

ONE  
Minute Brief

25 May 2020


  
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## Economic and political news

On Friday, S&P Global Ratings maintained South Africa's (SA) long term foreign and local currency debt ratings at 'BB-' and 'BB' respectively, with a stable outlook. Further, the agency warned that the country's economy could shrink by 4.5% this year as a result of the Covid-19.

President Cyril Ramaphosa has announced further easing of SA's coronavirus lockdown to 'level 3' with effect from 1 June, allowing the vast majority of the economy to return to full capacity. However, he stated that coronavirus hotspots could slip back to levels 4 or 5, depending on their progress.

President Cyril Ramaphosa confirmed that COVID-19 cases in the country had increased to 22,583, with 429 deaths.

News reports indicate that Eskom has cut the Mpumalanga municipality's notified maximum demand of electricity to 81 000kVA for non-payment of accounts.

The Economic Freedom Fighters (EFF) has warned against the shift to Level 3 lockdown restrictions.

## Key indices

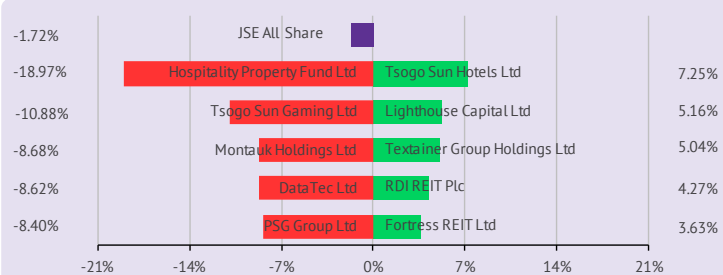
	As at 22 May 2020		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	50147.21	▼	-875.55	-1.72	NA	-0.38	13.14	-12.15
JSE Top 40 (ZAR)	46432.04	▼	-800.22	-1.69	NA	0.18	13.77	-8.63
FTSE 100(GBP)	5993.28	▼	-21.97	-0.37	NA	1.56	4.04	-20.54
DAX 30 (EUR)	11073.87	▲	7.94	0.07	NA	1.95	9.32	-16.42
CAC 40 (EUR)	4444.56	▼	-0.89	-0.02	NA	-2.79	4.00	-25.65
S&P 500 (USD)	2955.45	▲	6.94	0.24	NA	1.48	12.68	-8.52
Nasdaq Composite (USD)	9324.59	▲	39.71	0.43	NA	4.89	15.45	3.92
DJIA (USD)	24465.16	▼	-8.96	-0.04	NA	0.49	11.08	-14.27
MSCI Emerging Markets (USD)	905.25	▼	-24.76	-2.66	NA	-2.13	9.00	-18.79
MSCI Developed World (USD)	2071.90	▼	-2.20	-0.11	NA	0.93	10.80	-12.15

## South Africa Market ▼

## South African markets closed lower

South African markets closed in the red on Friday, amid reports that China has proposed to institute new security laws in Hong Kong and ongoing concerns over US-China trade tensions. The JSE All Share Index fell 1.7% to close at 50,147.21.

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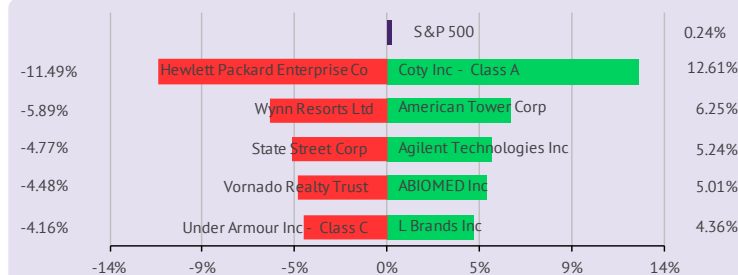


## US Market ▲

## US markets closed mostly firmer

US markets closed mostly higher on Friday, amid optimism that the impact of coronavirus on corporate earnings will be relatively short-lived. The S&P 500 Index climbed 0.2% to close at 2,955.45. Today, the S&P 500 futures are trading in the green.

