

ONE
Minute Brief

28 April 2020

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Economic and political news

Ratings agency, Moody's has cut South Africa's (SA) 2020 growth forecast to a 6.5% contraction, citing that the country's ZAR500bn rescue package would weaken its public finances and constrain government's ability to provide support to state-owned firms. Moreover, the agency downgraded its outlook for the local banking system to "negative" from "stable" for the first time in 2020.

News reports indicate that SA is seeking ZAR95.00bn (USD5.00bn) from the International Monetary Fund (IMF), World Bank and New Development Bank to help finance a ZAR500bn economic stimulus package.

News reports indicate that SA would implement a curfew from 1 May as it plans a limited return of its workforce.

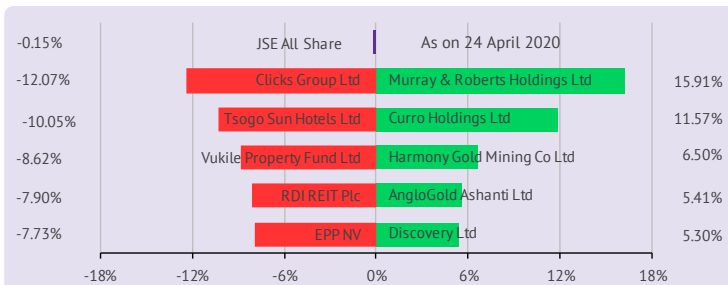
News reports indicate that the Department of Public Enterprises and South African Airways (SAA) business rescue practitioners (BRPs) have agreed to give labour an extension to accepting severance packages until May 1.

Health Minister, Zweli Mkhize confirmed that SA's COVID-19 cases increased to 4,793, with death toll at 90.

South Africa Market ▼

South African markets closed lower

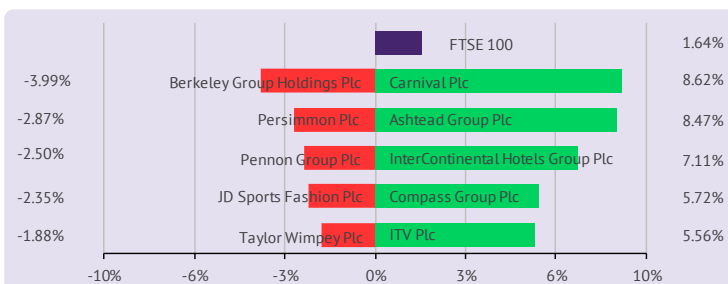
South African markets closed in the red on Friday, amid uncertainty about progress in the treatment for coronavirus. The JSE All Share Index fell 0.2% to close at 49,527.23.

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UK Market ▲

UK markets closed in the green

UK markets finished higher yesterday, boosted by gains in banking and travel sector stocks. The FTSE 100 Index advanced 1.6% to close at 5,846.79. Today, the FTSE 100 futures are trading in positive territory.

