

ONE  
Minute Brief

2 November 2020

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## Economic and political news

In South Africa (SA), trade surplus narrowed to ZAR33.51bn in September, compared to a revised surplus of ZAR38.70bn in the previous month.

The Democratic Alliance (DA) has elected John Steenhuisen as the party's new leader for the next three years.

The Supreme Court of Appeal has dismissed former President Jacob Zuma's leave to appeal a ruling by the Pretoria High Court, which stated that he should be personally liable for the costs resulting from a failed attempt to review former Public Protector Thuli Madonsela's State of Capture report.

Eskom has reported a net loss of ZAR20.5bn for the year ended March 2020, compared to a record loss of ZAR20.9bn in the previous year.

Ratings agency, Moody's stated that SA's recent medium-term budget policy statement (MTBPS) lacks detail on how and when the government will implement policies to boost economic growth, so public debt will likely continue to increase for years.

According to the Automobile Association (AA), petrol price is expected to drop by as much as 27 cents per litre and diesel is expected to fall by 11 cents per litre, with effect from on 4 November 2020.

## Key indices

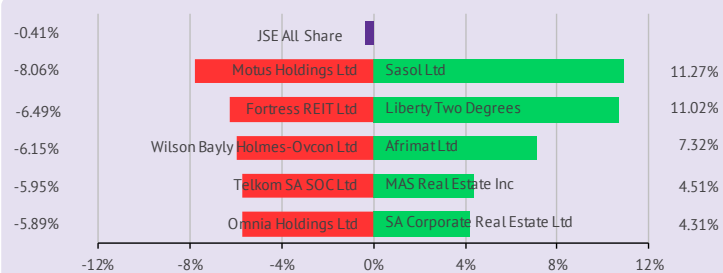
	As at 30 Oct 2020	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	51684.70	▼	-212.27	-0.41	NA	NA	-4.75
JSE Top 40 (ZAR)	47472.92	▼	-103.54	-0.22	NA	NA	-5.13
FTSE 100(GBP)	5577.27	▼	-4.48	-0.08	NA	NA	-4.92
DAX 30 (EUR)	11556.48	▼	-41.59	-0.36	NA	NA	-9.44
CAC 40 (EUR)	4594.24	▲	24.57	0.54	NA	NA	-4.36
S&P 500 (USD)	3269.96	▼	-40.15	-1.21	NA	NA	-2.77
Nasdaq Composite (USD)	10911.59	▼	-274.00	-2.45	NA	NA	-2.29
DJIA (USD)	26501.60	▼	-157.51	-0.59	NA	NA	-4.61
MSCI Emerging Markets (USD)	1103.46	▼	-16.65	-1.49	NA	NA	1.98
MSCI Developed World (USD)	2292.93	▼	-25.51	-1.10	NA	NA	-3.14

## South Africa Market ▼

## South African markets closed lower

South African markets closed in the red on Friday, weighed down by losses in banking and financial sector stocks. The JSE All Share Index fell 0.4% to close at 51,684.70.

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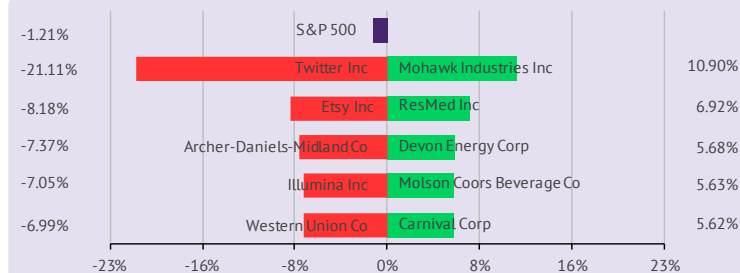


## US Market ▼

## US markets closed weaker

US markets closed lower on Friday, led by losses in technology sector stocks and amid worries over rising COVID-19 cases in the US. The S&P 500 Index dropped 1.2% to close at 3,269.96. Today, the S&P 500 futures are trading in the green.

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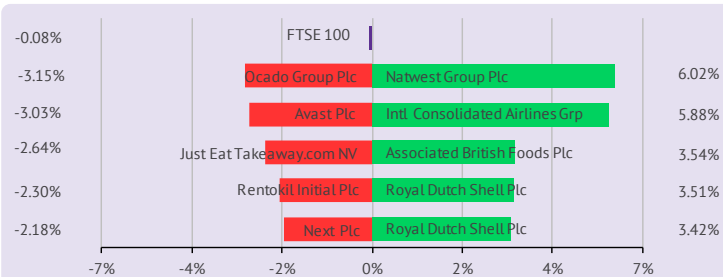


## UK Market ▼

## UK markets closed in the red

UK markets finished lower on Friday, amid concerns that another round of lockdown restrictions would hinder the country's economic recovery. The FTSE 100 Index declined 0.1% to close at 5,577.27. Today, the FTSE 100 futures are trading in negative territory.

