

ONE Minute Brief

21 April 2017

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Economic and Political News

The newly formed Freedom Movement by civil society groups and political parties stated that marches and protests against President, Jacob Zuma, would continue and that it would step up the pressure for his removal. Meanwhile, the Save South Africa campaign indicated that it was not part of the Freedom Movement.

South African Communist Party (SACP) General Secretary, Blade Nzimande, indicated that he regrets leading the charge against former President, Thabo Mbeki, and supporting the current President, Jacob Zuma, at that time.

The Democratic Alliance has again called for the suspension of acting National Police Commissioner, Khomotso Phahlane, pending the result of the current independent police investigative directorate (IPID) investigation into him.

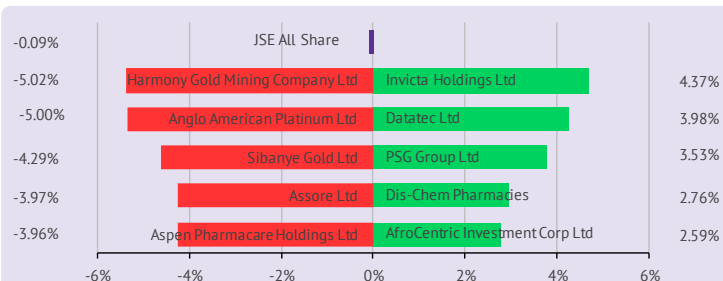
Rand Merchant Bank (RMB) has warned that President Jacob Zuma's continued stay in office and the possibility of Nkosazana Dlamini-Zuma becoming the next ANC President, puts the party at risk of losing the 2019 elections.

The North-West University's (NWU) Policy Uncertainty Index (PUI) recorded a sharp rise to 51.0 in 1Q17 compared to 38.8 in 4Q16.

South Africa Market ▼

South African markets closed lower

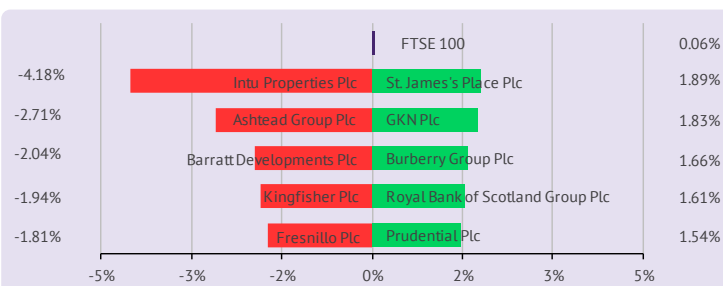
South African markets closed in the red yesterday, led by losses in gold mining and platinum sector stocks. The JSE All Share Index fell 0.1% to close at 52,496.62.



UK Market ▲

The FTSE 100 futures are trading in positive territory

UK markets finished higher yesterday, supported by gains in consumer discretionary and financial sector stocks. The FTSE 100 Index advanced 0.1% to close at 7,118.54.



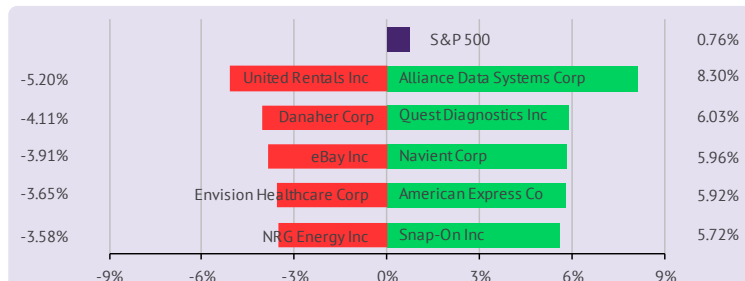
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	52496.62	▼	-48.50	-0.09%	-1.89%	0.85%	1.78%
JSE Top 40	45735.57	▼	-36.39	-0.08%	-1.95%	1.26%	2.35%
FTSE 100	7118.54	▲	4.18	0.06%	-2.85%	-2.79%	0.82%
DAX 30	12027.32	▲	10.87	0.09%	-0.67%	-2.32%	4.04%
CAC 40	5077.91	▲	74.18	1.48%	0.13%	-0.87%	5.43%
S&P 500	2355.84	▲	17.67	0.76%	1.15%	-0.29%	-0.04%
Nasdaq Composite	5916.78	▲	53.74	0.92%	1.92%	0.09%	1.48%
DJIA	20578.71	▲	174.22	0.85%	0.61%	-0.41%	-0.72%

US Market ▲

The S&P 500 futures are trading flat

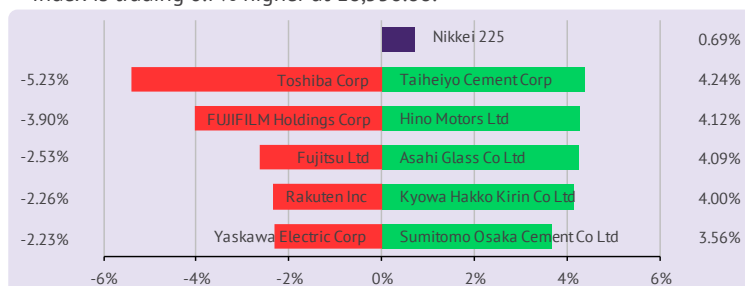
US markets closed higher yesterday, as robust corporate earnings and comments from the US Treasury Secretary, Steven Mnuchin, regarding major tax reforms boosted market sentiment. The S&P 500 Index climbed 0.8% to close at 2,355.84.



Asian Market ▲

Trading higher

Asian markets are trading higher this morning, tracking overnight gains on Wall Street. Data revealed that Japan's manufacturing PMI expanded at a faster pace in April, led by increased export orders. The Nikkei 225 Index is trading 0.7% higher at 18,556.88.



