

ONE  
Minute Brief

21 October 2020


  
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## Economic and political news

In South Africa (SA), the leading indicator climbed to 103.50 in August, compared to a level of 99.90 in the prior month.

Deputy Auditor-General Tsakani Maluleke has been chosen to become the first female head of the chapter 9 institution after being unanimously recommended for the job by a parliamentary ad hoc committee.

Eskom stated that it is planning to invest ZAR118bn in its transmission network between 2021 and 2030 to add 30 gigawatts of new generation capacity in order to prepare for new connections, especially of renewable energy projects, and to refurbish ageing transmission infrastructure.

The Judicial Conduct Tribunal's probe into a 12-year-old complaint of judicial misconduct against Western Cape judge president John Hlophe has been postponed again, with the new dates for the tribunal being 7 to 11 December.

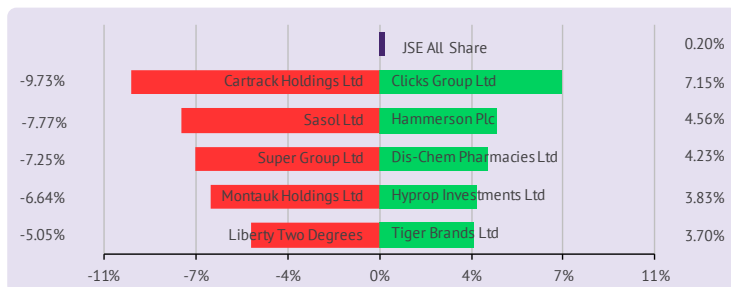
The Chief Financial Officer (CFO) of the Department of Correctional Services, Nick Ligege, is being investigated by the Special Investigating Unit (SIU) for allegedly awarding PPE tenders worth more than ZAR50mn to 23 companies linked to his friends and family members.

## South Africa Market ▲

## South African markets closed higher

South African markets closed in the green yesterday, boosted by gains in industrial sector stocks. Data indicated that SA's leading indicator advanced in August. The JSE All Share Index rose 0.2% to close at 55,271.75.

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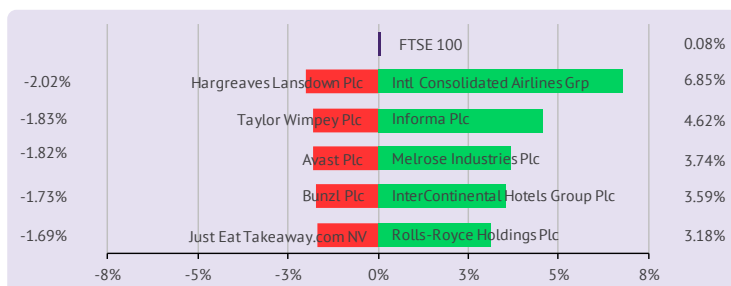


## UK Market ▲

## UK markets closed in the green

UK markets finished higher yesterday, amid optimism over Brexit trade deal. The FTSE 100 Index advanced 0.1% to close at 5,889.22. Today, the FTSE 100 futures are trading in positive territory.

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## Key indices

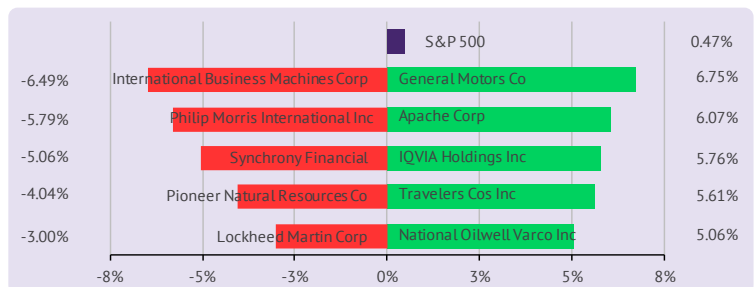
	As at 20 Oct 2020		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	55271.75	▲	110.72	0.20	0.41	1.86	-2.18	-3.17
JSE Top 40 (ZAR)	50851.62	▲	109.68	0.22	0.30	1.62	-2.31	0.07
FTSE 100 (GBP)	5889.22	▲	4.57	0.08	-0.51	0.39	-1.63	-21.92
DAX 30 (EUR)	12736.95	▼	-117.71	-0.92	-1.33	-0.19	-1.43	-3.86
CAC 40 (EUR)	4929.28	▲	0.01	0.00	-0.13	2.62	-2.91	-17.54
S&P 500 (USD)	3443.12	▲	16.20	0.47	-1.17	2.38	-3.92	6.57
Nasdaq Composite (USD)	11516.49	▲	37.61	0.33	-1.33	3.12	-5.16	28.35
DJIA (USD)	28308.79	▲	113.37	0.40	-1.04	1.90	-2.28	-0.80
MSCI Emerging Markets (USD)	1133.94	▲	6.66	0.59	0.88	4.80	-1.77	1.73
MSCI Developed World (USD)	2422.71	▲	5.01	0.21	-0.71	2.34	-3.59	2.72

## US Market ▲

## US markets closed firmer

US markets closed higher yesterday, after House of Representatives Speaker Nancy Pelosi said a coronavirus aid agreement could be accomplished before the election. The S&P 500 Index climbed 0.5% to close at 3,443.12. Today, the S&P 500 futures are trading in the green.

