

ONE Minute Brief

17 February 2017

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Economic and Political News

President, Jacob Zuma, stated that to protect the nation's economy, the government will take action against market abuse, price fixing and collusion in the private sector, referring to the statement given by the Competition Commission to prosecute 17 major banks. Moreover, the President indicated that the government will take all necessary measures to address the land reform issues and will be done within the constraints of the law. Moreover, he indicated that socio-economic transformation will help the economy to grow in an inclusive manner.

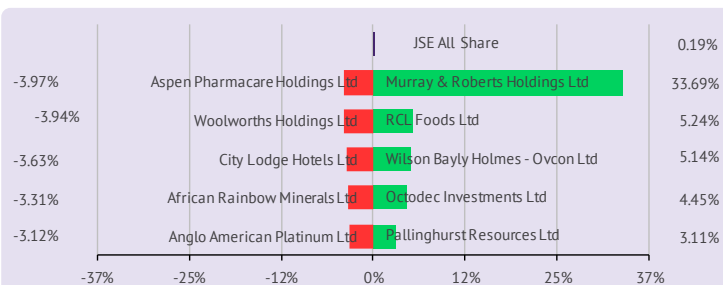
Cabinet stated that for the development and establishment of an electronic registration system it has approved the draft of Electronic Deeds Registration Systems Bill for public comment so that large volume of deeds of the government's land reform programme can be handled. Further, this system aims at improving turnaround time for the registration of deeds.

Democratic Alliance Chief Whip, John Steenhuisen, stated that the party opposes the appointment of former African National Congress Parliamentary Caucus Spin Doctor, Moloto Mothapo, as the spokesperson of the Parliament.

South Africa Market ▲

South African markets closed higher

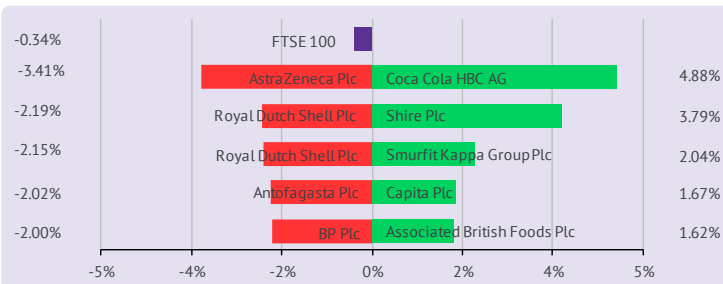
South African markets closed in the green yesterday, amid gains in industrial and retail sector stocks. The JSE All Share Index rose 0.2% to close at 52,586.37.



UK Market ▼

The FTSE 100 futures are trading in negative territory

UK markets finished lower yesterday, led by losses in energy and material sector stocks. The FTSE 100 Index declined 0.3% to close at 7,277.92.



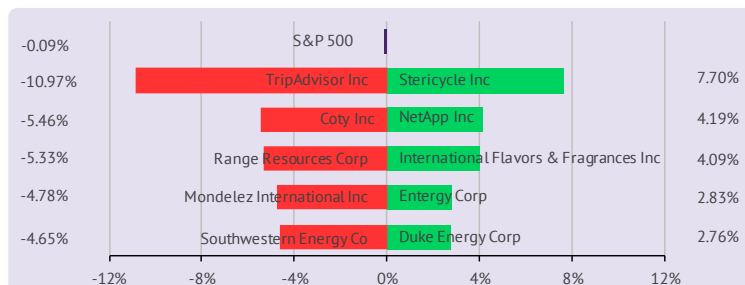
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	52586.37	▲	101.21	0.19%	-0.19%	-0.38%	4.21%
JSE Top 40	45485.46	▲	74.75	0.16%	-0.59%	-0.97%	4.62%
FTSE 100	7277.92	▼	-24.49	-0.34%	0.26%	2.52%	-0.61%
DAX 30	11757.24	▼	-36.69	-0.31%	0.77%	1.92%	0.47%
CAC 40	4899.46	▼	-25.40	-0.52%	1.47%	3.17%	-2.33%
S&P 500	2347.22	▼	-2.03	-0.09%	1.34%	3.00%	1.79%
Nasdaq Composite	5814.90	▼	-4.54	-0.08%	1.41%	3.56%	4.30%
DJIA	20619.77	▲	7.91	0.04%	1.73%	3.80%	0.51%
							4.34%

