

ONE  
Minute Brief

29 June 2020

GTC  
consult • partner • manage

## Economic and political news

Fitch warned that the South African government's (SA) intention to stabilise its debt levels within four years "is unlikely to be achieved", citing a weak economy, pressure to fund failing state-owned enterprises (SOEs), and political opposition to structural reforms. Also, the agency warned that South Africa (SA) is on the brink of a further downgrade.

SA's government has won a legal battle challenging a ban on tobacco sales in the country that was imposed in late March as part of lockdown rules.

The Automobile Association expects petrol price in SA to rise by ZAR1.73 per litre and diesel to rise by ZAR1.74 per litre, from 1 July.

Health Minister Zweli Mkhize confirmed that the number of COVID-19 cases in SA had increased to 138,134.

News reports indicate that SA will further ease coronavirus-led lockdown restrictions despite a sharp rise in infections allowing casinos and cinemas to reopen and restaurants to resume sit-down meals.

The Department of Public Enterprises (DPE) has withdrawn from the Leadership Consultative Forum set up to develop a new business plan for South African Airways (SAA).

## Key indices

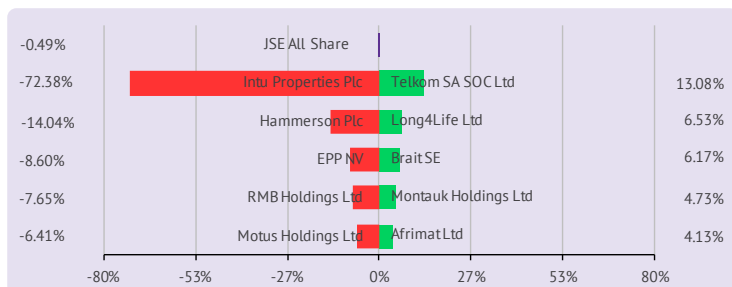
	As at 26 June 2020		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	53648.05	▼	-266.00	-0.49	NA	6.27	0.29	-6.02
JSE Top 40 (ZAR)	49477.85	▼	-255.07	-0.51	NA	6.30	0.42	-2.63
FTSE 100(GBP)	6159.30	▲	12.16	0.20	NA	1.36	2.97	-18.34
DAX 30 (EUR)	12089.39	▼	-88.48	-0.73	NA	4.34	6.68	-8.75
CAC 40 (EUR)	4909.64	▼	-8.94	-0.18	NA	4.56	2.70	-17.87
S&P 500 (USD)	3009.05	▼	-74.71	-2.42	NA	-1.16	4.53	-6.86
Nasdaq Composite (USD)	9757.22	▼	-259.78	-2.59	NA	2.82	6.75	8.74
DJIA (USD)	25015.55	▼	-730.05	-2.84	NA	-1.45	4.26	-12.34
MSCI Emerging Markets (USD)	998.90	▼	-5.55	-0.55	NA	7.37	0.59	-10.39
MSCI Developed World (USD)	2157.19	▼	-36.21	-1.65	NA	0.43	4.63	-8.53

## South Africa Market ▼

## South African markets closed lower

South African markets closed lower for the third consecutive session on Friday, weighed down by losses in banking and financial sector stocks. The JSE All Share Index fell 0.5% to close at 53,648.05.

To Read More Click [Here](#)



## UK Market ▲

## UK markets closed in the green

UK markets finished higher on Friday, amid weakness in the British Pound and hopes over revival in economic activity. The FTSE 100 Index advanced 0.2% to close at 6,159.30. Today, the FTSE 100 futures are trading in positive territory.

To Read More Click [Here](#)

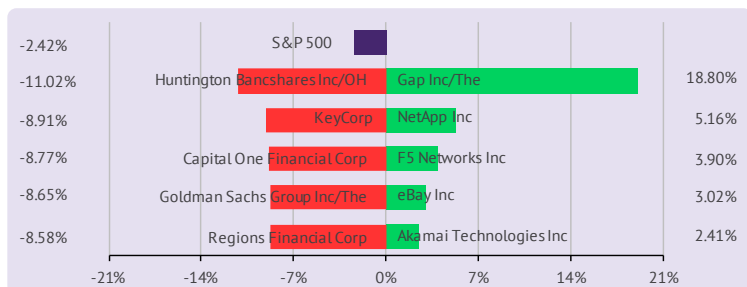


## US Market ▼

## US markets closed weaker

US markets closed in the red on Friday, amid mounting concerns over resurgence in Covid-19 cases and ahead of the results of the Federal Reserve's bank stress tests. The S&P 500 Index dropped 2.4% to close at 3,009.05. Today, the S&P 500 futures are trading in the green.

