

ONE Minute Brief

8 July 2019

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Economic and political news

In South Africa (SA), gross gold & forex reserves climbed to USD49.80bn in June, compared to a level of USD48.33bn in the previous month. Net gold & forex reserves rose to USD43.94bn in June, compared to a reading of USD43.18bn in May.

While speaking at the Digital Economy Summit, President, Cyril Ramaphosa, stated that SA cannot allow its economy to be held back by the ongoing trade war between the US and China. Meanwhile, he suggested that digital technologies can generate ZAR5tn in value for South African industry, if the country creates its own version of Silicon Valley.

Public Protector, Busisiwe Mkhwebane has instructed President Cyril Ramaphosa, to take action against Public Enterprises Minister, Pravin Gordhan, for violating the Constitution and misleading Parliament about the SARS rogue unit.

Nuclear Energy Corporation of SA (Necsa) Chairman, Rob Adam, has resigned from his position.

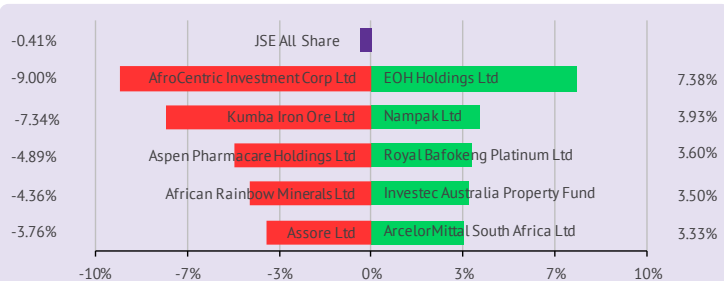
The Congress of South African Trade Unions (Cosatu) has demanded action be taken against Finance Minister, Tito Mboweni, following comments he made on Twitter regarding e-tolls.

South Africa Market

South African markets closed lower

South African markets closed in the red on Friday, weighed down by losses in gold mining and resources sector stocks. Data showed that gross gold & forex reserves rose in June. The JSE All Share Index fell 0.4% to close at 57,589.82.

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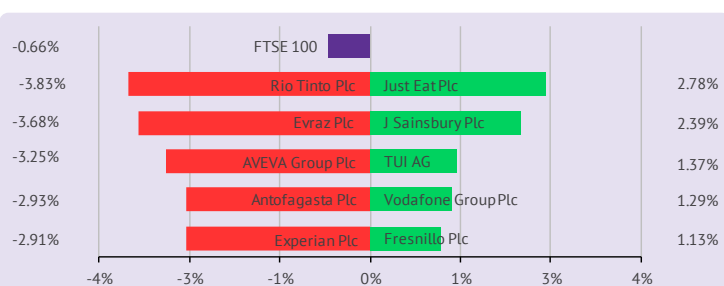


UK Market

UK markets closed lower

UK markets finished lower on Friday, led by losses in mining and homebuilding sector stocks. Data revealed that UK's monthly Halifax house prices fell in June. The FTSE 100 Index declined 0.7% to close at 7,553.14. Today, the FTSE 100 futures are trading in negative territory.

