

ONE  
Minute Brief

18 June 2020

GTC  
consult • partner • manage

## Economic and political news

During his address to the nation, President Cyril Ramaphosa announced further easing of level 3 lockdown restrictions, which would allow over 500,000 more people to return to work in sectors that include hotels, personal care services, restaurants and cinemas under strict safety conditions.

The Office of the Chief Justice has announced that former President Jacob Zuma and Thales Group will appear in the Pietermaritzburg High Court next week on 23 June for a pre-trial hearing, with only 25 members of the public allowed to occupy the public gallery.

Health Minister Zweli Mkhize confirmed that the number of COVID-19 cases in South Africa (SA) had increased to 80,412, with 1,674 total fatalities.

According to a new global investment report by the UN, foreign direct investment (FDI) in SA plunged 15% to USD4.6bn (ZAR79bn) in 2019 and is expected to drop further this year, due to the Covid-19 pandemic.

News reports indicate that the status of the final liquidation order of SA Express has been postponed to 6 September 2020.

## Key indices

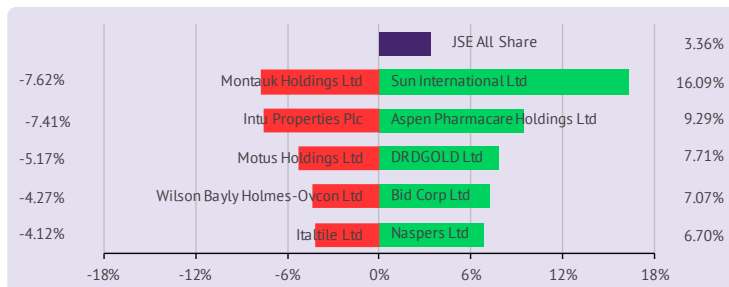
	As at 17 June 2020		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	54027.42	▲	1757.22	3.36	0.72	7.02	0.29	-5.35
JSE Top 40 (ZAR)	49661.14	▲	1741.62	3.63	0.84	6.70	0.42	-2.27
FTSE 100 (GBP)	6253.25	▲	10.46	0.17	2.43	2.91	2.97	-17.09
DAX 30 (EUR)	12382.14	▲	66.48	0.54	3.62	6.86	6.68	-6.54
CAC 40 (EUR)	4995.97	▲	43.51	0.88	3.24	6.40	2.70	-16.43
S&P 500 (USD)	3113.49	▼	-11.25	-0.36	2.37	2.27	4.53	-3.63
Nasdaq Composite (USD)	9910.53	▲	14.66	0.15	3.36	4.43	6.75	10.45
DJIA (USD)	26119.61	▼	-170.37	-0.65	2.01	2.90	4.26	-8.48
MSCI Emerging Markets (USD)	994.62	▲	4.75	0.48	0.77	6.91	0.59	-10.77
MSCI Developed World (USD)	2217.90	▼	-1.20	-0.05	2.47	3.26	4.63	-5.96

## South Africa Market ▲

## South African markets closed higher

South African markets closed in the green yesterday, supported by gains in industrial, banking and financial sector stocks. The JSE All Share Index rose 3.4% to close at 54,027.42.

To Read More Click [Here](#)

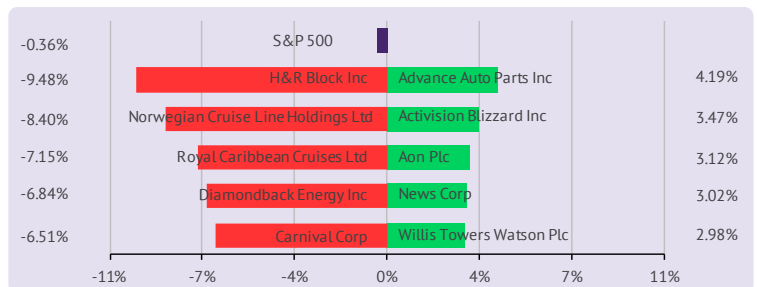


## US Market ▼

## US markets closed mostly weaker

US markets closed mostly lower yesterday, as increasing coronavirus cases stoked fears of a new round of economic lockdowns. The S&P 500 Index dropped 0.4% to close at 3,113.49. Today, the S&P 500 futures are trading in the red.

To Read More Click [Here](#)

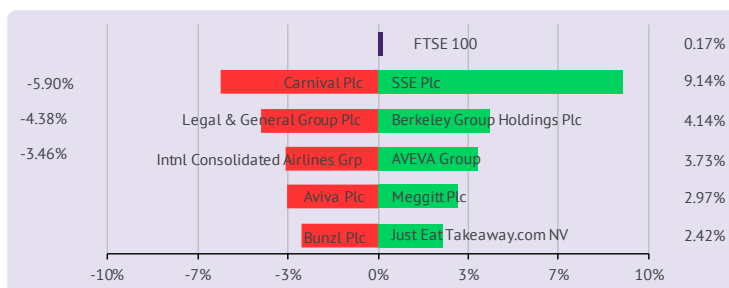


## UK Market ▲

## UK markets closed in the green

UK markets finished higher yesterday, following a string of robust corporate earnings report. The FTSE 100 Index advanced 0.2% to close at 6,253.25. Today, the FTSE 100 futures are trading in positive territory.

