

ONE Minute Brief

14 October 2019

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Economic and political news

Eskom has decided to challenge National Energy Regulator of South Africa's (Nersa) latest decision to grant lower tariff increases than it had applied for.

The High Court in Pietermaritzburg has dismissed former President, Jacob Zuma's application for a permanent stay of prosecution relating to a USD2bn arms deal.

The South African Revenue Service (Sars) announced that its suspended Chief Officer of Human Capital and Development, Teboho Mokoena, has resigned from his position, with immediate effect.

Justice and Correctional Services Minister, Ronald Lamola, stated that the commission of inquiry into the allegations of impropriety at the Public Investment Corporation (PIC) has incurred a cost of around ZAR25mn till date.

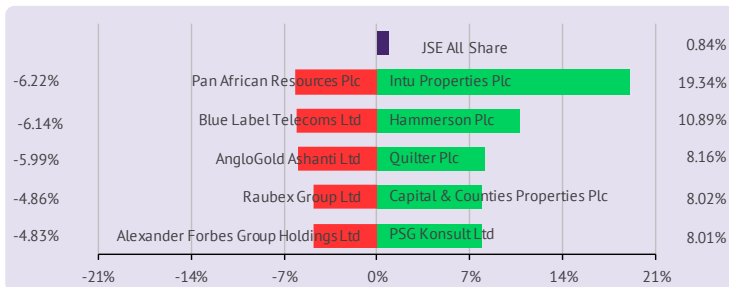
Denel has announced its decision to wind up its Aerostructures aircraft parts business, after the company agreed to stop producing parts for the European plane maker, Airbus' A400M military aircraft.

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 0.8% to close at 55,537.02.

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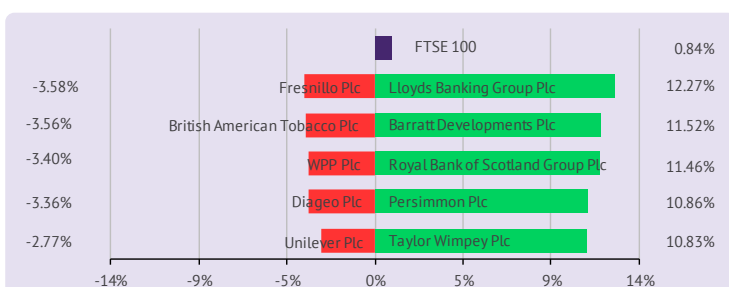


UK Market ▲

UK markets closed in the green

UK markets finished higher on Friday, amid hopes that UK will finalise a Brexit deal with the European Union. The FTSE 100 Index advanced 0.8% to close at 7,247.08. Today, the FTSE 100 futures are trading in positive territory.

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Key indices

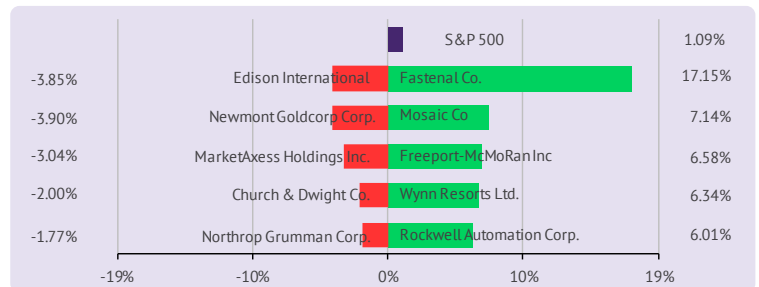
	As at 11 Oct 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	55537.02	▲ 465.25	0.84	NA	1.30	-0.79	5.31
JSE Top 40 (ZAR)	49404.06	▲ 371.52	0.76	NA	1.21	-1.03	5.73
FTSE 100(GBP)	7247.08	▲ 60.72	0.84	NA	-2.18	2.79	7.71
DAX 30 (EUR)	12511.65	▲ 347.45	2.86	NA	0.67	4.09	18.49
CAC 40 (EUR)	5665.48	▲ 96.43	1.73	NA	-0.22	3.60	19.76
S&P 500 (USD)	2970.27	▲ 32.14	1.09	NA	-0.22	1.72	18.49
Nasdaq Composite (USD)	8057.04	▲ 106.26	1.34	NA	0.72	0.46	21.43
DJIA (USD)	26816.59	▲ 319.92	1.21	NA	-0.37	1.95	14.96
MSCI Emerging Markets (USD)	1011.54	▲ 15.04	1.51	NA	1.05	1.69	4.72
MSCI Developed World (USD)	2179.33	▲ 29.17	1.36	NA	-0.03	1.94	15.68

US Market ▲

US markets closed firmer

US markets ended higher on Friday, after the US concluded a partial trade deal with China that delayed tariff increases. Data revealed that the US Michigan consumer sentiment index unexpectedly rose in October. The S&P 500 Index climbed 1.1% to close at 2,970.27. Today, the S&P 500 futures are trading in the green.

