

ONE Minute Brief

24 February 2017

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Economic and Political News

In South Africa, the producer price index registered a less-than-expected rise of 5.9% YoY in January, compared to a rise of 7.1% in December.

National Assembly speaker, Baleka Mbete, stated that that former Eskom Chief Executive Officer (CEO), Brian Molefe, is now an African National Congress (ANC) Member of Parliament.

Finance Minister, Pravin Gordhan, stated that to maintain investment-grade credit rating, South Africa must follow its budgetary promises and should be reliable with policies.

Barclays Africa Group CEO, Maria Ramos, apologised for its role in fixing the price of Rand and indicated that the bank will continue to cooperate with the Competition Commission and Tribunal for their investigation into alleged collusion of Rand-fixing.

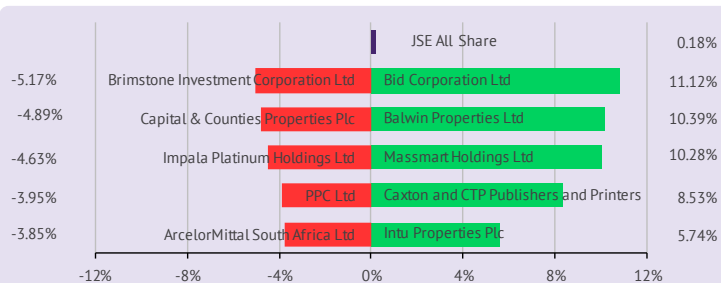
The Eskom has received an approval from the National Energy Regulator of South Africa to hike electricity prices by 2.2% effective from the beginning of April.

Moody's indicated that though the South African government has decided to achieve fiscal consolidation targets consistent with the 2016 mid-year budget but still their actual drawdowns are increasing and government's fiscal position remains a concern.

South Africa Market ▲

South African markets closed higher

South African markets closed in the green yesterday, led by gains in retail sector stocks. Data indicated that South Africa's producer price inflation advanced less than market forecast on a yearly basis in January. The JSE All Share Index rose 0.2% to close at 52,183.10.



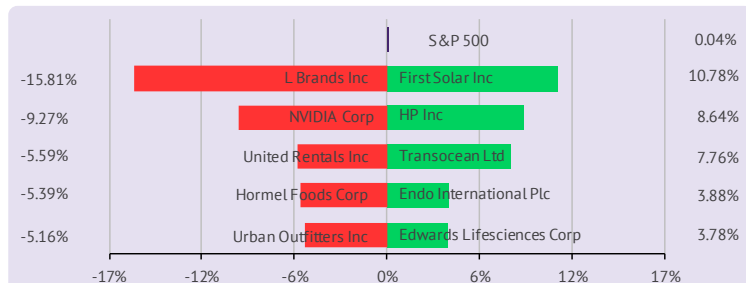
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	52183.10	▲	94.54	0.18%	-0.08%	-1.15%	4.21%	3.02%
JSE Top 40	45105.98	▲	32.37	0.07%	0.07%	-1.79%	4.62%	2.74%
FTSE 100	7271.37	▼	-30.88	-0.42%	-0.39%	2.43%	-0.61%	1.80%
DAX 30	11947.83	▼	-50.76	-0.42%	1.62%	3.58%	0.47%	4.07%
CAC 40	4891.29	▼	-4.59	-0.09%	0.49%	3.00%	-2.33%	0.60%
S&P 500	2363.81	▲	0.99	0.04%	0.54%	3.73%	1.79%	5.58%
Nasdaq Composite	5835.51	▼	-25.12	-0.43%	-0.05%	3.93%	4.30%	8.40%
DJIA	20810.32	▲	34.72	0.17%	0.90%	4.76%	0.51%	5.30%

US Market ▲

The S&P 500 futures are trading in the red

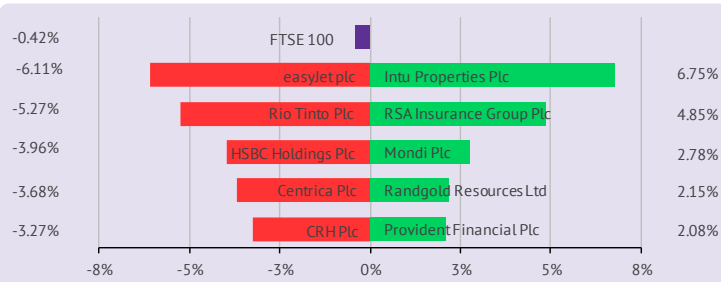
US markets closed higher yesterday, supported by gains in utilities sector stocks. Data showed that US initial jobless claims recorded a stronger-than-expected rise for the week ended February 18, 2017. The S&P 500 Index marginally climbed to close at 2,363.81.



