

ONE Minute Brief

29 March 2017

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Economic and Political News

South African Revenue Service (SARS) commissioner, Tom Moyane, stated that unjustified and unsubstantiated comments on the SARS were negatively affecting tax compliance and will lead to disruption of the economy. Separately, the SARS indicated that revenue collection by end-December was ZAR818.8bn, a surplus of ZAR500mn over the target of the medium-term budget policy statement, but this surplus would be consumed by tax refunds.

Finance Minister, Pravin Gordhan, stated that he did not know the reason why President, Jacob Zuma, had called him and his Deputy, Mcebisi Jonas back to South Africa from a roadshow in the UK and the US.

According to news reports, President, Jacob Zuma, has indicated to senior leaders of the South African Communist Party (SACP) that he is planning to fire Finance Minister, Pravin Gordhan.

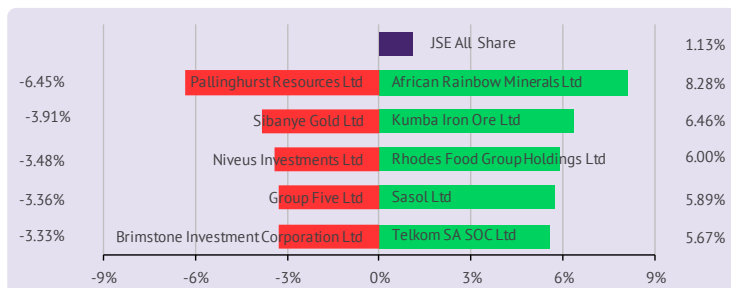
The Crop Estimates Committee stated that South Africa may reap the largest harvest of maize this year, notching the strongest level in 36 years, as yields improved and the crop size was up 83% compared to last year.

Cash Paymaster Services (CPS) has assured the public that social grant payments will be made to 10.5-million eligible grant recipients on April 1, 2017 and that no beneficiaries would be "prejudiced".

South Africa Market ▲

South African markets closed higher

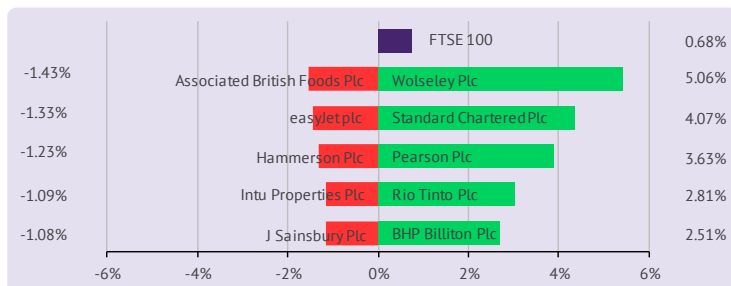
South African markets closed in the green yesterday, amid gains in platinum and resources sector stocks. The JSE All Share Index rose 1.1% to close at 52,309.23.



UK Market ▲

The FTSE 100 futures are trading in positive territory

UK markets finished higher yesterday, led by gains in industrial and material sector stocks. The FTSE 100 Index advanced 0.7% to close at 7,343.42.



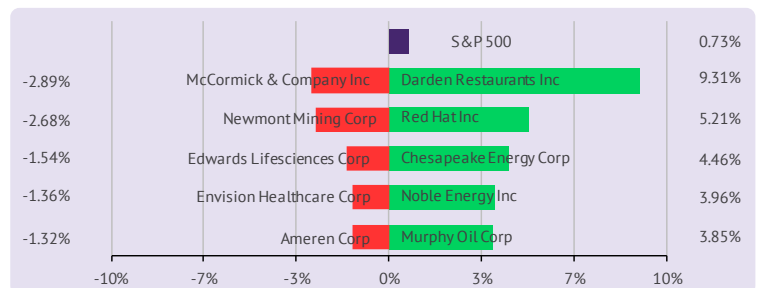
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	52309.23	▲	584.31	1.13%	0.95%	2.27%	-3.11%	3.27%
JSE Top 40	45215.36	▲	554.46	1.24%	1.24%	2.46%	-3.91%	2.99%
FTSE 100	7343.42	▲	49.92	0.68%	0.09%	1.10%	2.31%	2.81%
DAX 30	12149.42	▲	153.35	1.28%	0.71%	2.66%	2.59%	5.82%
CAC 40	5046.20	▲	28.77	0.57%	0.50%	3.86%	2.31%	3.78%
S&P 500	2358.57	▲	16.98	0.73%	0.62%	-0.21%	3.72%	5.35%
Nasdaq Composite	5875.14	▲	34.77	0.60%	0.80%	0.85%	3.75%	9.14%
DJIA	20701.50	▲	150.52	0.73%	0.51%	-0.53%	4.77%	4.75%