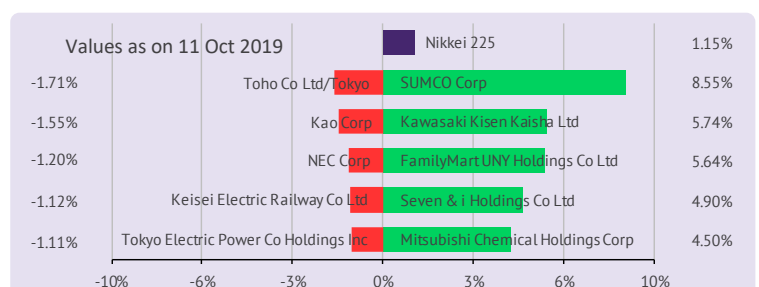
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Asian Market ▲

Trading higher

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



USD ZAR ▲

USD trading lower against ZAR

At 06:00 SAST, the US Dollar declined 0.2% against the South African Rand to trade at R14.7443. Amid no major economic releases in the US today, market sentiment will be determined by global macroeconomic news.

The US Dollar fell against the South African Rand on Friday. On the data front, the US Michigan consumer sentiment index unexpectedly climbed to a 3-month high level in October.

GBP ZAR ▲

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound is trading 0.6% lower against the South African Rand at R18.5847. With no major economic releases in the UK today, investor sentiment will be determined by global macroeconomic news.

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

EUR ZAR ▲

EUR trading lower against ZAR

At 06:00 SAST, the Euro declined 0.3% against the South African Rand to trade at R16.2645. Going forward, market participants will keep a tab on Eurozone's industrial production for further direction.

The Euro weakened against the South African Rand on Friday. Data indicated that Germany's consumer price inflation slowed as initially estimated in September, marking its lowest level since early 2018.

AUD ZAR ▲

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar fell 0.3% against the South African Rand to trade at R10.0084. Elsewhere, in China, trade surplus widened 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	14.7443	▲	-1.82	NA	-2.38	-0.39	2.99
GBPZAR	18.5847	▲	-0.19	NA	0.46	0.78	2.05
EURZAR	16.2645	▲	-1.48	NA	-1.08	-1.13	-0.85
AUDZAR	10.0084	▲	-1.36	NA	-1.72	-0.10	-0.81
EURUSD	1.1032	▼	0.34	NA	1.31	-0.76	-3.71
GBPUSD	1.2603	▼	1.81	NA	3.08	1.09	-0.67
Brent (\$/barrel)	60.3	▼	2.39	NA	2.13	0.00	12.47
Gold (\$/oz)	1490.8	▲	-0.81	NA	1.16	-3.76	15.72
Platinum (\$/oz)	895.5	▼	-0.84	NA	1.37	-5.18	12.51
Copper (\$/MT)*	5763.5	▲	0.24	NA	1.20	0.70	-3.12

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

Gold ▲

Trading in the green

At 06:00 SAST, gold prices rose 0.5% to trade at \$1,490.80/oz.

On Friday, gold prices fell 0.8% to close at \$1,482.70/oz, amid progress towards US-China trade deal and optimism over Brexit.

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Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 0.4% lower to trade at \$60.26/bl.

On Friday, Brent crude oil advanced 2.4% to settle at \$60.51/bl, amid positive developments in US-China trade talks and renewed geopolitical tensions in the Middle East. Meanwhile, Baker Hughes reported that US oil rig count rose by 2 to 712 last week.

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Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices retreated marginally to trade at \$895.50/oz.

On Friday, platinum prices declined 0.8% to close at \$895.50/oz.

Major South African corporate news

EOH Holdings Limited

In its FY19 trading statement, the company announced that it expects loss per share to be 2,464.00c, compared to an EPS of 202.00c recorded in the same period of the preceding year. The company expects headline loss per share to be 1,352.00c, compared to HEPS of 278.00c in the corresponding period of the previous year.

Peregrine Holdings Limited

In its 1H19 trading statement, the company announced that it expects HEPS and EPS to be between 35.0% and 45.0% lower from the corresponding period of the preceding year.

