

ONE Minute Brief

3 February 2017

GTC
consult • partner • manage

Economic and Political News

In South Africa, the electricity consumption dropped 1.0% on an annual basis, in December, compared to a rise of 0.3% in the previous month, while the electricity production recorded a rise of 0.8% on a yearly basis, in December, compared to a rise of 2.1% in the prior month.

The Democratic Alliance stated that President, Jacob Zuma, should remove Social Development Minister, Bathabile Dlamini from the responsibility of contractual negotiations with Net1 subsidiary Cash Paymaster Services (CPS) and give it to Finance Minister, Pravin Gordhan.

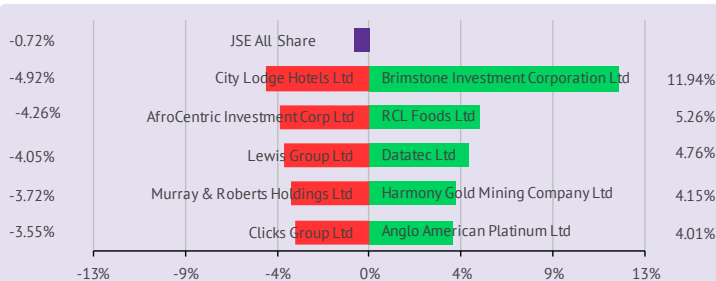
Public Protector, Busisiwe Mkhwebane, indicated that she has filed a notice against the application of President, Jacob Zuma, to take the State of Capture report on judicial review.

Acting National Police Commissioner, Khomotso Phahlane, stated that he has already gone through a lifestyle audit to clear his name but is ready to undergo the process again to get his top secret police clearance.

South Africa Market ▼

South African markets closed lower

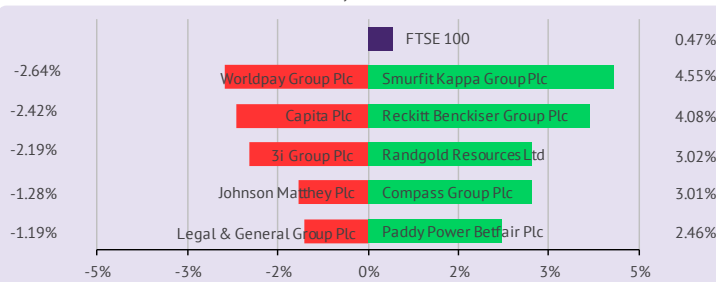
South African markets closed in the red yesterday, amid losses in retail and resources sector stocks. The JSE All Share Index fell 0.7% to close at 52,719.58.



UK Market ▲

The FTSE 100 futures are trading in negative territory

UK markets finished higher yesterday, led by gains in consumer discretionary sector stocks. Data showed that UK's Markit construction PMI expanded at a slower-than-expected pace in January. The FTSE 100 Index advanced 0.5% to close at 7,140.75.



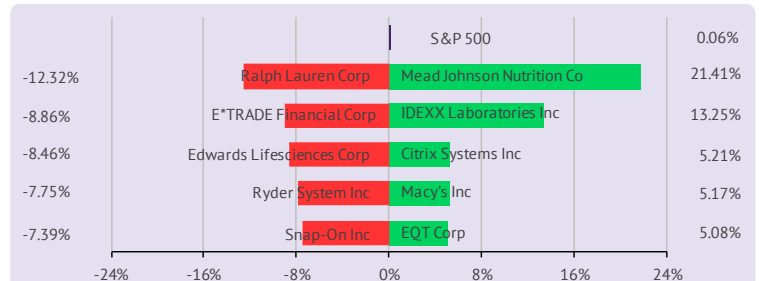
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	52719.58	▼	-384.54	-0.72%	-0.48%	-0.13%	4.21%	4.08%
JSE Top 40	45861.98	▼	-350.85	-0.76%	-0.62%	-0.15%	4.62%	4.46%
FTSE 100	7140.75	▲	33.10	0.47%	-0.61%	0.59%	-0.61%	-0.03%
DAX 30	11627.95	▼	-31.55	-0.27%	-1.58%	0.80%	0.47%	1.28%
CAC 40	4794.29	▼	-0.29	-0.01%	-0.94%	0.96%	-2.33%	-1.40%
S&P 500	2280.85	▲	1.30	0.06%	-0.60%	0.09%	1.79%	1.88%
Nasdaq Composite	5636.20	▼	-6.45	-0.11%	-0.43%	0.38%	4.30%	4.70%
DJIA	19884.91	▼	-6.03	-0.03%	-1.04%	0.10%	0.51%	0.62%

