

ONE Minute Brief

3 March 2017

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Economic and Political News

In South Africa, electricity production rose 0.8% YoY in January, compared to a similar rise in December, while electricity consumption dropped 0.6% YoY in January, compared to a drop of 1.0% in December.

South African Reserve Bank Governor, Lesetja Kganyago, indicated that the bank will sell 150,000 of its shares owned by people who have exceeded the statutory limits of 10,000 set by a court to prevent undue influence in the regulator.

Minister in Presidency, Jeff Radebe, stated that the Cabinet has approved the introduction of International Arbitration Bill in the Parliament. Further, he added that the bill aims at improving and strengthening the trade and investment position of South Africa and will help foreign investors to resolve their disputes.

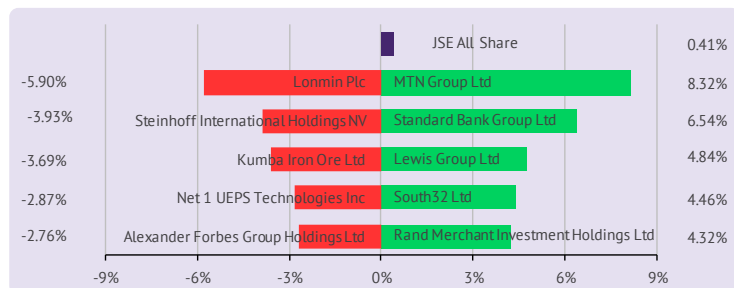
Progressive Professionals Forum (PPF) President, Mzwanele Manyi, stated that the PPF is studying the latest Financial Intelligence Centre Amendment Bill (FICA), adopted in Parliament and is consulting a legal council for advice on the bill.

The Congress of South African Trade Unions (COSATU) General Secretary, Bheki Ntshalintshali, has asked President, Jacob Zuma, to dismiss Social Development Minister, Bathabile Dlamini, over the pending payments of more than 17-million social grants.

South Africa Market ▲

South African markets closed higher

South African markets closed in the green yesterday, driven by gains in banking and platinum sector stocks. The JSE All Share Index rose 0.4% to close at 51,893.19.



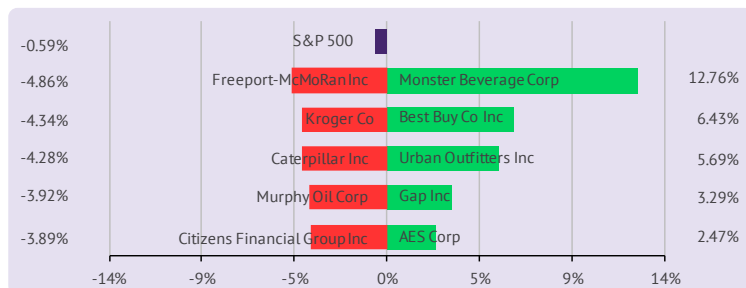
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	51893.19	▲	211.00	0.41%	0.55%	1.46%	-3.11%	2.45%
JSE Top 40	44836.90	▲	159.99	0.36%	0.58%	1.60%	-3.91%	2.13%
FTSE 100	7382.35	▼	-0.55	-0.01%	1.91%	1.64%	2.31%	3.35%
DAX 30	12059.57	▼	-7.62	-0.06%	2.16%	1.90%	2.59%	5.04%
CAC 40	4963.80	▲	2.97	0.06%	2.45%	2.17%	2.31%	2.09%
S&P 500	2381.92	▼	-14.04	-0.59%	0.62%	0.77%	3.72%	6.39%
Nasdaq Composite	5861.22	▼	-42.81	-0.73%	0.27%	0.61%	3.75%	8.88%
DJIA	21002.97	▼	-112.58	-0.53%	0.87%	0.92%	4.77%	6.28%