Major global economic news

Eurozone

In Germany, consumer price inflation slowed to 1.2% on an annual basis in September, as initially estimated and in line with market expectations. In the previous month, inflation had recorded a level of 1.4%.

US

In the US, the preliminary Michigan consumer sentiment index unexpectedly rose to a level of 96.00 in October, compared to a level of 93.20 in the previous month.

Asia

In China, trade surplus widened to USD39.65bn in September, compared to a revised surplus of USD34.83bn in the previous month.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
 China	04:57	Trade Balance (Sep)	✓✓	USD39.65bn*	USD34.84bn	Monthly
 China	04:57	Imports (YoY) (Sep)	✓✓	-8.50%*	-5.60%	Monthly
 China	04:57	Exports (YoY) (Sep)	✓✓	-3.20%*	-1.00%	Monthly
 Germany	08:00	Wholesale Price Index (MoM) (Sep)	✓	-	-0.80%	Monthly
 Germany	08:00	Wholesale Price Index (YoY) (Sep)	✓	-	-1.10%	Monthly
 Eurozone	09:15	ECB's De Guindos, Hernandez de Cos speak in Madrid	✓	-	-	As scheduled
 Eurozone	11:00	Industrial Production s.a. (MoM) (Aug)	✓✓✓	0.20%	-0.40%	Monthly
 Eurozone	11:00	Industrial Production w.d.a. (YoY) (Aug)	✓✓✓	-2.50%	-2.00%	Monthly
 UK	14:10	BoE's Cunliffe speech	✓✓	-	-	As scheduled

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	10300	-0.20	8.10	180.81
Sibanye Gold Ltd	2335	1.52	11.30	133.03
Northam Platinum Ltd	9621	7.37	15.75	122.40
Anglo American Platinum Ltd	110369	7.08	20.88	110.13
Harmony Gold Mining Co Ltd	4411	-3.31	1.87	75.04
Cartrack Holdings Ltd	2425	15.48	22.78	70.66
Royal Bafokeng Platinum Ltd	4170	-0.71	6.92	67.63
Gold Fields Ltd	8090	3.36	6.28	65.66
AngloGold Ashanti Ltd	29614	0.28	4.24	63.72
Kumba Iron Ore Ltd	38814	3.76	3.65	53.45
Allied Electronics Corp Ltd	2613	3.49	2.87	47.84
Clover Industries Ltd	2494	0.44	0.52	38.76
Investec Australia Property Fund	1603	1.46	1.78	34.92
Pioneer Foods Group Ltd	10700	0.66	0.93	32.95
Clicks Group Ltd	24950	14.34	16.05	32.94
Distell Group Holdings Ltd	13812	0.99	1.57	32.81
Transaction Capital Ltd	2213	0.55	-0.09	31.90
Pan African Resources Plc	211	0.48	-2.76	31.88
Bid Corp Ltd	33900	1.65	5.26	30.62
Sirius Real Estate Ltd	1387	0.14	-0.79	29.64
Resilient REIT Ltd	6700	1.92	3.40	28.18
Spur Corp Ltd	2655	12.93	11.70	26.34
AECI Ltd	9914	3.27	3.31	25.53
Lighthouse Capital Ltd	850	3.66	5.99	25.02
Metair Investments Ltd	2299	-0.04	-0.04	23.13
Reinet Investments SCA	26500	-2.09	-3.46	22.90
NEPI Rockcastle Plc	12929	0.07	1.02	22.90
DataTec Ltd	3255	-1.36	-2.52	22.63
Quilter Plc	2585	8.29	1.13	22.19
Fortress REIT Ltd	2058	-1.29	-0.10	21.67
Capitec Bank Holdings Ltd	134714	1.37	4.64	21.49
Alexander Forbes Group Holdings Ltd	552	-4.83	-1.43	19.82
Anglo American Plc	36774	9.86	4.55	19.69
Naspers Ltd	226849	0.60	-1.16	18.73
BHP Group Plc	32019	3.27	-1.53	17.63
Cie Financiere Richemont SA	10665	2.26	-4.50	16.87
Stenprop Ltd	2001	2.09	3.41	16.77
Liberty Holdings Ltd	11939	5.19	6.22	16.20
Telkom SA SOC Ltd	7076	-3.78	0.24	14.68
Investec Property Fund Ltd	1495	1.84	3.82	14.21
JSE All Share Index	55537	2.86	1.30	5.31

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