

# ONE Minute Brief

9 October 2019

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## Economic and political news

Former Independent Police Investigative Directorate (Ipid) head, Robert McBride and seven senior officials have filed a court case against Public Protector, Busisiwe Mkhwebane's report on the directorate, claiming that it is irrational, illogical and biased and should be overturned on at least 18 grounds.

Deputy Chief Justice, Raymond Zondo, has denied reports that the state capture commission had sent a list of questions to former President, Jacob Zuma, prior to his next appearance at the commission. He indicated that Zuma was given a document with "areas of interest" that he would need to address.

Former President, Jacob Zuma's son, Duduzane Zuma, in his testimony at the state capture inquiry, stated that he is not corrupt and has been unfairly depicted as the face of corruption in SA.

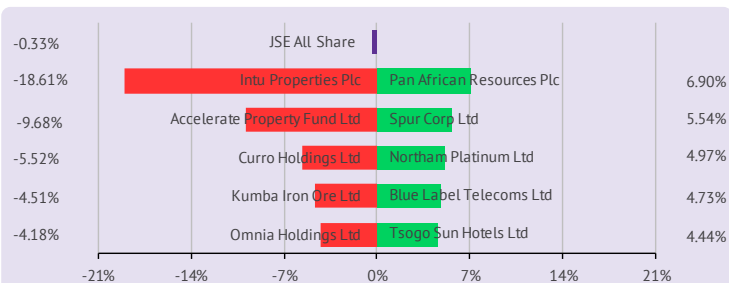
State entities falling under National Treasury will appear before parliament's finance committee today to account for the findings of the auditor-general. According to the findings, 16 entities incurred a combined ZAR1bn in irregular expenditure in the 2018/19 financial year.

## South Africa Market ▼

### South African markets closed lower

South African markets closed in the red yesterday, as hopes for US-China trade deal subsided and weighed down by losses in banking sector stocks. The JSE All Share Index fell 0.3% to close at 54,532.68.

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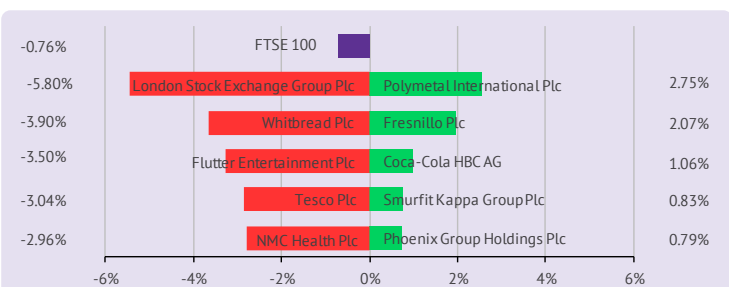


## UK Market ▼

### UK markets closed in the negative territory

UK markets finished lower yesterday, amid growing concerns over no-deal Brexit, after German Chancellor, Angela Merkel, stated that a Brexit deal was "overwhelmingly unlikely". The FTSE 100 Index declined 0.8% to close at 7,143.15. Today, the FTSE 100 futures are trading in negative territory.