US Market ▲

The S&P 500 futures are trading in the green

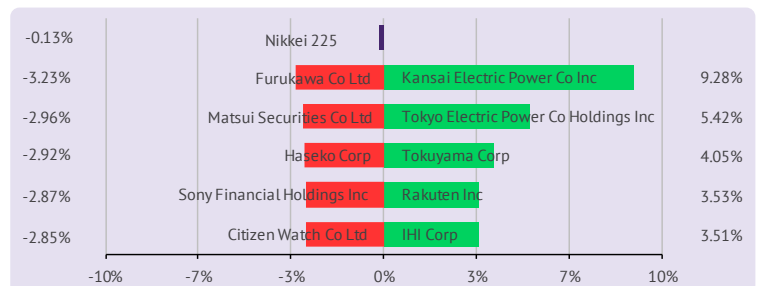
US markets closed higher yesterday, supported by gains in financial sector stocks. Data revealed that US consumer confidence index surprisingly advanced in March, notching its strongest level since December 2000. The S&P 500 Index climbed 0.7% to close at 2,358.57.



Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning. Data indicated that Japan's retail sales advanced at a slower-than-expected pace in February. The Nikkei 225 Index is trading 0.1% lower at 19,178.02.



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USDZAR ▲

USD trading higher against ZAR

At 06:00 SAST, the US Dollar rose 0.1% against the South African Rand to trade at R12.9976. Later today, traders will keep a close watch on US pending home sales and MBA mortgage applications for further direction.

The US Dollar rose against the South African Rand yesterday, after data indicated that US consumer confidence index unexpectedly rose to 16 year high in March. Further, preliminary wholesale inventories rebounded more-than-expected in February. Moreover, advance goods trade deficit narrowed more than market forecast in the same month.

GBPZAR ▼

GBP trading lower against ZAR

At 06:00 SAST, the British Pound is trading 0.2% weaker against the South African Rand at R16.1330. Later today, UK's net consumer credit is scheduled for release and UK Prime Minister, Theresa May will trigger Article 50 to begin Brexit proceedings.

The British Pound advanced against the South African Rand yesterday.

EURZAR ▲

EUR trading stronger against ZAR

At 06:00 SAST, the Euro climbed 0.1% against the South African Rand to trade at R14.0586. Going forward, market participants will keep a tab on Germany's import price index scheduled in few hours.

The Euro strengthened against the South African Rand yesterday.

AUDZAR ▲

AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.2% higher against the South African Rand at R9.9315.

The Australian Dollar rose against the South African Rand yesterday. Data showed that Australia's ANZ Roy Morgan consumer confidence index rose more than previous reading for the week ended March 26, 2017.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	12.9976	▲	1.92%	4.55%	-0.95%	-2.56%	-5.40%
GBPZAR	16.1330	▼	1.09%	4.36%	-0.45%	-4.15%	-4.49%
EURZAR	14.0586	▲	1.35%	4.62%	1.21%	-4.52%	-2.72%
AUDZAR	9.9315	▲	2.16%	4.72%	-1.26%	-1.61%	0.08%
EURUSD	1.0816	▲	-0.48%	0.14%	2.24%	-2.04%	2.84%
GBPUSD	1.2413	▼	-0.84%	-0.16%	0.55%	-1.57%	0.91%
Brent (\$/barrel)	51.5	▲	1.14%	1.04%	-9.17%	1.67%	-9.66%
Gold (\$/oz)	1251.4	▼	-0.01%	0.57%	0.14%	3.75%	9.02%
Platinum (\$/oz)	953.7	▼	-1.20%	-1.08%	-7.14%	3.46%	6.19%
Copper (\$/MT)*	5849.3	▲	1.97%	1.25%	-1.97%	-0.46%	5.91%

*As of Previous Close

Gold ▼

Trading in the red

At 06:00 SAST, gold prices edged 0.3% lower to trade at \$1,251.40/oz.