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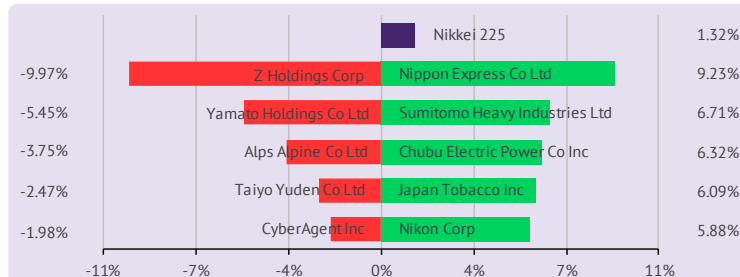


## Asian Market ▲

## Trading mostly higher

Asian markets are trading mostly higher this morning, after data indicated that China's manufacturing activity grew in October. As at 6:00 SAST, the Nikkei 225 Index is trading 1.3% higher at 23,281.55.

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## USD ZAR ▲

### USD trading lower against ZAR

At 06:00 SAST, the US Dollar is trading marginally weaker against the South African Rand at R16.2369. Later today, traders will keep a close watch on the US Markit manufacturing PMI and the ISM manufacturing PMI for further direction.

The US Dollar fell against the South African Rand on Friday. On the macro front, the US final Michigan consumer sentiment index climbed more than initially estimated in October. Additionally, both, personal spending and personal income rose on a monthly basis in September. Moreover, the Chicago Fed Purchasing Managers' Index fell less-than-expected in October. Separately, data indicated that SA's trade surplus narrowed in September.

## GBP ZAR ▲

### GBP trading weaker against ZAR

At 06:00 SAST, the British Pound declined 0.3% against the South African Rand to trade at R20.9830. Ahead in the day, traders will keep an eye on UK's Markit manufacturing PMI for further indication.

The British Pound declined against the South African Rand on Friday. Data indicated that UK's seasonally adjusted Nationwide house prices rose more-than-anticipated in October.

## EUR ZAR ▲

### EUR trading lower against ZAR

At 06:00 SAST, the Euro fell 0.1% against the South African Rand to trade at R18.8963. Going forward, market participants will keep a tab on the Markit manufacturing PMI across the Eurozone for further cues.

The Euro weakened against the South African Rand on Friday. On the data front, Eurozone's gross domestic product (GDP) expanded at its fastest pace in 3Q20. On the flipside, the consumer price index (CPI) fell for the third straight month in October. Meanwhile, the unemployment rate remained unchanged in September. Separately, Germany's GDP grew on a quarterly basis in 3Q20. On the other hand, retail sales fell on a monthly basis in September.

## AUD ZAR ▲

### AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar eased 0.3% against the South African Rand to trade at R11.3871. Earlier in the session, Australia's AiG performance of manufacturing index rose in October. Additionally, both, home loans and building permits advanced in September. Meanwhile, the Commonwealth Bank manufacturing PMI remained unchanged in October. Elsewhere, in China, Australia's largest trading partner, the non-manufacturing PMI unexpectedly rose in October. Additionally, the Caixin manufacturing PMI unexpectedly advanced in October, recording its highest reading since January 2011. On the contrary, the NBS manufacturing PMI dropped in October.

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

## Key currencies & commodities

	Current <sup>#</sup>		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	16.2369	▲	-0.94	NA	NA	-3.01	16.03
GBPZAR	20.9830	▲	-0.75	NA	NA	-2.81	13.36
EURZAR	18.8963	▲	-1.17	NA	NA	-3.59	20.53
AUDZAR	11.3871	▲	-0.92	NA	NA	-4.83	16.05
EURUSD	1.1638	▼	-0.23	NA	NA	-0.63	3.87
GBPUSD	1.2922	▼	0.13	NA	NA	0.21	-2.34
Brent (\$/barrel)	36.8	▼	0.77	NA	NA	-10.31	-42.52
Gold (\$/oz)	1883.4	▲	0.64	NA	NA	-0.40	23.43
Platinum (\$/oz)	849.4	▲	-0.13	NA	NA	-5.84	-12.66
Copper (\$/MT)*	6707.5	▼	-0.13	NA	NA	0.59	9.08

\*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 \$1,883.40/oz.

