

# ONE Minute Brief

13 January 2020

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## Economic and political news

On Friday, Eskom's Chairman, Jabu Mabuza, resigned with immediate effect, after the utility failed to avert power cuts during public holidays. Following this, Cosatu, the National Education, Health and Allied Workers' Union (Nehawu) and the National Union of Metalworkers of SA (Numsa) called for the entire board of Eskom to be dismissed, along with Public Enterprises Minister, Pravin Gordhan, citing mismanagement of the power utility's operations and finances. Meanwhile, President, Cyril Ramaphosa, stated that the government would soon announce a reconfigured Eskom board of directors along with an interim Chairman in due course.

Eskom has indicated that it does not expect load shedding today.

The State Capture Commission of Inquiry has confirmed that on its return in January, it will issue fresh summons to former President, Jacob Zuma, to appear before the commission from 27 to 31 January.

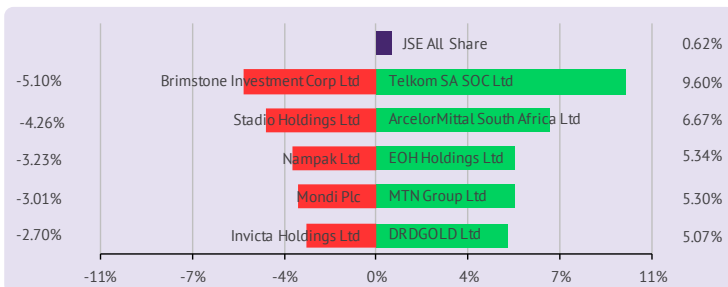
The African National Congress has reaffirmed the central bank's role, mandate and independence in an annual policy statement.

## South Africa Market ▲

### South African markets closed higher

South African markets closed in the green on Friday, boosted by gains in industrial and resource sector stocks. The JSE All Share Index rose 0.6% to close at 57,484.84.

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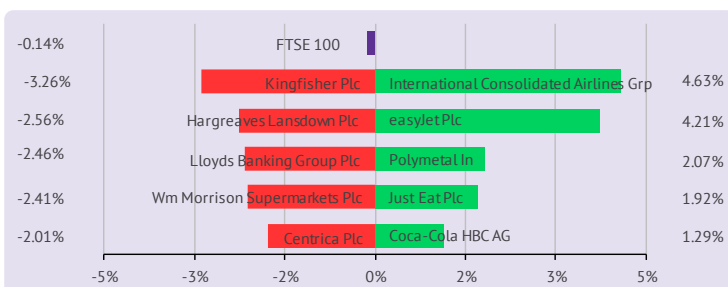


## UK Market ▼

### UK markets closed in the red

UK markets finished lower on Friday, as banking sector stocks fell on rate cut fears. The FTSE 100 Index declined 0.1% to close at 7,587.85. Today, the FTSE 100 futures are trading in positive territory.

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## Key indices

	As at 10 Jan 2020	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg	
JSE All Share (ZAR)	57484.84	▲	356.16	0.62	NA	0.70	3.13	0.70
JSE Top 40 (ZAR)	51245.43	▲	329.37	0.65	NA	0.84	3.51	0.84
FTSE 100(GBP)	7587.85	▼	-10.27	-0.14	NA	0.60	2.67	0.60
DAX 30 (EUR)	13483.31	▼	-11.75	-0.09	NA	1.77	0.10	1.77
CAC 40 (EUR)	6037.11	▼	-5.44	-0.09	NA	0.99	1.23	0.99
S&P 500 (USD)	3265.35	▼	-9.35	-0.29	NA	1.07	2.86	1.07
Nasdaq Composite (USD)	9178.86	▼	-24.57	-0.27	NA	2.30	3.54	2.30
DJIA (USD)	28823.77	▼	-133.13	-0.46	NA	1.00	1.74	1.00
MSCI Emerging Markets (USD)	1133.63	▲	4.26	0.38	NA	1.70	7.17	1.70
MSCI Developed World (USD)	2377.62	▼	-2.23	-0.09	NA	0.81	2.89	0.81

## US Market ▼

### US markets closed weaker

US markets closed lower on Friday, on the back of dismal US jobs data. Data indicated that US non-farm payrolls rose less than market forecast in December. The S&P 500 Index dropped 0.3% to close at 3,265.35. Today, the S&P 500 futures are trading in the green.

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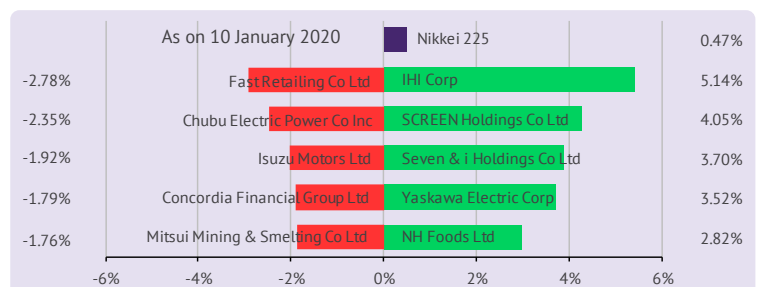


## Asian Market ▲

### Trading mostly higher

Asian markets are trading mostly higher this morning, amid optimism surrounding the US-China 'phase one' trade deal. Markets in Japan are closed today on account of public holiday.

