

ONE Minute Brief

7 March 2017

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Economic and Political News

The Presidency stated that President, Jacob Zuma, has appointed the Deputy President of the Supreme Court of Appeal (SCA), Justice Mandisa Muriel Maya, as the President of the court.

The Organisation for Undoing Tax Abuse (OUTA) plans to take legal action against South African Airways (SAA) Chairperson, Duduzile Myeni, with the objective of declaring her a delinquent director.

According to news reports, the South Africa Social Security Agency (SASSA) has entered into a new contract with Cash Paymaster Services (CPS) for handling social grant payments.

The African National Congress (ANC) in Tshwane stated that it will not support any wrong doing by any of its members or supporters if they are found to have stopped the City's Mayor, Solly Msimanga, from speaking at a public meeting.

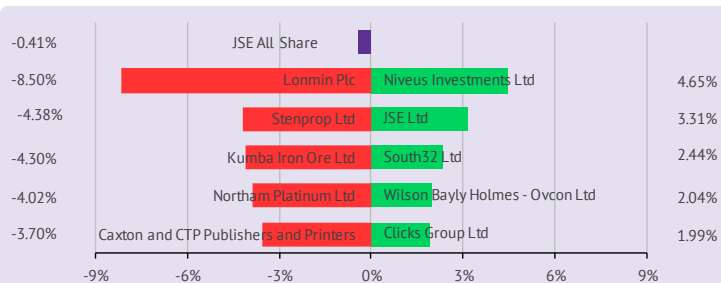
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	51498.14	▼	-210.47	-0.41%	-0.41%	0.69%	-3.11%
JSE Top 40	44425.26	▼	-211.04	-0.47%	-0.47%	0.67%	-3.91%
FTSE 100	7350.12	▼	-24.14	-0.33%	-0.33%	1.19%	2.31%
DAX 30	11958.40	▼	-68.96	-0.57%	-0.57%	1.05%	2.59%
CAC 40	4972.19	▼	-22.94	-0.46%	-0.46%	2.34%	2.31%
S&P 500	2375.31	▼	-7.81	-0.33%	-0.33%	0.49%	3.72%
Nasdaq Composite	5849.18	▼	-21.58	-0.37%	-0.37%	0.41%	3.75%
DJIA	20954.34	▼	-51.37	-0.24%	-0.24%	0.68%	4.77%

South Africa Market ▼

South African markets closed lower

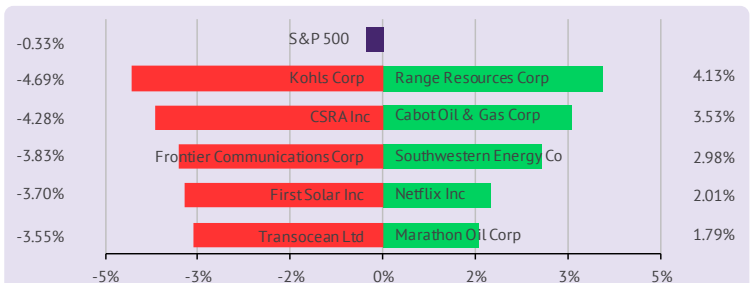
South African markets closed in the red yesterday, amid losses in platinum and resources sector stocks. The JSE All Share Index fell 0.4% to close at 51,498.14.



US Market ▼

The S&P 500 futures are trading in the red

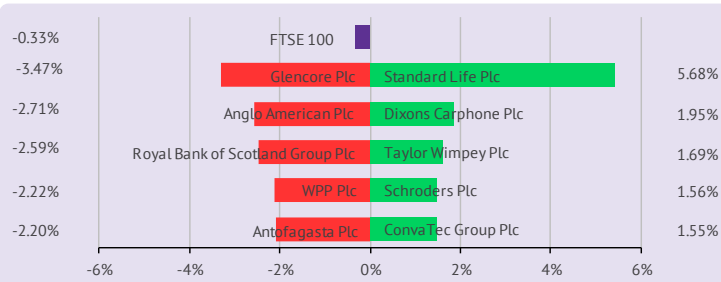
US markets closed lower yesterday, weighed down by losses in material and financial sector stocks. Data showed that US factory orders recorded a more-than-expected rise in January, led by an increase in demand in the transportation sector. The S&P 500 Index dropped 0.3% to 2,375.31.



