

ONE
Minute Brief

02 October 2020

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Economic and political news

In South Africa, the Absa Purchasing Managers' Index (PMI) rose to a level of 58.30 in September, compared to a level of 57.30 in the previous month. Meanwhile, electricity consumption fell 0.4% on a yearly basis in August, compared to a revised decline of 3.40% in the previous month. Moreover, electricity production dropped 2.4% on an annual basis in August, compared to a fall of 4.5% in the prior month.

During a media briefing, Agriculture, Land Reform and Rural Development Minister Thoko Didiza stated that the government plans to lease 700,000 hectares (1.73mn acres) of state land to black farmers across the country. Meanwhile, applications for the land, comprising 896 farms in 7 of the country's provinces, will open in two weeks. Successful applicants will be given a 30-year leasehold with an option to buy.

The High Court in Johannesburg has indicted former Bosasa executive Angelo Agrizzi and senior ANC politician Vincent Smith on charges of corruption and fraud.

Health Minister Zweli Mkhize confirmed that the number of Covid-19 cases in the country had increased to 676,084.

Key indices

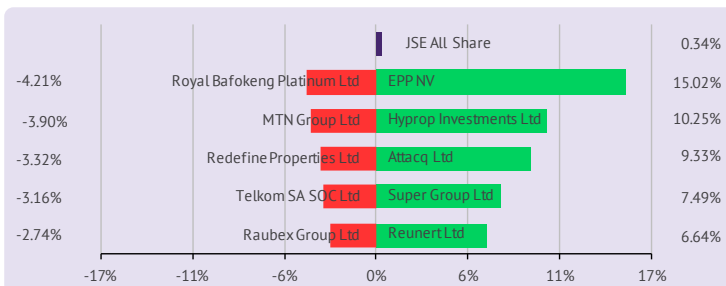
	As at 01 Oct 2020		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	54446.78	▲	181.82	0.34	1.60	0.34	-2.18	-4.62
JSE Top 40 (ZAR)	50159.14	▲	116.70	0.23	1.23	0.23	-2.31	-1.29
FTSE 100 (GBP)	5879.45	▲	13.35	0.23	0.63	0.23	-1.63	-22.05
DAX 30 (EUR)	12730.77	▼	-29.96	-0.23	2.10	-0.23	-1.43	-3.91
CAC 40 (EUR)	4824.04	▲	20.60	0.43	2.00	0.43	-2.91	-19.30
S&P 500 (USD)	3380.80	▲	17.80	0.53	2.50	0.53	-3.92	4.64
Nasdaq Composite (USD)	11326.51	▲	159.00	1.42	3.78	1.42	-5.16	26.23
DJIA (USD)	27816.90	▲	35.20	0.13	2.37	0.13	-2.28	-2.53
MSCI Emerging Markets (USD)	1084.84	▲	2.84	0.26	2.43	0.26	-1.77	-2.68
MSCI Developed World (USD)	2380.02	▲	12.75	0.54	2.28	0.54	-3.59	0.91

South Africa Market ▲

South African markets closed higher

South African markets closed in the green yesterday, following positive PMI data and supported by gains in financial, gold mining and industrial sector stocks. The JSE All Share Index rose 0.3% to close at 54,446.78.

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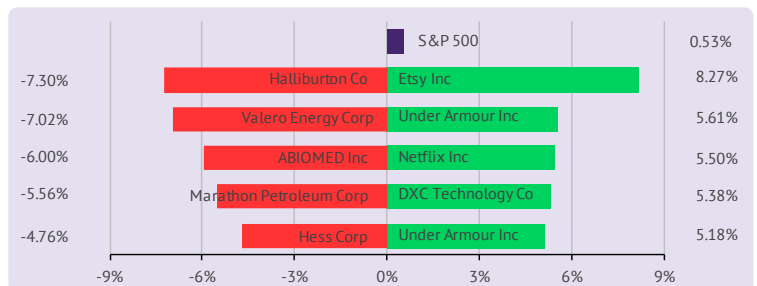


US Market ▲

US markets closed higher

US markets closed firmer yesterday, amid hopes that the US lawmakers would approve an additional stimulus package. The S&P 500 Index climbed 0.5% to close at 3,380.80. Today, the S&P 500 futures are trading in the green.

