

# ONE Minute Brief

4 November 2019

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## Economic and political news

In South Africa (SA), the Absa manufacturing PMI rose to 48.10 in October, compared to a revised reading of 45.10 in the previous month. Additionally, new vehicle sales rose 0.2% to 51,978 units on an annual basis in October.

Ratings agency, Moody's Investors Service, has lowered its outlook on SA's credit rating to "negative" from "stable" and affirmed its debt rating at 'Baa3', amid disappointing mid-term budget statement. Separately, Moody's has granted Finance Minister, Tito Mboweni three months to deliver a credible plan to stabilise government debt and tackle the risks posed by state-owned enterprises (SOEs), especially Eskom, in order to avoid junk status.

Former President, Jacob Zuma, has filed an application at the high court in Pietermaritzburg, appealing against his trial in a corruption case over an arms deal.

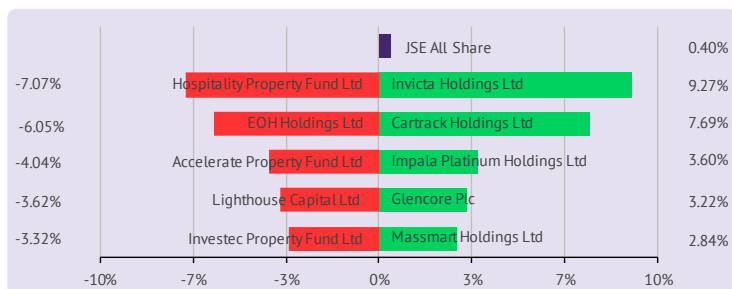
News reports indicate that public sector trade unions are planning action against the government's plans to curb wage increases for public servants.

## South Africa Market ▲

### South African markets closed higher

South African markets closed in the green on Friday, boosted by gains in platinum mining and resource sector stocks. Data showed that SA's Absa manufacturing PMI improved in October. The JSE All Share Index rose 0.4% to close at 56,650.01.

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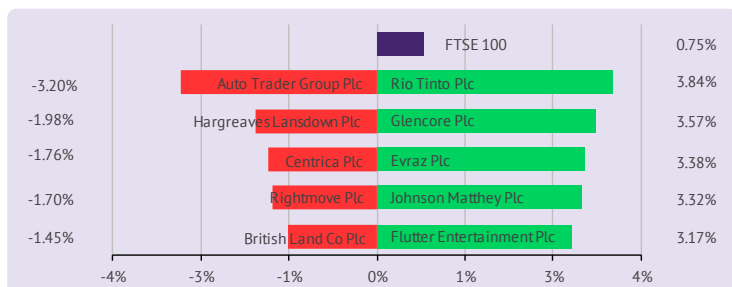


## UK Market ▲

### UK markets closed in the green

UK markets finished higher on Friday, supported by gains in energy and mining sector stocks. Data revealed that UK's Markit manufacturing PMI rose in October. The FTSE 100 Index advanced 0.8% to close at 7,302.42. Today, the FTSE 100 futures are trading in positive territory.

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## Key indices

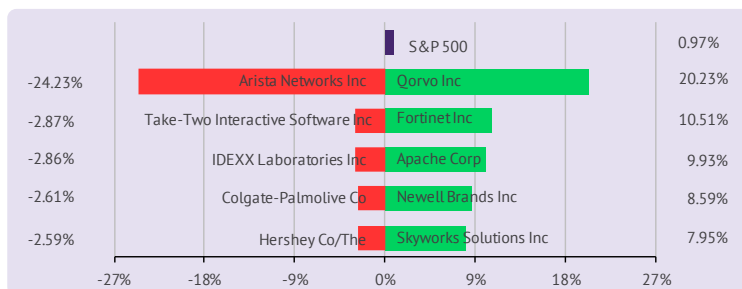
	As at 01 Nov 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg	
JSE All Share (ZAR)	56650.01	▲	224.90	0.40	NA	0.40	2.92	7.42
JSE Top 40 (ZAR)	50428.14	▲	259.66	0.52	NA	0.52	2.78	7.92
FTSE 100(GBP)	7302.42	▲	54.04	0.75	NA	0.75	-2.16	8.54
DAX 30 (EUR)	12961.05	▲	94.26	0.73	NA	0.73	3.53	22.75
CAC 40 (EUR)	5761.89	▲	32.03	0.56	NA	0.56	0.92	21.80
S&P 500 (USD)	3066.91	▲	29.35	0.97	NA	0.97	2.04	22.34
Nasdaq Composite (USD)	8386.40	▲	94.04	1.13	NA	1.13	3.66	26.39
DJIA (USD)	27347.36	▲	301.13	1.11	NA	1.11	0.48	17.23
MSCI Emerging Markets (USD)	1049.19	▲	7.21	0.69	NA	0.69	4.09	8.62
MSCI Developed World (USD)	2252.07	▲	18.54	0.83	NA	0.83	2.45	19.54

