

ONE Minute Brief

21 February 2017

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Economic and Political News

Citibank is the first bank in the forex trading cartel to reach a settlement of ZAR69.5mn with the Competition Commission. Further, the bank stated that it aims to improve its internal systems and monitoring processes after this settlement.

Statistics South Africa revealed that in 2016 more than 10-million international tourists visited South Africa, 13% more than in 2015.

Judge Dennis Davis stated that blaming Treasury for problems faced by South Africa and removing Finance Minister, Pravin Gordhan, from his post will not solve the problems of the nation. He further added that the country should address the issue of consumption expenditure exceeding capital expenditure.

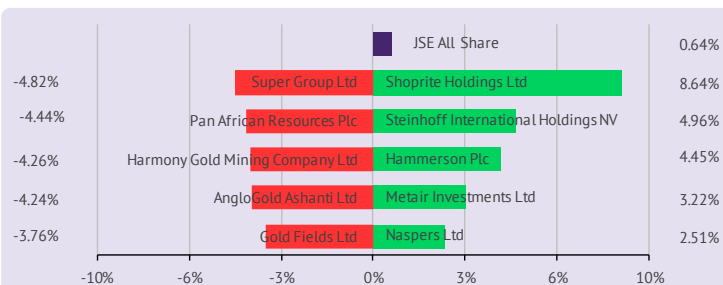
Former African National Congress (ANC) Treasurer, Mathews Phosa, indicated that to get near 50% votes in 2019 elections, the ANC will have to perform a miracle. Further, he stated that its time for President, Jacob Zuma, to resign.

South African Finance Minister, Pravin Gordhan, stated that it is a difficult political year for the ruling ANC with economy growing at a slower pace.

South Africa Market ▲

South African markets closed higher

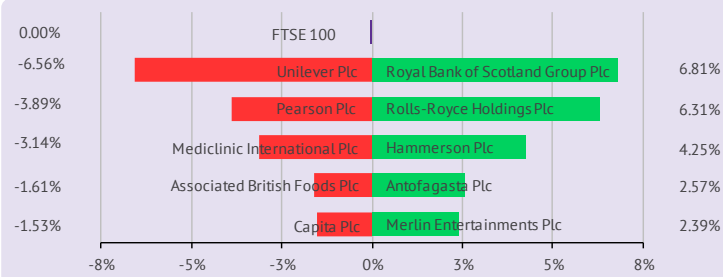
South African markets closed in the green yesterday, amid gains in retail and industrial sector stocks. The JSE All Share Index rose 0.6% to close at 52,558.61.



UK Market ▼

The FTSE 100 futures are trading in positive territory

UK markets finished marginally lower yesterday, led by losses in consumer discretionary sector stocks. Data revealed that UK's CBI trends total orders surprisingly advanced in February, notching its highest level in 2 years. The FTSE 100 Index marginally declined to close at 7,299.86.



Key Indices

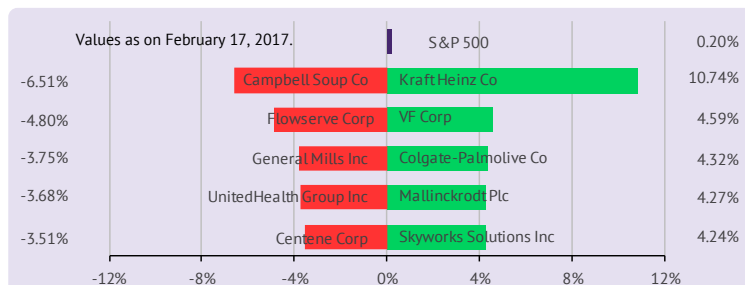
	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	52558.61	▲ 335.07	0.64%	0.64%	-0.43%	4.21%	3.76%
JSE Top 40	45506.20	▲ 431.57	0.96%	0.96%	-0.92%	4.62%	3.65%
FTSE 100	7299.86	▼ -0.10	0.00%	0.00%	2.83%	-0.61%	2.20%
DAX 30	11827.62	▲ 70.60	0.60%	0.60%	2.53%	0.47%	3.02%
CAC 40	4864.99	▼ -2.59	-0.05%	-0.05%	2.44%	-2.33%	0.06%
S&P 500*	2351.16	▲ 3.94	0.17%	0.00%	3.17%	1.79%	5.02%
Nasdaq* Composite	5838.58	▲ 23.68	0.41%	0.00%	3.99%	4.30%	8.46%
DJIA*	20624.05	▲ 4.28	0.02%	0.00%	3.83%	0.51%	4.36%

*Values as on February 17, 2017.

