

ONE Minute Brief

17 January 2017

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Economic and Political News

Former Public Protector, Thuli Madonsela, has stated that she is neither qualified nor interested in becoming South Africa's President. She further added that she is really worried about who is running the country and indicated that the trust deficit in South Africa will expand if President, Jacob Zuma, does not call for a commission of inquiry into state capture.

Oxfam's inequality report has revealed that in South Africa the richest 1% of the population have 42% of the total wealth. The organisation indicated that the gap between rich and poor was far greater than feared.

African National Congress (ANC) Western Cape Acting Chairman, Khaya Magaxa, indicated that all ANC leaders who are mentioned in the Public Protector's state capture report, including President Jacob Zuma, should go through a process of inquiry by the party's integrity commission.

Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	53158.54	▲	363.73	0.69%	0.69%	4.95%	0.88%	4.95%
JSE Top 40	46333.08	▲	265.88	0.58%	0.58%	5.54%	0.48%	5.54%
FTSE 100	7327.13	▼	-10.68	-0.15%	-0.15%	2.58%	5.29%	2.58%
DAX 30	11554.71	▼	-74.47	-0.64%	-0.64%	0.64%	7.90%	0.64%
CAC 40	4882.18	▼	-40.31	-0.82%	-0.82%	0.41%	6.20%	0.41%
S&P 500*	2274.64	▲	4.20	0.18%	0.00%	1.60%	1.82%	1.60%
Nasdaq* Composite	5574.12	▲	26.63	0.48%	0.00%	3.55%	1.12%	3.55%
DJIA*	19885.73	▼	-5.27	-0.03%	0.00%	0.62%	3.34%	0.62%

*Values as on January 13, 2017

South Africa Market ▲

South African markets closed higher

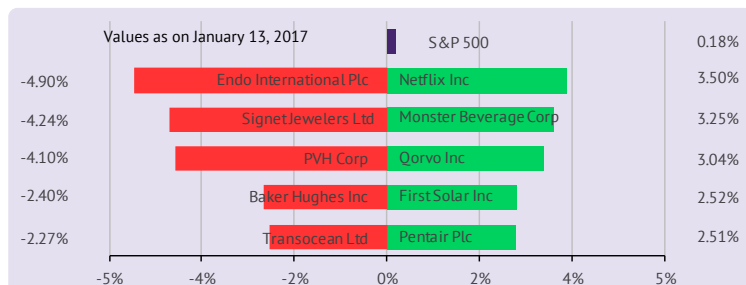
South African markets closed in the green yesterday, amid gains in gold mining and retail sector stocks. The JSE All Share Index rose 0.7% to close at 53,158.54.



US Market ▲

The S&P 500 futures are trading in the red

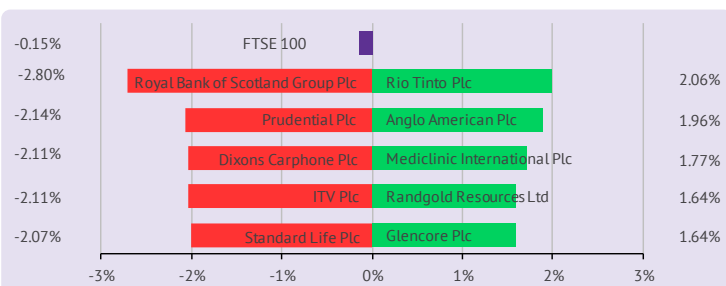
US markets closed higher on Friday, led by gains in financial sector stocks. The S&P 500 Index climbed 0.2% to close at 2,274.64.



UK Market ▼

The FTSE 100 futures are trading in negative territory

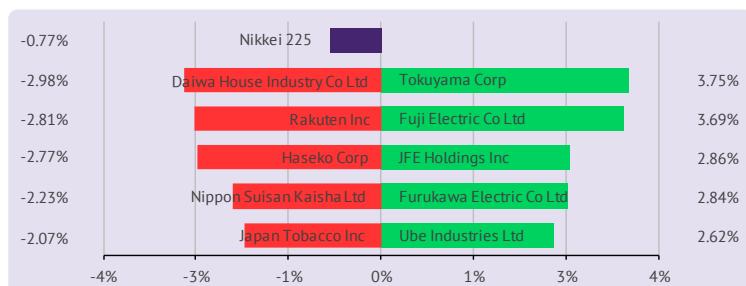
UK markets finished higher yesterday, supported by gains in material sector stocks. The FTSE 100 Index advanced 0.3% to close at 6,954.21.



