

ONE Minute Brief

24 January 2017

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Economic and Political News

Economic Freedom Fighter (EFF) leader, Julius Malema, stated that the EFF regrets the decision of supporting Busisiwe Mkhwebane's appointment as public protector, and that the EFF is working on a plan to remove her from the position.

The Congress of South African Trade Unions (COSATU) indicated that it is concerned about job losses in a number of economic sectors in South Africa and has asked government to take necessary measures about addressing the unemployment problem.

President Jacob Zuma has rejected the call for implementation of lifestyle audits in the top levels of the African National Congress and has again appealed for unity in the party.

Eskom's head of Operation Khanyisa, Dileep John, has asked South Africans to refuse buying illegal electricity vouchers as buying and selling of illegal prepaid electricity vouchers is a crime.

Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	53040.48	▲ 508.22	0.97%	0.97%	4.71%	0.88%	4.71%
JSE Top 40	46237.18	▲ 456.39	1.00%	1.00%	5.32%	0.48%	5.32%
FTSE 100	7151.18	▼ -47.26	-0.66%	-0.66%	0.12%	5.29%	0.12%
DAX 30	11545.75	▼ -84.38	-0.73%	-0.73%	0.56%	7.90%	0.56%
CAC 40	4821.41	▼ -29.26	-0.60%	-0.60%	-0.84%	6.20%	-0.84%
S&P 500	2265.20	▼ -6.11	-0.27%	-0.27%	1.18%	1.82%	1.18%
Nasdaq Composite	5552.94	▼ -2.39	-0.04%	-0.04%	3.15%	1.12%	3.15%
DJIA	19799.85	▼ -27.40	-0.14%	-0.14%	0.19%	3.34%	0.19%

South Africa Market ▲

South African markets closed higher

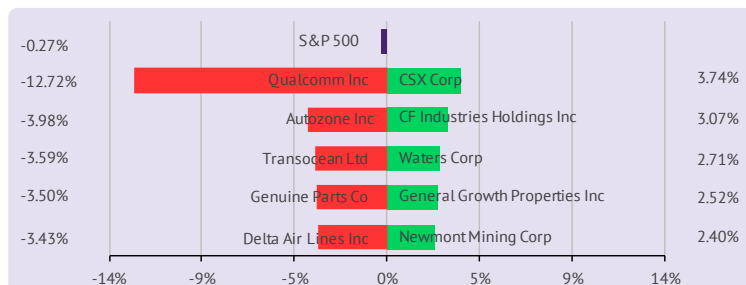
South African markets closed in the green yesterday, amid gains in platinum and gold mining sector stocks. The JSE All Share Index rose 1.0% to close at 53,040.48.



US Market ▼

The S&P 500 futures are trading in the red

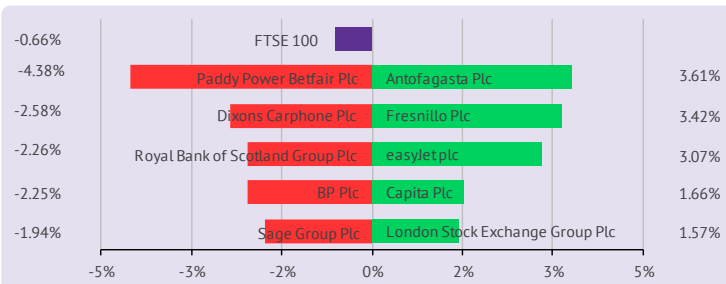
US markets closed lower yesterday, led by losses in energy sector stocks. The S&P 500 Index dropped 0.3% to close at 2,265.20.



UK Market ▼

The FTSE 100 futures are trading in negative territory

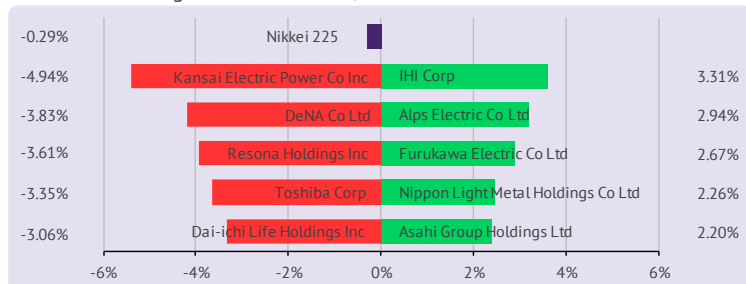
UK markets finished lower yesterday, weighed down by losses in consumer discretionary sector stocks. The FTSE 100 Index declined 0.7% to close at 7,151.18.



Asian Market ◀▶

Trading mixed

Asian markets are trading mixed this morning. Data showed that Japan's preliminary Nikkei manufacturing PMI advanced at a faster-than-expected pace in January, its highest rise in 3 years. The Nikkei 225 Index is trading 0.3% lower at 18,836.86.



