

ONE
Minute Brief

12 June 2020

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Economic and political news

In South Africa (SA), manufacturing production dropped 5.4% on a yearly basis in March, compared to a revised drop of 2.3% in prior month. Additionally, mining production declined 47.3% on an annual basis in April, compared to a drop of 18.0% in the previous month. Moreover, platinum production plunged 62.0% on a yearly basis in April, compared to a decline of 35.1% in the previous month. Also, gold production slumped 59.6% on a yearly basis in April, compared to a rise of 9.5% in the prior month.

The Constitutional Court has ruled that the current Electoral Act is “unconstitutional” due to its existing frameworks and has given the South African parliament 24 months to amend the Electoral Act.

President Cyril Ramaphosa has appointed 10 members of the Presidential State-Owned Enterprises Council (PSEC) to support government in repositioning state-owned enterprises as effective instruments of economic transformation and development.

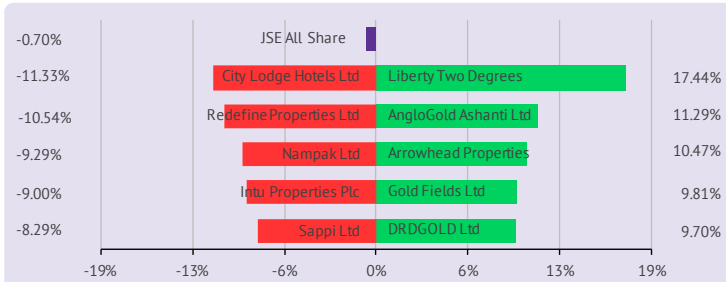
Health Minister Zweli Mkize confirmed that the number of COVID-19 cases in the country had increased to 58,568.

South Africa Market ▼

South African markets closed lower

South African markets closed in the red yesterday, weighed down by losses in banking and financial sector stocks. Data indicated that SA's mining production plunged to a record low level in April. The JSE All Share Index fell 0.7% to close at 53,295.30.

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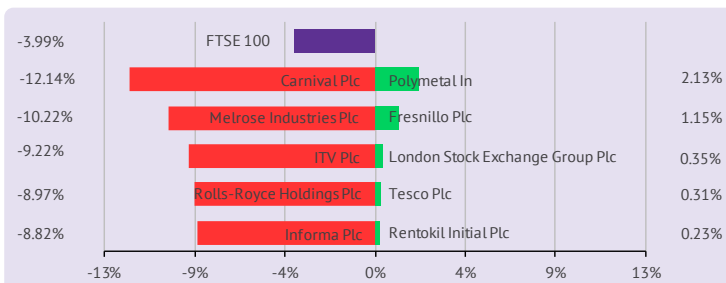


UK Market ▼

UK markets closed in the red

UK markets finished significantly lower yesterday, on growing fears about a second wave of COVID-19 infections in the US. The FTSE 100 Index declined 4.0% to close at 6,076.70. Today, the FTSE 100 futures are trading in positive territory.

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Key indices

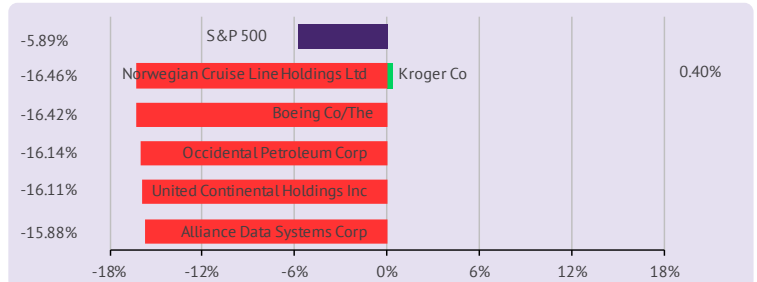
	As at 11 June 2020		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	53295.30	▼	-377.33	-0.70	-2.61	5.57	0.29	-6.64
JSE Top 40 (ZAR)	48892.12	▼	-312.70	-0.64	-2.60	5.04	0.42	-3.79
FTSE 100 (GBP)	6076.70	▼	-252.43	-3.99	-6.29	0.00	2.97	-19.43
DAX 30 (EUR)	11970.29	▼	-559.87	-4.47	-6.83	3.31	6.68	-9.65
CAC 40 (EUR)	4815.60	▼	-237.82	-4.71	-7.35	2.56	2.70	-19.45
S&P 500 (USD)	3002.10	▼	-188.04	-5.89	-6.01	-1.39	4.53	-7.08
Nasdaq Composite (USD)	9492.73	▼	-527.62	-5.27	-3.27	0.03	6.75	5.80
DJIA (USD)	25128.17	▼	-1861.82	-6.90	-7.31	-1.00	4.26	-11.95
MSCI Emerging Markets (USD)	993.59	▼	-18.92	-1.87	-0.90	6.80	0.59	-10.86
MSCI Developed World (USD)	2154.44	▼	-112.93	-4.98	-4.96	0.31	4.63	-8.65

