

ONE  
Minute Brief

8 June 2020

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## Economic and political news

In South Africa (SA), gross gold & forex reserves fell to a level of USD52.77bn in May, compared to a level of USD53.00bn in the previous month. On the contrary, net gold & forex reserves rose to USD45.53bn in May, compared to a level of USD45.47bn in the previous month.

Health Minister Zweli Mkhize stated that the number of COVID-19 cases in the country had increased to 48,285.

News reports indicate that the Public Servants Association (PSA) and four unions representing health workers and teachers have filed a wage dispute at the Labour Court over the South African government's decision to reverse agreed wage increases due to budgetary constraints.

News report indicate that the South African government has reached an agreement to pay private hospitals and medical practitioners a daily fee of up to ZAR16,000 (USD950) to treat severely ill COVID-19 patients if public hospitals run out of space.

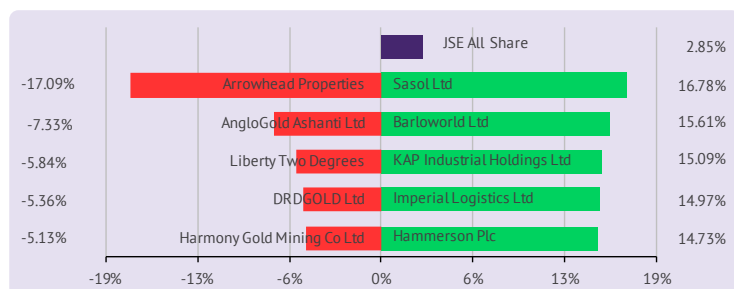
News reports indicate that the South African Reserve Bank (SARB) has increased its holdings of government bonds by ZAR10.2bn in May, as part of the bond-buying programme introduced to address pandemic-related disruptions in the market and inject liquidity into SA's financial system.

## South Africa Market ▲

## South African markets closed higher

South African markets closed in the green on Friday, boosted by gains in banking and financial sector stocks. Data indicated that SA's net gold & forex reserves advanced in May. The JSE All Share Index rose 2.9% to close at 54,722.38.

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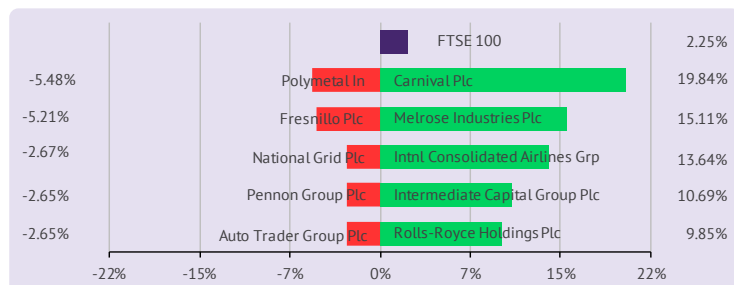


## UK Market ▲

## UK markets closed in the green

UK markets finished higher on Friday, amid optimism surrounding the post-coronavirus economic recovery. The FTSE 100 Index advanced 2.3% to close at 6,484.30. Today, the FTSE 100 futures are trading in positive territory.

