

# ONE Minute Brief

11 September 2019

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## Economic and political news

In South Africa (SA), manufacturing production declined 1.1% on a yearly basis in July, compared to a revised drop of 3.6% in the prior month.

Ratings agency, Moody's, has downgraded its economic growth forecast for SA to 0.7% in 2019 from 1.0% forecasted in June, amid slowdown in global and regional growth. However, Moody's projected a growth of 1.5% in 2020 and stated that SA is unlikely to suffer a credit downgrade to junk in the short term. Meanwhile, the ratings agency warned that uncertainty over the country's plan to restructure Eskom would hamper SA's turnaround.

The Association of Mineworkers and Construction Union (AMCU) General Secretary, Jeff Mphahlele, stated that the union has declared a wage dispute with Anglo American Platinum and Sibanye-Stillwater raising fears of a potential strike in the local platinum industry.

News reports indicate that the Parliament's Rules Committee will review the draft set of rules for the removal of the Public Protector, Busisiwe Mkhwebane submitted by the Democratic Alliance (DA).

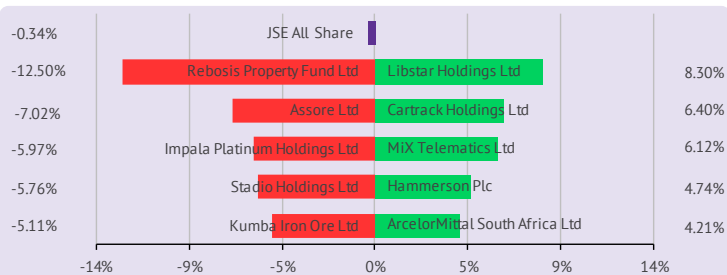
VBS Mutual Bank's liquidator, Ansoosh Rooplal, has filed an application with the High Court in Pietermaritzburg demanding former President, Jacob Zuma, pay back the loan amount of ZAR7.3mn or allow liquidators to attach his Nkandla property.

## South Africa Market ▼

### South African markets closed lower

South African markets closed in the red yesterday, weighed down by losses in mining sector stocks. Data indicated that SA's manufacturing production fell in July. The JSE All Share Index fell 0.3% to close at 55,335.81.

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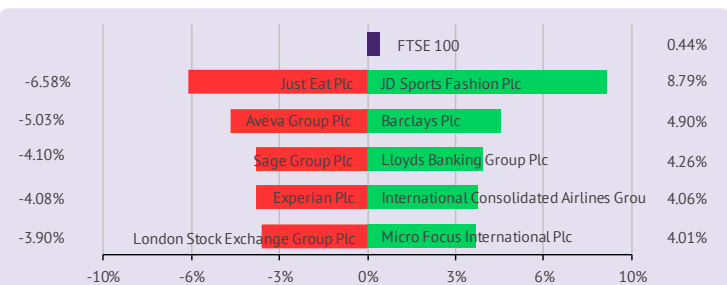


## UK Market ▲

### UK markets closed in the green

UK markets finished higher yesterday, amid hopes of possible interest rate cuts by the world's major central banks. Data revealed that UK's ILO unemployment rate unexpectedly fell in the May-July 2019 period. The FTSE 100 Index advanced 0.4% to close at 7,267.95. Today, the FTSE 100 futures are trading in positive territory.

