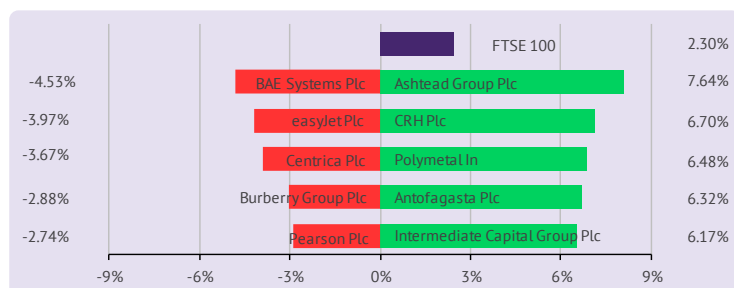


## UK Market ▲

## UK markets closed in the green

UK markets finished higher yesterday, amid rebound in Brent crude oil and positive corporate updates. The FTSE 100 Index advanced 2.3% to close at 5,770.63. Today, the FTSE 100 futures are trading in negative territory.

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## Key indices

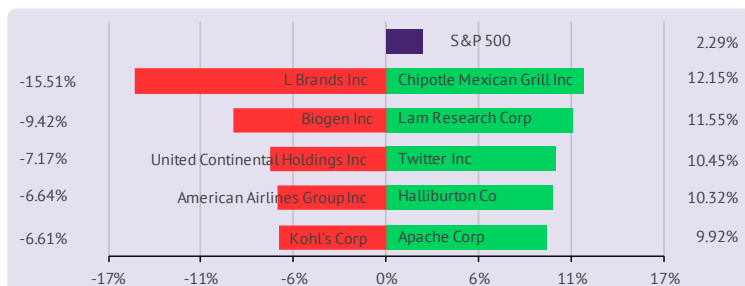
	As at 22 April 2020		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	48108.49	▲	479.62	1.01	-2.09	8.13	-12.83	-15.72
JSE Top 40 (ZAR)	44248.82	▲	511.27	1.17	-1.77	8.62	-11.15	-12.92
FTSE 100 (GBP)	5770.63	▲	129.60	2.30	-0.28	1.74	-13.81	-23.49
DAX 30 (EUR)	10415.03	▲	165.18	1.61	-1.98	4.82	-16.44	-21.39
CAC 40 (EUR)	4411.80	▲	54.34	1.25	-1.94	0.36	-17.21	-26.20
S&P 500 (USD)	2799.31	▲	62.75	2.29	-2.62	8.31	-12.51	-13.35
Nasdaq Composite (USD)	8495.38	▲	232.15	2.81	-1.79	10.33	-10.12	-5.32
DJIA (USD)	23475.82	▲	456.94	1.99	-3.16	7.11	-13.74	-17.74
MSCI Emerging Markets (USD)	888.64	▲	10.40	1.18	-1.41	4.72	-15.61	-20.28
MSCI Developed World (USD)	1968.27	▲	36.02	1.86	-2.44	6.24	-13.47	-16.54

## US Market ▲

## US markets closed firmer

US markets closed higher yesterday, as oil prices recovered and amid hopes that Congress would approve another coronavirus relief package worth nearly USD500bn. The S&P 500 Index climbed 2.3% to close at 2,799.31. Today, the S&P 500 futures are trading in the red.

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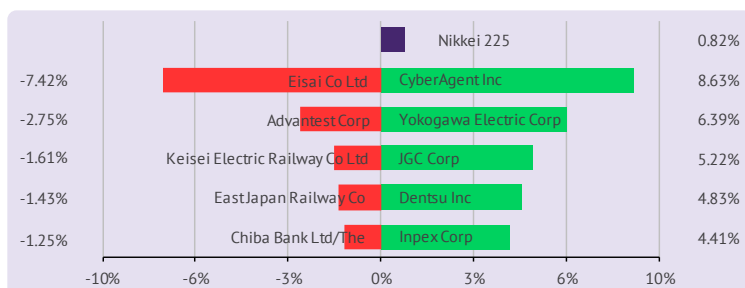


## Asian Market ▲

## Trading mostly higher

Asian markets are trading mostly higher this morning, tracking overnight gains on Wall Street. As at 6:00 SAST, the Nikkei 225 Index is trading 0.8% higher at 19,294.62.

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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 R19.0302. Later today, traders will keep a close watch on the US initial jobless claims, the Markit manufacturing and services PMIs and new home sales data for further direction.

The US Dollar rose against the South African Rand yesterday. On the macro front, the US housing price index advanced more-than-expected on a monthly basis in February. On the contrary, the MBA mortgage applications dropped on a weekly basis in the week ended 17 April 2020. Separately, the South African Rand fell against the US Dollar, amid ongoing concerns related to the country's economic growth. Data indicated that SA's consumer price inflation eased to a three-month low level in March.

