

# ONE Minute Brief

5 October 2020

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## Economic and political news

South African Airways (SAA) subsidiary, SAA Technical (SAAT) stated that it has reinstated aircraft maintenance services to SAA and Mango, after reaching an agreement that the airlines will pay in advance for maintenance work on their aircrafts.

Gautrain workers affiliated with the National Union of Metalworkers of South Africa (Numsa) will embark on an indefinite strike today over wage dispute.

The Department of Mineral Resources and Energy announced that petrol price for 93 ULP and LRP will drop by 23 cents per litre, while price for 95 ULP and LRP petrol will fall by 32 cents per litre, with effect from 7 October.

South Africa's (SA) government is opposing a bid by labour unions to compel the state to honour a public-service wage deal, warning that the accord would burden the country with ZAR37.8bn (USD2.2bn) of additional debt.

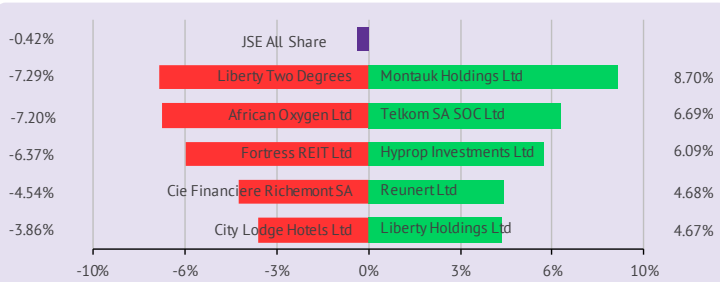
Health Minister Zweli Mkhize confirmed that the number of COVID-19 cases in the country had increased to 681,289.

## South Africa Market ▼

### South African markets closed lower

South African markets closed in the red on Friday, weighed down by losses in gold mining sector stocks. The JSE All Share Index fell 0.4% to close at 54,219.24.

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## UK Market ▲

### UK markets closed in the green

UK markets finished higher on Friday, erasing its previous session losses and supported by gains in financial and commodity sector stocks. The FTSE 100 Index advanced 0.4% to close at 5,902.12. Today, the FTSE 100 futures are trading in positive territory.

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## Key indices

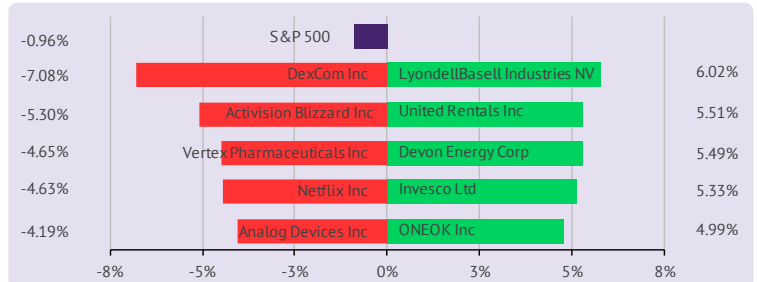
	As at 02 Oct 2020	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	54219.24	▼ -227.54	-0.42	NA	-0.08	-2.18	-5.02
JSE Top 40 (ZAR)	49896.68	▼ -262.46	-0.52	NA	-0.29	-2.31	-1.81
FTSE 100(GBP)	5902.12	▲ 22.67	0.39	NA	0.61	-1.63	-21.75
DAX 30 (EUR)	12689.04	▼ -41.73	-0.33	NA	-0.56	-1.43	-4.23
CAC 40 (EUR)	4824.88	▲ 0.84	0.02	NA	0.45	-2.91	-19.29
S&P 500 (USD)	3348.44	▼ -32.36	-0.96	NA	-0.43	-3.92	3.64
Nasdaq Composite (USD)	11075.02	▼ -251.49	-2.22	NA	-0.83	-5.16	23.43
DJIA (USD)	27682.81	▼ -134.09	-0.48	NA	-0.36	-2.28	-3.00
MSCI Emerging Markets (USD)	1081.71	▼ -3.13	-0.29	NA	-0.03	-1.77	-2.96
MSCI Developed World (USD)	2362.41	▼ -17.62	-0.74	NA	-0.21	-3.59	0.17

## US Market ▼

### US markets closed weaker

US markets closed lower on Friday, amid weaker-than-expected US jobs data and news that President Donald Trump tested positive for COVID-19. The S&P 500 Index dropped 1.0% to close at 3,348.44. Today, the S&P 500 futures are trading in the green.