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## Key indices

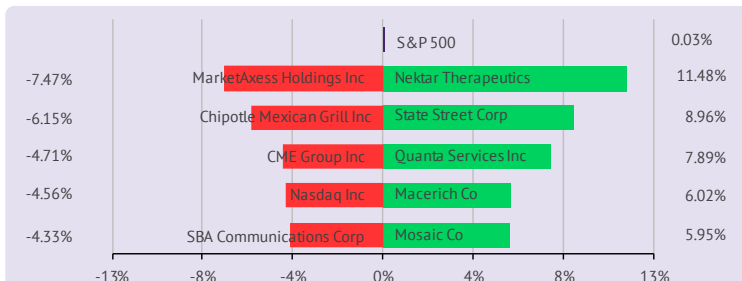
	As at 10 Sep 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	55335.81	▼ -187.26	-0.34	-0.46	0.14	-2.69	4.93
JSE Top 40 (ZAR)	49484.56	▼ -117.64	-0.24	-0.38	0.33	-2.91	5.90
FTSE 100 (GBP)	7267.95	▲ 32.14	0.44	-0.20	0.84	-5.00	8.02
DAX 30 (EUR)	12268.71	▲ 42.61	0.35	0.63	2.76	-2.05	16.19
CAC 40 (EUR)	5593.21	▲ 4.26	0.08	-0.19	2.06	-0.70	18.23
S&P 500 (USD)	2979.39	▲ 0.96	0.03	0.02	1.81	-1.81	18.85
Nasdaq Composite (USD)	8084.16	▼ -3.28	-0.04	-0.23	1.52	-2.60	21.84
DJIA (USD)	26909.43	▲ 73.92	0.28	0.42	1.92	-1.72	15.36
MSCI Emerging Markets (USD)	1008.13	▼ -2.46	-0.24	0.02	2.42	-5.08	4.37
MSCI Developed World (USD)	2179.43	▲ 1.02	0.05	0.02	1.91	-2.24	15.69

## US Market ▲

### US markets closed mostly firmer

US markets closed mostly higher yesterday, supported by gains in energy, industrial and material sector stocks. Data indicated that the US NFIB small optimism index fell more-than-expected in August. The S&P 500 Index marginally rose to close at 2,979.39. Today, the S&P 500 futures are trading in the green.

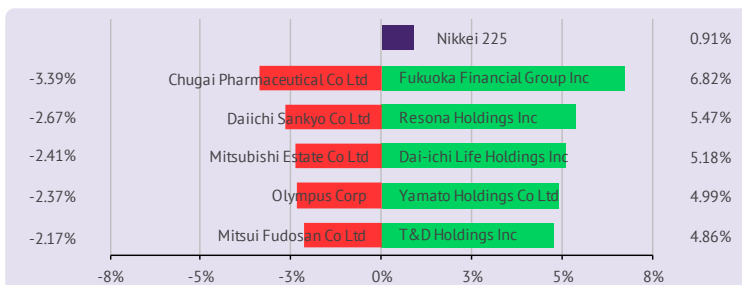
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## Asian Market ▲

### Trading mostly higher

Asian markets are trading mostly stronger this morning. The Nikkei 225 Index is trading 0.9% higher at 21,587.75.



## USD ZAR ▲

### USD trading weaker against ZAR

At 06:00 SAST, the US Dollar is trading marginally lower against the South African Rand at R14.6397. Later today, traders will keep a close watch on the US producer price index and the MBA mortgage applications for further direction.

The US Dollar fell against the South African Rand yesterday. On the macro front, the US NFIB small optimism index dropped to a five-month low level in August. Additionally, the JOLTS job openings unexpectedly declined in July. Separately, in SA, manufacturing production contracted for a second consecutive month in July.

## GBP ZAR ▲

### GBP trading lower against ZAR

At 06:00 SAST, the British Pound is trading 0.1% weaker against the South African Rand at R18.0804. Ahead in the day, traders will keep an eye on UK's RICS house price balance for further cues.

The British Pound declined against the South African Rand yesterday. On the data front, UK's ILO unemployment rate unexpectedly declined in the May-July 2019 period, recording its lowest rate since late 1974. Further, average weekly earnings climbed at its fastest rate in 11 years in the May-July 2019 period.

## EUR ZAR ▼

### EUR trading higher against ZAR

At 06:00 SAST, the Euro is trading slightly firmer against the South African Rand at R16.1752. Amid no major economic news across the Eurozone today, market sentiment will be determined by global macroeconomic news.

The Euro weakened against the South African Rand yesterday.

## AUD ZAR ▲

### AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar is trading marginally weaker against the South African Rand at R10.0471. Earlier in the session, Australia's Westpac consumer confidence index dropped in September.

