

ONE  
Minute Brief

13 July 2020

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## Economic and political news

In his address to the nation, President Cyril Ramaphosa announced that South Africa (SA) would remain on Level 3 of the lockdown regulations and has banned alcohol sales "with immediate effect" and would impose an evening curfew to reduce pressure on its hospitals as coronavirus infections rise rapidly.

President Cyril Ramaphosa announced that the number of COVID-19 cases in SA had increased to 276,242.

News reports indicate that Business for SA (B4SA) has identified 12 key initiatives that would accelerate country's economic recovery and could grow its gross domestic (GDP) product by ZAR1tn, generate 1.5mn jobs and increase tax revenues by ZAR100bn per year.

Ratings agency, Moody's stated that it expects SA's economic activity to rebound in the second half of the year, but would still remain weak. Furthermore, it warned that the Covid-19 could push SA's public debt to nearly 100% of GDP by March 2022.

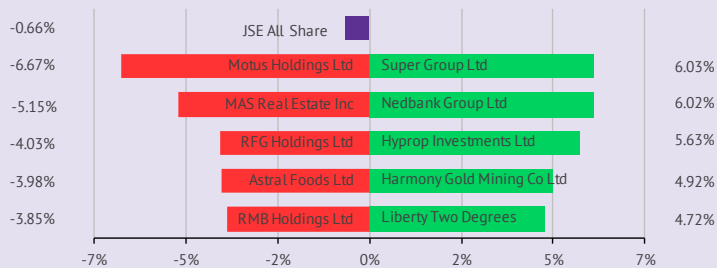
News reports indicate that the South African government is "on course" to provide a funding commitment for the restructuring of South African Airways (SAA). Separately, the crucial vote on the SAA's rescue plan is expected to take place at a creditors' meeting on Tuesday.

## South Africa Market ▼

## South African markets closed lower

South African markets closed in the red on Friday, weighed down by losses in industrial, platinum mining and resources sector stocks. The JSE All Share Index fell 0.7% to close at 55,417.89.

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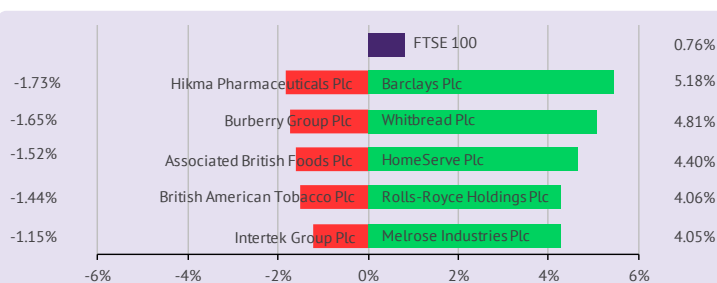


## UK Market ▲

## UK markets closed in the green

UK markets finished higher on Friday, supported by gains in financial and homebuilding sector stocks. The FTSE 100 Index advanced 0.8% to close at 6,095.41. Today, the FTSE 100 futures are trading in positive territory.

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## Key indices

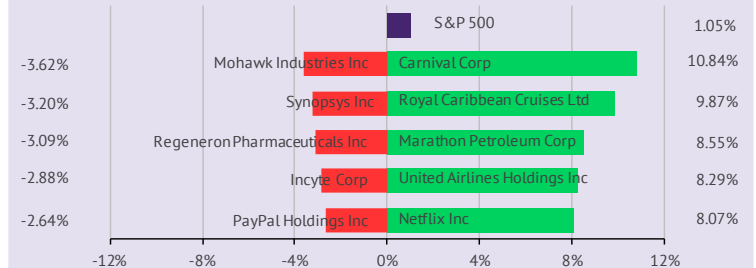
	As at 10 July 2020		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	55417.89	▼	-370.01	-0.66	NA	1.94	7.68	-2.92
JSE Top 40 (ZAR)	51154.08	▼	-382.83	-0.74	NA	1.95	7.80	0.67
FTSE 100(GBP)	6095.41	▲	45.79	0.76	NA	-1.20	1.53	-19.19
DAX 30 (EUR)	12633.71	▲	144.25	1.15	NA	2.62	6.25	-4.64
CAC 40 (EUR)	4970.48	▲	49.47	1.01	NA	0.70	5.12	-16.85
S&P 500 (USD)	3185.04	▲	32.99	1.05	NA	2.73	1.84	-1.42
Nasdaq Composite (USD)	10617.44	▲	69.69	0.66	NA	5.55	5.99	18.33
DJIA (USD)	26075.30	▲	369.21	1.44	NA	1.02	1.69	-8.63
MSCI Emerging Markets (USD)	1069.27	▼	-10.42	-0.96	NA	7.45	6.96	-4.07
MSCI Developed World (USD)	2259.60	▲	18.86	0.84	NA	2.63	2.51	-4.19