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Key indices

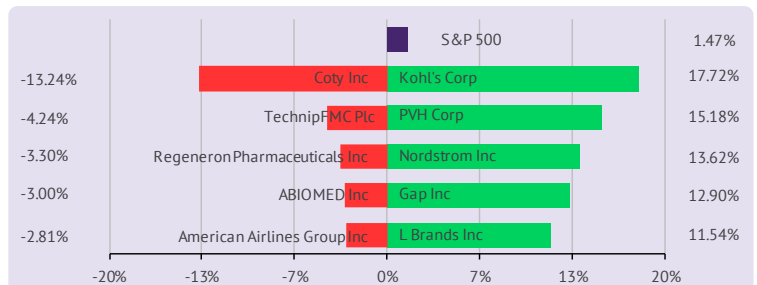
	As at 27 April 2020		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)*	49527.23	▼	-74.59	-0.15	NA	11.32	-12.83	-13.24
JSE Top 40 (ZAR)*	45595.47	▼	-66.49	-0.15	NA	11.92	-11.15	-10.27
FTSE 100 (GBP)	5846.79	▲	94.56	1.64	1.64	3.08	-13.81	-22.48
DAX 30 (EUR)	10659.99	▲	323.90	3.13	3.13	7.29	-16.44	-19.54
CAC 40 (EUR)	4505.26	▲	111.94	2.55	2.55	2.48	-17.21	-24.64
S&P 500 (USD)	2878.48	▲	41.74	1.47	1.47	11.37	-12.51	-10.90
Nasdaq Composite (USD)	8730.16	▲	95.64	1.11	1.11	13.38	-10.12	-2.70
DJIA (USD)	24133.78	▲	358.51	1.51	1.51	10.11	-13.74	-15.43
MSCI Emerging Markets (USD)	895.33	▲	15.92	1.81	1.81	5.51	-15.61	-19.68
MSCI Developed World (USD)	2022.50	▲	34.85	1.75	1.75	9.16	-13.47	-14.25
*Values as on 24 April 2020								

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US Market ▲

US markets closed firmer

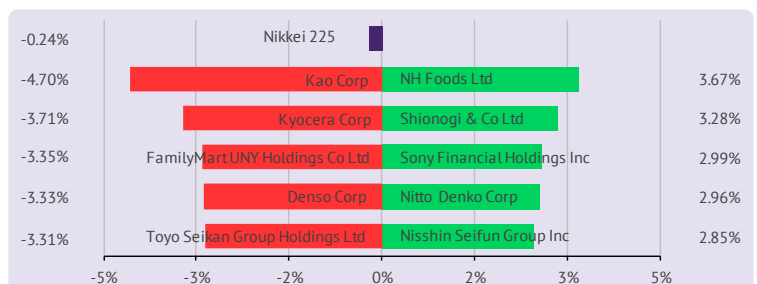
US markets closed higher yesterday, as several US states outlined plans to ease shutdown restrictions. The S&P 500 Index climbed 1.5% to close at 2,878.48. Today, the S&P 500 futures are trading in the red.

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Asian Market ▼

Trading lower

Asian markets are trading lower this morning, amid decline in oil prices. As at 6:00 SAST, the Nikkei 225 Index is trading 0.2% lower at 19,735.44.

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USD ZAR ▼

USD trading higher against ZAR

At 06:00 SAST, the US Dollar is trading 0.2% firmer against the South African Rand at R18.8268. Later today, traders will keep a close watch on the US goods trade balance, the Richmond Fed manufacturing index and the consumer confidence index for further direction.

The US Dollar fell against the South African Rand yesterday. On the macro front, the US Dallas Fed manufacturing business index declined in April. Additionally, durable goods orders dropped more-than-expected in March. Moreover, the final Michigan consumer sentiment index eased in April.

GBP ZAR ▼

GBP trading firmer against ZAR

At 06:00 SAST, the British Pound is trading 0.1% higher against the South African Rand at R23.3694. Ahead in the day, traders will keep an eye on UK's CBI distributive trades survey and the BRC shop price index for further indication.

The British Pound declined against the South African Rand yesterday. Data indicated that UK's retail sales declined at its fastest pace in March.

EUR ZAR ▼

EUR trading higher against ZAR

At 06:00 SAST, the Euro climbed 0.1% against the South African Rand to trade at R20.3729. Amid no major economic releases across the Eurozone today, market sentiment will be determined by global macroeconomic news.

The Euro weakened against the South African Rand yesterday. On the data front, Germany's Ifo business climate index dropped to a historic low level in April. Moreover, both, the Ifo current assessment index and the Ifo business expectations index dropped more-than-expected in April.

AUD ZAR ▲

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar fell 0.1% against the South African Rand to trade at R12.1249.

The Australian Dollar fell against the South African Rand yesterday.

