

# ONE Minute Brief

27 March 2017

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## Economic and Political News

The Presidency indicated that President, Jacob Zuma, has appointed Khanyisile Kweyama, John Matisson, Mathatha Tsedu, Febbe Portgieter-Gqubule, and Krish Naidoo as the members of the interim board of the SABC and has further selected Ms. Kweyama and Mr. Tsedu as chairperson and deputy chairperson of the SABC board, respectively. Separately, the President has recommended three new members to fill vacancies in the Judicial Service Commission (JSC). These are Advocate Thandi Norman SC, Mr. Sifiso Msomi and Advocate Thabani Masuku.

News reports indicate that Democratic Alliance (DA) leader, Mmusi Maimane, wants Helen Zille to resign as Western Cape premier. Moreover, DA Federal Executive Chairperson, James Selfe, indicated that the decision on Helen Zille will be taken after an investigation report is ready.

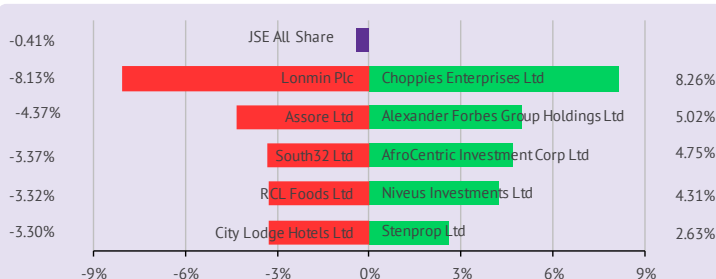
The Parliamentary Chief Whip of the African National Congress (ANC), Jackson Mthembu, indicated that the ruling party may find itself in trouble after the 2019 national elections.

Science and Technology Minister, Naledi Pandor, has stated that some of her cabinet colleagues have money beyond their means. Further, she added that the ANC was unsuccessful in executing a decision made by the national executive committee (NEC) last year to inspect the lifestyle of its party leaders.

## South Africa Market ▼

### South African markets closed lower

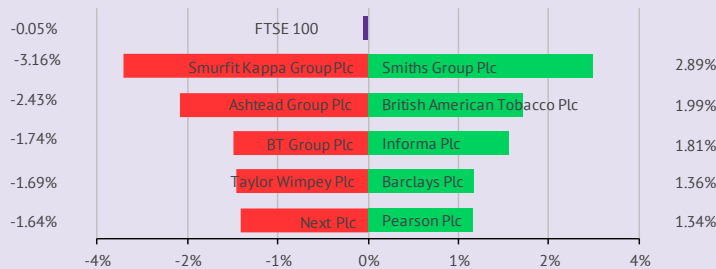
South African markets closed in the red on Friday, amid losses in platinum sector stocks. The JSE All Share Index fell 0.4% to close at 51,816.31.



## UK Market ▼

### The FTSE 100 futures are trading in negative territory

UK markets finished lower on Friday, led by losses in consumer discretionary and material sector stocks. Data revealed that UK's BBA mortgage approvals surprisingly dropped in February. The FTSE 100 Index declined 0.1% to close at 7,336.82.



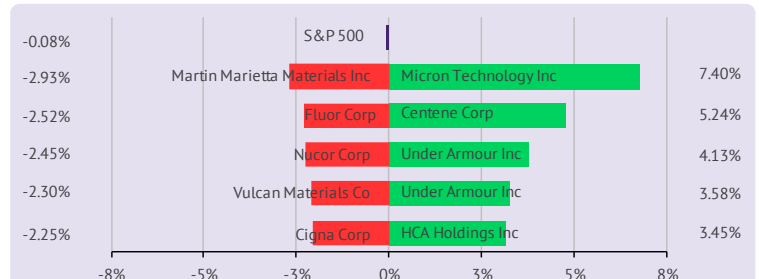
## Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	51816.31	▼ -211.67	-0.41%	NA	1.31%	-3.11%	2.30%
JSE Top 40	44662.60	▼ -182.63	-0.41%	NA	1.20%	-3.91%	1.73%
FTSE 100	7336.82	▼ -3.89	-0.05%	NA	1.01%	2.31%	2.72%
DAX 30	12064.27	▲ 24.59	0.20%	NA	1.94%	2.59%	5.08%
CAC 40	5020.90	▼ -11.86	-0.24%	NA	3.34%	2.31%	3.26%
S&P 500	2343.98	▼ -1.98	-0.08%	NA	-0.83%	3.72%	4.70%
Nasdaq Composite	5828.74	▲ 11.05	0.19%	NA	0.06%	3.75%	8.28%
DJIA	20596.72	▼ -59.86	-0.29%	NA	-1.04%	4.77%	4.22%

