

# ONE Minute Brief

11 August 2020

**GTC**  
consult • partner • manage

## Economic and political news

In South Africa (SA), net foreign reserves rose to USD48.11bn in July, compared to USD45.74bn in June. Additionally, gross reserves advanced to USD57.88bn in July, compared to USD52.32bn in the previous month.

The South African Reserve Bank (SARB) has further cut its government bond purchases to ZAR2.5bn (USD142mn) in July, bringing its total holdings to ZAR38.4bn.

The Public Investment Corporation (PIC) has appointed Sholto Dolamo as its acting Chief Investment Officer (CIO), with effect from 6 August.

Health Minister Zweli Mkhize confirmed that the number of COVID-19 infections in the country had increased to 563,858.

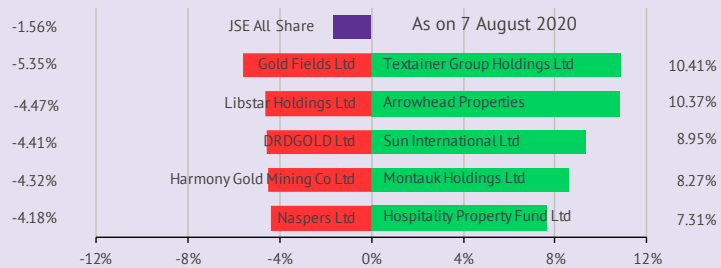
An oral hearing is expected to determine how much former President Jacob Zuma will pay in damages to former Minister Derek Hanekom for calling him a “known enemy agent”.

## South Africa Market ▼

### South African markets closed lower

South African markets closed in the red on Friday, weighed down by losses in industrial and gold mining sector stocks. The JSE All Share Index fell 1.6% to close at 56,757.73.

To Read More Click [Here](#)



## Key indices

	As at 10 Aug 2020	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)*	56757.73	▼ -898.96	-1.56	NA	1.86	2.50	-0.57
JSE Top 40 (ZAR)*	52435.65	▼ -915.23	-1.72	NA	2.08	2.38	3.19
FTSE 100 (GBP)	6050.59	▲ 18.41	0.31	0.31	2.59	-4.41	-19.78
DAX 30 (EUR)	12687.53	▲ 12.65	0.10	0.10	3.04	0.02	-4.24
CAC 40 (EUR)	4909.51	▲ 19.99	0.41	0.41	2.63	-3.09	-17.87
S&P 500 (USD)	3360.47	▲ 9.19	0.27	0.27	2.73	5.51	4.01
Nasdaq Composite (USD)	10968.36	▼ -42.62	-0.39	-0.39	2.08	6.82	22.24
DJIA (USD)	27791.44	▲ 357.96	1.30	1.30	5.16	2.38	-2.62
MSCI Emerging Markets (USD)	1086.45	▼ -2.87	-0.26	-0.26	0.70	8.42	-2.53
MSCI Developed World (USD)	2360.87	▲ 4.90	0.21	0.21	2.42	4.69	0.10

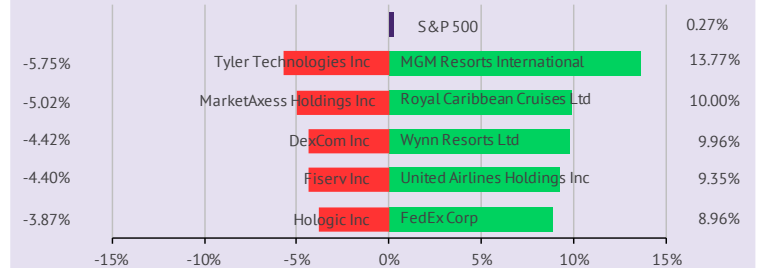
\*Values as on 07 August 2020

## US Market ▲

### US markets closed mostly firmer

US markets closed mostly higher yesterday, as losses in technology sector stocks were offset by gains in industrial and financial sector stocks. The S&P 500 Index climbed 0.3% to close at 3,360.47. Today, the S&P 500 futures are trading in the green.

