

ONE Minute Brief

19 October 2020

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Economic and political news

According to the Government Gazette, South Africa (SA) will allow municipalities such as those in Johannesburg, Pretoria and Cape Town to source their own power rather than buying electricity solely from the state-owned utility, provided they have paid their Eskom bill in full.

News reports indicate that the United States International Development Finance Corporation has pledged to support NuScale Power LLC, a US nuclear energy technology firm, to develop 2,500 megawatts of power in South Africa SA.

Health Minister Zweli Mkhize announced that he and his wife have tested positive for Covid-19 and are in quarantine at home.

Communications & Digital Technologies Minister, Stella Ndabeni-Abrahams has given the SA Post Office (Sapo) board permission to hold a meeting to decide whether its former chair Colleen Makhubele should be removed as a director.

Finance Minister Tito Mboweni indicates that the National Treasury will pay out about ZAR6.00bn to extend a special relief grant for three more months.

Key indices

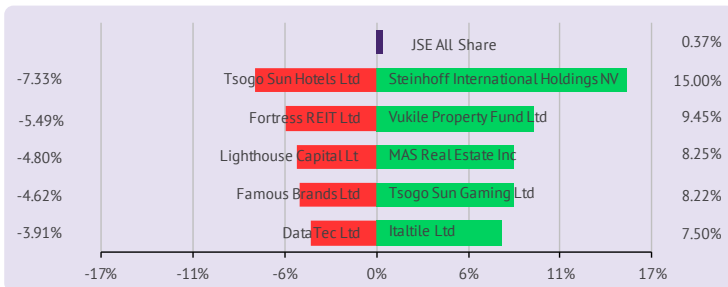
	As at 16 Oct 2020	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg	
JSE All Share (ZAR)	55047.26	▲	203.30	0.37	NA	1.44	-2.18	-3.57
JSE Top 40 (ZAR)	50697.69	▲	193.80	0.38	NA	1.31	-2.31	-0.23
FTSE 100(GBP)	5919.58	▲	87.06	1.49	NA	0.91	-1.63	-21.52
DAX 30 (EUR)	12908.99	▲	205.24	1.62	NA	1.16	-1.43	-2.57
CAC 40 (EUR)	4935.86	▲	98.44	2.03	NA	2.76	-2.91	-17.43
S&P 500 (USD)	3483.81	▲	0.47	0.01	NA	3.59	-3.92	7.83
Nasdaq Composite (USD)	11671.56	▼	-42.31	-0.36	NA	4.51	-5.16	30.08
DJIA (USD)	28606.31	▲	112.11	0.39	NA	2.97	-2.28	0.24
MSCI Emerging Markets (USD)	1124.08	▲	3.54	0.32	NA	3.89	-1.77	0.85
MSCI Developed World (USD)	2440.14	▲	4.21	0.17	NA	3.08	-3.59	3.46

South Africa Market ▲

South African markets closed higher

South African markets closed in the green on Friday, boosted by gains in platinum mining, industrials and resources sector stocks. The JSE All Share Index rose 0.4% to close at 55,047.26.

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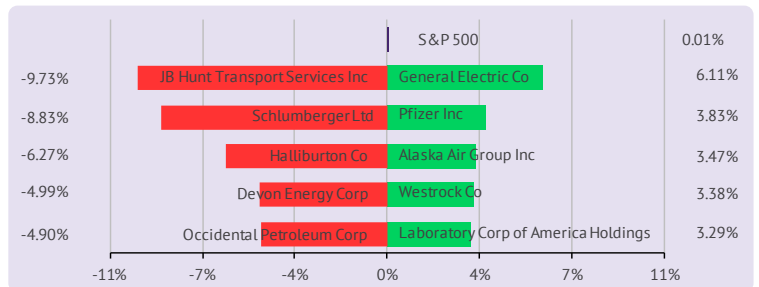


US Market ▲

US markets closed firmer

US markets closed mostly higher on Friday, amid further progress in the development of COVID-19 vaccine and following upbeat retail sales data. The S&P 500 Index marginally climbed to close at 3,483.81. Today, the S&P 500 futures are trading in the green.

