

ONE Minute Brief

12 October 2020

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Economic and political news

Deputy Chief Justice and chairperson of the State Capture Inquiry, Raymond Zondo, has granted an order authorising the issuing of a summons compelling former President Jacob Zuma to appear before the commission from 16 to 20 November.

The Western Cape High Court has dismissed with costs Public Protector Busisiwe Mkhwebane's bid to halt the parliamentary process that could see her impeached, paving the way for an inquiry into her fitness to hold office to proceed.

Gauteng Premier David Makhura has dismissed the province's health MEC, Bandile Masuku, following a Special Investigating Unit (SIU) report into allegations of tender irregularities.

President Cyril Ramaphosa has called a joint sitting of both houses of Parliament to outline his plan for "South Africa's economic reconstruction and recovery plan".

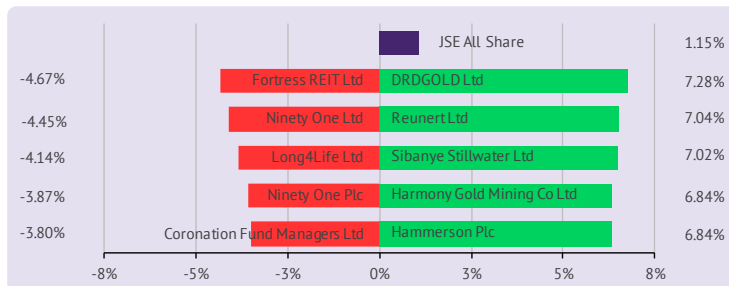
The inter-ministerial committee on land reform stated that the revised Expropriation Bill was gazetted on Friday and is now subject to parliamentary processes.

South Africa Market ▲

South African markets closed higher

South African markets closed in the green on Friday, boosted by gains in mining, resources and industrial sector stocks. The JSE All Share Index rose 1.2% to close at 55,182.99.

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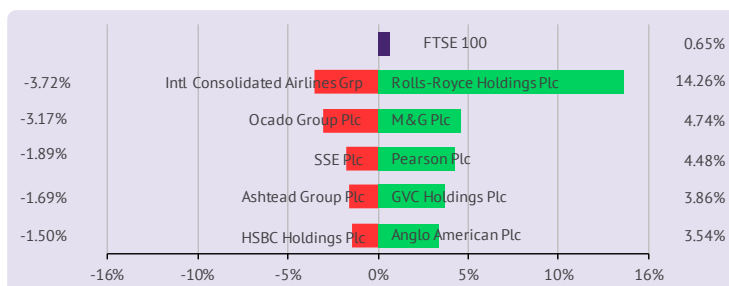


UK Market ▲

UK markets closed in the green

UK markets finished higher on Friday, after British Finance Minister Rishi Sunak announced a "Job Support Scheme" to boost rising unemployment and amid further progress in Brexit negotiations. The FTSE 100 Index advanced 0.7% to close at 6,016.65. Today, the FTSE 100 futures are trading in positive territory.

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Key indices

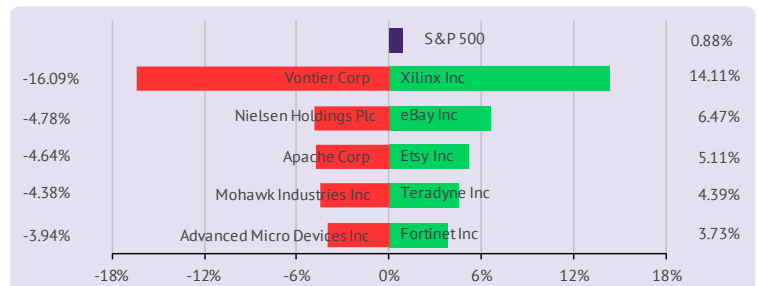
	As at 09 Oct 2020		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	55182.99	▲	628.14	1.15	NA	1.69	-2.18	-3.33
JSE Top 40 (ZAR)	50781.18	▲	649.81	1.30	NA	1.48	-2.31	-0.07
FTSE 100(GBP)	6016.65	▲	38.62	0.65	NA	2.57	-1.63	-20.23
DAX 30 (EUR)	13051.23	▲	9.02	0.07	NA	2.28	-1.43	-1.49
CAC 40 (EUR)	4946.81	▲	34.87	0.71	NA	2.98	-2.91	-17.25
S&P 500 (USD)	3477.13	▲	30.30	0.88	NA	3.39	-3.92	7.63
Nasdaq Composite (USD)	11579.94	▲	158.96	1.39	NA	3.69	-5.16	29.06
DJIA (USD)	28586.90	▲	161.39	0.57	NA	2.90	-2.28	0.17
MSCI Emerging Markets (USD)	1122.51	▲	5.07	0.45	NA	3.74	-1.77	0.70
MSCI Developed World (USD)	2447.76	▲	20.40	0.84	NA	3.40	-3.59	3.79

US Market ▲

US markets closed firmer

US markets closed higher on Friday, amid growing optimism over fresh fiscal stimulus from the US Federal Reserve (Fed). The S&P 500 Index climbed 0.9% to close at 3,477.13. Today, the S&P 500 futures are trading in the green.