US Market ▼

US markets closed weaker

US markets closed sharply lower yesterday, amid renewed concerns about a new wave of coronavirus infections and a grim economic outlook by the US Federal Reserve (Fed). The S&P 500 Index dropped 5.9% to close at 3,002.10. Today, the S&P 500 futures are trading in the green.

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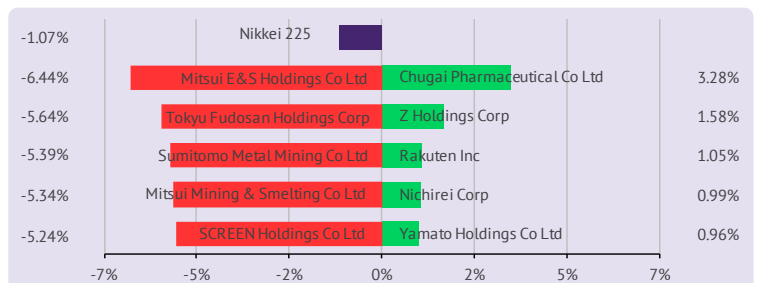


Asian Market ▼

Trading lower

Asian markets are trading lower this morning, tracking overnight losses on Wall Street. As at 6:00 SAST, the Nikkei 225 Index is trading 1.1% lower at 22,231.58.

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USD ZAR ▼

USD trading firmer against ZAR

At 06:00 SAST, the US Dollar gained 0.1% against the South African Rand to trade at R17.1945. Later today, traders will keep a close watch on the US Michigan consumer sentiment index for further direction.

The US Dollar rose against the South African Rand yesterday. On the macro front, the US producer price index (PPI) rebounded on a monthly basis in May. Moreover, the number of initial jobless claims dropped for the tenth straight week in the week ended 05 June 2020. Separately, data indicated that SA's manufacturing production dropped for the tenth consecutive month on a yearly basis in March. Additionally, mining production plunged on an annual basis in April, recording its biggest fall since the mining series began in 1980. Additionally, both platinum production and gold production slumped on an annual basis in April.

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 R21.6210. Ahead in the day, traders will keep an eye on UK's industrial production, manufacturing production, total trade balance, gross domestic product (GDP) and the NIESR GDP estimate for further indication.

The British Pound advanced against the South African Rand yesterday.

EUR ZAR ▼

EUR trading higher against ZAR

At 06:00 SAST, the Euro is trading 0.1% firmer against the South African Rand at R19.4224. Going forward, market participants will keep a tab on Eurozone's industrial production for further cues.

The Euro strengthened against the South African Rand yesterday.

AUD ZAR ▲

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar is trading marginally weaker against the South African Rand at R11.7709.

The Australian Dollar rose against the South African Rand yesterday.

Key currencies & commodities

	Current#		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	17.1945	▼	3.90	1.72	-2.15	-5.29	22.64
GBPZAR	21.6210	▲	2.72	1.32	-0.15	-7.13	16.58
EURZAR	19.4224	▼	3.21	1.82	-0.38	-4.05	23.58
AUDZAR	11.7709	▲	1.83	0.18	0.61	-2.99	19.68
EURUSD	1.1295	▼	-0.66	0.06	1.78	1.33	0.77
GBPUSD	1.2573	▼	-1.14	-0.52	2.10	-1.99	-4.94
Brent (\$/barrel)	37.9	▼	-7.62	-8.87	1.88	42.90	-41.59
Gold (\$/oz)	1731.6	▼	1.09	3.33	-0.28	2.52	13.72
Platinum (\$/oz)	820.5	▼	-2.60	-0.77	-5.79	7.58	-15.17
Copper (\$/MT)*	5741.5	▼	-2.44	1.27	7.27	3.72	-6.63

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

Gold ▼

Trading in the red

At 06:00 SAST, gold prices marginally fell to trade at \$1,731.60/oz.

Yesterday, gold prices rose 1.1% to close at \$1,732.00/oz, as global equities sharply dropped on mounting worries over resurgence of coronavirus infections and weak economic outlook from the US Fed.

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Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 1.7% lower to trade at \$37.89/bl.

