

ONE
Minute Brief

8 April 2020

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Economic and political news

In South Africa (SA), net gold & forex reserves fell to a level of USD44.77bn in March, compared to a level of USD45.36bn in the prior month. Additionally, gross gold & forex reserve unexpectedly dropped to USD52.46bn in March, compared to a level of USD54.71bn in the prior month.

Health Minister, Zweli Mkhize, has confirmed that the number of coronavirus infections in the country has jumped to 1,749, with a death toll of 13. Separately, he stated that health-care professionals would have all the equipment they needed to protect themselves against Covid-19 and that no-one would be forced to work without proper gear.

Eskom stated that it does not need to approach the government for more support, even though revenues dropped due to Covid-19 related national shutdown.

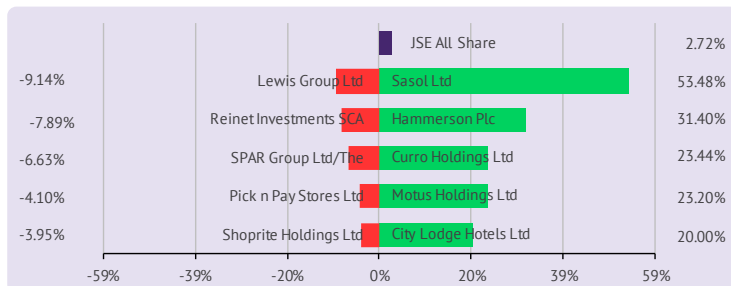
News reports indicate that the court battle between the National Education, Health and Allied Workers' Union (Nehawu) and the Department of Health has been delayed in the Labour Court.

South Africa Market ▲

South African markets closed higher

South African markets closed in the green yesterday, supported by gains in banking, financial and resources sector stocks. The JSE All Share Index rose 2.7% to close at 47,496.72.

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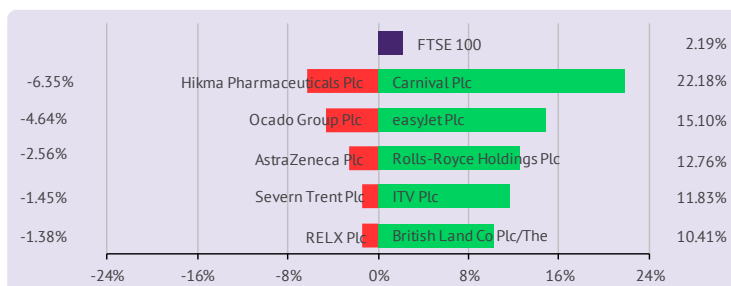


UK Market ▲

UK markets closed in the green

UK markets finished higher yesterday, boosted by gains in energy, banking and travel sector stocks. The FTSE 100 Index advanced 2.2% to close at 5,704.45. Today, the FTSE 100 futures are trading in negative territory.

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Key indices

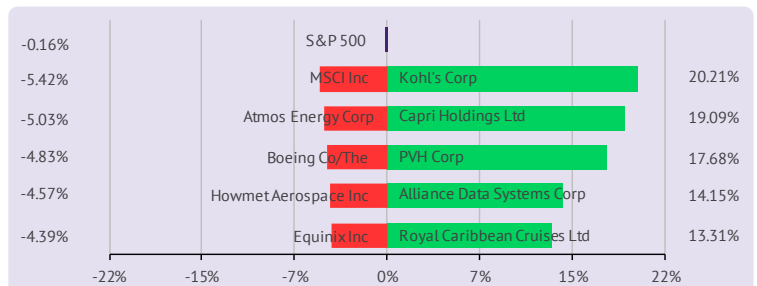
	As at 07 April 2020		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	47496.72	▲	1256.37	2.72	6.50	6.76	-12.83	-16.80
JSE Top 40 (ZAR)	43590.00	▲	1055.46	2.48	6.65	7.00	-11.15	-14.22
FTSE 100 (GBP)	5704.45	▲	122.06	2.19	5.34	0.57	-13.81	-24.37
DAX 30 (EUR)	10356.70	▲	281.53	2.79	8.72	4.24	-16.44	-21.83
CAC 40 (EUR)	4438.27	▲	92.13	2.12	6.83	0.96	-17.21	-25.76
S&P 500 (USD)	2659.41	▼	-4.27	-0.16	6.86	2.89	-12.51	-17.69
Nasdaq Composite (USD)	7887.26	▼	-25.98	-0.33	6.97	2.43	-10.12	-12.10
DJIA (USD)	22653.86	▼	-26.13	-0.12	7.61	3.36	-13.74	-20.62
MSCI Emerging Markets (USD)	878.15	▲	24.32	2.85	5.58	3.49	-15.61	-21.22
MSCI Developed World (USD)	1895.04	▲	13.56	0.72	6.65	2.28	-13.47	-19.65

US Market ▼

US markets closed weaker

US markets closed lower yesterday, as investors continued to weigh new coronavirus developments. The S&P 500 Index dropped 0.2% to close at 2,659.41. Today, the S&P 500 futures are trading in the green.

