

ONE Minute Brief

5 July 2019

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Economic and political news

In South Africa (SA), electricity production fell 0.6% on an annual basis in May, compared to a rise of 1.8% in the prior month. Electricity consumption slid 1.3% on a yearly basis in May, compared to a rise of 1.6% in April.

The South African Revenue Service (SARS) Commissioner, Edward Kieswetter, has set up a revenue recovery campaign in order to achieve the revenue estimate of ZAR1.42tn for this fiscal year.

The SA Institute of Chartered Accountants (Saica) has suspended former Eskom Chief Financial Officer, Anoj Singh's membership, with regard to the outcome of a disciplinary hearing against him.

The Public Investment Corporation has dismissed reports indicating it was pressured by trade union federation, Cosatu, to invest in retailer, Edcon.

The board of SA Tourism has received a report of the investigation into allegations against suspended Chief Executive Officer, Sisa Ntshona and would be submitted to tourism minister, Mmamoloko Kubayi-Ngubane, today.

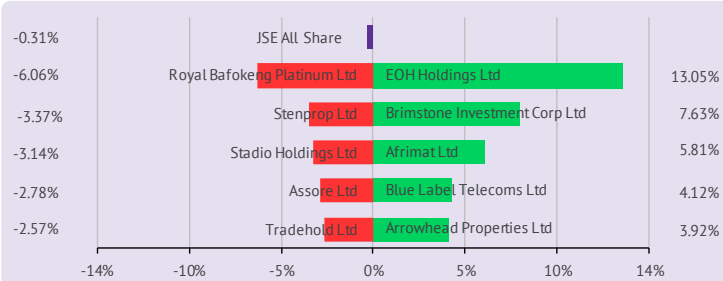
President Cyril Ramaphosa is set to address the first 4th Industrial Revolution SA - Digital Economy Summit today.

South Africa Market

South African markets closed lower

South African markets closed in the red yesterday, led by losses in resources, platinum mining and banking sector stocks. Data revealed that SA's annual electricity production dropped in May. The JSE All Share Index fell 0.3% to close at 57,829.47.

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Key indices

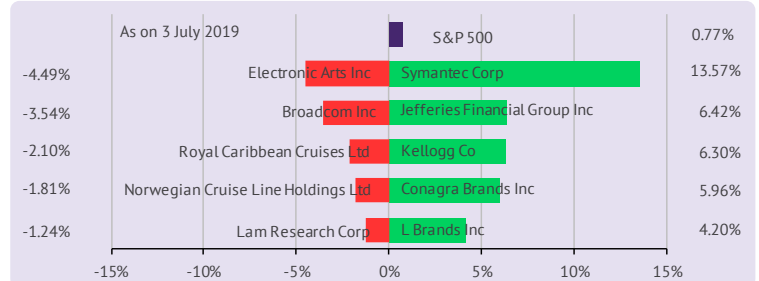
	As at 4 July 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	57829.47	▼ -182.71	-0.31	-0.64	-0.64	4.59	9.66
JSE Top 40 (ZAR)	51746.94	▼ -213.62	-0.41	-0.87	-0.87	5.27	10.74
FTSE 100 (GBP)	7603.58	▼ -5.74	-0.08	2.40	2.40	3.69	13.01
DAX 30 (EUR)	12629.90	▲ 13.66	0.11	1.86	1.86	5.73	19.61
CAC 40 (EUR)	5620.73	▲ 1.92	0.03	1.48	1.48	6.36	18.81
S&P 500 (USD)*	2995.82	▲ 22.81	0.77	1.84	1.84	6.89	19.51
Nasdaq Composite (USD)*	8170.23	▲ 61.14	0.75	2.05	2.05	7.42	23.13
DJIA (USD)*	26966.00	▲ 179.52	0.67	1.38	1.38	7.19	15.60
MSCI Emerging Markets (USD)	1064.63	▲ 4.99	0.47	0.93	0.93	5.70	10.22
MSCI Developed World (USD)	2215.17	▲ 1.82	0.08	1.69	1.69	6.46	17.58

* Values as on 3 July 2019

US Market

US markets were closed yesterday

Markets in the US were closed yesterday on account of Independence Day holiday. Today, the S&P 500 futures are trading in the green.