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	14.6397	▲	-0.85	-1.09	-3.63	5.94	2.07
GBPZAR	18.0804	▲	-0.74	-0.53	-2.03	5.87	-1.24
EURZAR	16.1752	▼	-0.88	-0.96	-3.07	5.04	-1.73
AUDZAR	10.0471	▲	-0.88	-0.92	-1.76	4.16	-0.75
EURUSD	1.1049	▲	-0.05	0.13	0.56	-0.85	-3.70
GBPUSD	1.2351	▲	0.03	0.55	1.60	-0.02	-3.17
Brent (\$/barrel)	62.8	▲	-0.34	1.36	5.28	-8.92	15.95
Gold (\$/oz)	1498.8	▲	-0.78	-1.08	-1.99	6.79	16.50
Platinum (\$/oz)	939.4	▲	-1.69	-2.28	0.53	6.01	17.68
Copper (\$/MT)*	5796.5	▲	0.11	-0.22	2.49	-4.18	-2.56

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

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices edged 0.4% higher to trade at \$1,498.80/oz.

Yesterday, gold prices fell 0.8% to close at \$1,492.70/oz, amid a rise in the US Treasury bond yields.

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## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil gained 0.7% to trade at \$62.83/bl, after the American Petroleum Institute reported that crude oil inventories declined by 7.2mn bls to 421.9mn bls in the week ended 6 September 2019.

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Yesterday, Brent crude oil dropped 0.3% to settle at \$62.38/bl, as the departure of US National Security advisor John Bolton would ease tensions with Iran, potentially leading to the lifting of sanctions.

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## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices edged 0.3% higher to trade at \$939.40/oz.

Yesterday, platinum prices declined 1.7% to close at \$936.60/oz.

## Major South African corporate news

### Attacq Limited

In its FY19 results, the company announced that gross revenues increased to ZAR2.28bn from ZAR1.98bn posted in the previous year. Its diluted loss per share stood at 85.70c, compared to an EPS of 381.50c in the prior year. Further, the company stated that it has declared a full year dividend of 81.50c per share.

## Major global economic news

### UK

In the UK, the ILO unemployment rate unexpectedly dropped to 3.8% in the May-July 2019 period. In the April-June 2019 period, the ILO unemployment rate stood at 3.9%.

In the UK, the average earnings including bonus rose 4.0% on a yearly basis in the May-July 2019 period, more than market expectations. The average earnings including bonus had recorded a revised rise of 3.8% in the April-June 2019 period.

### US













In the US, the NFIB small business optimism index fell to a level of 103.10 in August, more than market expectations. The index had recorded a reading of 104.70 in the previous month.

In the US, the JOLTs job openings unexpectedly dropped to 7217.00K in July. The JOLTs job openings had recorded a revised reading of 7248.00K in the prior month.

### Asia

In Australia, the Westpac consumer confidence index dropped 1.7% to a level of 98.20 on monthly basis in September. The index had registered a level of 100.00 in the prior month.

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
 Japan	01:50	BSI Large Manufacturing (QoQ) (Q3)	✓✓	-0.20*	-10.40%	Quarterly
 Spain	09:00	Industrial Output n.s.a. (YoY) (Jul)	✓✓	-	-1.80%	Monthly
 Spain	09:00	Industrial Output s.a. (YoY) (Jul)	✓✓	1.50%	1.80%	Monthly
 South Africa	11:30	SACCI Business Confidence Index (Aug)	✓	-	92.00	Monthly
 South Africa	12:00	BER Business Confidence Index (Q3)	✓	28.00	28.00	Quarterly
 US	13:00	MBA Mortgage Applications (06-Sep)	✓	-	-3.10%	Weekly
 US	14:30	Producer Price Index ex Food & Energy (YoY) (Aug)	✓✓	-	2.10%	Monthly
 US	14:30	Producer Price Index (Aug)	✓	-	118.50	Monthly
 US	14:30	Producer Price Index (MoM) (Aug)	✓✓✓	0.10%	0.20%	Monthly
 US	14:30	Producer Price Index ex Food & Energy (MoM) (Aug)	✓✓	0.20%	-0.10%	Monthly
 Canada	14:30	Capacity Utilisation (Q2)	✓	81.00%	80.90%	Quarterly
 US	14:30	Producer Price Index (YoY) (Aug)	✓✓✓	1.80%	1.70%	Monthly
 US	16:00	Wholesale Inventories (MoM) (Jul) (F)	✓✓✓	0.20%	0.20%**	Monthly

Note: ✓✓✓High    ✓✓Medium    ✓Low

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