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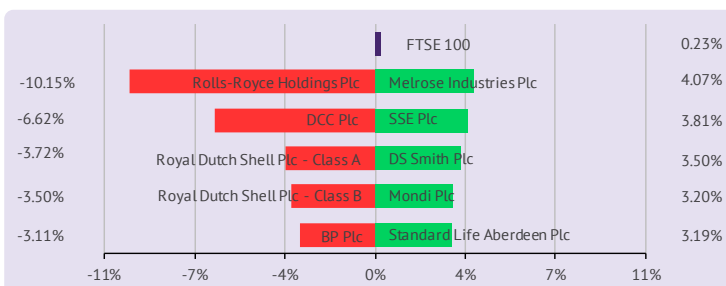


UK Market ▲

UK markets closed firmer

UK markets finished higher yesterday, on US stimulus hopes and amid expectations that the British government would not impose another national lockdown. The FTSE 100 Index advanced 0.2% to close at 5,879.45. Today, the FTSE 100 futures are trading in negative territory.

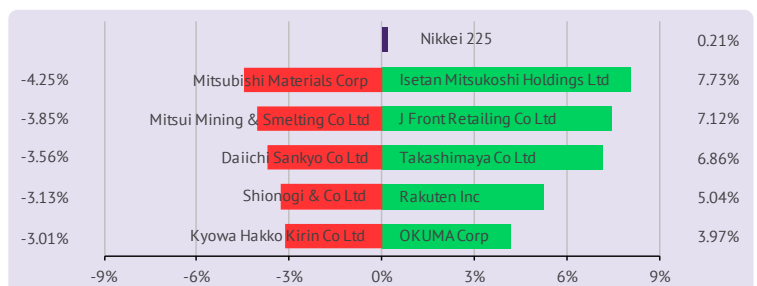
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Asian Market ◀▶

Trading mixed

Asian markets are trading mixed this morning. The Nikkei 225 Index is trading 0.2% higher at 23,234.91.



USD ZAR ▼

USD trading higher against ZAR

At 06:00 SAST, the US Dollar is trading 0.1% firmer against the South African Rand at R16.6302. Later today, traders will keep a close watch on US non-farm payrolls, average hourly earnings, unemployment rate, factory orders and the Michigan consumer sentiment index for further direction.

The US Dollar fell against the South African Rand yesterday. In economic news, US ISM manufacturing PMI unexpected declined in September. Additionally, personal income declined more than expected in August. On the other hand, personal income increased in August. Moreover, jobless claims dropped to a six-month low in the week ended 25 September 2020. Furthermore, construction spending jumped more than expected in August. Also, the nation's Markit manufacturing PMI slightly rose in September. Separately, in SA, the manufacturing PMI rose in September. Meanwhile, both, electricity production and electricity consumption declined in August.

GBP ZAR ▲

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound marginally declined against the South African Rand to trade at R21.3914. Amid no major economic release in the UK today investor sentiment would be determined by global macroeconomic factors.

The British Pound declined against the South African Rand yesterday. On the macro front, UK's manufacturing PMI grew less than initially estimated in September.

EUR ZAR ▲

EUR trading lower against ZAR

At 06:00 SAST, the Euro fell 0.2% against the South African Rand to trade at R19.4845. Going forward, market participants will keep a tab on Eurozone's consumer price index for further cues.

The Euro weakened against the South African Rand yesterday. Data showed that Eurozone's manufacturing activity expanded at a faster rate in September. Additionally, the region's producer price index (PPI) declined less-than-expected in August. Meanwhile, Eurozone's unemployment rate rose for a fifth consecutive month in August. Separately, Germany's manufacturing PMI rose in September, hitting its highest level in 26 months.

