

ONE  
Minute Brief

6 April 2020

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## Economic and political news

In South Africa (SA), the IHS Markit's Purchasing Managers' Index (PMI) eased to a level of 44.50 in March, compared to a level of 48.40 in February.

Ratings agency, Fitch, has downgraded SA's credit rating further into "junk" territory. The agency lowered its long-term foreign-currency issuer default rating to 'BB' from 'BB+' and assigned a negative outlook.

Health Minister, Zweli Mkhize, has confirmed that SA's Covid-19 cases increased to 1,655 with death toll at 11.

Eskom's Chief Financial Officer (CFO), Calib Cassim, has indicated that the utility's revenues would fall by more than ZAR3bn due to low demand for electricity and an anticipated lower collection rate.

The National Education, Health and Allied Workers Union (Newahu) has launched a Labour Court bid against the health ministry to compel the department to protect its members who are most at risk of contracting the Covid-19 virus.

## Key indices

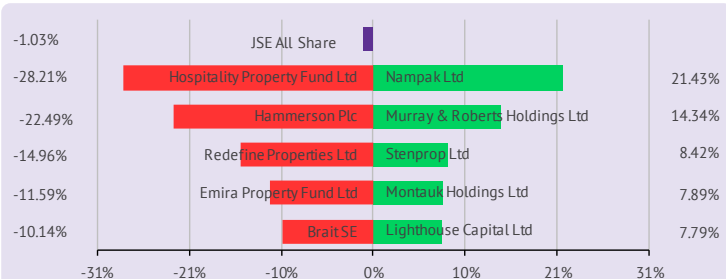
	As at 03 Apr 2020	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	44598.70	▼	-461.99	-1.03	NA	0.24	-12.83
JSE Top 40 (ZAR)	40873.41	▼	-371.85	-0.90	NA	0.33	-11.15
FTSE 100(GBP)	5415.50	▼	-64.72	-1.18	NA	-4.52	-13.81
DAX 30 (EUR)	9525.77	▼	-45.05	-0.47	NA	-4.13	-16.44
CAC 40 (EUR)	4154.58	▼	-66.38	-1.57	NA	-5.49	-17.21
S&P 500 (USD)	2488.65	▼	-38.25	-1.51	NA	-3.71	-12.51
Nasdaq Composite (USD)	7373.08	▼	-114.23	-1.53	NA	-4.25	-10.12
DJIA (USD)	21052.53	▼	-360.91	-1.69	NA	-3.94	-13.74
MSCI Emerging Markets (USD)	831.72	▼	-6.81	-0.81	NA	-1.99	-15.61
MSCI Developed World (USD)	1776.86	▼	-26.21	-1.45	NA	-4.09	-13.47

## South Africa Market ▼

## South African markets closed lower

South African markets closed in the red on Friday, weighed down by losses in banking sector stocks. The JSE All Share Index fell 1.0% to close at 44,598.70.

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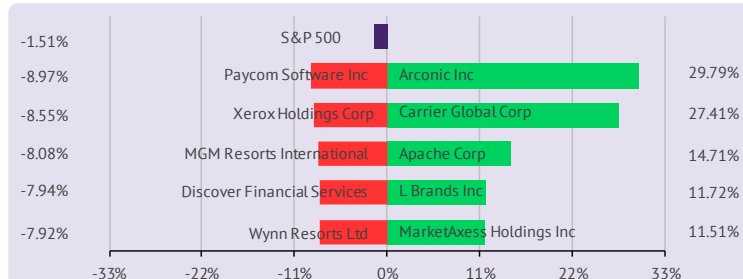


## US Market ▼

## US markets closed weaker

US markets closed lower on Friday, following worse-than-expected US jobs data. The S&P 500 Index dropped 1.5% to close at 2,488.65. Today, the S&P 500 futures are trading in the green.

