

ONE Minute Brief

4 December 2019

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Economic and political news

In South Africa (SA), annualised gross domestic product (GDP) unexpectedly dropped 0.6% on a quarterly basis in 3Q19, compared to a revised rise of 3.2% in the previous quarter.

The Department of Energy stated that petrol price will rise by 22c a litre while diesel price will decrease by 15.95c a litre, with effect from today.

The National Assembly has decided that former senior prosecutors Nomgcobo Jiba and Lawrence Mrwebi should not be reinstated to their positions at the National Prosecuting Authority (NPA).

Public Enterprises Minister, Pravin Gordhan, stated that coal suppliers need to help Eskom by being reasonable on their pricing.

Mineral and Energy Resources Minister, Gwede Mantashe, has been granted permission to interrogate former Bosasa Chief Operations Officer (COO), Angelo Agrizzi, at the commission of inquiry into state capture.

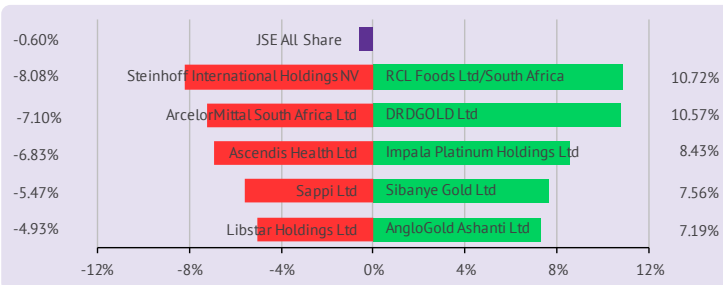
The Public Investment Corporation (PIC) has filed a court application demanding Steinhoff International Holdings to release PwC's report which the company has withheld on the grounds of confidentiality.

South Africa Market ▼

South African markets closed lower

South African markets closed in the red yesterday, weighed down by losses in industrial and resource sector stocks. Data revealed that SA's GDP unexpectedly dropped in 3Q19. The JSE All Share Index fell 0.6% to close at 54,485.41.

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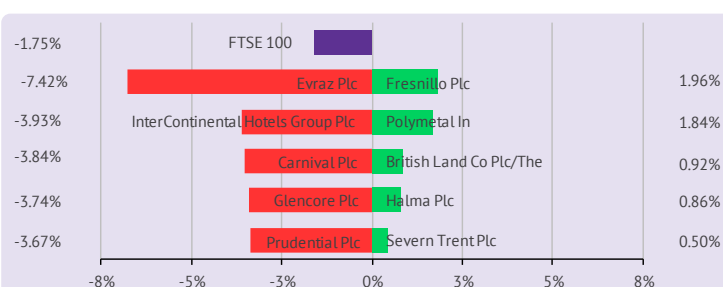


UK Market ▼

UK markets closed in the red

UK markets finished lower for the fourth consecutive session yesterday, amid renewed concerns over US-China trade deal after the US President, Donald Trump, decided to restore tariffs on Brazil and Argentina. The FTSE 100 Index declined 1.8% to close at 7,158.76. Today, the FTSE 100 futures are trading in negative territory.

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Key indices

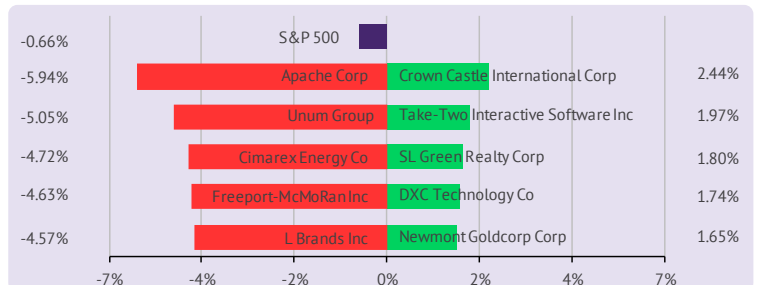
	As at 04 Dec 2019	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share (ZAR)	54485.41	▼ -328.66	-0.60	-1.56	-1.56	-1.91	3.32
JSE Top 40 (ZAR)	48299.66	▼ -309.34	-0.64	-1.62	-1.62	-2.14	3.37
FTSE 100 (GBP)	7158.76	▼ -127.18	-1.75	-2.56	-2.56	1.35	6.40
DAX 30 (EUR)	12989.29	▲ 24.61	0.19	-1.87	-1.87	2.87	23.02
CAC 40 (EUR)	5727.22	▼ -59.52	-1.03	-3.01	-3.01	3.06	21.07
S&P 500 (USD)	3093.20	▼ -20.67	-0.66	-1.52	-1.52	3.40	23.39
Nasdaq Composite (USD)	8520.64	▼ -47.34	-0.55	-1.67	-1.67	4.50	28.41
DJIA (USD)	27502.81	▼ -280.23	-1.01	-1.96	-1.96	3.72	17.90
MSCI Emerging Markets (USD)	1037.38	▼ -2.84	-0.27	-0.26	-0.26	-0.19	7.40
MSCI Developed World (USD)	2263.10	▼ -13.30	-0.58	-1.27	-1.27	2.63	20.13