To Read More Click [Here](#)

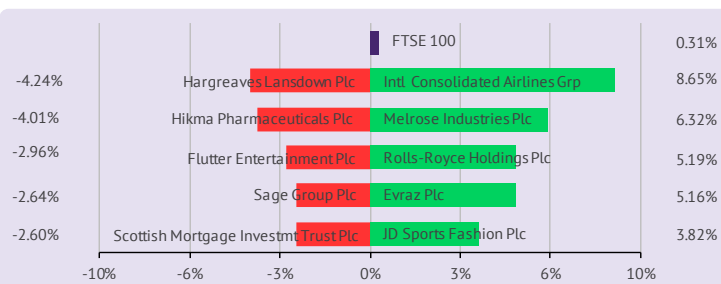


## UK Market ▲

### UK markets closed in the green

UK markets finished higher yesterday, as energy sector stocks gained on the back of higher oil prices. The FTSE 100 Index advanced 0.3% to close at 6,050.59. Today, the FTSE 100 futures are trading in positive territory.

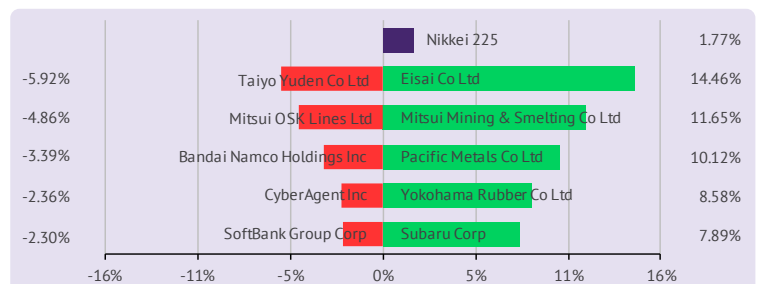
To Read More Click [Here](#)



## Asian Market ▲

### Trading higher

Asian markets are trading higher this morning. As at 6:00 SAST, the Nikkei 225 Index is trading 1.8% higher at 22,725.68.



## USD ZAR ▲

### USD trading lower against ZAR

At 06:00 SAST, the US Dollar is trading 0.3% weaker against the South African Rand at R17.6292. Later today, traders will keep a close watch on the US producer price index (PPI) and the NFIB business optimism index for further direction.

The US Dollar rose against the South African Rand yesterday. On the macro front, the US JOLTS job openings unexpectedly advanced in June.

## GBP ZAR ▲

### GBP trading weaker against ZAR

At 06:00 SAST, the British Pound dropped 0.2% against the South African Rand to trade at R23.0690. Ahead in the day, traders will keep an eye on UK's ILO unemployment rate and average earnings for further indication. Data indicated that UK's BRC retail sales advanced less than market anticipations on a yearly basis in July.

The British Pound advanced against the South African Rand yesterday.

## EUR ZAR ▲

### EUR trading lower against ZAR

At 06:00 SAST, the Euro fell 0.2% against the South African Rand to trade at R20.7120. Going forward, market participants will keep a tab on Eurozone's ZEW economic sentiment index along with Germany's ZEW survey indices for further direction.

The Euro weakened against the South African Rand yesterday. On the data front, Eurozone's Sentix investor confidence index rose in August, recording its highest level since February 2020.

## AUD ZAR ▼

### AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar gained 0.1% against the South African Rand to trade at R12.6569. Earlier in the session, Australia's NAB business confidence index dropped in July. Meanwhile, the NAB business conditions index recorded a flat reading in the same month. Elsewhere, in China, Australia's largest trading partner, the consumer price index (CPI) advanced more-than-expected in July. Additionally, the PPI fell less than market anticipations in July.

The Australian Dollar rose against the South African Rand yesterday.

## Key currencies & commodities

	Current <sup>#</sup>		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	17.6292	▲	0.29	0.29	3.61	-1.61	26.35
GBPZAR	23.0690	▲	0.48	0.48	3.54	3.78	24.58
EURZAR	20.7120	▲	-0.10	-0.10	3.27	3.15	32.26
AUDZAR	12.6569	▼	0.18	0.18	3.70	1.81	28.54
EURUSD	1.1749	▲	-0.42	-0.42	-0.34	4.84	4.68
GBPUSD	1.3087	▲	0.16	0.16	-0.09	5.52	-1.39
Brent (\$/barrel)	45.2	▲	1.33	1.33	3.38	5.45	-31.83
Gold (\$/oz)	2028.2	▲	0.71	0.71	3.14	9.01	32.91
Platinum (\$/oz)	1003.1	▲	3.33	3.33	9.12	9.30	3.22
Copper (\$/MT)*	6393.8	▲	1.36	1.36	-0.44	6.95	3.98

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

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices advanced 0.2% to trade at \$2,028.20/oz.