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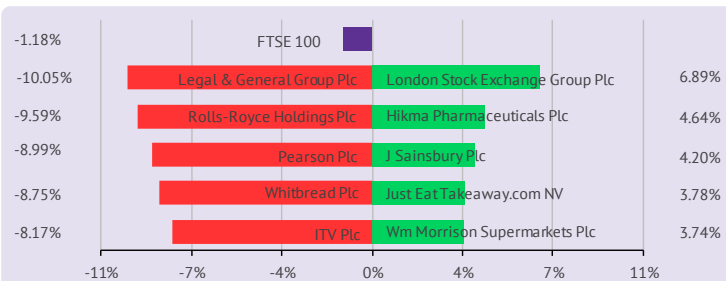


## UK Market ▼

## UK markets closed in the red

UK markets finished lower on Friday, as insurance companies recorded losses after a European Union regulator urged insurers and reinsurers in the EU to suspend dividends and share buybacks. The FTSE 100 Index declined 1.2% to close at 5,415.50. Today, the FTSE 100 futures are trading in negative territory.

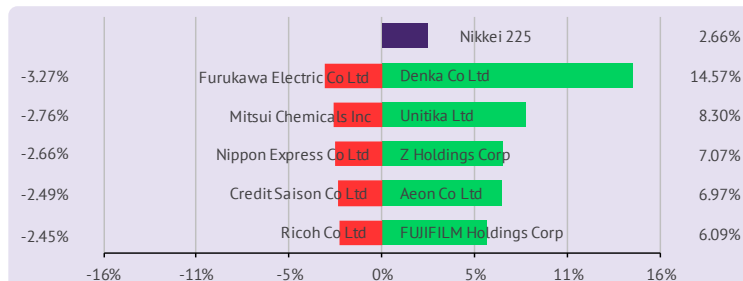
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## Asian Market ▲

## Trading mostly higher

Asian markets are trading mostly higher this morning. As at 6:00 SAST, the Nikkei 225 Index is trading 2.7% lower at 18,293.49.



## USD ZAR ▼

### USD trading higher against ZAR

At 06:00 SAST, the US Dollar rose 1.4% against the South African Rand to trade at R19.3130. With no major economic releases in the US today, investor sentiment will be determined by global macroeconomic news.

The US Dollar rose against the South African Rand on Friday. On the macro front, the US non-farm payrolls declined more-than-expected in March. Additionally, the final Markit services PMI dropped in March. Also, the unemployment rate advanced more-than-expected in March. Meanwhile, the ISM-NY non-manufacturing PMI eased less than market consensus in March. Moreover, average hourly earnings of all employees advanced on a monthly basis in March. Separately, the South African Rand fell against the US Dollar, after Fitch downgraded SA's sovereign credit rating. Data indicated that SA's private sector activity contracted to a record low in March.

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## GBP ZAR ▼

### GBP trading firmer against ZAR

At 06:00 SAST, the British Pound climbed 1.2% against the South African Rand at R23.6278. Ahead in the day, traders will keep an eye on UK's Markit construction PMI for further indication.

The British Pound advanced against the South African Rand on Friday. Data indicated that UK's final Markit services PMI fell in March, recording its lowest level since the survey began in July 1996.

## EUR ZAR ▼

### EUR trading higher against ZAR

At 06:00 SAST, the Euro is trading 1.5% firmer against the South African Rand at R20.8861. Going forward, market participants will keep a tab on Eurozone's Sentix investor confidence index and Germany's factory orders for further cues.

The Euro strengthened against the South African Rand on Friday. On the data front, Eurozone's final Markit services PMI dropped more-than-anticipated in March. Meanwhile, seasonally adjusted retail sales rose more than market forecast in February. Separately, Germany's final Markit services PMI eased in March.

## AUD ZAR ▼

### AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar rose 1.8% against the South African Rand to trade at R11.6237.