To Read More Click [Here](#)

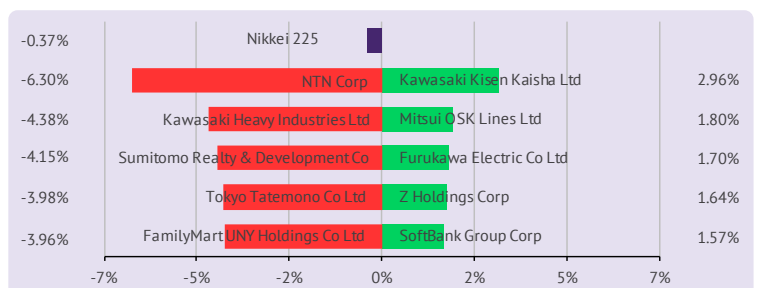


## Asian Market ▼

## 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 0.4% lower at 22,373.21.

To Read More Click [Here](#)



## USD ZAR ▼

### USD trading firmer against ZAR

At 06:00 SAST, the US Dollar climbed 0.1% against the South African Rand to trade at R17.2150. Later today, traders will keep a close watch on the US initial jobless claims and Philadelphia Fed manufacturing index for further direction.

The US Dollar fell against the South African Rand yesterday. On the macro front, the US building permits advanced less-than-expected on a monthly basis in May. Additionally, housing starts rose less than market anticipations on a monthly basis in May. Meanwhile, the MBA mortgage applications advanced on a weekly basis in the week ended 12 June 2020, recording its highest level since 2009.

## GBP ZAR ▼

### GBP trading higher against ZAR

At 06:00 SAST, the British Pound gained 0.1% against the South African Rand to trade at R21.6100. Ahead in the day, traders will keep an eye on the Bank of England's (BoE) interest rate decision and meeting minutes for further indication.

The British Pound declined against the South African Rand yesterday, after UK's consumer inflation slowed to a 4-year low level in May. Data indicated that UK's retail price index unexpectedly fell on monthly basis in May. Moreover, the non-seasonally adjusted output producer price index (PPI) dropped more-than-anticipated in May.

To Read More Click [Here](#)

## EUR ZAR ▼

### EUR trading firmer against ZAR

At 06:00 SAST, the Euro advanced 0.1% against the South African Rand to trade at R19.3667. 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 yesterday. On the data front, Eurozone's consumer price inflation slowed in May, recording its lowest level since June 2016. Moreover, seasonally adjusted construction output declined on a monthly basis in April.

## AUD ZAR ▲

### AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar fell 0.1% against the South African Rand to trade at R11.8314. Earlier in the session, Australia's unemployment rate advanced in May, hitting its highest level since 2001.

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	17.2150	▼	-0.26	0.71	-1.98	-5.29	22.85
GBPZAR	21.6100	▼	-0.41	1.00	-0.37	-7.13	16.32
EURZAR	19.3667	▼	-0.43	0.59	-0.69	-4.05	23.20
AUDZAR	11.8314	▲	-0.34	0.86	1.15	-2.99	20.32
EURUSD	1.1250	▲	-0.18	-0.11	1.29	1.33	0.28
GBPUSD	1.2553	▼	-0.14	0.12	1.72	-1.99	-5.30
Brent (\$/barrel)	40.4	▼	-0.61	5.11	7.58	42.90	-38.32
Gold (\$/oz)	1734.3	▲	-0.02	-0.01	-0.44	2.52	13.53
Platinum (\$/oz)	827.9	▼	-0.68	2.34	-4.16	7.58	-13.71
Copper (\$/MT)*	5741.0	▲	0.75	-0.36	7.26	3.72	-6.64

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

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices rose 0.3% to trade at \$1,734.30/oz.

Yesterday, gold prices marginally fell to close at \$1,729.20/oz, amid strength in the US Dollar.

To Read More Click [Here](#)

## Brent Crude Oil ▼

### Trading weaker

At 06:00 SAST, Brent crude oil edged 0.8% lower to trade at \$40.40/bL, amid fears that resurgence in coronavirus cases would lower fuel demand.

To Read More Click [Here](#)

Yesterday, Brent crude oil declined 0.6% to settle at \$40.71/bL, after the US Energy Information Administration (EIA) reported that crude oil inventories rose by 1.2mn bLs for the week ended 12 June 2020.

To Read More Click [Here](#)

## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices fell 1.2% to trade at \$827.90/oz.

Yesterday, platinum prices dropped 0.7% to close at \$838.20/oz.

## Major South African corporate news

### Aspen Pharmacare Holdings Limited

The company announced that it has noted the preliminary results of a drug trial using dexamethasone in the treatment of patients with COVID-19 requiring respiratory intervention and the related media coverage. Moreover, it confirmed that the company owns rights to this product and distributes both injectables and/or tablets containing dexamethasone in a number of countries. It markets an injectable dexamethasone in SA, which is manufactured locally by a third party.