US Market ▲

The S&P 500 futures are trading in the red

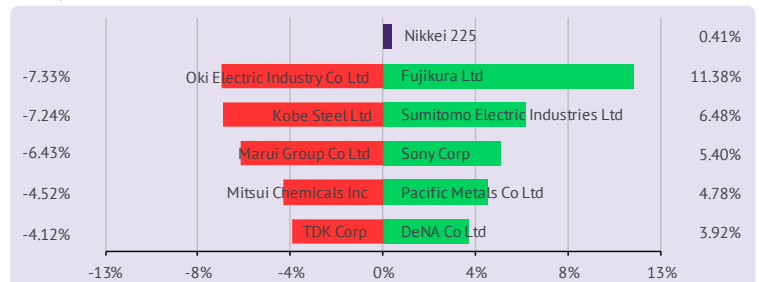
US markets closed higher yesterday, supported by gains in real estate sector stocks. Data revealed that US initial jobless claims dropped more-than-expected for the week ended January 28, 2017. The S&P 500 Index climbed 0.1% to close at 2,280.85.



Asian Market ▼

Trading mostly lower

Asian markets are trading mostly lower this morning. Data indicated that China's Caixin manufacturing PMI advanced less than market anticipations in January. The Nikkei 225 Index is trading 0.4% higher at 18,992.25.



Address: GTC @Grant Thornton, The Wanderers Office Park, 52 Corlett Drive, Illovo, 2196.
t: +27 (0) 21 412 1074 | e: oneminutebrief@gtc.co.za | w: www.gtc.co.za

An Authorised Financial Services Provider FSP No. 731
formerly Grant Thornton Capital

Employee Benefits Consulting • Employee Benefits Administration • Private Client Wealth Management • Healthcare Consulting • Short-Term Risk Solutions • Stockbroking • Derivatives Trading • Unit Trust Management • Asset Management • Fiduciary Services

ONE Minute Brief

3 February 2017

GTC
consult • partner • manage

USDZAR ▼

USD trading lower against ZAR

At 06:00 SAST, the US Dollar marginally fell against the South African Rand to trade at R13.3900. Later today, traders will keep a close watch on US non-farm payrolls, ISM non-manufacturing composite, unemployment rate, average hourly earnings and Markit services PMI along with factory orders and durable goods orders for further cues. Separately, Standard Bank South Africa PMI will be on investors' radar.

The US Dollar fell against the South African Rand yesterday. Data indicated that the number of Americans applying for fresh unemployment benefits declined more than market expectations for the week ended January 28, 2017. Further, the preliminary unit labour costs recorded a less-than-expected rise in 4Q16.

GBPZAR ▼

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound is trading marginally lower against the South African Rand at R16.7634. Later today, traders will keep an eye on UK's Markit services PMI scheduled in few hours.

The British Pound declined against the South African Rand yesterday. Data showed that the Bank of England kept its benchmark interest rate steady at 0.25%. Further, UK's Markit construction PMI advanced at a slower pace, less than market expectations in January, its weakest level in 5 months.

EURZAR ▲

EUR trading higher against ZAR

At 06:00 SAST, the Euro is trading marginally firmer against the South African Rand at R14.4074. Going forward, market participants will keep a tab on Eurozone's retail sales and Markit services PMI across the Eurozone for further indications.

The Euro weakened against the South African Rand yesterday. Data revealed that Eurozone's producer price index recorded a higher-than-expected rise on a monthly basis in December, boosted by higher energy costs.

AUDZAR ▼

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% weaker against the South African Rand at R10.2420. Earlier in the session, data showed that Australia's AiG performance of service index advanced at a slower pace in January, compared to previous reading. Meanwhile, in China, Australia's largest trading partner, Caixin manufacturing PMI expanded less than market forecast in January.

The Australian Dollar rose against the South African Rand yesterday. Data revealed that Australia's trade surplus rose more than market anticipations in December. Further, building approvals drooped going into negative territory on a monthly basis in December.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.3900	▼	-0.49%	-0.53%	-0.49%	-1.97%	-2.46%
GBPZAR	16.7634	▼	-1.61%	-0.74%	-1.03%	0.09%	-0.94%
EURZAR	14.4074	▲	-0.67%	0.06%	-0.93%	0.66%	-0.27%
AUDZAR	10.2420	▼	0.45%	0.91%	0.45%	3.03%	3.49%
EURUSD	1.0753	▼	-0.08%	0.60%	-0.34%	2.68%	2.33%
GBPUSD	1.2520	=	-1.04%	-0.21%	-0.45%	1.95%	1.49%
Brent (\$/barrel)	56.8	▲	-0.42%	1.87%	1.76%	-2.18%	-0.46%
Gold (\$/oz)	1214.0	▼	0.92%	2.38%	0.67%	4.94%	5.64%
Platinum (\$/oz)	995.1	▼	-0.02%	1.66%	0.31%	10.53%	10.87%
Copper (\$/MT)*	5870.5	▼	-1.10%	-0.22%	-2.06%	8.53%	6.29%