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## Key indices

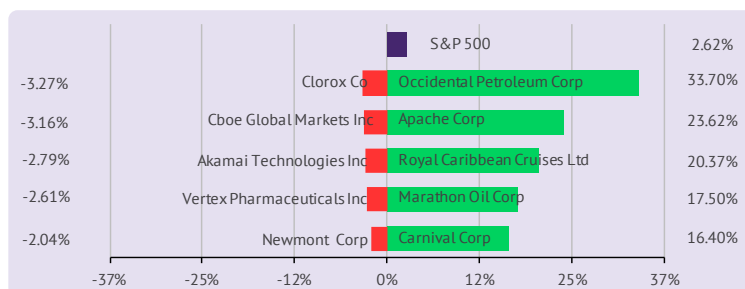
	As at 05 June 2020		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	54722.38	▲	1517.59	2.85	NA	8.40	0.29	-4.14
JSE Top 40 (ZAR)	50199.80	▲	1362.27	2.79	NA	7.85	0.42	-1.21
FTSE 100(GBP)	6484.30	▲	142.86	2.25	NA	6.71	2.97	-14.03
DAX 30 (EUR)	12847.68	▲	417.12	3.36	NA	10.88	6.68	-3.03
CAC 40 (EUR)	5197.79	▲	185.81	3.71	NA	10.70	2.70	-13.05
S&P 500 (USD)	3193.93	▲	81.58	2.62	NA	4.91	4.53	-1.14
Nasdaq Composite (USD)	9814.08	▲	198.27	2.06	NA	3.42	6.75	9.38
DJIA (USD)	27110.98	▲	829.16	3.15	NA	6.81	4.26	-5.00
MSCI Emerging Markets (USD)	1002.65	▲	13.86	1.40	NA	7.77	0.59	-10.05
MSCI Developed World (USD)	2266.76	▲	48.25	2.18	NA	5.53	4.63	-3.89

## US Market ▲

## US markets closed firmer

US markets closed higher on Friday, following stronger-than-expected US jobs data. The S&P 500 Index climbed 2.6% to close at 3,193.93. Today, the S&P 500 futures are trading in the green.

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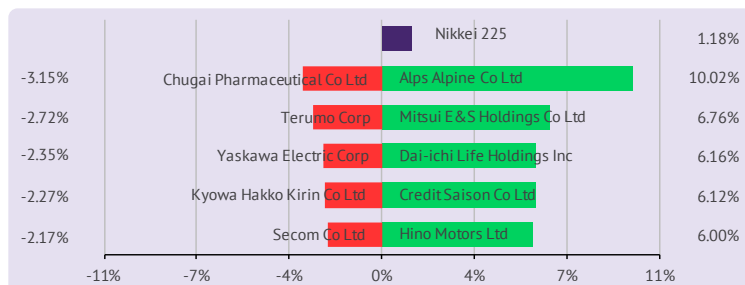


## Asian Market ▲

## Trading higher

Asian markets are trading higher this morning, as robust US jobs report raised hopes of a faster economic rebound. As at 6:00 SAST, the Nikkei 225 Index is trading 1.2% higher at 23,133.09.

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## USD ZAR ▲

### USD trading weaker against ZAR

At 06:00 SAST, the US Dollar is trading 0.4% lower against the South African Rand at R16.8076. 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, US nonfarm payrolls rose in May. Additionally, the unemployment rate unexpectedly dropped in May. Meanwhile, average hourly earnings of all employees fell in May. Moreover, consumer credit declined in April. Separately, the South African Rand rose against the US Dollar, as upbeat US jobs data renewed hopes for a rapid economic recovery. Data indicated that SA's gross gold & forex reserves dropped in May while net gold & forex reserves advanced in May.

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## GBP ZAR ▲

### GBP trading lower against ZAR

At 06:00 SAST, the British Pound marginally fell against the South African Rand to trade at R21.3498. Ahead in the day, traders will keep an eye on UK's BRC like for like sales for further indication.

The British Pound advanced against the South African Rand on Friday. Data indicated that UK's Halifax house price index fell for a third successive month in May.

## EUR ZAR ▲

### EUR trading weaker against ZAR

At 06:00 SAST, the Euro is trading 0.4% lower against the South African Rand at R18.9757. Going forward, market participants will keep a tab on Eurozone's Sentix investor confidence index along with Germany's industrial production for further cues.

The Euro weakened against the South African Rand on Friday. On the data front, Germany's seasonally adjusted factory orders declined more than market consensus on a monthly basis in April, recording its largest decline since the beginning of the time series in January 1991.

## AUD ZAR ▲

### AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.3% weaker against the South African Rand at R11.7174. Elsewhere, in China, Australia's largest trading partner, trade surplus unexpectedly widened in May.