To Read More Click [Here](#)

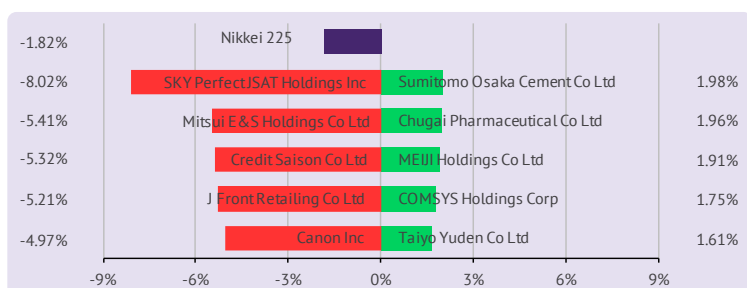


## Asian Market ▼

## Trading lower

Asian markets are trading lower this morning, amid rapidly increasing coronavirus cases around the world. As at 6:00 SAST, the Nikkei 225 Index is trading 1.8% lower at 22,102.10.

To Read More Click [Here](#)



## USD ZAR ▼

### USD trading higher against ZAR

At 06:00 SAST, the US Dollar advanced 0.1% against the South African Rand to trade at R17.3075. Later today, traders will keep a close watch on the US Dallas Fed manufacturing business index and pending homes sales for further direction.

The US Dollar rose against the South African Rand on Friday. On the macro front, the US Michigan consumer sentiment index advanced in June. Moreover, personal income dropped less than market anticipations on a monthly basis in May. Meanwhile, personal spending advanced less than market forecast in May. Separately, the South African Rand fell against the US Dollar, after Fitch Ratings warned that SA would possibly fail to stabilise its debt levels.

To Read More Click [Here](#)

## GBP ZAR ▼

### GBP trading firmer against ZAR

At 06:00 SAST, the British Pound rose 0.4% against the South African Rand to trade at R21.4066. Ahead in the day, traders will keep an eye on UK's mortgage approvals and consumer credit for further indications.

The British Pound advanced against the South African Rand on Friday.

## EUR ZAR ▼

### EUR trading higher against ZAR

At 06:00 SAST, the Euro is trading 0.3% firmer against the South African Rand at R19.4518. Going forward, market participants will keep a tab on Eurozone's services sentiment index, consumer confidence index, business confidence index and economic sentiment indicator for further cues.

The Euro strengthened against the South African Rand on Friday.

## AUD ZAR ▼

### AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar climbed 0.3% against the South African Rand to trade at R11.8995.

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	17.3075	▼	0.85	NA	-1.43	-5.29	23.54
GBPZAR	21.4066	▼	0.10	NA	-1.65	-7.13	14.83
EURZAR	19.4518	▼	0.82	NA	-0.41	-4.05	23.55
AUDZAR	11.8995	▼	0.48	NA	1.39	-2.99	20.61
EURUSD	1.1239	▲	0.01	NA	1.06	1.33	0.05
GBPUSD	1.2367	▲	-0.67	NA	-0.06	-1.99	-6.95
Brent (\$/barrel)	40.3	▼	-0.07	NA	8.40	42.90	-37.85
Gold (\$/oz)	1785.6	▲	1.03	NA	2.50	2.52	16.89
Platinum (\$/oz)	812.0	▲	0.90	NA	-7.40	7.58	-16.63
Copper (\$/MT)*	5953.3	▲	1.19	NA	11.23	3.72	-3.18

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

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices edged 0.3% higher to trade at \$1,785.60/oz.

On Friday, gold prices rose 1.0% to close at \$1,780.30/oz, as a record rise in novel coronavirus cases around the world renewed concerns over global economic recovery.

To Read More Click [Here](#)

## Brent Crude Oil ▼

### Trading weaker

At 06:00 SAST, Brent crude oil dropped 1.8% to trade at \$40.27/bl.

On Friday, Brent crude oil declined 0.1% to settle at \$41.02/bl, amid fears that spike in coronavirus cases in the US and China could dent fuel demand. Meanwhile, Baker Hughes reported that the US oil rig count fell by 1 to 188 last week.