Asian Market ◀▶

Trading mixed

Asian markets are trading mixed this morning. Data showed that Japan's industrial production rose in line with market expectations in November. The Nikkei 225 Index is trading 0.8% lower at 18,947.78.



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USDZAR ▼

USD trading lower against ZAR

At 06:00 SAST, the US Dollar declined 0.5% against the South African Rand to trade at R13.5983.

The US Dollar rose against the South African Rand yesterday. The International Monetary Fund (IMF) has released a quarterly update to its world economic outlook, with a cautious stance to the policies of US President-elect, Donald Trump. The IMF's 2017 and 2018 global growth forecasts remain unchanged at 3.4% and 3.6%, respectively. The organization further added that potential widening of global imbalances coupled with sharp exchange rate movements could intensify protectionist pressures. Also, increased restrictions on global trade and migration would hurt productivity and income, and take an immediate toll on market sentiment.

GBPZAR ▼

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound declined 0.4% against the South African Rand to trade at R16.4130. Later today, traders will keep an eye on UK's consumer price index, retail price index and house price index for further cues.

The British Pound advanced against the South African Rand yesterday. The Bank of England (BoE) Governor, Mark Carney, in his speech at the London School of Economics, indicated that British growth was relying more heavily on consumer spending - rather than investment or exports - which boded poorly for the future. He also warned that UK's economic growth might take a hit in the coming years as the dropping Pound begins to weigh on wages and consumer spending. Further, the Governor stated that monetary policy can respond in either direction to ensure sustainable return of inflation to target.

EURZAR ▼

EUR trading lower against ZAR

At 06:00 SAST, the Euro dropped 0.3% against the South African Rand to trade at R14.4475. Going forward, market participants will keep a tab on Eurozone's ZEW economic sentiment survey along with Germany's ZEW current situation and economic sentiment survey for further direction.

The Euro strengthened against the South African Rand yesterday. Data indicated that Eurozone's trade surplus expanded more-than-expected in November.

AUDZAR ▼

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar retreated 0.4% against the South African Rand to trade at R10.1729. Earlier in the session, data revealed that Australia's home loans rebounded more than market expectations in November.

The Australian Dollar rose against the South African Rand yesterday. Data revealed that Australia's TD securities inflation rose on a monthly basis in December.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.5983	▼	1.26%	1.26%	-0.44%	-2.48%	-0.44%
GBPZAR	16.4130	▼	0.11%	0.11%	-2.68%	-3.94%	-2.68%
EURZAR	14.4475	▼	0.87%	0.87%	0.37%	-3.21%	0.37%
AUDZAR	10.1729	▼	0.94%	0.94%	3.15%	-4.68%	3.15%
EURUSD	1.0624	▲	-0.39%	-0.39%	0.83%	-0.68%	0.83%
GBPUSD	1.2069	▲	-1.09%	-1.09%	-2.38%	-1.34%	-2.38%
Brent (\$/barrel)	55.7	▼	0.74%	0.74%	-1.69%	9.61%	-1.69%
Gold (\$/oz)	1205.6	▲	0.00%	NA	3.86%	-1.63%	3.86%
Platinum (\$/oz)	986.2	▲	0.00%	NA	8.96%	-0.91%	8.96%
Copper (\$/MT)*	5843.5	▼	-0.68%	-0.68%	5.80%	-4.99%	5.80%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.8% higher to trade at \$1,205.60/oz.

On Friday, gold prices fell 0.3% to close at \$1,196.20/oz.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil dropped 0.3% to trade at \$55.72/bl.

Yesterday, Brent crude oil advanced 0.7% to settle at \$55.86/bl, after Saudi Arabia's Energy Minister, Khalid al-Falih, announced that the country will strictly follow its output reduction commitment, showing confidence that OPEC's plan to curb production would work.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged 0.4% higher to trade at \$986.20/oz.

On Friday, platinum prices climbed 0.2% to close at \$982.40/oz.