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

## Key currencies & commodities

	Current <sup>#</sup>		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	19.3130	▼	3.10	NA	6.74	13.90	36.00
GBPZAR	23.6278	▼	1.99	NA	5.32	10.46	25.79
EURZAR	20.8861	▼	2.57	NA	4.50	13.95	31.02
AUDZAR	11.6237	▼	1.99	NA	4.25	7.47	16.03
EURUSD	1.0815	▲	-0.52	NA	-2.09	0.05	-3.67
GBPUSD	1.2235	▼	-1.02	NA	-1.22	-3.14	-7.45
Brent (\$/barrel)	33.3	▼	13.93	NA	29.45	-46.95	-48.32
Gold (\$/oz)	1644.3	▲	0.49	NA	3.18	1.07	7.26
Platinum (\$/oz)	714.1	▼	-1.64	NA	-1.42	-16.23	-26.49
Copper (\$/MT)*	4824.0	▼	-1.14	NA	-2.32	-12.08	-21.55

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

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices edged 0.6% higher to trade at \$1,644.30/oz.

On Friday, gold prices rose 0.5% to close at \$1,633.70/oz, as dismal US non-farm payrolls data buoyed demand for the safe haven metal.

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## Brent Crude Oil ▼

### Trading weaker

At 06:00 SAST, Brent crude oil dropped 2.4% to trade at \$33.30/bl, after a scheduled meeting between Saudi Arabia and Russia got delayed.

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On Friday, Brent crude oil advanced 13.9% to settle at \$34.11/bl, amid hopes that the Organisation of the Petroleum Exporting Countries (OPEC) and its allies would announce production cuts and end the price war between Saudi Arabia and Russia. Moreover, Baker Hughes reported that US oil drilling rig count fell by 62 to 562 last week.

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## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices edged marginally lower to trade at \$714.10/oz.

On Friday, platinum prices dropped 1.6% to close at \$714.10/oz.

## Major South African corporate news

### ArcelorMittal SA Limited

The company announced that it has taken several steps to support the 21-day lockdown that has been implemented to ensure the safety and wellbeing of its employees, customers, suppliers as well as other stakeholders. All offices and operations across the country have been closed during this period and employees would stay at home, except for essential operational staff that would be required for care and maintenance to avoid damage to plant and equipment, as is permitted in terms of the regulations.

### Murray & Roberts Holdings Limited

The company announced that its global portfolio of projects is now experiencing an increased impact from the spread of COVID-19. Moreover, as the current complex situation is evolving at a rapidly, it is difficult at this point to give an accurate estimate of the financial impact that the pandemic would have on the group.

### EOH Holdings Limited

In its 1H20 trading statement, the company announced that it expects loss per share to be 527.00c, compared to 1,702.00c in the same period of the prior year. It expects its headline loss per share to be 381.00c compared to 840.00c in the preceding year.

## Major global economic news

### US

In the US, non-farm payrolls dropped by 701.00K in March, more than market expectations and compared to a revised rise of 275.00K in the previous month.

In March, average hourly earnings of all employees rose 0.4% on a monthly basis in the US, more than market forecast and compared to an advance of 0.3% in the prior month.

In the US, the unemployment rate advanced to 4.4% in March, more than market anticipations and compared to 3.5% in the prior month.

In March, the final Markit services PMI fell to 39.80 in the US, compared to a level of 49.40 in the previous month. The preliminary figures had indicated a drop to 39.10.

In the US, the ISM-NY non-manufacturing PMI declined to 52.50 in March, less than market forecast and compared to a level of 57.30 in the prior month.

### UK

In the UK, the final services PMI eased to 34.50 in March, compared to a reading of 53.20 in the previous month. The preliminary figures had recorded a drop to 35.70.

### Eurozone

In Eurozone, the final services PMI declined to a level of 26.40 in March, compared to a level of 52.60 in the previous month. The preliminary figures had recorded a drop to 28.40.

In February, seasonally adjusted retail sales advanced 0.9% on a monthly basis in the Eurozone, more than market consensus and compared to a revised rise of 0.7% in the previous month.

In Germany, the final services PMI dropped to a level of 31.70 in March, compared to a level of 52.50 in the prior month. The preliminary figures had indicated a fall of 34.50.