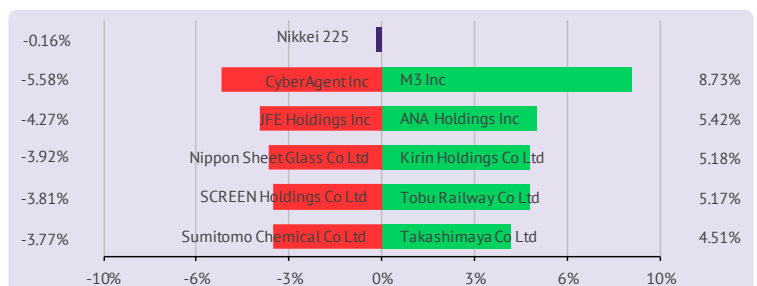
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Asian Market ▼

Trading mostly lower

Asian markets are trading mostly lower this morning. As at 6:00 SAST, the Nikkei 225 Index is trading 0.2% lower at 18,920.74.



USD ZAR ▲

USD trading lower against ZAR

At 06:00 SAST, the US Dollar marginally fell against the South African Rand to trade at R18.3159. Later today, traders will keep a close watch on the US MBA mortgage applications and the FOMC meeting minutes for further direction.

The US Dollar fell against the South African Rand yesterday. On the macro front, the US JOLTS job opening declined less-than-expected in February. Additionally, consumer credit advanced in February. Separately, in SA, net gold & forex reserves dropped in March. Moreover, gross gold & forex reserves unexpectedly declined in March.

GBP ZAR ▲

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound is trading 0.2% lower against the South African Rand at R22.5546. Ahead in the day, traders will keep an eye on UK's RICS housing price index for further indication.

The British Pound declined against the South African Rand yesterday. Data indicated that UK's Halifax house price index remained flat on a monthly basis in March.

EUR ZAR ▲

EUR trading weaker against ZAR

At 06:00 SAST, the Euro declined 0.3% against the South African Rand to trade at R19.8982. 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 seasonally adjusted industrial production unexpectedly climbed on a monthly basis in February.

AUD ZAR ▲

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.6% lower against the South African Rand at R11.2269, after S&P Global Ratings lowered Australia's rating outlook to negative. Earlier in the session, Australia's home loan approvals dropped on a monthly basis in February.

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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	18.3159	▲	-1.84	-3.78	2.70	13.90	30.86
GBPZAR	22.5546	▲	-1.08	-3.25	1.90	10.46	21.70
EURZAR	19.8982	▲	-0.97	-3.00	1.36	13.95	27.09
AUDZAR	11.2269	▲	-0.63	-1.07	3.14	7.47	14.79
EURUSD	1.0865	▼	0.92	0.84	-1.26	0.05	-2.86
GBPUSD	1.2313	▼	0.83	0.51	-0.71	-3.14	-6.98
Brent (\$/barrel)	32.6	▲	-3.57	-6.57	20.95	-46.95	-51.71
Gold (\$/oz)	1683.0	▲	-0.73	1.90	5.14	1.07	9.30
Platinum (\$/oz)	741.0	▼	1.79	3.77	2.29	-16.23	-23.72
Copper (\$/MT)*	5018.8	▲	3.05	4.04	1.62	-12.08	-18.38

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

Gold ▲

Trading in the green

At 06:00 SAST, gold prices advanced 1.1% to trade at \$1,683.00/oz.

Yesterday, gold prices fell 0.7% to close at \$1,664.80/oz, on optimism over slowdown in coronavirus outbreaks in some countries.

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Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged 2.2% higher to trade at \$32.56/bl, on hopes that the Organisation of Petroleum Exporting Countries (OPEC) and its allies would agree on output cuts. Separately, the American Petroleum Institute (API) reported that crude oil inventories rose by 11.9mn bls last week.

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Yesterday, Brent crude oil declined 3.6% to settle at \$31.87/bl, on oversupply concerns.

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Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged marginally lower to trade at \$741.00/oz.

Yesterday, platinum prices climbed 1.8% to close at \$741.00/oz.

Major South African corporate news

EOH Holdings Limited

In its 1H20 results, the company announced that revenues declined to ZAR4.54bn from ZAR5.50bn in the same period of the preceding year. Its diluted loss per share stood at 527.00c, compared to 1,702.00c recorded in the corresponding period of the previous year.