## US Market ▲

### US markets closed firmer

US markets closed higher on Friday, on the back of strong US jobs report and US-China trade progress. The S&P 500 Index climbed 1.0% to close at 3,066.91. Today, the S&P 500 futures are trading in the green.

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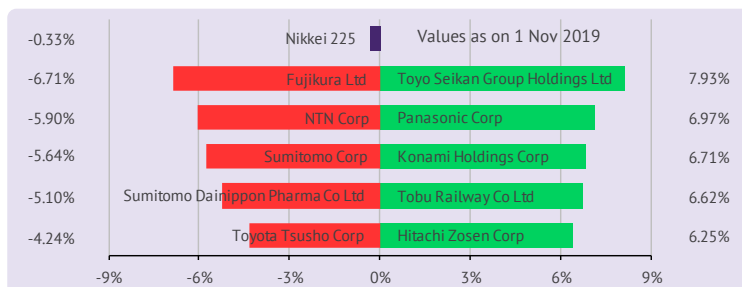


## Asian Market ▲

### Trading higher

Asian markets are trading higher this morning, on trade optimism and robust US jobs data. Markets in Japan are closed today on account of a public holiday.

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## USD ZAR ▲

### USD trading lower against ZAR

At 06:00 SAST, the US Dollar retreated 1.3% against the South African Rand to trade at R14.8373. Later today, traders will keep a close watch on the US factory orders for further cues.

The US Dollar fell against the South African Rand on Friday. On the macro front, the US unemployment rate climbed in line with market anticipations in October. Additionally, the ISM manufacturing PMI advanced less than market consensus in October. Meanwhile, the nations' non-farm payrolls increased more than market forecast in October. Additionally, average hourly earnings advanced on a yearly basis at par with market anticipations in October. Moreover, the Markit manufacturing PMI jumped to a 6-month high level in October. Further, construction spending rebounded on a monthly basis in September. Separately, in SA, the Absa manufacturing PMI advanced in October. Additionally, the Naamsa vehicle sales increased on a yearly basis in October.

## GBP ZAR ▲

### GBP trading weaker against ZAR

At 06:00 SAST, the British Pound is trading 1.3% lower against the South African Rand at R19.2019. Ahead in the day, traders will keep an eye on UK's Markit construction PMI for further indication.

The British Pound declined against the South African Rand on Friday. On the data front, UK's Markit manufacturing PMI unexpectedly climbed in October.

