

ONE
Minute Brief

6 July 2020

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Economic and political news

In South Africa (SA), the Markit Purchasing Managers' Index (PMI) advanced to a level of 42.50 in June, compared to a level of 32.50 in May.

SA's National Treasury indicated that there was "no further action" planned to bailout South African Airways (SAA) except to settle guaranteed debt.

The National Union of Metalworkers of SA (Numsa) and the South African Cabin Crew Association (Sacca) have threatened to take legal action to prevent the liquidation of SAA and have also called President Cyril Ramaphosa to remove Finance Minister Tito Mboweni.

Health Minister Zweli Mkhize confirmed that the number of COVID-19 cases in SA had increased to 196,750.

S&P Global Ratings has expressed doubt over SA's plan for extensive spending cuts to stabilise the country's soaring debt.

South Africa's central bank has issued a ZAR3.45bn (USD200mn) guarantee to bail out the Corporation for Public Deposits (CPD), a government investment arm hit by surging defaults at state agricultural lender Land Bank.

Key indices

	As at 03 July 2020	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	54521.90	▼	-95.29	-0.17	NA	7.68	-4.49
JSE Top 40 (ZAR)	50179.89	▼	-129.88	-0.26	NA	7.80	-1.25
FTSE 100(GBP)	6157.30	▼	-83.06	-1.33	NA	1.53	-18.36
DAX 30 (EUR)	12528.18	▼	-80.28	-0.64	NA	6.25	-5.44
CAC 40 (EUR)	5007.14	▼	-42.24	-0.84	NA	5.12	-16.24
S&P 500 (USD)*	3130.01	▲	14.15	0.45	NA	1.84	-3.12
Nasdaq Composite (USD)*	10207.63	▲	53.00	0.52	NA	5.99	13.76
DJIA (USD)*	25827.36	▲	92.39	0.36	NA	1.69	-9.50
MSCI Emerging Markets (USD)	1033.09	▲	9.61	0.94	NA	6.96	-7.32
MSCI Developed World (USD)	2226.40	▼	-1.25	-0.06	NA	2.51	-5.60

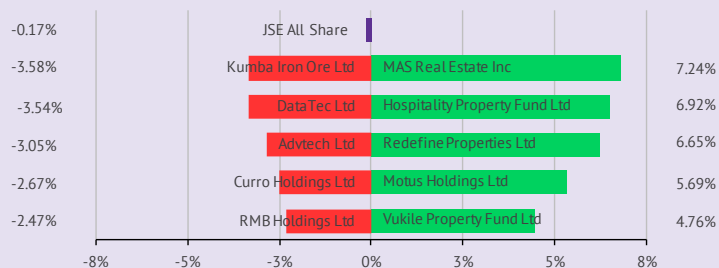
*Values as on 02 July 2020

South Africa Market ▼

South African markets closed lower

South African markets closed in the red on Friday, weighed down by losses in banking, resources and gold mining sector stocks. The JSE All Share Index fell 0.2% to close at 54,521.90.

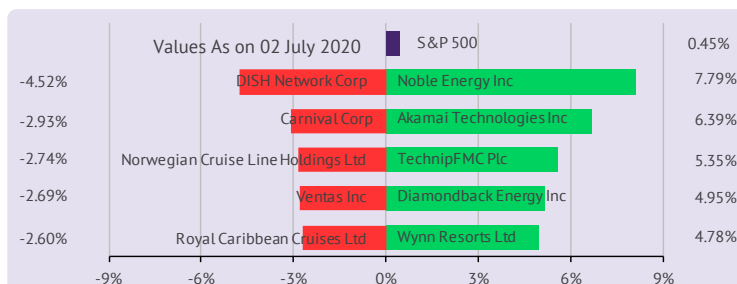
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US Market

US markets were closed on Friday

US markets closed were closed on Friday on account of a public holiday. Today, the S&P 500 futures are trading in the green.

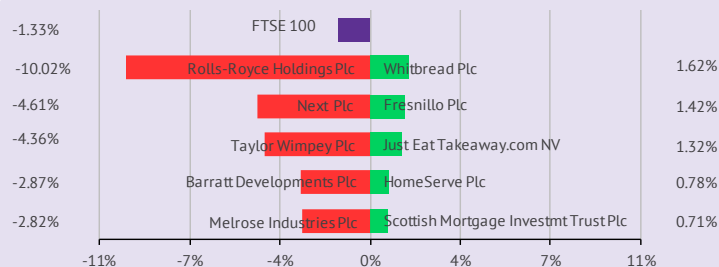


UK Market ▼

UK markets closed in the red

UK markets finished lower on Friday, as spike in the number of COVID-19 cases in the US renewed concerns over global economic recovery. The FTSE 100 Index declined 1.3% to close at 6,157.30. Today, the FTSE 100 futures are trading in positive territory.