On Friday, gold prices rose 0.6% to close at \$1,879.90/oz, amid weakness in the US Dollar, concerns over rising coronavirus cases and uncertainty surrounding the US presidential elections.

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## Brent Crude Oil ▼

### Trading weaker

At 06:00 SAST, Brent crude oil retreated 3.1% to trade at \$36.75/bl.

On Friday, Brent crude oil advanced 0.8% to settle at \$37.94/bl, amid demand concerns. Meanwhile, Baker Hughes reported that US oil rig count rose by 10 to 221 last week, marking its highest level since May.

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## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices edged 0.1% higher to trade at \$849.40/oz.

On Friday, platinum prices dropped 0.1% to close at \$848.40/oz.

## Major South African corporate news

### Impala Platinum Holdings Limited

In its production report for the period from 1 July 2020 to 30 September 2020, the company announced that gross tonnes milled at managed operations improved by 18.0% to 6.13mn tonnes during the quarter, compared to 5.21mn tonnes achieved in the prior comparable period. Meanwhile, milled production at Impala Rustenburg decreased by 2.0% to 2.96mn tonnes, negatively impacted by the residual effect of COVID-19 on labour availability, declining reserves at the short-life shafts (6 and 9 shafts) and increased Eskom power failures.

### Vodacom Group Limited

The company announced that Ms, Raisibe Morathi would join Vodacom as a Chief Financial Officer (CFO) and Executive Director, with effect from 1 November 2020. Further, the term of office for Mr. Sitho Mdlalose as interim CFO thus ends on 31 October 2020. Sitho will resign as a Director of the company and step down from the Board at close of business on 31 October 2020.

## Major global economic news

### Asia

In Japan, housing starts declined 9.9% on an annual basis in September, compared to a drop of 9.1% in the previous month.

In Japan, the Jibun Bank manufacturing PMI rose to a level of 48.70 in October, compared to a level of 48.00 in the prior month.

In China, the non-manufacturing PMI unexpectedly advanced to 56.20 in October, compared to a level of 55.90 in the previous month.

In October, the NBS manufacturing PMI eased to 51.40 in China, less than market anticipations and compared to a level of 51.50 in the prior month.

In China, the Caixin manufacturing PMI unexpectedly rose to 53.60 in October, compared to a level of 53.00 in the prior month.

In Australia, the AiG performance of manufacturing index advanced to 56.30 in October, compared to a level of 46.70 in the previous month.

In October, the Commonwealth Bank manufacturing PMI remained steady at 54.20 in Australia.

In Australia, building permits jumped 15.4% on a monthly basis in September, compared to a drop of 1.6% in the previous month.

In September, home loans rose 6.0% in Australia, compared to an advance of 13.6% in the prior month.

### Eurozone

In the Eurozone, seasonally adjusted gross domestic product (GDP) climbed 12.7% on a quarterly basis in 3Q20, more than market expectations and compared to a fall of 11.8% in the previous quarter.

In October, the flash consumer price index (CPI) dropped 0.3% on an annual basis in the Eurozone, compared to a similar drop in the prior month.

In the Eurozone, the unemployment rate remained unchanged at 8.3% in September.

In Germany, flash GDP grew 8.2% on a quarterly basis in 3Q20, more than market anticipations and compared to a fall of 9.8% in the previous quarter.

In September, retail sales fell 2.2% on a monthly basis in Germany, compared to a revised rise of 1.8% in the prior month.

### US

In the US, the final Michigan consumer sentiment index rose to 81.80 in October, compared to a level of 80.40 in the previous month. The preliminary figures had indicated a rise to 81.20.

In October, the Chicago Fed Purchasing Managers' Index dropped less-than-expected to 61.10 in the US, compared to a level of 62.40 in the previous month.

In the US, personal spending advanced 1.4% on a monthly basis in September, compared to a rise of 1.0% in the prior month.

In September, personal income rose 0.9% on a monthly basis in the US, compared to a revised drop of 2.5% in the previous month.