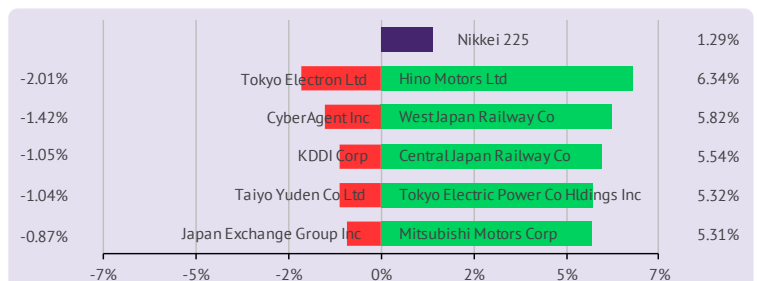
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## Asian Market ▲

### Trading mostly higher

Asian markets are trading mostly higher this morning. As at 6:00 SAST, the Nikkei 225 Index is trading 1.3% higher at 23,326.48.



## USD ZAR ▲

### USD trading lower against ZAR

At 06:00 SAST, the US Dollar declined 0.4% against the South African Rand to trade at R16.4566. Later today, traders will keep a close watch on the US Markit services PMI and the ISM services PMI for further direction.

The US Dollar fell against the South African Rand on Friday. On the macro front, the US unemployment rate declined more-than-expected in September. Additionally, the Michigan consumer sentiment index rose to a six-month high level in September. Also, both, durable goods orders and factory orders advanced in August. Meanwhile, non-farm payrolls increased less than expected in September. Moreover, average hourly earnings of all employees rose less-than-anticipated in September.

## GBP ZAR ▲

### GBP trading weaker against ZAR

At 06:00 SAST, the British Pound is trading 0.5% lower against the South African Rand at R21.2883. Ahead in the day, traders will keep an eye on UK's Markit services PMI and the BRC retail sales for further indications.

The British Pound advanced against the South African Rand on Friday.

## EUR ZAR ▲

### EUR trading lower against ZAR

At 06:00 SAST, the Euro is trading 0.3% weaker against the South African Rand at R19.2988. Going forward, market participants will keep a tab on Eurozone's Markit services PMI, the Sentix investor confidence index and retail sales along with Germany's Markit services PMI for further cues.

The Euro weakened against the South African Rand on Friday. On the data front, Eurozone's consumer price index (CPI) dropped for the second straight month in September.

## AUD ZAR ▲

### AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar retreated 0.2% against the South African Rand to trade at R11.8147. Earlier in the session, Australia's Commonwealth Bank services PMI advanced more than market consensus in September.

The Australian Dollar fell against the South African Rand on Friday.

## Key currencies & commodities

	Current#		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	16.4566	▲	-0.48	NA	-1.31	-1.14	18.06
GBPZAR	21.2883	▲	0.03	NA	-1.18	-4.39	15.27
EURZAR	19.2988	▲	-0.76	NA	-1.32	-2.94	23.37
AUDZAR	11.8147	▲	-0.71	NA	-1.32	-3.98	20.32
EURUSD	1.1727	▲	-0.27	NA	-0.04	-1.80	4.49
GBPUSD	1.2938	▲	0.34	NA	0.12	-3.37	-2.43
Brent (\$/barrel)	40.2	▲	-4.06	NA	-7.16	-6.58	-40.50
Gold (\$/oz)	1898.2	▼	-0.43	NA	0.67	-4.21	24.76
Platinum (\$/oz)	886.5	▲	-1.65	NA	-1.95	-3.93	-9.06
Copper (\$/MT)*	6546.8	▲	2.70	NA	-1.82	-0.44	6.47

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

## Gold ▼

### Trading in the red

At 06:00 SAST, gold prices edged 0.1% lower to trade at \$1,898.20/oz.

