

ONE Minute Brief

22 March 2017

GTC
consult • partner • manage

Economic and Political News

President, Jacob Zuma, stated that South Africans should get inspired by OR Tambo, who kept the African National Congress movement united during difficult times. The President called for achieving the dream of a truly united, non-racial and democratic South Africa.

South African Revenue Service (SARS) indicated that it had been informed by Deputy Finance Minister, Mcebisi Jonas, about the permission given by the Finance Ministry for Tax Ombudsman judge, Bernard Ngeope, to investigate SARS after complaints of delayed tax refunds. Further, the SARS stated that it is confident about the strength and robustness of its systems and will cooperate while the investigation is being conducted.

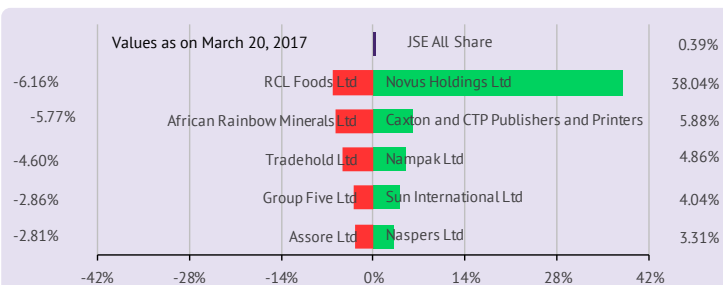
South Africa's Central Bank Governor, Lesetja Kganyago, stated that the central bank cannot say that the interest rate-increase cycle is over, albeit the risks to inflation have decreased since the Monetary Policy Committee's January meeting.

Former government spokesperson and businessman, Mzwanele Manyi, has resigned from his operational duties at the Black Business Council (BBC), but will remain on the council by virtue of being the president of the Progressive Professional's Forum (PPF).

South Africa Market ▲

South African markets closed higher

South African markets closed in the green on Monday, amid gains in retail and industrial sector stocks. The JSE All Share Index rose 0.4% to close at 52,753.56.



Key Indices

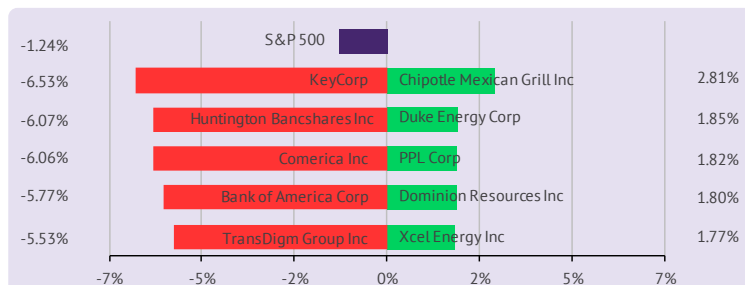
	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share*	52753.56	▲	202.57	0.39%	0.39%	3.14%	-3.11%	4.15%
JSE Top 40*	45507.67	▲	198.31	0.44%	0.44%	3.12%	-3.91%	3.66%
FTSE 100	7378.34	▼	-51.47	-0.69%	-0.63%	1.58%	2.31%	3.30%
DAX 30	11962.13	▼	-90.77	-0.75%	-1.10%	1.08%	2.59%	4.19%
CAC 40	5002.43	▼	-9.73	-0.19%	-0.53%	2.96%	2.31%	2.88%
S&P 500	2344.02	▼	-29.45	-1.24%	-1.44%	-0.83%	3.72%	4.70%
Nasdaq Composite	5793.83	▼	-107.70	-1.83%	-1.82%	-0.54%	3.75%	7.63%
DJIA	20668.01	▼	-237.85	-1.14%	-1.18%	-0.69%	4.77%	4.58%

*Values as on March 20, 2017

US Market ▼

The S&P 500 futures are trading in the red

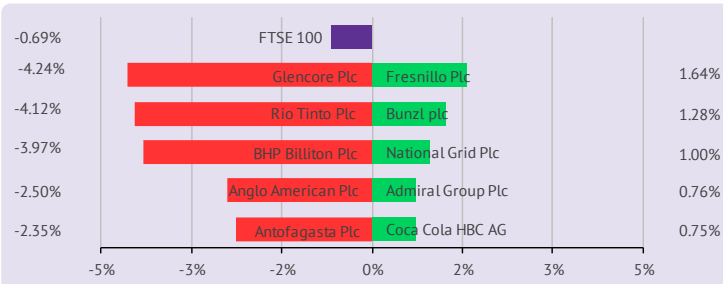
US markets closed lower yesterday, led by a sharp decline in financial sector stocks. Data revealed that current account deficit in the US surprisingly narrowed in 4Q16. The S&P 500 Index dropped 1.2% to close at 2,344.02.



