

ONE
Minute Brief

12 May 2020



consult • partner • manage

Economic and political news

The Johannesburg Stock Exchange (JSE) announced that it would provide temporary relief to listed companies in financial distress, which includes cutting fees for new listings and extended payment terms, in a bid to ensure business continuity.

South Africa's (SA) Health Minister, Zweli Mkhize, confirmed that COVID-19 cases in the country had increased to 10,652.

Eskom stated that it has completed repairs to Unit 3 of Medupi power station, after the unit was shut late in January to address defects relating to the boiler. Moreover, the utility is planning to correct design defects throughout its Medupi and Kusile coal-fired power stations.

Transport Minister Fikile Mbalula stated that board positions for the Passenger Rail Agency of SA (Prasa) would be advertised in the next few weeks and a new board would be put in place soon.

The Congress of South African Trade Unions (Cosatu) has called on the government to ease Covid-19 lockdown restrictions.

Key indices

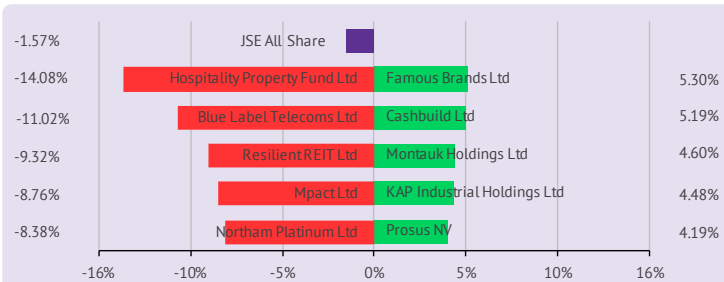
	As at 11 May 2020	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	50202.85	▼ -800.73	-1.57	-1.57	-0.27	13.14	-12.05
JSE Top 40 (ZAR)	46359.51	▼ -702.06	-1.49	-1.49	0.02	13.77	-8.77
FTSE 100 (GBP)	5939.73	▲ 3.75	0.06	0.06	0.65	4.04	-21.25
DAX 30 (EUR)	10824.99	▼ -79.49	-0.73	-0.73	-0.34	9.32	-18.30
CAC 40 (EUR)	4490.22	▼ -59.42	-1.31	-1.31	-1.79	4.00	-24.89
S&P 500 (USD)	2930.32	▲ 0.52	0.02	0.02	0.61	12.68	-9.30
Nasdaq Composite (USD)	9192.34	▲ 71.02	0.78	0.78	3.41	15.45	2.45
DJIA (USD)	24221.99	▼ -109.33	-0.45	-0.45	-0.51	11.08	-15.13
MSCI Emerging Markets (USD)	915.90	▲ 4.25	0.47	0.47	-0.98	9.00	-17.83
MSCI Developed World (USD)	2060.70	▼ -1.18	-0.06	-0.06	0.38	10.80	-12.63

South Africa Market ▼

South African markets closed lower

South African markets closed in the red yesterday, amid growing fears of a potential second wave of the coronavirus infections. The JSE All Share Index fell 1.6% to close at 50,202.85.

To Read More Click [Here](#)

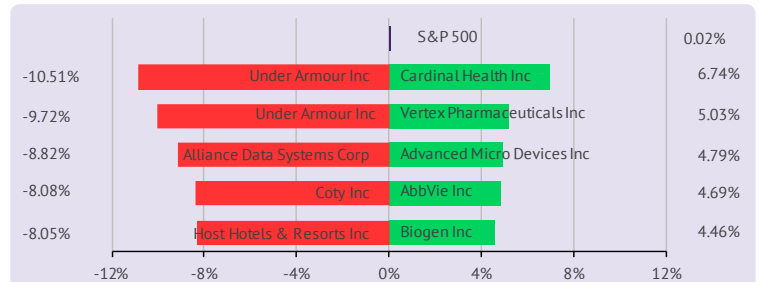


US Market ▲

US markets closed mostly firmer

US markets closed mostly higher yesterday, buoyed by gains in technology and healthcare sector stocks. The S&P 500 Index marginally climbed to close at 2,930.32. Today, the S&P 500 futures are trading in the red.

