

# ONE Minute Brief

10 September 2020

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## Economic and political news

In South Africa (SA), the Business Confidence Index (BCI) climbed to 24.00 in 3Q20, compared to a level of 5.00 in the prior quarter.

Health Minister Zweli Mkhize has indicated that the declining number of COVID-19 infections in SA may see the country move to level 1 of lockdown soon. Further, Mkhize confirmed that the number of COVID-19 cases in the country had increased to 642,431.

In his testimony to the Commission of Inquiry into State Capture, Eskom's former Chairman Zola Tsotsi state that his resignation in 2015 was premeditated by his colleagues acting in cahoots with then-Public Enterprises Minister Lynne Brown.

Eskom has indicated that while no load shedding was planned for today, however, the possibility of load shedding remains high.

The Unemployment Insurance Fund (UIF) has suspended the payment of benefit to the Temporary Employer-Employee Relief Scheme (Ters) to beneficiaries, amid audit irregularities.

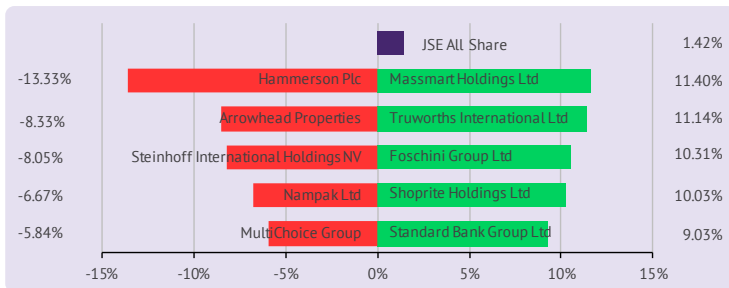
State-owned financier the Industrial Development Corporation (IDC) has appointed Isaac Malevu as its Chief Financial Officer (CFO), with effect from the beginning of October.

## South Africa Market ▲

### South African markets closed higher

South African markets closed in the green yesterday, boosted by gains in banking and financial sector stocks. Data indicated that SA's business confidence index advanced in 3Q20. The JSE All Share Index rose 1.4% to close at 55,211.34.

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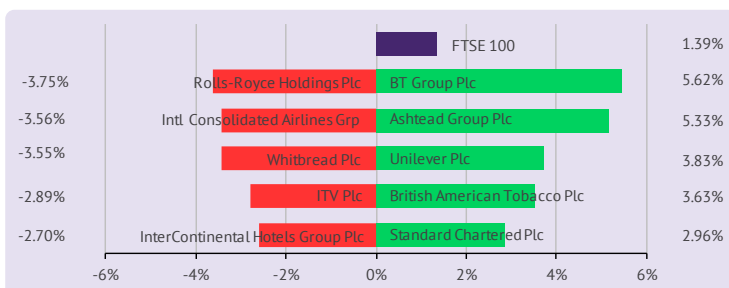


## UK Market ▲

### UK markets closed in the green

UK markets finished firmer yesterday, amid weakness in the British pound. The FTSE 100 Index advanced 1.4% to close at 6,012.84. Today, the FTSE 100 futures are trading in negative territory.

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## Key indices

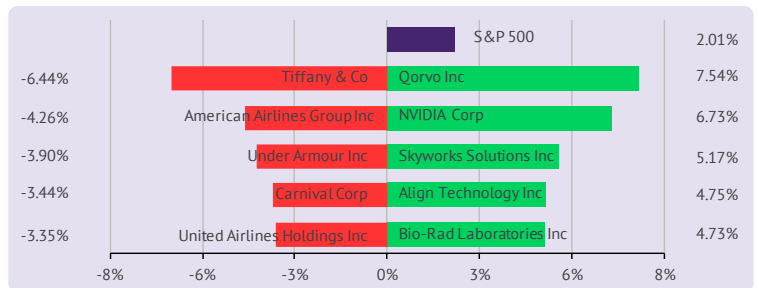
	As at 09 Sept 2020	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	55211.34	▲ 772.52	1.42	2.47	-0.48	-0.44	-3.28
JSE Top 40 (ZAR)	50838.92	▲ 655.96	1.31	2.25	-0.75	-0.28	0.05
FTSE 100 (GBP)	6012.84	▲ 82.54	1.39	3.69	0.83	1.12	-20.28
DAX 30 (EUR)	13237.21	▲ 268.88	2.07	3.07	2.25	5.13	-0.09
CAC 40 (EUR)	5042.98	▲ 69.46	1.40	1.57	1.94	3.42	-15.64
S&P 500 (USD)	3398.96	▲ 67.12	2.01	-0.82	-2.90	7.01	5.21
Nasdaq Composite (USD)	11141.56	▲ 293.87	2.71	-1.52	-5.38	9.59	24.17
DJIA (USD)	27940.47	▲ 439.58	1.60	-0.69	-1.72	7.57	-2.10
MSCI Emerging Markets (USD)	1085.75	▼ -1.76	-0.16	-1.25	-1.43	2.09	-2.59
MSCI Developed World (USD)	2393.75	▲ 39.34	1.67	-0.24	-2.52	6.53	1.50

## US Market ▲

### US markets closed firmer

US markets closed higher yesterday, as investors bought cheaper technology-related stocks. The S&P 500 Index climbed 2.0% to close at 3,398.96. Today, the S&P 500 futures are trading in the red.