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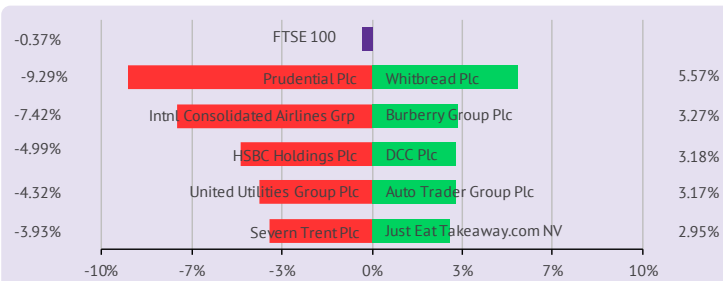


## UK Market ▼

## UK markets closed in the red

UK markets finished lower on Friday, as China's proposal to impose national security laws on Hong Kong dragged Asia-focused banks lower. The FTSE 100 Index declined 0.4% to close at 5,993.28. Today, the FTSE 100 futures are trading in positive territory.

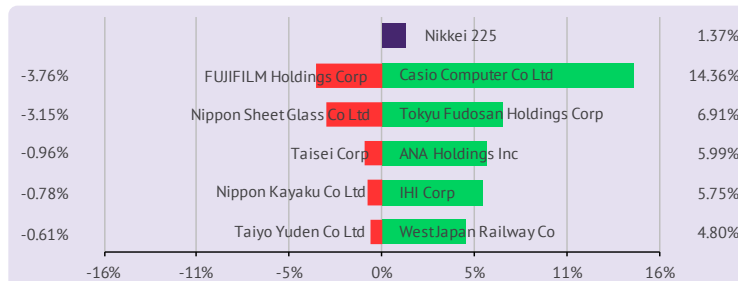
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## Asian Market ◀▶

## Trading mixed

Asian markets are trading mixed this morning. As at 6:00 SAST, the Nikkei 225 Index is trading 1.4% higher at 20,666.89.



## USD ZAR ▲

### USD trading weaker against ZAR

At 06:00 SAST, the US Dollar is trading 0.2% lower against the South African Rand at R17.5797. 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. Separately, the South African Rand fell against the US Dollar, as tensions between the US and China escalated following Beijing's move to impose a new security law in Hong Kong.

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## GBP ZAR ▲

### GBP trading lower against ZAR

At 06:00 SAST, the British Pound is trading 0.1% weaker against the South African Rand at R21.4100. 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. Data indicated that UK's budget deficit widened to a record high in April. Additionally, retail sales declined in April, registering its largest decline since records began in 1988.

## EUR ZAR ▲

### EUR trading weaker against ZAR

At 06:00 SAST, the Euro dropped 0.3% against the South African Rand to trade at R19.1437. Going forward, market participants will keep a tab on Germany's gross domestic product (GDP) and the Ifo survey indices for further cues.

The Euro weakened against the South African Rand on Friday.

## AUD ZAR ▲

### AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar fell 0.2% against the South African Rand to trade at R11.4872.

The Australian Dollar fell 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	17.5797	▲	0.17	NA	-4.88	3.86	25.87
GBPZAR	21.4100	▲	-0.32	NA	-8.17	5.26	15.45
EURZAR	19.1437	▲	-0.31	NA	-5.38	3.12	22.34
AUDZAR	11.4872	▲	-0.31	NA	-4.57	10.18	17.02
EURUSD	1.0889	▼	-0.45	NA	-0.49	-0.69	-2.78
GBPUSD	1.2178	▲	-0.41	NA	-3.34	1.40	-8.18
Brent (\$/barrel)	35.4	▲	-2.58	NA	32.67	0.49	-46.77
Gold (\$/oz)	1746.2	▲	0.79	NA	2.44	7.00	13.95
Platinum (\$/oz)	881.5	▼	2.29	NA	9.02	12.23	-8.76
Copper (\$/MT)*	5259.8	▼	-1.94	NA	1.93	4.48	-14.46

\*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 \$1,746.20/oz.