Mr.Price Group Limited

The company announced that it has received a formal notification that Public Investment Corporation (PIC) SOC Ltd has increased its holding in the company such that PIC now holds 15.08% of the issued ordinary shares in the company,

Major global economic news

Asia

In Japan, the preliminary coincident index unexpectedly advanced to a level of 95.80 in February, compared to a level of 95.20 in the previous month.

In February, trade surplus (BOP basis) stood at JPY1366.60bn in Japan, compared to a deficit of JPY985.10bn in January.

In Japan, non-seasonally adjusted current account surplus widened to JPY3168.80bn in February, compared to a surplus of JPY612.30bn in the prior month.

In February, the preliminary leading economic index unexpectedly rose to a level of 92.10 in Japan, compared to a level of 90.50 in the prior month.

In Australia, seasonally adjusted home loan approvals fell 1.7% on a monthly basis in February, compared to a revised increase of 1.3% in the prior month.

The Reserve Bank of Australia (RBA) held its benchmark interest rate at 0.25%, as expected. However, the central bank warned that it expects the economy to register a “very large” contraction in the second quarter due to the coronavirus pandemic. In a statement following the interest rate decision, RBA Governor, Philip Lowe, stated that the central bank will not increase the cash rate target until progress is being made towards the goals for full employment and inflation target range of 2%-3%.

US

In the US, the JOLTS job openings eased to 6882.00K in February, less than market expectations and compared to a revised reading of 7012.00K in the prior month.

In February, consumer credit rose by USD22.33bn in the US. Consumer credit had recorded a revised rise of USD12.06bn in the previous month.

UK

In UK, the Halifax house price index remained flat on a monthly basis in March, compared to a revised rise of 0.2% in the prior month.

Eurozone

In Germany, seasonally adjusted industrial production unexpectedly advanced 0.3% on a monthly basis in February. In the previous month, industrial production had registered a revised rise of 3.2%.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	01:50	Adjusted Current Account Total (Feb)	✓	JPY2378.10bn*	JPY1630.00bn	Monthly
Japan	01:50	Trade Balance - BOP Basis (Feb)	✓✓✓	JPY1366.60bn*	-JPY985.10bn	Monthly
Japan	01:50	Machinery Orders (YoY) (Feb)	✓✓	-2.40%*	-0.30%	Monthly
Japan	01:50	Machinery Orders (MoM) (Feb)	✓	2.30%*	2.90%	Monthly
Japan	01:50	Current Account n.s.a. (Feb)	✓	JPY3168.80bn*	JPY612.30bn	Monthly
US	02:00	U.S. Treasury, General Account - Week Average (08-Apr)	✓	-	USD429.27bn	Weekly
Japan	06:30	Bankruptcies (YoY) (Mar)	✓✓	-	10.71%	Monthly
Japan	07:00	Eco Watchers Survey: Outlook (Mar)	✓✓	38.10	24.60	Monthly
Japan	07:00	Eco Watchers Survey: Current (Mar)	✓✓	27.60	27.40	Monthly
Switzerland	07:45	Unemployment Rate n.s.a. (Mar)	✓✓	-	2.50%	Monthly
Switzerland	07:45	Unemployment Rate s.a. (Mar)	✓✓	-	2.30%	Monthly
France	08:30	Bank of France Business Sentiment (Mar)	✓✓✓	-	96.00	Monthly
South Africa	11:30	SACCI Business Confidence Index (Mar)	✓	-	92.70	Monthly
Eurozone	12:00	ECB Balance sheet (30-Mar)	✓✓	-	EUR5062.69bn	Weekly
US	13:00	MBA Mortgage Applications (03-Apr)	✓	-	15.30%	Weekly
Canada	14:15	Housing Starts s.a. (Mar)	✓✓✓	180.00K	210.07K	Monthly
Canada	14:30	Building Permits (MoM) (Feb)	✓	-4.50%	4.00%	Monthly
US	16:30	DOE Distillate Inventory (03-Apr)	✓✓✓	-	-2194.00K	Weekly
US	16:30	DOE Cushing OK Crude Inventory (Barrels) (03-Apr)	✓✓✓	-	3521.00K	Weekly
US	16:30	EIA Crude Oil Stocks Change (Barrels) (03-Apr)	✓✓✓	10.13mn	13.83mn	Weekly
US	16:30	DOE Gasoline Inventories (03-Apr)	✓✓✓	-	7524.00K	Weekly
US	20:00	FOMC Minutes	✓✓✓	-	-	As Scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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