

# ONE Minute Brief

15 March 2017

**GTC**  
consult • partner • manage

## Economic and Political News

S&P Global Ratings has highlighted that rising government guaranteed debt and contingent liabilities are a risk to SA's sovereign credit rating.

Gold production in South Africa remained flat on an annual basis in January. Gold production had fallen 7.1% in the prior month.

Mining production in South Africa registered a rise of 1.3% on an annual basis in January, more than market expectations for a rise of 1.2%. Mining production had registered a drop of 1.9% in the previous month.

In South Africa, the seasonally adjusted manufacturing production index unexpectedly fell 0.4% on a MoM basis in January, lower than market expectations for a rise of 1.5%. In the prior month, the manufacturing production index had registered a rise of 0.3%.

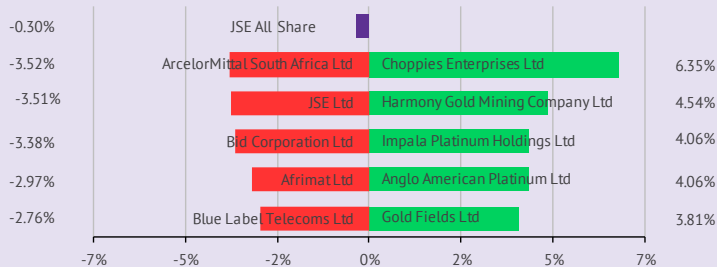
Cash Paymaster Services (CPS) has warned the SASSA that social grants would be paid late if no contract is in place.

The Managing Director of the Bank Association of South Africa (Basa), Cas Coovadia, has stated that interactions in the parliamentary hearing on transformation of the financial services sector were robust and better than expected.

## South Africa Market ▼

### South African markets closed lower

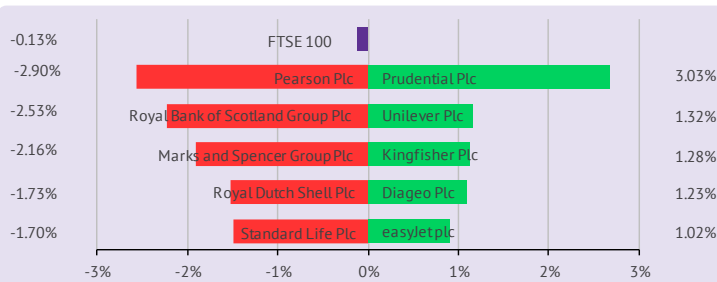
South African markets closed in the red yesterday, amid a decline in resources and retail sector stocks. Data indicated that South Africa's mining production advanced more-than-expected in January. The JSE All Share Index fell 0.3% to close at 51,699.46.



## UK Market ▼

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

UK markets finished lower yesterday, dragged down by weakness in energy and banking sector stocks. The FTSE 100 Index declined 0.1% to close at 7,357.85.



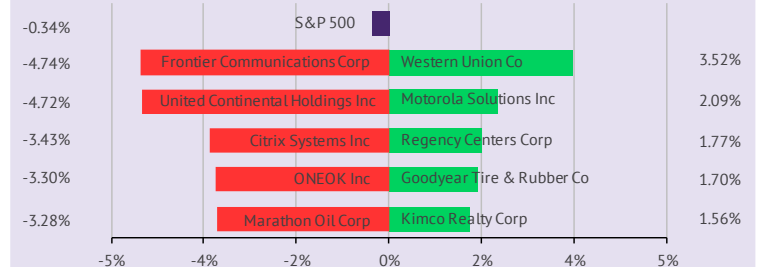
## Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	51699.46	▼ -155.92	-0.30%	0.84%	1.08%	-3.11%	2.06%
JSE Top 40	44652.55	▼ -193.79	-0.43%	0.79%	1.18%	-3.91%	1.71%
FTSE 100	7357.85	▼ -9.23	-0.13%	0.20%	1.30%	2.31%	3.01%
DAX 30	11988.79	▼ -1.24	-0.01%	0.21%	1.30%	2.59%	4.42%
CAC 40	4974.26	▼ -25.34	-0.51%	-0.38%	2.38%	2.31%	2.30%
S&P 500	2365.45	▼ -8.02	-0.34%	-0.30%	0.08%	3.72%	5.66%
Nasdaq Composite	5856.82	▼ -18.97	-0.32%	-0.08%	0.54%	3.75%	8.80%
DJIA	20837.37	▼ -44.11	-0.21%	-0.31%	0.12%	4.77%	5.44%