AUD ZAR ▲

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% weaker against the South African Rand at R11.9071. Earlier in the session, Australia's retail sales declined in August.

The Australian Dollar dropped against the South African Rand yesterday.

Key currencies & commodities

	Current [#]		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	16.6302	▼	-0.83	-3.05	-0.83	-1.14	18.63
GBPZAR	21.3914	▲	-1.21	-2.04	-1.21	-4.39	15.24
EURZAR	19.4845	▲	-0.57	-2.06	-0.57	-2.94	24.31
AUDZAR	11.9071	▲	-0.62	-0.98	-0.62	-3.98	21.18
EURUSD	1.1716	▼	0.23	1.01	0.23	-1.80	4.77
GBPUSD	1.2862	▼	-0.22	1.14	-0.22	-3.37	-2.76
Brent (\$/barrel)	40.5	▼	-3.24	-2.36	-3.24	-6.58	-37.98
Gold (\$/oz)	1899.9	▼	1.11	2.72	1.11	-4.21	25.30
Platinum (\$/oz)	898.2	*	-0.31	6.67	-0.31	-3.93	-7.54
Copper (\$/MT)*	6374.8	▼	-4.40	-2.58	-4.40	-0.44	3.67

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

Gold ▼

Trading in the red

At 06:00 SAST, gold prices eased 0.4% to trade at \$1,899.90/oz.

Yesterday, gold prices rose 1.1% to close at \$1,908.40/oz, as weakness in the US Dollar, increased demand for the precious yellow metal.

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Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil dropped 1.0% to trade at \$40.53/bl.

Yesterday, Brent crude oil dropped 3.2% to settle at \$40.93/bl, as persistent worries about rising COVID-19 cases around the world stoked concerns for a slowdown in energy demand.

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Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices slightly fell to trade at \$898.20/oz.

Yesterday, platinum prices declined 0.3% to close at \$898.20/oz.

Major South African corporate news

Metair Investments Limited

The company announced that Mr. CMD Flemming, an independent Non-Executive Director will replace Mr. SG Pretorius as Chairman of the Board, following the conclusion of the 2021 AGM, subject to shareholder confirmation at the 2021 AGM.

Spur Corp Limited

The company announced the appointment of Val Nichas as an Executive Director and group Chief Executive Officer (CEO) of Spur Corporation, with effect from 1 January 2021. Further, Phillip Matthee, the Chief Financial Officer (CFO) and an Executive Director of the company has requested to stand down from his current position for personal reasons and to take on a senior operational role within the group's finance department. Additionally, Cristina Teixeira has been appointed as CFO and as an Executive Director with effect from 1 February 2021, to replace Phillip Matthee.

Major global economic news

US

In August, personal income declined 2.7% on a monthly basis in the US, more than market forecast and compared to a revised advance of 0.5% in the previous month.

In the US, personal spending rose 1.0% on a monthly basis in August, compared to a revised rise of 1.5% in July.

In the US, the seasonally adjusted number of initial jobless claims dropped to 837.00K in the week ended 25 September 2020, compared to a revised level of 873.00K in the prior week.

In September, the final Markit manufacturing PMI climbed to 53.20 in the US, compared to a reading of 53.10 in the previous month. The preliminary figures had recorded an advance to 53.50.

In the US, the ISM manufacturing activity index unexpectedly declined to a level of 55.40 in September. In the prior month, the ISM manufacturing activity index had recorded a level of 56.00.

In the US, construction spending edged up 1.4% in August, compared to a revised gain of 0.7% in July.

Eurozone

In Germany, the final Markit manufacturing PMI rose to 56.40 in September, compared to a level of 52.20 in the prior month. The preliminary figures had recorded a rise to 56.60.

In the Eurozone, the final Markit manufacturing PMI advanced to 53.70 in September, following a reading of 51.70 in the previous month. The preliminary figures had also indicated a rise to 53.70.

In August, the producer price index (PPI) fell 2.5% on a yearly basis in the Eurozone, less than market expectations and compared to a revised drop of 3.1% in the previous month.