## US Market ▼

### The S&P 500 futures are trading in the red

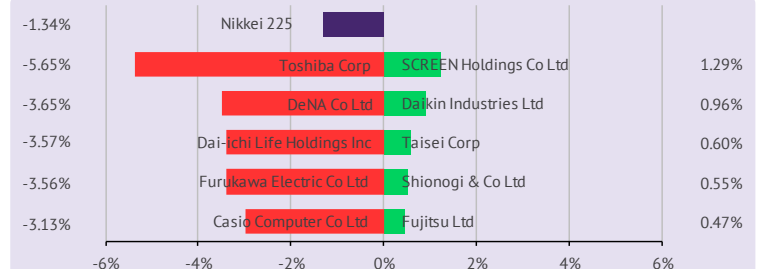
US markets closed lower on Friday, weighed down by losses in material sector stocks. Data showed that US preliminary durable goods orders advanced more-than-expected on a monthly basis in February. The S&P 500 Index dropped 0.1% to close at 2,343.98.



## Asian Market ▼

### Trading mostly lower

Asian markets are trading mostly lower this morning, tracking overnight losses on Wall Street. The Nikkei 225 Index is trading 1.3% lower at 19,003.60.



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## USDZAR ▼

### USD trading lower against ZAR

At 06:00 SAST, the US Dollar retreated 0.2% against the South African Rand to trade at R12.3991. Later today, traders will keep a close watch on US Dallas Fed manufacturing activity index for further cues.

The US Dollar fell against the South African Rand on Friday. Data indicated that US preliminary durable goods orders increased more than market forecast on a monthly basis in February, driven by increase in demand for civilian aircrafts. Moreover, preliminary Markit manufacturing PMI unexpectedly declined in March to its weakest level in 6 months.

## GBPZAR ▲

### GBP trading higher against ZAR

At 06:00 SAST, the British Pound climbed 0.3% against the South African Rand to trade at R15.5340.

The British Pound declined against the South African Rand on Friday, after data showed that UK's BBA mortgage approvals recorded an unexpected drop 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 R13.4443. Going forward, market participants will keep a tab on Germany's Ifo business climate and expectation index for further direction.

The Euro weakened against the South African Rand on Friday. Data revealed that Eurozone preliminary Markit manufacturing PMI unexpectedly climbed to its strongest level since May 2011 in March. Further, the preliminary Markit services PMI surprisingly rose in the same month, notching its highest level in 71 months. Meanwhile, Germany's preliminary Markit manufacturing PMI registered an unexpected rise in March, reaching its best level since April 2011. Additionally, preliminary Markit services PMI advanced in the same month, its strongest rise since January 2016.

## AUDZAR ▼

### AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% weaker against the South African Rand at R9.4568.

The Australian Dollar fell against the South African Rand on Friday.

## Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	12.3991	▼	-0.13%	NA	-5.26%	-2.56%	-9.51%
GBPZAR	15.5340	▲	-0.60%	NA	-4.61%	-4.15%	-8.48%
EURZAR	13.4443	▲	-0.01%	NA	-3.26%	-4.52%	-7.02%
AUDZAR	9.4568	▼	-0.21%	NA	-5.71%	-1.61%	-4.42%
EURUSD	1.0844	▲	0.16%	NA	2.10%	-2.04%	2.70%
GBPUSD	1.2526	▲	-0.41%	NA	0.71%	-1.57%	1.07%
Brent (\$/barrel)	50.8	▼	0.47%	NA	-10.10%	1.67%	-10.59%
Gold (\$/oz)	1259.6	▲	0.10%	NA	-0.43%	3.75%	8.40%
Platinum (\$/oz)	974.2	▲	0.43%	NA	-6.12%	3.46%	7.35%
Copper (\$/MT)*	5777.0	▼	-0.35%	NA	-3.18%	-0.46%	4.60%

\*As of Previous Close

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices advanced 0.9% to trade at \$1,259.60/oz.

