

# ONE Minute Brief

30 October 2019

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## Economic and political news

In South Africa (SA), the unemployment rate advanced to 29.1% in 3Q19, compared to a rate of 29.0% in the previous quarter. Growth in private sector credit demand slowed to 6.19% on a yearly basis in September, compared to an advance of 6.86% in the previous month. Additionally, expansion in M3 money supply slowed to 6.11% on an annual basis in September, compared to a rise of 7.45% in August.

During a briefing on government's "special paper" on Eskom, Public Enterprises Minister, Pravin Gordhan, stated that SA aims to complete Eskom's legal separation into three units by around 2022 and dismissed rumours that the firm would be privatised. Gordhan also indicated that a new Chief Executive Officer for the utility would likely be announced next week.

Finance Minister, Tito Mboweni, is set to deliver his Medium-Term Budget Policy Statement in parliament today.

The portfolio committee on justice and correctional services has given National Prosecuting Authority (NPA) officials Nomgcobo Jiba and Lawrence Mrwebi seven days to make representations for reinstatement.

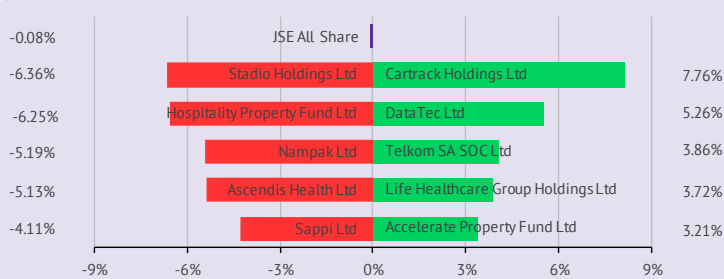
News report indicate that municipalities owe Eskom ZAR23.5bn and the water boards ZAR14.9bn, while households and the state owe ZAR165.5bn to municipalities.

## South Africa Market

### South African markets closed lower

South African markets closed in the red yesterday, led by losses in mining sector stocks. Data revealed that SA's unemployment rate climbed in 3Q19. The JSE All Share Index fell 0.1% to close at 55,716.69.

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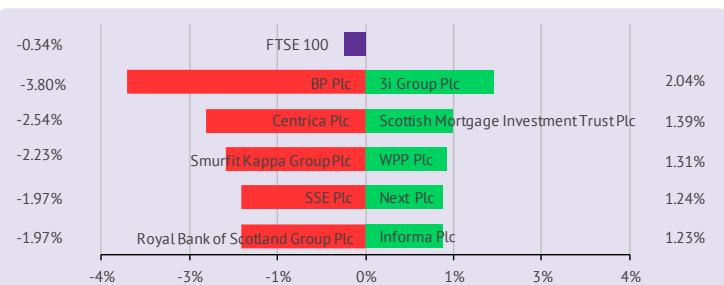


## UK Market

### UK markets closed in the red

UK markets finished lower yesterday, amid caution ahead of a general election in December and as shares of BP declined on lower profits. Data indicated that UK's consumer credit growth slowed in September. The FTSE 100 Index declined 0.3% to close at 7,306.26. Today, the FTSE 100 futures are trading in negative territory.

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## Key indices

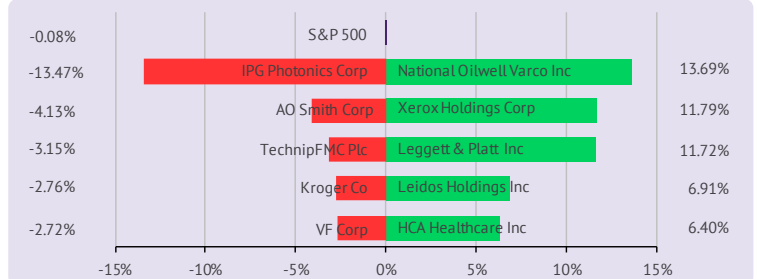
	As at 29 Oct 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	55716.69	▼ -45.29	-0.08	1.04	1.63	-0.79	5.65
JSE Top 40 (ZAR)	49477.44	▼ -39.06	-0.08	1.27	1.36	-1.03	5.89
FTSE 100 (GBP)	7306.26	▼ -25.02	-0.34	-0.25	-1.38	2.79	8.59
DAX 30 (EUR)	12939.62	▼ -2.09	-0.02	0.35	4.12	4.09	22.55
CAC 40 (EUR)	5740.14	▲ 9.57	0.17	0.31	1.10	3.60	21.34
S&P 500 (USD)	3036.89	▼ -2.53	-0.08	0.47	2.02	1.72	21.14
Nasdaq Composite (USD)	8276.85	▼ -49.13	-0.59	0.41	3.47	0.46	24.74
DJIA (USD)	27071.42	▼ -19.30	-0.07	0.42	0.57	1.95	16.05
MSCI Emerging Markets (USD)	1043.73	▲ 0.76	0.07	0.76	4.27	1.69	8.05
MSCI Developed World (USD)	2232.45	▲ 1.05	0.05	0.44	2.40	1.94	18.50

## US Market

### US markets closed weaker

US markets closed lower yesterday, amid mixed corporate earnings report and ahead of the US Federal Reserve's (Fed) interest rate decision. Data showed that the US monthly pending home sales rose more-than-expected in September. The S&P 500 Index dropped 0.1% to close at 3,036.89. Today, the S&P 500 futures are trading weaker.