To Read More Click [Here](#)

## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices edged 0.3% higher to trade at \$812.00/oz.

On Friday, platinum prices climbed 0.9% to close at \$809.90/oz.

## Major South African corporate news

### Grindrod Limited

In its pre-close business update, the company announced that trading in 1Q20 of this year was strong throughout most of its sectors. However, the COVID-19 lockdowns in the southern African countries impacted significantly on many of the continuing businesses ability to generate revenue and cover their cost base during 2Q20.

### KAP Industrial Holdings Limited

In its FY20 trading statement and operational update, the company announced that the Integrated Timber division performed well for the year ended 27 March 2020 lockdown. Further, the demand for its products remained buoyant and major maintenance and upgrade projects at its Ugie and Piet Retief particleboard plants were completed on budget. The Automotive Components division was severely impacted by COVID-19 due to some international automotive assembly customers suspending operations before the official South African lockdown. The company expects its HEPS and EPS to at least 45.0% lower than the prior year before the effect of any potential impairment.

### JSE Limited

In its 1H20 trading statement, the company announced that it expects HEPS to be between 540.67c and 577.96c, compared to an HEPS of 466.10c in the same period last year. It expects EPS to be between 541.72c and 579.08c, compared to 467.00c in the prior year.

### Vodacom Group Limited

The company announced the appointment of Mr. Sitho Mdlalose, currently the Executive Director finance of Vodacom SA, to the role of interim Chief Financial Officer (CFO) of the company with effect from 1 July 2020. The appointment of a permanent CFO is well advanced and an announcement is expected to be made in due course.

## Major global economic news

### US

In the US, the final Michigan consumer sentiment index rose to a level of 78.10 in June, compared to a level of 72.30 in the previous month. The preliminary figures had indicated a rise to 78.90.

In May, personal income dropped 4.2% on a monthly basis in the US, less than market forecast and compared to a revised rise of 10.8% in the prior month.

In the US, personal spending jumped 8.2% on a monthly basis in May, less than market expectations and compared to a revised fall of 12.6% in the previous month.

























### Eurozone

European Central Bank (ECB) President, Christine Lagarde, in her speech, cautioned that though the economy 'probably passed lowest point' brought by the coronavirus crisis, the recovery "is going to be incomplete and might be transformational". Moreover, she stated that European leaders are negotiating new fiscal stimulus based on a proposal put forward by the European Commission to raise EUR750bn. However, the deal would likely not emerge as soon as during the next EU summit on July 17-18.

## 40 best performers on the All Share Index

Company name	Last close	1 Week % change	MTD % change	YTD % change
Pan African Resources PLC	354	12.03	7.27	63.89
Gold Fields Ltd	13257	10.48	-3.30	39.64
AngloGold Ashanti Ltd	42774	10.71	0.76	35.90
Kumba Iron Ore Ltd	51308	3.59	8.17	30.51
Naspers Ltd	298000	1.94	6.88	30.09
Steinhoff International Holdings NV	109	-9.17	7.92	29.76
Lighthouse Capital Ltd	1020	2.00	30.10	22.46
Trencor Ltd	592	10.28	10.83	21.65
AfroCentric Investment Corp Ltd	390	0.26	15.04	20.66
Assore Ltd	31950	0.00	0.00	20.14
Aspen Pharmacare Holdings Ltd	14070	-6.37	0.73	18.02
JSE Ltd	12830	-2.01	7.36	16.48
Oceana Group Ltd	7145	7.87	23.19	16.08
Blue Label Telecoms Ltd	296	9.63	17.00	14.73
BHP Group PLC	35890	-2.45	4.31	12.65
African Rainbow Minerals Ltd	17232	-2.61	2.12	11.21
Vodacom Group Ltd	12818	-2.00	1.54	11.17
British American Tobacco PLC	64738	-5.35	-6.64	10.68
Exxaro Resources Ltd	13718	1.61	10.69	10.54
Reinet Investments SCA	30000	-3.41	9.09	8.11
Coronation Fund Managers Ltd	4086	-3.76	11.19	6.63
Stenprop Ltd	2516	12.52	16.97	6.30
Rebosis Property Fund Ltd	34	-8.11	-2.86	6.25
Net 1 UEPS Technologies Inc	5474	9.48	-9.86	6.15
Peregrine Holdings Ltd	1940	4.86	6.83	6.06
Zeder Investments Ltd	221	3.27	17.55	5.75
Montauk Holdings Ltd	4000	-1.23	-6.65	5.26
Harmony Gold Mining Co Ltd	5386	6.59	-6.17	5.20
Santam Ltd	29091	-1.72	7.74	3.50
Investec Australia Property Fund	1450	-5.23	3.57	2.39
Rhodes Food Group Pty Ltd	1500	-6.25	1.01	2.30
Quilter PLC	2882	-6.73	2.27	1.41
Transaction Capital Ltd	2139	12.58	25.01	1.37
Cie Financiere Richemont SA	11047	-3.14	8.17	0.86
Allied Electronics Corp Ltd	2298	-3.12	11.97	0.72
Rand Merchant Investment Holdings Ltd	3030	-0.98	11.52	0.30
Anglo American PLC	39068	-1.47	6.87	0.28
Sirius Real Estate Ltd	1600	-6.16	-3.61	0.00
Raubex Group Ltd	2300	3.9	23.99	-4.13
Cartrack Holdings Ltd	2250	0.00	-0.69	-4.15
<b>JSE All Share Index</b>	<b>53648</b>	<b>-1.06</b>	<b>6.27</b>	<b>-6.02</b>