## US Market ▼

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

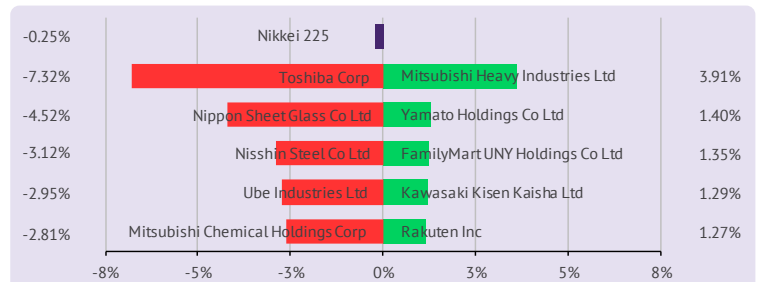
US markets closed lower yesterday, led by a decline in energy sector stocks. Data showed that the US small business optimism index slipped in February, although remains near an all-time high. The S&P 500 Index dropped 0.3% to close at 2,365.45.



## Asian Market ▼

### Trading mostly lower

Asian markets are trading mostly lower this morning. The Nikkei 225 Index is trading 0.2% lower at 19,561.10.



**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

15 March 2017

**GTC**  
consult • partner • manage

## USDZAR ▲

### USD trading firmer against ZAR

At 06:00 SAST, the US Dollar is trading marginally higher against the South African Rand at R13.1400. Later today, traders will keep a close watch on US advance retail sales, the consumer price index and the NAHB housing market index along with the Fed's interest rate decision and monetary policy statement for further direction.

The US Dollar fell against the South African Rand yesterday. Data showed that the US NFIB small business optimism index unexpectedly declined in February, but remained near its all-time high. Moreover, the producer price index rose more-than-expected in February. Separately, South Africa's manufacturing production index surprisingly eased in January, while mining production advanced more-than-expected in the same month.

## GBPZAR ▼

### GBP trading weaker against ZAR

At 06:00 SAST, the British Pound dropped 0% against the South African Rand to trade at R15.9770. Later today, traders will focus on UK's ILO unemployment rate and claimant count data for further cues.

The British Pound declined against the South African Rand yesterday, after the UK Prime Minister finally won Parliament's support to trigger Article 50 and start the formal process of exiting the European Union. Meanwhile, UK's CB leading economic index advanced in February.

## EURZAR ▲

### EUR trading higher against ZAR

At 06:00 SAST, the Euro is trading marginally firmer against the South African Rand at R13.9491. Going forward today, market participants will keep a tab on Eurozone's employment change data.

The Euro weakened against the South African Rand yesterday. Data indicated that ZEW survey for economic sentiment in the Eurozone sharply improved in March. Meanwhile, the region's seasonally adjusted industrial production grew less than expected in January. Additionally, Germany's ZEW survey for economic sentiment improved at a slower than expected pace in February and the current situation index rose less-than-estimated for the same month.

## AUDZAR ▲

### AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar rose 0.2% against the South African Rand to trade at R9.9457. Earlier in the session, data showed that Australia's Westpac consumer confidence index advanced in March, while new motor vehicle sales registered a decline in February.

