

ONE Minute Brief

12 January 2017

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Economic and Political News

In South Africa, the business confidence index fell to a level of 93.80 in December, from a level of 93.9 in the prior month.

The Presidency indicated that President, Jacob Zuma, has approved seven new finance bills into law. These bills were earlier passed by both the National Assembly and National Council of Provinces last year and were sent to the President for approval.

Finance Minister, Pravin Gordhan, stated that the Financial Intelligence Centre (FIC) is not permitted by law to provide him with information on whether the FIC had referred information on the suspicious banking transactions undertaken by Gupta-owned companies to the police or any other entity for further investigation.

African National Congress (ANC) Secretary General, Gwede Mantashe, stated that the ANC needs to elect its leaders with a succession plan in mind.

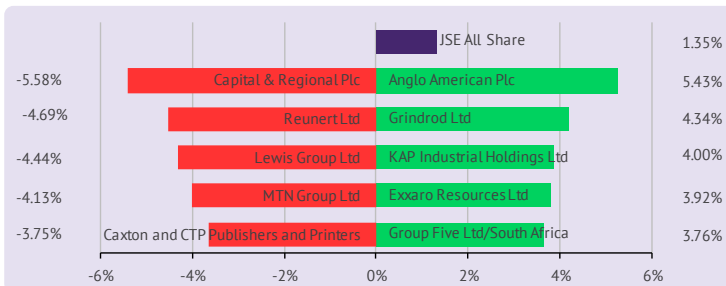
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	52437.91	▲	697.74	1.35%	2.39%	3.52%	0.88%
JSE Top 40	45745.62	▲	725.82	1.61%	2.90%	4.20%	0.48%
FTSE 100	7290.49	▲	15.02	0.21%	1.12%	2.07%	5.29%
DAX 30	11646.17	▲	62.87	0.54%	0.41%	1.44%	7.90%
CAC 40	4888.71	▲	0.48	0.01%	-0.43%	0.54%	6.20%
S&P 500	2275.32	▲	6.42	0.28%	-0.07%	1.63%	1.82%
Nasdaq Composite	5563.65	▲	11.83	0.21%	0.77%	3.35%	1.12%
DJIA	19954.28	▲	98.75	0.50%	-0.05%	0.97%	3.34%

South Africa Market ▲

South African markets closed higher

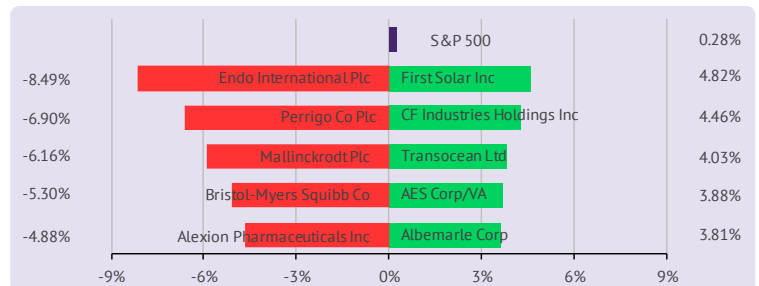
South African markets closed in the green yesterday, amid gains in resources sector stocks. Data showed that the South African SACCI business confidence index declined in December, compared to prior reading of November. The JSE All Share Index rose 1.4% to 52,437.91.



US Market ▲

The S&P 500 futures are trading in the red

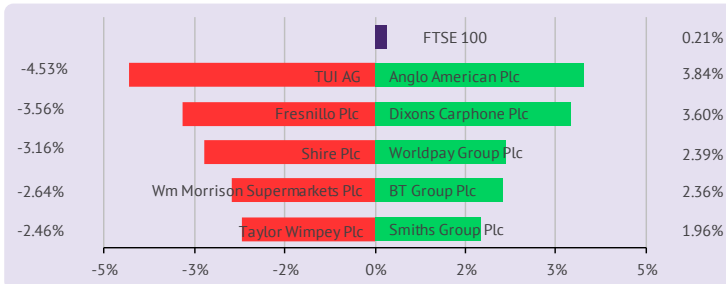
US markets closed higher yesterday, led by gains in energy sector stocks. Data indicated that US MBA mortgage applications increased more than previous reading on a weekly basis, in the week ended January 6, 2017. The S&P 500 Index climbed 0.3% to close at 2,275.32.



