

ONE Minute Brief

30 September 2019

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Economic and political news

Mineral Resources & Energy Minister, Gwede Mantashe, announced that 95-octane petrol price will increase by 18c per litre and diesel price will rise by 25c per litre, with effect from 02 October 2019. However, 93-octane petrol price will drop by 4c per litre.

According to Akinwumi Adesina, President of the African Development Bank (AfDB), Eskom has been negatively affected by poor management and not lack of investment. Further, he believes that Eskom is “too big to fail” and Africa’s new free-trade deal will help the continent to deal with the worst of a global economic downturn.

President, Cyril Ramaphosa, has appointed members of the Presidential Economic Advisory Council, which will start its work from 1 October.

The US embassy announced that luxury handbag designer, Lana Marks, has been appointed as the US ambassador to South Africa.

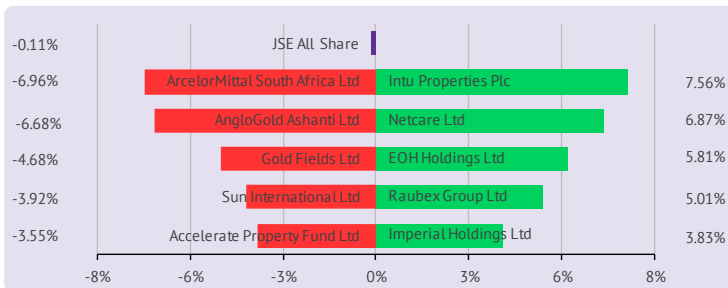
Anthony Julies, the Deputy Director-General of the National Treasury’s asset and liability management (ALM) division, has stepped down from his position.

South Africa Market ▼

South African markets closed lower

South African markets closed in the red on Friday, weighed down by losses in banking and gold mining sector stocks. The JSE All Share Index fell 0.1% to close at 55,209.03.

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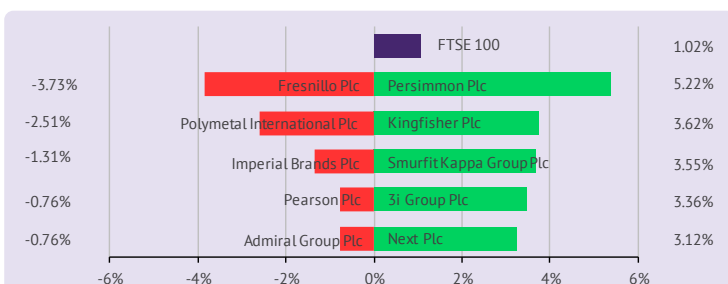


UK Market ▲

UK markets closed in the green

UK markets finished higher on Friday, as the British Pound weakened, following the Bank of England policymaker, Michael Saunders’ dovish comments on interest rates. The FTSE 100 Index rose 1.0% to close at 7,426.21. Today, the FTSE 100 futures are trading in positive territory.

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Key indices

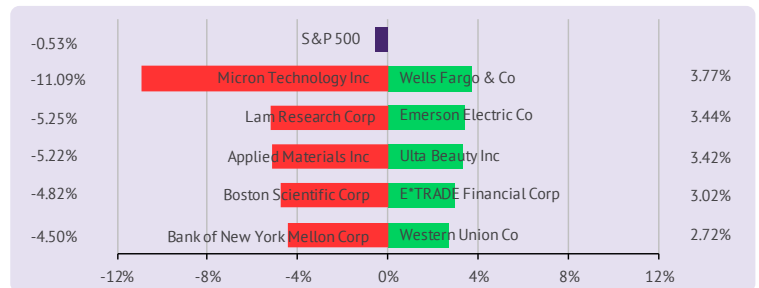
	As at 27 Sep 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	55209.03	▼	-62.35	-0.11	NA	-0.09	-2.69
JSE Top 40 (ZAR)	49167.52	▼	-76.13	-0.15	NA	-0.31	-2.91
FTSE 100(GBP)	7426.21	▲	75.13	1.02	NA	3.04	-5.00
DAX 30 (EUR)	12380.94	▲	92.40	0.75	NA	3.70	-2.05
CAC 40 (EUR)	5640.58	▲	20.01	0.36	NA	2.92	-0.70
S&P 500 (USD)	2961.79	▼	-15.83	-0.53	NA	1.21	-1.81
Nasdaq Composite (USD)	7939.63	▼	-91.03	-1.13	NA	-0.29	-2.60
DJIA (USD)	26820.25	▼	-70.87	-0.26	NA	1.58	-1.72
MSCI Emerging Markets (USD)	1001.50	▼	-7.80	-0.77	NA	1.74	-5.08
MSCI Developed World (USD)	2175.54	▼	-7.91	-0.36	NA	1.73	-2.24

US Market ▼

US markets closed weaker

US markets closed lower on Friday, following reports that the White House is planning to delist Chinese companies from the US stock exchanges and considering potential restrictions on US portfolio investments into China. The S&P 500 Index dropped 0.5% to close at 2,961.79. Today, the S&P 500 futures are trading in the green.