US Market ▼

The S&P 500 futures are trading in the red

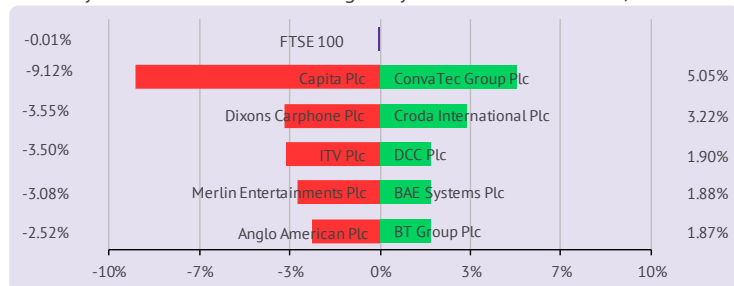
US markets closed lower yesterday, amid losses in financial sector stocks. Data indicated that initial jobless claims surprisingly eased for the week ended February 25, 2017, notching its lowest level in 44 years. The S&P 500 Index dropped 0.6% to close at 2,381.92.



UK Market ▼

The FTSE 100 futures are trading in negative territory

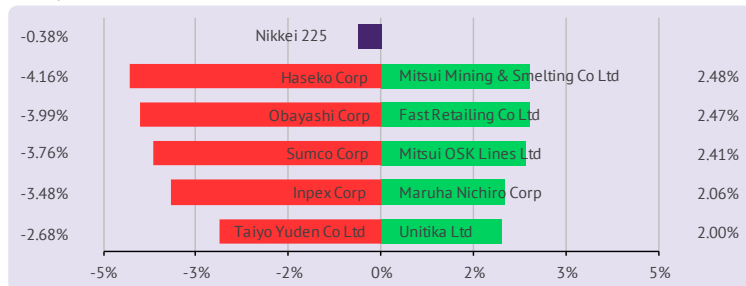
UK markets finished lower yesterday, led by losses in consumer discretionary sector stocks. Data revealed that UK's Markit construction PMI unexpectedly advanced in February, uplifted by civil engineering activity. The FTSE 100 Index marginally declined to close at 7,382.35.



Asian Market ▼

Trading lower

Asian markets are trading lower this morning. Data showed that Japan's consumer price index advanced in line with market estimates on a yearly basis in January. The Nikkei 225 Index is trading 0.4% lower at 19,490.29.



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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 R13.1598. Later today, traders will keep a close watch on the US ISM non-manufacturing composite PMI and the Markit services PMI for further cues.

The US Dollar rose against the South African Rand yesterday, after data revealed that the number of Americans applying for fresh unemployment benefits unexpectedly declined to its weakest level since March 1973 for the week ended February 25, 2017.

GBPZAR ▲

GBP trading firmer against ZAR

At 06:00 SAST, the British Pound climbed 0.2% against the South African Rand to trade at R16.1530. Later today, traders will keep an eye on UK's Markit services PMI for further direction.

The British Pound advanced against the South African Rand yesterday. Data indicated that UK's Markit construction PMI surprisingly improved in February, boosted by expansion in civil engineering activity.

EURZAR ▲

EUR trading stronger against ZAR

At 06:00 SAST, the Euro is trading 0.2% firmer against the South African Rand at R13.8397. Going forward, market participants will keep a tab on Eurozone's and German retail sales data along with the Markit service PMI across the Eurozone for further indication.

The Euro strengthened against the South African Rand yesterday. Data showed that Eurozone's consumer price index advanced in line with market forecast in February, its highest rise in 4 years, amid increase in energy and food prices. Further, unemployment rate remained unchanged in January, at par with market anticipations. Additionally, the producer price index recorded a more-than-expected rise on a monthly basis in the same month. Meanwhile, Germany's import price index advanced at a faster-than-expected pace on an annual basis in January, notching its best level since May 2011.

AUDZAR ▼

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar dropped 0.1% against the South African Rand to trade at R9.9475. Earlier in the session, data revealed that Australia's dropped more than previous reading in February. Meanwhile, in China, Australia's largest trading partner, the Caixin services PMI expanded less than previous reading in February.