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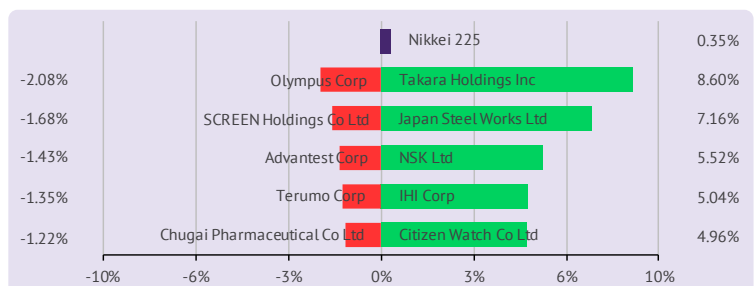


## Asian Market ▲

## Trading mostly higher

Asian markets are trading mostly higher this morning, tracking overnight gains on Wall Street. As at 6:00 SAST, the Nikkei 225 Index is trading 0.4% higher at 23,649.17.

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## USD ZAR ▲

### USD trading weaker against ZAR

At 06:00 SAST, the US Dollar retreated 0.4% against the South African Rand to trade at R16.4241. Later today, traders will keep a close watch on the US MBA mortgage applications and Fed's Beige Book for further direction.

The US Dollar fell against the South African Rand yesterday, amid rising hopes for fiscal stimulus from the US government. On the macro front, the US building permits climbed to its highest level since March 2007 in September. Meanwhile, the nation's housing starts advanced less than market forecast in the same month. Separately, data indicated that SA's leading indicator rose in August.

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## GBP ZAR ▲

### GBP trading lower against ZAR

At 06:00 SAST, the British Pound dropped 0.1% against the South African Rand to trade at R21.3176. Ahead in the day, traders will keep an eye on UK's consumer price index (CPI), public sector net borrowing, retail price index, the producer price index (PPI) and the DCLG house price index for further indication.

The British Pound declined against the South African Rand yesterday.

## EUR ZAR ▲

### EUR trading weaker against ZAR

At 06:00 SAST, the Euro declined 0.1% against the South African Rand to trade at R19.4560. Going forward, market participants will keep a tab on European Central Bank (ECB) President, Christine Lagarde's speech for further cues.

The Euro strengthened against the South African Rand yesterday. On the data front, Eurozone's seasonally adjusted current account surplus widened in August. Separately, Germany's PPI fell less than market forecast in September.

## 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 R11.6279. Earlier in the session, Australia's Westpac leading index rose on a monthly basis in September. Meanwhile, seasonally adjusted retail sales dropped 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	16.4241	▲	-0.22	-0.47	-1.59	-1.14	17.73
GBPZAR	21.3176	▲	-0.23	-0.21	-1.45	-4.39	14.95
EURZAR	19.4560	▲	0.21	0.45	-0.72	-2.94	24.12
AUDZAR	11.6279	▼	-0.48	-0.93	-3.17	-3.98	18.07
EURUSD	1.1846	▲	0.45	0.89	0.86	-1.80	5.43
GBPUSD	1.2978	▲	0.00	0.26	0.22	-3.37	-2.33
Brent (\$/barrel)	42.9	▼	1.27	0.54	2.03	-6.58	-34.61
Gold (\$/oz)	1921.6	▲	0.21	0.51	1.21	-4.21	25.43
Platinum (\$/oz)	872.4	-	1.61	0.94	-3.17	-3.93	-10.19
Copper (\$/MT)*	6879.0	▲	1.78	2.31	3.16	-0.44	11.87

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

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices edged 0.6% higher to trade at \$1,921.60/oz.

Yesterday, gold prices rose 0.2% to close at \$1,910.40/oz, amid weakness in the US Dollar and expectations of coronavirus aid package from the US government.

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## Brent Crude Oil ▼

### Trading weaker

At 06:00 SAST, Brent crude oil fell 0.6% to trade at \$42.89/bl, after the American Petroleum Institute (API) reported that crude oil inventories rose by 584,000 bls to 490.6mn bls for the week ended 16 October 2020.

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Yesterday, Brent crude oil advanced 1.3% to settle at \$43.16/bl, amid hopes that the US was nearing a deal on coronavirus relief package.

