

# ONE Minute Brief

10 January 2017

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## Economic and Political News

In South Africa, net gold & forex reserves recorded a drop to USD40.81bn in December, compared to a level of USD41.08 billion in the previous month. Market anticipation was for the net gold & forex reserves to fall to a level of USD40.84 billion.

National Association of Automobile Manufacturers of South Africa has indicated that new vehicle sales slid 15.3% on a yearly basis in South Africa, in December, compared to a drop of 9.6% in the prior month. Market expectation was for new vehicle sales to drop 8.8%.

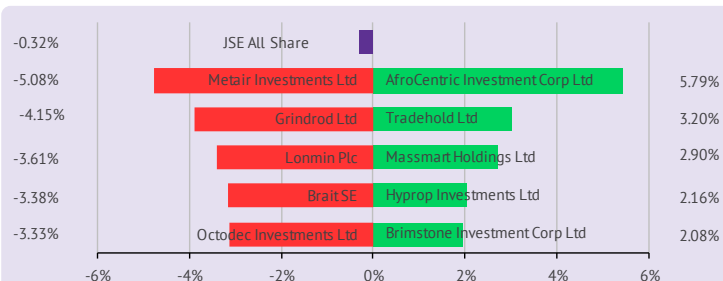
The African National Congress (ANC) wants Deputy President, Cyril Ramaphosa, and outgoing AU commission chairwoman, Nkosazana Dlamini-Zuma, to distance themselves from the endorsements they have received to lead the party.

The Progressive Professionals Forum (PPF) head, Mzwanele Manyi, has asked Finance Minister, Pravin Gordhan, not to interfere in the operational activities of South African Revenue Service (SARS) and stop attacking SARS commissioner, Tom Moyane.

## South Africa Market ▼

### South African markets closed lower

South African markets closed in the red yesterday, weighed down by losses in gold mining sector stocks. The JSE All Share Index fell 0.3% to close at 51,049.71.



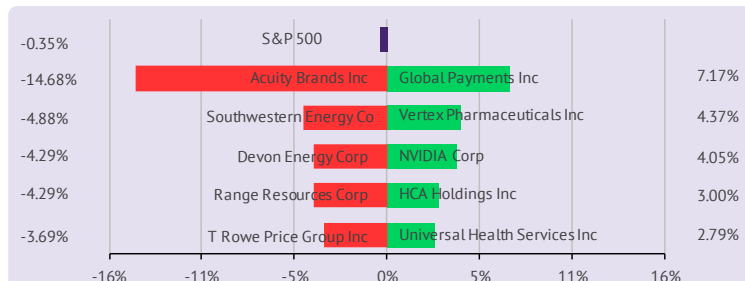
## Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	51049.71	▼ -166.29	-0.32%	-0.32%	0.78%	0.88%	0.78%
JSE Top 40	44306.47	▼ -150.02	-0.34%	-0.34%	0.92%	0.48%	0.92%
FTSE 100	7237.77	▲ 27.72	0.38%	0.38%	1.33%	5.29%	1.33%
DAX 30	11563.99	▼ -35.02	-0.30%	-0.30%	0.72%	7.90%	0.72%
CAC 40	4887.57	▼ -22.27	-0.45%	-0.45%	0.52%	6.20%	0.52%
S&P 500	2268.90	▼ -8.08	-0.35%	-0.35%	1.34%	1.82%	1.34%
Nasdaq Composite	5531.82	▲ 10.76	0.19%	0.19%	2.76%	1.12%	2.76%
DJIA	19887.38	▼ -76.42	-0.38%	-0.38%	0.63%	3.34%	0.63%

## US Market ▼

### The S&P 500 futures are trading in the red

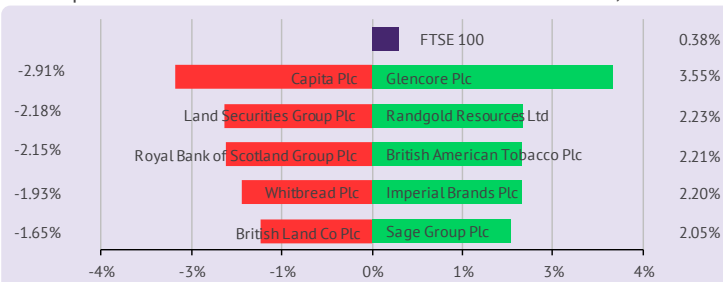
US markets closed lower yesterday, amid losses in energy sector stocks. Data showed that US consumer credit increased more-than-expected in November. The S&P 500 Index dropped 0.4% to close at 2,268.90.