*As of Previous Close

Gold ▼

Trading in the red

At 06:00 SAST, gold prices edged 0.2% lower to trade at \$1,214.00/oz.

Yesterday, gold prices rose 0.9% to close at \$1,216.70/oz, reversing its previous session losses and notching its highest level since mid-November.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil gained 0.4% to trade at \$56.80/bl.

Yesterday, Brent crude oil dropped 0.4% to settle at \$56.56/bl.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices declined 0.5% to trade at \$995.10/oz.

Yesterday, platinum prices marginally declined to close at \$999.60/oz.



ONE Minute Brief

3 February 2017



Major South Africa Corporate News

Anglogold Ashanti Limited

In its trading statement for FY16, the company announced that headline earnings for the period is expected to be between 242.0% and 262.0% higher and headline EPS is anticipated to be between 239.0% and 256.0% higher than prior year.

Brimstone Investment Corporation Limited

In its trading update for the year ended December 31, 2016, the company announced that it expects to report EPS and headline EPS for the period compared to a loss per share and headline loss per share of 284.80c and 295.30c respectively for the prior comparative period, being the year ended December 31, 2015. This profit would represent an increase of at least 100.0% compared with the loss incurred in the prior comparative period.

Curro Holdings Limited

In its trading statement for the year ended December 31, 2016, the company reported that its EPS and headline EPS will be between 43.10c and 47.10c compared with the 27.80c and 28.30c respectively achieved for the prior corresponding period, an increase of between 52.0% and 67.0%.

Harmony Gold Mining Company Limited

In its 1H17 results, the company stated that its revenue increased to ZAR9.87bn from ZAR8.71bn recorded in the corresponding period of the previous year. Its gold production increased by 8.0% to 17,227kg compared with the 2H16. Its income before tax rose to ZAR2.01bn from a loss of ZAR423.00mn posted in the similar period last year.

Old Mutual Plc

In its operating results for FY16, the company announced that it has achieved US GAAP earnings of \$126.40mn, down 18.7% compared with last year. AUM of \$240.40bn at December 31, 2016, up 13.2% from December 31, 2015.

PPC Limited

In its trading update for the nine months ending December 2016, the company stated that its group cement sales volumes were up 4.0% when compared with the previous nine-month period ending December 2015. Separately, the \$82.00mn Harare Msasa mill was completed on time and \$3.00mn below budget without a single lost time injury over the entire project construction period.

Major Global Economic News

Asia

The Bank of Japan's (BoJ) December meeting minutes revealed that most of the monetary policy board members believe that the country remains on a moderate recovery path. At the meeting, the BoJ kept the monetary stimulus unchanged as expected and raised its assessment of the economy.

In January, Caixin/Markit manufacturing PMI index fell to a level of 51.00 in China, compared to market expectations of a fall to a level of 51.80. The index had recorded a reading of 51.90 in the prior month.

In Australia, the AIG performance of services index eased to 54.50 in January. In the previous month, the AIG performance of services index had recorded a level of 57.70.

UK

In the UK, the construction PMI recorded a drop to 52.20 in January, compared to a reading of 54.20 in the previous month. Markets were expecting the construction PMI to fall to a level of 53.80.

The Bank of England kept its key interest rate steady at 0.25% and maintained government bond purchases at £435.0 billion, indicating that it is in no rush to raise interest rates as the UK's Brexit negotiations are about to kick off. Further, the central bank expects gross domestic product to rise by 2% in 2017, an upgrade from the 1.4% forecast in its November inflation report. For 2018, the policy makers expect growth of 1.6% compared with the 1.5% predicted earlier.

US

In the US, the seasonally adjusted initial jobless claims eased to 246.00K in the week ended January 28, 2017 compared to a revised reading of 260.00K in the prior week. Markets were expecting initial jobless claims to ease to 250.00K.

In the US, the flash unit labour costs in non-farm businesses advanced 1.7% on a quarterly basis, in 4Q16, compared to a rise of 0.7% in the previous quarter. Market anticipation was for the unit labour costs in non-farm businesses to rise 1.9%.