UK Market ▼

The FTSE 100 futures are trading in positive territory

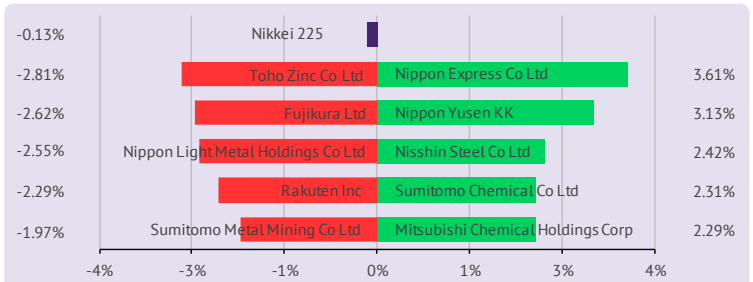
UK markets finished lower yesterday, led by losses in material sector stocks. Data revealed that UK's BRC retail sales declined more-than-expected on an annual basis in February. The FTSE 100 Index declined 0.3% to close at 7,350.12.



Asian Market ◀▶

Trading mixed

Asian markets are trading mixed this morning. The Nikkei 225 Index is trading 0.1% lower at 19,354.36.



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USDZAR ▼

USD trading weaker against ZAR

At 06:00 SAST, the US Dollar dropped 0.2% against the South African Rand to trade at R12.9800. Later today, traders will keep a close watch on US trade balance and consumer credit for further direction. Separately, South Africa's gross domestic product will be on investors' radar.

The US Dollar fell against the South African Rand yesterday. Data indicated that US factory orders advanced more than market anticipation in January, boosted by an upsurge in demand in the transportation sector. Further, final durable goods orders came higher than market expectations in the same month.

GBPZAR ▼

GBP trading lower against ZAR

At 06:00 SAST, the British Pound is trading 0.1% weaker against the South African Rand at R15.9050. Data showed that UK's BRC retail sales recorded a more-than-expected drop on a yearly basis in February. Later today, traders will keep an eye on UK's Halifax house price index.

The British Pound declined against the South African Rand yesterday.

EURZAR ▼

EUR trading weaker against ZAR

At 06:00 SAST, the Euro is trading 0.1% lower against the South African Rand at R13.7510. Going forward, market participants will keep a tab on Eurozone's gross domestic product and Germany's factory orders for further cues.

The Euro weakened against the South African Rand yesterday. Data revealed that Eurozone's Sentix investor confidence index for March beat market expectations and jumped to its strongest level in 10 years.

AUDZAR ▲

AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.2% firmer against the South African Rand at R9.8687. Earlier in the session, the Reserve Bank of Australia (RBA) kept its benchmark interest rate unchanged at a record low 1.5%, as widely expected. The RBA Governor, Philip Lowe indicated that global economic conditions have improved over recent months and that the Australian economy continues to transition after the mining boom. Further, data showed that the Australia's AIG performance of construction index bounced back into expansion territory in February. Moreover, ANZ Roy Morgan weekly consumer confidence index dropped compared to the prior reading for the week ended March 5, 2017.

The Australian Dollar fell against the South African Rand yesterday. Data revealed that Australia's retail sales bounced back into positive territory on a monthly basis in January, in line with market expectations, supported by an increase in sales of household goods and rise in sales at cafes, restaurants and takeaway food providers.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	12.9800	▼	-0.08%	-0.08%	-0.88%	-2.56%	-5.32%
GBPZAR	15.9050	▼	-0.46%	-0.46%	-1.96%	-4.15%	-5.94%
EURZAR	13.7510	▼	-0.26%	-0.26%	-0.78%	-4.52%	-4.64%
AUDZAR	9.8687	▲	-0.31%	-0.31%	-1.92%	-1.61%	-0.59%
EURUSD	1.0589	▲	-0.40%	-0.40%	0.03%	-2.04%	0.62%
GBPUUSD	1.2245	▲	-0.45%	-0.45%	-1.17%	-1.57%	-0.82%
Brent (\$/barrel)	56.0	▼	0.20%	0.20%	-0.88%	1.67%	-1.43%
Gold (\$/oz)	1226.4	▲	-0.08%	-0.08%	-2.26%	3.75%	6.41%
Platinum (\$/oz)	979.6	▲	-1.60%	-1.60%	-5.12%	3.46%	8.50%
Copper (\$/MT)*	5843.8	▼	-1.05%	-1.05%	-2.06%	-0.46%	5.81%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.1% higher to trade at \$1,226.40/oz.

Yesterday, gold prices fell 0.1% to close at \$1,225.50/oz, as strength in the greenback dented the demand for precious yellow metal.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged lower 0.1% to trade at \$55.96/bl.

