

ONE Minute Brief

23 September 2019

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Economic and political news

South Africa's (SA) Association of Mineworkers and Construction Union (AMCU) has re-elected Joseph Mathunjwa as its President.

The Economic Freedom Fighters (EFF) has threatened court action, if the joint standing committee on intelligence is not established by 27 September.

The chairperson of the portfolio committee on health, Dr Sibongiseni Dhlomo, announced that public hearings on the National Health Insurance (NHI) Bill will begin in October.

According to a news report, the Democratic Alliance will submit questions to Free State premier, Sisi Ntombela, over allegations that former Free State premier, Ace Magashule, facilitated payment to the African Transformation Movement.

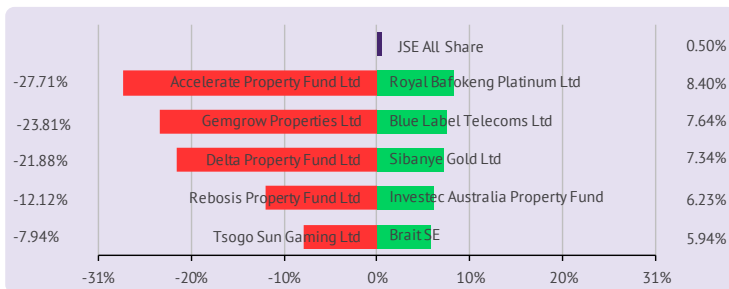
News reports indicate that EFF Deputy President, Floyd Shivambu, is under scrutiny over his purchase of high-end Range Rover Sport.

South Africa Market ▲

South African markets closed higher

South African markets closed in the green on Friday, supported by gains in mining and resource sector stocks. The JSE All Share Index rose 0.5% to close at 56,406.89.

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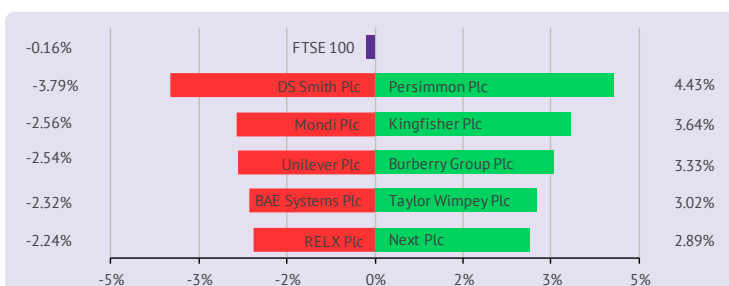


UK Market ▼

UK markets closed in the red

UK markets finished lower on Friday, as the British pound strengthened, after European Commission President, Jean-Claude Juncker stated that a Brexit deal was possible. The FTSE 100 Index declined 0.2% to close at 7,344.92. Today, the FTSE 100 futures are trading in positive territory.

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Key indices

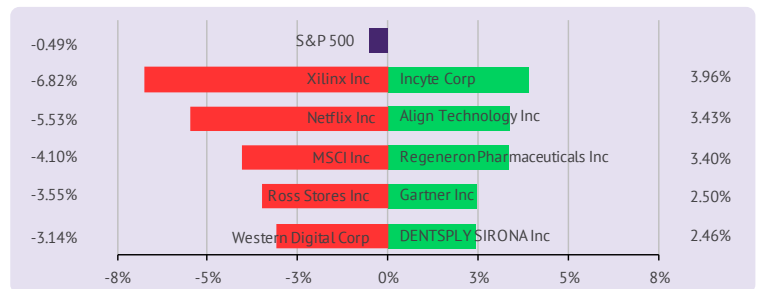
	As at 20 Sep 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg	
JSE All Share (ZAR)	56406.89	▲	283.06	0.50	NA	2.08	-2.69	6.96
JSE Top 40 (ZAR)	50341.64	▲	263.86	0.53	NA	2.07	-2.91	7.74
FTSE 100(GBP)	7344.92	▼	-11.50	-0.16	NA	1.91	-5.00	9.17
DAX 30 (EUR)	12468.01	▲	10.31	0.08	NA	4.43	-2.05	18.08
CAC 40 (EUR)	5690.78	▲	31.70	0.56	NA	3.84	-0.70	20.29
S&P 500 (USD)	2992.07	▼	-14.72	-0.49	NA	2.24	-1.81	19.36
Nasdaq Composite (USD)	8117.67	▼	-65.20	-0.80	NA	1.94	-2.60	22.34
DJIA (USD)	26935.07	▼	-159.72	-0.59	NA	2.01	-1.72	15.47
MSCI Emerging Markets (USD)	1021.27	▲	4.70	0.46	NA	3.75	-5.08	5.73
MSCI Developed World (USD)	2197.55	▼	-7.13	-0.32	NA	2.76	-2.24	16.65

US Market ▼

US markets closed lower

US markets closed weaker on Friday, after Chinese officials cancelled their trip to the US, dampening hopes over trade talks between the two countries. The S&P 500 Index dropped 0.5% to close at 2,992.07. Today, the S&P 500 futures are trading in the red.

