

# ONE Minute Brief

5 November 2019

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## Economic and political news

President, Cyril Ramaphosa, has named former cabinet members Jeff Radebe, Derek Hanekom and Elizabeth Thabethe as “special envoys on investment”.

Former President, Jacob Zuma’s lawyers have criticised the Pietermaritzburg High Court’s ruling to dismiss Zuma’s bid to permanently stop the trial and argued that the hearing violated the law and the Constitution.

Civil society coalition, UniteBehind, has challenged and requested the North Gauteng high court to set aside Public Protector, Busisiwe Mkhwebane’s Passenger Rail Agency of SA (Prasa) report into corruption and maladministration at the entity under former Chief Executive Officer, Lucky Montana and former chairperson, Sfiso Buthelezi.

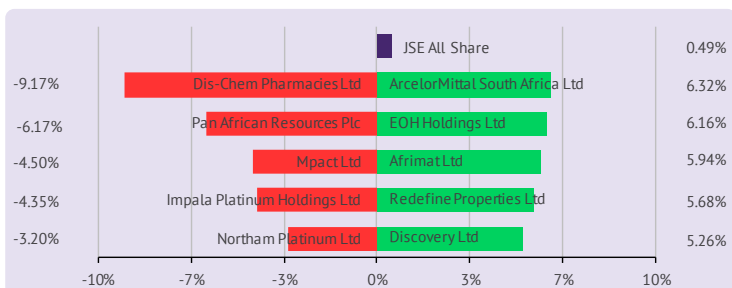
Former Gauteng MEC for economic development, Dr. Kgosisentso Ramokgopa, has been appointed as head of the investment and infrastructure office of the Presidency.

## South Africa Market ▲

### South African markets closed higher

South African markets closed in the green yesterday, supported by gains in banking, financial and real estate sector stocks. The JSE All Share Index rose 0.5% to close at 56,928.87.

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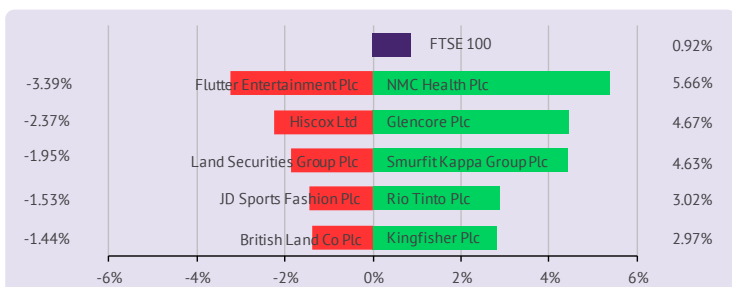


## UK Market ▲

### UK markets closed in the green

UK markets finished higher yesterday, amid optimism over US-China trade deal. Data revealed that UK’s Markit construction PMI rose more-than-expected in October. The FTSE 100 Index advanced 0.9% to close at 56,928.87. Today, the FTSE 100 futures are trading in positive territory.

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## Key indices

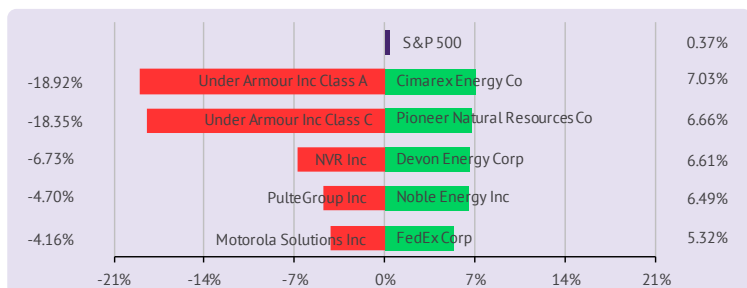
	As at 04 Nov 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	56928.87	▲ 278.86	0.49	0.49	0.89	2.92	7.95
JSE Top 40 (ZAR)	50673.73	▲ 245.59	0.49	0.49	1.01	2.78	8.45
FTSE 100 (GBP)	7369.69	▲ 67.27	0.92	0.92	1.67	-2.16	9.54
DAX 30 (EUR)	13136.28	▲ 175.23	1.35	1.35	2.09	3.53	24.41
CAC 40 (EUR)	5824.30	▲ 62.41	1.08	1.08	1.65	0.92	23.12
S&P 500 (USD)	3078.27	▲ 11.36	0.37	0.37	1.34	2.04	22.79
Nasdaq Composite (USD)	8433.20	▲ 46.80	0.56	0.56	1.70	3.66	27.10
DJIA (USD)	27462.11	▲ 114.75	0.42	0.42	1.54	0.48	17.72
MSCI Emerging Markets (USD)	1064.55	▲ 15.36	1.46	1.46	2.17	4.09	10.21
MSCI Developed World (USD)	2261.45	▲ 9.38	0.42	0.42	1.25	2.45	20.04

