

ONE Minute Brief

11 May 2020

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Economic and political news

In South Africa (SA), net gold & forex reserves rose to USD45.47bn in April, compared to USD44.77bn in March. Also, gross gold & forex reserves rose to USD53.00bn in April, compared to USD52.46bn in March.

News reports indicate that the South African Airways' (SAA) business rescue practitioners are planning to appeal the judgment in which the Labour Court in Johannesburg set aside retrenchment notices issued to employees on the grounds that the notices were "procedurally unfair". Moreover, the court ordered the administrators that they cannot force workers to accept severance payments.

Health Minister, Zweli Mkhize confirmed that Covid-19 cases in SA had increased to 10,015.

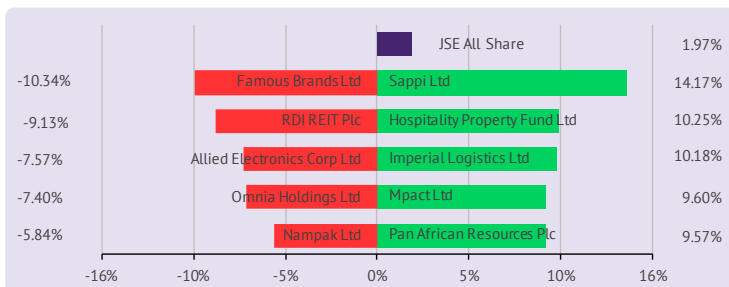
News reports indicate that the South African Reserve Bank (SARB) will temporarily stop accepting The Land & Agricultural Development Bank securities as collateral in its repurchase operations after the lender defaulted on its debt. Separately, the SARB stated that it would reduce overnight repo auctions to one per day from the two daily auctions it had implemented since early March in order to inject liquidity into the banking system.

South Africa Market ▲

South African markets closed higher

South African markets closed in the green on Friday, boosted by gains in banking, financial and resources sector stocks. The JSE All Share Index rose 2.0% to close at 51,003.58.

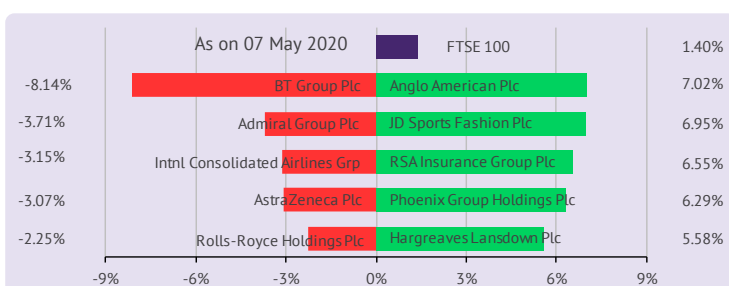
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UK Market

UK markets closed on Friday

UK markets were closed on Friday on account of a public holiday. Today, the FTSE 100 futures are trading in positive territory.



Key indices

	As at 08 May 2020	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg	
JSE All Share (ZAR)	51003.58	▲	983.88	1.97	NA	1.32	13.14	-10.65
JSE Top 40 (ZAR)	47061.57	▲	965.54	2.09	NA	1.54	13.77	-7.39
FTSE 100 (GBP)*	5935.98	▲	82.22	1.40	NA	0.59	4.04	-21.30
DAX 30 (EUR)	10904.48	▲	145.21	1.35	NA	0.39	9.32	-17.70
CAC 40 (EUR)	4549.64	▲	48.20	1.07	NA	-0.49	4.00	-23.89
S&P 500 (USD)	2929.80	▲	48.61	1.69	NA	0.60	12.68	-9.32
Nasdaq Composite (USD)	9121.32	▲	141.66	1.58	NA	2.61	15.45	1.66
DJIA (USD)	24331.32	▲	455.43	1.91	NA	-0.06	11.08	-14.74
MSCI Emerging Markets (USD)	911.65	▲	14.77	1.65	NA	-1.44	9.00	-18.21
MSCI Developed World (USD)	2061.89	▲	35.76	1.77	NA	0.44	10.80	-12.58

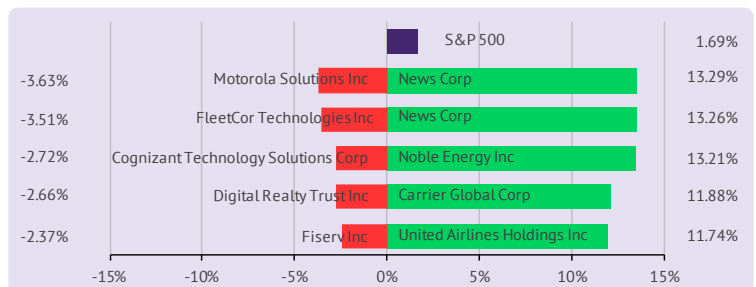
*Values as on 07 May 2020

US Market ▲

US markets closed firmer

US markets closed higher on Friday, following better-than-expected US jobs data and amid ease in the US-China trade tensions. The S&P 500 Index climbed 1.7% to close at 2,929.80. Today, the S&P 500 futures are trading in the green.