Yesterday, Brent crude oil advanced 0.2% to settle at \$56.01/bl, extending its previous session gains.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices rose 0.1% to trade at \$979.60/oz.

Yesterday, platinum prices declined 1.6% to close at \$978.20/oz.



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Major South Africa Corporate News

Ascendis Health Limited

The company stated that it has entered into an agreement on March 4, 2017 in terms of which it will acquire, directly or indirectly, the entire issued share capital of Cipla Agrimed Proprietary Limited and the entire issued share capital of Cipla Vet Proprietary Limited for a consideration of ZAR375.00mn from Inyanga Trading 386 Proprietary Limited, a fully owned subsidiary of Cipla Limited India.

AVI Limited

In its 1H17 results, the company reported that its revenue advanced 12.0% from the same period of the preceding year to ZAR7.13bn. Its diluted headline EPS stood at 300.40c, compared with 277.60c recorded in the corresponding period of the previous year. Its profit before tax rose to ZAR1.38bn from ZAR1.25bn posted last year.

Capitec Bank Holdings Limited

In its trading statement for FY17, the company announced that its headline EPS will be between 3,233.00c and 3,317.00c, representing an increase of between 16.0% and 19.0% compared with 2,787.00c reported in the prior year.

Lonmin Plc

The company announced that Ben Moolman has resigned as Chief Operating Officer and a Director for personal reasons. He will leave with effect from April 5, 2017.

Major Global Economic News

Asia

The Reserve Bank of Australia (RBA) left key interest rate steady at a record low 1.5%, as widely expected. The RBA Governor, Philip Lowe stated that global economic conditions have improved over recent months and that the Australian economy continues to transition after the mining boom. He further added that while the nation's headline inflation is expected to pick up over the course of 2017, there remains considerable variation across the nation's jobs and housing markets.

In Australia, the AIG performance of construction index recorded a rise to 53.10 in February. In the previous month, the AIG performance of construction index had registered a level of 47.70.

In Australia, the ANZ Roy Morgan weekly consumer confidence index declined to 113.9, compared to prior reading of 119.1 for the week ended March 5, 2017.

Eurozone

In the Eurozone, the Sentix investor confidence index advanced to 20.70 in March, compared to a reading of 17.40 in the prior month. Market expectation was for the investor confidence index to climb to 18.50.

US

In the US, factory orders registered a rise of 1.2% on a monthly basis in January, higher than market expectations for a rise of 1.0%. In the prior month, factory orders had advanced 1.3%.

In January, the final durable goods orders registered a rise of 2.0% on a monthly basis in the US, more than market expectations for an advance of 1.0%. In the previous month, durable goods orders had recorded a revised drop of 0.8%. The preliminary figures had recorded an advance of 1.8%.

UK

In the UK, the BRC retail sales across all sectors recorded a drop of 0.4% on an annual basis in February, compared to a fall of 0.6% in the prior month. Markets were expecting retail sales across all sectors to ease 0.2%.

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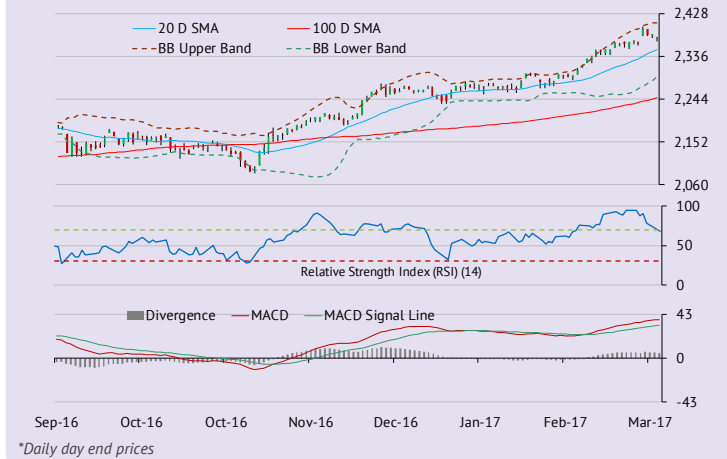
Technical Snapshot

JSE All Share



The JSE All Share index is expected to find support at 51,005.99, and a fall through could take it to the next support level of 50,513.83. The index is expected to find its first resistance at 51,999.72, and a rise through could take it to the next resistance level of 52,501.29.