The Australian Dollar fell against the South African Rand yesterday. Data indicated that Australia's trade surplus narrowed in February, compared to its previous reading. Moreover, building approvals surprisingly rose on a monthly basis in January.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.1598	▲	1.07%	1.50%	0.26%	-2.56%	-4.24%
GBPZAR	16.1530	▲	0.79%	-0.01%	-0.70%	-4.15%	-4.73%
EURZAR	13.8397	▲	0.58%	0.97%	-0.51%	-4.52%	-4.38%
AUDZAR	9.9475	▼	-0.33%	0.20%	-0.87%	-1.61%	0.48%
EURUSD	1.0521	▲	-0.38%	-0.51%	-0.65%	-2.04%	-0.07%
GBPUSD	1.2271	▲	-0.23%	-1.60%	-0.93%	-1.57%	-0.58%
Brent (\$/barrel)	55.1	▲	-2.27%	-1.63%	-2.53%	1.67%	-3.06%
Gold (\$/oz)	1233.7	▲	-1.37%	-2.02%	-1.67%	3.75%	7.05%
Platinum (\$/oz)	990.3	▲	-2.85%	-3.77%	-3.99%	3.46%	9.79%
Copper (\$/MT)*	5918.0	▼	-1.42%	0.05%	-0.81%	-0.46%	7.15%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices advanced 0.1% to trade at \$1,233.70/oz.

Yesterday, gold prices fell 1.4% to close at \$1,232.90/oz, as strength in the US Dollar reduced demand for the precious yellow metal.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil advanced 0.1% to trade at \$55.14/bL.

Yesterday, Brent crude oil dropped 2.3% to settle at \$55.08/bL, as record US crude oil inventories were seen outweighing OPEC's efforts to drain a global oversupply.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices marginally edged higher to trade at \$990.30/oz.

Yesterday, platinum prices declined 2.9% to close at \$989.90/oz.



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Major South Africa Corporate News

Exxaro Resources Limited

In its trading statement for FY16, the company announced that its headline EPS is expected to be between 1,173.00c and 1,365.00c compared with 457.00c reported in FY15.

Grindrod Limited

In its FY16 results, the company stated that its revenue decreased to ZAR9.03bn from ZAR10.19bn recorded in the previous year. Its diluted headline loss stood at 61.20c/share from a profit of 74.10c/share posted last year. Its loss before tax widened to ZAR1.65bn from ZAR1.18bn reported in the prior year.

MMI Holdings Limited

In its 1H17 results, the company revealed that its net insurance premiums declined slightly from the same period of the preceding year to ZAR14.07bn. Its diluted EPS stood at 64.60c, compared with 97.20c recorded in the corresponding period of the previous year. Its profit before tax fell to ZAR2.47bn from ZAR2.72bn reported in the prior year.

MTN Group Limited

In its FY16 results, the company stated that its revenue increased to ZAR147.92bn from ZAR147.06bn recorded in the previous year. It recorded a diluted headline loss of 77.00c/share from a profit in the prior year, mainly due to Nigerian regulatory fine. Its profit before tax fell to ZAR5.24bn from ZAR34.89bn posted last year.

Santam Limited

In its FY16 results, the company reported that its net insurance premium rose to ZAR19.83bn from ZAR18.52bn recorded in the previous year. Its profit before tax declined to ZAR1.85bn from ZAR3.37bn posted last year. Its diluted EPS decreased significantly from the preceding year to 1,088.00c.

Standard Bank Group Limited

In its FY16 preliminary results, the company revealed that its net interest income rose 15.4% from the preceding year to ZAR56.89bn. Its diluted EPS stood at 1,371.20c, compared with 1,303.90c recorded in the previous year.

Major Global Economic News

Eurozone

In the Eurozone, the consumer price index (CPI) recorded a rise of 2.0% on a yearly basis in February, in line with market expectations. The CPI had recorded rise of 1.8% in the prior month.

In the Eurozone, the unemployment rate remained steady at 9.6% in January, in line with market expectations.

In January, the producer price index (PPI) advanced 0.7% on a monthly basis in the Eurozone, meeting market expectations. The PPI had risen by a revised 0.8% in the previous month.

In Germany, the import price index advanced 6.0% on a yearly basis in January, compared to prior reading of 3.5%. Market expectations was for the index to rise 5.5%.

