

ONE Minute Brief

23 March 2017

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Economic and Political News

In South Africa, the consumer price index (CPI) advanced as expected by 6.3% YoY in February, compared to a rise of 6.6% in January. The leading indicator advanced to 97.10 in January, compared to a revised reading of 96.20 in December. The current account deficit fell more-than-expected to ZAR76bn in 4Q16, from a revised reading of ZAR166bn in 3Q16.

Democratic Alliance (DA) leader, Mmusi Maimane, stated that the party will not support any system that adores colonialism or apartheid. Moreover, the party has decided to meet Western Cape Premier, Helen Zille, on Saturday, after which a report will be prepared as to whether disciplinary action should be taken against her tweets about colonialism or not.

The Competition Commission stated that it has told the Competition Tribunal about its settlement with Citibank. It settled with the bank as it requires its testimony in the currency manipulation case against fourteen other banks. Citibank will be paying a fine of ZAR69.5mn.

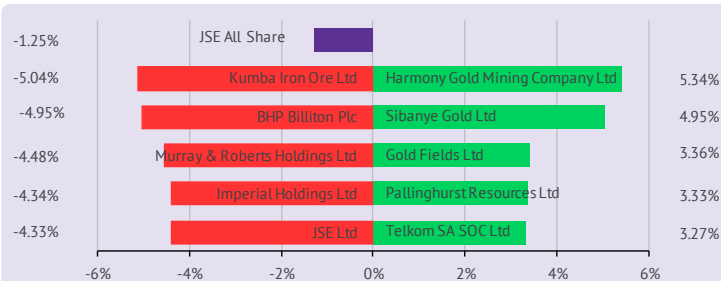
Johannesburg's new Mayor, Herman Mashaba, indicated that he wants to clean up Africa's richest city by targeting undocumented immigrants and corrupt officials.

Rating agency Standard & Poor's (S&P) has confirmed its credit rating for Eskom at BB-, and the outlook remains negative.

South Africa Market ▼

South African markets closed lower

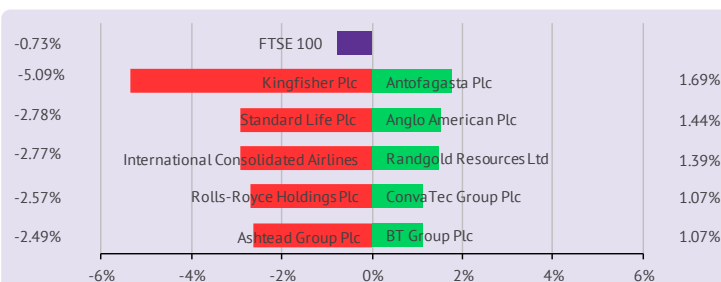
South African markets closed in the red yesterday, dragged down by weakness in resources and industrial sector stocks. Data revealed that South Africa's CPI recorded a rise at par with market anticipations on a yearly basis in February. The JSE All Share Index fell 1.3% to 52,096.71.



UK Market ▼

The FTSE 100 futures are trading in positive territory

UK markets finished lower yesterday, amid losses in industrial and consumer discretionary sector stocks. The FTSE 100 Index declined 0.7% to close at 7,324.72.



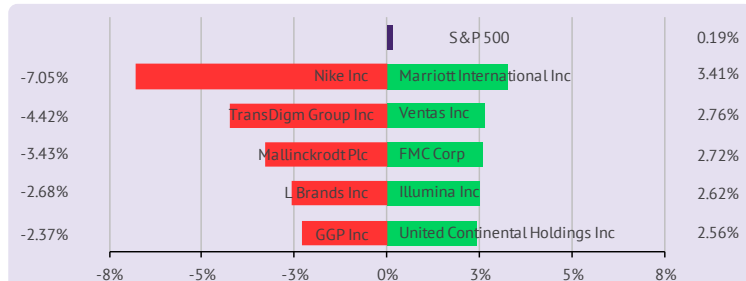
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	52096.71	▼	-656.85	-1.25%	-0.86%	1.86%	-3.11%	2.85%
JSE Top 40	44855.72	▼	-651.95	-1.43%	-1.00%	1.64%	-3.91%	2.17%
FTSE 100	7324.72	▼	-53.62	-0.73%	-1.35%	0.84%	2.31%	2.55%
DAX 30	11904.12	▼	-58.01	-0.48%	-1.58%	0.59%	2.59%	3.68%
CAC 40	4994.70	▼	-7.73	-0.15%	-0.69%	2.80%	2.31%	2.72%
S&P 500	2348.45	▲	4.43	0.19%	-1.25%	-0.64%	3.72%	4.90%
Nasdaq Composite	5821.64	▲	27.82	0.48%	-1.34%	-0.07%	3.75%	8.15%
DJIA	20661.30	▼	-6.71	-0.03%	-1.21%	-0.73%	4.77%	4.55%