The Australian Dollar fell against the South African Rand yesterday. Data showed that Australia's business confidence and business conditions indices dipped in February. Meanwhile, in China, Australia's largest trading partner, industrial production (YTD) growth accelerated faster than expected in February, whereas retail sales (YTD) rose less-than-anticipated for the same month.

## Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.1400	▲	-0.02%	-0.09%	0.17%	-2.56%	-4.32%
GBPZAR	15.9770	▼	-0.42%	-0.24%	-1.60%	-4.15%	-5.60%
EURZAR	13.9491	▲	-0.34%	-0.85%	0.46%	-4.52%	-3.44%
AUDZAR	9.9457	▲	-0.14%	0.15%	-1.12%	-1.61%	0.23%
EURUSD	1.0615	▲	-0.48%	-0.63%	0.26%	-2.04%	0.85%
GBPUSD	1.2162	▲	-0.54%	-0.14%	-1.84%	-1.57%	-1.49%
Brent (\$/barrel)	51.7	▲	-0.84%	-0.88%	-9.89%	1.67%	-10.38%
Gold (\$/oz)	1201.0	▼	-0.04%	0.10%	-4.09%	3.75%	4.42%
Platinum (\$/oz)	941.3	▲	-0.24%	0.07%	-8.93%	3.46%	4.14%
Copper (\$/MT)*	5798.3	▲	0.38%	1.43%	-2.82%	-0.46%	4.98%

\*As of Previous Close

## Gold ▼

### Trading in the red

At 06:00 SAST, gold prices declined 0.1% to trade at \$1,201.00/oz.

Yesterday, gold prices marginally fell to close at \$1,202.60/oz, as the greenback strengthened against its major counterparts amid rising expectations of an interest rate hike by the US Fed at the conclusion of its monetary policy meeting today.

## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil edged 1.5% higher to trade at \$51.67/bl.

Yesterday, Brent crude oil dropped 0.8% to settle at \$50.92/bl, after an OPEC report indicated that production from Saudi Arabia, its largest member, is increasing. Meanwhile, the American Petroleum Institute (API) reported that US crude oil inventories decreased by 0.53mn bls for the week ended March 10, 2017.

## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices gained 0.3% to trade at \$941.30/oz.

Yesterday, platinum prices declined 0.2% to close at \$938.90/oz.



# ONE Minute Brief

15 March 2017



## Major South Africa Corporate News

### Grand Parade Investments Limited

In its 1H17 trading statement, the company indicated that its headline EPS will be between 0.72c and 0.92c, which equates to a decrease of between 55.0% and 65.0%, compared with the similar period of the prior year.

### Tsogo Sun Holdings Limited

The entertainment holding company announced that it and Niveus have agreed that the earlier announced acquisition of Niveus' interests in Vukani Gaming Proprietary Limited and Galaxy Bingo Proprietary Limited will no longer be implemented. Instead, it will acquire HCI's, its controlling company, entire shareholding interest in Gameco, Niveus' wholly owned subsidiary, for approximately ZAR2.15bn worth of ordinary shares of Tsogo.

## Major Global Economic News

In the Eurozone, the seasonally adjusted industrial production climbed 0.9% on a monthly basis in January, less than market expectations for an advance of 1.3%. In the prior month, industrial production had fallen by a revised 1.20%.

The economic sentiment index in the Eurozone rose to a level of 25.10 in March. The economic sentiment index had recorded a level of 17.10 in the prior month.

The final consumer price index (CPI) in Germany registered a rise of 2.2% on an annual basis in February, at par with market expectations. In the previous month, the CPI had climbed 1.9%. The preliminary figures had also recorded an advance of 2.2%.

The economic sentiment index registered a rise to 12.80 in March, in Germany, lower than market expectations of a rise to a level of 13.00. In the prior month, the economic sentiment index had registered a level of 10.40.

### Asia

In Australia, the seasonally adjusted new motor vehicle sales recorded a drop of 2.7% on a monthly basis in February. In the prior month, new motor vehicle sales had climbed by a revised 0.5%.