Yesterday, gold prices marginally fell to close at \$1,255.60/oz, as strength in the US Dollar and equities dented demand for the precious yellow metal.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil gained 0.4% to trade at \$51.51/bl.

Yesterday, Brent crude oil advanced 1.1% to settle at \$51.33/bl, after severe disruptions to Libyan crude production and as hopes increased that OPEC and non-OPEC producers could extend its agreement to slash output to the end of the year. Meanwhile, the American Petroleum Institute (API) reported that crude oil inventories rose by 1.9mn bls for the week ended March 24, 2017.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged 0.4% lower to trade at \$953.70/oz.

Yesterday, platinum prices declined 1.2% to close at \$957.40/oz.



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Major South Africa Corporate News

Capitec Bank Holdings Limited

In its FY17 results, the company stated that its lending and investment income increased to ZAR16.07bn from ZAR14.02bn recorded in the previous year. Its diluted EPS significantly rose from the preceding year to 3,267.00c. Its profit before tax rose to ZAR5.24bn from ZAR4.47bn posted last year.

Major Global Economic News

US

In the US, the CB consumer confidence index registered an unexpected rise to 125.60 in March, compared to market expectations of a fall to 114.00. The index had recorded a revised reading of 116.10 in the previous month.

In February, advance goods trade deficit recorded a level of USD64.8bn, compared to a trade deficit of USD68.8bn in the prior month. Market expectations was for trade deficit to record a reading of USD66.4bn.

In February, seasonally adjusted flash wholesale inventories advanced 0.4% on a monthly basis in the US, compared to a drop of 0.2% in the previous month. Markets were anticipating wholesale inventories to advance 0.2%.

Asia

In Japan, retail sales recorded a rise of 0.1% on a yearly basis in February, compared to a rise of 1.0% in previous month. Market expectations for the retail sales was to rise 0.7%.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	01:50	Retail Trade (YoY) (Feb)	✓✓	0.10%*	1.00%	Monthly
Japan	01:50	Large Retailer's Sales (Feb)	✓✓	-2.70%*	-1.10%	Monthly
Japan	01:50	Retail Trade s.a. (MoM) (Feb)	✓	0.20%*	0.20%	Monthly
Japan	07:00	Small Business Confidence (Mar)	✓	-	47.70	Monthly
Switzerland	08:00	UBS Consumption Indicator (Feb)	✓✓	-	1.43	Monthly
Germany	08:00	Import Price Index s.a. (MoM) (Feb)	✓	0.40%	0.90%	Monthly
France	08:45	Consumer Confidence (Mar)	✓✓✓	100.00	100.00	Monthly
Switzerland	09:00	KOF Institute Spring Economic Forecast	✓	-	-	As scheduled
Switzerland	10:00	ZEW Survey - Expectations (Mar)	✓✓	-	19.40	Monthly
UK	10:30	Net Lending to Individuals (Feb)	✓✓	-	GBP4.80bn	Monthly
UK	10:30	Net Consumer Credit (Feb)	✓✓	GBP1.30bn	GBP1.40bn	Monthly
UK	10:30	Net Lending Sec. on Dwellings (Feb)	✓✓	GBP3.50bn	GBP3.40bn	Monthly
UK	10:30	Mortgage Approvals (Feb)	✓✓	69.10K	69.90K	Monthly
US	13:00	MBA Mortgage Applications (24-Mar)	✓	-	-2.70%	Weekly
US	15:20	Fed's Evans Speaks on Economy and Policy in Frankfurt	✓	-	-	As scheduled
US	16:00	Pending Home Sales (YoY) (Feb)	✓	-	2.70%	Monthly
US	16:00	Pending Home Sales (MoM) (Feb)	✓	2.50%	-2.80%	Monthly
US	17:30	Fed's Rosengren Speaks at Economic Club of Boston	✓	-	-	As scheduled
Eurozone	18:50	ECB's Peter Praet Speaks in Frankfurt	✓	-	-	As scheduled
US	19:15	Fed's Williams Speaks to Forecaster's Club of New York	✓	-	-	As scheduled
UK	-	UK PM May Triggers Article 50, Starting Brexit Process	✓✓✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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