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## GBP ZAR ▲

### GBP trading weaker against ZAR

At 06:00 SAST, the British Pound is trading marginally lower against the South African Rand at R23.4589. Ahead in the day, traders will keep an eye on UK's public sector net borrowings, the Markit manufacturing and services PMIs, the CBI industrial trends survey and the GfK consumer confidence index for further indication.

The British Pound advanced against the South African Rand yesterday. Data indicated that UK's retail price index unexpectedly climbed on a monthly basis in March. Moreover, non-seasonally adjusted output producer price index (PPI) unexpectedly rose in March. Meanwhile, consumer inflation slowed to a three-month low in March. Additionally, the DCLG house price index rose less than market forecast on an annual basis in February.

## EUR ZAR ▲

### EUR trading lower against ZAR

At 06:00 SAST, the Euro dropped 0.1% against the South African Rand to trade at R20.5709. Going forward, market participants will keep a tab on Eurozone's Markit manufacturing and services PMIs along with Germany's GfK consumer confidence index, the Markit manufacturing and services PMIs for further cues.

The Euro weakened against the South African Rand yesterday. On the data front, Eurozone's flash consumer confidence index weakened for a second consecutive month in April, reaching near its record lows seen during the global financial crisis in 2009.

## AUD ZAR ▲

### AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar dropped 0.3% against the South African Rand to trade at R11.9957. Earlier in the session, Australia's Commonwealth Bank manufacturing PMI eased more-than-expected in April. Additionally, the Commonwealth Bank services PMI unexpectedly declined in April.

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	19.0302	▼	0.22	1.11	6.61	13.90	35.84
GBPZAR	23.4589	▲	0.58	-0.12	5.85	10.46	26.42
EURZAR	20.5709	▲	-0.10	0.68	4.58	13.95	31.13
AUDZAR	11.9957	▲	0.97	0.36	9.85	7.47	22.26
EURUSD	1.0809	▼	-0.32	-0.48	-1.89	0.05	-3.48
GBPUSD	1.2327	▼	0.37	-1.32	-0.69	-3.14	-6.96
Brent (\$/barrel)	21.0	▲	5.38	-27.46	-22.69	-46.95	-69.14
Gold (\$/oz)	1734.2	▲	3.01	2.34	9.18	1.07	13.50
Platinum (\$/oz)	764.9	▼	0.91	-2.10	5.59	-16.23	-21.26
Copper (\$/MT)*	5109.3	▲	2.17	-1.63	3.45	-12.08	-16.91

\*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 \$1,734.20/oz.

Yesterday, gold prices rose 3.0% to close at \$1,728.70/oz, as renewed concerns over global recession increased demand for the safe haven asset.

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## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil edged 3.2% higher to trade at \$21.02/bl.

Yesterday, Brent crude oil advanced 5.4% to settle at \$20.37/bl, amid rising geopolitical tensions between the US and Iran. Meanwhile, the US Energy Information Administration (EIA) reported that crude oil inventories rose by 15mn bls to 518.6mn bls for the week ended 17 April 2020.

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## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices marginally declined to trade at \$764.90/oz.

Yesterday, platinum prices climbed 0.9% to close at \$764.90/oz.

## Major South African corporate news

### KAP Industrial Holdings Limited

In its COVID-19 update, the company announced that it has undertaken various measures to reduce its operating costs and to optimise cash flows in order to ensure continued liquidity during the lockdown period and thereafter. Moreover, these measures include suspension of all non-essential operating expenditure and uncommitted capital expenditure and a targeted reduction in working capital. Additionally, it is highly unlikely that the board of directors would declare a dividend during 2020.

### Redefine Properties Limited

The company referred to an earlier announcement related to dividend payment for the six months ended 29 February 2020 and announced that no distribution per share would be declared on the date of release of the 1H20 interim results, compared to the distribution per share of 49.19c for 1H19. Furthermore, the company announced that its 1H20 results would be published on 4 May 2020.

### Octodec Investments Limited

In its 1H20 results, the company announced that its revenues increased to ZAR1.00bn from ZAR0.98bn posted in the corresponding period of the previous year. Its diluted EPS fell 83.5% to 13.00c from the same period of the prior year.

## Major global economic news

### UK

In the UK, the DCLG house price index climbed 1.1% on an annual basis in February, less than market expectations and compared to a revised advance of 1.5% in the previous month.

In March, the retail price index unexpectedly advanced 0.2% on a monthly basis in the UK, compared to a rise of 0.5% in the previous month.