In Australia, Westpac consumer confidence index rose 0.10%, on MoM basis, to a level of 99.70 in March, compared to a level of 99.60 in the previous month.

### US

In February, the small business optimism index recorded a drop to 105.30 in the US, compared to a reading of 105.90 in the prior month. Markets were anticipating the small business optimism index to drop to a level of 105.60.

In the US, producer prices registered a rise of 0.3% on a monthly basis in February, more than market expectations for an advance of 0.1%. In the prior month, producer prices had risen 0.6%.

### UK

In the UK, the CB leading economic index advanced 0.4% in February, compared to a flat reading in the prior month.

# ONE Minute Brief

15 March 2017

**GTC**  
consult • partner • manage

## Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	04:00	Tokyo Condominium Sales (YoY) (Feb)	✓	3.30%*	-7.40%	Monthly
Japan	06:30	Capacity Utilisation (MoM) (Jan)	✓	0.10%*	0.60%	Monthly
Japan	06:30	Industrial Production (YoY) (Jan) (F)	✓✓	3.70%*	3.20%**	Monthly
France	09:45	Consumer Price Index (MoM) (Feb) (F)	✓	0.10%	0.10%**	Monthly
Switzerland	10:15	Producer and Import Prices (MoM) (Feb)	✓	0.40%	0.40%	Monthly
Italy	11:00	Retail Sales s.a. (MoM) (Jan)	✓	0.20%	-0.50%	Monthly
UK	11:30	Claimant Count s.a. (Feb)	✓✓	-	745.00K	Monthly
UK	11:30	Claimant Count Change (Feb)	✓✓	-	-42.40K	Monthly
UK	11:30	Claimant Count Rate s.a. (Feb)	✓✓	-	2.10%	Monthly
UK	11:30	Average Earnings Excluding Bonus (3Mo/Yr) (Jan)	✓	2.50%	2.60%	Monthly
UK	11:30	Average Earnings Including Bonus (3Mo/Yr) (Jan)	✓✓	2.40%	2.60%	Monthly
UK	11:30	ILO Unemployment Rate (3M) (Jan)	✓✓✓	4.80%	4.80%	Monthly
UK	11:30	Employment Change (3M/3M) (Jan)	✓✓	87.00 K	37.00 K	Monthly
Italy	12:00	Consumer Price Index (MoM) (Feb) (F)	✓	-	0.30%**	Monthly
Eurozone	12:00	Employment Change (QoQ) (Q4)	✓✓	-	0.20%	Quarterly
Eurozone	12:00	Employment Change (YoY) (Q4)	✓✓	-	1.20%	Quarterly
South Africa	12:00	BER Business Confidence Index (Q1)	✓✓	-	38.00	Quarterly
US	13:00	MBA Mortgage Applications (10-Mar)	✓	-	3.30%	Weekly
South Africa	13:00	Retail Sales (MoM) (Jan)	✓✓	0.20%	-2.30%	Monthly
US	14:30	Advance Retail Sales (MoM) (Feb)	✓✓✓	-0.10%	0.40%	Monthly
US	14:30	Consumer Price Index (MoM) (Feb)	✓✓✓	0.00%	0.60%	Monthly
US	14:30	NY Empire State Manufacturing Index (Mar)	✓✓	15.00	18.70	Monthly
Canada	15:00	Existing Home Sales (MoM) (Feb)	✓	-	-1.30%	Monthly
US	16:00	NAHB Housing Market Index (Mar)	✓	65.00	65.00	Monthly
US	20:00	Fed Interest Rate Decision	✓✓✓	1.00%	0.75%	As scheduled
US	20:00	Fed's Monetary Policy Statement	✓✓✓	-	-	As scheduled
Italy	-	Bank of Italy Governor Visco Speaks at Milan Event	✓✓✓	-	-	As scheduled

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