

# ONE Minute Brief

16 September 2019

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## Economic and political news

During a conference hosted by the Banking Association of South Africa (SA) in Johannesburg, Finance Minister, Tito Mboweni, stated that SA's economic growth is unlikely to reach the treasury's target of 1.5% in 2019, as bailouts to state-owned companies was putting pressure on growth and spending. Further, he warned that the country's budget deficit was much higher than projected and would negatively impact economic growth.

News report indicate that the Department of Mineral Resources and Energy is drafting a new law under which the state would secure 10.0% ownership of energy projects at the exploration phase and the rights to 10.0% of their production at no cost.

On Friday, the National Union of Metalworkers of SA (Numsa) signed a three-year wage agreement with the Automobile Manufacturers Employers' Organisation (AMEO) for a 9.0% wage increase across the board for first year, and 7.0% for the second and third year, or CPI, whichever is greater.

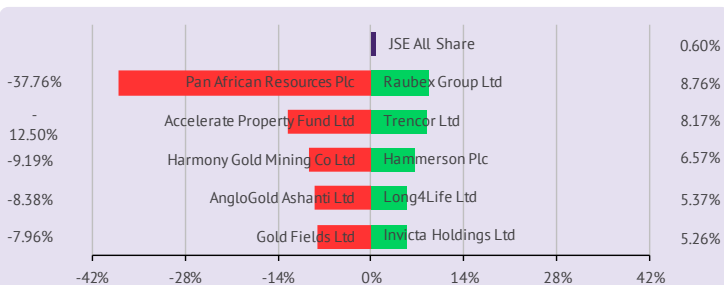
Mineral Resources and Energy Minister, Gwede Mantashe, stated that the department has initiated discussions with both coal miners and independent power producers (IPPs) to create an index price for coal in order to lower the contracted prices currently being paid by Eskom.

## South Africa Market ▲

### South African markets closed higher

South African markets closed in the green on Friday, boosted by gains in banking and financial sector stocks. The JSE All Share Index rose 0.6% to close at 57,123.78.

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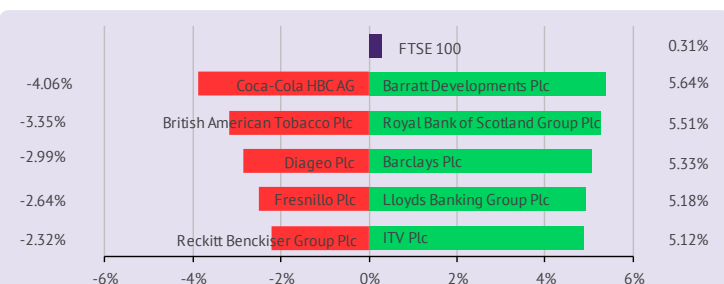


## UK Market ▲

### UK markets closed in the green

UK markets finished higher on Friday, amid optimism over Brexit and supported by gains in banking sector stocks. The FTSE 100 Index advanced 0.3% to close at 7,367.46. Today, the FTSE 100 futures are trading in negative territory.

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## Key indices

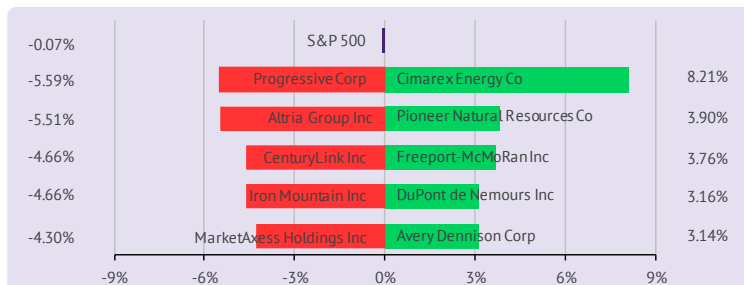
	As at 13 Sep 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg	
JSE All Share (ZAR)	57123.78	▲	341.84	0.60	NA	3.37	-2.69	8.32
JSE Top 40 (ZAR)	51145.56	▲	376.72	0.74	NA	3.70	-2.91	9.46
FTSE 100(GBP)	7367.46	▲	22.79	0.31	NA	2.22	-5.00	9.50
DAX 30 (EUR)	12468.53	▲	58.28	0.47	NA	4.43	-2.05	18.08
CAC 40 (EUR)	5655.46	▲	12.60	0.22	NA	3.19	-0.70	19.55
S&P 500 (USD)	3007.39	▼	-2.18	-0.07	NA	2.77	-1.81	19.97
Nasdaq Composite (USD)	8176.71	▼	-17.76	-0.22	NA	2.69	-2.60	23.23
DJIA (USD)	27219.52	▲	37.07	0.14	NA	3.09	-1.72	16.68
MSCI Emerging Markets (USD)	1026.61	▲	4.28	0.42	NA	4.29	-5.08	6.28
MSCI Developed World (USD)	2205.81	▲	4.00	0.18	NA	3.15	-2.24	17.09

## US Market ▼

### US markets closed mostly lower

US markets closed mostly weaker on Friday, led by losses in technology sector stocks. Data indicated that the US monthly advance retail sales rose more-than-expected in August. The S&P 500 Index dropped 0.1% to close at 3,007.39. Today, the S&P 500 futures are trading weaker.