## US Market ▲

### US markets closed firmer

US markets closed higher yesterday, on the back of upbeat corporate earnings report and hopes for a US-China trade agreement. The S&P 500 Index climbed 0.4% to close at 3,078.27. Today, the S&P 500 futures are trading in the green.

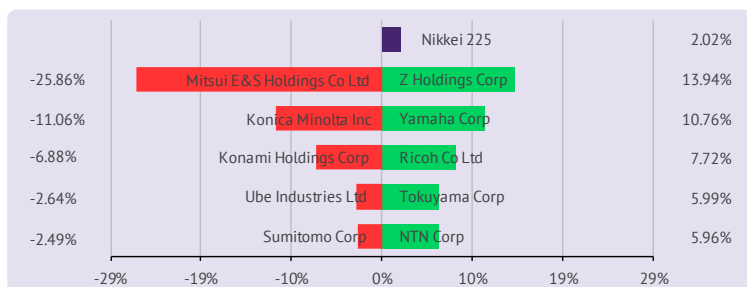
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## Asian Market ▲

### Trading higher

Asian markets are trading higher this morning. The Nikkei 225 Index is trading 2.0% higher at 23,313.30.



## USD ZAR ▲

### USD trading weaker against ZAR

At 06:00 SAST, the US Dollar is trading 0.2% lower against the South African Rand at R14.7895. Later today, traders will keep a close watch on the US the Markit services PMI, the JOLTS job openings and trade balance for further indication.

The US Dollar fell against the South African Rand yesterday. On the data front, the US factory orders dropped more than market consensus to a 4-month low level on a monthly basis in September. Additionally, durable goods orders declined on a monthly basis in September. Separately, the South African Rand rose against the US Dollar, after Moody's kept SA's last investment-grade credit rating intact and only downgraded the outlook.

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## GBP ZAR ▲

### GBP trading lower against ZAR

At 06:00 SAST, the British Pound fell 0.1% against the South African Rand to trade at R19.0559. With no major economic releases in the UK today, investor sentiment will be determined by global macroeconomic news. Data revealed that UK's BRC like-for-like sales advanced less than market expectations on an annual basis in October.

The British Pound declined against the South African Rand yesterday. Data indicated that UK's Markit construction PMI climbed more than market consensus in October.

## EUR ZAR ▲

### EUR trading weaker against ZAR

At 06:00 SAST, the Euro retreated 0.2% against the South African Rand to trade at R16.4521. Going forward, market participants will keep a tab on Eurozone's producer price index for further direction.

The Euro weakened against the South African Rand yesterday. On the macro front, Eurozone's Sentix investor confidence index improved in November. Additionally, the Markit manufacturing PMI jumped in October. Separately, Germany's Markit manufacturing PMI rose more than market expectations in October.

## 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 R10.2081. Earlier in the session, Australia's AiG performance of services index improved in October. Meanwhile, in China, Australia's largest trading partner, the Caixin services PMI unexpectedly fell in October, recording its lowest level in 8 months.

The Australian Dollar fell against the South African Rand yesterday.

## Key currencies & commodities

	Current#		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	14.7895	▲	-1.50	-1.50	-1.91	-0.23	3.25
GBPZAR	19.0559	▲	-1.87	-1.87	-2.33	4.97	4.15
EURZAR	16.4521	▲	-1.81	-1.81	-2.12	2.09	0.16
AUDZAR	10.2081	▼	-1.92	-1.92	-2.02	1.86	0.72
EURUSD	1.1124	▼	-0.34	-0.34	-0.22	2.32	-2.96
GBPUSD	1.2885	▲	-0.48	-0.48	-0.45	5.31	1.02
Brent (\$/barrel)	62.2	▲	0.71	0.71	4.21	0.62	15.48
Gold (\$/oz)	1507.4	▼	-0.02	-0.02	-0.24	3.35	17.93
Platinum (\$/oz)	941.2	▲	-1.60	-1.60	0.54	5.69	17.94
Copper (\$/MT)*	5853.8	▲	0.46	0.46	1.46	1.30	-1.60

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

## Gold ▼

### Trading in the red

At 06:00 SAST, gold prices edged 0.2% lower to trade at \$1,507.40/oz.