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Major South Africa Corporate News

Intu Properties Plc

The company announced that it intends to release its annual results for the year ended December 31, 2016 on February 23, 2017.

Massmart Holdings Limited

The company stated that its total sales for the 52 weeks to December 25, 2016 increased to ZAR91.20bn, representing a growth of 7.7% over the prior year 52-week period. Comparable store sales increased by 5.4%.

Investec Limited

The South African-listed Investec Australia Property Fund company announced that it has entered into an agreement with 151 Property Pty Limited to acquire all of the issued units in the Lot 19 Trust, which owns the land and office building located at 2 Richardson Place, North Ryde NSW. It has also signed an agreement with Australiagen Office Portfolio Mid TC Pty Limited as trustee for the Australiagen Office Portfolio Mid Trust to acquire all of the issued units in the 20-24 Rodborough Road Trust, which owns the land and office buildings located at 20 and 24 Rodborough Road, Frenchs Forest NSW.

The Foschini Group Limited

The company reported that its Christmas trading was above expectation with sales growth for December (November 27, 2016 to December 24, 2016) of 14.6%. Sales at its international division grew 47.9% in GBP, while growth for Africa was 11.5% with same store growth of 5.6%. Further, its group sales for the 9 months to December 24, 2016 increased by 14.5%.

Major Global Economic News

Asia

In Japan, the final industrial production climbed 1.5% in November, on a monthly basis. Industrial production had registered a flat reading in the prior month. The preliminary figures had also indicated a rise of 1.5%.

In Australia, the seasonally adjusted home loan approvals climbed 0.9% on a monthly basis in November, compared to a revised fall of 0.6% in the prior month. Markets were expecting home loan approvals to climb 0.3%.

Eurozone

In the Eurozone, the seasonally adjusted trade surplus widened to EUR22.70bn in November, compared to market expectations of a trade surplus of EUR20.80bn. The Eurozone had reported a revised trade surplus of EUR19.90bn in the previous month.

US

The International Monetary Fund (IMF) has released a quarterly update to its world economic outlook, with a cautious stance to the policies of US President-elect, Donald Trump. The IMF's 2017 and 2018 global growth forecasts remain unchanged at 3.4% and 3.6%, respectively. The organization further added that potential widening of global imbalances coupled with sharp exchange rate movements could intensify protectionist pressures. Also, increased restrictions on global trade and migration would hurt productivity and income, and take an immediate toll on market sentiment.

UK

The Bank of England (BoE) Governor, Mark Carney, in his speech at the London School of Economics, indicated that British growth was relying more heavily on consumer spending - rather than investment or exports - which boded poorly for the future. He also warned that UK's economic growth might take a hit in the coming years as the dropping Pound begins to weigh on wages and consumer spending. Further, the Governor stated that monetary policy can respond in either direction to ensure sustainable return of inflation to target.

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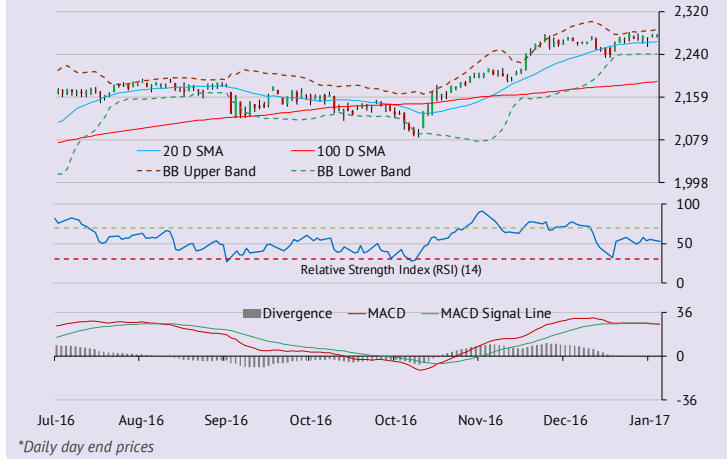
Technical Snapshot

JSE All Share



The JSE All Share index is expected to find support at 51,742.58, and a fall through could take it to the next support level of 50,326.61. The index is expected to find its first resistance at 53,881.64, and a rise through could take it to the next resistance level of 54,604.73.