US Market ▼

US markets closed weaker

US markets closed lower yesterday, after President, Donald Trump stated that the US-China trade deal might be delayed until 2020 US presidential elections. The S&P 500 Index dropped 0.7% to close at 3,093.20. Today, the S&P 500 futures are trading in the green.

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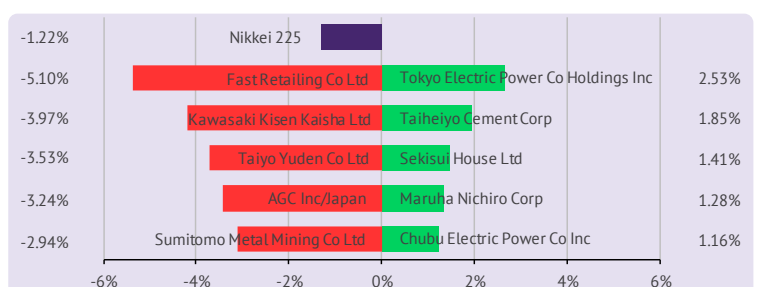


Asian Market ▼

Trading lower

Asian markets are trading lower this morning, amid fears of a possible delay in the US-China trade deal. Data showed that the Jibun Bank services PMI advanced less than market consensus in November. The Nikkei 225 Index is trading 1.2% lower at 23,095.05.

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USD ZAR ▼

USD trading higher against ZAR

At 06:00 SAST, the US Dollar rose 0.1% against the South African Rand to trade at R14.6440. Later today, traders will keep a close watch on the US MBA mortgage applications, the ISM services PMI and the Markit services PMI for further directions.

The US Dollar rose against the South African Rand yesterday. Separately, the South African Rand fell against US Dollar after SA's economic growth contracted in 3Q19.

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GBP ZAR ▼

GBP trading firmer against ZAR

At 06:00 SAST, the British Pound climbed 0.1% against the South African Rand to trade at R19.0431. Ahead in the day, traders will keep an eye on UK's Markit services PMI for further indications.

The British Pound advanced against the South African Rand yesterday, after fresh polls indicated that the ruling Conservative Party widened its lead ahead of 12 December general elections. Data indicated that UK's construction PMI advanced more than market expectations in November.

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EUR ZAR ▼

EUR trading higher against ZAR

At 06:00 SAST, the Euro slight rose against the South African Rand to trade at R16.2236. Going forward, market participants will keep a tab on the Markit services PMI across the Eurozone for further cues.

The Euro strengthened against the South African Rand yesterday. Data revealed that Eurozone's producer price index (PPI) declined in line with market forecast on an annual basis in October, marking its biggest decrease since July 2016.

AUD ZAR ▲

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar fell 0.2% against the South African Rand to trade at R10.0026. Earlier in the session, Australia's GDP rose less than market expectations on a quarterly basis in 3Q19. Additionally, both, the AiG performance of services index and the Commonwealth Bank services PMI, dropped in November. Elsewhere, in China, Australia's largest trading partner, the Caixin services PMI advanced more than market forecast in November.