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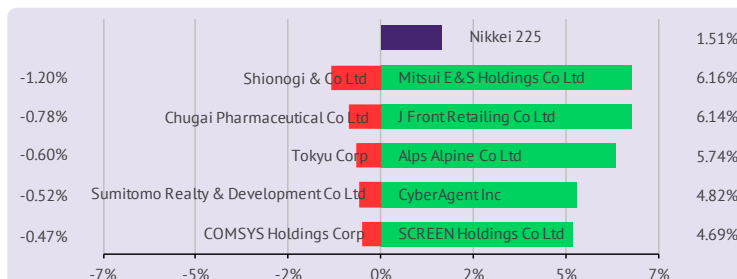


Asian Market ▲

Trading higher

Asian markets are trading higher this morning, amid expectations of more fiscal stimulus from global central banks. As at 6:00 SAST, the Nikkei 225 Index is trading 1.5% higher at 22,643.65.

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USD ZAR ▲

USD trading lower against ZAR

At 06:00 SAST, the US Dollar retreated 0.5% against the South African Rand to trade at R16.9558. Later today, traders will keep a close watch on the US Markit services PMI and the ISM non-manufacturing PMI for further direction.

The US Dollar rose against the South African Rand on Friday. Separately, data indicated that SA's Markit PMI rose to a three-month high level in June.

GBP ZAR ▲

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound declined 0.4% against the South African Rand to trade at R21.1837. Ahead in the day, traders will keep an eye on UK's Markit construction PMI for further indication.

The British Pound advanced against the South African Rand on Friday. Data indicated that UK's final Markit services PMI advanced to a four-month high level in June.

EUR ZAR ▲

EUR trading lower against ZAR

At 06:00 SAST, the Euro is trading 0.2% weaker against the South African Rand at R19.1332. Going forward, market participants will keep a tab on the Eurozone's retail sales and Sentix investor confidence index along with Germany's factory orders for further cues.

The Euro strengthened against the South African Rand on Friday. On the data front, Eurozone's final Markit services PMI climbed in June, hitting its highest level in 4-months. Separately, Germany's final Markit services PMI advanced in June.

AUD ZAR ▲

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% lower against the South African Rand at R11.8109.

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	16.9558	▲	0.42	NA	-1.79	-1.11	21.72
GBPZAR	21.1837	▲	0.55	NA	-1.13	-0.70	14.62
EURZAR	19.1332	▲	0.49	NA	-1.68	0.09	22.08
AUDZAR	11.8109	▲	0.49	NA	-1.31	2.35	20.16
EURUSD	1.1284	▲	0.08	NA	0.12	1.20	0.31
GBPUSD	1.2492	▲	0.12	NA	0.66	0.47	-5.84
Brent (\$/barrel)	43.1	▲	-0.79	NA	3.71	9.06	-35.15
Gold (\$/oz)	1781.0	▼	0.57	NA	-0.58	3.66	17.52
Platinum (\$/oz)	816.5	▼	-0.34	NA	-2.16	-3.88	-15.33
Copper (\$/MT)*	6023.5	▼	-0.78	NA	0.32	12.19	-2.04

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

Gold ▼

Trading in the red

At 06:00 SAST, gold prices dropped 0.5% to trade at \$1,781.00/oz, amid mounting concerns over rising coronavirus cases across the world.

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Trading in gold was closed on Friday on account of a public holiday in the US.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged 0.6% higher to trade at \$43.05/bl.

On Friday, Brent crude oil declined 0.8% to settle at \$42.80/bl, as resurgence in coronavirus cases stoked worries over fuel demand.

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Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged 0.7% lower to trade at \$816.50/oz.

Trading in platinum was closed on Friday on account of public holiday.

Major South African corporate news

Capitec Bank Holdings Limited

In its 1H20 trading statement, the company announced that the national lockdown imposed by the government has resulted in increased credit impairment charges and lower loan sales and transaction volumes, due to which the company incurred a loss of ZAR404.00mn for the quarter ended 31 May 2020. It expects its HEPS and EPS to decline by more than 1,782.00c and 1,784.00c, compared to 2,545.00c and 2,549.00c, respectively, in the same period of last year.

Old Mutual Limited

The company announced that Iain Williamson has been appointed as Chief Executive Officer (CEO) of the company and of Old Mutual Life Assurance Company (South Africa) Limited, with immediate effect.

Major global economic news

Eurozone

In the Eurozone, the final Markit services PMI climbed to 48.30 in June, compared to a level of 30.50 in the previous month. The preliminary figures had recorded an advance to 47.30.

In Germany, the final Markit services PMI rose to 47.30 in June, compared to a reading of 32.60 in the previous month. The preliminary figures had indicated a rise to 45.80.