In the Eurozone, the unemployment rate rose to 8.1% in August, in line with market expectations. The unemployment rate had recorded a revised rate of 8.0% in the earlier month.

Asia

In Japan, the unemployment rate rose to 3.0% in August, in line with market expectations and compared to a rate of 2.9% in the prior month.

In Australia, retail sales slid 4.0% on a monthly basis in August, less than market consensus and compared to a drop of 4.2% in July.

UK

In the UK, the final Markit manufacturing PMI rose to 54.10 in September, compared to a reading of 55.20 in August. The preliminary figures had recorded a drop to 54.30.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	01:30	Job-To-Applclicant Ratio (Aug)	✓	1.04*	1.08	Monthly
Japan	01:30	Unemployment Rate (Aug)	✓✓	3.00%*	2.90%	Monthly
Japan	01:50	Monetary Base (YoY) (Sep)	✓	14.30%*	11.50%	Monthly
Japan	07:00	Consumer Confidence Index (Sep)	✓✓	-	29.30	Monthly
France	08:45	Budget Balance (Aug)	✓	-	-EUR151.04bn	Monthly
Spain	09:00	Unemployment Change (Sep)	✓✓✓	-	29.80K	Monthly
Germany	10:00	Deutsche Bundesbank's Wuermeling Speech	✓	-	-	As Scheduled
Italy	10:00	Deficit to GDP (YTD) (Q2)	✓	-	10.80%	Quarterly
Eurozone	11:00	Consumer Price Index - Core (YoY) (Sep) (P)	✓✓✓	0.50%	0.40%	Monthly
Eurozone	11:00	Consumer Price Index (MoM) (Sep) (P)	✓✓✓	-	-0.40%	Monthly
Eurozone	11:00	Consumer Price Index (YoY) (Sep) (P)	✓✓✓	-0.20%	-0.20%	Monthly
Eurozone	12:00	ECB's Guindos Speech	✓	-	-	As Scheduled
US	14:30	Average Hourly Earnings All Employees (MoM) (Sep)	✓✓	0.20%	0.40%	Monthly
US	14:30	Average Hourly Earnings All Employees (YoY) (Sep)	✓✓	4.80%	4.70%	Monthly
US	14:30	Change in Manufacturing Payrolls (Sep)	✓	35.00K	29.00K	Monthly
US	14:30	Change in Non-farm Payrolls (Sep)	✓✓✓	850.00K	1371.00K	Monthly
US	14:30	Change in Private Payrolls (Sep)	✓✓	850.00K	1027.00K	Monthly
US	14:30	Unemployment Rate (Sep)	✓✓✓	8.20%	8.40%	Monthly
US	14:30	Underemployment Rate (Sep)	✓✓	-	14.20%	Monthly
US	14:30	Labor Force Participation Rate (Sep)	✓✓	-	61.70%	Monthly
US	15:00	Fed's Harker Speech	✓	-	-	As Scheduled
Eurozone	15:30	European Council meeting	✓✓	-	-	As Scheduled
US	15:45	ISM New York Index (Sep)	✓	-	42.90	Monthly
US	16:00	Durable Goods Orders (Aug) (F)	✓✓✓	-	11.70%	Monthly
US	16:00	Factory Orders (MoM) (Aug)	✓✓✓	1.00%	6.40%	Monthly
US	16:00	Reuters/Michigan Consumer Sentiment Index (Sep) (F)	✓✓✓	79.00	74.10	Monthly
US	16:00	Factory Orders (Aug)	✓	-	466082.00mn	Monthly
US	19:00	Baker Hughes US Rig Count (02-Oct)	✓✓✓	-	261.00	Weekly
US	19:00	Baker Hughes US Oil Rig Count (02-Oct)	✓	-	185.00	Weekly
Eurozone	-	European Council meeting	✓✓	-	-	As Scheduled

Note: ✓✓✓High ✓✓Medium ✓Low

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