Yesterday, gold prices rose 0.7% to close at \$2,024.40/oz.

## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil rose 0.5% to trade at \$45.21/bl.

Yesterday, Brent crude oil advanced 1.3% to settle at \$44.99/bl, following positive remarks from Saudi Aramco Chief Executive Amin Nasser about demand recovery and amid upbeat Chinese economic data.

To Read More Click [Here](#)

## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices marginally rose to trade at \$1,003.10/oz.

Yesterday, platinum prices climbed 3.3% to close at \$1,002.70/oz.

## Major South African corporate news

### AngloGold Ashanti Limited

In its 1H20 results, the company announced that revenues increased to USD1.96bn from USD1.58bn posted in the corresponding period of the previous year. Its diluted EPS rose to 91.00c from the same period of the prior year.

### Tsogo Sun Gaming Limited

The company announced that it has, through its wholly owned subsidiary, Tsogo Sun Alternative Gaming Investments Proprietary Limited, concluded an agreement with Niveus Investments Limited (the Vendor), being a related party, in terms of which Alternative Gaming will acquire the entire issued share capital of, and all of the Vendor's claims against, Niveus Invest 9 Proprietary Limited and Cherry Moss Trade and Invest 188 Proprietary Limited (the Sale Equity), collectively representing a 50.1% interest in the Betcoza online betting platform and indirect interests in retail sports betting licences.

### Lewis Group Limited

In its FY20 trading update, the company announced that merchandise sales increased by 4.7% to ZAR3.70bn. Comparable store sales grew by 3.2% for the year. Merchandise sales for March consequently declined by 24.8% over the prior year while sales for 4Q20 reduced by 2.6%. Total revenue, comprising merchandise sales and other revenue, increased by 1.6% in 4Q20. The company expects an EPS to be between 219.00c and 264.30c and its HEPS to be between 237.00c and 282.20c.

## Major global economic news

### Asia

In China, the CPI advanced 2.7% on an annual basis in July, more than market anticipations and compared to a rise of 2.5% in the previous month.

In July, the PPI dropped 2.4% in an annual basis in China, less than market forecast and compared to a fall of 3.0% in the prior month.

In Australia, the NAB business confidence index declined to -14.00 in July, compared to a level of 1.00 in the previous month.

In July, the NAB business conditions index recorded a flat reading in Australia, compared to a level of -7.00 in the prior month.

In Japan, trade deficit (BOP basis) dropped to JPY77.30bn in June, compared to a deficit of JPY556.80bn in the prior month.

In June, current account surplus narrowed less-than-expected to JPY167.50bn in Japan, compared to a surplus of JPY1176.80bn in the previous month.

### UK

In the UK, the BRC retail sales advanced 4.3% on a yearly basis in July, less than market consensus and compared to a jump of 10.9% in the previous month.

### US

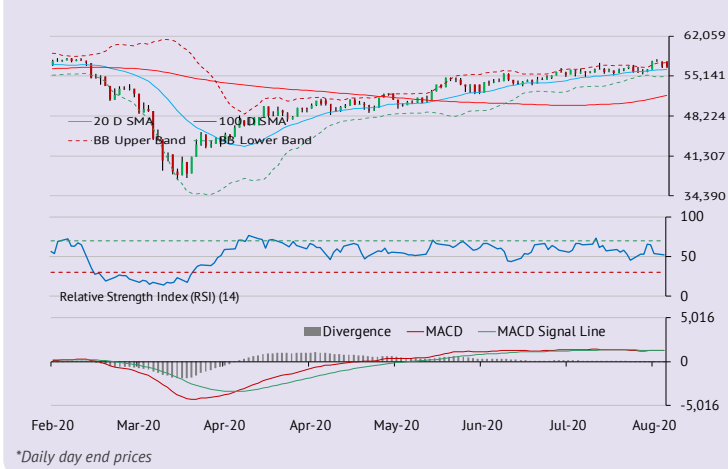
In the US, the JOLTs job openings unexpectedly rose to a level of 5889.00K in June, compared to a revised level of 5371.00K in the previous month.