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	14.6440	▼	0.63	-0.23	-0.23	-2.85	2.02
GBPZAR	19.0431	▼	1.06	0.39	0.39	-3.00	3.84
EURZAR	16.2236	▼	0.67	0.43	0.43	-4.08	-1.43
AUDZAR	10.0026	▲	1.06	1.09	1.09	-4.73	-0.99
EURUSD	1.1078	▼	0.03	0.58	0.58	-1.20	-3.36
GBPUSD	1.3000	▲	0.43	0.54	0.54	-0.13	1.89
Brent (\$/barrel)	61.3	▲	-0.16	0.55	0.55	1.46	13.05
Gold (\$/oz)	1484.9	▲	1.09	0.86	0.86	-3.25	15.37
Platinum (\$/oz)	914.1	▲	1.32	1.24	1.24	-3.57	14.54
Copper (\$/MT)*	5789.8	▼	-1.23	-0.92	-0.92	1.28	-2.68

*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 \$1,484.90/oz.

Yesterday, gold prices rose 1.1% to close at \$1,478.20/oz, as tensions over the US-China trade deal increased after President Donald Trump indicated a delay in trade talks until 2020 US presidential elections.

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Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil climbed 0.8% to trade at \$61.32/bl, ahead of a meeting of OPEC and its allies to discuss whether to extend production curbs to support the oil market. Additionally, the American Petroleum Institute reported that crude oil inventories fell by more than expected by 3.7mn bls last week.

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Yesterday, Brent crude oil declined 0.2% to settle at \$60.82/bl, amid pessimism surrounding the US-China trade deal.

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Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices advanced 0.3% to trade at \$914.10/oz.

Yesterday, platinum prices climbed 1.3% to close at \$911.60/oz.

Major South African corporate news

Curro Holdings Limited

The company announced that it has completed agreements to acquire The King's School Linbro Park and two nursery schools known as Land of Oz from two different vendors.

Grand Parade Investments Limited

The company announced that Dr. Hassen Adams would be retiring as Chairman and Director, with effect from 31 January 2020.

Major global economic news

Asia

In China, the Caixin services PMI rose to a level of 53.50 in November, higher than market forecast. In the previous month, the PMI had registered a level of 51.10.

In Australia, seasonally adjusted GDP rose 0.4% on a quarterly basis in 3Q19, less than market expectations. In the previous quarter, GDP had recorded a revised rise of 0.6%.

In November, the AiG performance of services index dropped to a level of 53.70 in Australia, compared to a revised level of 54.20 in October.

In Australia, the Commonwealth Bank services PMI eased to 49.70 in November, following a reading of 50.10 in the last month.

In Japan, the Jibun Bank services PMI advanced to a level of 50.3 in November, less than market anticipations and compared to a level of 49.7 in the prior month.















Eurozone

In the Eurozone, the PPI declined 1.9% on an annual basis in October, at par with market expectations and compared to a fall of 1.2% in the previous month.

UK

In the UK, the Markit construction PMI rose to a level of 45.30 in November, more than market anticipations and compared to a level of 44.20 in the previous month.

Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
 China	03:45	HSBC China Composite PMI (Nov)	✓✓✓	-	52.00	Monthly
 China	03:45	Caixin/Markit Services PMI (Nov)	✓✓✓	53.50*	51.10	Monthly
 Germany	10:55	Markit Services PMI (Nov) (F)	✓✓✓	51.30	51.30**	Monthly
 Eurozone	11:00	Markit Composite PMI (Nov) (F)	✓✓✓	50.30	50.30**	Monthly
 Eurozone	11:00	Markit Services PMI (Nov) (F)	✓✓✓	51.50	51.50**	Monthly
 Eurozone	11:00	Markit Services PMI (Nov) (F)	✓✓✓	51.50	51.50**	Monthly
 UK	11:30	Markit Services PMI (Nov)	✓✓✓	-	50.00	Monthly
 UK	11:30	Official Reserves (Changes) (Nov)	✓✓	-	USD2212.00mn	Monthly
 US	14:00	MBA Mortgage Applications (29-Nov)	✓	-	1.50%	Weekly
 US	15:15	ADP Employment Change (Nov)	✓✓✓	140.00K	125.00K	Monthly
 US	16:45	Markit Services PMI (Nov) (F)	✓✓✓	51.60	51.60**	Monthly
 US	16:45	Markit Composite PMI (Nov) (F)	✓✓✓	51.90	51.90**	Monthly
 US	17:00	ISM Non-Manufacturing PMI (Nov)	✓✓✓	54.50	54.70	Monthly
 Canada	17:00	Bank of Canada Interest Rate Decision	✓✓✓	1.75%	1.75%	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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