

ONE Minute Brief

7 October 2019

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Economic and political news

Communications and Digital Technologies Minister, Stella Ndabeni-Abrahams, stated that the South African Broadcasting Corporation (SABC) will be provided with ZAR2.10bn of funds today, out of the total bailout of ZAR3.20bn, as the broadcaster has fulfilled five of the eight preconditions set by the Treasury.

News reports indicate that the Democratic Alliance (DA) is seeking legal advice on whether former leader, Helen Zille, can stand for the position of federal chair, after she applied for the position.

News reports indicate that DA strategist Ryan Coetzee led a delegation of senior party members, including former DA leader Tony Leon, to ask party leader Mmusi Maimane to quit.

An investigation into SA Post Office's (Sapo) Postbank instituted by the Payments Association of SA has found that security features of the Sapo payment system have been irretrievably compromised.

Denel has indicated that it has a strong order book and it is confident that it will return to financial sustainability soon.

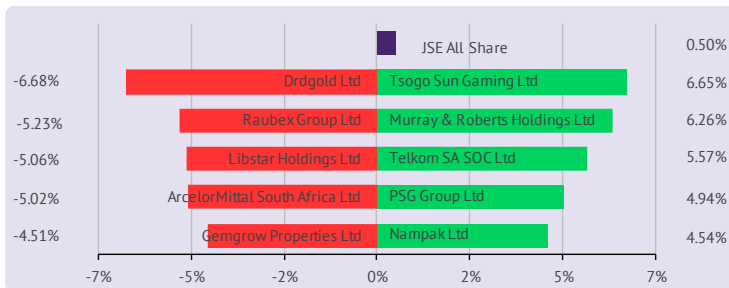
Duduzane Zuma, son of former President, Jacob Zuma, is expected to give a testimony at the state capture inquiry today regarding a meeting at which the Guptas are said to have tried to bribe former deputy Finance Minister, Mcebisi Jonas.

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 0.5% to close at 53,993.87.

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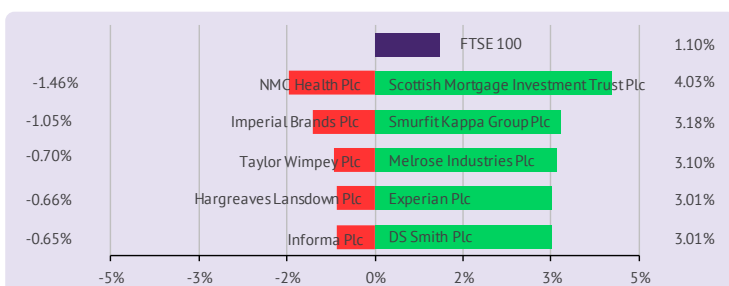


UK Market ▲

UK markets closed in the green

UK markets finished higher on Friday, amid a rise in US jobs data for September. The FTSE 100 Index advanced 1.1% to close at 7,155.38. Today, the FTSE 100 futures are trading in negative territory.

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Key indices

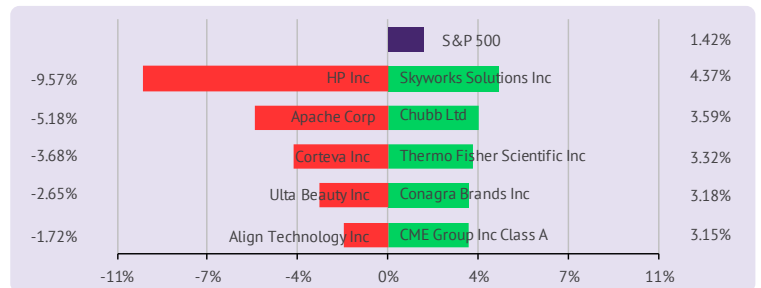
	As at 4 Oct 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	53993.87	▲ 266.58	0.50	NA	-1.52	-0.79	2.38
JSE Top 40 (ZAR)	47975.44	▲ 231.55	0.48	NA	-1.72	-1.03	2.67
FTSE 100(GBP)	7155.38	▲ 77.74	1.10	NA	-3.41	2.79	6.35
DAX 30 (EUR)	12012.81	▲ 87.56	0.73	NA	-3.34	4.09	13.77
CAC 40 (EUR)	5488.32	▲ 49.55	0.91	NA	-3.34	3.60	16.02
S&P 500 (USD)	2952.01	▲ 41.38	1.42	NA	-0.83	1.72	17.76
Nasdaq Composite (USD)	7982.47	▲ 110.21	1.40	NA	-0.21	0.46	20.30
DJIA (USD)	26573.72	▲ 372.68	1.42	NA	-1.27	1.95	13.92
MSCI Emerging Markets (USD)	996.58	▲ 4.30	0.43	NA	-0.44	1.69	3.17
MSCI Developed World (USD)	2153.83	▲ 22.47	1.05	NA	-1.20	1.94	14.33

US Market ▲

US markets closed firmer

US markets closed higher on Friday, after a modest addition in the US non-farm payrolls for September eased fears over global economic slowdown. Data showed that the US unemployment rate dropped to 50-year low rate in September. The S&P 500 Index climbed 1.4% to close at 2,952.01. Today, the S&P 500 futures are trading weaker.