US Market ▲

The S&P 500 futures are trading in the green

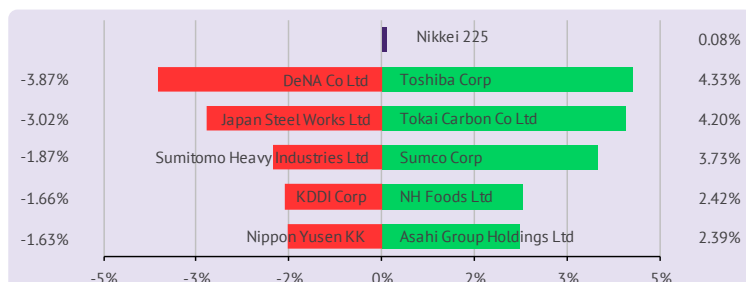
US markets closed higher yesterday, supported by gains in information technology sector stocks. Data showed that US existing home sales retreated more-than-expected on a monthly basis in February. The S&P 500 Index climbed 0.2% to close at 2,348.45.



Asian Market ▲

Trading higher

Asian markets are trading higher this morning, tracking overnight gains on Wall Street. The Nikkei 225 Index is trading 0.1% higher at 19,057.26.



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USDZAR ▼

USD trading weaker against ZAR

At 06:00 SAST, the US Dollar is trading marginally lower against the South African Rand at R12.5559. Later today, traders will keep a close watch on US initial jobless claims and new home sales data for further cues.

The US Dollar fell against the South African Rand yesterday. Data indicated that US existing home sales plummeted more than market anticipations on a monthly basis in February. Moreover, the house price index recorded a flat reading on a monthly basis in January. Further, MBA mortgage applications dropped from a nearly 4 month high for the week ended March 17, 2017. Separately, in South Africa, the consumer price index advanced in line with market forecast on an annual basis in February. Meanwhile, current account deficit narrowed more-than-expected in 4Q16, as demand increased for the nation's commodities. Moreover, leading indicator advanced in January, compared to its prior reading.

GBPZAR ▼

GBP trading lower against ZAR

At 06:00 SAST, the British Pound marginally fell against the South African Rand to trade at R15.6710. Later today, traders will keep an eye on UK's retail sales and CBI distributive trade survey for further direction.

EURZAR ▼

EUR trading weaker against ZAR

At 06:00 SAST, the Euro fell 0.2% against the South African Rand to trade at R13.5412. Going forward, market participants will keep a tab on Eurozone's consumer confidence for further indication. Meanwhile, Germany's GfK consumer confidence survey will be on investors' radar.

The Euro weakened against the South African Rand yesterday. Data revealed that Eurozone's current account surplus narrowed in January, notching its lowest level in 15 months.

AUDZAR ▼

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar dropped 0.2% against the South African Rand to trade at R9.6153.

The Australian Dollar fell against the South African Rand yesterday. Data indicated that Australia's Westpac leading index registered a drop on a monthly basis in February.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	12.5559	▼	-0.58%	-1.18%	-4.24%	-2.56%	-8.54%
GBPZAR	15.6710	▼	0.28%	-0.56%	-3.47%	-4.15%	-7.39%
EURZAR	13.5412	▼	-0.22%	-0.69%	-2.27%	-4.52%	-6.07%
AUDZAR	9.6153	▼	-1.22%	-1.44%	-4.02%	-1.61%	-2.71%
EURUSD	1.0790	▼	0.32%	0.55%	2.08%	-2.04%	2.68%
GBPUSD	1.2481	▼	0.85%	0.73%	0.82%	-1.57%	1.18%
Brent (\$/barrel)	51.0	▲	-0.63%	-2.16%	-10.39%	1.67%	-10.88%
Gold (\$/oz)	1249.2	▼	0.26%	1.59%	-0.33%	3.75%	8.51%
Platinum (\$/oz)	964.6	▲	-0.98%	-0.11%	-6.70%	3.46%	6.69%
Copper (\$/MT)*	5780.0	▲	0.57%	-2.31%	-3.13%	-0.46%	4.65%

*As of Previous Close

Gold ▼

Trading in the red

At 06:00 SAST, gold prices marginally dropped to trade at \$1,249.20/oz.