On Friday, gold prices fell 0.4% to close at \$1,900.20/oz, amid strength in the US Dollar.

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## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil edged 2.3% higher to trade at \$40.16/bl.

On Friday, Brent crude oil declined 4.1% to settle at \$39.27/bl, amid news that President Donald Trump tested positive for COVID-19. Additionally, Baker Hughes reported that US oil rig count rose by 6 to 189 last week.

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## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices edged 0.4% higher to trade at \$886.50/oz.

On Friday, platinum prices dropped 1.7% to close at \$883.40/oz.

## Major South African corporate news

### Sasol Limited

The company announced that Sasol Chemicals USA LLC, a wholly owned subsidiary of Sasol, has now entered into a suite of agreements and term sheets with a subsidiary and an affiliate of LyondellBasell Industries N.V, the effect of which is the disposal of a 50.0% interest in the LCCP Base Chemicals Business and the portion of the Lake Charles property from which it operates, for a purchase consideration of USD2.00bn and the creation of a 50/50 joint venture in relation to those assets.

## Major global economic news

### US

In the US, the unemployment rate dropped to 7.9% in September, compared to 8.4% in the previous month.

In September, non-farm payrolls rose by 661.00K in the US, less than market anticipations and compared to a revised level of 1489.00K in the previous month.

In the US, average hourly earnings of all employees rose 0.1% on a monthly basis in September, less than market forecast and compared to a revised rise of 0.3% in the prior month.

In August, the final durable goods orders advanced 0.5% in the US, compared to a revised rise of 11.7% in the previous month. The preliminary figures had recorded an advance of 0.4%.

In the US, factory orders rose 0.7% on a monthly basis in August, compared to a revised rise of 6.5% in the prior month.

In September, the Michigan consumer sentiment index advanced to 80.40 in the US, compared to a revised level of 74.10 in the previous month. The preliminary figures had recorded a level of 78.90.

### Asia

In Australia, the Commonwealth Bank services PMI climbed to 50.80 in September, compared to a level of 50.00 in the previous month.

In Japan, the Jibun Bank services PMI increased to a level of 46.90 in September, compared to a level of 45.00 in the prior month.

### Eurozone

In the Eurozone, the flash CPI fell 0.3% on an annual basis in September, more than market expectations and compared to a drop of 0.2% in the prior month.

## 40 best performers on the All Share Index

Company name	Last close	1 Week % change	MTD % change	YTD % change
Pan African Resources PLC	468	-1.27	1.08	116.67
Gold Fields Ltd	20387	1.66	0.29	116.40
Harmony Gold Mining Co Ltd	8888	0.29	-0.29	73.59
Cartrack Holdings Ltd	3601	14.32	-2.73	53.41
Blue Label Telecoms Ltd	365	0.27	0.00	41.47
AngloGold Ashanti Ltd	43255	-1.24	-0.13	37.43
Royal Bafokeng Platinum Ltd	6739	-0.27	-3.08	35.81
Northam Platinum Ltd	16593	-1.33	-2.53	34.23
Montauk Holdings Ltd	5000	15.74	8.67	31.58
Naspers Ltd	300000	0.70	1.35	30.96
African Rainbow Minerals Ltd	19400	1.46	0.26	29.72
Kumba Iron Ore Ltd	48330	-0.94	-2.49	27.39
Trencor Ltd	574	14.80	2.50	17.95
Mondi PLC	36498	8.07	2.67	15.14
Peregrine Holdings Ltd	2105	0.43	0.00	15.08
Zeder Investments Ltd	240	-0.41	3.00	14.84
BHP Group PLC	35169	-5.4	-2.04	13.06
Shoprite Holdings Ltd	13633	-1.33	-0.23	11.55
AfroCentric Investment Corp Ltd	360	-4.00	-2.70	11.38
Discovery Ltd	13273	9.62	3.76	11.37
Afrimat Ltd	3601	-2.68	-0.63	10.98
Vodacom Group Ltd	12298	0.48	-0.24	10.11
Stenprop Ltd	2505	-3.58	-2.72	8.89
JSE Ltd	11826	3.41	0.86	7.36
Coronation Fund Managers Ltd	4086	5.42	1.34	6.63
Investec Australia Property Fund	1508	-4.86	-3.95	6.48
Exxaro Resources Ltd	12461	4.71	0.10	5.72
Reinet Investments SCA	28448	-4.54	-2.07	3.72
Anglo American PLC	39754	-0.52	-2.40	3.19
British American Tobacco PLC	58149	-2.99	-1.70	3.09
Impala Platinum Holdings Ltd	14166	-2.13	-2.62	3.04
Sirius Real Estate Ltd	1608	3.74	3.61	2.55
Oceana Group Ltd	6170	4.35	-0.48	1.72
Transaction Capital Ltd	2142	5.00	-1.15	1.52
Allied Electronics Corp Ltd	2306	4.34	4.34	1.07
Cie Financiere Richemont SA	10772	-3.99	-4.10	-0.16
Rand Merchant Investment Holdings Ltd	3014	6.92	3.82	-0.23
Cashbuild Ltd	21162	8.52	4.19	-1.01
Quilter PLC	2787	0.43	0.00	-1.23
Aspen Pharmacare Holdings Ltd	11729	1.80	-1.67	-1.62
<b>JSE All Share Index</b>	<b>54219</b>	<b>1.18</b>	<b>-0.08</b>	<b>-5.02</b>