UK Market ▼

The FTSE 100 futures are trading in negative territory

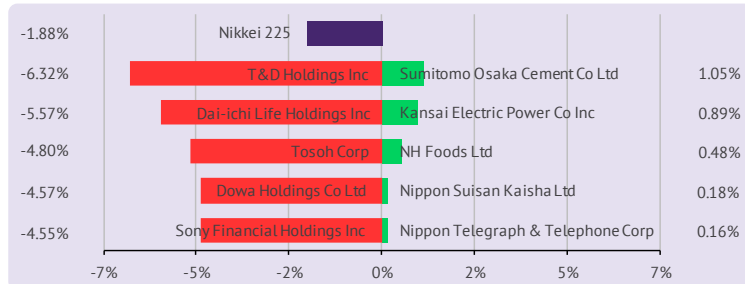
UK markets finished lower yesterday, weighed down by losses in material sector stocks. Data showed that UK's consumer price index advanced more-than-expected on an annual basis in February. The FTSE 100 Index declined 0.7% to close at 7,378.34.



Asian Market ▼

Trading lower

Asian markets are trading lower this morning, tracking overnight losses on Wall Street. Data showed that Japan's all industry activity index rebounded on a monthly basis in January. The Nikkei 225 Index is trading 1.9% lower at 19090.77



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

22 March 2017

GTC
consult • partner • manage

USDZAR ▲

USD trading firmer against ZAR

At 06:00 SAST, the US Dollar is trading 0.5% higher against the South African Rand at R12.6955. Later today, traders will keep a close watch on US existing home sales, the house price index and MBA mortgage applications data for further direction. Separately, South Africa's consumer price index, current account balance and leading indicator will be on investors' radar.

The US Dollar fell against the South African Rand yesterday. Data indicated that US current account deficit unexpectedly contracted in the fourth quarter of 2016.

GBPZAR ▲

GBP trading stronger against ZAR

At 06:00 SAST, the British Pound is trading 1.3% higher against the South African Rand at R15.8314.

The British Pound advanced against the South African Rand yesterday. Data revealed that UK's consumer price index registered a more-than-expected rise on a yearly basis in February, its strongest increase since September 2013, driven by a rise in food and fuel prices. Moreover, public sector net borrowing recorded a deficit in February, less than market expectations. Further, the house price index advanced less than market anticipations on an annual basis in January. Meanwhile, CBI total trend orders rose more-than-expected in March.

EURZAR ▲

EUR trading higher against ZAR

At 06:00 SAST, the Euro rose 0.8% against the South African Rand to trade at R13.7018. Going forward, market participants will keep a tab on Eurozone's current account balance for further cues.

The Euro strengthened against the South African Rand yesterday.

AUDZAR ▼

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.3% lower against the South African Rand at R9.7248. Earlier in the session, data showed that Australia's Westpac leading index dropped on a monthly basis in February.

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	12.6955	▲	-0.01%	-0.61%	-3.68%	-2.56%	-8.01%
GBPZAR	15.8314	▲	0.10%	-0.84%	-3.75%	-4.15%	-7.65%
EURZAR	13.7018	▲	0.15%	-0.47%	-2.05%	-4.52%	-5.86%
AUDZAR	9.7248	▼	-0.07%	-0.22%	-2.83%	-1.61%	-1.51%
EURUSD	1.0792	▲	0.22%	0.23%	1.76%	-2.04%	2.36%
GBPU\$	1.2474	▲	0.17%	-0.12%	-0.02%	-1.57%	0.33%
Brent (\$/barrel)	50.9	▼	-1.28%	-1.55%	-9.82%	1.67%	-10.31%
Gold (\$/oz)	1245.3	▼	1.01%	1.32%	-0.59%	3.75%	8.23%
Platinum (\$/oz)	971.6	▲	-0.10%	0.87%	-5.78%	3.46%	7.74%
Copper (\$/MT)*	5747.5	▼	-1.84%	-2.86%	-3.67%	-0.46%	4.06%

*As of Previous Close

Gold ▼

Trading in the red

At 06:00 SAST, gold prices declined 0.1% to trade at \$1,245.30/oz.

Yesterday, gold prices rose 1.0% to close at \$1,246.50/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 0.2% lower to trade at \$50.86/bl.

Yesterday, Brent crude oil dropped 1.3% to settle at \$50.96/bl, despite the American Petroleum Institute (API) reporting that crude oil inventories advanced by 4.5mn bls for the week ended march 17, 2017.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged marginally higher to trade at \$971.60/oz.

Yesterday, platinum prices declined 0.1% to close at \$971.40/oz.



ONE Minute Brief

22 March 2017



Major South Africa Corporate News

Net 1 UEPS Technologies Inc.

The company's mainstay Chairperson and Chief Executive, Serge Belamant's position looks set for a challenge after the company's second biggest shareholder, Allan Gray, stated that it was considering to recall the board of the company.