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## Key indices

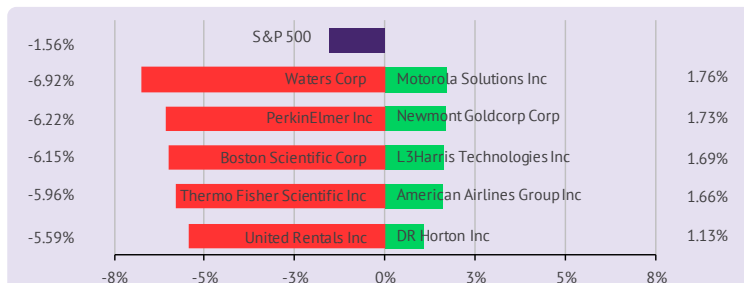
	As at 08 Oct 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	54532.68	▼ -182.07	-0.33	1.00	-0.53	-0.79	3.41
JSE Top 40 (ZAR)	48465.32	▼ -170.31	-0.35	1.02	-0.71	-1.03	3.72
FTSE 100 (GBP)	7143.15	▼ -54.73	-0.76	-0.17	-3.58	2.79	6.17
DAX 30 (EUR)	11970.20	▼ -127.23	-1.05	-0.35	-3.68	4.09	13.37
CAC 40 (EUR)	5456.62	▼ -64.99	-1.18	-0.58	-3.90	3.60	15.35
S&P 500 (USD)	2893.06	▼ -45.73	-1.56	-2.00	-2.81	1.72	15.41
Nasdaq Composite (USD)	7823.78	▼ -132.51	-1.67	-1.99	-2.19	0.46	17.91
DJIA (USD)	26164.04	▼ -313.98	-1.19	-1.54	-2.80	1.95	12.16
MSCI Emerging Markets (USD)	993.95	▼ -0.21	-0.02	-0.26	-0.70	1.69	2.90
MSCI Developed World (USD)	2124.15	▼ -27.68	-1.29	-1.38	-2.56	1.94	12.75

## US Market ▼

### US markets closed weaker

US markets closed lower yesterday, after the US expanded its trade blacklist to include some of China's top artificial intelligence firms. The S&P 500 Index dropped 1.6% to close at 2,893.06. Today, the S&P 500 futures are trading in the green.

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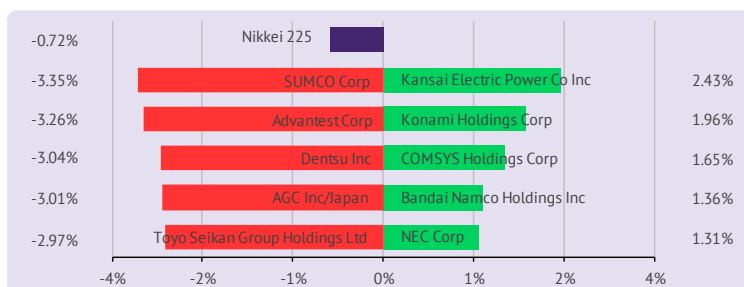


## Asian Market ▼

### Trading lower

Asian markets are trading lower this morning, amid mounting uncertainty over US-China trade negotiations. The Nikkei 225 Index is trading 0.7% lower at 21,433.29.

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## USD ZAR ▲

### USD trading weaker against ZAR

At 06:00 SAST, the US Dollar is trading 0.1% lower against the South African Rand at R15.2628. Later today, traders will keep a close watch on the FOMC meeting minutes and the Federal Reserve Chairman, Jerome Powell's speech along with the US MBA mortgage applications and the JOLTS job openings for further direction.

The US Dollar rose against the South African Rand yesterday. Data indicated that the US PPI unexpectedly declined to an 8-month low level on an annual basis in September. Additionally, the NFIB small optimism index unexpectedly dropped in September.

## 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 R18.6438. Ahead in the day, traders will keep an eye on UK's RICS housing price balance for further indication.

The British Pound advanced against the South African Rand yesterday.

## EUR ZAR ▲

### EUR trading weaker against ZAR

At 06:00 SAST, the Euro is trading 0.1% lower against the South African Rand at R16.7335. Amid no major economic releases across the Eurozone today, market sentiment will be determined by global macroeconomic news.

The Euro strengthened against the South African Rand yesterday. On the data front, Germany's industrial production unexpectedly jumped on a monthly basis in August.

## AUD ZAR ▼

### AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% firmer against the South African Rand at R10.2874. Earlier in the session, Australia's Westpac consumer confidence index dropped to a 4-year low level in October.

The Australian Dollar rose against the South African Rand yesterday.