UK Market ▲

The FTSE 100 futures are trading in negative territory

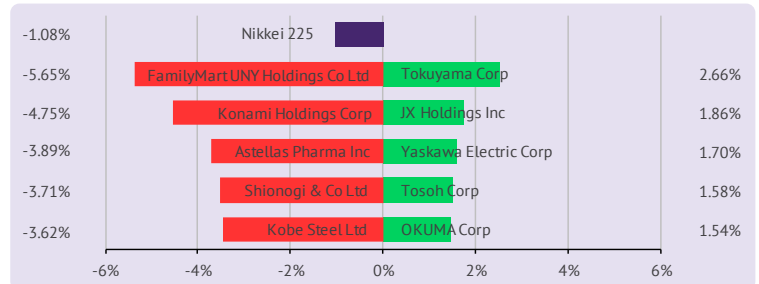
UK markets finished higher yesterday, supported by gains in material sector stocks. Data indicated that UK's NIESR gross domestic product (GDP) rose in line with market expectations in the three months ending December. The FTSE 100 Index advanced 0.2% to close at 7,290.49.



Asian Market ◀▶

Trading mixed

Asian markets are trading mixed this morning. Data revealed that Japan's trade surplus narrowed less-than-expected in November. The Nikkei 225 Index is trading 1.1% lower at 19,155.49.



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USDZAR ▼

USD trading lower against ZAR

At 06:00 SAST, the US Dollar fell 0.1% against the South African Rand to trade at R13.7200. Later today, traders will keep a close watch on US initial jobless claims and the import price index for further cues.

The US Dollar rose against the South African Rand yesterday, after data showed that US MBA mortgage applications registered a rise on a weekly basis, in the week ended January 6, 2017, its strongest rise in 6 months. Separately, data revealed that the South African SACCI business confidence index dropped in December, compared to previous reading of November.

GBPZAR ▼

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound dropped 0.1% against the South African Rand to trade at R16.7560.

The British Pound advanced against the South African Rand yesterday. Data indicated that UK's NIESR GDP advanced at par with market expectations in the three months ending December. Manufacturing production rebounded more-than-expected on a monthly basis in November. Industrial production bounced back into positive territory in November from October, higher than market anticipations. Trade deficit widened more-than-expected in November. Construction output unexpectedly declined on a monthly basis in November.

EURZAR ▲

EUR trading higher against ZAR

At 06:00 SAST, the Euro climbed 0.2% against the South African Rand to trade at R14.5660. Going forward, market participants will keep a tab on Eurozone's industrial production and ECB's monetary policy meeting along with Germany's gross domestic product for further direction.

The Euro strengthened against the South African Rand yesterday. The Bank of England (BoE) Governor, Mark Carney, stated that current strength of the British economy indicates that the central bank might soon have to upgrade its forecasts. The Governor also warned that a hard Brexit would pose greater threat to the financial stability of the European Union than to the UK, given the strength of Britain's financial services sector.

AUDZAR ▲

AUD trading stronger against ZAR

At 06:00 SAST, the Australian Dollar climbed 0.2% against the South African Rand to trade at R10.2379.

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	13.7200	▼	0.02%	-0.01%	-0.01%	-2.48%	-0.01%
GBPZAR	16.7560	▼	0.31%	-0.55%	-0.89%	-3.94%	-0.89%
EURZAR	14.5660	▲	0.29%	0.55%	0.69%	-3.21%	0.69%
AUDZAR	10.2379	▲	0.98%	2.04%	3.10%	-4.68%	3.10%
EURUSD	1.0611	▲	0.26%	0.47%	0.64%	-0.68%	0.64%
GBPUSD	1.2209	▼	0.29%	-0.56%	-1.01%	-1.34%	-1.01%
Brent (\$/barrel)	55.1	▼	2.72%	-3.50%	-3.03%	9.61%	-3.03%
Gold (\$/oz)	1197.8	▲	0.94%	1.98%	3.90%	-1.63%	3.90%
Platinum (\$/oz)	972.2	▼	-0.63%	0.59%	7.83%	-0.91%	7.83%
Copper (\$/MT)*	5689.8	▼	-0.81%	2.16%	3.02%	-4.99%	3.02%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.1% higher to trade at \$1,197.80/oz.

Yesterday, gold prices rose 0.9% to close at \$1,196.60/oz, as weakness in the US Dollar increased demand for the precious metal, its highest rise in 7 months.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil retreated marginally to trade at \$55.10/bl.

Yesterday, Brent crude oil advanced 2.7% to settle at \$55.10/bl, after Saudi Arabia informed that it will cut its crude supply in February. Meanwhile, the US Energy Department reported that crude oil inventories rose by 4.1mn bls for the week ended January 6, 2017.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices declined marginally to trade at \$972.20/oz.

Yesterday, platinum prices declined 0.6% to close at \$972.20/oz.



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12 January 2017



Major South Africa Corporate News

Blue Label Telecoms Limited

The company announced that Mr. Yusuf Mahomed has tendered his resignation as a Director of the company and a member of the sub committees to the board with immediate effect.