S&P 500



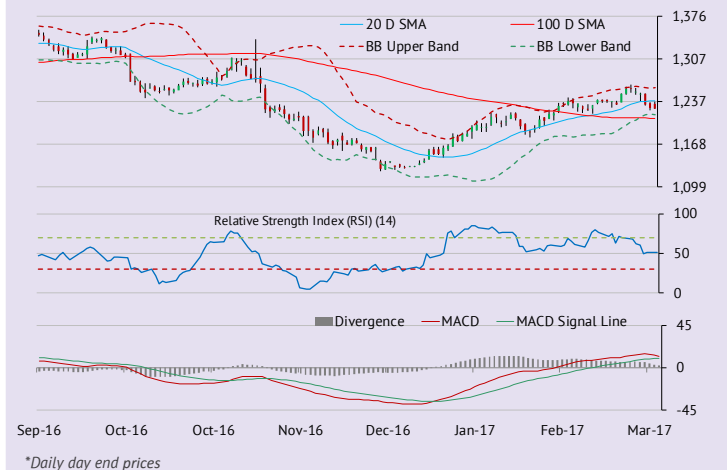
The S&P 500 index is expected to find support at 2,355.85, and a fall through could take it to the next support level of 2,336.40. The index is expected to find its first resistance at 2,397.87, and a rise through could take it to the next resistance level of 2,420.44.

USDZAR



The pair is expected to find support at 12.8872, and a fall through could take it to the next support level of 12.7745. The pair is expected to find its first resistance at 13.1455, and a rise through could take it to the next resistance level of 13.2911.

XAU/USD



Gold is expected to find support at \$1,212.57/oz, and a fall through could take it to the next support level of \$1,199.63/oz. The precious metal is expected to find its first resistance at \$1,248.87/oz, and a rise through could take it to the next resistance level of \$1,272.23/oz.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:50	Japan Foreign Reserves (Feb)	✓	USD1232.34bn*	USD1231.57bn	Monthly
UK	02:01	BRC Sales Like-For-Like (YoY) (Feb)	✓	-0.40%*	-0.60%	Monthly
South Africa	08:00	Net Gold & Forex Reserve (Feb)	✓✓	USD41.44bn	USD41.37bn	Monthly
South Africa	08:00	Gross Gold & Forex Reserve (Feb)	✓✓	USD46.56bn	USD46.67bn	Monthly
Germany	09:00	Germany- Foreign Export Orders (Jan)	✓	-	121.90	Monthly
Germany	09:00	Germany- Domestic Orders (Jan)	✓	-	114.00	Monthly
Germany	09:00	Germany- Manufacturing Order-Total (Jan)	✓	-	118.40	Monthly
Germany	09:00	Factory Orders s.a. (MoM) (Jan)	✓✓	-2.50%	5.20%	Monthly
France	09:45	Budget Balance (Jan)	✓	-	-EUR69.00bn	Monthly
UK	10:30	Halifax Plc House Prices Index s.a. (Feb)	✓	-	712.90	Monthly
UK	10:30	Halifax House Prices (MoM) (Feb)	✓	0.40%	-0.90%	Monthly
UK	10:30	Halifax House Prices (3m/YoY) (Feb)	✓	5.30%	5.70%	Monthly
South Africa	11:30	Gross Domestic Product (YoY) (Q4)	✓✓✓	0.50%	1.00%	Quarterly
South Africa	11:30	Gross Domestic Product (QoQ) (Q4)	✓✓✓	0.00%	0.20%	Quarterly
Eurozone	12:00	Gross Domestic Product s.a. (QoQ) (Q4) (F)	✓✓✓	0.40%	0.40%**	Quarterly
Eurozone	12:00	Gross Domestic Product s.a. (YoY) (Q4) (F)	✓✓	1.70%	1.70%**	Quarterly
Eurozone	12:00	Household Consumption (QoQ) (Q4)	✓	0.50%	0.30%	Quarterly
Eurozone	12:00	Government Expenditure (QoQ) (Q4)	✓	0.40%	0.50%	Quarterly
Eurozone	12:00	Gross Fixed Capital (QoQ) (Q4)	✓	0.60%	0.20%	Quarterly
US	15:30	Trade Balance (Jan)	✓✓✓	-USD48.50bn	-USD44.30bn	Monthly
US	15:55	Redbook Index (YoY) (03-Mar)	✓	-	1.40%	Weekly
US	15:55	Redbook Index s.a. (MoM) (03-Mar)	✓	-	0.70%	Weekly
US	16:00	IBD/TIPP Economic Optimism (MoM) (Mar)	✓	-	56.40	Monthly
US	22:00	Consumer Credit Change (Jan)	✓✓	USD17.25bn	USD14.16bn	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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