## EUR ZAR ▲

### EUR trading lower against ZAR

At 06:00 SAST, the Euro retreated 1.3% against the South African Rand to trade at R16.5720. Going forward, market participants will keep a tab on the Eurozone's Sentix investor confidence index along with the Markit manufacturing PMIs across the Eurozone 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 declined 1.2% against the South African Rand to trade at R10.2682. Earlier in the session, Australia's retail sales climbed at par with market consensus on a monthly basis 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	14.8373	▲	-0.42	NA	-0.42	-0.23	4.81
GBPZAR	19.2019	▲	-0.47	NA	-0.47	4.97	6.14
EURZAR	16.5720	▲	-0.32	NA	-0.32	2.09	2.00
AUDZAR	10.2682	▲	-0.11	NA	-0.11	1.86	2.69
EURUSD	1.1170	▲	0.13	NA	0.13	2.32	-2.62
GBPUSD	1.2938	▼	0.03	NA	0.03	5.31	1.51
Brent (\$/barrel)	61.4	▼	3.47	NA	3.47	0.62	14.67
Gold (\$/oz)	1514.5	▲	-0.22	NA	-0.22	3.35	17.96
Platinum (\$/oz)	956.5	▲	2.17	NA	2.17	5.69	19.86
Copper (\$/MT)*	5827.0	▲	1.00	NA	1.00	1.30	-2.05

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

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices gained 0.2% to trade at \$1,514.50/oz.

On Friday, gold prices fell 0.2% to close at \$1,511.40/oz, following better-than-expected US jobs data.

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## Brent Crude Oil ▼

### Trading weaker

At 06:00 SAST, Brent crude oil edged 0.5% lower to trade at \$61.36/bl.

On Friday, Brent crude oil advanced 3.5% to settle at \$61.69/bl, amid strong US jobs report and after Baker Hughes reported that US oil rig count fell by 5 to 691 last week.

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## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices rose 0.3% to trade at \$956.50/oz.

On Friday, platinum prices climbed 2.2% to close at \$954.00/oz.

## Major South African corporate news

### Northam Platinum Limited

The company, in reference to its previous announcement regarding its acquisition of preference shares in Zambezi Platinum (RF) Limited, indicated that the company has reached an agreement to acquire additional Zambezi preference shares. Following the acquisition, Northam will hold 36,688,840 Zambezi preference shares, representing approximately 22.94% of all Zambezi preference shares in issue.

## Major global economic news

### US

In the US, nonfarm payrolls climbed by 128.00K in October, more than market forecast. The nonfarm payrolls had recorded a revised increase of 180.00K in the prior month.

In the US, average hourly earnings of all employees rose 3.0% on an annual basis in October, meeting market expectations. In the previous month, average hourly earnings of all employees had registered a similar revised rise.

In the US, the final Markit manufacturing PMI climbed to 51.30 in October. In the prior month, the Markit manufacturing PMI had registered a reading of 51.10. The preliminary figures had indicated an advance to 51.50.

In the US, construction spending rose 0.5% on a monthly basis in September, more than market expectations. In the prior month, construction spending had dropped by a revised 0.3%.

In the US, unemployment rate rose to 3.6% in October, in line with market expectations and compared to 3.5% in the prior month.

In the US, the ISM manufacturing activity index rose to 48.30 in October, less than market forecast and compared to a reading of 47.80 in the previous month.

### UK

In the UK, the Markit manufacturing PMI unexpectedly rose to a level of 49.60 in October. In the previous month, the Markit manufacturing PMI had registered a level of 48.30.

### Asia

In Australia, seasonally adjusted retail sales rose 0.2% on a monthly basis in September, in line with market expectations. Retail sales had registered a rise of 0.4% in the prior month.

