

# ONE Minute Brief

17 August 2020

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## Economic and political news

President Cyril Ramaphosa has announced that the whole of South Africa (SA) will move to lockdown alert Level 2 from today midnight and stated that the government would end the ban on alcohol and tobacco, allow restaurants and taverns to return to normal business, subject to strict hygiene regulations, and remove the ban on travel between provinces.

Eskom has indicated that the power supply will be severely constrained this week due to the unavailability of eight generation units and delays in its maintenance programme.

The National Treasury stated that it is unable to assist Denel with emergency funding to pay salaries as it has no legal mechanism to do so.

Health Minister Zweli Mkhize confirmed that the number of COVID-19 cases in the country had increased to 587,345.

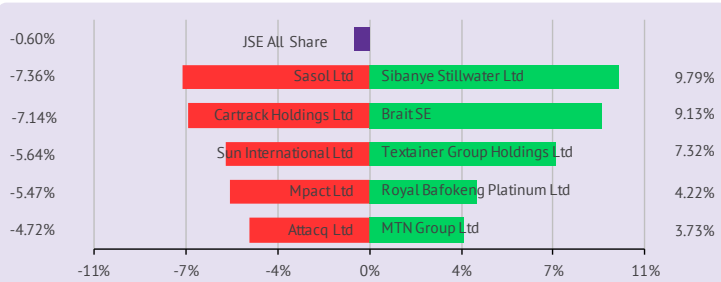
South African coal company Exxaro Resources stated that Eskom had lifted force majeure on coal supply contracts to the state-owned utility's Medupi and Matimba power stations.

## South Africa Market

### South African markets closed lower

South African markets closed in the red on Friday, weighed down by losses in banking, industrial and gold mining sector stocks. The JSE All Share Index fell 0.6% to close at 57,077.48.

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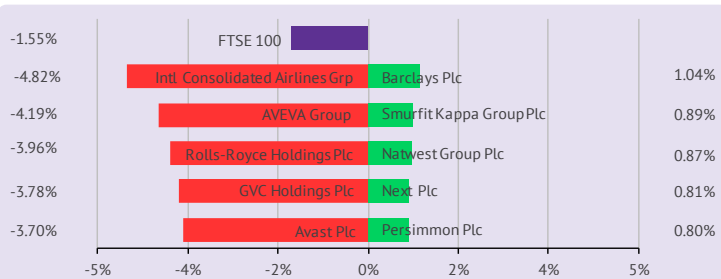


## UK Market

### UK markets closed in the red

UK markets finished lower on Friday, after Britain imposed new quarantine measures on travellers from France and other countries and amid dismal global economic data. The FTSE 100 Index declined 1.6% to close at 6,090.04. Today, the FTSE 100 futures are trading in positive territory.

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## Key indices

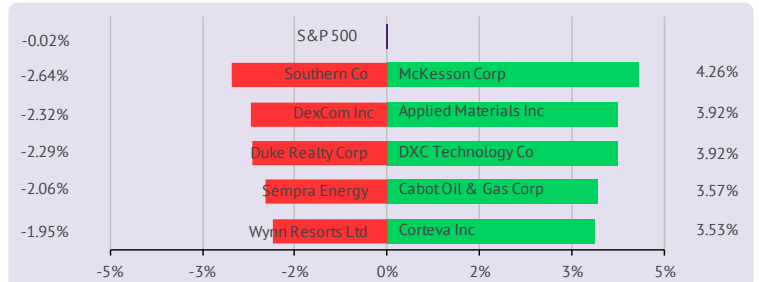
	As at 14 Aug 2020	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	57077.48	▼ -341.98	-0.60	NA	2.43	2.50	-0.01
JSE Top 40 (ZAR)	52737.48	▼ -344.60	-0.65	NA	2.66	2.38	3.78
FTSE 100(GBP)	6090.04	▼ -95.58	-1.55	NA	3.26	-4.41	-19.26
DAX 30 (EUR)	12901.34	▼ -92.37	-0.71	NA	4.78	0.02	-2.62
CAC 40 (EUR)	4962.93	▼ -79.45	-1.58	NA	3.75	-3.09	-16.98
S&P 500 (USD)	3372.85	▼ -0.58	-0.02	NA	3.11	5.51	4.40
Nasdaq Composite (USD)	11019.30	▼ -23.20	-0.21	NA	2.55	6.82	22.81
DJIA (USD)	27931.02	▲ 34.30	0.12	NA	5.69	2.38	-2.13
MSCI Emerging Markets (USD)	1093.16	▼ -3.03	-0.28	NA	1.32	8.42	-1.93
MSCI Developed World (USD)	2384.20	▼ -5.89	-0.25	NA	3.44	4.69	1.09