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USDZAR ▼

USD trading lower against ZAR

At 06:00 SAST, the US Dollar declined 0.1% against the South African Rand to trade at R13.4555. Later today, traders will keep a close watch on US Markit manufacturing PMI and existing home sales for further cues. Separately, South Africa's SARB interest rate decision and leading indicator will be on investors' radar.

The US Dollar fell against the South African Rand yesterday.

GBPZAR ▼

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound is trading 0.3% lower against the South African Rand at R16.8470. Later today, traders will keep an eye on UK's public sector net borrowing for further direction.

The British Pound advanced against the South African Rand yesterday.

EURZAR ▼

EUR trading lower against ZAR

At 06:00 SAST, the Euro declined 0.3% against the South African Rand to trade at R14.4705. Going forward, market participants will keep a tab on Markit manufacturing and services PMI across the Eurozone scheduled in few hours.

The Euro weakened against the South African Rand yesterday. Data indicated that Eurozone's consumer confidence index registered a less-than-expected rise in January, its strongest level since April 2015. Moreover, the Bundesbank in its monthly report stated that German inflation could hit 2% in January due to a considerable increase in the daily average prices of oil products, thus hitting the European Central Bank's elusive target for the first time in four years.

AUDZAR ▼

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% lower against the South African Rand at R10.1942. Earlier in the session, data revealed that Australia's ANZ Roy Morgan Weekly consumer confidence index rose less than the previous reading in the last week.

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	13.4555	▼	-0.88%	-0.88%	-1.90%	-2.48%	-1.90%
GBPZAR	16.8470	▼	0.71%	0.71%	-0.14%	-3.94%	-0.14%
EURZAR	14.4705	▼	-0.01%	-0.01%	0.50%	-3.21%	0.50%
AUDZAR	10.1942	▼	-0.54%	-0.54%	3.05%	-4.68%	3.05%
EURUSD	1.0758	▼	0.58%	0.58%	2.36%	-0.68%	2.36%
GBPUSD	1.2520	▼	1.27%	1.27%	1.58%	-1.34%	1.58%
Brent (\$/barrel)	55.5	▲	-0.47%	-0.47%	-2.80%	9.61%	-2.80%
Gold (\$/oz)	1217.2	▲	0.89%	0.89%	5.55%	-1.63%	5.55%
Platinum (\$/oz)	976.1	▼	0.40%	0.40%	8.26%	-0.91%	8.26%
Copper (\$/MT)*	5773.5	▲	0.76%	0.76%	4.54%	-4.99%	4.54%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.1% higher to trade at \$1,217.20/oz.

Yesterday, gold prices rose 0.9% to close at \$1,215.60/oz, as weakness in the greenback increased demand for the precious yellow metal, its highest rise in two months.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged higher 0.5% to trade at \$55.50/bl.

Yesterday, Brent crude oil dropped 0.5% to settle at \$55.23/bl, amid uncertainty about an increase in US crude oil production.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged marginally lower to trade at \$976.10/oz.

Yesterday, platinum prices climbed 0.4% to close at \$976.10/oz.



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24 January 2017



Major South Africa Corporate News

Clientele Limited

The company indicated it will not be adversely affected by the Treasury's new healthcare demarcation regulations.

MMI Holdings Limited

The company's Chief Executive Officer, Nicolaas Kruger, stated that the cash flows to a health insurance joint venture with Indian financial services group Aditya Birla will continue uninterrupted, despite a crisis caused by demonetisation.

Major Global Economic News

Eurozone

In January, the preliminary consumer confidence index rose to a level of -4.90 in the Eurozone, compared to a reading of -5.10 in the previous month. Markets were expecting the consumer confidence index to climb to a level of -4.80.

The Bundesbank in its monthly report stated that German inflation could hit 2% in January due to a considerable increase in the daily average prices of oil products, thus hitting the European Central Bank's elusive target for the first time in four years.

Asia

In Japan, the flash manufacturing PMI recorded a rise to 52.80 in January, compared to a level of 52.40 in the previous month.

In Australia, the ANZ Roy Morgan weekly consumer confidence index rose to 117.0 in the week ended January 22, 2017, compared to a reading of 119.3 in the previous week.

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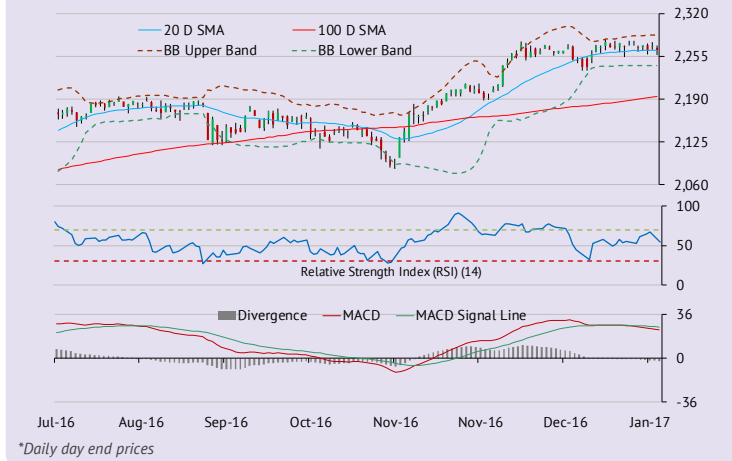
Technical Snapshot

JSE All Share



The JSE All Share index is expected to find support at 52,573.69, and a fall through could take it to the next support level of 52,106.91. The index is expected to find its first resistance at 53,322.90, and a rise through could take it to the next resistance level of 53,625.33.