Yesterday, gold prices rose 0.3% to close at \$1,249.70/oz, as a decline in most of the global equity markets increased demand for the precious yellow metal.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil gained 0.7% to trade at \$50.97/bl.

Yesterday, Brent crude oil dropped 0.6% to settle at \$50.64/bl, after the US Energy Department reported that crude oil inventories rose by 4.95mn bls to 533.1mn bls for the week ended March 17, 2017.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged higher 0.3% to trade at \$964.60/oz.

Yesterday, platinum prices declined 1.0% to close at \$961.90/oz.



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Major South Africa Corporate News

Advtech Limited

In its FY16 results, the company revealed that its revenue substantially advanced from the preceding year to ZAR.35bn. Its diluted headline EPS stood at 71.0c, compared with 51.0c recorded in the previous year. Its profit before tax rose to ZAR526.40mn from ZAR328.60mn posted last year.

Pallinghurst Resources Limited

In its trading statement for FY16, the company stated that its headline EPS will be ZAR0.86 compared with a loss of ZAR2.50/share posted last year.

Major Global Economic News

US

In the US, existing home sales recorded a drop of 3.7% on monthly basis in February, to a level of 5.48 million, compared to market expectations of 5.55 million. In the prior month, existing home sales had recorded a reading of 5.69 million.

In January, the housing price index remained unchanged on a monthly basis in the US, compared to an advance of 0.4% in the prior month. Market expectation was for the housing price index to climb 0.4%.

In the US, the MBA mortgage applications fell 2.7% in the week ended March 17, 2017. Mortgage applications had recorded a rise of 3.1% in the previous week.

Eurozone

In January, the seasonally adjusted current account surplus narrowed to EUR24.10bn in the Eurozone, following a revised current account surplus of EUR30.80bn in the previous month.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus	Previous	Frequency
Germany	09:00	GfK Consumer Confidence Survey (Apr)	✓✓	10.00	10.00	Monthly
France	09:45	Business Climate (Mar)	✓	104.00	104.00	Monthly
France	09:45	Own-Company Production Outlook (Mar)	✓	17.00	20.00	Monthly
France	09:45	Production Outlook Indicator (Mar)	✓	7.00	5.00	Monthly
Eurozone	10:00	ECB's Nouy speaks in Brussels	✓	-	-	As scheduled
UK	11:30	Retail Sales (MoM) (Feb)	✓	0.40%	-0.30%	Monthly
UK	11:30	Retail Sales (YoY) (Feb)	✓✓	2.60%	1.50%	Monthly
UK	13:00	CBI Distributive Trades Survey - Realised (Mar)	✓	4.00%	9.00%	Monthly
US	14:00	Fed's Yellen Speaks at Community Development Conference	✓✓✓	-	-	As scheduled
US	14:30	Continuing Jobless Claims (11-Mar)	✓	2040.00K	2030.00K	Weekly
US	14:30	Initial Jobless Claims (18-Mar)	✓✓✓	240.00K	241.00K	Weekly
US	16:00	New Home Sales Change (Feb)	✓✓	564.00K	555.00K	Monthly
US	16:00	New Home Sales (MoM) (Feb)	✓	1.60%	3.70%	Monthly
Eurozone	16:45	ECB's Lautenschlaeger Speaks at Vienna Conference	✓	-	-	As scheduled
Eurozone	17:00	Consumer Confidence (Mar) (P)	✓✓	-5.90	-6.20	Monthly
US	17:00	Kansas City Fed Manufacturing Activity (Mar)	✓	14.00	14.00	Monthly
Switzerland	19:00	SNB's Maechler Speaks in Zurich	✓	-	-	As scheduled
US	20:00	Fed's Kashkari Speaks at Community Development Event	✓	-	-	As scheduled
Greece	-	Current Account (Jan)	✓	-	-EUR0.93bn	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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