## US Market

### US markets closed mostly weaker

US markets closed mostly lower on Friday, as disappointing domestic economic data raised concerns over economic recovery. The S&P 500 Index marginally dropped to close at 3,372.85. Today, the S&P 500 futures are trading in the green.

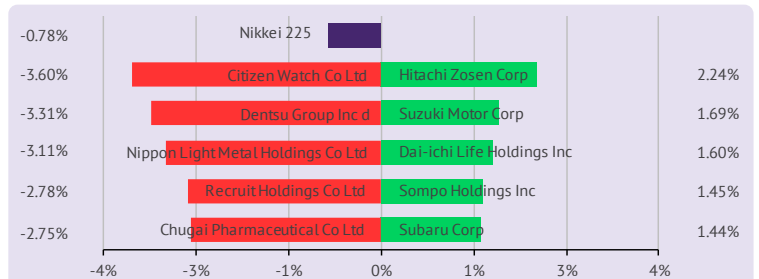
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## Asian Market

### Trading mostly lower

Asian markets are trading mostly lower this morning. As at 6:00 SAST, the Nikkei 225 Index is trading 0.8% lower at 23,107.52.



## USD ZAR ▲

### USD trading lower against ZAR

At 06:00 SAST, the US Dollar retreated 0.1% against the South African Rand to trade at R17.3727. Later today, traders will keep a close watch on the US NY Empire State manufacturing index and the NAHB housing market index for further direction.

The US Dollar fell against the South African Rand on Friday. On the macro front, the US Michigan consumer sentiment index unexpectedly advanced in August. Additionally, manufacturing production advanced in July. Also, industrial production rose for the third straight month in July. Meanwhile, business inventories fell in June. Moreover, retail sales advanced less-than-expected in July.

## GBP ZAR ▼

### GBP trading higher against ZAR

At 06:00 SAST, the British Pound marginally rose against the South African Rand to trade at R22.7559. With no major economic releases in the UK today, investor sentiment will be determined by global macroeconomic news.

The British Pound declined against the South African Rand on Friday. Data indicated that UK's Rightmove house price index fell on a monthly basis in August.

## EUR ZAR ▼

### EUR trading higher against ZAR

At 06:00 SAST, the Euro is trading 0.1% firmer against the South African Rand at R20.6025. Amid no major economic releases across the Eurozone today, market sentiment will be determined by global macroeconomic news.

The Euro strengthened against the South African Rand on Friday. On the data front, Eurozone's seasonally adjusted gross domestic product (GDP) dropped on a quarterly basis in 2Q20, recording its sharpest decline seen since the series began in 1995. Meanwhile, seasonally adjusted trade surplus widened in June.

## 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 R12.4803.

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	17.3727	▲	-0.17	NA	1.85	-1.61	24.20
GBPZAR	22.7559	▼	-0.06	NA	1.85	3.78	22.55
EURZAR	20.6025	▼	0.07	NA	2.42	3.15	31.16
AUDZAR	12.4803	▼	0.09	NA	2.23	1.81	26.72
EURUSD	1.1859	▲	0.24	NA	0.54	4.84	5.61
GBPUSD	1.3098	▲	0.15	NA	0.01	5.52	-1.29
Brent (\$/barrel)	45.1	▲	-0.36	NA	2.94	5.45	-32.12
Gold (\$/oz)	1950.0	▲	-1.01	NA	-1.31	9.01	27.17
Platinum (\$/oz)	961.0	▲	-2.43	NA	4.37	9.30	-1.27
Copper (\$/MT)*	6377.8	▲	1.82	NA	-0.69	6.95	3.72

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

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices edged 0.7% higher to trade at \$1,950.00/oz.