US Market ▼

The S&P 500 futures are trading in the red

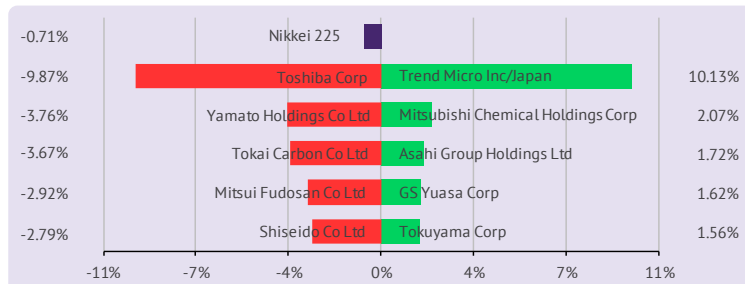
US markets closed lower yesterday, weighed down by losses in energy sector stocks. Data indicated that US initial jobless claims advanced less than-expected for the week ended February 11, 2017. The S&P 500 Index dropped 0.1% to close at 2,347.22.



Asian Market ▼

Trading lower

Asian markets are trading lower this morning, tracking losses on the Wall street. The Nikkei 225 Index is trading 0.7% lower at 19,209.33.



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 0.2% weaker against the South African Rand at R13.0000. Later today, traders will keep a close watch on US leading indicator for further cues.

The US Dollar rose against the South African Rand yesterday. Data revealed that the number of Americans applying for fresh unemployment benefits rose less than market anticipations for the week ended February 11, 2017. Moreover, US housing starts unexpectedly dropped on a monthly basis in January. Meanwhile, building permits advanced more-than-expected on a monthly basis in the same month.

GBPZAR ▼

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound dropped 0.1% against the South African Rand to trade at R16.2503. Later today, traders will keep an eye on UK's retail sales 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 is trading 0.2% weaker against the South African Rand at R13.8802. Going forward, market participants will keep a tab on Eurozone's current account balance and construction output data, scheduled in few hours.

The Euro strengthened against the South African Rand yesterday. The European Central Bank's (ECB) January meeting minutes showed that policymakers widely agreed to look through the energy-driven recent upturns in headline inflation and sought patience as they judged that the Euro area economy required a substantial amount of monetary stimulus to bring price growth to target. They also added that this will help offset potential political risks in the Eurozone and around the world.

AUDZAR ▼

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar dropped 0.1% against the South African Rand to trade at R10.0061.

The Australian Dollar rose against the South African Rand yesterday. Data revealed that Australia's unemployment rate unexpectedly dropped in January. Further, consumer inflation expectation advanced in February, less than previous reading.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.0000	▼	1.00%	-2.40%	-3.20%	-1.97%	-5.11%
GBPZAR	16.2503	▼	1.13%	-2.41%	-3.99%	0.09%	-3.90%
EURZAR	13.8802	▼	1.63%	-2.06%	-4.32%	0.66%	-3.69%
AUDZAR	10.0061	▼	0.76%	-2.13%	-1.83%	3.03%	1.14%
EURUSD	1.0674	▲	0.70%	0.32%	-1.14%	2.68%	1.51%
GBPUSD	1.2501	▲	0.23%	-0.02%	-0.72%	1.95%	1.22%
Brent (\$/barrel)	55.8	▲	-0.18%	-1.85%	0.13%	-2.18%	-2.06%
Gold (\$/oz)	1239.5	▼	0.67%	0.45%	2.60%	4.94%	7.67%
Platinum (\$/oz)	1015.7	▼	0.57%	0.40%	1.93%	10.53%	12.66%
Copper (\$/MT)*	5983.0	▼	-1.07%	-1.64%	-0.19%	8.53%	8.33%

*As of Previous Close

Gold ▼

Trading in the red

At 06:00 SAST, gold prices marginally dropped to trade at \$1,239.50/oz.

Yesterday, gold prices rose 0.7% to close at \$1,240.00/oz, as weakness in the US Dollar increased demand for the safe have asset, notching its highest level in 3 months.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged 0.2% higher to trade at \$55.75/bl. Meanwhile, traders will keep an eye on Baker Hughes US crude oil rig count data to be released later in the day.

Yesterday, Brent crude oil dropped 0.2% to settle at \$55.65/bl, extending its previous session losses.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged marginally lower to trade at \$1,015.70/oz.