### Eurozone

In the Eurozone, the Sentix investor confidence index rose to a level of -13.40 in August, more than market expectations and compared to a level of -18.20 in the previous month.

## Technical snapshot

### JSE All Share



The JSE All Share index is expected to find support at 55,694.05, and a fall through could take it to the next support level of 54,630.36. The index is expected to find its first resistance at 57,956.77, and a rise through could take it to the next resistance level of 59,155.80.

### S&P 500



The S&P 500 index is expected to find support at 3,310.13, and a fall through could take it to the next support level of 3,259.79. The index is expected to find its first resistance at 3,387.05, and a rise through could take it to the next resistance level of 3,413.63.

### USD ZAR



The pair is expected to find support at 17.2754, and a fall through could take it to the next support level of 16.8621. The pair is expected to find its first resistance at 17.9442, and a rise through could take it to the next resistance level of 18.1997.

### XAU USD



Gold is expected to find support at \$1,974.47/oz, and a fall through could take it to the next support level of \$1,924.53/oz. The precious metal is expected to find its first resistance at \$2,068.67/oz, and a rise through could take it to the next resistance level of \$2,112.93/oz.

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
UK	01:01	BRC Sales Like-For-Like (YoY) (Jul)	✓	4.30%*	10.90%	Monthly
Japan	01:50	Bank Lending including Trusts (YoY) (Jul)	✓✓	6.30%*	6.20%	Monthly
Japan	01:50	Trade Balance - BOP Basis (Jun)	✓✓	-JPY77.30bn*	-JPY556.80bn	Monthly
Japan	01:50	Current Account n.s.a. (Jun)	✓	JPY167.50bn*	JPY1176.80bn	Monthly
Japan	07:00	Eco Watchers Survey: Outlook (Jul)	✓	48.20	44.00	Monthly
Japan	07:00	Eco Watchers Survey: Current (Jul)	✓✓✓	46.60	38.80	Monthly
UK	08:00	ILO Unemployment Rate (3M) (Jun)	✓✓✓	4.20%	3.90%	Monthly
UK	08:00	Claimant Count Rate s.a. (Jul)	✓	-	7.30%	Monthly
UK	08:00	Claimant Count Change (Jul)	✓✓	-	-28.10K	Monthly
UK	08:00	Average Earnings Including Bonus (3Mo/Yr) (Jun)	✓	-1.20%	-0.30%	Monthly
UK	08:00	Average Earnings Excluding Bonus (3Mo/Yr) (Jun)	✓	-0.10%	0.70%	Monthly
UK	10:30	Employment Change (3M/3M) (Jun)	✓✓	-288.00K	-125.00K	Monthly
Eurozone	11:00	ZEW Survey - Economic Sentiment (Aug)	✓✓	-	59.60	Monthly
Germany	11:00	ZEW Survey - Economic Sentiment (Aug)	✓✓	58.00	59.30	Monthly
Germany	11:00	ZEW Survey - Current Situation (Aug)	✓✓	-68.80	-80.90	Monthly
South Africa	11:30	Unemployment Rate (Q2)	✓✓	-	30.10%	Quarterly
US	12:00	NFIB Small Business Optimism (Jul)	✓	-	100.60	Monthly
South Africa	13:00	Manufacturing Production s.a. (MoM) (Jun)	✓	-	-44.30%	Monthly
South Africa	13:00	Manufacturing Production (YoY) (Jun)	✓✓	-	-49.40%	Monthly
US	14:30	Producer Price Index (Jul)	✓	-	117.60	Monthly
US	14:30	Producer Price Index ex Food & Energy (YoY) (Jul)	✓✓✓	-	0.10%	Monthly
US	14:30	Producer Price Index ex Food & Energy (MoM) (Jul)	✓	-	-0.30%	Monthly
US	14:30	Producer Price Index (YoY) (Jul)	✓✓	-0.70%	-0.80%	Monthly
US	14:30	Producer Price Index (MoM) (Jul)	✓	0.30%	-0.20%	Monthly
US	14:55	Redbook Index (YoY) (07-Aug)	✓✓✓	-	-7.10%	Weekly
Eurozone	15:00	Consolidated Financial Statement of the Eurosystem	✓	-	-	As Scheduled
US	17:00	Fed's Barkin Speech		-	-	As Scheduled
US	18:00	Fed's Daly 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

p P O Box 55118, Illovo, 2116

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

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 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