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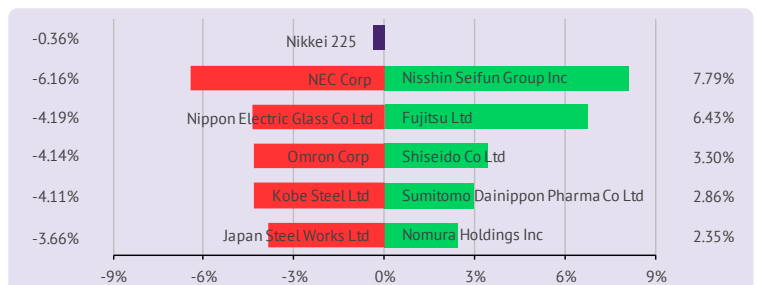


## Asian Market

### Trading lower

Asian markets are trading lower this morning, ahead of the Fed's interest rate decision. The Nikkei 225 Index is trading 0.4% lower at 22,891.10.

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## USD ZAR ▼

### USD trading higher against ZAR

At 06:00 SAST, the US Dollar slightly gained against the South African Rand to trade at R14.6332. Later today, traders will keep a close watch on the FOMC interest rate decision, the US gross domestic product, the ADP employment change and the MBA mortgage applications for further direction.

The US Dollar rose against the South African Rand yesterday. On the macro front, the US consumer confidence index dropped in October. On the other hand, the nation's pending home sales climbed more than market expectations on a monthly basis in September, notching its highest level since December 2017. Separately, the South African Rand fell against the US Dollar, following the release of the government's special paper on plans to reform Eskom. Additionally, SA's unemployment rate advanced in the third quarter of 2019, recording its highest rate in more than 11 years. Moreover, private sector credit demand growth slowed on a yearly basis in September. Additionally, expansion in annual M3 money supply slowed in September.

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## GBP ZAR ▲

### GBP trading lower against ZAR

At 06:00 SAST, the British Pound marginally retreated against the South African Rand to trade at R18.8194. With no major economic releases in the UK today, investor sentiment will be determined by global macroeconomic news. Data indicated that UK's BRC shop price index fell on an annual basis in October.

The British Pound advanced against the South African Rand yesterday. On the data front, UK's Nationwide housing prices increased on a monthly basis in October. Additionally, mortgage approvals unexpectedly rose in September. Meanwhile, the nation's consumer credit growth fell to its lowest level in 5 years in September.

## EUR ZAR ▼

### EUR trading higher against ZAR

At 06:00 SAST, the Euro slightly climbed against the South African Rand to trade at R16.2557. Going forward, market participants will keep a tab on Eurozone's economic sentiment indicator, business climate indicator and consumer confidence index along with Germany's consumer price index (CPI) and unemployment rate for further indication.

The Euro strengthened against the South African Rand yesterday.

## AUD ZAR ▲

### AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar is trading marginally lower against the South African Rand at R10.0375. Earlier in the session, Australia's CPI jumped in line with market forecast on a yearly basis in 3Q19.

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	14.6332	▼	0.45	0.00	-3.37	-0.39	1.95
GBPZAR	18.8194	▲	0.52	0.30	1.13	0.78	2.74
EURZAR	16.2557	▼	0.57	0.30	-1.47	-1.13	-1.24
AUDZAR	10.0375	▲	0.84	0.56	-1.72	-0.10	-0.81
EURUSD	1.1109	▼	0.11	0.29	1.95	-0.76	-3.10
GBPUSD	1.2862	▲	-0.01	0.27	4.66	1.09	0.85
Brent (\$/barrel)	61.4	▼	0.03	-0.69	3.95	0.00	14.48
Gold (\$/oz)	1490.7	▼	0.05	-0.59	1.71	-3.76	16.34
Platinum (\$/oz)	924.9	▼	1.14	-0.43	4.72	-5.18	16.23
Copper (\$/MT)*	5906.3	▲	0.32	-0.01	3.70	0.70	-0.72

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

## Gold ▼

### Trading in the red

At 06:00 SAST, gold prices fell marginally to trade at \$1,490.70/oz.

Yesterday, gold prices rose 0.1% to close at \$1,490.70/oz.

## Brent Crude Oil ▼

### Trading weaker

At 06:00 SAST, Brent crude oil declined 0.3% to trade at \$61.40/bl.

Yesterday, Brent crude oil marginally advanced to settle at \$61.59/bl, after the American Petroleum Institute reported that the US crude inventories fell by 1.7mn bls in the week ended 25 October 2019.

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## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices are trading slightly lower at \$924.90/oz.

Yesterday, platinum prices climbed 1.1% to close at \$925.10/oz.

## Major South African corporate news

### Blue Label Telecoms Limited

In its FY19 results, the company announced that revenues rose to ZAR27.16bn, from ZAR25.87bn recorded in the corresponding period of the previous year. The company's diluted loss per share stood at 123.07c, compared to an EPS of 123.03c in the previous year.