On Friday, gold prices rose 0.8% to close at \$1,735.50/oz, as rising tensions between the US and China increased demand for the safe haven metal.

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## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil edged 0.7% higher to trade at \$35.36/bL.

On Friday, Brent crude oil declined 2.6% to settle at \$35.13/bL, amid rising US-China tensions and after China announced that it would not set a growth target for 2020. Meanwhile, Baker Hughes reported that US oil rig count fell by 21 to 237 last week.

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## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices declined 0.5% to trade at \$881.50/oz.

On Friday, platinum prices climbed 2.3% to close at \$886.30/oz.

## Major South African corporate news

### Nedbank Group Limited

In its 1Q20 trading update, the company announced that given the uncertain environment, it has withdrawn its 2020 financial guidance and at the same time noted that its medium and long-term targets are under review. Further, non-interest revenue growth during the period was in low single digits as flat commission and fee growth was offset by solid trading income growth across all asset classes. Moreover, group's loan and advances growth in the period was high single digits compared with last year. Additionally, the firm announced that it expects 1H20 HEPS and EPS are to be more than 20.0% lower than the reported HEPS and EPS for the comparable period.

### SA Corporate Real Estate Limited

The company announced that Mr. Ebrahim Seedat would be retiring as Director of the company with effect from 30 June 2020 and would not stand for re-election at the company's next annual general meeting to be held on the same date. Following the above, Ms. Naidene Ford-Hoon (Fok), who was appointed to the Board on 17 July 2019, would be replacing Mr. Seedat as member on the Audit Committee.

## Major global economic news

### UK

In the UK, public sector net borrowing posted a more-than-expected deficit of GBP61.40bn in April, compared to a revised deficit of GBP14.01bn in the prior month.

In April, retail sales plunged 18.1% on a monthly basis in the UK, more than market expectations and compared to a revised drop of 5.2% in the previous month.

### Asia

The Bank of Japan (BoJ), in its latest monetary policy statement, pledged to utilise all necessary fiscal and monetary policy tools to contain the economic downturn caused by the coronavirus pandemic. Also, the central bank pledged to buy as much bonds as needed to keep 10-year government bond yields around 0%.

### Eurozone

The European Central Bank (ECB), in its latest monetary policy meeting accounts, indicated that it is "fully prepared" to provide additional stimulus as soon as June to support the economy, if existing efforts are not adequate. Moreover, the ECB officials have ruled out the idea of a swift economic rebound from the pandemic.