Key currencies & commodities

	Current [#]		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	18.8268	▼	-1.29	-1.29	5.38	13.90	34.27
GBPZAR	23.3694	▼	-0.97	-0.97	5.32	10.46	25.79
EURZAR	20.3729	▼	-1.12	-1.12	3.43	13.95	29.68
AUDZAR	12.1249	▲	-0.41	-0.41	10.89	7.47	23.42
EURUSD	1.0821	▼	0.06	0.06	-1.83	0.05	-3.42
GBPUSD	1.2413	▼	0.52	0.52	0.09	-3.14	-6.23
Brent (\$/barrel)	19.2	▼	-6.76	-6.76	-24.14	-46.95	-69.71
Gold (\$/oz)	1712.5	▲	-0.67	-0.67	8.12	1.07	12.40
Platinum (\$/oz)	776.6	▼	0.41	0.41	7.21	-16.23	-20.05
Copper (\$/MT)*	5171.0	▲	1.02	1.02	4.70	-12.08	-15.91

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

Gold ▲

Trading in the green

At 06:00 SAST, gold prices marginally rose to trade at \$1,712.50/oz.

Yesterday, gold prices fell 0.7% to close at \$1,711.90/oz, as lockdown easing plans by several countries dented demand for the safe haven asset.

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Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil declined 3.8% to trade at \$19.23/bl.

Yesterday, Brent crude oil declined 6.8% to settle at \$19.99/bl, amid concerns about limited crude storage capacity worldwide.

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Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged marginally lower to trade at \$776.60/oz.

Yesterday, platinum prices climbed 0.4% to close at \$776.60/oz.

Major South African corporate news

FirstRand Limited

The company announced that the escalation of the COVID-19 pandemic and current lockdown scenarios in most of the market in which the group operates, has required significant revisions to the group's macroeconomic forecasts. As a result, the firm has withdrawn its financial performance guidance for 30 June 2020. Moreover, expected earnings and ROE performance for the full year ended 30 June 2020 would remain under review.

Major global economic news

US

In the US, the Dallas Fed manufacturing business index dropped to a level of -73.70 in April, compared to a level of -70.00 in the previous month.

In April, the final Michigan consumer sentiment index fell to a level of 71.80 in the US, compared to a reading of 89.10 in the prior month. The preliminary figures had recorded a fall to 71.00.

In the US, durable goods orders dropped 14.4% on a monthly basis in March, more than market anticipations and compared to a revised rise of 1.1% in the prior month.

Eurozone

In Germany, the Ifo current assessment index eased to 79.50 in April, more than market forecast and compared to a revised reading of 92.90 in the prior month.

In April, the Ifo business expectations index dropped to 69.40 in Germany, more than market consensus and compared to a revised level of 79.50 in the previous month.

In Germany, the Ifo business climate index declined more-than-expected to 74.30 in April, compared to a revised level of 85.90 in the previous month.

Asia

In Japan, unemployment rate advanced to 2.5% in March, in line with market forecast and compared to 2.4% in the previous month.

The Bank of Japan (BoJ), in its latest monetary policy meeting, kept its key interest rate unchanged -0.1%, as widely expected. Further, the central bank expanded its monetary stimulus and pledged to buy unlimited amount of bonds to keep borrowing costs low. Additionally, BoJ cut its economic forecast and projected inflation to fall well short of its 2% target for three more years.

UK

In the UK, retail sales slid 5.1% on a monthly basis in March, more than market expectations and compared to a drop of 0.3% in the prior month.