On Friday, gold prices fell 1.0% to close at \$1,937.00/oz, amid strength in the US Treasury yields.

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## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil rose 0.6% to trade at \$45.08/bl, amid China's plans to ship in large volumes of US crude in August and September.

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On Friday, Brent crude oil declined 0.4% to settle at \$44.80/bl, amid growing concerns over energy demand. Meanwhile, Baker Hughes

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## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices edged 0.2% higher to trade at \$961.00/oz.

On Friday, platinum prices dropped 2.4% to close at \$959.10/oz.

## Major South African corporate news

### Investec Property Fund Limited

The company announced that Ms. Zaida Adams has been appointed to the Board of Directors as Chief Financial Officer of Investec Property Fund, with effect from 1 December 2020.

### Tongaat Hulett Limited

In its FY20 results, the company announced that revenues grew 18.0% to ZAR15.40bn. Basic loss per share from continuing operations improved by 84.0% to 212.00c. Further, the company released a statement regarding the proposed disposal of its starch business and announced that there will be a single consolidated determination by the Independent Expert and the sole dispute to be decided by the Independent Expert is whether or not a MAC has occurred.

### Kap Industrial Holdings Limited

In its FY20 trading statement, the company announced that HEPS will be between 12.70c and 15.00c and loss per share will be between 86.80c and 79.80c

### Vukile Property Fund Limited

The company announced that Dr. Sedise Moseneke will step down as an Executive Director and assume the position of Non-Executive Director and member of the Property and Investment Committee, with effect from 1 September 2020. Also, the company, in its trading statement, indicated that dividend per share of 181.48123c in respect of the prior corresponding period, which was based on a dividend pay-out ratio of 100% of distributable earnings, is the base for purposes of its trading statement for the year ended 31 March 2020.

### Sibanye-Stillwater Limited

In its 1H20 trading update, the company announced that it expects basic EPS of 351.00c and HEPS of 350.00c.

## Major global economic news

### US

In the US, the preliminary Michigan consumer sentiment index unexpectedly advanced to 72.80 in August, compared to a level of 72.50 in the previous month.

In July, manufacturing production rose 3.4% on a monthly basis in the US, compared to a revised rise of 7.4% in the prior month.

In the US, industrial production advanced 3.0% on a monthly basis in July, compared to a revised rise of 5.7% in the previous month.

In July, retail sales rose 1.2% on a monthly basis in the US, less than market expectations and compared to a revised rise of 8.4% in the previous month.

In the US, business inventories dropped 1.1% on a monthly basis in June, compared to a fall of 2.3% in the previous month.

### Eurozone

In the Eurozone, seasonally adjusted GDP declined 12.1% on a quarterly basis in 2Q20, in line with market forecast and compared to a drop of 3.6% in the previous quarter.

In June, seasonally adjusted trade surplus widened to EUR17.10bn in the US, compared to a surplus of EUR8.60bn in the previous month.

### UK

In the UK, the Rightmove house price index dropped 0.2% on a monthly basis in August, compared to a revised fall of 0.2% in the previous month.

### Asia

In Japan, GDP declined 7.8% on a quarterly basis in 2Q20, more than market consensus and compared to a drop of 0.6% in the previous month.