## Key currencies & commodities

	Current#		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	15.2628	▲	0.66	1.52	0.95	-0.39	6.51
GBPZAR	18.6438	▲	0.06	0.53	0.32	0.78	1.91
EURZAR	16.7335	▲	0.52	1.32	1.50	-1.13	1.73
AUDZAR	10.2874	▼	0.59	0.90	0.63	-0.10	1.56
EURUSD	1.0963	▲	-0.13	-0.20	0.53	-0.76	-4.45
GBPUSD	1.2215	▼	-0.60	-0.91	-0.57	1.09	-4.19
Brent (\$/barrel)	58.0	▼	-0.19	-0.22	-1.70	0.00	8.25
Gold (\$/oz)	1511.3	▲	-0.03	-0.60	2.15	-3.76	16.85
Platinum (\$/oz)	885.3	▼	0.24	0.41	0.22	-5.18	11.23
Copper (\$/MT)*	5641.0	▼	-0.78	0.59	-0.95	0.70	-5.18

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

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices rose 0.9% to trade at \$1,511.30/oz.

Yesterday, gold prices slightly fell to close at \$1,497.20/oz, as strength in the US Dollar dented demand for the safe haven asset.

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## Brent Crude Oil ▼

### Trading weaker

At 06:00 SAST, Brent crude oil edged 0.4% lower to trade at \$58.00/bl, after the American Petroleum Institute (API) reported that crude oil inventories advanced by 4.1mn bls in the week ended 4 October 2019.

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Yesterday, Brent crude oil dropped 0.2% to settle at \$58.24/bl, as the prospect of the US and China finalising a trade deal lowered.

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## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices are trading marginally lower at \$885.30/oz.

Yesterday, platinum prices climbed 0.2% to close at \$885.30/oz.

## Major South African corporate news

### Zeder Investments Limited

In its 1H19 results, the company announced that revenues dropped to ZAR3.15bn from ZAR3.41bn posted in the corresponding period of the previous year. Its diluted EPS fell 2.7% to 25.50c from 26.20c posted in the prior year.

### Group Five Limited

The company announced the resignation of its Chief Executive Officer, Thabo Kgogo, with effect from 31 October 2019.

## Major global economic news

### US

In the US, the PPI unexpectedly fell 1.4% on an annual basis in September. The PPI had recorded a rise of 1.8% in the prior month.

In September, the NFIB small business optimism index unexpectedly dropped to a level of 101.80 in the US. In the prior month, the index had recorded a reading of 103.10.

### Eurozone

In Germany, seasonally adjusted industrial production climbed 0.3% on a monthly basis in August. Industrial production had dropped by a revised 0.4% in the previous month.

### Asia

In Australia, the Westpac consumer confidence dropped 5.5% in October, compared to a fall of 1.7% in the prior month.

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus	Previous/ **Previous est.	Frequency
Japan	08:00	Machine Tool Orders (YoY) (Sep) (P)	✓✓✓	-	-37.00%	Monthly
France	08:30	Bank of France Business Sentiment (Sep)	✓✓✓	-	99.00	Monthly
UK	10:30	FPC Meeting Minutes	✓	-	-	As scheduled
Italy	11:00	Italy's Panetta Speaks in Rome	✓	-	-	As scheduled
South Africa	11:30	SACCI Business Confidence Index (Sep)	✓	-	89.10	Monthly
US	13:00	MBA Mortgage Applications (04-Oct)	✓	-	8.10%	Weekly
US	16:00	Wholesale Inventories (MoM) (Aug) (F)	✓✓✓	0.40%	0.40%**	Monthly
US	16:00	JOLTs Job Openings (Aug)	✓	7191.00K	7217.00K	Monthly
US	17:00	Fed's Chair Powell speech	✓✓✓	-	-	As scheduled
US	20:00	Fed Releases Minutes of FOMC Meeting	✓✓✓	-	-	As scheduled

Note: ✓✓✓High    ✓✓Medium    ✓Low

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