## UK Market ▲

### The FTSE 100 futures are trading in negative territory

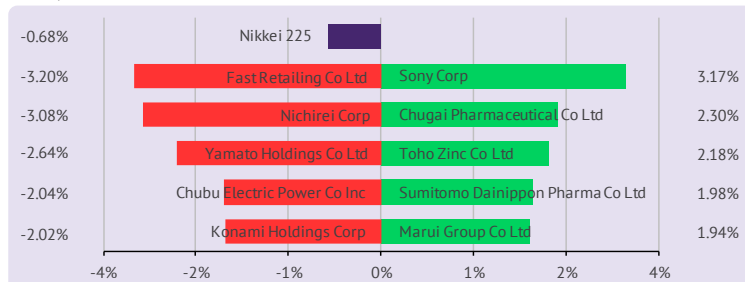
UK markets finished higher yesterday, led by gains in material and consumer staples sector stocks. Data indicated that UK's Halifax house price index grew more than market forecast in the October-December 2016 period. The FTSE 100 Index advanced 0.4% to close at 7,237.77.



## Asian Market ▼

### Trading mostly lower

Asian markets are trading mostly lower this morning. Data revealed that China's consumer price index rose less-than-expected on an annual basis in December. The Nikkei 225 Index is trading 0.7% lower at 19,322.33.



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## USDZAR ▼

### USD trading lower against ZAR

At 06:00 SAST, the US Dollar declined 0.4% against the South African Rand to trade at R13.6000. Data indicated that US consumer credit came in higher than market forecast in November. Later today, traders will keep a close watch on US wholesale inventories and the NFIB small business optimism index for further cues.

The US Dollar fell against the South African Rand yesterday. Data showed that US labour market conditions index retreated in December.

## GBPZAR ▼

### GBP trading weaker against ZAR

At 06:00 SAST, the British Pound fell 0.5% against the South African Rand to trade at R16.5480. Data revealed that BRC shop price index recorded a rise on an annual basis in December, compared to previous reading.

The British Pound declined against the South African Rand yesterday. Data indicated that UK's Halifax house price index advanced more-than-expected in the October-December 2016 period, compared to that of September-November 2016 period.

## EURZAR ▼

### EUR trading lower against ZAR

At 06:00 SAST, the Euro is trading 0.1% weaker against the South African Rand at R14.4356.

The Euro weakened against the South African Rand yesterday. Data revealed that Eurozone's unemployment rate remained unchanged in November. Further, the Sentix investor confidence index advanced at a faster pace more than market forecast in January, its strongest rise since August 2015. Additionally, industrial production rose less-than-expected on a monthly basis in November. Moreover, Germany's trade surplus widened more-than-expected in November. Further, exports increased more than market forecast on a monthly basis in November, its highest rise in four-and-half years whereas imports grew more-than-anticipated on a monthly basis in November.

## AUDZAR ▼

### AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% lower against the South African Rand at R10.0354. Earlier in the session, data revealed that Australia's retail sales rose less-than-expected on a monthly basis in November. Moreover, in China, Australia's largest trading partner, CPI advanced less than market forecast on a yearly basis in December. Whereas, producer price index registered a higher-than-expected rise on an annual basis in the same month, its strongest rise in 5 years.

The Australian Dollar fell against the South African Rand yesterday. Data indicated that AiG performance of construction index rose in December, compared to prior reading. Further, building approvals bounced back into positive territory, more than market anticipation on a monthly basis in November.

## Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.6000	▼	-0.51%	-0.51%	-0.52%	-2.48%	-0.52%
GBPZAR	16.5480	▼	-1.43%	-1.43%	-1.77%	-3.94%	-1.77%
EURZAR	14.4356	▼	-0.08%	-0.08%	0.06%	-3.21%	0.06%
AUDZAR	10.0354	▼	0.31%	0.31%	1.36%	-4.68%	1.36%
EURUSD	1.0614	▲	0.40%	0.40%	0.56%	-0.68%	0.56%
GBPUSD	1.2168	▲	-0.98%	-0.98%	-1.43%	-1.34%	-1.43%
Brent (\$/barrel)	55.1	▲	-3.78%	-3.78%	-3.31%	9.61%	-3.31%
Gold (\$/oz)	1186.2	▲	0.98%	0.98%	2.88%	-1.63%	2.88%
Platinum (\$/oz)	978.5	=	1.24%	1.24%	8.53%	-0.91%	8.53%
Copper (\$/MT)*	5570.0	▲	0.01%	0.01%	0.85%	-4.99%	0.85%
*As of Previous Close							

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices rose 0.1% to trade at \$1,186.20/oz.