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus	Previous	Frequency
 Spain	09:00	Harmonised Index of Consumer Prices (YoY) (Jun) (P)	✓✓✓	-0.90%	-0.90%	Monthly
 Spain	09:00	Consumer Price Index (MoM) (Jun) (P)	✓✓✓	0.00%	0.00%	Monthly
 Spain	09:00	Consumer Price Index (YoY) (Jun) (P)	✓✓✓	-0.90%	-0.90%	Monthly
 Spain	09:00	Harmonised Index of Consumer Prices (MoM) (Jun) (P)	✓✓✓	-0.20%	0.10%	Monthly
 UK	10:30	M4 Money Supply (MoM) (May)	✓	0.60%	1.50%	Monthly
 UK	10:30	M4 Money Supply (YoY) (May)	✓	-	9.50%	Monthly
 UK	10:30	Net Consumer Credit (May)	✓	-GBP4.50bn	-GBP7.40bn	Monthly
 UK	10:30	Net Lending Sec. on Dwellings (May)	✓	-	GBP0.30bn	Monthly
 UK	10:30	Mortgage Approvals (May)	✓	-	15.80K	Monthly
 Eurozone	11:00	Economic Sentiment Indicator (Jun)	✓	80.00	67.50	Monthly
 Eurozone	11:00	Industrial Confidence (Jun)	✓	-36.50	-27.50	Monthly
 Eurozone	11:00	Services Sentiment Indicator (Jun)	✓	-	-43.60	Monthly
 Eurozone	11:00	Consumer Confidence (Jun) (F)	✓✓✓	-14.70	-18.80	Monthly
 South Africa	13:00	Food and beverages - Total Income (Mar)	✓	-	ZAR5747.00mn	Monthly
 South Africa	13:00	Sales by Takeaway & Fast Food Outlets (Mar)	✓	-	ZAR1839.70mn	Monthly
 South Africa	13:00	Sales by Takeaway & Fast Food Outlets s.a. (Mar)	✓	-	ZAR2027.10mn	Monthly
 Germany	14:00	Harmonised Index of Consumer Prices (HICP) (MoM) (Jun) (P)	✓✓✓	-0.10%	0.00%	Monthly
 Germany	14:00	Harmonised Index of Consumer Prices (HICP) (YoY) (Jun) (P)	✓✓✓	0.50%	0.50%	Monthly
 Germany	14:00	Consumer Price Index (MoM) (Jun) (P)	✓✓✓	-0.10%	-0.10%	Monthly
 Germany	14:00	Consumer Price Index (YoY) (Jun) (P)	✓✓✓	0.60%	0.60%	Monthly
 US	16:00	Pending Home Sales (MoM) (May)	✓✓	-	-21.80%	Monthly
 US	16:00	Pending Home Sales (YoY) (May)	✓	-44.60%	-33.80%	Monthly
 US	16:30	Dallas Fed Manufacturing Business Index (Jun)	✓✓✓	-59.00	-49.20	Monthly
 US	17:00	Fed's Daly speech	✓✓	-	-	As Scheduled
 South Africa	21:00	SARB Annual Report	✓	-	-	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