Yesterday, platinum prices climbed 0.6% to close at \$1015.70/oz.



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Major South Africa Corporate News

City Lodge Hotels Limited

In its 1H17 results, the company revealed that its revenue advanced 5.0% from the same period of the preceding year to ZAR753.44mn. Its diluted headline EPS stood at 455.80c, compared with 451.40c recorded in the corresponding period of the previous year. Its profit before tax rose to ZAR243.55mn from ZAR235.10mn posted last year.

Mpact Limited

In its trading statement for FY16, the company reported that it expects EPS, headline EPS and underlying EPS to be within the range of 225.00c and 255.00c. This corresponds to a decline of between 30.0% and 39.0% when compared with reported EPS and underlying EPS of 366.90c, and headline EPS of 365.80c for the year ended December 31, 2015. Separately, it expects to release its results for FY16 on or about March 2, 2017.

Gold Fields Limited

In its FY16 results, the company reported that its revenue increased to \$2.75bn from \$2.54bn recorded in the previous year, mainly due to the higher gold prices. Its diluted headline earnings stood at a profit of 26.00c/share from a loss of 4.00c/share posted in the preceding year. It produced 2.15mn oz gold compared with 2.16mn oz in the last year. Separately, the company announced a production and cost target plan for its South Deep mine, stating that the mine would generate 500,000oz of gold a year at a cost of \$900/oz.

Truworths International Limited

In its 1H17 results, the company reported that its revenue advanced 21.0% from the same period of the preceding year to ZAR10.92bn. Its diluted headline EPS stood at 391.90c, compared with 403.80c recorded in the corresponding period of the previous year. Its profit before tax declined marginally from the similar prior year period to ZAR2.35bn.

Major Global Economic News

US

In the US, the seasonally adjusted initial jobless claims recorded a rise to 239.00K in the week ended February 11, 2017, lower than market expectations of a rise to a level of 245.00K. In the prior week, initial jobless claims had registered a reading of 234.00K.

In January, housing starts fell 2.6% on monthly basis in the US, to an annual rate of 1246.00K, higher than market expectations of 1226.00K. Housing starts had registered a level of 1279.00K in the previous month.

In the US, building permits recorded a rise of 4.6% on monthly basis in January, compared to a revised reading of 1228.00K in the prior month, to an annual rate of 1285.00K. Markets were expecting building permits to rise to a level of 1230.00K.

Eurozone












The ECB's January meeting minutes showed that policymakers widely agreed to look through the energy-driven recent upturns in headline inflation and sought patience as they judged that the Euro area economy required a substantial amount of monetary stimulus to bring price growth to target. They also added that this will help offset potential political risks in the Eurozone and around the world.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus	Previous	Frequency
 Eurozone	11:00	Current Account s.a (Dec)	✓	-	EUR36.10bn	Monthly
 Eurozone	11:00	Current Account n.s.a. (Dec)	✓	-	EUR40.50bn	Monthly
 UK	11:30	Retail Price Index Ex Food (Jan)	✓	-	276.40	Monthly
 Italy	11:30	Current Account (Dec)	✓	-	EUR4.64bn	Monthly
 UK	11:30	Retail Sales (MoM) (Jan)	✓	1.00%	-1.90%	Monthly
 UK	11:30	Retail Sales (YoY) (Jan)	✓✓	3.40%	4.30%	Monthly
 UK	11:30	Retail Sales ex-Fuel (MoM) (Jan)	✓✓✓	0.70%	-2.00%	Monthly
 UK	11:30	Retail Sales ex-Fuel (YoY) (Jan)	✓✓	3.90%	4.90%	Monthly
 Eurozone	12:00	Construction Output s.a. (MoM) (Dec)	✓	-	0.40%	Monthly
 Eurozone	12:00	Construction Output w.d.a. (YoY) (Dec)	✓	-	0.00%	Monthly
 Canada	15:30	Canadian Portfolio Investment in Foreign Securities (Dec)	✓	-	-CAD7.87bn	Monthly
 Canada	15:30	Foreign Portfolio Investment in Canadian Securities (Dec)	✓	-	CAD7.24bn	Monthly
 US	17:00	Leading Indicator (MoM) (Jan)	✓✓	0.50%	0.50%	Monthly
 Eurozone	-	G20 Finance Ministers Meeting	✓✓✓	-	-	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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