US Market ▲

The S&P 500 futures are trading in the green

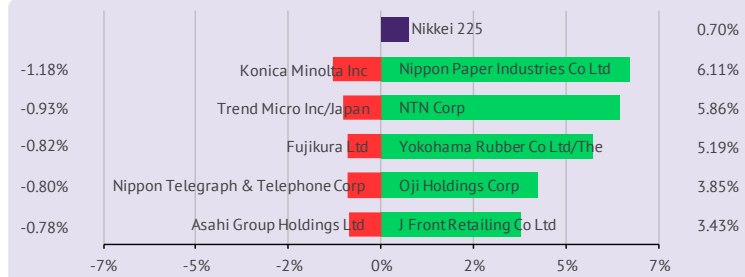
US markets closed higher on Friday, supported by gains in telecommunication sector stocks. The S&P 500 Index climbed 0.2% to close at 2,351.16.



Asian Market ▲

Trading higher

Asian markets are trading higher this morning. Data indicated that Japan's Nikkei manufacturing PMI expanded at a faster pace in February, more than prior reading, to its strongest level in 3 years. The Nikkei 225 Index is trading 0.7% higher at 19,385.65



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USDZAR ▲

USD trading higher against ZAR

At 06:00 SAST, the US Dollar is trading 0.4% firmer against the South African Rand at R13.0904. Later today, traders' will keep a close watch on the US Markit manufacturing and services PMI for further indications. Separately, South Africa's leading indicator will be on investors' radar.

The US Dollar fell against the South African Rand yesterday.

GBPZAR ▲

GBP trading stronger against ZAR

At 06:00 SAST, the British Pound is trading 0.2% firmer against the South African Rand at R16.2790. Later today, traders' will keep an eye on UK's public sector net borrowings scheduled in few hours.

The British Pound advanced against the South African Rand yesterday. Data indicated that UK's CBI trends total orders unexpectedly rose to its strongest level in 2 years in February.

EURZAR ▲

EUR trading firmer against ZAR

At 06:00 SAST, the Euro is trading 0.1% higher against the South African Rand at R13.8505. Going forward, market participants will keep a tab on the Markit manufacturing and services PMI across the Eurozone for further cues.

The Euro weakened against the South African Rand yesterday. Data revealed that Eurozone's consumer confidence index recorded a more-than-expected drop in February, for the first time since August. Meanwhile, Germany's producer price index advanced more than market anticipations on an annual basis in January, reaching its highest level in 5 years.

AUDZAR ▲

AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar rose 0.2% against the South African Rand to trade at R10.0430. Earlier in the session, minutes of the Reserve Bank of Australia's (RBA) February monetary policy meeting showed that the central bank remains optimistic on the outlook for the Australian economy and that current interest rate settings are consistent with its desire for faster economic growth and higher inflation. Data showed that Australia's ANZ Roy Morgan Weekly consumer confidence index dropped more than previous reading for the week ended February 19, 2017.

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	13.0904	▲	-0.19%	-0.19%	-3.15%	-1.97%	-5.06%
GBPZAR	16.2790	▲	0.08%	0.08%	-4.11%	0.09%	-4.03%
EURZAR	13.8505	▲	-0.31%	-0.31%	-4.82%	0.66%	-4.19%
AUDZAR	10.0430	▲	0.04%	0.04%	-1.84%	3.03%	1.13%
EURUSD	1.0578	▼	-0.02%	-0.02%	-1.72%	2.68%	0.91%
GBPUSD	1.2438	▼	0.39%	0.39%	-0.93%	1.95%	1.01%
Brent (\$/barrel)	56.2	▼	0.66%	0.66%	1.08%	-2.18%	-1.13%
Gold (\$/oz)**	1233.9	▼	-0.20%	NA	2.40%	4.94%	7.46%
Platinum (\$/oz)**	1003.0	▼	-1.00%	NA	0.95%	10.53%	11.58%
Copper (\$/MT)*	6058.3	▲	1.90%	1.90%	1.07%	8.53%	9.69%

*As of Previous Close **values as on February 17, 2017.

Gold ▼

Trading in the red

At 06:00 SAST, gold prices edged 0.3% lower to trade at \$1,233.90/oz.

On Friday, gold prices fell 0.2% to close at \$1,237.60/oz, as strength in the US Dollar increased demand for the safe haven asset.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 0% lower to trade at \$56.17/bl.

Yesterday, Brent crude oil advanced 0.7% to settle at \$56.18/bl, after data showed that Saudi Arabian oil exports declined in December.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged 0.3% lower to trade at \$1,003.00/oz.

