

ONE
Minute Brief

29 April 2020

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Economic and political news

The High Court in Johannesburg has granted an order to place SA Express under “provisional liquidation” after its business rescue practitioners stated that the airline had no prospect of survival. Moreover, the court ruled that affected parties could make applications to challenge the order until 9 June 2020.

Finance Minister, Tito Mboweni, stated that the South African economy could contract as much as 6.4% this year due to the coronavirus outbreak and the budget deficit could widen to more than 10% of gross domestic product.

South Africa's (SA) Unemployment Insurance Fund has paid out just over ZAR3.3bn (USD177.3mn) to people whose work and income have been affected by the coronavirus pandemic and a lockdown to curb the spread of the virus.

Health Minister, Zweli Mkhize stated that South Africa's (SA) COVID-19 cases increased to 4,996.

The National Union of Metalworkers of South Africa (NUMSA) has asked its members not to return to work at Harmony Gold's Target mine, as it has not implemented the necessary safety steps to ensure that the workplace is safe.

Key indices

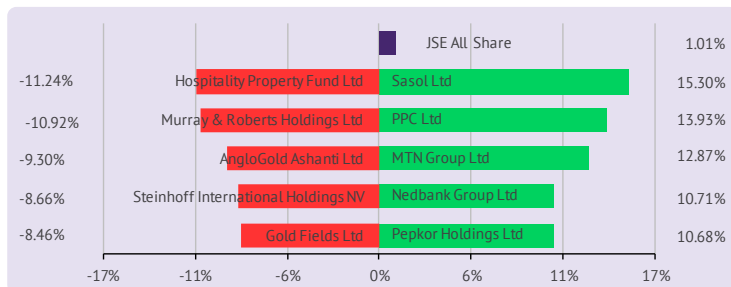
	As at 28 April 2020		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	50029.22	▲	501.99	1.01	1.01	12.45	-12.83	-12.36
JSE Top 40 (ZAR)	46100.71	▲	505.24	1.11	1.11	13.16	-11.15	-9.28
FTSE 100 (GBP)	5958.50	▲	111.71	1.91	3.59	5.05	-13.81	-21.00
DAX 30 (EUR)	10795.63	▲	135.64	1.27	4.45	8.65	-16.44	-18.52
CAC 40 (EUR)	4569.79	▲	64.53	1.43	4.02	3.95	-17.21	-23.56
S&P 500 (USD)	2863.39	▼	-15.09	-0.52	0.94	10.79	-12.51	-11.37
Nasdaq Composite (USD)	8607.73	▼	-122.43	-1.40	-0.31	11.79	-10.12	-4.07
DJIA (USD)	24101.55	▼	-32.23	-0.13	1.37	9.97	-13.74	-15.55
MSCI Emerging Markets (USD)	902.70	▲	7.37	0.82	2.65	6.38	-15.61	-19.02
MSCI Developed World (USD)	2023.35	▲	0.86	0.04	1.80	9.21	-13.47	-14.21

South Africa Market ▲

South African markets closed higher

South African markets closed in the green yesterday, amid optimism that a number of countries, including SA, would soon ease lockdown restrictions. The JSE All Share Index rose 1.0% to close at 50,029.22.

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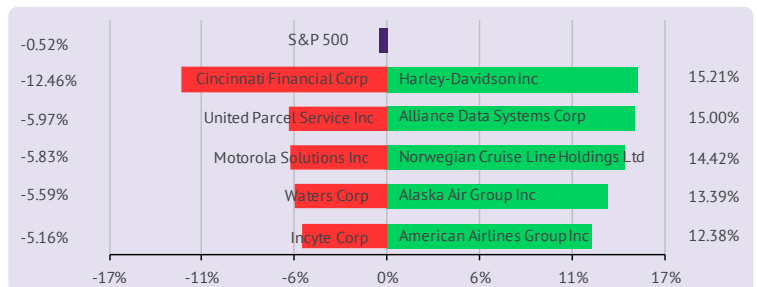


US Market ▼

US markets closed weaker

US markets closed lower yesterday, amid fears of surge in coronavirus death toll and led by losses in technology stocks. The S&P 500 Index dropped 0.5% to close at 2,863.39. Today, the S&P 500 futures are trading in the green.