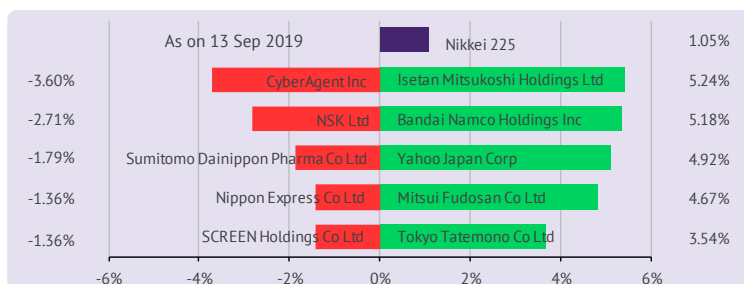
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## Asian Market ▲

### Trading mostly higher

Asian markets are trading mostly stronger this morning. Markets in Japan are closed today on account of a public holiday.



## USD ZAR ▼

### USD trading stronger against ZAR

At 06:00 SAST, the US Dollar is trading 0.4% higher against the South African Rand at R14.6409. Later today, traders will keep a close watch on The US Empire state manufacturing index for further indication.

The US Dollar fell against the South African Rand on Friday. On the data front, the US advance retail sales climbed more than market forecast on a monthly basis in August. Additionally, the Michigan consumer sentiment index improved in September. Moreover, business inventories advanced more than market forecast in July.

## GBP ZAR ▼

### GBP trading higher against ZAR

At 06:00 SAST, the British Pound gained 0.2% against the South African Rand to trade at R18.2604. With no major economic news in the UK today, investor sentiment will be determined by global macroeconomic news. Data indicated that UK's Rightmove house prices declined for the first time since 2010 on a monthly basis in September.

The British Pound advanced against the South African Rand on Friday, amid hopes that the UK could leave the European Union in a negotiated manner.

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## EUR ZAR ▼

### EUR trading firmer against ZAR

At 06:00 SAST, the Euro is trading 0.4% higher against the South African Rand at R16.2108. 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 on Friday. On the macro front, Eurozone's trade surplus widened more than market forecast in July.

## AUD ZAR ▼

### AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar advanced 0.5% against the South African Rand to trade at R10.0709. Separately, in China, Australia's largest trading partner, industrial production advanced less than market anticipations on a yearly basis in August. Additionally, annual retail sales rose less than market forecast in the same month. Meanwhile, the nation's surveyed jobless rate dropped in August.

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	14.6409	▼	-0.14	NA	-4.06	5.94	1.62
GBPZAR	18.2604	▼	1.24	NA	-1.32	5.87	-0.53
EURZAR	16.2108	▼	-0.03	NA	-3.23	5.04	-1.89
AUDZAR	10.0709	▼	0.04	NA	-1.98	4.16	-0.97
EURUSD	1.1071	▼	0.07	NA	0.83	-0.85	-3.44
GBPUSD	1.2471	▼	1.35	NA	2.84	-0.02	-1.98
Brent (\$/barrel)	66.1	▲	-0.26	NA	1.64	-8.92	11.93
Gold (\$/oz)	1510.9	▲	-0.53	NA	-1.98	6.79	16.51
Platinum (\$/oz)	955.2	▲	-0.04	NA	2.20	6.01	19.64
Copper (\$/MT)*	5949.3	▲	2.52	NA	5.19	-4.18	0.00

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

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices advanced 1.2% to trade at \$1,510.90/oz.

Yesterday, gold prices fell 0.5% to close at \$1,492.90/oz, as the US Dollar strengthened, amid strong retail sales data.

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## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil edged 9.8% higher to trade at \$66.12/bl, amid disruptions to oil supply, following an attack on Saudi Arabia's oil facilities.

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Yesterday, Brent crude oil dropped 0.3% to settle at \$60.22/bl, amid worries over higher oil supplies. Meanwhile, Baker Hughes reported that US oil rig count fell for a fourth consecutive week by 5 to 733 last week.

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## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices edged 0.3% higher to trade at \$955.20/oz.

Yesterday, platinum prices marginally declined to close at \$952.20/oz.

## Major South African corporate news

### AfroCentric Investment Corp Limited

In its FY19 results, the company announced that revenues rose to ZAR5.30bn from ZAR4.21bn posted in the corresponding period of the previous year. Its basic EPS rose 4.0% to 48.12c from 46.29c posted in the same period of the prior year. Further, the company declared a final gross dividend of 17.00c per share.

## Major global economic news

### Asia

In China, industrial production rose 4.4% on an annual basis in August, less than market expectations. Industrial production had risen 4.8% in the prior month.

In China, retail sales rose 7.5% on a yearly basis in August, less than market forecast. Retail sales had advanced 7.6% in the previous month.

In China, surveyed jobless rate fell to 5.2% in August, compared to 5.3% in the previous month.

### US

In the US, advance retail sales rose 0.4% on a monthly basis in August, more than market anticipations and compared to a revised rise of 0.8% in the previous month.