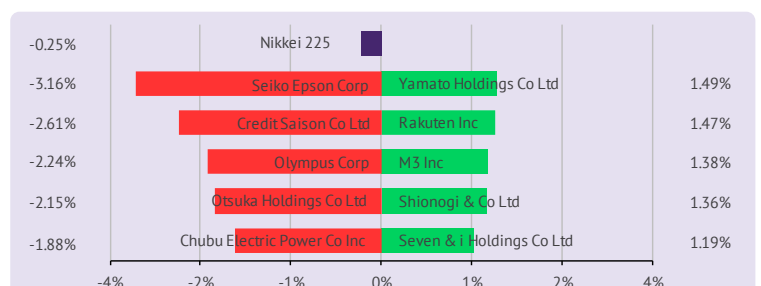
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Asian Market ▲▶

Trading mixed

Asian markets are trading mixed this morning. The Nikkei 225 Index is trading 0.3% lower at 21,357.35.



USD ZAR ▼

USD trading higher against ZAR

At 06:00 SAST, the US Dollar rose 0.2% against the South African Rand to trade at R15.0746. Later today, traders will keep a close watch on the US Federal Reserve Chairman, Jerome Powell's speech along with the US consumer credit data for further indication.

The US Dollar fell against the South African Rand on Friday, after data showed that the US nonfarm payrolls increased less-than-expected and the pace of jobs growth fell to the slowest in four months in September. Additionally, trade deficit in US widened more than market forecast in August. Further, average hourly earnings in the US remained flat on an annual basis in September.

GBP ZAR ▼

GBP trading stronger against ZAR

At 06:00 SAST, the British Pound marginally climbed against the South African Rand to trade at R18.5783. Ahead in the day, traders will keep an eye on UK's Halifax house prices for further cues.

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

EUR ZAR ▼

EUR trading firmer against ZAR

At 06:00 SAST, the Euro rose 0.2% against the South African Rand to trade at R16.5494. Going forward, market participants will keep a tab on Eurozone's Sentix investor confidence index and Germany's factory orders for further direction.

The Euro weakened against the South African Rand on Friday.

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 R10.1739. Earlier in the session, Australia's AiG performance of construction index dropped in September.

The Australian Dollar fell against the South African Rand on Friday.

Key currencies & commodities

	Current#		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	15.0746	▼	-0.64	NA	-0.57	-0.39	4.91
GBPZAR	18.5783	▼	-0.58	NA	-0.21	0.78	1.37
EURZAR	16.5494	▼	-0.52	NA	0.17	-1.13	0.40
AUDZAR	10.1739	▲	-0.23	NA	-0.27	-0.10	0.65
EURUSD	1.0980	▲	0.13	NA	0.73	-0.76	-4.26
GBPUSD	1.2325	▼	-0.01	NA	0.34	1.09	-3.32
Brent (\$/barrel)	58.1	▼	1.14	NA	-1.49	0.00	8.49
Gold (\$/oz)	1512.4	▲	-0.06	NA	2.76	-3.76	17.55
Platinum (\$/oz)	881.7	-	-0.82	NA	-0.19	-5.18	10.78
Copper (\$/MT)*	5608.0	▼	-0.36	NA	-1.53	0.70	-5.73

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

Gold ▲

Trading in the green

At 06:00 SAST, gold prices advanced 0.4% to trade at \$1,512.40/oz, ahead of the trade talks between the US and China.

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On Friday, gold prices fell 0.1% to close at \$1,506.20/oz, after US non-farm payrolls reported modest growth in September.

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Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil declined 0.4% to trade at \$58.11/bl.

On Friday, Brent crude oil advanced 1.1% to settle at \$58.37/bl, as a rise in US jobs eased concerns that a slowdown in global economy might impact oil demand. Additionally, Baker Hughes reported that the active US oil rig count fell by 3 to 710 last week.

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Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices are trading marginally lower at \$881.70/oz.

On Friday, platinum prices declined 0.8% to close at \$881.70/oz.

Major South African corporate news

Adcorp Holdings Limited

In its 1H19 trading statement, the company announced that it expects loss per share of between 375.50c and 450.60c, compared to an EPS of 90.20c in the same period of last year. The company expects its HEPS to be between 4.90c and 5.90c, compared to 88.30c in the preceding year.

Famous Brands Limited

In its 1H19 trading statement, the company announced that it expects EPS to be between 143.00c and 175.00c compared to a loss per share of 572.00c recorded in the same period of the preceding year.

Major global economic news

US

In the US, unemployment rate unexpectedly fell to 3.5% in September, compared to a rate of 3.7% in the prior month.

In the US, non-farm payrolls rose less than expected by 136.00K in September. Non-farm payrolls had recorded a revised increase of 168.00K in the prior month.