On Friday, gold prices rose 0.1% to close at \$1,248.50/oz, as weakness in the US Dollar and US equities, increased demand for the precious yellow metal.

## Brent Crude Oil ▼

### Trading weaker

At 06:00 SAST, Brent crude oil marginally declined to trade at \$50.78/bbl. Over the weekend a joint committee of ministers from the Organization of Petroleum Exporting Countries (OPEC) and non-OPEC oil producers are considering a review of whether a global pact to limit crude supplies should be extended by six months. Further, the OPEC Secretary General, Mohammad Sanusi Barkindo encouraged all participating countries to ensure full conformity to individual production limits set under the producer group's output deal last year. He added that total compliance to the agreement is expected to ease oversupply by mid-2017, with the market expected to rebalance towards the end of the year.

On Friday, Brent crude oil advanced 0.5% to settle at \$50.80/bbl, despite Baker Hughes reporting that US oil rig count rose by 21 to 652 last week.

## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices edged higher 0.7% to trade at \$974.20/oz.

On Friday, platinum prices climbed 0.4% to close at \$967.90/oz.

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## Major South Africa Corporate News

### Brait SE

The company announced that it has cancelled plans for a London listing of its shares, citing uncertainty over the UK's exit from the European Union.

### Harmony Gold Mining Company Limited

The company announced that an illegal strike has ended at its Kusasalethu mine, after it held talks with the Association of Mineworkers and Construction Union.

### Capitec Bank Holdings Limited

The company announced that it will acquire a 40% interest in international online lending group Cream Finance for €21m.

## Major Global Economic News

### Eurozone

In the Eurozone, the preliminary Markit manufacturing PMI unexpectedly advanced to 56.20 in March, compared to a level of 55.40 in the prior month. Market anticipation was for the manufacturing PMI to fall to a level of 55.30.

In March, the preliminary services PMI surprisingly rose to a level of 56.50 in the Eurozone, compared to a reading of 55.50 in the previous month. Markets were expecting services PMI to fall to a level of 55.30.

In Germany, the flash manufacturing PMI registered an unexpected rise to a level of 58.30 in March, compared to market expectations of a fall to 56.50. In the prior month, manufacturing PMI had registered a level of 56.80.

In March, the flash Markit services PMI climbed to 55.60 in Germany, higher than market expectations of a rise to a level of 54.50. In the prior month, services PMI had recorded a level of 54.40.

### US

In the US, the preliminary durable goods orders advanced 1.7% on a monthly basis in February, higher than market expectations for an advance of 1.4%. Durable goods orders had advanced 2.0% in the previous month.

In March, the flash Markit manufacturing PMI unexpectedly fell to 53.40 in the US, compared to market expectations of a rise to a level of 54.80. The Markit manufacturing PMI had recorded a reading of 54.20 in the previous month.

### UK

In the UK, BBA mortgage approvals registered an unexpected drop to 42.61K in February, lower than market expectations of an advance to 44.90K. BBA mortgage approvals had recorded a revised reading of 44.14K in the previous month.

### Asia

The Bank of Japan's (BoJ) March meeting minutes indicated that easy monetary policy will be in place for some time as consumer price growth is still distant from the central bank's 2% inflation target.



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## 40 Best Performers on the All Share Index

