

ONE Minute Brief

14 February 2017

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Economic and Political News

In South Africa, bulk export volumes declined by 6.5% to 13.5mn tonnes on an annual basis in January, compared to a drop of 2.8% for all of 2016.

Political parties are set to debate President Jacob Zuma's State of the Nation address in Parliament today and on Wednesday.

Reuters has reported that South Africa's automotive industry body Naamsa expects capital expenditure by auto firms to rise to R8.2 billion (\$615 million) this year, up from R6.4 billion in 2016.

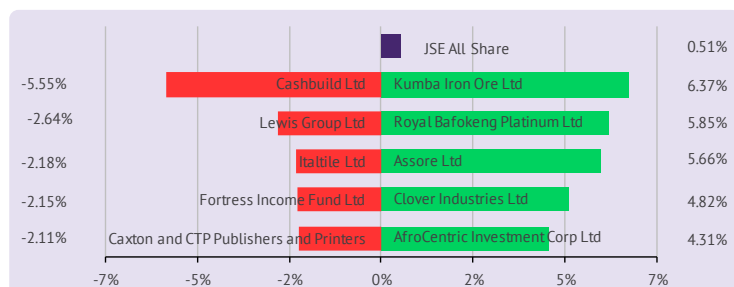
Democratic Alliance (DA) Mayor, Solly Msimanga, stated that the City of Tshwane will suspend vehicle licensing officials who illegally reduce vehicle licence penalties and arrears. Further, he announced that 12 officials have undergone the process of hearings on these charges.

Transport Minister, Dipuo Peters's, Spokesman, Ishmael Mnisi, indicated that the minister will examine the report of the performance of board members of the struggling Airports Company of South Africa (ACSA) and that the news that she has taken a decision to suspend four board members for irregular and wasteful expenditure at ACSA is false.

South Africa Market ▲

South African markets closed higher

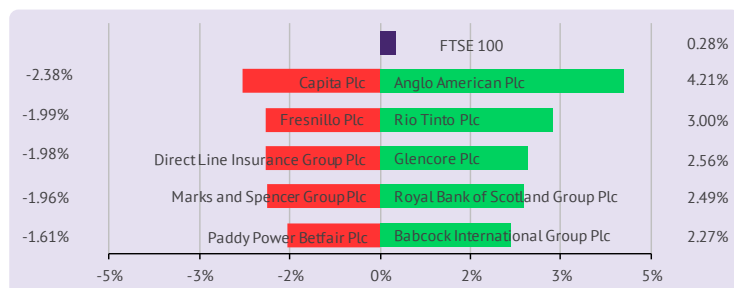
South African markets closed in the green yesterday, amid gains in platinum and banking sector stocks. The JSE All Share Index rose 0.5% to close at 52,956.71.



UK Market ▲

The FTSE 100 futures are trading in negative territory

UK markets finished higher yesterday, supported by gains in material and financial sector stocks. The FTSE 100 Index advanced 0.3% to close at 7,278.92.



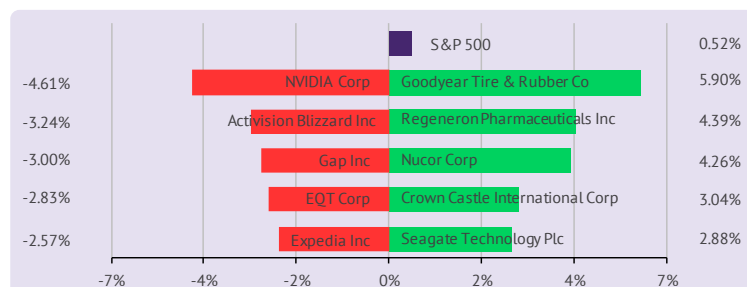
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	52956.71	▲ 269.42	0.51%	0.51%	0.32%	4.21%	4.55%
JSE Top 40	45941.81	▲ 185.00	0.40%	0.40%	0.03%	4.62%	4.65%
FTSE 100	7278.92	▲ 20.17	0.28%	0.28%	2.53%	-0.61%	1.91%
DAX 30	11774.43	▲ 107.46	0.92%	0.92%	2.07%	0.47%	2.56%
CAC 40	4888.19	▲ 59.87	1.24%	1.24%	2.93%	-2.33%	0.53%
S&P 500	2328.25	▲ 12.15	0.52%	0.52%	2.17%	1.79%	3.99%
Nasdaq Composite	5763.96	▲ 29.83	0.52%	0.52%	2.66%	4.30%	7.07%
DJIA	20412.16	▲ 142.79	0.70%	0.70%	2.76%	0.51%	3.29%