## 40 best performers on the All Share Index

Company name	Last close	1 Week % change	MTD % change	YTD % change
Pan African Resources Plc	347	-4.93	9.46	60.65
Gold Fields Ltd	14288	-8.85	0.75	50.50
AngloGold Ashanti Ltd	45781	-9.38	-1.48	45.45
Naspers Ltd	306209	-0.36	5.63	33.67
Harmony Gold Mining Co Ltd	6310	-10.31	-8.31	23.24
Steinhoff International Holdings NV	102	2.00	-8.11	21.43
Assore Ltd	31950	0.16	1.09	20.14
Net 1 UEPS Technologies Inc	6073	6.54	-6.98	17.76
British American Tobacco Plc	67370	-1.55	-4.85	15.18
Aspen Pharmacare Holdings Ltd	13448	-0.96	16.29	12.80
Vodacom Group Ltd	12977	0.77	5.32	12.55
Kumba Iron Ore Ltd	43819	13.05	24.24	11.46
Montauk Holdings Ltd	4200	8.64	42.37	10.53
Rebosis Property Fund Ltd	35	75.00	29.63	9.38
JSE Ltd	12013	7.69	16.80	9.06
Trencor Ltd	771	1.58	3.63	6.05
BHP Group Plc	33307	3.83	7.29	4.54
Reinet Investments SCA	27354	-4.68	-7.78	-1.43
African Rainbow Minerals Ltd	15251	12.97	11.87	-1.58
AfroCentric Investment Corp Ltd	318	7.80	-7.35	-1.61
Rhodes Food Group Pty Ltd	1425	0.35	-1.66	-2.81
Oceana Group Ltd	5933	0.56	-2.74	-3.61
Peregrine Holdings Ltd	1760	-2.76	-6.38	-3.78
Cartrack Holdings Ltd	2310	0.43	0.17	-3.89
Sirius Real Estate Ltd	1526	-3.42	-4.68	-4.63
Santam Ltd	26731	3.62	-2.81	-4.89
Quilter Plc	2668	-0.45	-6.22	-6.12
Investec Australia Property Fund	1374	-3.03	5.37	-6.28
Coronation Fund Managers Ltd	3731	7.06	3.21	-6.61
Lighthouse Capital Ltd	775	10.59	10.89	-6.95
Mondi Plc	30287	4.32	-8.18	-7.18
Blue Label Telecoms Ltd	235	7.80	10.85	-8.91
SPAR Group Ltd/The	17910	9.21	1.26	-9.32
Zeder Investments Ltd	185	2.78	-5.13	-11.47
Clicks Group Ltd	22242	0.19	-3.59	-12.25
Exxaro Resources Ltd	10885	4.96	0.96	-12.29
Stenprop Ltd	2075	-1.19	-5.25	-12.33
Anglo American Plc	33876	4.53	2.94	-13.04
Allied Electronics Corp Ltd	2007	1.88	-2.57	-13.12
Equites Property Fund Ltd	1655	3.71	5.29	-13.40
<b>JSE All Share Index</b>	<b>50147</b>	<b>1.04</b>	<b>-0.38</b>	<b>-12.15</b>

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus	Previous	Frequency
Japan	07:00	Leading Economic Index (Mar) (F)	✓✓✓	-	91.70	Monthly
Japan	07:00	Coincident Index (Mar) (F)	✓	-	95.50	Monthly
Germany	08:00	Gross Domestic Product n.s.a. (YoY) (Q1) (F)	✓✓	0.30%	0.20%	Quarterly
Germany	08:00	Gross Domestic Product w.d.a. (YoY) (Q1) (F)	✓✓	-2.30%	0.40%	Quarterly
Germany	08:00	Capital Investment (QoQ) (Q1)	✓	-	-0.20%	Quarterly
Germany	08:00	Private Consumption (QoQ) (Q1)	✓	-	0.00%	Quarterly
Germany	08:00	Government Spending (QoQ) (Q1)	✓	-	0.30%	Quarterly
Germany	08:00	Gross Domestic Product s.a. (QoQ) (Q1) (F)	✓✓✓	-2.20%	-0.10%	Quarterly
Switzerland	08:30	Industrial Production (YoY) (Q1)	✓✓	-	1.60%	Quarterly
Spain	09:00	Producer Price Index (MoM) (Apr)	✓	-	-3.10%	Monthly
Spain	09:00	Producer Price Index (YoY) (Apr)	✓	-	-5.00%	Monthly
Germany	10:00	IFO - Business Climate (May)	✓✓✓	78.80	74.30	Monthly
Germany	10:00	IFO - Expectations (May)	✓✓	75.00	69.40	Monthly
Germany	10:00	IFO - Current Assessment (May)	✓✓	81.90	79.50	Monthly
Switzerland	10:00	Domestic Sight Deposits (CHF) (22-May)	✓	-	CHF591000.00mn	Weekly
Switzerland	10:00	Total Sight Deposits (CHF) (22-May)	✓	-	CHF673500.00mn	Weekly
Canada	19:30	BoC Governor Poloz Speech	✓✓✓	-	-	As Scheduled

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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