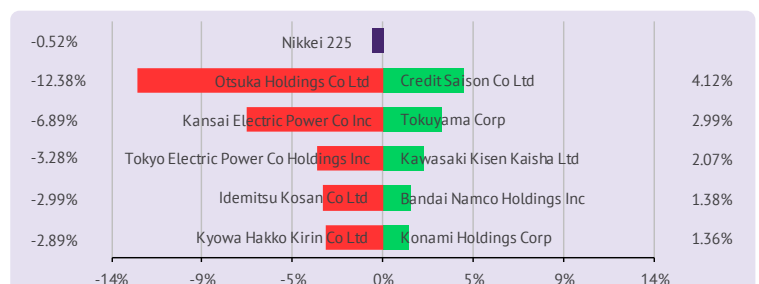
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Asian Market ◀▶

Trading mixed

Asian markets are trading mixed this morning. The Nikkei 225 Index is trading 0.5% lower at 21,765.08.



USD ZAR ▲

USD trading lower against ZAR

At 06:00 SAST, the US Dollar marginally retreated against the South African Rand to trade at R15.1272. Later today, traders will keep a close watch on the US Chicago Purchasing Managers' Index (PMI) and the Dallas Fed manufacturing index for further cues.

The US Dollar rose against the South African Rand on Friday. Data indicated that the US durable goods orders unexpectedly climbed in August. Additionally, the Michigan consumer sentiment index improved in September. Moreover, personal income climbed at par with market forecast on a monthly basis in August. Meanwhile, the nation's personal spending slowed in August.

GBP ZAR ▲

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound slightly fell against the South African Rand to trade at R18.5871. Ahead in the day, traders will keep an eye on UK's gross domestic product, consumer credit data, mortgage approvals and current account balance for further direction.

The British Pound advanced against the South African Rand on Friday.

EUR ZAR ▲

EUR trading lower against ZAR

At 06:00 SAST, the Euro retreated 0.1% against the South African Rand to trade at R16.5400. Going forward, market participants will keep a tab on Eurozone's unemployment rate along with Germany's consumer price index, retail sales and unemployment rate for further indication.

The Euro strengthened against the South African Rand on Friday. On the data front, Eurozone's consumer confidence index rose in September. On the other hand, the region's business climate indicator dropped in September. Also, economic sentiment indicator fell more than market forecast in the same month.

AUD ZAR ▲

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% lower against the South African Rand at R10.2213. Earlier in the session, Australia's private sector credit demand advanced on a monthly basis in August. Meanwhile, in China, Australia's largest trading partner, the Caixin manufacturing PMI unexpectedly climbed in September.

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	15.1272	▲	0.79	NA	-0.45	5.94	5.44
GBPZAR	18.5871	▲	0.47	NA	0.67	5.87	1.48
EURZAR	16.5400	▲	0.95	NA	-0.80	5.04	0.56
AUDZAR	10.2213	▲	1.01	NA	0.07	4.16	1.10
EURUSD	1.0933	▼	0.17	NA	-0.38	-0.85	-4.60
GBPUSD	1.2286	▼	-0.29	NA	1.12	-0.02	-3.62
Brent (\$/barrel)	61.9	▲	-1.32	NA	4.49	-8.92	15.07
Gold (\$/oz)	1498.8	▼	-0.58	NA	-1.57	6.79	17.00
Platinum (\$/oz)	930.2	▼	-0.54	NA	-0.08	6.01	16.97
Copper (\$/MT)*	5736.3	▲	0.76	NA	1.42	-4.18	-3.58

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

Gold ▼

Trading in the red

At 06:00 SAST, gold prices edged slightly lower to trade at \$1,498.80/oz.

On Friday, gold prices fell 0.6% to close at \$1,499.10/oz, as strength in the US Dollar lowered demand for the precious yellow metal.