US Market ▲

The S&P 500 futures are trading in the red

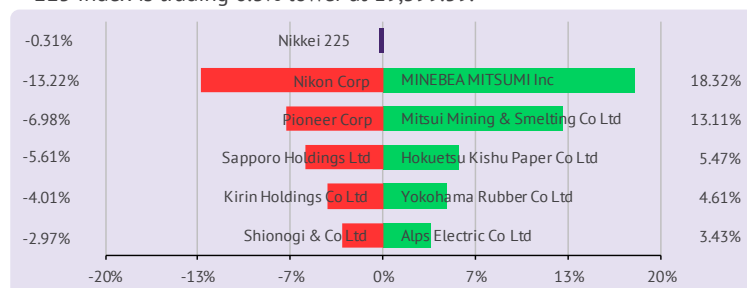
US markets closed higher yesterday, led by gains in financial sector stocks. The S&P 500 Index climbed 0.5% to close at 2,328.25.



Asian Market ▼

Trading mostly lower

Asian markets are trading mostly lower this morning. Data revealed that China's consumer price index advanced more-than-expected on an annual basis in January, its strongest rise since May 2014. The Nikkei 225 Index is trading 0.3% lower at 19,399.59.



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

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USDZAR ▼

USD trading lower against ZAR

At 06:00 SAST, the US Dollar is trading 0.3% weaker against the South African Rand at R13.2922. Later today, traders will keep a close watch on the US NFIB small business optimism index and the producer price index for further indication. Separately, South Africa's unemployment rate 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 fell 0.3% against the South African Rand to trade at R16.6515. Later today, traders will keep an eye on UK's consumer price index, retail price index and house price index 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 R14.0907. Going forward, market participants will keep a tab on Eurozone's industrial production along with gross domestic product and ZEW sentiment survey across the Eurozone for further cues.

The Euro weakened against the South African Rand yesterday. The European commission forecasted that the Eurozone's economy will expand at a faster-than-expected pace in 2017, although risk from the British negotiation to leave the European union might dampen the economic growth. Meanwhile, Germany's wholesale price index grew at a faster pace on a yearly basis in January, its highest rise since October 2011.

AUDZAR ▲

AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar gained 0.1% against the South African Rand to trade at R10.1925. Earlier in the session, data indicated that Australia's NAB business confidence index rose in January, more than previous reading and business condition index advanced higher than prior reading. Further, ANZ Roy Morgan weekly consumer confidence index dropped more than previous reading for the week ended February 12, 2017. Meanwhile, in China, Australia's largest trading partner consumer price index recorded a more-than-expected rise on a yearly basis in January, its highest rise since May 2014. Further, producer price index increased more than market anticipations on an annual basis in the same month, its strongest growth in 6 years.

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	13.2922	▼	-0.14%	-0.14%	-0.96%	-1.97%	-2.91%
GBPZAR	16.6515	▼	0.16%	0.16%	-1.46%	0.09%	-1.36%
EURZAR	14.0907	▼	-0.50%	-0.50%	-2.79%	0.66%	-2.15%
AUDZAR	10.1925	▲	-0.54%	-0.54%	-0.24%	3.03%	2.78%
EURUSD	1.0602	▲	-0.39%	-0.39%	-1.83%	2.68%	0.80%
GBPUSD	1.2532	▲	0.30%	0.30%	-0.41%	1.95%	1.54%
Brent (\$/barrel)	55.7	▲	-1.96%	-1.96%	0.02%	-2.18%	-2.16%
Gold (\$/oz)	1227.6	▲	-0.81%	-0.81%	1.31%	4.94%	6.31%
Platinum (\$/oz)	1000.5	▲	-1.13%	-1.13%	0.38%	10.53%	10.95%
Copper (\$/MT)*	6103.5	▲	0.35%	0.35%	1.82%	8.53%	10.51%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged higher 0.3% to trade at \$1,227.60/oz.

Yesterday, gold prices fell 0.8% to close at \$1,224.40/oz, as strength in the greenback decreased demand for the safe haven asset.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil advanced 0.3% to trade at \$55.74/bl.