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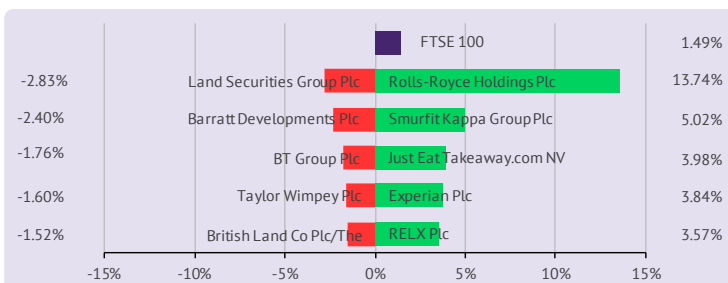


UK Market ▲

UK markets closed in the green

UK markets finished higher on Friday, amid weakness in the British Pound. The FTSE 100 Index advanced 1.5% to close at 5,919.58. Today, the FTSE 100 futures are trading in positive territory.

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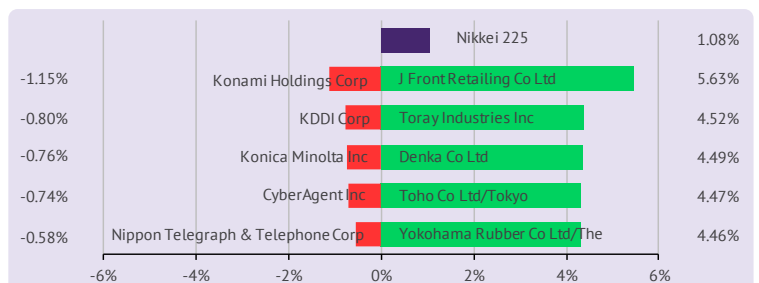


Asian Market ▲

Trading higher

Asian markets are trading higher this morning, amid expectations of coronavirus vaccine by the end of this year and on US stimulus hopes. As at 6:00 SAST, the Nikkei 225 Index is trading 1.1% higher at 23,663.07.

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USD ZAR ▲

USD trading weaker against ZAR

At 06:00 SAST, the US Dollar is trading 0.2% lower against the South African Rand at R16.5329. Later today, traders will keep a close watch on the US NAHB housing market index and Federal Reserve Chairman Jerome Powell's speech for further direction.

The US Dollar fell against the South African Rand on Friday. On the macro front, the US monthly budget deficit narrowed less-than-expected in September. Additionally, both, manufacturing production and industrial production unexpectedly dropped on a monthly basis in September. Also, business inventories rose less than expected in August. Meanwhile, the preliminary Michigan consumer sentiment index rose in October, marking its highest level since March. Moreover, advance retail sales advanced in September.

GBP ZAR ▲

GBP trading lower against ZAR

At 06:00 SAST, the British Pound retreated 0.1% against the South African Rand to trade at R21.3722. With no major economic releases in the UK today, investor sentiment will be determined by global macroeconomic news.

The British Pound declined against the South African Rand on Friday. Data indicated that UK's Rightmove house price index advanced in October.

EUR ZAR ▲

EUR trading weaker against ZAR

At 06:00 SAST, the Euro fell 0.2% against the South African Rand to trade at R19.3529. Going forward, market participants will keep a tab on the Eurozone's construction output and European Central Bank (ECB) President, Christine Lagarde's speech for further cues.

The Euro weakened against the South African Rand on Friday. On the data front, Eurozone's final consumer price index (CPI) fell for the second straight month in September. Meanwhile, seasonally adjusted trade surplus unexpectedly widened in August.

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 R11.7152. Elsewhere, in China, Australia's largest trading partner, economic growth expanded less-than-expected in 3Q20. Meanwhile, both, industrial production and retail sales advanced more than market forecast in September. Additionally, the unemployment rate fell 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	16.5329	▲	-0.50	NA	-1.12	-1.14	18.30
GBPZAR	21.3722	▲	-0.44	NA	-1.24	-4.39	15.20
EURZAR	19.3529	▲	-0.45	NA	-1.16	-2.94	23.56
AUDZAR	11.7152	▲	-0.67	NA	-2.26	-3.98	19.18
EURUSD	1.1707	▼	0.09	NA	-0.03	-1.80	4.50
GBPUSD	1.2928	▲	0.05	NA	-0.04	-3.37	-2.58
Brent (\$/barrel)	42.8	▼	-0.53	NA	1.49	-6.58	-34.95
Gold (\$/oz)	1904.2	▲	-0.13	NA	0.70	-4.21	24.80
Platinum (\$/oz)	860.9	▼	0.93	NA	-4.07	-3.93	-11.03
Copper (\$/MT)*	6723.8	▼	-0.21	NA	0.84	-0.44	9.35

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

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.2% higher to trade at \$1,904.20/oz.