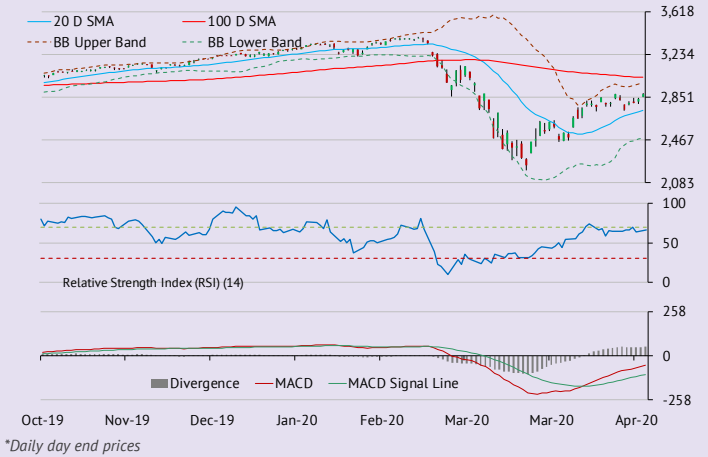
Technical snapshot

JSE All Share



The JSE All Share index is expected to find support at 47,966.71, and a fall through could take it to the next support level of 46,406.19. The index is expected to find its first resistance at 50,385.16, and a rise through could take it to the next resistance level of 51,243.09.

S&P 500



The S&P 500 index is expected to find support at 2,774.48, and a fall through could take it to the next support level of 2,670.48. The index is expected to find its first resistance at 2,935.10, and a rise through could take it to the next resistance level of 2,991.72.

USD ZAR



The pair is expected to find support at 18.6150, and a fall through could take it to the next support level of 18.4319. The pair is expected to find its first resistance at 19.0841, and a rise through could take it to the next resistance level of 19.3701.

XAU USD



Gold is expected to find support at \$1,666.17/oz, and a fall through could take it to the next support level of \$1,620.43/oz. The precious metal is expected to find its first resistance at \$1,751.37/oz, and a rise through could take it to the next resistance level of \$1,790.83/oz.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
UK	01:01	Lloyds Business Barometer (Apr)	✓	-32.00%*	6.00%	Monthly
Japan	01:30	Job-To-Applicant Ratio (Mar)	✓	1.39*	1.45	Monthly
Japan	01:30	Unemployment Rate (Mar)	✓✓	2.50%*	2.40%	Monthly
Spain	02:00	Unemployment Rate (Survey) (Q1)	✓	-	13.80%	Quarterly
Japan	05:00	BoJ Monetary Policy Statement	✓✓✓	-	-	As Scheduled
Japan	05:00	BoJ Outlook Report (Q1)	✓✓✓	-	-	As Scheduled
Japan	08:00	BoJ Press Conference	✓✓✓	-	-	As Scheduled
France	08:45	Consumer Confidence (Apr)	✓✓✓	83.00	103.00	Monthly
Eurozone	10:00	ECB Bank Lending Survey	✓✓✓	-	-	As Scheduled
UK	12:00	CBI Distributive Trades Survey - Realised (Apr)	✓	-40.00%	-3.00%	Monthly
US	14:30	Wholesale Inventories (MoM) (Mar) (P)	✓✓✓	-0.10%	-0.70%	Monthly
US	14:30	Advance Goods Trade Balance (Mar)	✓	-USD62.67bn	-USD59.89bn	Monthly
US	14:55	Redbook Index (YoY) (24-Apr)	✓	-	-6.90%	Weekly
US	14:55	Redbook Index s.a. (MoM) (24-Apr)	✓	-	-10.60%	Weekly
US	15:00	S&P/Case-Shiller 20 City s.a. (MoM) (Feb)	✓✓✓	-	0.30%	Monthly
US	15:00	S&P/Case-Shiller Composite-20 (YoY) (Feb)	✓✓	3.30%	3.10%	Monthly
US	15:00	S&P/Case-Shiller Home Price Index (Feb)	✓	-	212.43	Monthly
US	15:00	S&P/Case-Shiller Composite-20 City Home Price Index (YoY) (Feb)	✓	-	3.90%	Monthly
US	16:00	Consumer Confidence (Apr)	✓✓✓	-	120.00	Monthly
US	16:00	Richmond Fed Manufacturing Index (Apr)	✓	-6.00	2.00	Monthly

Note: ✓✓✓High ✓✓Medium ✓Low

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