

Monday, 01 June 2020

US equities mostly higher led by tech-heavy Nasdaq. European markets sharply lower as markets awaited Pres. Trump's press conference on China. President Trump announced Friday he would limit entry to the US for certain China students and researchers, the administration will examine listing requirements for Chinese companies on US stock exchanges *WSJ*. The US to begin rolling back Hong Kong's special trading privileges, including extradition treaties, export controls, and the city's status as a separate customs territory. State Department will also modify its guidance about travel to Hong Kong. Pres. Trump's announcements were largely in response to China's new national security law, which he said reverses Hong Kong's status as a free society.

S&P500 +0.48%

Dow -0.07%

Nasdaq +1.29%

FTSE100 -2.29%

DAX -1.65%

CAC -1.59%

Asian equities are higher with Hong Kong rallying by more than 3%. Tencent up 4.48%, should be positive for SA markets today. Oil steady following reports OPEC+ to discuss a short extension of output cut agreement. Chinese manufacturing PMI fell to 50.6 from 50.8 in April, against expectations for an uptick to 51. Export orders contracted for a fifth consecutive month while factories reduced headcount for the first time since they reopened for business. However, in a positive sign for domestic demand, new orders grew at a faster rate. Japanese Capex increased unexpectedly by 4.3% YoY in Q1 against expectations of 5% drop.

Nikkei +0.48% *Hang-Seng +3.30%* *Shanghai +2.12%* *ASX +0.57%*

SA markets closed weaker on Friday. Rand steady against the US\$ but lost ground against Euro, Pound and Aussie dollar. 10-year government bond firmer to close at 8.895%. All major sectors closed weaker with financials and industrials losing more than 2%. Naspers down by more than 4% on the back of a weaker TenCent due to Hong Kong protests. Absa's manufacturing PMI a key focus point today.

Notable Gainers/Losers

Kumba +5.25%

Sasol +2.26%

Goldfields +2.24%

Exxaro +1.84%

BHP +0.45%

Old Mutual -8.92%

Sanlam -5.24%

Capitec -5%

Naspers -4,51%

Amplats -4.27%

JSE All-Share -1.76% *JSE Top 40 -1.89%*

JSE All-Share 50'483

S&P500 3'044

USDZAR 17.44

EURZAR 19.42

GBPZAR 21.60

EURUSD 1.11

GBPUSD 1.24

GBPEUR 1.11

AUDZAR 11.74

NZDZAR 10.88

Brent Crude \$37.55

Gold \$1'757

Platinum \$870

Palladium \$1'934