S&P 500



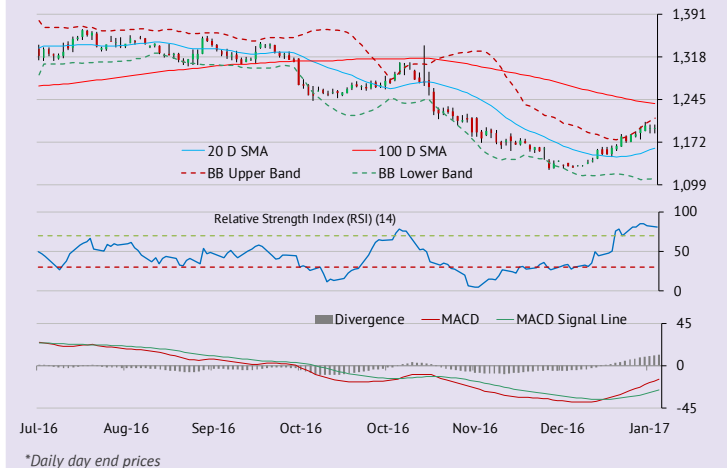
The S&P 500 index is expected to find support at 2,259.50, and a fall through could take it to the next support level of 2,244.37. The index is expected to find its first resistance at 2,284.52, and a rise through could take it to the next resistance level of 2,294.41.

USDZAR



The pair is expected to find support at 13.3887, and a fall through could take it to the next support level of 13.1068. The pair is expected to find its first resistance at 13.9637, and a rise through could take it to the next resistance level of 14.2568.

XAU/USD



Gold is expected to find support at \$1,179.73/oz, and a fall through could take it to the next support level of \$1,163.27/oz. The precious metal is expected to find its first resistance at \$1,209.93/oz, and a rise through could take it to the next resistance level of \$1,223.67/oz.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	06:30	Capacity Utilisation (MoM) (Nov)	✓	3.00%*	1.40%	Monthly
Japan	06:30	Industrial Production (MoM) (Nov) (F)	✓	1.50%*	1.50%**	Monthly
Japan	06:30	Industrial Production (YoY) (Nov) (F)	✓✓	4.60%*	4.60%**	Monthly
Eurozone	09:00	EU 28 New Car Registrations (YoY) (Dec)	✓	-	5.80%	Monthly
Eurozone	11:00	ECB Bank Lending Survey	✓	-	-	As scheduled
South Africa	11:30	Gold Production (YoY) (Nov)	✓	-	-3.70%	Monthly
UK	11:30	Consumer Price Index (MoM) (Dec)	✓✓	0.30%	0.20%	Monthly
UK	11:30	Consumer Price Index (YoY) (Dec)	✓✓✓	1.40%	1.20%	Monthly
UK	11:30	Consumer Price Index Core (YoY) (Dec)	✓✓✓	1.40%	1.40%	Monthly
UK	11:30	Retail Price Index Ex Mort Int.Payments (YoY) (Dec)	✓	2.50%	2.50%	Monthly
UK	11:30	Retail Price Index (Dec)	✓	266.70	265.50	Monthly
UK	11:30	Retail Price Index (MoM) (Dec)	✓	0.40%	0.30%	Monthly
UK	11:30	Retail Price Index (YoY) (Dec)	✓	2.30%	2.20%	Monthly
South Africa	11:30	Mining Production (YoY) (Nov)	✓	-0.90%	-2.90%	Monthly
Germany	12:00	ZEW Survey - Current Situation (Jan)	✓✓	65.10	63.50	Monthly
Eurozone	12:00	ZEW Survey - Economic Sentiment (Jan)	✓✓	-	18.10	Monthly
Germany	12:00	ZEW Survey - Economic Sentiment (Jan)	✓✓✓	18.40	13.80	Monthly
US	15:30	NY Empire State Manufacturing Index (Jan)	✓	8.50	9.00	Monthly
US	15:45	Fed's Dudley Speaks on Consumer Behavior in New York	✓	-	-	As scheduled
US	21:00	Fed's Beige Book	✓✓✓	-	-	As scheduled
UK	-	UK Prime Minister May Speaks on Her Brexit Approach	✓✓✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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