On Friday, gold prices fell 0.1% to close at \$1,900.80/oz, amid strength in the US Dollar and growing uncertainty over the US coronavirus stimulus package.

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Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil declined 0.4% to trade at \$42.77/bl.

On Friday, Brent crude oil declined 0.5% to settle at \$42.93/bl, amid concerns that resurgence in COVID-19 cases in the US and Europe will reduce oil demand. Additionally, Baker Hughes reported that US oil rig count rose by 12 to 205 last week.

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Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged 0.4% lower to trade at \$860.90/oz.

On Friday, platinum prices climbed 0.9% to close at \$864.30/oz.

Major South African corporate news

African Oxygen Limited (Afrox)

The company announced that it is planning to leave the JSE after having been listed for 56 years.

Momentum Metropolitan Holdings

The company announced that it intends to implement a broad-based BEE trust that would hold 3% of its issued share capital, worth about ZAR641mn.

Major global economic news

US

In the US, the preliminary Michigan consumer sentiment index advanced to 81.20 in October, compared to a level of 80.40 in the previous month.

In September, manufacturing production fell 0.3% on a monthly basis in the US, compared to a revised rise of 1.2% in the prior month.

In the US, industrial production unexpectedly dropped 0.6% on a monthly basis in September, compared to a rise of 0.4% in the previous month.

In September, advance retail sales climbed 1.9% on a monthly basis in the US, more than market anticipations and compared to an advance of 0.6% in the prior month.

In the US, business inventories rose 0.1% on a monthly basis in August, compared to a revised fall of 5.5% in the previous month.

In September, monthly budget deficit narrowed to USD125.00bn in the US, less than market consensus and compared to a deficit of USD200.00bn in the previous month.

Asia

In Japan, adjusted merchandise trade surplus widened to JPY475.81bn in September, compared to a surplus of JPY350.60bn in the previous month.

In China, gross domestic product (GDP) advanced 2.7% on a quarterly basis in 3Q20, less than market expectations and compared to a jump of 11.5% in the previous quarter.

In September, industrial production jumped 6.9% on an annual basis in China, compared to a rise of 5.6% in the previous month.

In China, retail sales grew 3.3% on a yearly basis in September, compared to a rise of 0.5% in the previous month.

In September, the unemployment rate dropped to 5.4% in China, compared to 5.6% in the previous month.

Eurozone

In the Eurozone, the final CPI eased 0.3% in September, compared to a drop of 0.2% in the previous month. The preliminary figures had also recorded a fall of 0.3%.

In August, seasonally adjusted trade surplus unexpectedly widened to EUR21.90bn in the Eurozone, compared to a revised surplus of EUR19.30bn in the previous month.