Yesterday, Brent crude oil declined 7.6% to settle at \$38.55/bl, amid fears that increasing coronavirus cases would negatively affect oil demand.

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Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices declined 0.4% to trade at \$820.50/oz.

Yesterday, platinum prices dropped 2.6% to close at \$824.00/oz.

Major South African corporate news

Hosken Consolidated Investments Limited

In its FY20 trading statement, the company announced that it expects loss per share to be between 4,571.10c and 4,612.40c, compared to an basic EPS of 826.20c last year. The company also expects its HEPS to be between 1,233.80c and 1,293.80c compared to a HEPS of 1,200.20c in the previous year.

Major global economic news

US

In the US, the PPI advanced 0.4% on a monthly basis in May, more than market expectations and compared to a fall of 1.3% in the previous month.

In the week ended 05 June 2020, the number of initial jobless claims fell to a level of 1542.00K in the US, more than market anticipations and compared to a revised level of 1897.00K in prior week.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	6:30	Capacity Utilisation (MoM) (Apr)	✓	-13.30%*	-3.60%	Monthly
Japan	6:30	Industrial Production (MoM) (Apr) (F)	✓✓✓	-9.80%*	-3.70%	Monthly
Japan	6:30	Industrial Production (YoY) (Apr) (F)	✓✓✓	-15.00%*	-5.20%	Monthly
UK	8:00	Manufacturing Production (MoM) (Apr)	✓	-15.80%	-4.60%	Monthly
UK	8:00	Total Trade Balance (Apr)	✓	-	-GBP6.68bn	Monthly
UK	8:00	Manufacturing Production (YoY) (Apr)	✓	-19.90%	-9.70%	Monthly
UK	8:00	Construction Output s.a. (MoM) (Apr)	✓	-	-5.90%	Monthly
UK	8:00	Construction Output s.a. (YoY) (Apr)	✓	-	-7.10%	Monthly
UK	8:00	Index of Services (MoM) (Apr)	✓	-	-6.20%	Monthly
UK	8:00	Gross Domestic Product s.a. (MoM) (Apr)	✓	-	-0.10%	Monthly
UK	8:00	Index of Services (3M/3M) (Apr)	✓	-2.00%	-1.90%	Monthly
UK	8:00	Industrial Production (MoM) (Apr)	✓	-15.00%	-4.20%	Monthly
UK	8:00	Visible Trade Balance (Apr)	✓	-GBP11.62bn	-GBP12.51bn	Monthly
UK	8:00	Industrial Production (YoY) (Apr)	✓	-19.30%	-8.20%	Monthly
UK	8:00	Trade Balance; non-EU (Apr)	✓	-GBP4.00bn	-GBP4.88bn	Monthly
France	8:45	Consumer Price Index (EU norm) (MoM) (May) (F)	✓✓✓	0.00%	0.00%	Monthly
France	8:45	Consumer Price Index (EU norm) (YoY) (May) (F)	✓✓✓	0.20%	0.40%	Monthly
France	8:45	Consumer Price Index (MoM) (May) (F)	✓✓✓	-	0.00%	Monthly
France	8:45	Consumer Price Index (YoY) (May) (F)	✓✓✓	-	0.30%	Monthly
Spain	9:00	Harmonised Index of Consumer Prices (YoY) (May) (F)	✓✓✓	-0.90%	-0.70%	Monthly
Spain	9:00	Consumer Price Index (MoM) (May) (F)	✓✓✓	0.00%	0.30%	Monthly
Spain	9:00	Consumer Price Index (YoY) (May) (F)	✓✓✓	-1.00%	-0.70%	Monthly
Spain	9:00	Harmonised Index of Consumer Prices (MoM) (May) (F)	✓✓✓	0.00%	0.40%	Monthly
Eurozone	11:00	Industrial Production s.a. (MoM) (Apr)	✓✓✓	-20.00%	-11.30%	Monthly
Eurozone	11:00	Industrial Production w.d.a. (YoY) (Apr)	✓✓✓	-29.50%	-12.90%	Monthly
US	14:30	Import Price Index (YoY) (May)	✓	-9.30%	-6.80%	Monthly
US	14:30	Export Price Index (MoM) (May)	✓	0.60%	-3.30%	Monthly
US	14:30	Export Price Index (YoY) (May)	✓	-	-7.00%	Monthly
US	16:00	Reuters/Michigan Consumer Sentiment Index (Jun) (P)	✓✓✓	75.00	72.30	Monthly
US	19:00	Baker Hughes US Rig Count (12-Jun)	✓✓✓	-	284.00	Weekly

Note: ✓✓✓High ✓✓Medium ✓Low

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