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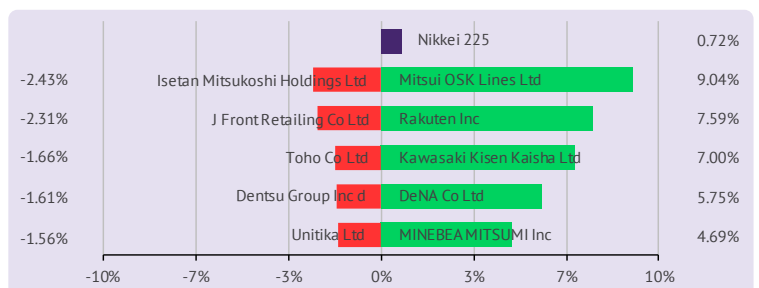


## Asian Market ▲

### Trading higher

Asian markets are trading higher this morning, tracking overnight gains on Wall Street. As at 6:00 SAST, the Nikkei 225 Index is trading 0.7% higher at 23,198.35.

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## USD ZAR ▼

### USD trading higher against ZAR

At 06:00 SAST, the US Dollar rose 0.3% against the South African Rand to trade at R16.6647. Later today, traders will keep a close watch on the US producer price index (PPI) and initial jobless claims for further direction.

The US Dollar fell against the South African Rand yesterday. On the macro front, the US JOLTs job openings unexpectedly rose for the third consecutive month in July. Additionally, the MBA mortgage applications rose in the week ended 04 September 2020. Separately, data indicated that SA's business confidence improved in 3Q20.

## GBP ZAR ▼

### GBP trading firmer against ZAR

At 06:00 SAST, the British Pound is trading 0.3% higher against the South African Rand at R21.6551. With no major economic releases in the UK today, investor sentiment will be determined by global macroeconomic news. Data indicated that UK's RICS housing price balance advanced in August, hitting its highest level since 2016.

The British Pound declined against the South African Rand yesterday, amid reports that the government will tweak the European Union Withdrawal Agreement, a move that could break international law.

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## EUR ZAR ▼

### EUR trading higher against ZAR

At 06:00 SAST, the Euro gained 0.5% against the South African Rand to trade at R19.7011. Going forward, market participants will keep a tab on European Central Bank's (ECB) interest rate decision and ECB President Christine Lagarde's speech for further cues.

The Euro weakened against the South African Rand yesterday.

## 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 R12.1158. Earlier in the session, Australia's consumer inflation expectations rose in September.

The Australian Dollar fell against the South African Rand yesterday.

## Key currencies & commodities

	Current#		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	16.6647	▼	-1.96	0.05	-1.96	-0.76	18.64
GBPZAR	21.6551	▼	-1.82	-2.09	-4.65	1.40	16.33
EURZAR	19.7011	▼	-1.77	-0.25	-3.05	0.57	24.87
AUDZAR	12.1158	▼	-1.02	0.16	-3.17	2.45	22.97
EURUSD	1.1822	▲	0.21	-0.30	-1.11	1.34	5.26
GBPUSD	1.2994	▼	0.15	-2.09	-2.75	2.18	-1.92
Brent (\$/barrel)	40.6	▼	2.54	-4.38	-9.92	4.04	-38.20
Gold (\$/oz)	1955.5	▲	0.60	1.07	-1.20	0.39	27.82
Platinum (\$/oz)	922.8	▼	1.60	2.97	-1.39	2.07	-4.79
Copper (\$/MT)*	6758.5	▲	0.94	0.43	0.91	4.29	9.91

\*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 \$1,955.50/oz, amid weakness in the greenback.

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Yesterday, gold prices rose 0.6% to close at \$1,946.80/oz, amid continuing concerns over rising coronavirus cases.

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## Brent Crude Oil ▼

### Trading weaker

At 06:00 SAST, Brent crude oil edged 0.5% lower to trade at \$40.60/bl, after the American Petroleum Institute (API) reported that crude oil inventories rose by 2.97mn bls last week.

