

ONE
Minute Brief

9 November 2020

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Economic and political news

In South Africa (SA), gross gold & forex reserves unexpectedly dropped to USD53.66bn in October, compared to a level of USD54.42bn in the previous month. Meanwhile, net gold & forex reserves climbed to USD51.36bn in October, compared to a level of USD50.66bn in September.

Finance Minister, Tito Mboweni has temporarily appointed Olano Makhubela to perform the functions of the commissioner of the Financial Sector Conduct Authority (FSCA) until February 2021.

In an article published in the Sunday Times, former President Thabo Mbeki stated that President Cyril Ramaphosa must provide details for how his economic plan to reboot an economy affected by the coronavirus through increased spending on infrastructure would be financed.

According to a government task force, Eskom may eliminate carbon emissions at its power plants only by 2050.

News reports indicate that SA's government has eased the terms of a bailout given to state defence company Denel for the financial year end March 2021.

Key indices

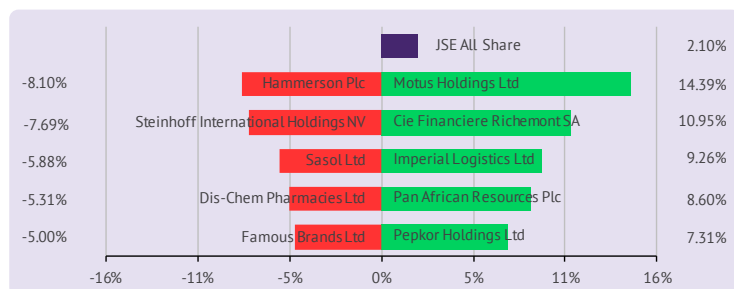
	As at 06 Nov 2020		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	56387.04	▲	1161.80	2.10	NA	9.10	-4.75	-1.22
JSE Top 40 (ZAR)	51876.24	▲	1113.41	2.19	NA	9.28	-5.13	2.09
FTSE 100(GBP)	5910.02	▲	3.84	0.07	NA	5.97	-4.92	-21.64
DAX 30 (EUR)	12480.02	▼	-88.07	-0.70	NA	7.99	-9.44	-5.80
CAC 40 (EUR)	4960.88	▼	-23.11	-0.46	NA	7.98	-4.36	-17.02
S&P 500 (USD)	3509.44	▼	-1.01	-0.03	NA	7.32	-2.77	8.63
Nasdaq Composite (USD)	11895.23	▲	4.30	0.04	NA	9.01	-2.29	32.57
DJIA (USD)	28323.40	▼	-66.78	-0.24	NA	6.87	-4.61	-0.75
MSCI Emerging Markets (USD)	1176.36	▲	10.13	0.87	NA	6.61	1.98	5.54
MSCI Developed World (USD)	2470.05	▲	3.47	0.14	NA	7.72	-3.14	4.73

South Africa Market ▲

South African markets closed higher

South African markets closed higher for the fifth consecutive session on Friday, boosted by gains in gold mining, platinum mining and resources sector stocks. The JSE All Share Index rose 2.1% to close at 56,387.04.

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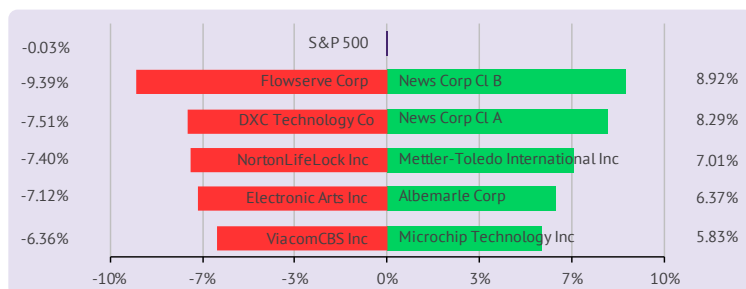


US Market ▼

US markets closed mostly weaker

US markets closed mostly lower on Friday, erasing its previous session gains. The S&P 500 Index marginally dropped to close at 3,509.44. Today, the S&P 500 futures are trading in the green.

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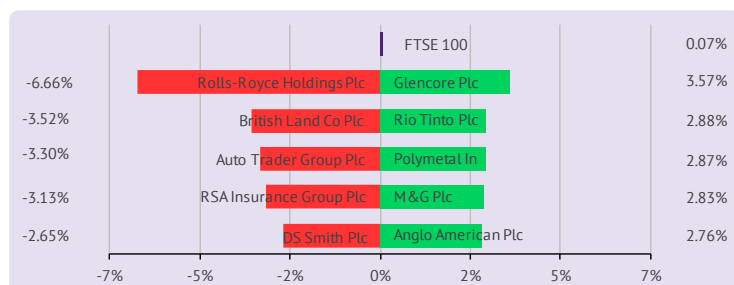


UK Market ▲

UK markets closed in the green

UK markets finished higher on Friday, helped by gains in mining sector stocks. The FTSE 100 Index advanced 0.1% to close at 5,910.02. Today, the FTSE 100 futures are trading in positive territory.