Yesterday, Brent crude oil dropped 2.0% to settle at \$55.59/bl, after the Energy Information Administration released its monthly report which forecasted that crude oil inventories in the US climbed by 80,000 bls a day to 4.87mn bls per day.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices marginally edged higher to trade at \$1,000.50/oz.

Yesterday, platinum prices declined 1.1% to close at \$1000.30/oz.



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Major South Africa Corporate News

Impala Platinum Holdings Limited

In its trading statement for the six months ended December 31, 2016, the company reported that its headline EPS is expected to be a loss of between 65.00c and 79.00c compared with the half year ended December 31, 2015.

Sibanye Gold Limited

The company reported that it has successfully closed the syndication of the bridge facilities, underwritten by Citi and HSBC, to support its acquisition of Stillwater Mining Company. Citi and HSBC also acted as mandated lead arrangers and book runners in respect of the facilities.

New Europe Property Investments Plc

The company, referring to the joint announcement wherein the company and Rockcastle had agreed to merge their respective businesses in an entity newly-incorporated in the Isle of Man, NewCo. announced that circulars regarding the transaction, a prospectus for NewCo. and notices of general meetings will be distributed to the company and Rockcastle shareholders before April 30, 2017.

The Bidvest Group Limited

In its 1H17 trading statement, the company announced that its headline EPS from continuing operations is expected to be between 508.00c to 512.00c, compared with 489.00c for the prior comparative period.

Major Global Economic News

Asia

In China, the consumer price index recorded a rise of 2.5% on a yearly basis in January, compared to an advance of 2.1% in the prior month. Market anticipation was for the consumer price index to rise 2.4%.

In January, the producer price index advanced 6.9% on an annual basis in China, higher than market expectations for an advance of 6.5%. In the prior month, the producer price index had climbed 5.5%.

In Australia, the NAB business confidence index climbed to 10.00 in January, compared to a reading of 6.00 in the previous month.

In January, the business conditions index registered a rise to 16.00 in Australia. In the prior month, the business conditions index had registered a revised level of 10.00.

In Australia, the ANZ-Roy Morgan weekly consumer confidence index fell 0.9% to 116.4 for the week ended February 12, 2017, compared to a reading of 117.5 in the previous week.

In Japan, industrial production rose 0.7% on a monthly basis in December, compared to a rise of 0.5% in the previous month.

Eurozone

In January, the wholesale price index advanced 4.00% on a yearly basis in Germany. In the previous month, the wholesale price index had risen 2.8%.

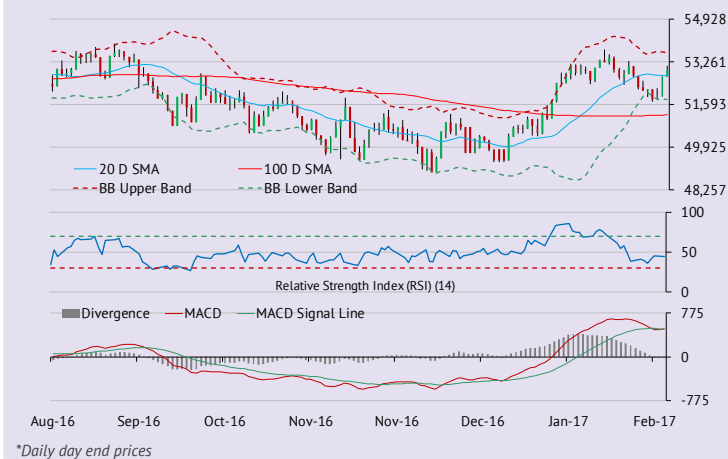
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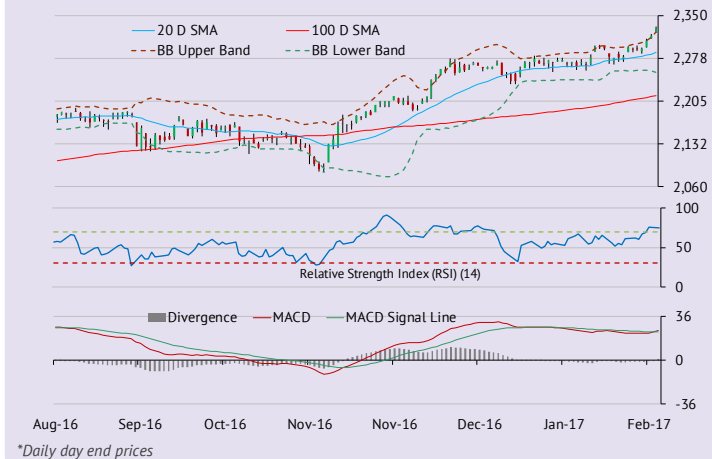
Technical Snapshot

JSE All Share



The JSE All Share index is expected to find support at 52,068.68, and a fall through could take it to the next support level of 51,180.66. The index is expected to find its first resistance at 53,482.07, and a rise through could take it to the next resistance level of 54,007.44.