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Key indices

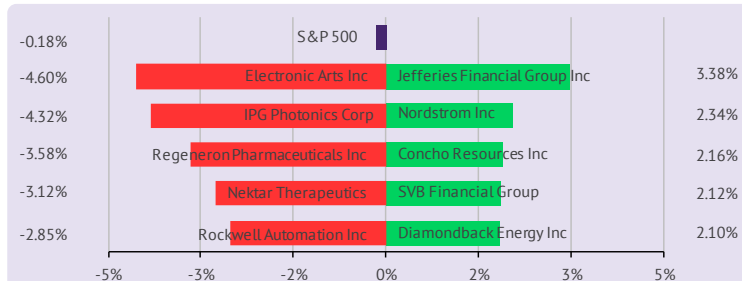
	As at 5 July 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	57589.82	▼ -239.65	-0.41	NA	-1.05	4.59	9.20
JSE Top 40 (ZAR)	51539.30	▼ -207.64	-0.40	NA	-1.26	5.27	10.30
FTSE 100(GBP)	7553.14	▼ -50.44	-0.66	NA	1.72	3.69	12.26
DAX 30 (EUR)	12568.53	▼ -61.37	-0.49	NA	1.37	5.73	19.03
CAC 40 (EUR)	5593.72	▼ -27.01	-0.48	NA	0.99	6.36	18.24
S&P 500 (USD)	2990.41	▼ -5.41	-0.18	NA	1.65	6.89	19.29
Nasdaq Composite (USD)	8161.79	▼ -8.44	-0.10	NA	1.94	7.42	23.01
DJIA (USD)	26922.12	▼ -43.88	-0.16	NA	1.21	7.19	15.41
MSCI Emerging Markets (USD)	1059.93	▼ -4.70	-0.44	NA	0.48	5.70	9.73
MSCI Developed World (USD)	2205.57	▼ -9.60	-0.43	NA	1.25	6.46	17.07

US Market

US markets closed lower

US markets closed lower on Friday, as robust US jobs report lowered expectations of interest rate cut by the Federal Reserve (Fed). Data showed that the US non-farm pay rolls jumped more-than-expected in June. The S&P 500 Index dropped 0.2% to close at 2,990.41. Today, the S&P 500 futures are trading weaker.

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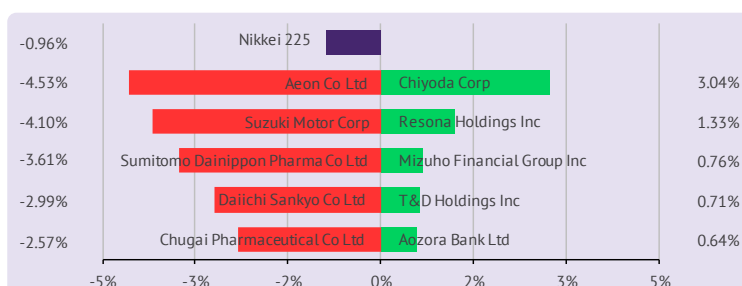


Asian Market

Trading lower

Asian markets are trading lower this morning, as Fed rate cut expectations dimmed. Data indicated that Japan's current account surplus narrowed less-than-expected in May. The Nikkei 225 Index is trading 1.0% lower at 21,538.06.

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USD ZAR ▼

USD trading higher against ZAR

At 06:00 SAST, the US Dollar climbed 0.2% against the South African Rand to trade at R14.2045. Later today, traders will keep a close watch on the US consumer credit for further indication.

The US Dollar rose against the South African Rand on Friday, after the US non-farm pay rolls climbed more than market forecast in June. Additionally, average hourly earnings rose for an 11th consecutive month on a monthly basis in June. Meanwhile, the nation's unemployment rate advanced in the same month. Separately, in SA, gross gold & forex reserves registered an advance in June. Additionally, net gold & forex reserves climbed 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% higher against the South African Rand at R17.7817. Ahead in the day, traders will keep an eye on UK's BRC like-for-like sales for further cues.

The British Pound advanced against the South African Rand on Friday. On the data front, UK's Halifax house prices fell on a monthly basis in June.

EUR ZAR ▼

EUR trading firmer against ZAR

At 06:00 SAST, the Euro is trading 0.2% higher against the South African Rand at R15.9494. Going forward, market participants will keep a tab on Eurozone's Sentix investor confidence index, Germany's industrial production, trade and current account balance for further direction.

The Euro strengthened against the South African Rand on Friday. Data indicated that Germany's factory orders declined more than market expectations on a monthly basis in May.

AUD ZAR ▼

AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.3% firmer against the South African Rand at R9.9218.