## US Market ▲

## US markets closed firmer

US markets closed higher on Friday, amid positive developments in finding a potential coronavirus vaccine. The S&P 500 Index climbed 1.1% to close at 3,185.04. Today, the S&P 500 futures are trading in the green.

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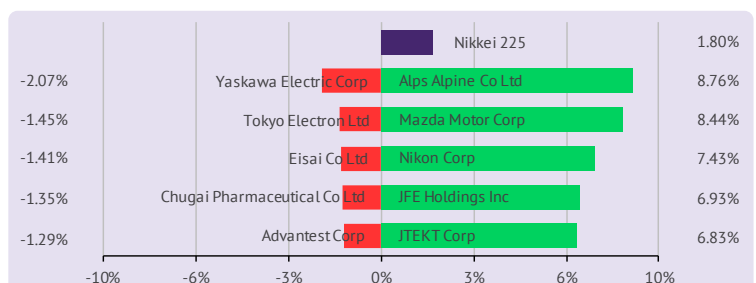


## Asian Market ▲

## Trading higher

Asian markets are trading higher this morning, amid optimism over US corporate earnings results. As at 6:00 SAST, the Nikkei 225 Index is trading 1.8% higher at 22,693.07.

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## USD ZAR ▲

### USD trading lower against ZAR

At 06:00 SAST, the US Dollar fell 0.2% against the South African Rand to trade at R16.7490. Later today, traders will keep a close watch on the US monthly budget statement for further direction.

The US Dollar fell against the South African Rand on Friday. On the macro front, the US producer price index (PPI) unexpectedly dropped on a monthly basis in June.

## GBP ZAR ▼

### GBP trading firmer against ZAR

At 06:00 SAST, the British Pound is trading 0.1% higher against the South African Rand at R21.1994. Ahead in the day, traders will keep an eye on UK's BRC like-for-like retail sales and Bank of England (BoE) Governor Andrew Bailey's speech for further indication.

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

## EUR ZAR ▲

### EUR trading weaker against ZAR

At 06:00 SAST, the Euro marginally dropped against the South African Rand to trade at R18.9721. 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 on Friday.

## AUD ZAR ▼

### AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% higher against the South African Rand at R11.6750.

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

## Key currencies & commodities

	Current <sup>#</sup>		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	16.7490	▲	-0.29	NA	-3.25	-1.11	19.91
GBPZAR	21.1994	▼	-0.25	NA	-1.61	-0.70	14.07
EURZAR	18.9721	▲	-0.12	NA	-2.64	0.09	20.88
AUDZAR	11.6750	▼	-0.52	NA	-2.62	2.35	18.56
EURUSD	1.1327	▲	0.13	NA	0.59	1.20	0.78
GBPUSD	1.2656	▲	0.13	NA	1.78	0.47	-4.79
Brent (\$/barrel)	42.9	▼	2.10	NA	4.77	9.06	-34.48
Gold (\$/oz)	1808.5	▲	-0.11	NA	0.08	3.66	18.30
Platinum (\$/oz)	838.4	▲	0.00	NA	-0.49	-3.88	-13.88
Copper (\$/MT)*	6418.6	▲	1.88	NA	6.90	12.19	4.38

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

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices edged 0.4% higher to trade at \$1,808.50/oz.

On Friday, gold prices fell 0.1% to close at \$1,801.90/oz.

## Brent Crude Oil ▼

### Trading weaker

At 06:00 SAST, Brent crude oil fell 0.8% to trade at \$42.91/bl.

On Friday, Brent crude oil advanced 2.1% to settle at \$43.24/bl, after the International Energy Agency (IEA) raised its 2020 demand forecast. Additionally, Baker Hughes reported that US oil rig count fell by 4 to 181 last week, registering its lowest level since June 2009.

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## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices edged 0.2% higher to trade at \$838.40/oz.