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	02:30	Services PMI (Sep) (F)	✓✓	46.90*	45.00	Monthly
UK	08:00	Official Reserves (Changes) (Sep)	✓	-	USD533.00mn	Monthly
Spain	09:15	Markit Services PMI (Sep)	✓✓✓	-	47.70	Monthly
Italy	09:45	Markit Services PMI (Sep)	✓✓✓	-	47.10	Monthly
France	09:50	Markit Services PMI (Sep) (F)	✓✓✓	47.50	51.50	Monthly
France	09:50	Markit Composite PMI (Sep) (F)	✓✓✓	48.50	51.60	Monthly
Germany	09:55	Markit Services PMI (Sep) (F)	✓✓✓	49.10	52.50	Monthly
Germany	09:55	Markit Composite PMI (Sep) (F)	✓✓✓	53.70	54.40	Monthly
Eurozone	10:00	Markit Composite PMI (Sep) (F)	✓✓✓	50.10	51.90	Monthly
Eurozone	10:00	Markit Services PMI (Sep) (F)	✓✓✓	47.60	50.50	Monthly
Switzerland	10:00	Total Sight Deposits (CHF) (02-Oct)	✓	-	CHF704500.00mn	Weekly
Switzerland	10:00	Domestic Sight Deposits (CHF) (02-Oct)	✓	-	CHF634200.00mn	Weekly
UK	10:00	New Car Registrations (YoY) (Sep)	✓	-	-5.80%	Monthly
Eurozone	10:30	Sentix Investor Confidence (Oct)	✓✓✓	-	-8.00	Monthly
UK	10:30	Markit Services PMI (Sep) (F)	✓	55.10	58.80	Monthly
UK	10:30	Markit Composite PMI (Sep) (F)	✓	55.70	59.10	Monthly
UK	10:30	BoE's Haldane speech	✓	-	-	As Scheduled
Eurozone	11:00	Retail Sales (MoM) (Aug)	✓✓✓	2.00%	-1.30%	Monthly
Eurozone	11:00	Retail Sales (YoY) (Aug)	✓✓✓	1.40%	0.40%	Monthly
Eurozone	11:00	Retail Sales Index s.a. (Aug)	✓✓	-	109.00	Monthly
Eurozone	15:30	Eurogroup Meeting	✓✓	-	-	As Scheduled
US	15:45	Markit Services PMI (Sep) (F)	✓✓✓	54.60	55.00	Monthly
US	15:45	Markit Composite PMI (Sep) (F)	✓✓✓	54.40	54.60	Monthly
US	16:00	ISM Services Index (Sep)	✓✓✓	56.00	56.90	Monthly
US	16:45	Fed Evans Speech	✓	-	-	As Scheduled

Note: ✓✓✓High    ✓✓Medium    ✓Low

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