### UK

In the UK, seasonally adjusted Nationwide house prices rose 0.8% on a monthly basis in October, more than market anticipations and compared to a rise of 0.9% 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	420	-4.76	NA	94.44
Gold Fields Ltd	17265	-6.11	NA	83.26
Montauk Holdings Ltd	6800	-11.69	NA	78.95
Cartrack Holdings Ltd	4035	-10.31	NA	71.90
Harmony Gold Mining Co Ltd	7975	-7.64	NA	55.76
African Rainbow Minerals Ltd	22756	-5.20	NA	52.16
Naspers Ltd	316132	4.93	NA	38.00
Blue Label Telecoms Ltd	353	-8.31	NA	36.82
Zeder Investments Ltd	265	0.00	NA	26.81
Kumba Iron Ore Ltd	48031	-6.74	NA	26.60
Northam Platinum Ltd	15481	-14.67	NA	25.23
Royal Bafokeng Platinum Ltd	5868	-8.84	NA	18.26
Trencor Ltd	413	3.10	NA	17.59
AngloGold Ashanti Ltd	36883	-8.89	NA	17.18
Afrimat Ltd	3799	-1.20	NA	17.08
Stenprop Ltd	2692	-2.07	NA	17.02
Allied Electronics Corp Ltd	2665	-0.52	NA	16.81
African Oxygen Ltd	2396	-0.17	NA	16.75
Omnia Holdings Ltd	3801	-7.85	NA	12.62
Vodacom Group Ltd	12253	-3.93	NA	9.71
Shoprite Holdings Ltd	12891	-10.58	NA	5.48
Impala Platinum Holdings Ltd	14277	-13.38	NA	3.85
AfroCentric Investment Corp Ltd	335	-9.70	NA	3.65
Cashbuild Ltd	21985	-3.40	NA	2.84
Steinhoff International Holdings NV	86	0.00	NA	2.38
Italtile Ltd	1305	-8.74	NA	2.29
BHP Group PLC	31227	-8.40	NA	0.39
Investec Australia Property Fund	1420	-4.57	NA	0.27
Sirius Real Estate Ltd	1550	-6.57	NA	-1.15
JSE Ltd	10870	-5.76	NA	-1.32
Coronation Fund Managers Ltd	3753	-8.46	NA	-2.06
Oceana Group Ltd	5940	-3.49	NA	-2.07
PSG Group Ltd	5222	-6.11	NA	-2.36
Tiger Brands Ltd	20149	-5.85	NA	-2.37
Anglo American PLC	37585	-10.51	NA	-2.44
Mondi PLC	30465	-9.64	NA	-3.89
Reinet Investments SCA	25783	-3.79	NA	-5.99
Rand Merchant Investment Holdings Ltd	2836	-11.71	NA	-6.12
Cie Financiere Richemont SA	10124	-10.08	NA	-6.17
Transaction Capital Ltd	1976	-11.67	NA	-6.35
<b>JSE All Share Index</b>	<b>51685</b>	<b>-6.60</b>	<b>NA</b>	<b>-9.46</b>

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	02:30	Nomura/ JMMA Manufacturing PMI (Oct) (F)	✓✓✓	48.70*	47.70	Monthly
China	03:45	Caixin/Markit Manufacturing PMI (Oct)	✓✓✓	53.60*	53.00	Monthly
Japan	07:00	Vehicle Sales (YoY) (Oct)	✓	-	-15.60%	Monthly
Spain	10:15	Markit Manufacturing PMI (Oct)	✓	-	50.80	Monthly
Italy	10:45	Markit Manufacturing PMI (Oct)	✓✓✓	-	53.20	Monthly
France	10:50	Markit Manufacturing PMI (Oct) (F)	✓✓✓	-	51.20	Monthly
Germany	10:55	Markit Manufacturing PMI (Oct) (F)	✓✓✓	-	56.40	Monthly
Eurozone	11:00	Markit Manufacturing PMI (Oct) (F)	✓✓✓	54.40	53.70	Monthly
South Africa	11:00	PMI Manufacturing (Oct)	✓✓	-	58.30	Monthly
UK	11:30	Markit Manufacturing PMI (Oct) (F)	✓	53.30	54.10	Monthly
US	16:45	Markit Manufacturing PMI (Oct) (F)	✓✓✓	-	53.20	Monthly
US	17:00	ISM Employment (Oct)	✓	-	49.60	Monthly
US	17:00	Construction Spending (MoM) (Sep)	✓✓	1.00%	1.40%	Monthly
US	17:00	ISM Manufacturing PMI (Oct)	✓✓✓	55.60	55.40	Monthly
US	17:00	ISM Prices Paid (Oct)	✓✓	-	62.80	Monthly
US	17:00	ISM Inventories (Oct)	✓	-	47.10	Monthly
US	17:00	ISM Production (Oct)	✓	-	61.00	Monthly
US	17:00	ISM New Orders (Oct)	✓	-	60.20	Monthly
US	17:00	ISM Imports (Oct)	✓	-	54.00	Monthly
US	17:00	Construction Spending (Value Put in Place) s.a. (Sep)	✓	-	USD1364565.00mn	Monthly
US	17:00	ISM New Export Orders (Oct)	✓	-	54.30	Monthly

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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