US

In the US, the seasonally adjusted initial jobless claims unexpectedly dropped to 223.00K in the week ended February 25, 2017, lower than market expectations of a rise to a level of 245.00K. In the prior week, initial jobless claims had registered a revised level of 242.00K.

Asia

In China, the Caixin/Markit services PMI index eased to 52.60 in February, compared to a level of 53.10 in the previous month.

In January, the national CPI registered a rise of 0.4% on an annual basis in Japan, compared to an advance of 0.3% in the previous month. Markets were expecting the national CPI to rise 0.4%.

In Japan, the unemployment rate dropped to 3.0% in January, at par with market expectations. Unemployment rate had recorded a reading of 3.1% in the previous month.

In February, the AIG performance of services index eased to 49.00 in Australia, compared to a reading of 54.50 in the prior month.

UK

In the UK, the construction PMI registered an unexpected rise to 52.50 in February, compared to market expectations of a drop to 52.00. In the prior month, the construction PMI had recorded a reading of 52.20.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:30	Consumer Price Inflation (YoY) (Jan)	✓✓	0.40%*	0.30%	Monthly
Japan	01:30	Job-To-Applicant Ratio (Jan)	✓	1.43*	1.43	Monthly
Japan	01:30	Unemployment Rate (Jan)	✓✓	3.00%*	3.10%	Monthly
Japan	01:30	Household Spending (YoY) (Jan)	✓✓	-1.20%*	-0.30%	Monthly
Japan	01:30	National Consumer Price Index (YoY) (Jan)	✓✓	0.40%*	0.30%	Monthly
Japan	01:30	Tokyo Consumer Price Index (YoY) (Feb)	✓	-0.30%*	0.10%	Monthly
Japan	02:30	Markit Japan Services PMI (Feb)	✓✓	51.30*	51.90	Monthly
Japan	02:30	Markit/JMMA Composite PMI (Feb)	✓✓	52.20*	52.30	Monthly
China	03:45	Caixin/Markit Services PMI (Feb)	✓✓	52.60*	53.10	Monthly
China	03:45	HSBC China Composite PMI (Feb)	✓✓	52.60*	52.20	Monthly
Japan	07:00	Consumer Confidence Index (Feb)	✓✓	43.50	43.20	Monthly
Germany	09:00	Retail Sales (MoM) (Jan)	✓✓	0.30%	-0.90%	Monthly
Germany	09:00	Retail Sales (YoY) (Jan)	✓✓	0.70%	-1.10%	Monthly
Eurozone	09:30	ECB's Lautenschlaeger Speaks in London	✓	-	-	As scheduled
Germany	10:55	Markit Services PMI (Feb) (F)	✓✓	54.40	54.40**	Monthly
Eurozone	11:00	Markit Composite PMI (Feb) (F)	✓✓✓	56.00	56.00**	Monthly
Eurozone	11:00	Markit Services PMI (Feb) (F)	✓✓	55.60	55.60**	Monthly
UK	11:30	Markit Services PMI (Feb)	✓✓	54.10	54.50	Monthly
Eurozone	12:00	Retail Sales (MoM) (Jan)	✓✓✓	0.30%	-0.30%	Monthly
Eurozone	12:00	Retail Sales (YoY) (Jan)	✓✓	1.50%	1.10%	Monthly
US	16:45	Markit Composite PMI (Feb) (F)	✓✓	-	54.30**	Monthly
US	16:45	Markit Services PMI (Feb) (F)	✓✓	54.00	53.90**	Monthly
US	17:00	ISM Non-Manufacturing PMI (Feb)	✓✓	56.50	56.50	Monthly
US	17:15	Fed's Evans and Lacker Speak on Panel in New York	✓	-	-	As scheduled
US	19:00	Fed's Vice Chair Fischer Speaks in New York	✓	-	-	As scheduled
US	20:00	Fed's Yellen Speaks in Chicago	✓✓✓	-	-	As scheduled

Note: ✓✓✓High ✓✓Medium ✓Low

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