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## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices edged marginally lower to trade at \$872.40/oz.

Yesterday, platinum prices climbed 1.6% to close at \$872.40/oz.

## Major South African corporate news

### Pick n Pay Stores Limited

In its 1H21 results, the company announced that revenues rose to ZAR45.21bn from ZAR44.20bn posted in the corresponding period of the previous year. Its diluted EPS dropped to 33.16c compared to the same period of the prior year.

## Major global economic news

### US

In the US, housing starts rose 1.9% on a monthly basis to an annual rate of 1.42mn in September, compared to a revised level of 1.39mn in the previous month.

In September, building permits climbed 5.2% on a monthly basis to an annual rate of 1.55mn in the US, compared to a revised reading of 1.48mn in the prior month.

### Eurozone

In the Eurozone, seasonally adjusted current account surplus widened to EUR19.94bn in August, compared to a surplus of EUR16.95bn in the previous month.

In Germany, the PPI dropped 1.0% on an annual basis in September, less than market expectations and compared to a fall of 1.2% in the previous month.

### Asia

In Australia, the Westpac leading index rose 0.2% on a monthly basis in September, compared to a rise of 0.5% in August.

In September, seasonally adjusted retail sales declined 1.5% on a monthly basis in Australia, compared to a fall of 4.0% in the prior month.

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus	Previous	Frequency
UK	8:00	Retail Price Index (Sep)	✓	-	293.30	Monthly
UK	8:00	Consumer Price Index (MoM) (Sep)	✓	0.50%	-0.40%	Monthly
UK	8:00	Consumer Price Index (YoY) (Sep)	✓	0.50%	0.20%	Monthly
UK	8:00	Consumer Price Index Core (YoY) (Sep)	✓	1.30%	0.90%	Monthly
UK	8:00	PPI Core Output n.s.a. (MoM) (Sep)	✓	0.00%	0.10%	Monthly
UK	8:00	PPI Core Output n.s.a. (YoY) (Sep)	✓	0.10%	0.00%	Monthly
UK	8:00	Producer Price Index - Input n.s.a. (MoM) (Sep)	✓	-0.40%	-0.40%	Monthly
UK	8:00	Producer Price Index - Input n.s.a. (YoY) (Sep)	✓	-5.50%	-5.80%	Monthly
UK	8:00	Producer Price Index - Output n.s.a. (MoM) (Sep)	✓	0.10%	0.00%	Monthly
UK	8:00	Producer Price Index - Output n.s.a. (YoY) (Sep)	✓	-0.90%	-0.90%	Monthly
UK	8:00	Retail Price Index (MoM) (Sep)	✓	0.40%	-0.30%	Monthly
UK	8:00	Retail Price Index (YoY) (Sep)	✓	1.20%	0.50%	Monthly
UK	8:00	Public Sector Net Borrowing (Sep)	✓	GBP32.40bn	GBP35.20bn	Monthly
Eurozone	9:30	ECB's Lagarde Speech	✓	-	-	As Scheduled
UK	10:30	House Price Index (YoY) (Aug)	✓	-	2.30%	Monthly
US	13:00	MBA Mortgage Applications (16-Oct)	✓	-	-0.70%	Weekly
Canada	14:30	Retail Sales (MoM) (Aug)	✓	-	0.60%	Monthly
Canada	14:30	Retail Sales ex Autos (MoM) (Aug)	✓	0.90%	-0.40%	Monthly
Canada	14:30	New Housing Price Index (MoM) (Sep)	✓	0.50%	0.50%	Monthly
Canada	14:30	New Housing Price Index (YoY) (Sep)	✓	-	2.10%	Monthly
Canada	14:30	Consumer Price Index Core (MoM) (Sep)	✓✓	-	0.00%	Monthly
Canada	14:30	Consumer Price Index Core (YoY) (Sep)	✓✓	-	0.80%	Monthly
Canada	14:30	Consumer Price Index Core s.a. (MoM) (Sep)	✓✓	-	0.10%	Monthly
Canada	14:30	Consumer Price Index n.s.a. (MoM) (Sep)	✓✓✓	-0.10%	-0.10%	Monthly
Canada	14:30	Consumer Price Index (YoY) (Sep)	✓✓✓	0.40%	0.10%	Monthly
Canada	14:30	Consumer Price Index s.a. (MoM) (Sep)	✓✓✓	-	0.10%	Monthly
US	16:30	EIA Crude Oil Stocks Change (Barrels) (16-Oct)	✓✓✓	-0.24mn	-3.82mn	Weekly
US	20:00	Fed's Beige Book	✓✓✓	-	-	As Scheduled

Note: ✓✓✓High    ✓✓Medium    ✓Low

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