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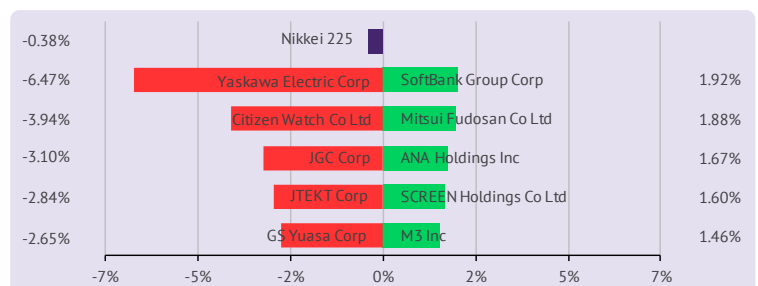


Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning, amid expectations of further stimulus from the US government. As at 6:00 SAST, the Nikkei 225 Index is trading 0.4% lower at 23,530.41.

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USD ZAR ▼

USD trading firmer against ZAR

At 06:00 SAST, the US Dollar climbed 0.1% against the South African Rand to trade at R16.4911. With no major economic releases in the US today, investor sentiment will be determined by global macroeconomic news.

The US Dollar fell against the South African Rand on Friday, on US stimulus hopes.

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GBP ZAR ▼

GBP trading higher against ZAR

At 06:00 SAST, the British Pound advanced 0.1% against the South African Rand to trade at R21.4938. Ahead in the day, traders will keep an eye on UK's BRC like-for-like retail sales for further indications.

The British Pound advanced against the South African Rand on Friday, amid positive developments in Brexit trade talks. Data indicated that UK's economic growth slowed in August. Additionally, both, industrial production and manufacturing production advanced less than market anticipations in August. Moreover, total trade surplus narrowed in August. Meanwhile, the NIESR GDP estimate climbed more than market forecast in September.

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EUR ZAR ▼

EUR trading firmer against ZAR

At 06:00 SAST, the Euro is trading 0.1% higher against the South African Rand at R19.4892. Going forward, market participants will keep a tab on European Central Bank (ECB) President Christine Lagarde's speech for further cues.

The Euro weakened against the South African Rand on Friday.

AUD ZAR ▲

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar retreated 0.1% against the South African Rand to trade at R11.9190.

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	16.4911	▼	-0.74	NA	-1.68	-1.14	17.63
GBPZAR	21.4938	▼	0.08	NA	-0.79	-4.39	15.72
EURZAR	19.4892	▼	-0.19	NA	-0.77	-2.94	24.05
AUDZAR	11.9190	▲	0.28	NA	-0.58	-3.98	21.22
EURUSD	1.1818	▼	0.57	NA	0.90	-1.80	5.47
GBPUSD	1.3034	▼	0.76	NA	0.90	-3.37	-1.67
Brent (\$/barrel)	42.4	▼	-1.13	NA	1.30	-6.58	-35.08
Gold (\$/oz)	1933.4	▲	1.64	NA	1.70	-4.21	26.03
Platinum (\$/oz)	884.0	▼	3.46	NA	-1.45	-3.93	-8.60
Copper (\$/MT)*	6767.5	▲	1.34	NA	1.49	-0.44	10.06

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

Gold ▲

Trading in the green

At 06:00 SAST, gold prices rose 0.7% to trade at \$1,933.40/oz.

On Friday, gold prices rose 1.6% to close at \$1,919.50/oz, amid weakness in the US Dollar and hopes for further US stimulus.

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Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil dropped 1.0% to trade at \$42.44/bL.

On Friday, Brent crude oil declined 1.1% to settle at \$42.85/bL, amid reports that an oil worker strike in Norway has ended. Additionally, Baker Hughes reported that US oil rig count rose by 4 to 193 last week.

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Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices fell 0.4% to trade at \$884.00/oz.

On Friday, platinum prices climbed 3.5% to close at \$887.90/oz.

Major South African corporate news

PPC Limited

In its FY20 results, the company announced that revenues dropped to ZAR10.24bn from ZAR10.49bn posted in the previous year. Its diluted loss per share stood at 124.00c, compared to an EPS of 15.00c in prior year.