On Friday, platinum prices declined 1.0% to close at \$1006.00/oz.



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Major South Africa Corporate News

Aveng Limited

In its results for the six months ended December 31, 2016, the company indicated that its revenue fell to ZAR14.30bn from ZAR18.00bn recorded in the corresponding period of the previous year. Its diluted headline EPS increased significantly from the same period of the preceding year to 97.20c.

Discovery Limited

In its trading statement for the six months ended December 31, 2016, the company reported that its headline EPS is expected to increase in the range of 10.0% to 15.0%, to between 308.70c and 322.70c over the prior comparable period.

Clientele Limited

In its 1H17 results, the company reported that its net insurance premiums advanced 7.0% from the same period of the preceding year to ZAR924.74mn. Its diluted headline EPS stood at 66.45c, compared with 60.50c recorded in the corresponding period of the previous year. Its profit before tax rose to ZAR308.56mn from ZAR280.24mn posted in the similar period of last year.

Major Global Economic News

Asia

In Australia, the ANZ Roy Morgan Weekly consumer confidence index registered a drop to 113.7 for the week ended February 19, 2017, compared to a level of 116.4 in the prior week.

Minutes of the Reserve Bank of Australia's (RBA) February monetary policy meeting showed that the central bank remains optimistic on the outlook for the Australian economy and that current interest rate settings are consistent with its desire for faster economic growth and higher inflation. It further added that the nation's third quarter contraction reflected some temporary factors, including disruptions to coal supply and bad weather. The RBA predicts that rising resource exports in a more positive global environment will spur growth in Australia as the drag from falling mining investment wanes.

In Japan, the preliminary manufacturing PMI rose to a level of 53.50 in February. In the prior month, manufacturing PMI had registered a reading of 52.70.

Eurozone

In the Eurozone, the flash consumer confidence index dropped to -6.20 in February, higher than market expectations of a fall to -4.80. The consumer confidence index had recorded a level of -4.70 in the previous month.

In January, the producer price index advanced 2.4% on an annual basis in Germany, more than market expectations for a rise of 2.0%. In the prior month, the producer price index had recorded a rise of 1.0%.

UK

In February, the balance of firms reporting total order book above normal registered an unexpected rise to a level of 8.00 in the UK, compared to market expectations of a fall to 4.00. The balance of firms reporting total order book above normal had registered a reading of 5.00 in the previous month.

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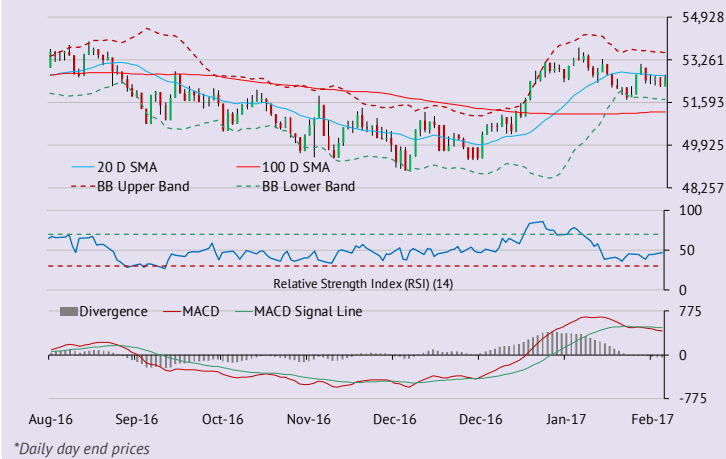
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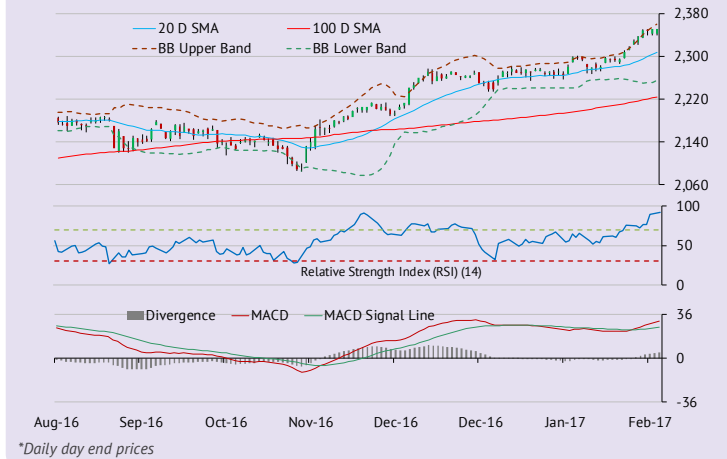
Technical Snapshot

JSE All Share



The JSE All Share index is expected to find support at 52,195.30, and a fall through could take it to the next support level of 51,831.98. The index is expected to find its first resistance at 52,939.32, and a rise through could take it to the next resistance level of 53,320.02.