Company Name	Last Close	1 Week % Change	MTD % Change	YTD % Change
Adcock Ingram Holdings Ltd	65	2.32%	10.04%	34.20%
Trencor Ltd	38	-6.43%	-0.34%	33.75%
Exxaro Resources Ltd	119	-1.42%	10.08%	32.74%
Murray & Roberts Holdings Ltd	15	-11.50%	-1.90%	30.21%
Hudaco Industries Ltd	146	-0.51%	3.93%	27.82%
Astral Foods Ltd	165	2.52%	11.01%	27.50%
KAP Industrial Holdings Ltd	9	1.40%	0.64%	26.07%
RCL Foods Ltd	16	-6.16%	2.56%	25.98%
Kumba Iron Ore Ltd	200	-7.44%	-6.79%	25.75%
PSG Group Ltd	271	0.96%	7.74%	23.94%
Northam Platinum Ltd	50	-3.38%	-7.71%	23.56%
Pioneer Food Group Ltd	188	1.87%	14.64%	21.91%
PPC Ltd	7	-0.74%	1.52%	21.16%
Brimstone Investment Corporation Ltd	15	-6.45%	-9.38%	20.83%
Shoprite Holdings Ltd	207	0.72%	9.38%	20.73%
Choppies Enterprises Ltd	4	12.09%	10.14%	20.63%
Advtech Ltd	21	1.79%	8.06%	19.45%
Delta Property Fund Ltd	9	1.75%	12.05%	19.23%
Discovery Ltd	135	-0.33%	10.13%	18.31%
Massmart Holdings Ltd	149	-1.13%	-0.39%	18.29%
Truworths International Ltd	92	1.18%	5.86%	15.84%
Capitec Bank Holdings Ltd	804	1.02%	10.93%	15.72%
Clicks Group Ltd	133	-2.21%	3.15%	14.76%
Hyprop Investments Ltd	134	2.04%	6.82%	14.23%
Octodec Investments Ltd	25	0.36%	7.02%	14.06%
Metair Investments Ltd	25	3.52%	5.40%	13.64%
Zeder Investments Ltd	8	0.25%	7.53%	13.48%
Avi Ltd	103	1.96%	8.63%	13.26%
Sanlam Ltd	71	-1.83%	4.47%	12.56%
AECI Ltd	113	-1.47%	3.52%	12.08%
Texton Property Fund Ltd	9	2.23%	7.41%	11.11%
Pick N Pay Stores Ltd	71	-1.38%	1.74%	10.89%
Naspers Ltd	2229	0.50%	6.26%	10.67%
Equites Property Fund Ltd	17	-2.89%	8.57%	10.63%
Nedbank Group Ltd	263	-0.81%	7.29%	10.39%
Mr Price Group Ltd	176	0.82%	3.53%	10.31%
Niveus Investments Ltd	40	-4.55%	5.00%	9.32%
Foschini Group Ltd	174	2.07%	6.97%	9.14%
Rebosis Property Fund Ltd	13	-3.82%	-0.94%	9.00%
Compagnie Financiere Richemont SA	99	-0.88%	3.28%	8.73%
<b>JSE All Share Index</b>	<b>51816</b>	<b>-1.40%</b>	<b>1.31%</b>	<b>2.30%</b>

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## Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	01:50	Corporate Service Price (YoY) (Feb)	✓	0.80%*	0.50%	Monthly
Japan	01:50	BOJ Summary of Opinions at March 15-16 Meeting	✓✓	-	-	As scheduled
Italy	09:30	Bank of Italy's Signorini, EIB's Scannapieco at Rome Event	✓	-	-	As scheduled
Germany	10:00	IFO - Expectations (Mar)	✓✓✓	104.30	104.00	Monthly
Eurozone	10:00	M3 Money Supply (YoY) (Feb)	✓	4.90%	4.90%	Monthly
Germany	10:00	IFO - Business Climate (Mar)	✓✓	111.10	111.00	Monthly
Germany	10:00	IFO - Current Assessment (Mar)	✓✓	118.30	118.40	Monthly
Eurozone	10:00	M3 Money Supply (3m) (Feb)	✓	-	5.00%	Monthly
Eurozone	10:30	ECB's Single Supervisory Mechanism Holds Annual Conference	✓	-	-	As scheduled
Eurozone	14:00	ECB's Peter Praet Speaks in Madrid	✓	-	-	As scheduled
US	16:30	Dallas Fed Manufacturing Business Index (Mar)	✓	22.00	24.50	Monthly
Spain	18:45	Fed's Evans, ECB's Praet Speak in Madrid	✓	-	-	As scheduled
Eurozone	19:15	ECB's Praet takes part in panel discussion in Madrid	✓	-	-	As scheduled
US	19:15	Fed's Evans Speaks on Economy and Policy in Madrid	✓	-	-	As scheduled

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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