In the US, trade deficit widened more-than-expected to USD54.90bn in August, compared to a deficit of USD54.00bn in the prior month.

In the US, average hourly earnings of all employees recorded a flat reading on a monthly basis in September, compared to a rise of 0.4% in the previous month.

Asia

In Australia, the AiG performance of construction index fell to a level of 42.60 in September, compared to a reading of 44.60 in the previous month.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
 Japan	01:50	Japan Foreign Reserves (Sep)	✓	USD1322.60bn*	USD1331.58bn	Monthly
 Japan	07:00	Coincident Index (Aug) (P)	✓	101.10	99.70	Monthly
 Japan	07:00	Leading Economic Index (Aug) (P)	✓✓✓	93.60	93.70	Monthly
 South Africa	08:00	Net Gold & Forex Reserve (Sep)	✓	-	USD44.23bn	Monthly
 South Africa	08:00	Gross Gold & Forex Reserve (Sep)	✓	-	USD49.95bn	Monthly
 Germany	08:00	Factory Orders n.s.a. (YoY) (Aug)	✓✓✓	-4.60%	-5.60%	Monthly
 Germany	08:00	Factory Orders s.a. (MoM) (Aug)	✓✓	-1.50%	-2.70%	Monthly
 Switzerland	09:00	Foreign Currency Reserves (Sep)	✓✓✓	-	CHF767.10bn	Monthly
 UK	09:30	Halifax House Prices (3m/YoY) (Sep)	✓	3.40%	1.80%	Monthly
 UK	09:30	Halifax House Prices (MoM) (Sep)	✓	-0.40%	0.30%	Monthly
 Eurozone	10:30	Sentix Investor Confidence (Oct)	✓✓✓	-14.00	-11.10	Monthly
 US	19:00	Fed's Chair Powell speech	✓	-	-	As scheduled
 US	20:00	Monthly Budget Statement (Sep)	✓✓✓	-	-USD119.12bn	Monthly
 US	21:00	Consumer Credit Change (Aug)	✓✓	USD19.60bn	USD23.29bn	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	10321	7.95	8.32	181.38
Sibanye Gold Ltd	2300	8.90	9.63	129.54
Northam Platinum Ltd	8961	6.84	7.81	107.14
Anglo American Platinum Ltd	103069	12.82	12.89	96.23
Harmony Gold Mining Co Ltd	4562	1.90	5.36	81.03
Royal Bafokeng Platinum Ltd	4200	7.69	7.69	68.84
AngloGold Ashanti Ltd	29530	2.44	3.95	63.25
Gold Fields Ltd	7827	0.60	2.82	60.28
Kumba Iron Ore Ltd	37406	-1.30	-0.11	47.88
Cartrack Holdings Ltd	2100	7.14	6.33	47.79
Allied Electronics Corp Ltd	2525	0.88	-0.59	42.86
Clover Industries Ltd	2483	0.12	0.08	38.15
Investec Australia Property Fund	1580	0.51	0.32	32.99
Pioneer Foods Group Ltd	10630	-0.78	0.27	32.08
Distell Group Holdings Ltd	13676	0.57	0.57	31.50
Pan African Resources Plc	210	-2.33	-3.23	31.25
Transaction Capital Ltd	2201	-0.68	-0.63	31.19
Sirius Real Estate Ltd	1385	0.73	-0.93	29.45
Bid Corp Ltd	33350	2.77	3.56	28.50
Alexander Forbes Group Holdings Ltd	580	4.88	3.57	25.90
Resilient REIT Ltd	6574	1.11	1.45	25.77
Reinet Investments SCA	27065	-2.07	-1.40	25.52
DataTec Ltd	3300	-1.14	-1.17	24.33
Fortress REIT Ltd	2085	0.53	1.21	23.26
Metair Investments Ltd	2300	0.00	0.00	23.18
NEPI Rockcastle Plc	13399	-0.53	0.94	22.81
AECI Ltd	9600	0.42	0.04	21.55
Lighthouse Capital Ltd	820	2.50	2.24	20.60
Capitec Bank Holdings Ltd	132888	3.66	3.22	19.84
Telkom SA SOC Ltd	7354	3.58	4.18	19.18
Naspers Ltd	225490	-2.79	-1.75	18.02
Raubex Group Ltd	1977	6.01	3.73	17.57
Clicks Group Ltd	21820	1.12	1.49	16.26
British American Tobacco Plc	51522	-3.97	-6.77	15.62
Afrimat Ltd	3150	2.31	-5.94	14.87
Stenprop Ltd	1960	1.55	1.29	14.37
Cie Financiere Richemont SA	10429	-6.19	-6.62	14.28
BHP Group Plc	31006	-5.01	-4.64	13.91
MTN Group Ltd	9575	-2.15	-0.57	13.80
Tradehold Ltd	1090	6.03	6.34	13.67
JSE All Share Index	53994	-2.20	-1.52	2.38

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