European Central Bank (ECB) President, Christine Lagarde, in her speech, indicated that downward pressure on prices will persist over the next two years, but could see a turnaround due to the coronavirus pandemic-driven economic transformation. She further added that the pandemic would boost the pre-existing shift toward greater digitisation and automation, shorter supply chains, and greener industries.

UK

In the UK, the final Markit services PMI jumped to 47.10 in June, compared to 29.00 in the previous month. The preliminary figures had indicated an advance to 47.00.

40 best performers on the All Share Index

Company name	Last close	1 Week % change	MTD % change	YTD % change
Pan African Resources PLC	395	7.92	6.76	82.87
Gold Fields Ltd	16075	4.63	-0.91	69.33
AngloGold Ashanti Ltd	49635	1.88	-1.83	57.70
Harmony Gold Mining Co Ltd	7948	32.29	10.60	55.23
Naspers Ltd	320605	3.31	1.36	39.95
Aspen Pharmacare Holdings Ltd	14407	-0.20	0.39	20.84
Oceana Group Ltd	7331	8.61	2.80	19.11
Rebosis Property Fund Ltd	38	-15.56	11.76	18.75
RMB Holdings Ltd	158	0.6	-3.66	16.54
Kumba Iron Ore Ltd	45050	-4.56	-2.72	14.60
Net 1 UEPS Technologies Inc	5890	-1.80	-1.75	14.21
Lighthouse Capital Ltd	950	0.53	2.15	14.06
JSE Ltd	12500	-0.02	2.46	13.48
Vodacom Group Ltd	12665	1.21	3.01	13.40
Steinhoff International Holdings NV	94	-6.00	-7.84	11.90
British American Tobacco PLC	65306	-1.88	-2.47	11.65
Zeder Investments Ltd	232	3.11	0.43	11.02
Reinet Investments SCA	30561	4.56	0.34	10.13
Investec Australia Property Fund	1540	1.99	1.58	8.74
BHP Group PLC	34622	-1.30	-2.61	8.67
Peregrine Holdings Ltd	1983	1.69	0.92	8.41
African Rainbow Minerals Ltd	16748	-0.02	-0.99	8.08
Trencor Ltd	522	-5.09	0.19%	7.27
Stenprop Ltd	2521	-2.29	-2.81	6.51
Sirius Real Estate Ltd	1695	7.82	6.81	5.94
Blue Label Telecoms Ltd	271	-1.81	3.83	5.04
Quilter PLC	2985	0.71	0.44	5.04
Coronation Fund Managers Ltd	4020	1.57	0.50	4.91
Rhodes Food Group Pty Ltd	1517	3.27	3.20	3.46
Exxaro Resources Ltd	12835	-2.17	-1.60	3.42
Cie Financiere Richemont SA	11118	1.25	0.72	1.51
Telkom SA SOC Ltd	3533	23.10	19.24	1.46
Anglo American PLC	38700	-1.98	-3.57	-0.66
AfroCentric Investment Corp Ltd	320	-17.74	-13.28	-0.99
Rand Merchant Investment Holdings Ltd	2980	3.69	2.05%	-1.36
Santam Ltd	27474	1.94	2.51	-2.25
Mondi PLC	31700	-1.01	-2.26	-2.85
Anglo American Platinum Ltd	121610	-0.07	-3.03	-3.55
Afrimat Ltd	3200	1.59	1.59	-3.59
Cartrack Holdings Ltd	2250	2.27	2.27	-4.15
JSE All Share Index	54522	1.63	0.29	-4.49

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus	Previous	Frequency
Germany	08:00	Factory Orders s.a. (MoM) (May)	✓✓	13.00%	-25.80%	Monthly
Germany	08:00	Factory Orders n.s.a. (YoY) (May)	✓✓✓	-28.00%	-36.60%	Monthly
Spain	09:00	Industrial Output n.s.a. (YoY) (May)	✓✓	-	-33.60%	Monthly
Spain	09:00	Industrial Output s.a. (YoY) (May)	✓✓	-	-33.60%	Monthly
Germany	09:30	Markit Construction PMI (Jun)	✓✓	-	40.10	Monthly
UK	10:00	New Car Registrations (YoY) (Jun)	✓	-	-89.00%	Monthly
Eurozone	10:30	Sentix Investor Confidence (Jul)	✓✓✓	-22.50	-24.80	Monthly
UK	10:30	Markit Construction PMI (Jun)	✓	29.70	28.90	Monthly
Eurozone	11:00	Retail Sales (MoM) (May)	✓✓✓	-15.00%	-11.70%	Monthly
South Africa	11:30	SACCI Business Confidence Index (Jun)	✓	-	77.8	Monthly
US	15:45	Markit Services PMI (Jun) (F)	✓✓✓	46.70	37.50	Monthly
US	15:45	Markit Composite PMI (Jun) (F)	✓✓✓	46.80	37.00	Monthly
US	16:00	ISM Non-Manufacturing PMI (Jun)	✓✓✓	48.90	45.40	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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