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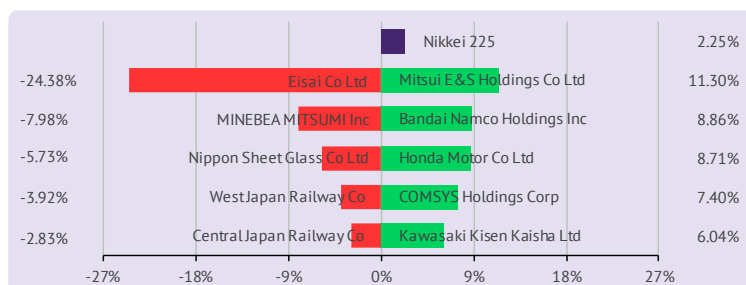


Asian Market ▲

Trading higher

Asian markets are trading higher this morning, amid upbeat investor sentiment after Democrat candidate Joe Biden won the US presidential election. As at 6:00 SAST, the Nikkei 225 Index is trading 2.3% higher at 24,873.66.

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USD ZAR ▲

USD trading lower against ZAR

At 06:00 SAST, the US Dollar dropped 0.4% against the South African Rand to trade at R15.5438. 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, amid speculation that the US Republican party would maintain control over the US senate and oppose any plans for a large new stimulus package. On the macro front, the US unemployment rate fell more-than-expected in October. Additionally, non-farm payrolls increased by more than expected in October. Moreover, consumer credit advanced in October. Meanwhile, average hourly earnings rose less than market consensus in October. Separately, data indicated that gross gold & forex reserves unexpectedly fell in October. On the other hand, net gold & forex reserves climbed in October.

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GBP ZAR ▲

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound dropped 0.1% against the South African Rand to trade at R20.4919. Ahead in the day, traders will keep an eye on Bank of England Governor Andrew Bailey's speech for further indication.

The British Pound declined against the South African Rand on Friday. Data indicated that UK's Halifax house price index advanced at its fastest pace since mid-2016 in October.

EUR ZAR ▲

EUR trading lower against ZAR

At 06:00 SAST, the Euro fell 0.3% against the South African Rand to trade at R18.4829. Going forward, market participants will keep a tab on Eurozone's Sentix investor confidence index along with Germany's trade balance and current account balance for further cues.

The Euro weakened against the South African Rand on Friday. On the data front, Germany's industrial production advanced less than expected in September.

AUD ZAR ▼

AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar is trading marginally higher against the South African Rand at R11.3290. Elsewhere, in China, Australia's largest trading partner, trade surplus widened more-than-anticipated in October.

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	15.5438	▲	-0.53	NA	-3.94	-3.01	11.45
GBPZAR	20.4919	▲	-0.55	NA	-2.51	-2.81	10.52
EURZAR	18.4829	▲	-0.11	NA	-2.05	-3.59	18.06
AUDZAR	11.3290	▼	-0.90	NA	-0.82	-4.83	15.10
EURUSD	1.1891	▲	0.41	NA	1.95	-0.63	5.89
GBPUSD	1.3183	▲	0.06	NA	1.61	0.21	-0.76
Brent (\$/barrel)	40.5	▲	-3.62	NA	3.98	-10.31	-40.23
Gold (\$/oz)	1959.2	▲	0.25	NA	3.82	-0.40	28.14
Platinum (\$/oz)	903.9	▲	-0.06	NA	6.01	-5.84	-7.41
Copper (\$/MT)*	6935.0	▲	1.35	NA	3.39	0.59	12.78

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

Gold ▲

Trading in the green

At 06:00 SAST, gold prices rose 0.4% to trade at \$1,959.20/oz.

On Friday, gold prices rose 0.3% to close at \$1,951.70/oz, as weakness in the US dollar increased demand for the safe haven asset.

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Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged 2.7% higher to trade at \$40.51/bl.

On Friday, Brent crude oil declined 3.6% to settle at \$39.45/bl, as rising coronavirus cases in the US and the Europe renewed concerns over demand outlook. Additionally, Baker Hughes reported that the US oil rig count rose by 5 to 226 last week.

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Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged 0.5% higher to trade at \$903.90/oz.

On Friday, platinum prices dropped 0.1% to close at \$899.40/oz.

Major South African corporate news

Pan African Resources Plc

The company announced that it has entered into conditional sale-of-shares agreements to acquire the total share capital and associated shareholder loans and other claims of Mogale Gold Proprietary Limited and Mintails SA Soweto Cluster Proprietary Limited (MSC). Further, both, Mogale Gold and MSC are 100.0% owned by Mintails Mining SA Proprietary Limited, which was placed in provisional liquidation during 2018. The aggregate cash consideration for the proposed transactions will be a maximum of ZAR50.00mn.

Major global economic news

US

In the US, consumer credit rose by USD16.21bn in September, more than market expectations and compared to a revised drop of USD6.93bn in the prior month.

In October, average hourly earnings advanced 0.1% on a monthly basis in the US, less than market anticipations and compared to a revised flat reading in the previous month.

In the US, non-farm payrolls advanced by 638.00K in October, compared to a revised growth of 672.00K jobs in the prior month.