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	14.2045	▼	0.99	NA	0.64	-3.38	-1.19
GBPZAR	17.7817	▼	0.55	NA	-0.69	-2.92	-3.07
EURZAR	15.9494	▼	0.44	NA	-0.65	-1.65	-3.28
AUDZAR	9.9218	▼	0.35	NA	0.05	-2.20	-2.28
EURUSD	1.1228	▲	-0.53	NA	-1.30	1.83	-2.11
GBPUSD	1.2522	▲	-0.46	NA	-1.38	0.53	-1.83
Brent (\$/barrel)	64.3	▲	1.47	NA	-0.79	4.44	19.39
Gold (\$/oz)	1401.4	▲	-1.46	NA	-0.96	8.26	9.27
Platinum (\$/oz)	805.2	-	-3.82	NA	-3.63	5.20	1.17
Copper (\$/MT)*	5890.3	▼	-0.52	NA	-1.53	3.03	-0.99

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

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.1% higher to trade at \$1,401.40/oz.

On Friday, gold prices fell 1.5% to close at \$1,400.10/oz, as the US Dollar strengthened, following stronger than expected US jobs data.

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Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil advanced 0.1% to trade at \$64.27/bl.

On Friday, Brent crude oil advanced 1.5% to settle at \$64.23/bl, amid rising tensions in the Middle East.

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Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum are trading marginally lower at \$805.20/oz.

On Friday, platinum prices declined 3.8% to close at \$805.20/oz.

Major South African corporate news

Aveng Limited

The company announced that it has signed a binding sale and a subordinated loan agreement with Copaflo Fluid Control Proprietary Limited for the sale of the Aveng Dynamic Fluid Control business unit as a going concern. The proposed transaction is worth ZAR165.00mn, of which ZAR129.00mn would be settled by cash directly to the company on the effective date and ZAR36.00mn would be paid to Dimopoint, an associate company, on registration of transfer of the property.

Major global economic news

US

In the US, non-farm payrolls rose more-than-expected by 224K in June, compared to a revised reading of 72K in the previous month.

In the US, unemployment rate climbed to 3.7% in June, compared to 3.6% in the prior month.

In the US, average hourly earnings recorded a less-than-expected rise of 0.2% on a monthly basis in June, compared to a revised gain of 0.3% in the previous month.

Eurozone

In Germany, seasonally adjusted factory orders slid 2.2% on a monthly basis in May, more than market expectations. In the prior month, factory orders had recorded a revised rise of 0.4%.

Asia

In Japan, preliminary current account surplus narrowed less than market forecast to JPY1594.80bn in May, compared to a surplus of JPY1707.40bn in April.

In Japan, machinery orders declined 7.8% on a monthly basis in May, more than market anticipations and compared to a rise of 5.2% in the previous month.

















UK

In the UK, the Halifax house price index eased 0.3% on a monthly basis in June. The index had climbed 0.5% in the prior month.