UK

In the UK, the Rightmove house price index increased 1.1% on a monthly basis in October, compared to a rise 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	479	-3.23	3.46	121.76
Gold Fields Ltd	20544	-4.62	1.06	118.07
Montauk Holdings Ltd	8237	54.40	79.03	116.76
Cartrack Holdings Ltd	4693	14.74	26.77	99.93
Harmony Gold Mining Co Ltd	9495	-1.66	6.52	85.45
African Rainbow Minerals Ltd	23383	12.47	20.84	56.35
Northam Platinum Ltd	18514	6.27	8.75	49.77
Blue Label Telecoms Ltd	386	4.32	5.75	49.61
AngloGold Ashanti Ltd	44491	-2.86	2.73	41.36
Royal Bafokeng Platinum Ltd	6950	2.46	-0.04	40.06
Kumba Iron Ore Ltd	52891	5.72	6.71	39.41
Naspers Ltd	313582	2.64	5.94	36.89
Impala Platinum Holdings Ltd	16919	6.20	16.31	23.07
Afrimat Ltd	3950	5.76	9.00	21.74
Zeder Investments Ltd	249	2.05	6.87	19.15
Trencor Ltd	578	-0.69	3.21	18.77
Omnia Holdings Ltd	3993	15.74	28.81	18.31
Stenprop Ltd	2675	3.88	3.88	16.28
Peregrine Holdings Ltd	2105	0.00	0.00	15.08
Shoprite Holdings Ltd	13810	-0.55	1.06	13.00
BHP Group PLC	35099	-1.68	-2.23	12.83
Italtile Ltd	1433	15.10	14.00	12.32
Investec Australia Property Fund	1587	-1.12	1.08	12.06
Coronation Fund Managers Ltd	4258	5.66	5.61	11.12
Vodacom Group Ltd	12357	0.19	0.24	10.64
Net 1 UEPS Technologies Inc	5700	0.00	18.18	10.53
Steinhoff International Holdings NV	92	22.67	31.43	9.52
Anglo American Platinum Ltd	136945	12.43	17.75	9.52
Exxaro Resources Ltd	12889	0.55	3.54	9.35
Mondi PLC	34417	-2.66	-3.19	8.58
Anglo American PLC	41753	-0.15	2.51	8.38
AfroCentric Investment Corp Ltd	349	-3.06	-5.68	7.98
Transaction Capital Ltd	2278	9.05	5.12	7.96
JSE Ltd	11700	0.86	-0.21	6.22
Sirius Real Estate Ltd	1664	-4.64	7.22	6.12
Cie Financiere Richemont SA	11375	1.08	1.27	5.43
Cashbuild Ltd	22113	-1.00	8.87	3.44
Discovery Ltd	12213	-5.05	-4.53	2.48
Oceana Group Ltd	6120	2.68	-1.29	0.90
Raubex Group Ltd	2408	12.00	26.74	0.38
JSE All Share Index	55047	-0.25	1.44	-3.57

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
UK	1:01	Rightmove House Price Index (MoM) (Oct)	✓	1.10%*	0.20%	Monthly
UK	1:01	Rightmove House Price Index (YoY) (Oct)	✓	5.50%*	5.00%	Monthly
Japan	1:50	Merchandise Trade Balance Total (Sep)	✓✓✓	JPY675.00bn*	JPY248.30bn	Monthly
Japan	1:50	Adjusted Merchandise Trade Balance (Sep)	✓✓✓	JPY475.80bn*	JPY350.60bn	Monthly
China	4:00	NBS Press Conference	✓✓	-	-	As Scheduled
China	4:00	Industrial Production (YoY) (Sep)	✓✓	6.90%*	5.60%	Monthly
China	4:00	Industrial Production YTD (YoY) (Sep)	✓✓	1.20%*	0.40%	Monthly
China	4:00	Real Gross Domestic Product YTD (YoY) (Q3)	✓✓✓	0.70%*	-1.60%	Quarterly
China	4:00	Retail Sales (YoY) (Sep)	✓✓✓	3.30 %*	0.50%	Monthly
China	4:00	Retail Sales YTD (YoY) (Sep)	✓	-7.20 %*	-8.60%	Monthly
China	4:00	Fixed Assets Inv Excl. Rural YTD (YoY) (Sep)	✓	0.80%*	-0.30%	Monthly
China	4:00	Industrial Production (MoM) (Sep)	✓	1.18%*	1.00%	Monthly
China	4:00	Gross Domestic Product (QoQ) (Q3)	✓✓✓	2.70%*	11.50%	Quarterly
China	4:00	Retail Sales (MoM) (Sep)	✓	2.25%*	1.25%	Monthly
China	4:00	Gross Domestic Product (YoY) (Q3)	✓✓✓	4.90%*	3.20%	Quarterly
Spain	10:00	Exports (Aug)	✓	-	EUR23385500.00K	Monthly
Spain	10:00	Imports (Aug)	✓	-	EUR23691800.00K	Monthly
Spain	10:00	Trade Balance (Aug)	✓✓✓	-	-EUR0.31bn	Monthly
Switzerland	10:00	Total Sight Deposits (CHF) (16-Oct)	✓	-	CHF704600.00mn	Weekly
Switzerland	10:00	Domestic Sight Deposits (CHF) (16-Oct)	✓	-	CHF633100.00mn	Weekly
Eurozone	11:00	Construction Output s.a. (MoM) (Aug)	✓✓✓	-	0.20%	Monthly
Eurozone	11:00	Construction Output w.d.a. (YoY) (Aug)	✓	-	-3.80%	Monthly
Canada	14:30	Wholesale Sales (MoM) (Aug)	✓✓✓	-	4.30%	Monthly
US	16:00	NAHB Housing Market Index (Oct)	✓	83.00	83.00	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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