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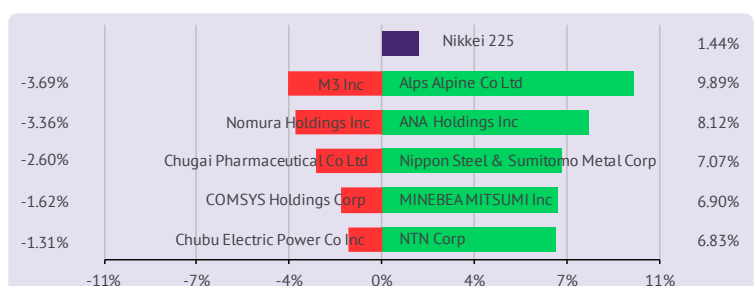


Asian Market ▲

Trading higher

Asian markets are trading higher this morning, amid rising hopes over reopening of global economies as several countries eased social distancing restrictions. As at 6:00 SAST, the Nikkei 225 Index is trading 1.4% higher at 20,470.48.

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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 R18.2606. With no major economic releases in the US today, investor sentiment will be determined by global macroeconomic news.

The US Dollar fell against the South African Rand on Friday. On the macro front, the US unemployment rate climbed in April, hitting its highest level since the Great Depression. Meanwhile, average hourly earnings of all employees rose more than market expectations in April. Moreover, non-farm payrolls dropped less than market anticipations in April. Separately, the South African Rand rose against the US Dollar, amid ease in tensions between China and the US and optimism over the re-opening of some economies. Data indicated that SA's net gold & forex reserves climbed in April. Also, gross gold & forex reserves advanced in April.

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GBP ZAR ▲

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound is trading 0.3% lower against the South African Rand at R22.7021. 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 on Friday.

EUR ZAR ▲

EUR trading lower against ZAR

At 06:00 SAST, the Euro is trading 0.4% weaker against the South African Rand at R19.8083. 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 on Friday. On the data front, Germany's seasonally adjusted trade surplus narrowed more than market forecast in March. Meanwhile, the country's non-seasonally adjusted current account surplus widened in March.

AUD ZAR ▲

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar fell 0.2% against the South African Rand to trade at R11.9658.

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

Key currencies & commodities

	Current#		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	18.2606	▲	-1.33	NA	-0.97	3.86	31.05
GBPZAR	22.7021	▲	-0.98	NA	-2.46	5.26	22.62
EURZAR	19.8083	▲	-1.27	NA	-2.00	3.12	26.70
AUDZAR	11.9658	▲	-0.72	NA	-0.62	10.18	21.86
EURUSD	1.0847	▲	0.05	NA	-1.06	-0.69	-3.34
GBPUSD	1.2432	▲	0.39	NA	-1.46	1.40	-6.39
Brent (\$/barrel)	30.7	▼	5.13	NA	16.96	0.49	-53.08
Gold (\$/oz)	1710.2	▼	-0.69	NA	1.16	7.00	12.53
Platinum (\$/oz)	794.8	▲	0.92	NA	-2.92	12.23	-18.75
Copper (\$/MT)*	5243.3	-	0.00	NA	1.61	4.48	-14.73

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

Gold ▼

Trading in the red

At 06:00 SAST, gold prices edged 0.2% lower to trade at \$1,710.20/oz.

On Friday, gold prices fell 0.7% to close at \$1,713.90/oz, amid expectations that economic and business activities around the world would soon resume, reducing demand for the safe haven metal.

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Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil retreated 1.0% to trade at \$30.65/bl, amid continuing fears over supply glut.

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On Friday, Brent crude oil advanced 5.1% to settle at \$30.97/bl, amid optimism over production cuts by major US producers. Additionally, Baker Hughes reported that the US oil rig count fell by 33 to 292 last week.

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Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged 0.7% higher to trade at \$794.80/oz.

On Friday, platinum prices climbed 0.9% to close at \$789.30/oz.

Major South African corporate news

Adcorp Holdings Limited

In its FY20 trading statement and operational update, the company announced that it expects loss per share of between 490.90c and 589.10c compared to an EPS of 240.00c recorded in the last year. It also expects HEPS of between 13.90c and 16.70c, compared to a HEPS of 245.00c for the comparative period, representing a decrease of between 94.3% and 93.2%.