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Yesterday, Brent crude oil advanced 2.5% to settle at \$40.79/bl.

## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices edged 0.2% lower to trade at \$922.80/oz.

Yesterday, platinum prices climbed 1.6% to close at \$924.90/oz.

## Major South African corporate news

### Aspen Pharmacare Holdings Limited

In its FY20 results, the company announced that revenue increased to ZAR38.65bn from ZAR35.51bn posted in the previous year. Its diluted EPS rose to ZAR10.10 from the prior year.

### Growthpoint Properties Limited

In its FY20 results, the company announced that revenues advanced to ZAR12.36bn from ZAR11.55bn recorded in the same period of the preceding year. Its diluted loss per share stood at 229.11c, compared to an EPS of 213.68c recorded in the previous year.

## Major global economic news

### US

In the US, the JOLTs job openings unexpectedly advanced to 6618.00K in July, compared to a revised level of 6001.00K in the previous month.

In the week ended 04 September 2020, the MBA mortgage applications rose 2.9% on a weekly basis in the US, compared to a drop of 2.0% in the previous week.

### UK

In the UK, the RICS housing price balance climbed 44.0% in August, more than market expectations and compared to 12.0% in the previous month.

### Asia

In Australia, the consumer inflation expectations rose to 3.1% in September, from 3.3% in the prior month.

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
UK	01:01	RICS Housing Price Balance (Aug)	✓	44.00%*	12.00%	Monthly
Japan	01:50	Machinery Orders (MoM) (Jul)	✓	6.30%*	-7.60%	Monthly
Japan	01:50	Machinery Orders (YoY) (Jul)	✓✓	-16.20%*	-22.50%	Monthly
France	08:45	Industrial Production (MoM) (Jul)	✓✓✓	5.00%	12.70%	Monthly
France	08:45	Industrial Production (YoY) (Jul)	✓✓✓	-	-11.70%	Monthly
France	08:45	Manufacturing Production (MoM) (Jul)	✓✓✓	-	14.40%	Monthly
France	08:45	Manufacturing Production (YoY) (Jul)	✓✓✓	-	-12.50%	Monthly
South Africa	11:00	Current Account Balance (Q2)	✓	-	ZAR69.70bn	Quarterly
South Africa	11:00	Current Account to GDP (Q2)	✓✓	-	1.30%	Quarterly
South Africa	11:30	Gold Production (YoY) (Jul)	✓	-	-17.00%	Monthly
South Africa	11:30	Mining Production (YoY) (Jul)	✓✓	-	-28.20%	Monthly
South Africa	11:30	Platinum Production (YoY) (Jul)	✓	-	-42.50%	Monthly
Portugal	12:00	Consumer Price Index (MoM) (Aug) (F)	✓	-0.20%	-1.29%	Monthly
Portugal	12:00	Consumer Price Index (YoY) (Aug) (F)	✓	0.00%	0.14%	Monthly
South Africa	13:00	Manufacturing Sales (Jul)	✓	-	ZAR164301477.00	Monthly
South Africa	13:00	Manufacturing Production Index (YoY) (Jul)	✓✓	-	-16.30%	Monthly
South Africa	13:00	Manufacturing Production s.a. (MoM) (Jul)	✓✓	-	16.80%	Monthly
Eurozone	13:45	ECB Interest Rate Decision	✓✓✓	0.00%	0.00%	As Scheduled
Eurozone	13:45	Publication of account of ECB's Monetary Policy Meeting	✓	-	-	As Scheduled
Eurozone	14:30	ECB Monetary policy statement and press conference	✓✓✓	-	-	As Scheduled
US	14:30	Continuing Jobless Claims (29-Aug)	✓✓✓	12925.00K	13254.00K	Weekly
US	14:30	Initial Jobless Claims (05-Sep)	✓✓✓	846.00K	881.00K	Weekly
US	14:30	Producer Price Index (MoM) (Aug)	✓✓✓	0.20%	0.60%	Monthly
US	14:30	Producer Price Index (YoY) (Aug)	✓✓✓	-0.30%	-0.40%	Monthly
US	14:30	Producer Price Index ex Food & Energy (MoM) (Aug)	✓✓	-	0.50%	Monthly
US	14:30	Producer Price Index ex Food & Energy (YoY) (Aug)	✓✓	-	0.30%	Monthly
US	16:00	Wholesale Inventories (MoM) (Jul) (F)	✓✓✓	-	-1.30%	Monthly
US	17:00	EIA Crude Oil Stocks Change (Barrels) (04-Sep)	✓✓✓	-1.08mn	-9.36mn	Weekly

Note: ✓✓✓High    ✓✓Medium    ✓Low

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