### Octodec Investments Limited

In its FY19 results, the company announced that revenues advanced 4.6% to ZAR1.98bn, compared with the corresponding period of the previous year. Diluted EPS stood at 111.10c, compared to 203.00c. The company has declared a dividend of 200.90c per share.

### Northam Platinum Limited

The company announced that its wholly owned subsidiary, Eland Platinum Proprietary Limited, has entered into an agreement with Barplats Mines Proprietary Limited, a subsidiary of Eastern Platinum Limited, to purchase the Maroelabult assets, including the mining and surface rights, infrastructure, equipment and associated fixed and movable property, for a cash consideration of ZAR20.00mn.

## Major global economic news

### UK

In the UK, net consumer credit growth slowed to GBP0.83bn in September, compared to a revised rise of GBP0.97bn in the previous month.

In the UK, number of mortgage approvals for house purchases unexpectedly rose to a level of 65.92K in September, compared to a revised reading of 65.68K in the previous month.

In the UK, seasonally adjusted Nationwide house prices rose 0.2% on a monthly basis in October. In the prior month, the Nationwide house prices had registered a drop of 0.2%.

In the UK, the BRC shop price index dropped 0.4% on a yearly basis in October. The index had recorded a drop of 0.6% in the previous month.

### US

In the US, the CB consumer confidence index fell to a level of 125.90 in October, compared to a revised reading of 126.30 in the prior month.

In the US, pending home sales rose 1.5% on a monthly basis in September, more than market forecast and compared to a revised advance of 1.4% in the prior month.

### Asia

In Australia, the CPI rose 1.7% on an annual basis in 3Q19, in line with market expectations. The CPI had advanced 1.6% in the previous quarter.

In Japan, retail trade unexpectedly advanced 7.1% on a monthly basis in September. In the prior month, retail trade had recorded a revised rise of 4.6%.

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
Japan	01:50	Retail Trade s.a. (MoM) (Sep)	✓✓✓	7.10%*	4.80%	Monthly
Japan	01:50	Large Retailer's Sales (Sep)	✓✓	10.00%*	0.40%	Monthly
Japan	01:50	Retail Trade (YoY) (Sep)	✓✓✓	9.10%*	2.00%	Monthly
UK	02:01	BRC Shop Price Index (YoY) (Oct)	✓✓✓	-0.40%*	-0.60%	Monthly
Germany	10:55	Unemployment Change (Oct)	✓✓✓	-	-10.00K	Monthly
Germany	10:55	Unemployment Rate s.a. (Oct)	✓✓✓	5.00%	5.00%	Monthly
Switzerland	11:00	ZEW Survey - Expectations (Oct)	✓✓	-	-15.40	Monthly
Eurozone	12:00	Business Climate Indicator (Oct)	✓✓	-0.24	-0.22	Monthly
Eurozone	12:00	Consumer Confidence (Oct) (F)	✓✓✓	-7.60	-7.60**	Monthly
Eurozone	12:00	Economic Sentiment Indicator (Oct)	✓	101.10	101.70	Monthly
Eurozone	12:00	Industrial Confidence (Oct)	✓	-8.90	-8.80	Monthly
Eurozone	12:00	Services Sentiment Indicator (Oct)	✓	9.30	9.50	Monthly
US	13:00	MBA Mortgage Applications (25-Oct)	✓	-	-11.90%	Weekly
US	14:15	ADP Employment Change (Oct)	✓✓✓	120.00K	135.00K	Monthly
US	14:30	Personal Consumption (QoQ) (Q3) (P)	✓✓✓	-	4.60%	Quarterly
US	14:30	Gross Domestic Product Annualised (QoQ) (Q3) (P)	✓✓✓	1.70%	2.00%	Quarterly
US	14:30	Gross Domestic Purchases Price Index (QoQ) (Q3) (P)	✓✓✓	1.90%	2.40%	Quarterly
US	14:30	Personal Consumption Expenditure Core (QoQ) (Q3) (P)	✓✓✓	2.20%	1.90%	Quarterly
Germany	15:00	Consumer Price Index (MoM) (Oct) (P)	✓✓✓	-	0.00%	Monthly
Germany	15:00	Harmonised Index of Consumer Prices (HICP) (MoM) (Oct) (P)	✓✓✓	-	-0.10%	Monthly
Germany	15:00	Consumer Price Index (YoY) (Oct) (P)	✓✓✓	1.00%	1.20%	Monthly
Germany	15:00	Harmonised Index of Consumer Prices (HICP) (YoY) (Oct) (P)	✓✓✓	0.80%	0.90%	Monthly
Eurozone	19:30	ECB's Lautenschlaeger Speaks in Duesseldorf	✓	-	-	As scheduled
US	20:00	Fed's Monetary Policy Statement	✓✓✓	-	-	As scheduled
US	20:00	Fed Interest Rate Decision	✓✓✓	-	2.00%	As scheduled
US	20:30	FOMC Press Conference	✓✓✓	-	-	As scheduled

Note: ✓✓✓High    ✓✓Medium    ✓Low

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