UK Market

UK markets closed weaker

UK markets finished lower yesterday, weighed down by losses in mining sector stocks. The FTSE 100 Index declined 0.1% to close at 7,603.58. Today, the FTSE 100 futures are trading in negative territory.

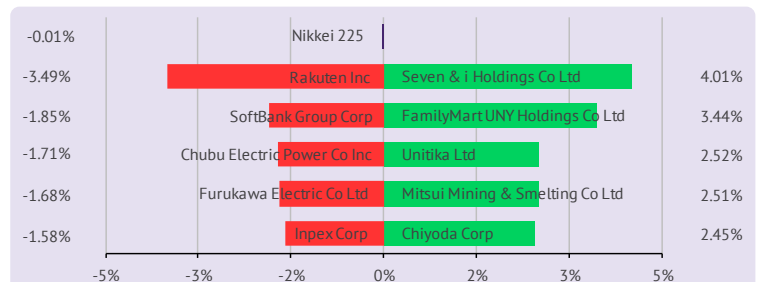
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Asian Market

Trading mostly lower

Asian markets are trading mostly lower this morning. The Nikkei 225 Index is trading marginally lower at 21,701.26.



USD ZAR ▼

USD trading higher against ZAR

At 06:00 SAST, the US Dollar rose 0.1% against the South African Rand to trade at R14.0518. Later today, traders will keep a close watch on the US non-farm pay rolls, unemployment rate and average hourly earnings for further direction.

The US Dollar fell against the South African Rand yesterday, amid fall in the US treasury yields. Separately, in SA, electricity production recorded a drop on a yearly basis in May. Additionally, annual electricity consumption declined in the same month.

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GBP ZAR ▼

GBP trading stronger against ZAR

At 06:00 SAST, the British Pound is trading 0.1% firmer against the South African Rand at R17.6800. Ahead in the day, traders will keep an eye on UK's Halifax house prices for further indication.

The British Pound declined against the South African Rand yesterday, amid ongoing Brexit uncertainties.

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EUR ZAR ▼

EUR trading firmer against ZAR

At 06:00 SAST, the Euro is trading marginally higher against the South African Rand at R15.8547. Going forward, market participants will keep a tab on Germany's factory orders for further cues.

The Euro weakened against the South African Rand yesterday. On the data front, Eurozone's retail sales unexpectedly declined for a second consecutive month, on a monthly basis, in May. Separately, Germany's Markit construction PMI recorded a fall in June.

AUD ZAR ▼

AUD trading stronger against ZAR

At 06:00 SAST, the Australian Dollar climbed 0.1% against the South African Rand to trade at R9.8713. Earlier in the session, Australia's AiG performance of construction index registered an advance in June.

The Australian Dollar fell against the South African Rand yesterday.

Key currencies & commodities

	Current**		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	14.0518	▼	-0.13	-0.35	-0.35	-3.38	-2.16
GBPZAR	17.6800	▼	-0.04	-1.23	-1.23	-2.92	-3.59
EURZAR	15.8547	▼	-0.08	-1.08	-1.08	-1.65	-3.70
AUDZAR	9.8713	▼	-0.22	-0.30	-0.30	-2.20	-2.62
EURUSD	1.1283	▼	0.06	-0.77	-0.77	1.83	-1.59
GBPUSD	1.2582	▲	0.04	-0.92	-0.92	0.53	-1.37
Brent (\$/barrel)	63.2	▼	-0.81	-2.22	-2.22	4.44	17.66
Gold (\$/oz)#	1420.7	▼	0.92	0.51	0.51	8.26	10.90
Platinum (\$/oz)#	837.2	-	1.21	0.20	0.20	5.20	5.19
Copper (\$/MT)#	5909.0	▲	0.69	-1.22	-1.22	3.03	-0.67

*As of previous close, **As on 06:00 SAST #1D% change as on 3 July 2019

Gold ▼

Trading in the red

At 06:00 SAST, gold prices slightly dropped to trade at \$1,420.70/oz.