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

## Key currencies & commodities

	Current#		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	16.8076	▲	-0.18	NA	-3.80	-5.29	20.56
GBPZAR	21.3498	▲	0.28	NA	-1.45	-7.13	15.06
EURZAR	18.9757	▲	-0.63	NA	-2.16	-4.05	21.37
AUDZAR	11.7174	▲	0.11	NA	0.43	-2.99	19.47
EURUSD	1.1290	▼	-0.41	NA	1.72	1.33	0.70
GBPUSD	1.2708	▲	0.56	NA	2.63	-1.99	-4.44
Brent (\$/barrel)	42.9	▲	5.78	NA	11.79	42.90	-35.91
Gold (\$/oz)	1691.4	▲	-2.48	NA	-3.49	2.52	10.05
Platinum (\$/oz)	839.9	▲	-4.00	NA	-5.05	7.58	-14.52
Copper (\$/MT)*	5669.4	▲	2.85	NA	5.92	3.72	-7.80

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

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices climbed 0.9% to trade at \$1,691.40/oz.

On Friday, gold prices fell 2.5% to close at \$1,676.20/oz, amid hopes of a swift economic rebound in the global economy.

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## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil rose 1.3% to trade at \$42.87/bl, after the Organisation of the Petroleum Exporting Countries (OPEC) and its allies agreed to extend output cuts until the end of July.

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On Friday, Brent crude oil advanced 5.8% to settle at \$42.30/bl, after

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## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices advanced 1.1% to trade at \$839.90/oz.

On Friday, platinum prices dropped 4.0% to close at \$830.40/oz.

## Major South African corporate news

### Hosken Consolidated Investments Limited

In its FY20 trading statement, the company announced that it expects to report a loss per share compared to an EPS of 826.20c and expects its HEPS to be not more than 20.0% different compared to HEPS of 1200.20c recorded in the same period of the last year.

### Metair Investments Limited

In its operational update, the company announced that it has approved the investments required to support the automotive components vertical business' planned multi-stepped U-shaped Covid-19 recovery plan that is designed on the planned launch of several new models by almost all of the major Original Equipment Manufacturers (OEMs) in SA over the next 2 to 3 years. Further, the approval of a ZAR900.00mn capital investment, including major investments in greenfield facilities, would create approximately 3,300 new employment opportunities.

## Major global economic news

### Asia

In Japan, the preliminary coincident index unexpectedly dropped to 81.50 in April, compared to a revised level of 88.80 in the previous month.

In April, the flash leading economic index fell more-than-expected to 76.20 in Japan, compared to a revised level of 85.10 in the previous month.

In Japan, non-seasonally adjusted current account surplus narrowed to JPY262.70bn in April, compared to a surplus of JPY1971.00bn in the previous month.

In 1Q20, gross domestic product (GDP) dropped 0.6% on a quarterly basis in Japan, more than market consensus and compared to a fall of 0.9% in the previous quarter.

In Japan, trade balance (BOP basis) recorded a deficit of JPY966.50bn in April, compared to a surplus of JPY103.10bn in the prior month.

In China, trade surplus unexpectedly widened to USD62.93bn in May, compared to a revised surplus of USD45.33bn in the previous month.

### US

In the US, nonfarm payrolls climbed by 2509.00K in May, compared to a revised fall of 20,687.00K in the prior month.

In May, average hourly earnings of all employees dropped 1.0% on a monthly basis in the US, compared to a rise of 4.7% in the previous month.

In the US, the unemployment rate unexpectedly fell to 13.3% in May, compared to 14.7% in the prior month.

In April, consumer credit declined by USD68.78bn in the US, compared to a drop of USD12.04bn in the previous month.

### UK

In the UK, the Halifax house price index dropped 0.2% on a monthly basis in May, less than market anticipations and compared to a drop of 0.6% in the prior month.








### Eurozone

In Germany, seasonally adjusted factory orders plunged 25.8% on a monthly basis in April, more than market forecast and compared to a revised drop of 15.0% in the previous month.