### Massmart Holdings Limited

In its COVID-19 update, the company announced that restrictions on the sale of liquor and tobacco products remained in place throughout the month of May. Further, missed liquor sales for the months of April and May are estimated to be approximately ZAR2.30bn based on prior year sales. In line with level 3 lockdown regulations in place from 1 June 2020, the company is now able to trade in all product categories with the exception of tobacco and related products. Moreover, total sales for the 19-week period ended 10 May 2020 decreased by 11.9% over the prior year, with comparable store sales decreasing by 12.1% over the same period. Total sales for the 23 weeks ended 7 June 2020 amounted to ZAR34.80bn, which is 10.3% lower than the prior year, while comparable store sales were 10.5% lower than last year.

### Hosken Consolidated Investments Limited

In its FY20 results, the company announced that revenues rose to ZAR14.92bn from ZAR14.33bn posted in the previous year. Its diluted loss per share stood at ZAR45.91, compared to an EPS of ZAR8.21 in the last year.

## Major global economic news

### UK

In the UK, the retail price index unexpectedly dropped 0.1% on monthly basis in May, compared to a flat reading in the previous month.

In May, the CPI rose 0.5% on an annual basis in the UK, in line with market expectations and compared to a rise of 0.8% in the prior month.

In the UK, the non-seasonally adjusted output PPI fell 1.4% on a yearly basis in May, more than market anticipations and compared to a drop of 0.7% in the previous month.

### Eurozone

In the Eurozone, the final CPI rose 0.1% on an annual basis in May, compared to a rise of 0.3% in the previous month. The preliminary figures had also recorded an advance of 0.1%.

In April, seasonally adjusted construction output declined 14.6% on a monthly basis in the Eurozone, compared to a revised fall of 15.7% in the previous month.

### US

In the US, building permits advanced 14.4% to an annual rate of 1.22mn in May, less than market forecast and compared to a revised level of 1.1mn in the previous month.

In May, housing starts rose 4.3% to an annual rate of 0.97mn in the US, less than market consensus and compared to a revised level of 0.93mn in the previous month.

In the US, the MBA mortgage applications advanced 8.0% on a weekly basis in the week ended 12 June 2020, compared to a rise of 9.3% in the previous week.

### Asia

In Australia, seasonally adjusted unemployment rate advanced to 7.1% in May, compared to a revised rate of 6.4% in the previous month.

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	1:50	Japan Buying Foreign Bonds (12-Jun)	✓	JPY1656.60bn*	JPY1065.50bn	Weekly
Japan	1:50	Japan Buying Foreign Stocks (12-Jun)	✓	-JPY186.40bn*	JPY157.40bn	Weekly
Japan	1:50	Foreign Buying Japan Bonds (12-Jun)	✓	-JPY484.30bn*	-JPY738.80bn	Weekly
Japan	1:50	Foreign Buying Japan Stocks (12-Jun)	✓	-JPY440.40bn*	JPY268.70bn	Weekly
Japan	6:00	Tokyo Condominium Sales (YoY) (May)	✓	-	-51.70%	Monthly
Eurozone	10:00	Economic Bulletin	✓✓	-	-	As Scheduled
Eurozone	10:00	ECB Publishes Economic Bulletin	✓✓	-	-	As Scheduled
Italy	10:00	Trade Balance EU (Apr)	✓✓✓	-	EUR0.60bn	Monthly
Italy	10:00	Trade Balance (Apr)	✓✓✓	EUR277.90mn	EUR568.50mn	Monthly
Italy	10:00	Exports (Apr)	✓	-	EUR35937.00mn	Monthly
Italy	10:00	Imports (Apr)	✓	-	EUR30252.00mn	Monthly
Spain	10:00	Trade Balance (Apr)	✓✓✓	-	-EUR2.04bn	Monthly
Switzerland	10:00	SNB press conference	✓✓✓	-	-	As Scheduled
UK	13:00	Monetary Policy Summary	✓	-	-	As Scheduled
UK	13:00	Bank of England Minutes	✓	-	-	As Scheduled
UK	13:00	BoE Asset Purchase Facility	✓	-	GBP375.00bn	As Scheduled
Canada	14:30	Wholesale Sales (MoM) (Apr)	✓✓✓	-12.60%	-2.20%	Monthly
Canada	14:30	Wholesale Sales (Apr)	✓	-	CAD63.90 Bn	Monthly
US	14:30	Philadelphia Fed Manufacturing Survey (Jun)	✓✓	-23.00	-43.10	Monthly
US	14:30	Initial Jobless Claims (13-Jun)	✓✓✓	1300.00K	1542.00K	Weekly
US	14:30	Continuing Jobless Claims (06-Jun)	✓✓✓	19800.00K	20929.00K	Weekly
US	16:00	Leading Indicator (MoM) (May)	✓✓✓	-	-4.40%	Monthly
US	16:30	EIA Natural Gas Storage Change (12-Jun)	✓✓✓	-	93.00 Bcf	Weekly
Canada	19:30	BoC's Schembri speech	✓✓	-	-	As Scheduled

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

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

**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