Yesterday, gold prices marginally fell to close at \$1,511.10/oz, amid optimism over US-China trade deal.

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## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil rose 0.1% to trade at \$62.21/bl.

Yesterday, Brent crude oil advanced 0.7% to settle at \$62.13/bl, amid hopes for a trade resolution between the US and China.

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## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices edged 0.3% higher to trade at \$941.20/oz.

Yesterday, platinum prices declined 1.6% to close at \$938.70/oz.

## Major South African corporate news

### Delta Property Fund Limited

In its 1H19 results, the company announced that revenues dropped to ZAR759.03mn, from ZAR779.64mn recorded in the corresponding period of the previous year. Profit for the period stood at ZAR108.21mn, compared to ZAR280.87mn in the previous year. Basic and diluted EPS stood at 15.15c, compared to 39.51c in the previous year.

### Redefine Properties Limited

In its FY19 results, the company announced that revenues advanced 4.1% to ZAR8.79bn, compared to ZAR8.44bn reported in the corresponding period of the previous year. The company's basic EPS stood at 61.67c compared to 123.07c in the previous year. The firm declared a dividend of 91.32c per share.

### Shoprite Holdings Limited

In its 1Q20 operational update, the company indicated that the group's core business, Supermarkets ZARSA's sales grew by 10.3% during the quarter. Meanwhile all three of the firm's supermarket brands traded well, growth led by discounter format, Usave. Internal selling price inflation measured 3.0% over the period.

## Major global economic news

### Eurozone

In the Eurozone, the Sentix investor confidence index advanced to -4.50 in November, more than market forecast. The index had recorded a level of -16.80 in the prior month.

In the Eurozone, the final Markit manufacturing PMI rose to a level of 45.90 in October, compared to a reading of 45.70 in the prior month. The preliminary figures had indicated a steady reading.

In Germany, the final Markit manufacturing PMI advanced more-than-anticipated to 42.10 in October. The Markit manufacturing PMI had registered a reading of 41.70 in the prior month. The preliminary figures had recorded a rise to 41.90.

### Asia

The Reserve Bank of Australia (RBA) held its benchmark interest rate at 0.75%, as widely expected. Meanwhile, the central bank reiterated that it was prepared to ease monetary policy further if needed to support sustainable growth, full employment and the achievement of the inflation target over time.

In Australia, the AiG performance of services index rose to a level of 54.20 in October. In the previous month, the index had recorded a reading of 51.50.

In China, the Caixin services PMI unexpectedly dropped to 51.10 in October. The Caixin services PMI had recorded a reading of 51.30 in the prior month.

### UK

In the UK, the Markit construction PMI rose to 44.20 in October, more than market expectations. The Markit construction PMI had registered a reading of 43.30 in the prior month.

In the UK, the BRC retail sales across all sectors rose 0.1% on a yearly basis in October, less than market forecast. Retail sales across all sectors had dropped 1.7% in the prior month.

### US

In the US, factory orders fell 0.6% on a monthly basis in September, more than market expectations and compared to a fall of 0.1% in the previous month.

In the US, final durable goods orders dropped 1.2% on a monthly basis in September. Durable goods orders had registered a revised rise of 0.3% in the previous month. The preliminary figures had indicated a drop of 1.1%.