Major global economic news

UK

In the UK, total trade surplus narrowed to GBP1.36bn in August, compared to a revised surplus of GBP1.69bn in the previous month.

In August, industrial production rose 0.3% on a monthly basis in the UK, less than market anticipations and compared to an advance of 5.2% in the prior month.

In the UK, GDP advanced 2.1% on a monthly basis in August, less than market forecast and compared to a revised rise of 6.4% in the previous month.








In August, manufacturing production rose 0.7% on a monthly basis in the UK, compared to a revised rise of 6.9% in the prior month.

In the UK, the NIESR GDP estimate jumped to 15.2% in September, compared to a revised rise of 8.0% in the previous month.

Asia

In Japan, the producer price index (PPI) dropped 0.8% on an annual basis in September, compared to a drop of 0.5% in the previous month.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus	Previous	Frequency
 Japan	08:00	Machine Tool Orders (YoY) (Sep) (P)	✓✓✓	-	-23.20%	Monthly
 Switzerland	10:00	Total Sight Deposits (CHF) (09-Oct)	✓	-	CHF7051000.00mn	Weekly
 Switzerland	10:00	Domestic Sight Deposits (CHF) (09-Oct)	✓	-	CHF635400.00mn	Weekly
 South Africa	13:00	Manufacturing Sales (Aug)	✓	-	ZAR181916835.00	Monthly
 South Africa	13:00	Manufacturing Production Index (YoY) (Aug)	✓✓	-	-10.60%	Monthly
 South Africa	13:00	Manufacturing Production s.a. (MoM) (Aug)	✓✓	-	7.60%	Monthly
 UK	18:00	BoE Governor Bailey Speech	✓	-	-	As Scheduled

Note: ✓✓✓High ✓✓Medium ✓Low

40 best performers on the All Share Index

Company name	Last close	1 Week % change	MTD % change	YTD % change
Pan African Resources PLC	495	5.77	6.91	129.17
Gold Fields Ltd	21539	5.65	5.96	128.63
Harmony Gold Mining Co Ltd	9655	8.63	8.31	88.57
Cartrack Holdings Ltd	4090	13.58	10.48	74.24
AngloGold Ashanti Ltd	45801	5.89	5.75	45.52
Blue Label Telecoms Ltd	370	1.37	1.37	43.41
Northam Platinum Ltd	17421	4.99	2.33	40.92
Montauk Holdings Ltd	5335	6.70	15.95	40.39
African Rainbow Minerals Ltd	20790	7.16	7.44	39.01
Royal Bafokeng Platinum Ltd	6783	0.65	-2.44	36.70
Naspers Ltd	305522	1.84	3.22	33.37
Kumba Iron Ore Ltd	50028	3.51	0.94	31.86
Trencor Ltd	582	1.39	3.93	19.60
Zeder Investments Ltd	244	1.67	4.72	16.76
Impala Platinum Holdings Ltd	15932	12.47	9.52	15.89
Afrimat Ltd	3735	3.72	3.06	15.11
Peregrine Holdings Ltd	2105	0.00	0.00	15.08
BHP Group PLC	35700	1.51	-0.56	14.77
Shoprite Holdings Ltd	13886	1.86	1.62	13.62
Investec Australia Property Fund	1605	6.43	2.23	13.33
Stenprop Ltd	2575	2.79	0.00	11.93
Mondi PLC	35356	-3.13	-0.55	11.54
AfroCentric Investment Corp Ltd	360	0.00	-2.70	11.38
Sirius Real Estate Ltd	1745	8.52	12.44	11.29
Net 1 UEPS Technologies Inc	5700	18.18	18.18	10.53
Vodacom Group Ltd	12333	0.28	0.05	10.42
Exxaro Resources Ltd	12819	2.87	2.98	8.76
Anglo American PLC	41814	5.18	2.66	8.54
Discovery Ltd	12862	-3.10	0.55	7.92
JSE Ltd	11600	-1.91	-1.07	5.31
Coronation Fund Managers Ltd	4030	-1.37	-0.05	5.17
Cashbuild Ltd	22336	5.55	9.97	4.48
Cie Financiere Richemont SA	11254	4.47	0.20	4.31
Reinet Investments SCA	28315	-0.47	-2.53	3.24
British American Tobacco PLC	57932	-0.37	-2.07	2.71
Quilter PLC	2885	3.52	3.52	2.24
Omnia Holdings Ltd	3450	11.15	11.29	2.22
Allied Electronics Corp Ltd	2324	0.78	5.16	1.86
Rand Merchant Investment Holdings Ltd	3015	0.03	3.86	-0.20
Transaction Capital Ltd	2089	-2.47	-3.60	-1.00
JSE All Share Index	55183	1.78	1.69	-3.33

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