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Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil are trading marginally higher at \$61.94/bl, as upbeat Chinese factory data eased demand worries.

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On Friday, Brent crude oil dropped 1.3% to settle at \$61.91/bl, amid reports that US President, Donald Trump's administration may limit the US portfolio investments into China. Meanwhile, Baker Hughes reported that US oil rig count fell by 6 to 713 last week.

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Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged 0.1% lower to trade at \$930.20/oz.

On Friday, platinum prices declined 0.5% to close at \$931.00/oz.

Major South African corporate news

Netcare Limited

In its FY19 trading update, the company announced that it expects total growth in patient days of around 3.7% during the period, exceeding the full-year guidance of 3.0% to 3.5% previously stated. The decline in acute patient days in FY19 is primarily attributed to the creation of new hospital networks by funders effective January 2019 and ongoing funder case management activity that started in 2018, most notably in the medical respiratory disciplines.

Nampak Limited

The company announced the sale of its glass business to Isanti Glass 1 for a consideration of ZAR1.5bn.

Major global economic news

US

In the US, preliminary durable goods orders unexpectedly advanced 0.2% on a monthly basis in August, compared to a revised rise of 2.0% in the prior month.

In the US, the final Michigan consumer sentiment index rose to a level of 93.20 in September, more than market expectations. In the previous month, the index had recorded a reading of 89.80. The preliminary figures had indicated a rise to 92.00.

In the US, personal income rose 0.4% on a monthly basis in August, in line with market expectations. Personal income had climbed 0.1% in the prior month.

In August, personal spending slowed to 0.1% on a monthly basis in the US. Personal spending had recorded a revised rise of 0.5% in the previous month.

Asia

In Japan, industrial production fell 1.2% on a monthly basis in August, more than market expectations and compared to a rise of 1.3% in the previous month.

In Japan, seasonally adjusted retail trade climbed 4.8% on a monthly basis in August, compared to a drop of 2.3% in the prior month.

In China, Caixin manufacturing PMI rose to a level of 51.40 in September. In the prior month, Caixin manufacturing PMI had recorded a level of 50.40.

In Australia, private sector credit demand rose 0.2% on a monthly basis in August. Private sector credit had registered a similar rise in the previous month.

Eurozone

In the Eurozone, the final consumer confidence index rose to -6.50 in September, compared to a level of -7.10 in the prior month. The preliminary figures had also recorded an advance to -6.50.

In the Eurozone, business climate indicator fell to -0.22 in September. In the previous month, the business climate indicator had recorded a revised level of 0.12.

In the Eurozone, the economic sentiment indicator declined to 101.70 in September, compared to a level of 103.10 in the previous month.

40 best performers on the All Share Index

Company name	Last close	1 Week % change	MTD % change	YTD % change
Impala Platinum Holdings Ltd	9561	2.19	10.60	160.66
Sibanye Gold Ltd	2112	11.04	1.20	110.78
Northam Platinum Ltd	8387	4.85	6.64	93.87
Harmony Gold Mining Co Ltd	4477	-2.14	-19.42	77.66
Anglo American Platinum Ltd	91353	1.06	-1.85	73.92
AngloGold Ashanti Ltd	28826	-2.69	-16.72	59.36
Gold Fields Ltd	7780	4.11	-13.80	59.32
Royal Bafokeng Platinum Ltd	3900	-1.29	5.55	56.78
Kumba Iron Ore Ltd	37899	-4.96	-3.56	49.83
Allied Electronics Corp Ltd	2503	0.04	5.12	41.62
Clover Industries Ltd	2480	11.71	9.01	37.98
Cartrack Holdings Ltd	1960	-2.00	3.70	37.94
Pan African Resources Plc	215	0.94	-18.87	34.38
Pioneer Foods Group Ltd	10714	1.74	1.55	33.12
Investec Australia Property Fund	1572	-2.96	3.42	32.31
Transaction Capital Ltd	2216	-1.77	0.05	32.08
Distell Group Holdings Ltd	13599	-0.37	6.63	30.76
Sirius Real Estate Ltd	1375	1.10	5.12	28.52
Reinet Investments SCA	27638	-0.47	9.06	28.18
DataTec Ltd	3338	-0.74	0.03	25.76
Bid Corp Ltd	32450	-1.25	0.88	25.03
Resilient REIT Ltd	6502	0.03	7.89	24.40
NEPI Rockcastle Plc	13471	-0.71	0.16	23.47
Metair Investments Ltd	2300	-0.48	4.55	23.18
Libstar Holdings Ltd	837	-1.65	21.13	22.88
Fortress REIT Ltd	2074	0.37	1.75	22.61
Cie Financiere Richemont SA	11117	-1.08	-3.61	21.82
Naspers Ltd	231953	-5.33	-1.42	21.40
AECI Ltd	9560	-3.13	5.07	21.05
British American Tobacco Plc	54582	0.81	1.97	20.39
Quilter Plc	2541	-3.16	9.06	20.11
Alexander Forbes Group Holdings Ltd	553	0.55	5.74	20.04
BHP Group Plc	32640	-1.88	3.53	19.91
Lighthouse Capital Ltd	800	-3.50	1.91	17.66
MTN Group Ltd	9785	-4.37	-4.62	16.30
Capitec Bank Holdings Ltd	128200	0.12	17.09	15.62
Telkom SA SOC Ltd	7100	-4.61	-10.82	15.07
Clicks Group Ltd	21578	0.09	8.43	14.98
Anglo American Plc	34985	-0.50	6.78	13.87
Stenprop Ltd	1930	0.00	-1.03	12.62
JSE All Share Index	55209	-2.12	-0.09	4.69