In the US, the Michigan consumer sentiment index advanced to 92.00 in September, more than market expectations. In the previous month, the index had recorded a level of 89.80.

In the US, business inventories rose 0.4% on a monthly basis in July, more than market forecast. Business inventories had registered a flat reading in the prior month.














### Eurozone

In the Eurozone, seasonally adjusted trade surplus widened more-than-expected to EUR19.00bn in July, following a revised surplus of EUR17.70bn in the previous month.

### UK

In the UK, the Rightmove house prices dropped 0.2% on a monthly basis in September, compared to a drop of 1.0% in the previous month.

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
 UK	01:01	Rightmove House Price Index (MoM) (Sep)	✓	-0.20%*	-1.00%	Monthly
 UK	01:01	Rightmove House Price Index (YoY) (Sep)	✓	0.20%*	1.20%	Monthly
 China	04:00	Industrial Production (YoY) (Aug)	✓✓	4.40%*	4.80%	Monthly
 China	04:00	Industrial Production YTD (YoY) (Aug)	✓✓	5.60%*	5.80%	Monthly
 China	04:00	Retail Sales (YoY) (Aug)	✓✓✓	7.50%*	7.60%	Monthly
 China	04:00	Retail Sales YTD (YoY) (Aug)	✓	8.20%*	8.30%	Monthly
 China	04:00	Fixed Assets Inv Excl. Rural YTD (YoY) (Aug)	✓	5.50%*	5.70%	Monthly
 China	04:00	NBS Press Conference	✓✓	-	-	As scheduled
 Italy	10:00	Consumer Price Index (EU Norm) (YoY) (Aug) (F)	✓✓✓	-	0.50%**	Monthly
 Eurozone	13:15	ECB Chief Economist Lane Speaks in London	✓	-	-	As scheduled
 Canada	14:30	Foreign Portfolio Investment in Canadian Securities (Jul)	✓	-	-CAD3.980bn	Monthly
 US	14:30	NY Empire State Manufacturing Index (Sep)	✓✓	2.00	4.80	Monthly
 Canada	15:00	Existing Home Sales (MoM) (Aug)	✓	-	3.50%	Monthly

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	8565	-1.52	-0.93	133.51
Northam Platinum Ltd	7587	0.11	-3.53	75.38
Harmony Gold Mining Co Ltd	4419	-13.81	-20.46	75.36
Anglo American Platinum Ltd	89473	1.86	-3.87	70.34
Sibanye Gold Ltd	1661	-10.55	-20.41	65.77
Kumba Iron Ore Ltd	41855	1.45	6.51	65.47
AngloGold Ashanti Ltd	27925	-12.43	-19.32	54.38
Royal Bafokeng Platinum Ltd	3600	-0.55	-2.57	44.72
Gold Fields Ltd	6830	-14.77	-24.33	39.86
Transaction Capital Ltd	2322	0.35	4.83	38.40
Cartrack Holdings Ltd	1945	7.94	2.91	36.88
Pioneer Foods Group Ltd	10725	1.85	1.66	33.26
Allied Electronics Corp Ltd	2316	-4.97	-2.73	31.04
DataTec Ltd	3471	1.49	4.02	30.77
Naspers Ltd	249695	2.81	6.12	30.69
Investec Australia Property Fund	1510	-1.44	-0.66	27.09
Cie Financiere Richemont SA	11885	1.37	0.41	26.91
Distell Group Holdings Ltd	13141	3.11	3.04	26.36
Clover Industries Ltd	2250	-0.22	-1.10	25.18
Raubex Group Ltd	2099	15.27	15.52	24.83
AECI Ltd	9800	2.83	7.70	24.09
Metair Investments Ltd	2300	4.64	4.55	23.18
Alexander Forbes Group Holdings Ltd	565	3.67	8.03	22.64
Bid Corp Ltd	32125	-0.16	-1.15	22.51
Resilient REIT Ltd	6398	4.24	6.17	22.41
Telkom SA SOC Ltd	7551	-7.87	-5.15	22.38
NEPI Rockcastle Plc	13324	0.57	-0.93	22.12
BHP Group Plc	33196	4.08	5.29	21.96
Libstar Holdings Ltd	830	13.70	20.12	21.85
Fortress REIT Ltd	2132	-0.37	0.9	21.71
Reinet Investments SCA	26170	5.83	3.27	21.37
MTN Group Ltd	10154	-1.54	-1.02	20.68
Sirius Real Estate Ltd	1290	1.57	-1.3	20.57
British American Tobacco Plc	53890	1.79	0.68	18.87
Investec Ltd	9068	11.03	13.22	18.08
Quilter Plc	2485	7.34	6.65	17.47
Tradehold Ltd	1124	-2.18	-2.26	17.22
Anglo American Plc	35864	6.95	9.46	16.73
Investec Plc	8962	11.20	13.79	15.54
African Rainbow Minerals Ltd	15992	-2.51	-3.49	14.99
<b>JSE All Share Index</b>	<b>57124</b>	<b>2.76</b>	<b>3.37</b>	<b>8.32</b>

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