To Read More Click [Here](#)

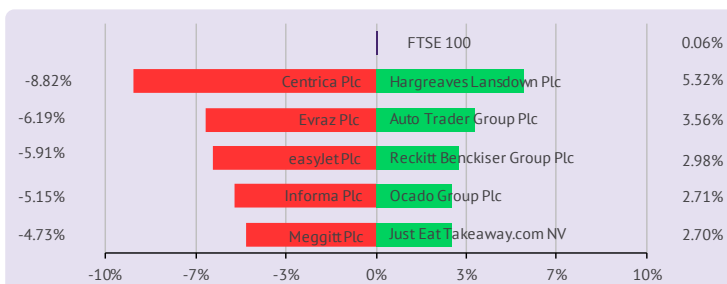


UK Market ▲

UK markets closed in the green

UK markets finished higher yesterday, amid expectations of a revival in business activity as UK Prime Minister, Boris Johnson unveiled plans to gradually ease lockdown measures. The FTSE 100 Index advanced 0.1% to close at 5,939.73. Today, the FTSE 100 futures are trading in negative territory.

To Read More Click [Here](#)

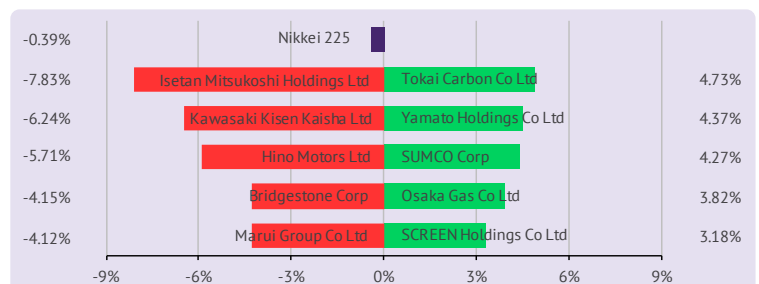


Asian Market ▼

Trading lower

Asian markets are trading lower this morning, after the city of Wuhan where the pandemic originated reported five new confirmed cases since its lockdown was lifted. As at 6:00 SAST, the Nikkei 225 Index is trading 0.4% lower at 20,310.51.

To Read More Click [Here](#)



USD ZAR ▼

USD trading higher against ZAR

At 06:00 SAST, the US Dollar gained 0.1% against the South African Rand to trade at R18.4468. Later today, traders will keep a close watch on the US NFIB business optimism index, monthly budget statement and the consumer price index (CPI) for further direction.

The US Dollar rose against the South African Rand yesterday. Separately, the South African Rand fell against the US Dollar, amid fears of a potential resurgence in second wave of COVID-19 infections.

To Read More Click [Here](#)

GBP ZAR ▼

GBP trading firmer against ZAR

At 06:00 SAST, the British Pound is trading marginally higher against the South African Rand at R22.7328. Ahead in the day, traders will keep an eye on UK's BRC like-for-like retail sales for further indication.

The British Pound declined against the South African Rand yesterday, amid lack of clarity over Prime Minister, Boris Johnson's plan to ease the nationwide lockdown.

To Read More Click [Here](#)

EUR ZAR ▼

EUR trading higher against ZAR

At 06:00 SAST, the Euro gained 0.1% against the South African Rand to trade at R19.9332. Amid no major economic releases across the Eurozone today, market sentiment will be determined by global macroeconomic news.

The Euro strengthened against the South African Rand yesterday.

AUD ZAR ▲

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.3% lower against the South African Rand at R11.9115. Earlier in the session, Australia's NAB business confidence index improved in April. Meanwhile, the NAB business conditions index dropped in April. Elsewhere, in China, Australia's largest trading partner, consumer price inflation slowed in April. Additionally, the producer price index (PPI) declined more than market forecast in April.

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	18.4468	▼	0.41	0.41	-0.56	3.86	31.60
GBPZAR	22.7328	▼	-0.17	-0.17	-2.63	5.26	22.41
EURZAR	19.9332	▼	0.10	0.10	-1.90	3.12	26.83
AUDZAR	11.9115	▲	-0.32	-0.32	-0.94	10.18	21.46
EURUSD	1.0806	▼	-0.30	-0.30	-1.35	-0.69	-3.62
GBPUSD	1.2323	▼	-0.60	-0.60	-2.06	1.40	-6.95
Brent (\$/barrel)	29.7	▲	-4.33	-4.33	11.90	0.49	-55.11
Gold (\$/oz)	1705.4	▲	-0.93	-0.93	0.22	7.00	11.48
Platinum (\$/oz)	779.6	▼	-1.01	-1.01	-3.90	12.23	-19.57
Copper (\$/MT)*	5223.8	▼	-0.37	-0.37	1.23	4.48	-15.05

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

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.4% higher to trade at \$1,705.40/oz.