Major global economic news

US

In the US, the unemployment rate advanced more-than-expected to 14.7% in April, compared to 4.4% in the previous month.

In April, average hourly earnings of all employees climbed 4.7% on a monthly basis in the US, more than market anticipations and compared to a revised rise of 0.5% in the prior month.






In the US, non-farm payrolls fell by 20500.00K in April, lower than market forecast and compared to a revised loss of 870.00K jobs in the prior month.

Eurozone

In Germany, seasonally adjusted trade surplus narrowed to EUR12.80bn in March, more than market consensus and compared to a revised surplus of EUR21.40bn in the prior month.

In March, non-seasonally adjusted current account surplus widened to EUR24.40bn, compared to a surplus of EUR23.70bn in the previous month.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus	Previous	Frequency
 Italy	10:00	Industrial Production n.s.a. (YoY) (Mar)	✓✓	-	-1.80%	Monthly
 Italy	10:00	Industrial Production s.a. (MoM) (Mar)	✓✓	-	-1.20%	Monthly
 Italy	10:00	Industrial Production w.d.a.(YoY) (Mar)	✓✓	-	-2.40%	Monthly
 Switzerland	10:00	Domestic Sight Deposits (CHF) (08-May)	✓	-	CHF579500.00 mn	Weekly
 Switzerland	10:00	Total Sight Deposits (CHF) (08-May)	✓	-	CHF663800.00 mn	Weekly

Note: ✓✓✓High ✓✓Medium ✓Low

40 best performers on the All Share Index

Company name	Last close	1 Week % change	MTD % change	YTD % change
Gold Fields Ltd	15223	7.34	7.34	60.35
AngloGold Ashanti Ltd	48764	4.94	4.94	54.93
Pan African Resources PLC	332	4.73	4.73	53.70
Naspers Ltd	298000	2.80	2.80	30.09
Harmony Gold Mining Co Ltd	6594	-4.18	-4.18	28.79
Net 1 UEPS Technologies Inc	6450	-1.21	-1.21	25.07
Steinhoff International Holdings NV	105	-5.41	-5.41	25.00
Assore Ltd	31735	0.41	0.41	19.33
British American Tobacco PLC	68896	-2.69	-2.69	17.79
Reinet Investments SCA	30386	2.44	2.44	9.50
Aspen Pharmacare Holdings Ltd	12970	12.16	12.16	8.79
Vodacom Group Ltd	12346	0.19	0.19	7.08
Peregrine Holdings Ltd	1885	0.27	0.27	3.06
AfroCentric Investment Corp Ltd	332	-3.27	-3.27	2.72
Quilter PLC	2869	0.84	0.84	0.96
JSE Ltd	11100	7.92	7.92	0.77
BHP Group PLC	32035	3.19	3.19	0.55
Santam Ltd	27900	1.44	1.44	-0.74
Trencor Ltd	715	-3.90	-3.90	-1.65
Mondi PLC	32083	-2.74	-2.74	-1.67
Oceana Group Ltd	6027	-1.20	-1.20	-2.08
Cie Financiere Richemont SA	10557	1.33	1.33	-3.62
Coronation Fund Managers Ltd	3839	6.20	6.20	-3.90
Rhodes Food Group Pty Ltd	1400	-3.38	-3.38	-4.52
Blue Label Telecoms Ltd	245	15.57	15.57	-5.04
Sirius Real Estate Ltd	1515	-5.37	-5.37	-5.31
SPAR Group Ltd/The	18535	4.79	4.79	-6.16
Tiger Brands Ltd	19208	6.36	6.36	-6.93
Pick n Pay Stores Ltd	5922	2.10	2.10	-7.31
MiX Telematics Ltd	664	-1.63	-1.63	-7.33
Kumba Iron Ore Ltd	36333	3.0	3.01	-7.58
Exxaro Resources Ltd	11265	4.49	4.49	-9.23
Investec Australia Property Fund	1326	1.69	1.69	-9.55
Clicks Group Ltd	22817	-1.10	-1.10	-9.98
Cartrack Holdings Ltd	2150	-6.76	-6.76	-10.55
Anglo American PLC	34620	5.20	5.20%	-11.13
AVI Ltd	7700	-2.16	-2.16	-11.62
Shoprite Holdings Ltd	10949	2.2	2.20	-11.86
RCL Foods Ltd/South Africa	955	-0.42	-0.42	-12.2
Liberty Two Degrees	546	-4.21	-4.21	-12.68
JSE All Share Index	51004	1.32	1.32	-10.65

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