Yesterday, gold prices rose 1.0% to close at \$1,184.90/oz, as weakness in the US Dollar increased demand for the precious metal.

## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil rose 0.3% to trade at \$55.13/bl.

Yesterday, Brent crude oil dropped 3.8% to settle at \$54.94/bl, on rising concerns of oversupply.

## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices edged marginally lower to trade at \$978.50/oz.

Yesterday, platinum prices climbed 1.2% to close at \$978.50/oz.



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## Major South Africa Corporate News

### Old Mutual Plc

The company stated that it has completed the sale of Old Mutual Wealth Italy (OMWI) to Phlavia Investimenti, owned by Cinven. The transaction was announced August 9, 2016. The sale is the final part of the divestment of OMWI's continental European businesses allowing it to focus on its core UK and cross border markets. Proceeds from the sale will be retained for general corporate purposes.

## Major Global Economic News

### Eurozone

In November, the unemployment rate remained unchanged at a level of 9.8% in the Eurozone. Markets were expecting the unemployment rate to record a flat reading.

In the Eurozone, the investor confidence index recorded a rise to 18.20 in January, compared to a reading of 10.00 in the previous month. Markets were expecting the investor confidence index to rise to 12.80.

In November, the seasonally adjusted industrial production advanced 0.4% on a monthly basis in Germany, less than market expectations for an advance of 0.6%. In the previous month, industrial production had registered a revised rise of 0.5%.

Germany has posted the seasonally adjusted trade surplus of EUR22.60bn in November, from a revised trade surplus of EUR19.40bn in the prior month. Market anticipation was for a trade surplus of EUR20.30bn.

In November, the seasonally adjusted exports climbed 3.9% on a monthly basis, in Germany, higher than market expectations for an advance of 0.5%. Exports had registered a rise of 0.5% in the previous month.

In Germany, the seasonally adjusted imports climbed 3.5% on a monthly basis, in November, compared to a revised rise of 1.2% in the prior month. Market expectation was for imports to advance 1.1%.

### US

In the US, consumer credit rose USD24.53bn in November, compared to a revised rise of USD16.17bn in the prior month. Market anticipation was for consumer credit to advance USD18.40bn.

### Asia

In Australia, the seasonally adjusted retail sales climbed 0.2% on a monthly basis in November, less than market expectations for a rise of 0.4%. In the prior month, retail sales had advanced 0.5%.

In December, the CPI recorded a rise of 2.1% on a yearly basis, in China, compared to an advance of 2.3% in the previous month. Markets were anticipating the CPI to advance 2.2%.

In China, the producer price index (PPI) registered a rise of 5.5% on an annual basis, in December, compared to an advance of 3.3% in the previous month. Market expectation was for the PPI to rise 4.6%.

### UK

In the UK, the Halifax house price index recorded a rise of 6.5% on a yearly basis in the October-December 2016 period, more than market expectations for a rise of 5.8%. The Halifax house price index had risen 6.0% in the September-November 2016 period.

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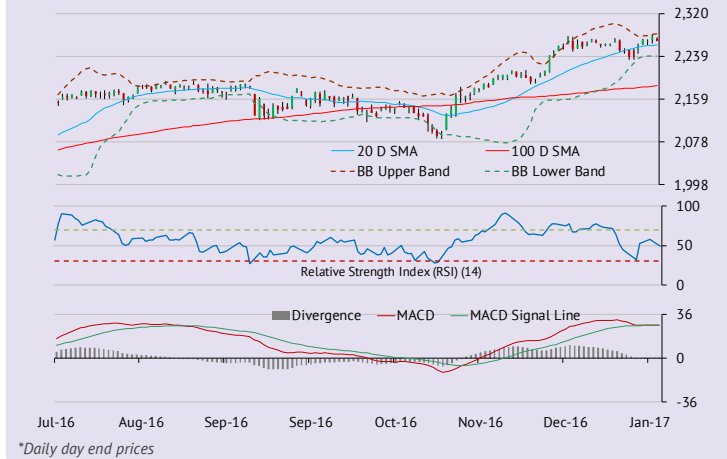
## Technical Snapshot

### JSE All Share



The JSE All Share index is expected to find support at 50,401.52, and a fall through could take it to the next support level of 49,753.34. The index is expected to find its first resistance at 51,634.67, and a rise through could take it to the next resistance level of 52,219.64.