Yesterday, gold prices fell 0.9% to close at \$1,698.00/oz, as the US Dollar strengthened amid fears of a likely resurgence in global coronavirus cases.

To Read More Click [Here](#)

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil rose 0.2% to trade at \$29.70/bl, after Saudi Arabia pledged to deepen production cuts in June.

To Read More Click [Here](#)

Yesterday, Brent crude oil declined 4.3% to settle at \$29.63/bl, amid rising concerns about a second wave of coronavirus infections.

To Read More Click [Here](#)

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged 0.2% lower to trade at \$779.60/oz.

Yesterday, platinum prices dropped 1.0% to close at \$781.30/oz.

Major South African corporate news

AngloGold Ashanti Limited

In its 1Q20 operational update, the company announced that production was 716,000oz at a total cash cost of \$814.00/oz, compared to 752,000oz at a total cash cost of \$791.00/oz in the same period of the preceding year. All-in sustaining costs (AISC) rose by 4.0% or \$38.00/oz to \$1,047.00/oz in 1Q20, compared to \$1,009.00/oz in the last year.

Pan African Resources Plc

The company announced that it commenced the recall of permitted employees for the phased recommencing of group operations in compliance with legal requirements, with all the required safety protocols and procedures in place. Further, it expects the revised gold production for the 2020 financial year to be approximately 176,000.00oz.

Group Five Limited

The company announced that the JSE has approved its application to delist its shares from trading, with effect from 15 June.

Vodacom Group Limited

In its FY20 results, the company announced that revenues rose to ZAR90.75bn from ZAR86.63bn posted in the previous year. Its diluted EPS increased to 923.00c from the same period of the prior year.

Life Healthcare Group Holdings Limited

In its 1H20 results, the company announced that revenues increased to ZAR13.24bn from ZAR12.40bn posted in the corresponding period of the previous year. Its diluted EPS rose to 53.50c from the same period of the prior year.

Major global economic news

Asia

In China, the CPI rose 3.3% on an annual basis in April, less than market expectations and compared to a rise of 4.3% in the previous month.

In April, the PPI declined 3.1% on an annual basis in China, more than market anticipations and compared to a drop of 1.5% in the previous month.

In Australia, the NAB business confidence index climbed to a level of -46.00 in April, compared to a revised level of -65.00 in the previous month.

In April, the NAB business conditions index dropped to a level of -34.00 in Australia, compared to a revised level of -22.00 in the prior month.

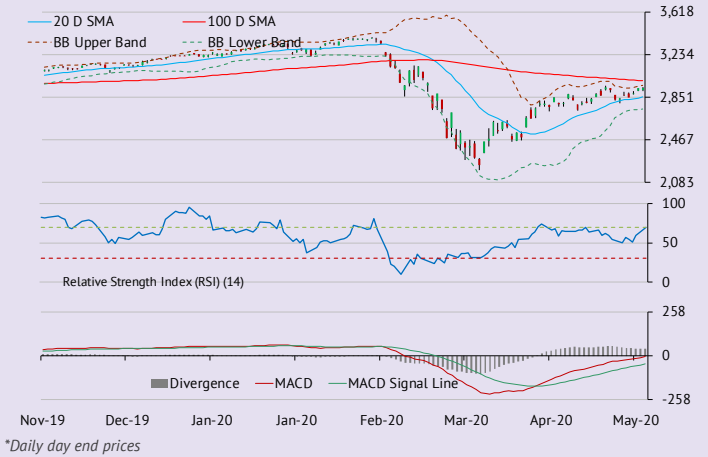
Technical snapshot

JSE All Share



The JSE All Share index is expected to find support at 48,980.69, and a fall through could take it to the next support level of 47,758.54. The index is expected to find its first resistance at 51,358.76, and a rise through could take it to the next resistance level of 52,514.68.