Eurozone

In the Eurozone, the producer price index (PPI) recorded a rise of 0.7% on a monthly basis in December, more than market expectations for a rise of 0.5%. The PPI had risen 0.3% in the previous month.

ONE Minute Brief

3 February 2017

GTC
consult • partner • manage

Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:50	BoJ Monetary Policy Meeting Minutes	✓✓✓	-	-	As scheduled
Japan	02:30	Markit Japan Services PMI (Jan)	✓✓	51.90*	52.30	Monthly
Japan	02:30	Markit/JMMA Composite PMI (Jan)	✓✓	52.30*	52.80	Monthly
China	03:45	Caixin/Markit Manufacturing PMI (Jan)	✓✓	51.00*	51.90	Monthly
Germany	10:55	Markit Services PMI (Jan) (F)	✓✓	53.20	53.20**	Monthly
Eurozone	11:00	Markit Composite PMI (Jan) (F)	✓✓✓	54.30	54.30**	Monthly
Eurozone	11:00	Markit Services PMI (Jan) (F)	✓✓✓	53.60	53.60**	Monthly
UK	11:30	Official Reserves (Changes) (Jan)	✓✓	-	USD29.00 mn	Monthly
UK	11:30	Markit Services PMI (Jan)	✓✓✓	55.80	56.20	Monthly
Eurozone	12:00	Retail Sales (MoM) (Dec)	✓✓	0.40%	-0.40%	Monthly
Eurozone	12:00	Retail Sales (YoY) (Dec)	✓✓✓	1.80%	2.30%	Monthly
US	15:30	Underemployment Rate (Jan)	✓✓	-	9.20%	Monthly
US	15:30	Average Hourly Earnings All Employees (MoM) (Jan)	✓✓	0.30%	0.40%	Monthly
US	15:30	Average Hourly Earnings All Employees (YoY) (Jan)	✓✓	2.80%	2.90%	Monthly
US	15:30	Average Weekly Hours All Employees (Jan)	✓	34.30	34.30	Monthly
US	15:30	Unemployment Rate (Jan)	✓✓✓	4.70%	4.70%	Monthly
US	15:30	Change in Manufacturing Payrolls (Jan)	✓	5.00K	17.00K	Monthly
US	15:30	Change in Non-farm Payrolls (Jan)	✓✓✓	180.00K	156.00K	Monthly
US	15:30	Change in Private Payrolls (Jan)	✓✓	175.00K	144.00K	Monthly
US	16:00	Unfilled Orders/Shipments (Dec)	✓✓✓	-	6.78	Monthly
US	16:15	Fed's Evans Speaks on Economy and Policy in Olympia Fields	✓	-	-	As scheduled
US	16:45	Markit Services PMI (Jan) (F)	✓✓	-	55.10**	Monthly
US	16:45	Markit Composite PMI (Jan) (F)	✓✓	-	55.40**	Monthly
US	17:00	Durable Goods Orders (Dec) (F)	✓✓✓	-	-0.40**	Monthly
US	17:00	ISM Non-Manufacturing PMI (Jan)	✓✓	57.00	57.20	Monthly
US	17:00	Factory Orders (MoM) (Dec)	✓✓	0.50%	-2.40%	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

Disclaimer

This report and its contents are confidential, privileged and only for the information of the intended recipient. GTC (Pty) Ltd make no representations or warranties in respect of this report or its content and will not be liable for any loss or damage of any nature arising from this report, the content thereof, your reliance thereon its unauthorised use or any electronic viruses associated therewith. Please note that content does not necessarily represent or reflect the views and opinions of GTC (Pty) Ltd. This report is proprietary to GTC (Pty) Ltd and you may not copy or distribute the report without the prior written consent of the authors. Any feedback or contributions are most welcome. GTC (Pty) Ltd Registration No 1996/001488/07 FSP No 731. An authorised Financial Services Provider.

Address: GTC @Grant Thornton, The Wanderers Office Park, 52 Corlett Drive, Illovo, 2196.
t: +27 (0) 21 412 1074 | e: oneminutebrief@gtc.co.za | w: www.gtc.co.za

An Authorised Financial Services Provider FSP No. 731
formerly Grant Thornton Capital

Employee Benefits Consulting • Employee Benefits Administration • Private Client Wealth Management • Healthcare Consulting •
Short-Term Risk Solutions • Stockbroking • Derivatives Trading • Unit Trust Management • Asset Management • Fiduciary Services