S&P 500



The S&P 500 index is expected to find support at 2,298.56, and a fall through could take it to the next support level of 2,268.87. The index is expected to find its first resistance at 2,344.76, and a rise through could take it to the next resistance level of 2,361.27.

USDZAR



The pair is expected to find support at 13.2228, and a fall through could take it to the next support level of 13.1140. The pair is expected to find its first resistance at 13.4828, and a rise through could take it to the next resistance level of 13.6340.

XAU/USD



Gold is expected to find support at \$1,214.30/oz, and a fall through could take it to the next support level of \$1,204.20/oz. The precious metal is expected to find its first resistance at \$1,239.20/oz, and a rise through could take it to the next resistance level of \$1,254.00/oz.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
China	03:30	Consumer Price Index (YoY) (Jan)	✓✓✓	2.50%*	2.10%	Monthly
China	03:30	Producer Price Index (YoY) (Jan)	✓✓✓	6.90%*	5.50%	Monthly
Japan	06:30	Capacity Utilisation (MoM) (Dec)	✓	0.60%*	3.00%	Monthly
Japan	06:30	Industrial Production (MoM) (Dec) (F)	✓	0.70%*	0.50%**	Monthly
Japan	06:30	Industrial Production (YoY) (Dec) (F)	✓✓	3.20%*	3.00%**	Monthly
Germany	09:00	Gross Domestic Product s.a. (QoQ) (Q4) (P)	✓✓✓	0.50%	0.20%	Quarterly
Germany	09:00	Consumer Price Index (MoM) (Jan) (F)	✓✓	-0.60%	-0.60%**	Monthly
Germany	09:00	Consumer Price Index (YoY) (Jan) (F)	✓✓	1.90%	1.90%**	Monthly
UK	11:30	Consumer Price Index (MoM) (Jan)	✓✓	-0.50%	0.50%	Monthly
UK	11:30	Consumer Price Index Core (YoY) (Jan)	✓✓✓	1.70%	1.60%	Monthly
UK	11:30	Retail Price Index (MoM) (Jan)	✓	-0.40%	0.60%	Monthly
UK	11:30	Retail Price Index (YoY) (Jan)	✓	2.80%	2.50%	Monthly
UK	11:30	Consumer Price Index (YoY) (Jan)	✓✓✓	1.70%	1.60%	Monthly
South Africa	11:30	Unemployment Rate (Q4)	✓✓✓	27.00%	27.10%	Quarterly
Eurozone	12:00	Gross Domestic Product s.a. (QoQ) (Q4) (S)	✓✓	0.50%	0.50%**	Quarterly
Eurozone	12:00	Gross Domestic Product s.a. (YoY) (Q4) (S)	✓✓	1.80%	1.80%**	Quarterly
Eurozone	12:00	Industrial Production s.a. (MoM) (Dec)	✓	-1.50%	1.50%	Monthly
Eurozone	12:00	ZEW Survey - Economic Sentiment (Feb)	✓✓	-	23.20	Monthly
Germany	12:00	ZEW Survey - Current Situation (Feb)	✓✓	77.00	77.30	Monthly
Germany	12:00	ZEW Survey - Economic Sentiment (Feb)	✓✓✓	15.00	16.60	Monthly
US	13:00	NFIB Small Business Optimism (Jan)	✓	104.90	105.80	Monthly
US	15:30	Producer Price Index (MoM) (Jan)	✓	0.30%	0.30%	Monthly
US	15:30	Producer Price Index (YoY) (Jan)	✓✓	1.50%	1.60%	Monthly
US	15:50	Fed's Lacker to Speak at University of Delaware	✓	-	-	As scheduled
US	17:00	Fed's Yellen Appears Before Senate Banking Panel	✓✓	-	-	As scheduled
US	20:00	Dallas Fed's Kaplan Speaks in Houston	✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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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

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