### S&P 500



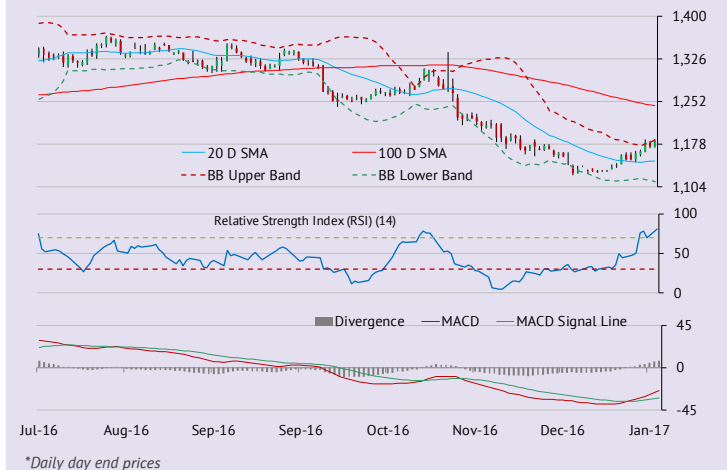
The S&P 500 index is expected to find support at 2,248.65, and a fall through could take it to the next support level of 2,228.41. The index is expected to find its first resistance at 2,285.62, and a rise through could take it to the next resistance level of 2,302.35.

### USDZAR



The pair is expected to find support at 13.4767, and a fall through could take it to the next support level of 13.2933. The pair is expected to find its first resistance at 13.8467, and a rise through could take it to the next resistance level of 14.0333.

### XAU/USD



Gold is expected to find support at \$1,158.80/oz, and a fall through could take it to the next support level of \$1,132.70/oz. The precious metal is expected to find its first resistance at \$1,198.70/oz, and a rise through could take it to the next resistance level of \$1,212.50/oz.

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## Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
UK	02:01	BRC Sales Like-For-Like (YoY) (Dec)	✓	1.00%*	0.60%	Monthly
China	03:30	Consumer Price Index (YoY) (Dec)	✓✓✓	2.10%*	2.30%	Monthly
China	03:30	Producer Price Index (YoY) (Dec)	✓✓✓	5.50%*	3.30%	Monthly
China	03:30	Consumer Price Index (MoM) (Dec)	✓✓	0.20%*	0.10%	Monthly
Japan	07:00	Consumer Confidence Index (Dec)	✓✓	41.40	40.90	Monthly
Switzerland	08:45	Unemployment Rate n.s.a. (Dec)	✓✓	3.50%	3.30%	Monthly
Switzerland	08:45	Unemployment Rate s.a. (Dec)	✓✓	3.30%	3.30%	Monthly
France	09:45	Industrial Production (MoM) (Nov)	✓✓	0.60%	-0.20%	Monthly
France	09:45	Industrial Production (YoY) (Nov)	✓✓	-0.20%	-1.80%	Monthly
France	09:45	Manufacturing Production (MoM) (Nov)	✓✓	0.70%	-0.60%	Monthly
France	09:45	Manufacturing Production (YoY) (Nov)	✓✓	-0.20%	-1.50%	Monthly
Italy	12:00	Bank of Italy Publishes Monthly Report 'Money and Banks'	✓	-	-	As scheduled
US	13:00	NFIB Small Business Optimism (Dec)	✓	99.50	98.40	Monthly
Canada	15:15	Housing Starts s.a. (Dec)	✓✓	190.00K	184.00K	Monthly
Canada	15:30	Building Permits (MoM) (Nov)	✓	-6.00%	8.70%	Monthly
US	15:55	Redbook Index (YoY) (06-Jan)	✓	-	2.40%	Weekly
US	15:55	Redbook Index s.a. (MoM) (06-Jan)	✓	-	1.00%	Weekly
US	17:00	IBD/TIPP Economic Optimism (MoM) (Jan)	✓	-	54.80	Monthly
US	17:00	Wholesale Inventories (Nov) (F)	✓	0.90%	0.90%**	Monthly
US	17:00	JOLTs Job Openings (Nov)	✓	5500.00K	5534.00K	Monthly

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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