## 40 best performers on the All Share Index

Company name	Last close	1 Week % change	MTD % change	YTD % change
Pan African Resources PLC	546	-9.75	-4.71	152.78
Gold Fields Ltd	21393	-9.16	-3.87	125.34
Harmony Gold Mining Co Ltd	10262	-10.62	-6.69	100.43
AngloGold Ashanti Ltd	49555	-8.26	-10.67	57.44
Kumba Iron Ore Ltd	57369	3.30	4.31	45.93
Naspers Ltd	300840	-2.59	-4.42	31.33
African Rainbow Minerals Ltd	20220	1.96	4.15	30.49
BHP Group PLC	41439	2.20	12.04	30.07
Northam Platinum Ltd	15400	7.69	14.90	24.58
Royal Bafokeng Platinum Ltd	6097	11.54	21.55	22.87
Vodacom Group Ltd	13558	4.57	5.57	21.39
Impala Platinum Holdings Ltd	17047	5.53	12.98	20.77
Stenprop Ltd	2746	-0.33	3.23	19.37
Quilter PLC	3390	0.44	3.23	19.29
Steinhoff International Holdings NV	100	0.00	0.00	19.05
Rebosis Property Fund Ltd	38	2.70	18.75	18.75
Aspen Pharmicare Holdings Ltd	13500	1.06	1.93	13.24
Exxaro Resources Ltd	14018	1.07	4.34	12.95
Reinet Investments SCA	31234	0.4	-3.57	12.55
Peregrine Holdings Ltd	2050	1.23	1.54	12.08
Cartrack Holdings Ltd	2600	-15.45	3.22	10.76
Blue Label Telecoms Ltd	285	5.56	3.64	10.47
Oceana Group Ltd	6700	-1.47	-5.57	10.46
Anglo American PLC	42952	-0.71	2.72	10.25
JSE Ltd	12100	2.53	4.31	9.85
AfroCentric Investment Corp Ltd	355	-0.56	-4.05	9.84
Net 1 UEPS Technologies Inc	5660	-1.87	13.20	9.75
Rand Merchant Investment Holdings Ltd	3275	2.76	2.96	8.41
Investec Australia Property Fund	1532	3.37	4.57	8.18
Coronation Fund Managers Ltd	4115	3.31	4.71	7.38
Zeder Investments Ltd	223	-0.89	-8.23	6.71
Mondi PLC	34785	2.16	13.04	6.61
Anglo American Platinum Ltd	134119	2.57	2.84	6.37
Sirius Real Estate Ltd	1648	-3.06	1.29	5.10
Cie Financiere Richemont SA	11444	3.66	7.42	4.48
South32 Ltd	2704	-2.66	8.94	3.42
Trencor Ltd	500	-0.99	0.00	2.75
Discovery Ltd	11994	8.10	8.22	0.64
British American Tobacco PLC	57625	0.28	0.00	0.24
RMB Holdings Ltd	133	-2.92	-2.21	-1.90
<b>JSE All Share Index</b>	<b>57077</b>	<b>0.56</b>	<b>2.43</b>	<b>-0.01</b>

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	06:30	Capacity Utilisation (MoM) (Jun)	✓	6.20%*	-11.60%	Monthly
Japan	06:30	Industrial Production (MoM) (Jun) (F)	✓✓✓	1.90%*	-8.90%	Monthly
Japan	06:30	Industrial Production (YoY) (Jun) (F)	✓✓✓	-18.20%*	-26.30%	Monthly
Switzerland	10:00	Total Sight Deposits (CHF) (14-Aug)	✓	-	CHF695800.00mn	Weekly
Switzerland	10:00	Domestic Sight Deposits (CHF) (14-Aug)	✓	-	CHF628500.00mn	Weekly
Eurozone	11:00	Construction Output s.a. (MoM) (Jun)	✓✓✓	-	27.90%	Monthly
Eurozone	11:00	Construction Output w.d.a. (YoY) (Jun)	✓	-	-11.90%	Monthly
South Africa	11:30	Unemployment Rate (Q2)	✓✓	-	30.10%	Quarterly
South Africa	11:30	Non-Farm Payrolls (QoQ) (Q2)	✓	-	0.00%	Quarterly
Canada	14:30	Foreign Portfolio Investment in Canadian Securities (Jun)	✓	-	CAD22.41bn	Monthly
US	14:30	NY Empire State Manufacturing Index (Aug)	✓✓	16.50	17.20	Monthly
US	16:00	NAHB Housing Market Index (Aug)	✓	60.00	72.00	Monthly
US	22:00	Net Long-Term TIC Flows (Jun)	✓✓	-	USD127.00bn	Monthly
US	22:00	Total Net TIC Flows (Jun)	✓	-	-USD4.50bn	Monthly

Note: ✓✓✓High    ✓✓Medium    ✓Low

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