## 40 best performers on the All Share Index

Company name	Last close	1 Week % change	MTD % change	YTD % change
Impala Platinum Holdings Ltd	10759	4.46	3.60	193.32
Sibanye Gold Ltd	2836	7.87	-2.71	183.03
Northam Platinum Ltd	10300	5.10	0.98	138.10
Anglo American Platinum Ltd	113150	5.86	0.34	115.42
Harmony Gold Mining Co Ltd	5148	2.96	-1.55	104.29
Cartrack Holdings Ltd	2801	21.78	7.69	97.13
Gold Fields Ltd	9164	5.80	-1.40	87.66
AngloGold Ashanti Ltd	32423	-0.38	-1.86	79.25
Royal Bafokeng Platinum Ltd	4401	4.69	0.05	76.92
Pan African Resources Plc	243	5.19	1.25	51.88
Kumba Iron Ore Ltd	37017	3.79	0.60	46.34
Allied Electronics Corp Ltd	2515	-2.48	-0.67	42.30
Clover Industries Ltd	2494	0.00	0.00	38.76
Investec Australia Property Fund	1626	3.57	0.06	36.86
DataTec Ltd	3625	2.03	0.95	36.57
Bid Corp Ltd	35200	4.08	-0.14	35.63
Pioneer Foods Group Ltd	10834	0.31	0.58	34.61
Sirius Real Estate Ltd	1434	2.43	0.99	34.03
Lighthouse Capital Ltd	906	1.23	-3.62	33.25
Metair Investments Ltd	2455	2.63	0.00	31.48
Cie Financiere Richemont SA	11972	9.31	0.88	31.19
Transaction Capital Ltd	2200	-1.35	-0.23	31.13
Reinet Investments SCA	28200	4.87	-0.55	30.79
Distell Group Holdings Ltd	13551	1.89	1.01	30.30
Clicks Group Ltd	24400	1.57	-0.72	30.01
Anglo American Plc	39466	4.91	2.08	28.45
Quilter Plc	2705	3.64	1.12	27.87
Stenprop Ltd	2189	3.06	-2.67	27.74
Resilient REIT Ltd	6660	-1.26	-1.07	27.42
Spur Corp Ltd	2651	0.04	-1.78	26.15
Capitec Bank Holdings Ltd	137900	0.37	0.44	25.05
Fortress REIT Ltd	2099	-2.87	-0.10	24.09
NEPI Rockcastle Plc	13001	3.18	-1.13	23.59
Tradehold Ltd	1180	-7.74	4.98	23.06
AECI Ltd	9713	-0.38	-0.53	22.98
British American Tobacco Plc	53377	5.54	0.65	19.78
BHP Group Plc	32534	5.49	1.44	19.52
Mediclinic International Plc	7065	1.55	-0.46	19.31
Libstar Holdings Ltd	805	-3.25	1.00	18.18
Capital & Counties Properties Plc	4958	2.02	-0.90	17.85
<b>JSE All Share Index</b>	<b>56650</b>	<b>2.73</b>	<b>0.40</b>	<b>7.42</b>

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
UK	02:01	Lloyds Business Barometer (Oct)	✓	6.00%*	2.00%	Monthly
Eurozone	10:00	ECB's Hernandez de Cos to speak in Madrid	✓	-	-	As scheduled
Eurozone	10:00	ECB policy maker Hernandez de Cos speaks in Madrid	✓	-	-	As scheduled
Spain	10:15	Markit Manufacturing PMI (Oct)	✓	48.20	47.70	Monthly
Italy	10:45	Markit Manufacturing PMI (Oct)	✓✓✓	47.90	47.80	Monthly
France	10:50	Markit Manufacturing PMI (Oct) (F)	✓✓✓	-	50.50**	Monthly
Germany	10:55	Markit Manufacturing PMI (Oct) (F)	✓✓✓	-	41.90**	Monthly
Eurozone	11:00	Markit Manufacturing PMI (Oct) (F)	✓✓✓	-	45.70**	Monthly
Eurozone	11:30	Sentix Investor Confidence (Nov)	✓✓✓	-	-16.80	Monthly
UK	11:30	Markit Construction PMI (Oct)	✓✓✓	-	43.30	Monthly
US	16:00	Inventories / Shipment Ratio (Sep)	✓	-	1.38	Monthly
US	17:00	Cap Goods Orders Nondef Ex Air (Sep) (F)	✓	-	-0.60%**	Monthly
US	17:00	Cap Goods Ship Nondef Ex Air (Sep) (F)	✓	-	-0.10%**	Monthly
US	17:00	Factory Orders (MoM) (Sep)	✓✓✓	-	-0.10%	Monthly
US	17:00	Durable Goods Orders (Sep) (F)	✓✓✓	-	-1.10%**	Monthly
US	17:00	Durable Goods Orders ex Transportation (Sep) (F)	✓✓	-	-0.30%**	Monthly
US	21:00	Loan Officer Survey (Q3)	✓	-	-	As scheduled

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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