## 40 best performers on the All Share Index

Company name	Last close	1 Week % change	MTD % change	YTD % change
Pan African Resources Plc	330	-4.90	4.10	52.78
Gold Fields Ltd	13710	-4.05	-3.33	44.41
AngloGold Ashanti Ltd	42450	-7.28	-8.65	34.87
Naspers Ltd	278829	-8.94	-3.81	21.72
Kumba Iron Ore Ltd	47432	8.25	34.48	20.65
Steinhoff International Holdings NV	101	-0.98	-9.01	20.24
Assore Ltd	31950	0.00	1.09	20.14
British American Tobacco Plc	69340	2.92	-2.07	18.55
Net 1 UEPS Technologies Inc	6073	0.00	-6.98	17.76
Aspen Pharmacare Holdings Ltd	13968	3.87	20.79	17.16
Montauk Holdings Ltd	4285	2.02	45.25	12.76
Harmony Gold Mining Co Ltd	5740	-9.03	-16.59	12.11
Trencor Ltd	798	3.50	7.26	9.76
Vodacom Group Ltd	12623	-2.73	2.44	9.48
Rebosis Property Fund Ltd	35	0.00	29.63	9.38
African Rainbow Minerals Ltd	16875	10.65	23.78	8.90
JSE Ltd	11950	-0.52	16.19	8.49
BHP Group Plc	34406	3.30	10.83	7.99
AfroCentric Investment Corp Ltd	339	6.60	-1.23	4.89
Sirius Real Estate Ltd	1660	8.78	3.69	3.75
Rhodes Food Group Pty Ltd	1485	4.21	2.48	1.28
Mondi Plc	32790	8.26	-0.59	0.49
Exxaro Resources Ltd	12393	13.85	14.95	-0.14
Peregrine Holdings Ltd	1816	3.18	-3.40	-0.72
Quilter Plc	2818	5.62	-0.95	-0.84
Reinet Investments SCA	27500	0.53	-7.29	-0.90
Investec Australia Property Fund	1400	5.60	11.27	-1.03
Blue Label Telecoms Ltd	253	7.66	19.34	-1.94
Cartrack Holdings Ltd	2320	0.43	0.61	-3.48
Santam Ltd	27000	1.01	-1.83	-3.94
Coronation Fund Managers Ltd	3831	2.68	5.98	-4.11
Oceana Group Ltd	5800	-2.24	-4.92	-5.77
Lighthouse Capital Ltd	784	1.16	12.18	-5.87
Anglo American PLC	36555	7.91%	11.08	-6.17
Afrimat Ltd	3100	14.81	19.83	-6.60
Cie Financiere Richemont SA	10213	7.86	-1.97	-6.76
Clicks Group Ltd	23276	4.65	0.89	-8.17
Stenprop Ltd	2151	3.66	-1.78	-9.12
Zeder Investments Ltd	188	1.62	-3.59	-10.04
Allied Electronics Corp Ltd	2078	3.54	0.87	-10.04
<b>JSE All Share Index</b>	<b>54722</b>	<b>8.40</b>	<b>8.40</b>	<b>-4.14</b>

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
 Japan	06:30	Bankruptcies (YoY) (May)	✓✓	-	15.19%	Monthly
 Germany	08:00	Industrial Production s.a. (MoM) (Apr)	✓✓✓	-15.50%	-9.20%	Monthly
 Germany	08:00	Industrial Production n.s.a. and w.d.a. (YoY) (Apr)	✓✓✓	-	-11.60%	Monthly
 Switzerland	10:00	Total Sight Deposits (CHF) (05-Jun)	✓	-	CHF681600.00mn	Weekly
 Switzerland	10:00	Domestic Sight Deposits (CHF) (05-Jun)	✓	-	CHF597900.00mn	Weekly
 Eurozone	10:30	Sentix Investor Confidence (Jun)	✓✓✓	-56.30	-41.80	Monthly
 Canada	14:15	Housing Starts s.a. (May)	✓✓✓	110.00K	171.30K	Monthly

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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