Major Global Economic News

UK

In the UK, the consumer price index advanced 2.3% on a yearly basis in February, compared to an advance of 1.8% in the prior month. Market anticipation was for the consumer price index to climb 2.1%.

In February, the public sector net borrowing has posted a deficit of GBP1.10bn in the UK, as compared to a revised surplus of GBP11.70bn in the previous month. Market expectation was for public sector net borrowing to report a deficit of GBP2.80bn.

In the UK, the house price index rose 6.2% on an annual basis in January, less than market expectations for a rise of 6.4%. The house price index had advanced by a revised 5.7% in the previous month.

In March, the balance of firms reporting total order book above normal remained unchanged at 8.00 in the UK, higher than market expectations of a drop to a level of 5.00.

US

The US has posted current account deficit of USD112.40bn in 4Q16, following a revised current account deficit of USD116.00bn in the prior quarter. Markets were expecting the nation to post a current account deficit of USD129.00bn.

Asia

Minutes of the Bank of Japan's (BoJ) January monetary policy meeting revealed that board members rejected the notion of the central bank raising its 10-year government bond yield target in the future to match expected gains in treasury yields. Members held the view that Japan's inflation and growth will accelerate in the near future, but it remains a difficult task due to concerns about greater uncertainty in global financial markets.

In February, merchandise (total) trade surplus recorded a level of JPY813.40bn in Japan, more than market expectations of a trade surplus of JPY807.20bn. Japan had posted a revised trade deficit of JPY1087.60bn in the prior month.

In Australia, the Westpac leading index dropped 0.07% on a monthly basis, in February. In the prior month, the Westpac leading index had advanced 0.03%.

ONE Minute Brief

22 March 2017

GTC
consult • partner • manage

Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous	Frequency
US	00:00	Fed's Mester Speaks at University of Richmond	✓	-	-	As scheduled
Japan	01:50	BoJ Monetary Policy Meeting Minutes	✓✓✓	-	-	As scheduled
Japan	01:50	Exports (YoY) (Feb)	✓✓	11.30%*	1.30%	Monthly
Japan	01:50	Imports (YoY) (Feb)	✓	1.20%*	8.50%	Monthly
Japan	01:50	Merchandise Trade Balance Total (Feb)	✓✓	JPY813.40bn*	-JPY1087.60bn	Monthly
Japan	01:50	Adjusted Merchandise Trade Balance (Feb)	✓	JPY680.30bn*	JPY204.00bn	Monthly
Japan	03:30	BoJ's Funo speaks in Shizuoka	✓	-	-	As scheduled
Japan	06:30	All Industry Activity Index (MoM) (Jan)	✓✓	0.10%*	-0.30%	Monthly
Japan	07:00	Supermarket Sales (YoY) (Feb)	✓	-	-1.60%	Monthly
Japan	08:00	Nationwide Department Store Sales (YoY) (Feb)	✓	-	-1.20%	Monthly
Japan	08:00	Tokyo Department Store Sales (YoY) (Feb)	✓	-	-1.50%	Monthly
South Africa	09:00	Leading Indicator (Jan)	✓✓✓	-	96.30	Monthly
South Africa	10:00	Consumer Price Index (MoM) (Feb)	✓✓✓	1.20%	0.60%	Monthly
South Africa	10:00	Consumer Price Index (YoY) (Feb)	✓✓✓	6.30%	6.60%	Monthly
South Africa	10:00	Current Account Balance (Q4)	✓✓✓	-ZAR147.00bn	-ZAR176.00bn	Quarterly
South Africa	10:00	Current Account to GDP (Q4)	✓✓✓	-3.20%	-4.10%	Quarterly
Eurozone	11:00	Current Account s.a. (Jan)	✓	-	EUR31.00bn	Monthly
US	13:00	MBA Mortgage Applications (17-Mar)	✓	-	3.10%	Weekly
US	15:00	House Price Index s.a. (Jan)	✓✓	-	242.60	Monthly
US	15:00	Housing Price Index (MoM) (Jan)	✓	0.40%	0.40%	Monthly
US	16:00	Existing Home Sales (MoM) (Feb)	✓	-2.50%	3.30%	Monthly
US	16:00	Existing Home Sales (Feb)	✓	5.55mn	5.69mn	Monthly
US	16:30	DOE Cushing OK Crude Inventory (Barrels) (17-Mar)	✓	-	2130.00K barrels	Weekly
US	16:30	DOE Distillate Inventory (17-Mar)	✓	-	-4.23K barrels	Weekly
US	16:30	DOE Gasoline Inventories (17-Mar)	✓	-	-3055.00K barrels	Weekly
US	16:30	EIA Crude Oil Stocks Change (Barrels) (17-Mar)	✓✓✓	-	-0.24mn barrels	Weekly

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