Trading in gold was closed yesterday on account of a public holiday in the US.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 0.1% lower to trade at \$63.22/bl.

Yesterday, Brent crude oil dropped 0.8% to settle at \$63.30/bl, amid ongoing worries over global economic growth.

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Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices marginally declined to trade at \$837.20/oz.

Trading in platinum was closed yesterday on account of a public holiday in the US.

Major South African corporate news

Super Group Limited

The company announced that it had earlier proposed to acquire 65.0% of LiebenLogistics Proprietary Limited (Lieben) and 51.0% of GLS Supply Chain Equipment Proprietary Limited, subsequent to which the net asset value of the Lieben subscription will be a minimum of ZAR89.97mn and the company forecasted profit after taxation associated with the assets to be ZAR103.50mn. The company announced that all conditions precedent to the acquisitions have been fulfilled.

Major global economic news

Eurozone

In the Eurozone, seasonally adjusted retail sales recorded an unexpected drop of 0.3% on a monthly basis in May, compared to a revised drop of 0.1% in the prior month.

In Germany, the Markit construction PMI dropped to a level of 50.00 in June, compared to a reading of 51.40 in the previous month.

Asia

In Japan, household spending climbed 4.0% on a yearly basis in May, more than market expectations. Household spending had recorded a rise of 1.3% in the prior month.

In Australia, the AiG performance of construction index rose to 43.00 in June, compared to a level of 40.40 in the previous month.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	01:30	Household Spending (YoY) (May)	✓✓	4.00%*	1.30%	Monthly
Japan	01:50	Japan Foreign Reserves (Jun)	✓	USD1322.30bn*	USD1308.00bn	Monthly
Japan	07:00	Coincident Index (May) (P)	✓	103.20	102.10	Monthly
Japan	07:00	Leading Economic Index (May) (P)	✓✓✓	95.30	95.90	Monthly
South Africa	08:00	Net Gold & Forex Reserve (Jun)	✓	-	USD43.18bn	Monthly
South Africa	08:00	Gross Gold & Forex Reserve (Jun)	✓	-	USD48.33bn	Monthly
Germany	08:00	Factory Orders s.a. (MoM) (May)	✓✓	0.30%	0.30%	Monthly
Germany	08:00	Factory Orders n.s.a. (YoY) (May)	✓✓✓	-6.20%	-5.30%	Monthly
France	08:45	Current Account (May)	✓✓	-	-EUR0.80bn	Monthly
France	08:45	Trade Balance (May)	✓✓✓	-EUR4.85bn	-EUR4.98bn	Monthly
UK	09:30	Halifax House Prices (3m/YoY) (Jun)	✓	5.70%	5.20%	Monthly
UK	09:30	Halifax House Prices (MoM) (Jun)	✓	-0.40%	0.50%	Monthly
US	14:30	Change in Household Employment (Jun)	✓	-	1209.00K	Monthly
US	14:30	Change in Manufacturing Payrolls (Jun)	✓	-	3.00K	Monthly
Canada	14:30	Part Time Employment Change (Jun)	✓✓	-	0.00K	Monthly
Canada	14:30	Participation Rate (Jun)	✓	-	65.70	Monthly
US	14:30	Underemployment Rate (Jun)	✓✓	-	7.10%	Monthly
US	14:30	Average Hourly Earnings All Employees (MoM) (Jun)	✓✓	0.30%	0.20%	Monthly
US	14:30	Average Hourly Earnings All Employees (YoY) (Jun)	✓✓	3.20%	3.10%	Monthly
US	14:30	Average Weekly Hours All Employees (Jun)	✓	34.40	34.40	Monthly
US	14:30	Unemployment Rate (Jun)	✓✓✓	3.60%	3.60%	Monthly
US	14:30	Change in Non-farm Payrolls (Jun)	✓✓✓	160.00K	75.00K	Monthly
US	14:30	Change in Private Payrolls (Jun)	✓✓	150.00K	90.00K	Monthly

Note: ✓✓✓High ✓✓Medium ✓Low

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