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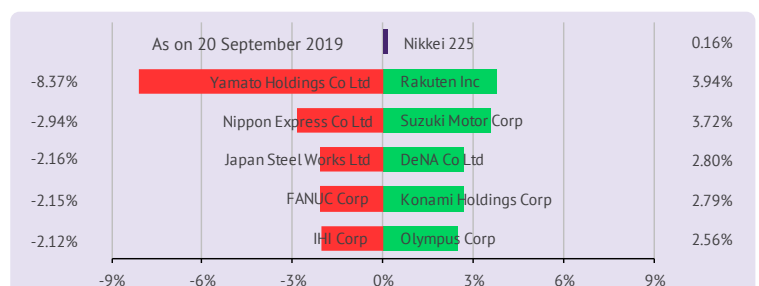


Asian Market ▼

Trading weaker

Asian markets are trading lower this morning, amid geopolitical tensions. Markets in Japan are closed today on account of a public holiday.

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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 R14.9092. Later today, traders will keep a close watch on the US Chicago Fed National Activity Index, the Markit manufacturing and services PMI for further indication.

The US Dollar rose against the South African Rand on Friday.

GBP ZAR ▲

GBP trading lower against ZAR

At 06:00 SAST, the British Pound slightly declined against the South African Rand to trade at R18.6207. With no major economic releases in the UK today, investor sentiment will be determined by global macroeconomic news.

The British Pound advanced against the South African Rand on Friday, amid rising optimism that the UK will leave the European Union with a deal.

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EUR ZAR ▲

EUR trading weaker against ZAR

At 06:00 SAST, the Euro is trading 0.1% lower against the South African Rand at R16.4350. Going forward, market participants will keep a tab on the Markit manufacturing and services PMI across the Eurozone for further direction.

The Euro strengthened against the South African Rand on Friday. On the data front, Eurozone's consumer confidence index climbed more than market forecast to a 4-month high level in September. Separately, Germany's producer price index (PPI) advanced less than market anticipations on an annual basis in August.

AUD ZAR ▼

AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar is trading marginally higher against the South African Rand at R10.1065.

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	14.9092	▲	0.78	NA	-1.71	5.94	4.10
GBPZAR	18.6207	▲	0.35	NA	0.84	5.87	1.65
EURZAR	16.4350	▲	0.53	NA	-1.41	5.04	-0.05
AUDZAR	10.1065	▼	0.40	NA	-1.19	4.16	-0.17
EURUSD	1.1022	▲	-0.22	NA	0.32	-0.85	-3.92
GBPUSD	1.2489	▲	-0.38	NA	2.65	-0.02	-2.16
Brent (\$/barrel)	65.0	▲	-0.19	NA	8.49	-8.92	19.48
Gold (\$/oz)	1523.9	▲	0.57	NA	-0.98	6.79	17.69
Platinum (\$/oz)	957.3	▲	0.02	NA	1.17	6.01	18.43
Copper (\$/MT)*	5770.0	▲	0.15	NA	2.02	-4.18	-3.01

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

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 1.1% higher to trade at \$1,523.90/oz.

On Friday, gold prices rose 0.6% to close at \$1,508.00/oz, after the US President, Donald Trump, announced additional sanctions on Iran and China.

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Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil gained 1.1% to trade at \$64.97/bl, amid oil supply disruptions from Saudi Arabia.

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On Friday, Brent crude oil dropped 0.2% to settle at \$64.28/bl. Meanwhile, Baker Hughes reported that US oil rig count fell by 14 to 719 last week.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged 1.6% higher to trade at \$957.30/oz.

On Friday, platinum prices marginally rose to close at \$942.60/oz.

Major South African corporate news

Grand Parade Investments Limited

In its FY19 audited results, the company announced that revenues rose by 28.0% to ZAR1.41bn from ZAR1.10bn in the prior year. Further, basic loss per share decreased by 27.0% to 8.48c from 11.66c per share in the previous year.

PPC Limited

The company, referred to its earlier announcement relating to the appointment of Mr. Roland van Wijnen as CEO, subject to him receiving his work permit. The board has now announced that Roland's work permit has been issued and that he would formally take over from Johan Claassen, with effect from 1 October 2019.

Investec Limited

In its 1H19 pre-close trading update, the company announced that the firm made further progress on simplifying and focusing the business in pursuit of disciplined growth over the long term. Adjusted EPS is expected to be approximately 4.0% to 7.0% lower than the prior period. Additionally, the company stated that the proposed demerger and separate listing of Investec Asset Management is on track.



















Major global economic news

Eurozone

In the Eurozone, the preliminary consumer confidence index climbed to -6.50 in September, more than market expectations and compared to a reading of -7.10 in the prior month.