On Friday, platinum prices remained steady to close at \$836.60/oz.

## Major South African corporate news

### Pan African Resources Plc





In its FY20 operational update, the company announced that gold production increased by 4.1% to 179,575oz, compared to 172,442oz recorded in the last year and 2.0% higher than the revised production guidance of 176,000oz. Group net debt decreased by 49.0% to USD62.50mn from USD123.70mn recorded in last year. Net debt at the 2020 year-end was lower than the previously guided USD70.00mn as a result of better than anticipated production.

## Major global economic news

### US

In the US, the PPI unexpectedly fell 0.2% on a monthly basis in June, compared to a rise of 0.4% in the previous month.

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
 Japan	06:30	Tertiary Industry Index (MoM) (May)	✓✓	-2.10%*	-6.00%	Monthly
 Switzerland	10:00	Total Sight Deposits (CHF) (10-Jul)	✓	-	CHF687000.00mn	Weekly
 Switzerland	10:00	Domestic Sight Deposits (CHF) (10-Jul)	✓	-	CHF605900.00mn	Weekly
 US	20:00	Monthly Budget Statement (Jun)	✓✓✓	-	-USD399.00bn	Monthly

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

## 40 best performers on the All Share Index

Company name	Last close	1 Week % change	MTD % change	YTD % change
Pan African Resources PLC	438	10.89	18.38	102.78
Harmony Gold Mining Co Ltd	9900	24.56	37.77	93.36
Gold Fields Ltd	17732	10.31	9.31	86.78
AngloGold Ashanti Ltd	52564	5.90	3.97	67.00
Naspers Ltd	323990	1.06	2.43	41.43
Aspen Pharmacare Holdings Ltd	14188	-1.52	-1.14	19.01
Kumba Iron Ore Ltd	46304	2.78	-0.01	17.78
Net 1 UEPS Technologies Inc	6025	2.29	0.50	16.83
Steinhoff International Holdings NV	96	2.13	-5.88	14.29
Stenprop Ltd	2694	6.86	3.86	13.82
Oceana Group Ltd	6887	-6.06	-3.42	11.89
Sirius Real Estate Ltd	1750	5.35	12.52	11.61
Lighthouse Capital Ltd	929	-2.21	-0.11	11.54
Zeder Investments Ltd	233	0.43	0.87	11.49
BHP Group PLC	35399	2.24	-0.43	11.11
Cartrack Holdings Ltd	2600	15.56	18.18	10.76
RMB Holdings Ltd	150	-5.06	-8.54	10.64
Trencor Ltd	537	2.87	3.07	10.35
African Rainbow Minerals Ltd	17059	1.86	0.85	10.09
Blue Label Telecoms Ltd	284	4.80	8.81	10.08
Vodacom Group Ltd	12231	-3.43	-0.52	9.51
JSE Ltd	11965	-4.28	-1.93	8.63
Peregrine Holdings Ltd	1963	-1.01	-0.10	7.32
British American Tobacco PLC	61289	-4.52	-6.88	6.61
Reinet Investments SCA	29437	-3.68	-3.35	6.08
Investec Australia Property Fund	1500	-2.60	-1.06	5.92
Anglo American Platinum Ltd	133000	9.37	6.05	5.48
Quilter PLC	2985	0.00	0.44	5.04
Anglo American PLC	40774	5.36	1.60	4.66
Northam Platinum Ltd	12932	10.80	11.29	4.61
Exxaro Resources Ltd	12944	0.85	-0.77	4.30
Coronation Fund Managers Ltd	3979	-1.02	-0.52	3.84
Rebosis Property Fund Ltd	33	-13.16	-2.94	3.13
Cie Financiere Richemont SA	11175	0.51	1.24	2.03
Rand Merchant Investment Holdings Ltd	3000	0.67	2.74	-0.70
Impala Platinum Holdings Ltd	13843	20.63	19.34	-1.93
Rhodes Food Group Pty Ltd	1430	-5.74	-2.72	-2.47
AfroCentric Investment Corp Ltd	315	-1.56	-14.63	-2.54
Telkom SA SOC Ltd	3340	-4.10	14.35	-2.69
Montauk Holdings Ltd	3623	5.78	9.79	-4.66
<b>JSE All Share Index</b>	<b>55418</b>	<b>1.64</b>	<b>1.94</b>	<b>-2.92</b>

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