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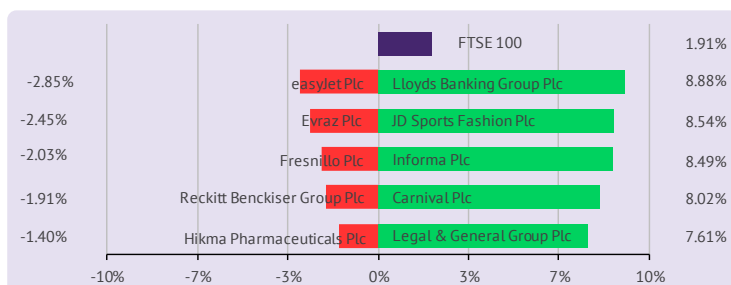


UK Market ▲

UK markets closed in the green

UK markets finished higher yesterday, amid hopes that the Covid-19 lockdowns would soon ease. The FTSE 100 Index advanced 1.9% to close at 5,958.50. Today, the FTSE 100 futures are trading in positive territory.

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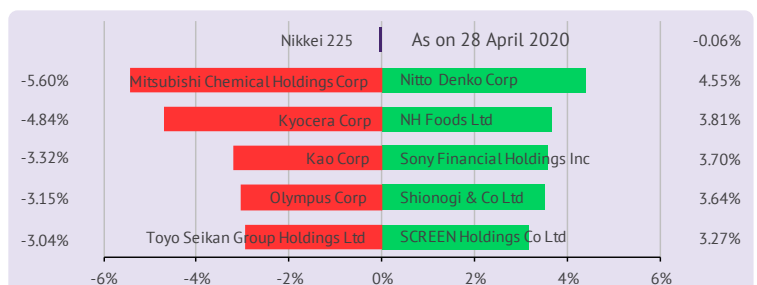


Asian Market ▲

Trading higher

Asian markets are trading higher this morning, ahead of the US Federal Reserve's (Fed) interest rate decision. Markets in Japan are closed today on account of a public holiday.

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USD ZAR ▲

USD trading lower against ZAR

At 06:00 SAST, the US Dollar is trading 0.5% weaker against the South African Rand at R18.5712. Later today, traders will keep a close watch on the US Fed interest rate decision, the MBA mortgage applications, GDP and pending home sales for further direction.

The US Dollar fell against the South African Rand yesterday. On the macro front, the US Richmond Fed manufacturing index dropped more than market anticipations in April. Additionally, advance goods trade deficit widened more than market forecast in March. Moreover, the CB consumer confidence index recorded its largest drop since 1973 in April. Separately, the South African Rand rose against the US Dollar, amid news that countries around the world would ease lockdown restrictions.

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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 R23.1607. 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 yesterday. Data indicated that UK's CBI distributive trade survey's retail sales balance declined in April, registering biggest its fall since December 2008. Additionally, the BRC shop price index slumped in March, marking its highest rate of decline since January 2017.

EUR ZAR ▲

EUR trading lower against ZAR

At 06:00 SAST, the Euro fell 0.3% against the South African Rand to trade at R20.1421. Going forward, market participants will keep a tab on Eurozone's services sentiment indicator, the consumer confidence index, the business climate index and the economic sentiment indicator along with Germany's consumer price index (CPI) for further cues.

The Euro weakened against the South African Rand yesterday.

AUD ZAR ▼

AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% higher against the South African Rand at R12.1339, after Australia's first quarter inflation accelerated to its highest level in over five years.

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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	18.5712	▲	-0.71	-1.99	4.64	13.90	33.32
GBPZAR	23.1607	▲	-0.67	-1.63	4.62	10.46	24.95
EURZAR	20.1421	▲	-0.80	-1.91	2.61	13.95	28.65
AUDZAR	12.1339	▼	-0.21	-0.62	10.66	7.47	23.17
EURUSD	1.0846	▲	-0.08	-0.03	-1.91	0.05	-3.50
GBPUSD	1.2472	▲	-0.04	0.48	0.05	-3.14	-6.27
Brent (\$/barrel)	21.3	▲	2.35	-4.57	-22.35	-46.95	-69.00
Gold (\$/oz)	1726.8	▲	0.60	-0.08	8.77	1.07	13.07
Platinum (\$/oz)	802.4	▲	2.45	2.87	9.83	-16.23	-18.10
Copper (\$/MT)*	5195.0	▲	0.46	1.49	5.19	-12.08	-15.51

*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 \$1,726.80/oz, amid weakness in the greenback.

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Yesterday, gold prices rose 0.6% to close at \$1,722.20/oz.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil climbed 4.1% to trade at \$21.30/bl, amid less-than-expected rise in US stockpiles. The American Petroleum Institute (API) reported that crude oil inventories rose by 10mn bls to 510mn bls in the week ended 24 April.

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Yesterday, Brent crude oil advanced 2.4% to settle at \$20.46/bl.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices rose 0.9% to trade at \$802.40/oz.

Yesterday, platinum prices climbed 2.5% to close at \$795.60/oz.

Major South African corporate news

Net 1 UEPS Technologies Inc

The company announced that it is planning to place its subsidiary, Cash Paymaster Services (CPS) under business rescue.