S&P 500



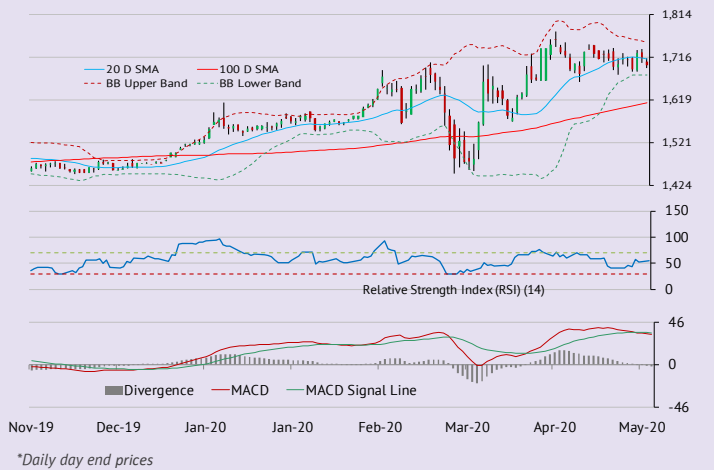
The S&P 500 index is expected to find support at 2,870.56, and a fall through could take it to the next support level of 2,810.81. The index is expected to find its first resistance at 2,967.16, and a rise through could take it to the next resistance level of 3,004.01.

USD ZAR



The pair is expected to find support at 18.1496, and a fall through could take it to the next support level of 17.8758. The pair is expected to find its first resistance at 18.7653, and a rise through could take it to the next resistance level of 19.1072.

XAU USD



Gold is expected to find support at \$1,675.50/oz, and a fall through could take it to the next support level of \$1,653.00/oz. The precious metal is expected to find its first resistance at \$1,728.00/oz, and a rise through could take it to the next resistance level of \$1,758.00/oz.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	01:50	Japan Foreign Reserves (Apr)	✓	USD1368.60bn*	USD1366.20 bn	Monthly
China	03:30	Consumer Price Index (YoY) (Apr)	✓✓✓	3.30%*	4.30%	Monthly
China	03:30	Consumer Price Index (MoM) (Apr)	✓✓✓	-0.90%*	-1.20%	Monthly
China	03:30	Producer Price Index (MoM) (Apr)	✓	-1.30%*	-1.00%	Monthly
China	03:30	Producer Price Index (YoY) (Apr)	✓✓✓	-3.10%*	-1.50%	Monthly
Japan	07:00	Leading Economic Index (Mar) (P)	✓✓✓	91.90	91.70	Monthly
Japan	07:00	Coincident Index (Mar) (P)	✓	95.70	95.50	Monthly
US	14:30	Consumer Price Index n.s.a. (Apr)	✓	258.20	258.12	Monthly
US	14:30	Consumer Price Index Core s.a. (Apr)	✓	-	266.80	Monthly
US	14:30	Real Average Weekly Earnings (YoY) (Apr)	✓	-	0.20%	Monthly
US	14:30	Consumer Price Index (MoM) (Apr)	✓✓✓	-0.70%	-0.40%	Monthly
US	14:30	Consumer Price Index Ex Food & Energy (MoM) (Apr)	✓✓✓	-0.20%	-0.10%	Monthly
US	14:30	Consumer Price Index (YoY) (Apr)	✓✓✓	0.80%	1.50%	Monthly
US	14:30	Consumer Price Index Ex Food & Energy (YoY) (Apr)	✓✓✓	1.70%	2.10%	Monthly
US	14:55	Redbook Index s.a. (MoM) (08-May)	✓	-	-12.60%	Weekly
US	14:55	Redbook Index (YoY) (08-May)	✓	-	-9.30%	Weekly
US	20:00	Monthly Budget Statement (Apr)	✓✓✓	-	-USD119.00bn	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

Disclaimer

This report and its contents are confidential, privileged and only for the information of the intended recipient. GTC (Pty) Ltd make no representations or warranties in respect of this report or its content and will not be liable for any loss or damage of any nature arising from this report, the content thereof, your reliance thereon its unauthorised use or any electronic viruses associated therewith. Please note that content does not necessarily represent or reflect the views and opinions of GTC (Pty) Ltd. This report is proprietary to GTC (Pty) Ltd and you may not copy or distribute the report without the prior written consent of the authors. Any feedback or contributions are most welcome.

formerly Grant Thornton Capital

a GTC, The Wanderers Office Park

52 Corlett Drive, Illovo, 2196

p P O Box 55118, Illovo, 2116

GTC is nationally represented in Johannesburg, Cape Town and Durban.

t +27 (0) 10 597 6800

f +27 (0) 10 597 6801

w www.gtc.co.za

GTC (Pty) Ltd.

reg. no. 1996/001488/07

directors: G.K. Mockler, F.Dildar

An Authorised Financial

Services Provider

FSP no. 731

GTC Group of products and services include: Employee Benefits Consulting • Employee Benefits Administration • Private Client Wealth Management • Healthcare Consulting • Short-Term Risk Solutions • Stockbroking • Derivatives Trading • Unit Trust Management • Asset Management • Fiduciary Services