In Germany, the PPI rose 0.3% on an annual basis in August, less than market forecast. In the prior month, the PPI had climbed 1.1%.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus	Previous	Frequency
 France	09:15	Markit Services PMI (Sep) (P)	✓✓✓	53.20	53.40	Monthly
 France	09:15	Markit Manufacturing PMI (Sep) (P)	✓✓✓	51.20	51.10	Monthly
 Germany	09:30	Markit Manufacturing PMI (Sep) (P)	✓✓✓	44.20	43.50	Monthly
 Germany	09:30	Markit Services PMI (Sep) (P)	✓✓✓	54.20	54.80	Monthly
 Spain	10:00	Trade Balance (Jul)	✓✓✓	-	-EUR1.53bn	Monthly
 Eurozone	10:00	Markit Manufacturing PMI (Sep) (P)	✓✓✓	47.50	47.00	Monthly
 Eurozone	10:00	Markit Services PMI (Sep) (P)	✓✓✓	53.30	53.50	Monthly
 Eurozone	10:00	Markit Composite PMI (Sep) (P)	✓✓✓	52.00	51.90	Monthly
 UK	12:00	CBI Trends Selling Prices (Sep)	✓✓	-	-2.00	Monthly
 UK	12:00	CBI Industrial Trends Survey - Orders (Sep)	✓	-	-13.00	Monthly
 Germany	12:00	German Buba Monthly Report	✓	-	-	As scheduled
 US	14:30	Chicago Fed National Activity Index (Aug)	✓✓✓	-	-0.36	Monthly
 Canada	14:30	Wholesale Sales (MoM) (Jul)	✓✓✓	0.30%	0.60%	Monthly
 Eurozone	15:00	ECB President Mario Draghi Testifies at European Parliament	✓	-	-	As scheduled
 US	15:45	Markit Composite PMI (Sep) (P)	✓✓✓	49.60	50.70	Monthly
 US	15:45	Markit Services PMI (Sep) (P)	✓✓✓	51.20	50.70	Monthly
 US	15:45	Markit Manufacturing PMI (Sep) (P)	✓✓✓	50.10	50.30	Monthly
 US	15:50	Fed's Williams speech	✓✓	-	-	As scheduled

Note: ✓✓✓High ✓✓Medium ✓Low

40 best performers on the All Share Index

Company name	Last close	1 Week % change	MTD % change	YTD % change
Impala Platinum Holdings Ltd	9356	9.24	8.22	155.07
Sibanye Gold Ltd	1902	14.51	-8.86	89.82
Northam Platinum Ltd	7999	5.43	1.70	84.91
Harmony Gold Mining Co Ltd	4575	3.53	-17.66	81.55
Anglo American Platinum Ltd	90391	1.03	-2.88	72.09
AngloGold Ashanti Ltd	29622	6.08	-14.42	63.76
Royal Bafokeng Platinum Ltd	3951	9.75	6.93	58.83
Kumba Iron Ore Ltd	39875	-4.73	1.47	57.64
Gold Fields Ltd	7473	9.41	-17.20	53.03
Allied Electronics Corp Ltd	2502	8.03	5.08	41.56
Cartrack Holdings Ltd	2000	2.83	5.82	40.75
Investec Australia Property Fund	1620	7.28	6.58	36.35
Transaction Capital Ltd	2256	-2.84	1.85	34.47
Pan African Resources Plc	213	42.00	-19.62	33.13
Distell Group Holdings Ltd	13650	3.87	7.03	31.25
Pioneer Foods Group Ltd	10531	-1.81	-0.18	30.85
Reinet Investments SCA	27769	6.11	9.58	28.79
Naspers Ltd	245000	-1.88	4.12	28.23
Sirius Real Estate Ltd	1360	5.43	3.98	27.12
DataTec Ltd	3363	-3.11	0.78	26.70
Bid Corp Ltd	33200	3.35	2.15	26.61
AECI Ltd	9869	0.70	8.46	24.96
Libstar Holdings Ltd	851	2.53	23.15	24.94
Resilient REIT Ltd	6500	1.59	7.86	24.36
NEPI Rockcastle Plc	13567	1.82	0.88	24.35
Quilter PLC	2624	5.59	12.62	24.04
Metair Investments Ltd	2311	0.48	5.05	23.77
Clover Industries Ltd	2220	-1.33	-2.42	23.52
Cie Financiere Richemont SA	11238	-2.96	-2.56	23.15
BHP Group Plc	33265	0.21	5.51	22.21
Fortress REIT Ltd	2140	0.38	1.37	22.16
Lighthouse Capital Ltd	829	6.97	5.61	21.93
Afrimat Ltd	3335	12.82	9.34	21.62
MTN Group Ltd	10232	0.77	-0.26	21.61
Telkom SA SOC Ltd	7443	-1.43	-6.51	20.63
British American Tobacco Plc	54146	0.48	1.16	19.43
Alexander Forbes Group Holdings Ltd	550	-2.65	5.16	19.39
Capitec Bank Holdings Ltd	128050	0.51	16.95	15.48
Raubex Group Ltd	1935	-7.81	6.49	15.08
Clicks Group Ltd	21558	0.22	8.33	14.87
JSE All Share Index	56407	-1.25	2.08	6.96

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