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## USD ZAR ▲

### USD trading weaker against ZAR

At 06:00 SAST, the US Dollar retreated 0.3% against the South African Rand to trade at R14.3182. With no major economic releases in the US today, investor sentiment will be determined by global macroeconomic news.

The US Dollar rose against the South African Rand yesterday. On the macro front, the US non-farm payrolls increased less than market consensus in December. Additionally, average hourly earnings of all employees advanced less than market forecast on an annual basis in December. Meanwhile, the US unemployment rate remained unchanged at its lowest in 50 years in December. Separately, the South African Rand fell against the US Dollar amid persistent power cuts in the country.

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## GBP ZAR ▲

### GBP trading lower against ZAR

At 06:00 SAST, the British Pound is trading 0.5% weaker against the South African Rand at R18.6682. Ahead in the day, traders will keep an eye on UK's gross domestic product (GDP), total trade balance, industrial production and manufacturing production for further direction.

The British Pound advanced against the South African Rand yesterday.

## EUR ZAR ▲

### EUR trading weaker against ZAR

At 06:00 SAST, the Euro is trading 0.3% lower against the South African Rand at R15.9348. Amid lack of major economic releases across the Eurozone today, market sentiment will be determined by global macroeconomic news.

The Euro strengthened against the South African Rand yesterday.

## AUD ZAR ▲

### AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar declined 0.1% against the South African Rand at R9.9047.

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	14.3182	▲	1.10	NA	2.61	-4.57	2.61
GBPZAR	18.6682	▲	1.06	NA	1.10	-2.05	1.10
EURZAR	15.9348	▲	1.22	NA	1.77	-2.82	1.77
AUDZAR	9.9047	▲	1.61	NA	0.79	-0.77	0.79
EURUSD	1.1128	▲	0.14	NA	-0.82	1.77	-0.82
GBPUSD	1.3038	▼	-0.02	NA	-1.46	2.57	-1.46
Brent (\$/barrel)	65.0	▼	-0.60	NA	-1.55	9.11	-1.55
Gold (\$/oz)	1557.6	▼	0.37	NA	2.43	3.92	2.43
Platinum (\$/oz)	978.8	▼	1.46	NA	1.01	7.89	1.01
Copper (\$/MT)*	6172.3	▲	0.32	NA	0.38	5.23	0.38

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

## Gold ▼

### Trading in the red

At 06:00 SAST, gold prices dropped 0.2% to trade at \$1,557.60/oz.

On Friday, gold prices rose 0.4% to close at \$1,560.10/oz, as fresh US sanctions on Iran stoked political uncertainty increasing demand for the precious yellow metal.

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## Brent Crude Oil ▼

### Trading weaker

At 06:00 SAST, Brent crude oil slightly fell to trade at \$64.95/bl.

On Friday, Brent crude oil declined 0.6% to settle at \$64.98/bl, after tensions between the US and Iran subsided. Meanwhile, Baker Hughes reported that US oil rig count fell by 11 to 659 last week.

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## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices edged 0.2% lower to trade at \$978.80/oz.

On Friday, platinum prices climbed 1.5% to close at \$981.20/oz.

## Major South African corporate news

### Naspers Limited

The company announced that its subsidiary, Prosus, has received valid acceptances of the final increased offer in respect of 158,037 Just Eat shares, representing approximately 0.02% of the issued share capital of Just Eat. Further, a wholly-owned indirect subsidiary of Prosus, MIH Food Delivery Holdings B.V., does not own any Just Eat shares, as the final increased offer has lapsed and the acceptance condition has not been satisfied.

## Major global economic news

### US

In the US, average hourly earnings of all employees rose 2.9% on an annual basis in December, less than market anticipations and compared to an advance of 3.1% in the previous month.

In December, unemployment rate remained unchanged at 3.5% in the US, in line with market forecast.

In the US, non-farm payrolls advanced by 145.00K in December, less than market expectations. Non-farm payrolls had recorded a revised reading of 256.00K in the previous month.

### Asia

In Japan, the preliminary leading economic index dropped to a level of 90.90 in November, less than market forecast and compared to a level of 91.60 in the previous month.