UK Market ▼

The FTSE 100 futures are trading in negative territory

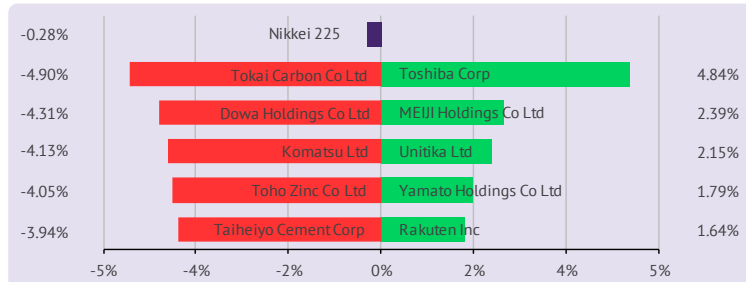
UK markets finished lower yesterday, amid losses in material sector stocks. Data revealed that the UK's CBI distributive trade survey's retail sales rebounded more-than-expected in February. The FTSE 100 Index declined 0.4% to close at 7,271.37.



Asian Market ▼

Trading lower

Asian markets are trading lower this morning. The Nikkei 225 Index is trading 0.3% lower at 19,316.73.



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USDZAR ▲

USD trading higher against ZAR

At 06:00 SAST, the US Dollar is trading 0.1% firmer against the South African Rand at R12.8700. Later today, traders' will keep a close watch on US new home sales and the Reuters/Michigan consumer sentiment index for further cues.

The US Dollar fell against the South African Rand yesterday. Data revealed that the number of Americans applying for fresh unemployment benefits increased more than market expectations for the week ended February 18, 2017. Further, house price index advanced less than market anticipations on a monthly basis in December. Separately, South Africa's producer price index recorded a less-than-expected rise on an annual basis in January.

GBPZAR ▼

GBP trading lower against ZAR

At 06:00 SAST, the British Pound marginally declined against the South African Rand to trade at R16.1470. Later today, traders' will keep an eye on UK's BBA mortgage approvals scheduled in a few hours.

The British Pound advanced against the South African Rand yesterday. Data indicated that the UK's CBI distributive trade survey's retail sales bounced back into positive territory, more than market expectations in February.

EURZAR ▲

EUR trading stronger against ZAR

At 06:00 SAST, the Euro is trading 0.1% higher against the South African Rand at R13.6162.

The Euro weakened against the South African Rand yesterday. Meanwhile, data showed that Germany's final gross domestic product recorded a rise in line with market expectations on a quarterly basis in 4Q16. Further, GfK consumer confidence survey dropped more-than-expected in March, its weakest level in 4 months. Moreover, exports rebounded more-than-expected and imports increased more than market forecast in 4Q16.

AUDZAR ▲

AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% higher against the South African Rand at R9.9253.

The Australian Dollar fell against the South African Rand yesterday. Data indicated that Australia's private capital expenditure dropped more than market anticipations in 4Q16.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	12.8700	▲	-0.82%	-1.53%	-4.46%	-1.97%	-6.34%
GBPZAR	16.1470	▼	0.07%	-0.50%	-4.67%	0.09%	-4.59%
EURZAR	13.6162	▲	-0.64%	-1.95%	-6.38%	0.66%	-5.76%
AUDZAR	9.9253	▲	-0.67%	-0.97%	-2.82%	3.03%	0.12%
EURUSD	1.0579	▲	0.23%	-0.30%	-2.00%	2.68%	0.63%
GBPUSD	1.2548	▼	0.83%	1.13%	-0.20%	1.95%	1.75%
Brent (\$/barrel)	56.5	▼	1.33%	1.38%	1.80%	-2.18%	-0.42%
Gold (\$/oz)	1251.2	▲	1.48%	1.02%	3.44%	4.94%	8.55%
Platinum (\$/oz)	1014.1	▲	0.92%	0.59%	1.55%	10.53%	12.23%
Copper (\$/MT)*	5844.8	▼	-3.00%	-1.69%	-2.49%	8.53%	5.83%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.1% higher to trade at \$1,251.20/oz.

Yesterday, gold prices rose 1.5% to close at \$1,250.20/oz, as weakness in the greenback increased demand for the safe haven asset.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 0.1% lower to trade at \$56.54/bL.

Yesterday, Brent crude oil advanced 1.3% to settle at \$56.58/bL, despite the US Energy Department reporting that crude oil inventories rose by 564,000 barrels for the week ended February 17, 2017.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged 0.2% higher to trade at \$1,014.10/oz.

Yesterday, platinum prices climbed 0.9% to close at \$1011.90/oz.



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Major South Africa Corporate News

Barclays Africa Group Limited

In its FY16 results, the company indicated that its net interest income rose to ZAR42.00bn from ZAR38.41bn recorded in the previous year. Its diluted headline EPS increased 4.9% from the preceding year to 1,769.40c. Its profit before tax rose to ZAR21.68bn from ZAR21.30bn posted last year.

Discovery Limited

In its results for the six months ended December 31, 2016, the company reported that its insurance premium revenue advanced 3.8% from the same period of the preceding year to ZAR16.65bn. Its diluted headline EPS stood at 313.70c, compared with 276.70c recorded in the corresponding period of the previous year. Its profit before tax rose to ZAR3.02bn from ZAR2.62bn posted in the same period of the last year.