## 40 best performers on the All Share Index

Company name	Last close	1 Week % change	MTD % change	YTD % change
Steinhoff International Holdings NV	98	-1.01	-11.71	16.67
British American Tobacco PLC	67850	22.37	13.34	16.00
Assore Ltd	30300	4.4	1.81	13.94
Naspers Ltd	254043	4.19	-0.52	10.90
AngloGold Ashanti Ltd	34736	4.08	8.85	10.36
Montauk Holdings Ltd	4100	17.14	2.50	7.89
Rhodes Food Group Pty Ltd	1580	9.49	9.34	7.76
Reinet Investments SCA	29804	15.07	4.74	7.40
Gold Fields Ltd	10091	4.55	9.35	6.29
Pan African Resources PLC	229	9.05	7.51	6.02
Clicks Group Ltd	26445	5.51	2.62	4.33
Vodacom Group Ltd	11975	3.23	2.34	3.86
Pioneer Foods Group Ltd	10991	0.00	0.00	2.07
Shoprite Holdings Ltd	12491	3.35	-0.07	0.55
JSE Ltd	11050	7.41	9.14	0.32
Trencor Ltd	900	9.76	5.88	-1.10
AfroCentric Investment Corp Ltd	330	13.79	4.76	-2.65
Stenprop Ltd	2293	19.36	6.65	-3.12
Oceana Group Ltd	5890	5.67	7.09	-4.31
Santam Ltd	26410	10.01	-1.46	-6.04
Dis-Chem Pharmacies Ltd	2464	-3.30	-7.02	-7.02
Pick n Pay Stores Ltd	5938	-6.93	-2.01	-7.06
SPAR Group Ltd/The	18125	1.25	-0.28	-8.23
Tiger Brands Ltd	18787	1.93	1.55	-8.97
Astral Foods Ltd	19300	9.10%	0.54	-9.32
Mondi PLC	28429	5.53	-2.79	-9.63
Zeder Investments Ltd	430	3.61	-2.27	-9.66
MiX Telematics Ltd	647	8.01	6.41	-9.70
BHP Group PLC	28582	10.74	5.70	-10.29
Net 1 UEPS Technologies Inc	4623	-21.43	-21.3	-10.35
RCL Foods Ltd/South Africa	989	0.00	-1.10	-10.50
Quilter PLC	2508	6.59	0.73	-11.75
Cie Financiere Richemont SA	9626	0.74	-0.55	-12.12
Sirius Real Estate Ltd	1401	7.77	-2.10	-12.44
Peregrine Holdings Ltd	1595	2.90	4.25	-12.80
Adcock Ingram Holdings Ltd	4573	11.97	4.96	-12.82
Netcare Ltd	1573	11.01	4.87	-16.57
Italtile Ltd	1050	5.00	-4.55	-18.39
Equites Property Fund Ltd	1632	3.29	-1.39	-18.40
Aspen Pharmacare Holdings Ltd	9710	2.34	5.04	-18.55
<b>JSE All Share Index</b>	<b>44599</b>	<b>3.85</b>	<b>0.24</b>	<b>-21.87</b>

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus	Previous	Frequency
Germany	08:00	Factory Orders s.a. (MoM) (Feb)	✓✓	1.40%	5.50%	Monthly
Germany	08:00	Factory Orders n.s.a. (YoY) (Feb)	✓✓✓	-	-1.40%	Monthly
Germany	09:30	Markit Construction PMI (Mar)	✓✓	-	55.80	Monthly
Switzerland	10:00	Total Sight Deposits (CHF) (03-Apr)	✓	-	CHF620500.00mn	Weekly
Switzerland	10:00	Domestic Sight Deposits (CHF) (03-Apr)	✓	-	CHF529000.00mn	Weekly
UK	10:00	New Car Registrations (YoY) (Mar)	✓	-	-2.90%	Monthly
Eurozone	10:30	Sentix Investor Confidence (Apr)	✓✓✓	-11.10	-17.10	Monthly
UK	10:30	Markit Construction PMI (Mar)	✓	-	52.60	Monthly
Canada	16:00	BoC Business Outlook Future Sales (Q1)	✓✓	-	11.00%	Quarterly
Canada	16:30	Bank of Canada Business Outlook Survey	✓✓	-	-	As Scheduled
Japan	-	Japan Foreign Reserves (Mar)	✓	-	USD1359.00bn	Monthly

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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