S&P 500



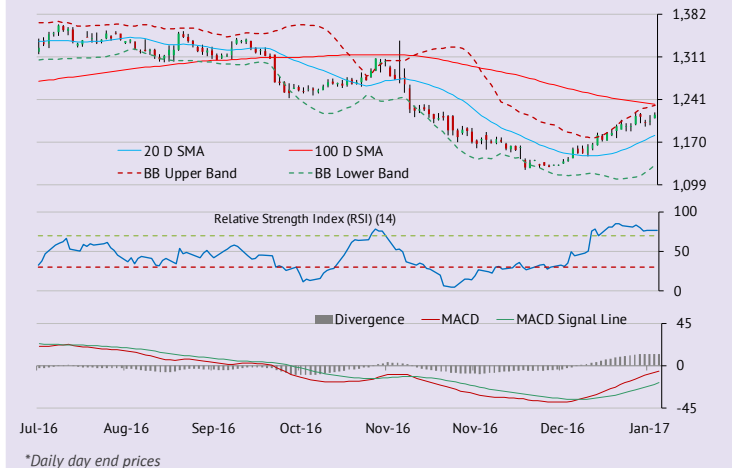
The S&P 500 index is expected to find support at 2,255.83, and a fall through could take it to the next support level of 2,246.45. The index is expected to find its first resistance at 2,275.77, and a rise through could take it to the next resistance level of 2,286.33.

USDZAR



The pair is expected to find support at 13.3511, and a fall through could take it to the next support level of 13.2320. The pair is expected to find its first resistance at 13.6422, and a rise through could take it to the next resistance level of 13.8142.

XAU/USD



Gold is expected to find support at \$1,200.87/oz, and a fall through could take it to the next support level of \$1,186.13/oz. The precious metal is expected to find its first resistance at \$1,224.87/oz, and a rise through could take it to the next resistance level of \$1,234.13/oz.

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Minute Brief

24 January 2017



Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	02:30	Nomura/ JMMA Manufacturing PMI (Jan) (P)	✓✓	52.80*	52.40	Monthly
South Africa	09:00	Leading Indicator (Nov)	✓	-	94.40	Monthly
Eurozone	10:00	ECB's Villeroy Speaks in Paris	✓	-	-	As scheduled
Eurozone	11:00	Markit Composite PMI (Jan) (P)	✓✓✓	54.50	54.40	Monthly
Eurozone	11:00	Markit Manufacturing PMI (Jan) (P)	✓✓✓	54.80	54.90	Monthly
Eurozone	11:00	Markit Services PMI (Jan) (P)	✓✓✓	53.80	53.70	Monthly
Eurozone	11:05	ECB's Lane Speaks in Dublin	✓	-	-	As scheduled
UK	11:30	PSCNR Net Debt % GDP (Dec)	✓✓	-	100.80%	Monthly
UK	11:30	Public Sector Net Cash Requirement (Dec)	✓✓	-	GBP13.53 bn	Monthly
UK	11:30	Public Sector Net Borrowing (Dec)	✓✓	GBP6.80 bn	GBP12.20 bn	Monthly
US	15:55	Redbook Index (YoY) (20-Jan)	✓	-	0.30%	Weekly
US	15:55	Redbook Index s.a. (MoM) (20-Jan)	✓	-	-3.40%	Weekly
US	16:45	Markit Manufacturing PMI (Jan) (P)	✓✓	54.50	54.30	Monthly
US	17:00	Richmond Fed Manufacturing Index (Jan)	✓	7.00	8.00	Monthly
US	17:00	Existing Home Sales (Dec)	✓	5.51 mn	5.61 mn	Monthly
US	17:00	Existing Home Sales (MoM) (Dec)	✓	-1.80%	0.70%	Monthly
Eurozone	18:00	ECB's Praet Speaks at Panel in Rome	✓	-	-	As scheduled
Eurozone	20:00	ECB's Lautenschlaeger Speaks in Hamburg	✓	-	-	As scheduled
UK	-	UK Supreme Court Rules on Parliament's Role in Brexit	✓✓✓	-	-	As scheduled
South Africa	-	SARB Interest Rate Decision	✓✓✓	7.00%	7.00%	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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