Impala Platinum Holdings Limited

The company announced that it plans to sell its chrome business to focus on core business and the company offers 65% of stake in Impala Chrome.

Clover Industries Limited

The company announced that Mr. JNS du Plessis has resigned from the post of Independent Non-executive Director with immediate effect.

Major Global Economic News

UK

In the UK, NIESR estimated GDP climbed 0.5% on a monthly basis in the October-December 2016 period, at par with market expectations. In the September-November 2016 period, NIESR estimated GDP had registered a revised similar rise.

In November, manufacturing production registered a rise of 1.3% in the UK on a monthly basis, compared to a revised drop of 1.0% in the previous month. Markets were expecting manufacturing production to climb 0.5%.

In the UK, industrial production registered a rise of 2.1% on a monthly basis in November, compared to a revised drop of 1.1% in the previous month. Markets were expecting industrial production to climb 1.0%.

The UK has reported total trade deficit of GBP4.17bn in November, compared to a revised total trade deficit of GBP1.55bn in the prior month. Market expectation was for the nation to record a total trade deficit of GBP3.50billion.

In the UK, construction output climbed 1.5% on an annual basis in November, less than market expectations for an advance of 2.0%. In the previous month, construction output had registered a rise of 0.7%.

Asia

In Japan, (BOP basis) trade surplus narrowed to JPY313.40bn in November, from a trade surplus of JPY587.60bn in the prior month. Market anticipation was for the nation to record a trade surplus of JPY254.40bn.

US

In the US, mortgage applications climbed 5.8% on a weekly basis, in the week ended January 6, 2017. In the previous week, mortgage applications had risen 0.1%.

Eurozone

The BoE Governor, Mark Carney, stated that Brexit is no longer the biggest risk to UK's financial stability, reversing his previous warnings about the threat Brexit posed to the British economy. He further added that current strength of the British economy implies that the central bank might soon have to upgrade its forecasts. The Governor also warned that a hard Brexit would pose greater threat to the financial stability of the European Union than to the UK, given the strength of Britain's financial services sector.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	01:50	Bank Lending including Trusts (YoY) (Dec)	✓	2.60%*	2.40%	Monthly
Japan	01:50	Trade Balance - BOP Basis (Nov)	✓✓	JPY313.40bn*	JPY587.60bn	Monthly
Japan	01:50	Adjusted Current Account Total (Nov)	✓	JPY1799.60bn*	JPY1928.90bn	Monthly
Japan	04:00	Tokyo Average Office Vacancies (Dec)	✓	3.61%*	3.75%	Monthly
Japan	07:00	Eco Watchers Survey: Current (Dec)	✓✓	-	48.60	Monthly
Japan	07:00	Eco Watchers Survey: Outlook (Dec)	✓✓	-	49.10	Monthly
US	10:00	Fed's Evans Speech	✓	-	-	As scheduled
South Africa	11:00	PMI Manufacturing (Dec)	✓	-	48.30	Monthly
Germany	11:00	Gross Domestic Product n.s.a.	✓✓✓	1.80%	1.70%	Yearly
Eurozone	12:00	Industrial Production s.a. (MoM) (Nov)	✓	0.60%	-0.10%	Monthly
South Africa	13:00	Manufacturing Production s.a. (MoM) (Nov)	✓	-	-1.90%	Monthly
South Africa	13:00	Manufacturing Production Index (YoY) (Nov)	✓	0.30%	-2.70%	Monthly
US	14:00	Fed's Lockhart speaks to Naples, Florida Chamber of Commerce	✓	-	-	As scheduled
Eurozone	14:30	ECB Monetary Policy Meeting Accounts	✓✓✓	-	-	As scheduled
US	14:45	Fed's Bullard Speaks in New York on U.S. Outlook	✓	-	-	As scheduled
US	15:15	Fed's Kaplan Speaks at Dallas, Regional Chamber Event	✓	-	-	As scheduled
US	15:30	Export Price Index (MoM) (Dec)	✓	-	-0.10%	Monthly
US	15:30	Export Price Index (YoY) (Dec)	✓	-	-0.30%	Monthly
US	15:30	Export Price Index (Dec)	✓	-	120.70	Monthly
US	15:30	Import Price Index (Dec)	✓	-	120.70	Monthly
US	15:30	Import Price Index (MoM) (Dec)	✓	0.70%	-0.30%	Monthly
US	15:30	Fed's Harker Speaks in Malvern, Pennsylvania	✓	-	-	As scheduled
US	15:30	Initial Jobless Claims (07-Jan)	✓✓	255.00K	235.00K	Weekly
US	15:30	Import Price Index (YoY) (Dec)	✓	1.80%	-0.10%	Monthly
US	15:30	Continuing Jobless Claims (31-Dec)	✓	2087.00K	2112.00K	Weekly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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