In October, the unemployment rate dropped to 6.9% in the US, compared to 7.9% in the previous month.

UK

In the UK, the Halifax house price index increased 7.5% on a yearly basis in three months to October, compared to an advance of 7.3% in the previous month.

Eurozone

In Germany, industrial production rose 1.6% on a monthly basis in September, less than market forecast and compared to a revised rise of 0.5% in the previous month.














Asia

In China, trade surplus widened more-than-expected to USD58.44bn in October, compared to a surplus of USD37.00 in the previous month.

40 best performers on the All Share Index

Company name	Last close	1 Week % change	MTD % change	YTD % change
Pan African Resources PLC	505	20.24	20.24	133.80
Gold Fields Ltd	19960	15.61	15.61	111.87
Cartrack Holdings Ltd	4749	17.70	17.70	102.31
Montauk Holdings Ltd	7644	12.41	12.41	101.16
Harmony Gold Mining Co Ltd	9269	16.23	16.23	81.04
African Rainbow Minerals Ltd	24254	6.58	6.58	62.17
Naspers Ltd	344308	8.91	8.91	50.30
Blue Label Telecoms Ltd	385	9.07	9.07	49.22
Northam Platinum Ltd	18090	16.85	16.85	46.34
Allied Electronics Corp Ltd	3254	22.10	22.10	42.63
AngloGold Ashanti Ltd	43429	17.75	17.75	37.98
Kumba Iron Ore Ltd	52300	8.89	8.89	37.85
Royal Bafokeng Platinum Ltd	6431	9.59	9.59	29.60
Zeder Investments Ltd	266	0.38	0.38	27.28
Impala Platinum Holdings Ltd	17070	19.56	19.56	24.17
Stenprop Ltd	2732	1.49	1.49	18.76
Afrimat Ltd	3800	0.03	0.03	17.11
African Oxygen Ltd	2400	0.17	0.17	16.95
Omnia Holdings Ltd	3900	2.60	2.60	15.56
Trencor Ltd	395	-4.36	-4.36	12.47
Cie Financiere Richemont SA	12122	19.74	19.74	12.35
Italtile Ltd	1430	9.58	9.58	12.09
Vodacom Group Ltd	12351	0.80	0.80	10.59
Shoprite Holdings Ltd	13203	2.42	2.42	8.03
JSE Ltd	11799	8.55	8.55	7.12
BHP Group PLC	32879	5.29	5.29	5.70
Mondi PLC	33013	8.36	8.36	4.15
Exxaro Resources Ltd	12206	11.95	11.95	3.55
PSG Group Ltd	5364	5.94	5.94	3.44
Cashbuild Ltd	22099	0.52	0.52	3.37
Coronation Fund Managers Ltd	3935	4.85	4.85	2.69
AfroCentric Investment Corp Ltd	330	-1.49	-1.49	2.10
Aspen Pharmacare Holdings Ltd	12100	14.64	14.64	1.49
Anglo American PLC	38941	3.61	3.61	1.08
Rand Merchant Investment Holdings Ltd	3053	7.65	7.65	1.06
Tiger Brands Ltd	20852	3.49	3.49	1.03
Sirius Real Estate Ltd	1570	1.29	1.29	0.13
Steinhoff International Holdings NV	84	-2.33	-2.33	0.00
Oceana Group Ltd	5987	0.79	0.79	-1.29
Investec Australia Property Fund	1397	-1.62	-1.62	-1.36
JSE All Share Index	56387	9.10	9.10	-1.22

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus	Previous	Frequency
 Japan	07:00	Coincident Index (Sep) (P)	✓	79.00	79.20	Monthly
 Japan	07:00	Leading Economic Index (Sep) (P)	✓✓✓	88.60	88.40	Monthly
 Switzerland	08:45	Unemployment Rate n.s.a. (Oct)	✓✓	-	3.20%	Monthly
 Switzerland	08:45	Unemployment Rate s.a. (Oct)	✓✓	3.40%	3.30%	Monthly
 Germany	09:00	Current Account n.s.a. (Sep)	✓	-	EUR16.50bn	Monthly
 Germany	09:00	Exports s.a. (MoM) (Sep)	✓	1.40%	2.40%	Monthly
 Germany	09:00	Imports s.a. (MoM) (Sep)	✓	1.40%	5.80%	Monthly
 Germany	09:00	Trade Balance n.s.a. (Sep)	✓✓✓	-	EUR12.80bn	Monthly
 Switzerland	11:00	Total Sight Deposits (CHF) (09-Nov)	✓	-	CHF707600.00mn	Weekly
 Switzerland	11:00	Domestic Sight Deposits (CHF) (09-Nov)	✓	-	CHF636000.00mn	Weekly
 Eurozone	11:30	Sentix Investor Confidence (Nov)	✓✓✓	-9.50	-8.30	Monthly
 UK	12:35	BoE Governor Bailey Speech	✓	-	-	As Scheduled
 Portugal	13:00	Trade Balance (Sep)	✓	-	-EUR1.05bn	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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