Impala Platinum Holdings Limited

In its results for the six months ended December 31, 2016, the company revealed that its revenue advanced 8.2% from the same period of the preceding year to ZAR18.19bn. Its diluted earnings from continuing operations stood at 65.00c/share, compared with a profit of 25.00c/share recorded in the corresponding period of the previous year. Its loss before tax declined to ZAR411.00mn from ZAR552.00mn posted in the same period of last year.

Mondi Limited

In its FY16 results, the company reported that its revenue declined 2.0% from the preceding year to EUR6.66bn. Its diluted headline EPS stood at 135.80c, compared with 123.10c recorded in the previous year. Its profit before tax rose to EUR843.00mn from EUR796.00mn posted last year.

Sibanye Gold Limited

In its results for the year ended December 31, 2016, the company stated that its revenue increased to \$2.13bn from \$1.78bn recorded in the previous year. Its diluted headline EPS rose significantly from the preceding year to 18.00c. Its profit before tax advanced to \$307.60mn from \$71.80mn posted last year.

Spur Corporation Limited

In its 1H17 results, the company reported that its revenue advanced 7.7% from the same period of the preceding year to ZAR347.62mn. Its diluted EPS from continuing operations stood at 114.19c, compared with 94.40c recorded in the corresponding period of the previous year. Its profit before tax rose by 19.7% from the similar period of last year to ZAR159.02mn.

Major Global Economic News

Eurozone

In Germany, the seasonally adjusted final gross domestic product (GDP) advanced 0.4% on a quarterly basis in 4Q16, compared to a revised rise of 0.1% in the prior quarter. Market anticipation was for GDP to rise 0.4%. The preliminary figures had also recorded an advance of 0.4%.

In March, the GfK consumer confidence index registered a drop to 10.00 in Germany, compared to a level of 10.20 in the prior month. Market expectation was for the consumer confidence index to fall to a level of 10.10.

In Germany, exports advanced 1.8% on a quarterly basis in 4Q16, more than market expectations for an advance of 1.4%. Exports had registered a revised drop of 0.3% in the previous quarter.

In Germany, imports advanced 3.1% on a quarterly basis in 4Q16, more than market expectations for a rise of 1.8%. Imports had registered a revised rise of 0.4% in the previous quarter.

UK

In February, the CBI distributive trade survey's retail sales balance advanced to 9.0% in the UK, higher than market expectations of a rise to 4.0%. The CBI distributive trade survey's retail sales balance had registered a decline of 8.0% in the previous month.

US

In the US, the seasonally adjusted initial jobless claims advanced to 244.00K in the week ended February 18, 2017, compared to market expectations of a rise to a level of 240.00K. In the previous week, initial jobless claims had recorded a revised level of 238.00K.

In December, the housing price index advanced 0.4% on a monthly basis in the US, lower than market expectations for a rise of 0.5%. The housing price index had risen by a revised 0.7% in the previous month.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus	Previous/ **Previous Est.	Frequency
France	09:45	Consumer Confidence (Feb)	✓✓✓	100.00	100.00	Monthly
Spain	10:00	Producer Price Index (MoM) (Jan)	✓	-	1.50%	Monthly
Spain	10:00	Producer Price Index (YoY) (Jan)	✓	-	2.80%	Monthly
Greece	11:00	Producer Price Index (YoY) (Jan)	✓	-	-	Monthly
Italy	11:00	Industrial Sales s.a. (MoM) (Dec)	✓	-	2.40%	Monthly
Italy	11:00	Industrial Orders s.a. (MoM) (Dec)	✓	-	1.50%	Monthly
Italy	11:00	Industrial Orders (Dec)	✓	-	102.00	Monthly
UK	11:30	BBA Mortgage Approvals (Jan)	✓✓	42.60K	43.23K	Monthly
Italy	12:00	Manufacturing Confidence (Feb)	✓	104.60	104.80	Monthly
Italy	12:00	Consumer Confidence (Feb)	✓	108.80	108.80	Monthly
Canada	15:30	Consumer Price Index Core (YoY) (Jan)	✓✓	-	1.80%	Monthly
Canada	15:30	Consumer Price Index Core (MoM) (Jan)	✓✓	-	-0.40%	Monthly
Canada	15:30	Consumer Price Index Core s.a. (MoM) (Jan)	✓✓	-	0.20%	Monthly
Canada	15:30	Consumer Price Index (Jan)	✓✓	-	128.40	Monthly
Canada	15:30	Consumer Price Index s.a. (MoM) (Jan)	✓✓✓	-	0.30%	Monthly
Canada	15:30	Consumer Price Index (YoY) (Jan)	✓✓✓	1.60%	1.50%	Monthly
US	17:00	Reuters/Michigan Consumer Sentiment Index (Feb) (F)	✓✓✓	96.00	95.70**	Monthly
US	17:00	New Home Sales Change (Jan)	✓✓	570.00K	536.00K	Monthly
US	17:00	New Home Sales (MoM) (Jan)	✓	6.30%	-10.40%	Monthly
Germany	-	Import Price Index s.a. (MoM) (Jan)	✓	0.50%	1.90%	Monthly

Note: ✓✓✓High ✓✓Medium ✓Low

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