S&P 500



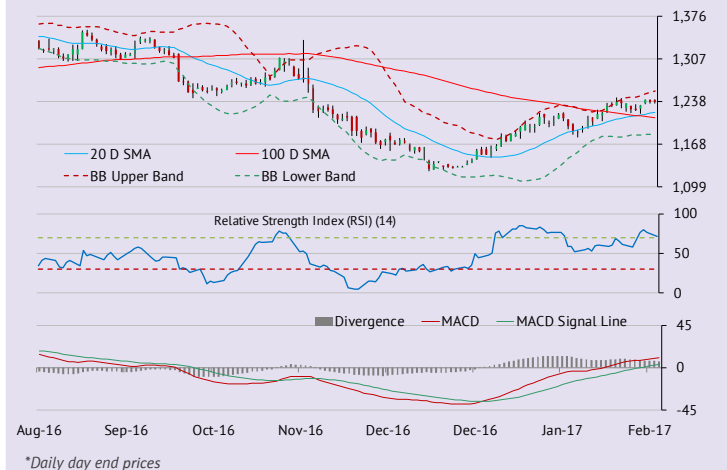
The S&P 500 index is expected to find support at 2,331.78, and a fall through could take it to the next support level of 2,312.41. The index is expected to find its first resistance at 2,360.92, and a rise through could take it to the next resistance level of 2,370.69.

USDZAR



The pair is expected to find support at 12.8372, and a fall through could take it to the next support level of 12.6386. The pair is expected to find its first resistance at 13.2872, and a rise through could take it to the next resistance level of 13.5386.

XAU/USD



Gold is expected to find support at \$1,222.87/oz, and a fall through could take it to the next support level of \$1,208.13/oz. The precious metal is expected to find its first resistance at \$1,246.77/oz, and a rise through could take it to the next resistance level of \$1,255.93/oz.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	02:30	Nomura/ JMMA Manufacturing PMI (Feb) (P)	✓✓✓	53.50*	52.70	Monthly
Japan	06:30	All Industry Activity Index (MoM) (Dec)	✓✓	-0.30%*	0.30%	Monthly
Japan	07:00	Supermarket Sales (YoY) (Jan)	✓	-	-2.00%	Monthly
Japan	08:00	Nationwide Department Store Sales (YoY) (Jan)	✓	-	-1.70%	Monthly
Japan	08:00	Tokyo Department Store Sales (YoY) (Jan)	✓	-	-1.00%	Monthly
South Africa	09:00	Leading Indicator (Dec)	✓	-	95.60	Monthly
Germany	10:30	Markit Manufacturing PMI (Feb) (P)	✓✓✓	56.00	56.40	Monthly
Germany	10:30	Markit Services PMI (Feb) (P)	✓✓	53.60	53.40	Monthly
Eurozone	11:00	Markit Manufacturing PMI (Feb) (P)	✓✓✓	55.00	55.20	Monthly
Eurozone	11:00	Markit Composite PMI (Feb) (P)	✓✓	54.30	54.40	Monthly
Eurozone	11:00	Markit Services PMI (Feb) (P)	✓✓	53.70	53.70	Monthly
UK	11:30	PSCNR Net Debt % GDP (Jan)	✓✓	-	102.40%	Monthly
UK	11:30	Public Sector Net Cash Requirement (Jan)	✓✓	-	GBP36.29bn	Monthly
UK	11:30	PSNB ex Interventions (Jan)	✓	-GBP14.00bn	GBP6.90bn	Monthly
UK	11:30	Public Sector Net Borrowing (Jan)	✓✓	-GBP14.50bn	GBP6.40bn	Monthly
US	16:45	Markit Composite PMI (Feb) (P)	✓✓	-	55.80	Monthly
US	16:45	Markit Manufacturing PMI (Feb) (P)	✓✓✓	55.30	55.00	Monthly
US	16:45	Markit Services PMI (Feb) (P)	✓✓	55.80	55.60	Monthly
US	19:00	Fed's Harker to Speak on Economic Outlook	✓	-	-	As scheduled
US	22:30	Fed's Williams Speaks to Students in Boise, Idaho	✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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