40 best performers on the All Share Index

Company name	Last close	1 Week % change	MTD % change	YTD % change
Impala Platinum Holdings Ltd	7240	3.80	3.80	97.38
Lonmin Plc	1480	0.00	0.00	76.40
Kumba Iron Ore Ltd	47168	-5.55	-5.55	73.82
Sibanye Gold Ltd	1560	-6.92	-6.92	55.69
Allied Electronics Corp Ltd	2730	2.82	2.82	54.46
Anglo American Platinum Ltd	79756	-4.70	-4.70	49.78
Gold Fields Ltd	7193	-6.28	-6.28	46.32
Telkom SA SOC Ltd	8876	-3.72	-3.72	43.85
Northam Platinum Ltd	6100	3.39	3.39	41.01
Royal Bafokeng Platinum Ltd	3450	-0.29	-0.29	38.69
AngloGold Ashanti Ltd	24743	-2.59	-2.59	36.79
Libstar Holdings Ltd	920	-5.06	-5.06	35.07
Cartrack Holdings Ltd	1880	-4.81	-4.81	32.31
Net 1 UEPS Technologies Inc	6490	17.47	17.47	29.15
Assore Ltd	36156	-1.42	-1.42	28.26
Metair Investments Ltd	2387	1.36	1.36	27.84
DataTec Ltd	3494	0.52	0.52	27.70
Afrimat Ltd	3500	9.38	9.38	27.64
Cie Financiere Richemont SA	11877	-0.64	-0.64	26.82
African Rainbow Minerals Ltd	17501	-3.93	-3.93	25.84
Distell Group Holdings Ltd	13219	1.92	1.92	24.70
Exxaro Resources Ltd	16614	-3.40	-3.40	24.65
Naspers Ltd	348186	1.82	1.82	24.15
Harmony Gold Mining Co Ltd	3086	-2.77	-2.77	22.46
BHP Group Plc	34592	-4.11	-4.11	22.43
Fortress REIT Ltd	2138	-0.28	-0.28	22.05
Investec Australia Property Fund	1450	1.40	1.40	22.04
Transaction Capital Ltd	2040	2.15	2.15	21.59
Quilter Plc	2600	3.63	3.63	21.23
MTN Group Ltd	10370	-2.86	-2.86	20.86
Alexander Forbes Group Holdings Ltd	595	2.76	2.76	20.22
Tradehold Ltd	1150	-4.25	-4.25	19.93
Anglo American Plc	37880	-5.91	-5.91	19.89
NEPI Rockcastle Plc	12980	0.30	0.30	18.97
Ascendis Health Ltd	492	4.68	4.68	18.27
British American Tobacco Plc	53291	7.77	7.77	17.55
Coronation Fund Managers Ltd	4684	4.79	4.79	17.45
Investec Ltd	9231	0.49	0.49	16.85
Investec Property Fund Ltd	1515	-0.98	-0.98	15.74
Barloworld Ltd	12763	-0.29	-0.29	15.41
JSE All Share Index	57590	-1.05	-1.05	9.20

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
 Japan	1:50	Machinery Orders (MoM) (May)	✓	-7.80%*	5.20%	Monthly
 Japan	1:50	Machinery Orders (YoY) (May)	✓✓	-3.70%*	2.50%	Monthly
 Japan	1:50	Bank Lending including Trusts (YoY) (Jun)	✓	2.30%*	2.60%	Monthly
 Japan	1:50	Bank Lending ex-Trust (YoY) (Jun)	✓	2.40%*	2.80%	Monthly
 Japan	1:50	Adjusted Current Account Total (May)	✓	JPY1305.70bn*	JPY1600.10bn	Monthly
 Japan	1:50	Current Account n.s.a. (May)	✓	JPY1594.80bn*	JPY1707.40bn	Monthly
 Japan	1:50	Trade Balance - BOP Basis (May)	✓✓✓	-JPY650.90bn*	-JPY98.20bn	Monthly
 Japan	7:00	Eco Watchers Survey: Current (Jun)	✓✓	43.80	44.10	Monthly
 Japan	7:00	Eco Watchers Survey: Outlook (Jun)	✓✓	44.50	45.60	Monthly
 Germany	8:00	Current Account n.s.a. (May)	✓	-	EUR22.60bn	Monthly
 Germany	8:00	Imports s.a. (MoM) (May)	✓	-	-1.30%	Monthly
 Germany	8:00	Trade Balance n.s.a. (May)	✓✓✓	-	EUR17.90bn	Monthly
 Germany	8:00	Industrial Production n.s.a. and w.d.a. (YoY) (May)	✓✓✓	-3.20%	-1.80%	Monthly
 Germany	8:00	Industrial Production s.a. (MoM) (May)	✓✓✓	0.50%	-1.90%	Monthly
 Eurozone	10:30	Sentix Investor Confidence (Jul)	✓✓✓	-	-3.30	Monthly
 US	21:00	Consumer Credit Change (May)	✓✓	-	USD17.50bn	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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