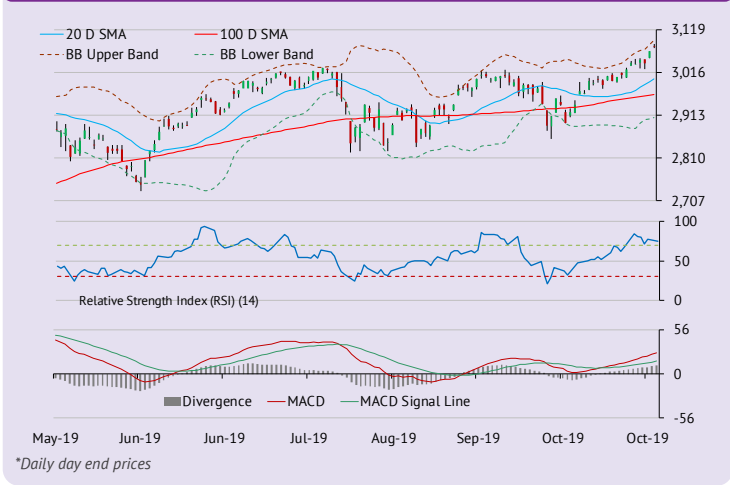
## Technical snapshot

### JSE All Share



The JSE All Share index is expected to find support at 55,471.19, and a fall through could take it to the next support level of 54,013.51. The index is expected to find its first resistance at 57,685.46, and a rise through could take it to the next resistance level of 58,442.05.

### S&P 500



The S&P 500 index is expected to find support at 3,039.24, and a fall through could take it to the next support level of 3,000.21. The index is expected to find its first resistance at 3,101.25, and a rise through could take it to the next resistance level of 3,124.23.

### USD ZAR



The pair is expected to find support at 14.4993, and a fall through could take it to the next support level of 14.1860. The pair is expected to find its first resistance at 15.1568, and a rise through could take it to the next resistance level of 15.5010.

### XAU USD



Gold is expected to find support at \$1,489.80/oz, and a fall through could take it to the next support level of \$1,468.50/oz. The precious metal is expected to find its first resistance at \$1,525.70/oz, and a rise through could take it to the next resistance level of \$1,540.30/oz.

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
Japan	01:50	Monetary Base (Oct)	✓✓✓	JPY523.00tn*	JPY520.40tn	Monthly
Japan	01:50	Monetary Base (YoY) (Oct)	✓	3.10%*	3.00%	Monthly
UK	02:01	BRC Sales Like-For-Like (YoY) (Oct)	✓✓✓	0.10%*	-1.70%	Monthly
China	03:45	HSBC China Composite PMI (Oct)	✓✓✓	52.00*	51.90	Monthly
China	03:45	Caixin/Markit Services PMI (Oct)	✓✓✓	51.10*	51.30	Monthly
France	09:45	Budget Balance (Sep)	✓	-	-EUR123.10bn	Monthly
Spain	10:00	Unemployment Change (Oct)	✓✓✓	-	13.90K	Monthly
South Africa	10:00	BER Consumer Confidence (Q3)	✓	-	5.00	Quarterly
UK	11:00	New Car Registrations (YoY) (Oct)	✓	-	1.30%	Monthly
Eurozone	11:00	ECB's Villeroy speaks in Lyon, France	✓	-	-	As scheduled
UK	11:30	Official Reserves (Changes) (Oct)	✓✓	-	JPY475.00mn	Monthly
UK	11:30	Markit Services PMI (Oct)	✓✓✓	50.00	49.50	Monthly
Eurozone	12:00	Producer Price Index (YoY) (Sep)	✓✓✓	-0.70%	-0.80%	Monthly
Eurozone	12:00	Producer Price Index (MoM) (Sep)	✓✓✓	-0.40%	-0.50%	Monthly
Canada	15:30	International Merchandise Trade (Sep)	✓✓✓	-	-CAD0.96 bn	Monthly
US	15:30	Trade Balance (Sep)	✓✓✓	-USD55.50bn	-USD54.90bn	Monthly
US	16:45	Markit Services PMI (Oct) (F)	✓✓✓	-	51.00**	Monthly
US	16:45	Markit Composite PMI (Oct) (F)	✓✓✓	-	51.20**	Monthly
US	17:00	JOLTs Job Openings (Sep)	✓	7211.00K	7051.00K	Monthly
US	17:00	ISM Non-Manufacturing PMI (Oct)	✓✓✓	53.20	52.60	Monthly
US	-	Mortgage Delinquencies (Q3)	✓	-	4.53%	Quarterly
US	-	MBA Mortgage Foreclosures (Q3)	✓	-	0.90%	Quarterly
Eurozone	-	ECB President Lagarde Speaks in Berlin	✓	-	-	As scheduled

Note: ✓✓✓High    ✓✓Medium    ✓Low

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