In the UK, the consumer price index rose 1.5% on a yearly basis in March, in line with market anticipations and compared to a rise of 1.7% in the previous month.

In March, non-seasonally adjusted output PPI unexpectedly rose 0.3% in the UK, compared to a revised rise of 0.5% in the previous month.

### Asia

In Australia, the preliminary Commonwealth Bank manufacturing PMI fell to a level of 45.60 in April, more than market anticipations and compared to a level of 49.70 in the previous month.

In April, the preliminary Commonwealth Bank services PMI unexpectedly eased to 19.60 in Australia, compared to a level of 38.50 in the prior month.

In Japan, the preliminary Jibun Bank manufacturing PMI dropped to 43.70 in April, compared to a reading of 44.80 in the previous month.

### US

In the US, the housing price index climbed 0.7% on a monthly basis in February, more than market forecast and compared to a revised rise of 0.5% in the prior month.

In the week ended 17 April 2020, the MBA mortgage applications declined 0.3% on a weekly basis in the US, compared to a rise of 7.3% in the previous month.

### Eurozone

In the Eurozone, the flash consumer confidence index fell more-than-expected to a level of -22.70 in April, compared to a level of -11.60 in the prior month.

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	02:30	Nikkei Japan Composite PMI (Apr) (P)	✓✓✓	27.80*	36.20	Monthly
Japan	02:30	Nomura/ JMMA Manufacturing PMI (Apr) (P)	✓✓✓	43.70*	44.80	Monthly
Japan	02:30	Nikkei Japan Services PMI (Apr) (P)	✓✓	22.80*	33.80	Monthly
France	07:30	Business Climate (Apr)	✓	-	94.70	Monthly
Germany	08:00	GfK Consumer Confidence Survey (May)	✓✓✓	-1.80	2.70	Monthly
UK	08:00	PSNB ex Interventions (Mar)	✓	-	GBP0.30bn	Monthly
UK	08:00	Retail Sales ex-Fuel (MoM) (Mar)	✓	-	-0.50%	Monthly
UK	08:00	Public Sector Net Cash Requirement (Mar)	✓	-	GBP1.40bn	Monthly
UK	08:00	Retail Sales ex-Fuel (YoY) (Mar)	✓	-	0.50%	Monthly
UK	08:00	Retail Sales (MoM) (Mar)	✓	-	-0.30%	Monthly
UK	08:00	Public Sector Net Borrowing (Mar)	✓	GBP2.30bn	-GBP0.40bn	Monthly
UK	08:00	Retail Sales (YoY) (Mar)	✓	-	0.00%	Monthly
France	09:15	Markit Manufacturing PMI (Apr) (P)	✓✓✓	37.50	43.20	Monthly
France	09:15	Markit Services PMI (Apr) (P)	✓✓✓	25.00	27.40	Monthly
Germany	09:30	Markit Manufacturing PMI (Apr) (P)	✓✓✓	39.00	45.40	Monthly
Germany	09:30	Markit Services PMI (Apr) (P)	✓✓✓	28.50	31.70	Monthly
Germany	09:30	Markit Composite PMI (Apr) (P)	✓✓✓	31.00	35.00	Monthly
Eurozone	10:00	Markit Manufacturing PMI (Apr) (P)	✓✓✓	39.20	44.50	Monthly
Eurozone	10:00	Markit Services PMI (Apr) (P)	✓✓✓	23.80	26.40	Monthly
Eurozone	10:00	Markit Composite PMI (Apr) (P)	✓✓✓	25.70	29.70	Monthly
UK	10:30	Markit Services PMI (Apr) (P)	✓	29.00	34.50	Monthly
UK	10:30	Markit Composite PMI (Apr) (P)	✓	-	36.00	Monthly
UK	10:30	Markit Manufacturing PMI (Apr) (P)	✓	42.00	47.80	Monthly
US	14:30	Initial Jobless Claims (18-Apr)	✓✓✓	-	5245.00K	Weekly
US	14:30	Continuing Jobless Claims (11-Apr)	✓✓✓	-	11976.00K	Weekly
US	15:45	Markit Manufacturing PMI (Apr) (P)	✓✓✓	37.00	48.50	Monthly
US	15:45	Markit Services PMI (Apr) (P)	✓✓✓	32.50	39.80	Monthly
US	15:45	Markit Composite PMI (Apr) (P)	✓✓✓	-	40.90	Monthly
US	16:00	New Home Sales (Mar)	✓✓✓	645.00K	765.00K	Monthly
US	16:00	New Home Sales (MoM) (Mar)	✓✓✓	-	-4.40%	Monthly

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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