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
Japan	01:50	Industrial Production (MoM) (Aug) (P)	✓✓✓	-1.20%*	1.30%	Monthly
Japan	01:50	Industrial Production (YoY) (Aug) (P)	✓✓✓	-4.70%*	0.70%	Monthly
Japan	01:50	Retail Trade s.a. (MoM) (Aug)	✓✓✓	4.80%*	-2.30%	Monthly
China	03:00	NBS Manufacturing PMI (Sep)	✓✓	49.80*	-	Monthly
China	03:00	NBS Non-manufacturing PMI (Sep)	✓	53.70*	-	Monthly
China	03:45	Caixin/Markit Manufacturing PMI (Sep)	✓✓✓	51.40*	50.40	Monthly
Japan	07:00	Construction Orders (YoY) (Aug)	✓	-	26.90%	Monthly
Japan	07:00	Annualised Housing Starts (Aug)	✓✓	-	0.91mn units	Monthly
Japan	07:00	Housing Starts (YoY) (Aug)	✓	-6.10%	-4.10%	Monthly
Germany	08:00	Retail Sales (MoM) (Aug)	✓✓✓	0.060%	-2.20%	Monthly
Germany	08:00	Retail Sales (YoY) (Aug)	✓✓✓	3.30%	4.40%	Monthly
South Africa	08:00	M3 Money Supply (YoY) (Aug)	✓	9.00%	8.28%	Monthly
South Africa	08:00	Private Sector Credit (YoY) (Aug)	✓	7.15%	7.19%	Monthly
Germany	09:55	Unemployment Change (Sep)	✓✓✓	4.00K	4.00K	Monthly
Germany	09:55	Unemployment Rate s.a. (Sep)	✓✓✓	5.00%	5.00%	Monthly
Spain	10:00	Current Account Balance (Jul)	✓	EUR0.23bn	EUR2.10bn	Monthly
UK	10:30	Gross Domestic Product s.a. (QoQ) (Q2) (F)	✓✓✓	-	0.20%**	Quarterly
UK	10:30	Gross Domestic Product s.a. (YoY) (Q2) (F)	✓✓✓	-	1.40%**	Quarterly
UK	10:30	Mortgage Approvals (Aug)	✓✓✓	-	67.30K	Monthly
UK	10:30	Current Account (Q2)	✓✓	-	-GBP30.00bn	Quarterly
Eurozone	11:00	Unemployment Rate (Aug)	✓✓✓	-	7.50%	Monthly
Germany	14:00	Consumer Price Index (MoM) (Sep) (P)	✓✓✓	-	-0.20%	Monthly
Germany	14:00	Consumer Price Index (YoY) (Sep) (P)	✓✓✓	-	1.40%	Monthly
South Africa	14:00	Trade Balance (Aug)	✓✓	-	-ZAR2.80bn	Monthly
US	15:45	Chicago PMI (Sep)	✓✓✓	-	50.40	Monthly
US	16:30	Dallas Fed Manufacturing Business Index (Sep)	✓✓✓	-	2.70	Monthly

Note: ✓✓✓High ✓✓Medium ✓Low

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