Major global economic news

US

In the US, the Richmond Fed manufacturing index plunged to -53.00 in April, more than market anticipations and compared to a level of 2.00 in the previous month.

In April, the CB consumer confidence index dropped to a level of 86.90. In the prior month, the index had registered a revised level of 118.80.

In March, advance goods trade deficit widened more-than-expected to USD64.22bn in the US, compared to a deficit of USD59.89bn in the previous month.

Asia

In Australia, the CPI advanced 0.3% on a quarterly basis in 1Q20, more than market forecast and compared to a rise of 0.7% in the previous quarter.

UK

In the UK, the CBI distributive trade survey's retail sales balance dropped to -55.0% in April, compared to -3.0% in the prior month.

In March, the BRC shop price index declined 1.7% on a yearly basis in the UK, compared to a fall of 0.8% in the previous month.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
UK	01:01	BRC Shop Price Index (YoY) (Apr)	✓	-1.70%*	-0.80%	Monthly
US	02:00	U.S. Treasury, General Account - Week Average (29-Apr)	✓	-	USD901.33bn	Weekly
Germany	08:00	Import Price Index s.a. (MoM) (Mar)	✓✓	-2.50%	-0.90%	Monthly
Germany	08:00	Import Price Index n.s.a. (YoY) (Mar)	✓✓	-4.00%	-2.00%	Monthly
Switzerland	10:00	ZEW Survey - Expectations (Apr)	✓✓	-	-45.80	Monthly
Germany	10:30	NRW Consumer Price Index (MoM) (Apr)	✓	-	0.50%	Monthly
Germany	10:30	NRW Consumer Price Index (YoY) (Apr)	✓	-	1.70%	Monthly
Eurozone	11:00	Economic Sentiment Indicator (Apr)	✓	74.40	94.50	Monthly
Eurozone	11:00	Industrial Confidence (Apr)	✓	-25.10	-10.80	Monthly
Eurozone	11:00	Consumer Confidence (Apr) (F)	✓✓✓	-22.70	-11.60	Monthly
Eurozone	11:00	Services Sentiment Indicator (Apr)	✓	-25.60	-2.20	Monthly
Eurozone	11:00	M3 Money Supply (3m) (Mar)	✓	-	5.50%	Monthly
Eurozone	11:00	M3 Money Supply (YoY) (Mar)	✓	5.50%	-	Monthly
Eurozone	12:00	ECB Balance sheet (20-Apr)	✓✓	-	EUR5282.93bn	Weekly
US	13:00	MBA Mortgage Applications (24-Apr)	✓	-	-0.30%	Weekly
Germany	14:00	Consumer Price Index (YoY) (Apr) (P)	✓✓✓	0.60%	1.40%	Monthly
Germany	14:00	Harmonised Index of Consumer Prices (HICP) (MoM) (Apr) (P)	✓✓✓	0.10%	0.10%	Monthly
Germany	14:00	Harmonised Index of Consumer Prices (HICP) (YoY) (Apr) (P)	✓✓✓	0.50%	1.30%	Monthly
Germany	14:00	Consumer Price Index (MoM) (Apr) (P)	✓✓✓	0.00%	0.10%	Monthly
US	14:30	Gross Domestic Product Annualised (QoQ) (Q1) (P)	✓✓✓	-4.00%	2.10%	Quarterly
US	14:30	Personal Consumption (QoQ) (Q1) (P)	✓✓✓	-	1.80%	Quarterly
US	14:30	Gross Domestic Purchases Price Index (QoQ) (Q1) (P)	✓✓✓	1.20%	1.40%	Quarterly
US	14:30	Personal Consumption Expenditure Core (QoQ) (Q1) (P)	✓✓✓	1.60%	1.30%	Quarterly
US	16:00	Pending Home Sales (MoM) (Mar)	✓✓	-10.00%	2.40%	Monthly
US	16:00	Pending Home Sales (YoY) (Mar)	✓	-	9.40%	Monthly
US	16:30	DOE Cushing OK Crude Inventory (Bls) (24-Apr)	✓✓✓	-	4776.00K	Weekly
US	16:30	EIA Crude Oil Stocks Change (Bls) (24-Apr)	✓✓✓	10.60mn	15.02mn	Weekly
US	16:30	DOE Gasoline Inventories (24-Apr)	✓✓✓	-	1017.00K	Weekly
US	16:30	DOE Distillate Inventory (24-Apr)	✓✓✓	-	7876.00K	Weekly
US	20:00	Fed Interest Rate Decision	✓✓✓	0.25%	0.25%	As Scheduled

Note: ✓✓✓High ✓✓Medium ✓Low

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