## 40 best performers on the All Share Index

Company name	Last close	1 Week % change	MTD % change	YTD % change
ArcelorMittal South Africa Ltd	160	-4.76	34.45	34.45
Rebosis Property Fund Ltd	38	11.76	18.75	18.75
Blue Label Telecoms Ltd	291	9.81	12.79	12.79
Rhodes Food Group Pty Ltd	1674	8.00	12.27	12.27
British American Tobacco Plc	64867	4.27	8.59	8.59
Cartrack Holdings Ltd	2599	7.82	8.13	8.13
MiX Telematics Ltd	775	1.31	7.64	7.64
Northam Platinum Ltd	13297	4.28	7.56	7.56
Reinet Investments SCA	29797	3.79	7.38	7.38
Liberty Two Degrees	719	7.31	7.31	7.31
African Rainbow Capital Investments Ltd	439	3.54	5.28	5.28
Texton Property Fund Ltd	288	-0.35	4.73	4.73
Bidvest Group Ltd	21439	4.26	4.70	4.70
Trencor Ltd	950	5.20	4.40	4.40
Quilter Plc	3058	0.23	4.37	4.37
Hospitality Property Fund Ltd	794	14.41	4.34	4.34
Impala Platinum Holdings Ltd	14914	0.48	3.92	3.92
Naspers Ltd	237550	0.91	3.70	3.70
Mpact Ltd	1545	2.25	3.69	3.69
Transaction Capital Ltd	2178	5.57	3.22	3.22
Dis-Chem Pharmacies Ltd	2730	1.11	3.02	3.02
Anglo American Platinum Ltd	134594	0.21	2.95	2.95
Tiger Brands Ltd	21224	2.72	2.84	2.84
EPP NV	1763	1.56	2.80	2.80
Glencore Plc	4455	-0.56	2.70	2.70
Accelerate Property Fund Ltd	179	5.29	2.29	2.29
Sirius Real Estate Ltd	1635	-1.57	2.19	2.19
Sasol Ltd	31000	-0.64	2.15	2.15
City Lodge Hotels Ltd	7346	2.68	2.04	2.04
Ascendis Health Ltd	155	-8.28	1.97	1.97
Afrimat Ltd	3384	8.32	1.96	1.96
Royal Bafokeng Platinum Ltd	5059	1.18	1.95	1.95
Netcare Ltd	1983	2.32	1.90	1.90
South32 Ltd	2700	1.31	1.73	1.73
African Oxygen Ltd	2188	1.67	1.72	1.72
RDI REIT Plc	2455	0.82	1.70	1.70
AVI Ltd	9048	1.70	1.70	1.70
Zeder Investments Ltd	484	0.83	1.68	1.68
KAP Industrial Holdings Ltd	427	-1.84	1.67	1.67
Advtech Ltd	1098	3.20	1.67	1.67
<b>JSE All Share Index</b>	<b>57485</b>	<b>-0.56</b>	<b>0.70</b>	<b>0.70</b>

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus	Previous/ **Previous est.	Frequency
Germany	09:00	Wholesale Price Index (MoM) (Dec)	✓	-	-0.10%	Monthly
Germany	09:00	Wholesale Price Index (YoY) (Dec)	✓	-	-2.50%	Monthly
Italy	11:00	Retail Sales n.s.a. (YoY) (Nov)	✓✓	-	1.00%	Monthly
Italy	11:00	Retail Sales s.a. (MoM) (Nov)	✓✓✓	-	-0.20%	Monthly
UK	11:30	Index of Services (MoM) (Nov)	✓	-	0.20%	Monthly
UK	11:30	Construction Output s.a. (YoY) (Nov)	✓	-	-2.10%	Monthly
UK	11:30	Trade Balance; non-EU (Nov)	✓✓✓	-GBP3.76bn	-GBP5.73bn	Monthly
UK	11:30	Index of Services (3M/3M) (Nov)	✓	0.20%	0.20%	Monthly
UK	11:30	Industrial Production (YoY) (Nov)	✓✓✓	-1.40%	-1.30%	Monthly
UK	11:30	Manufacturing Production (MoM) (Nov)	✓✓✓	-0.20%	0.20%	Monthly
UK	11:30	Industrial Production (MoM) (Nov)	✓✓✓	-0.20%	0.10%	Monthly
UK	11:30	Visible Trade Balance (Nov)	✓✓✓	-GBP11.60bn	-GBP14.49bn	Monthly
UK	11:30	Manufacturing Production (YoY) (Nov)	✓✓✓	-1.60%	-1.20%	Monthly
Greece	12:00	Harmonised Index of Consumer Prices (HICP) (YoY) (Dec)	✓	-	0.50%	Monthly
Greece	12:00	Consumer Price Index (YoY) (Dec)	✓✓	-	0.20%	Monthly
Canada	17:30	Bank of Canada Business Outlook Survey	✓✓	-	-	As scheduled
Canada	17:30	BoC Senior Loan Officer Survey (Q4)	✓✓	-	1.94	Quarterly
Canada	17:30	BoC Business Outlook Future Sales (Q4)	✓✓	-	23.00%	Quarterly
US	21:00	Monthly Budget Statement (Dec)	✓✓✓	-	-USD208.80bn	Monthly

Note: ✓✓✓High    ✓✓Medium    ✓Low

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