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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 R13.1500. Later today, traders will keep a close watch on US Markit manufacturing and services PMI along with existing home sales for further direction.

The US Dollar fell against the South African Rand yesterday, following downbeat US jobless claims data. Meanwhile, leading indicator advanced more-than-expected in March.

GBPZAR ▲

GBP trading stronger against ZAR

At 06:00 SAST, the British Pound is trading 0.4% higher against the South African Rand at R16.9010. Later today, traders will keep an eye on UK's retail sales for further cues.

The British Pound declined against the South African Rand yesterday.

EURZAR ▲

EUR trading firmer against ZAR

At 06:00 SAST, the Euro is trading 0.1% higher against the South African Rand at R14.0959. Going forward, market participants will keep a tab on Markit manufacturing and services PMI across the single currency bloc and Eurozone's current account balance for further indication.

The Euro weakened against the South African Rand yesterday. On the macro front, Eurozone's consumer confidence recorded a more-than-expected rise in April. Further, construction output rebounded on a monthly basis in February, notching its highest level since March 2012. Meanwhile, Germany's producer price index registered a flat reading on a monthly basis in March.

AUDZAR ▲

AUD trading stronger against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% higher against the South African Rand at R9.8954.

The Australian Dollar fell against the South African Rand yesterday. Data revealed that Australia's NAB business confidence index remained unchanged in the first quarter of 2017.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.1500	▲	-0.98%	-1.97%	-2.08%	2.32%	-4.30%
GBPZAR	16.9010	▲	-0.70%	0.19%	0.02%	3.66%	-0.52%
EURZAR	14.0959	▲	-0.98%	-1.01%	-1.51%	3.01%	-2.48%
AUDZAR	9.8954	▲	-0.56%	-2.56%	-3.39%	1.94%	-0.18%
EURUSD	1.0716	▲	0.05%	0.99%	0.61%	0.70%	1.91%
GBPUSD	1.2798	▼	0.24%	2.28%	2.10%	1.33%	3.83%
Brent (\$/barrel)	53.0	▼	0.11%	-5.19%	-1.01%	-5.27%	-6.74%
Gold (\$/oz)	1281.6	▼	0.04%	-0.31%	2.77%	-0.53%	11.31%
Platinum (\$/oz)	978.0	▼	1.09%	0.44%	3.14%	-8.03%	8.47%
Copper (\$/MT)*	5596.5	▲	1.33%	-1.12%	-3.77%	-2.52%	1.33%

*As of Previous Close

Gold ▼

Trading in the red

At 06:00 SAST, gold prices marginally dropped to trade at \$1,281.60/oz.

Yesterday, gold prices marginally rose to close at \$1,281.90/oz, as weakness in the US Dollar increased demand for the safe haven asset.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil marginally retreated to trade at \$52.99/bl.

Yesterday, Brent crude oil advanced 0.1% to settle at \$52.99/bl, after Saudi Arabia and Kuwait, the major Organisation of the Petroleum Exporting Countries (OPEC) members, indicated that OPEC and other producers, including Russia, will probably extend their agreement to cut oil production in the second half of 2017.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged marginally lower to trade at \$978.00/oz.

Yesterday, platinum prices climbed 1.1% to close at \$978.00/oz.



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Major South Africa Corporate News

Trencor Limited

The cargo containers trader, in its trading statement for FY16, announced that its headline EPS is expected to register a significant fall as compared with the prior year.

Major Global Economic News

Eurozone

In the Eurozone, the flash consumer confidence index recorded a rise to -3.60 in April, compared to market expectations of an advance to -4.80. The index had recorded a level of -5.00 in the previous month.

In February, the seasonally adjusted construction output climbed 6.9% on a monthly basis in the Eurozone. Construction output had registered a revised drop of 2.4% in the previous month.

In Germany, the producer price index remained unchanged on a monthly basis in March, lower than market expectations for an advance of 0.2%. In the prior month, the index had risen 0.2%.

US

In the US, the seasonally adjusted initial jobless claims advanced to 244.00K in the week ended April 15, 2017, compared to a reading of 234.00K in the previous week. Market anticipation was for initial jobless claims to advance to a level of 240.00K.

In March, leading indicator rose 0.4% on a monthly basis in the US, higher than market expectations for a rise of 0.2%. In the previous month, leading indicator had registered a rise of 0.6%.

Asia

In Japan, the flash Nikkei manufacturing PMI rose to a level of 52.80 in April, compared to a reading of 52.40 in the previous month.

In February, the tertiary industry index recorded a rise of 0.2% on a monthly basis in Japan, lower than market expectations for a rise of 0.3%. In the previous month, the tertiary industry index had recorded an unchanged reading.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	02:30	Nomura/ JMMA Manufacturing PMI (Apr) (P)	✓✓✓	52.80*	52.40	Monthly
Japan	06:30	Tertiary Industry Index (MoM) (Feb)	✓✓	0.20%*	0.00%	Monthly
France	09:00	Markit Manufacturing PMI (Apr) (P)	✓✓✓	53.10	53.30	Monthly
France	09:00	Markit Services PMI (Apr) (P)	✓	57.00	57.50	Monthly
Germany	09:30	Markit Manufacturing PMI (Apr) (P)	✓✓✓	58.00	58.30	Monthly
Germany	09:30	Markit Services PMI (Apr) (P)	✓✓	55.50	55.60	Monthly
Eurozone	10:00	Current Account n.s.a. (Feb)	✓	-	EUR2.50bn	Monthly
Eurozone	10:00	Current Account s.a (Feb)	✓	-	EUR24.10bn	Monthly
Eurozone	10:00	Markit Composite PMI (Apr) (P)	✓✓✓	56.40	56.40	Monthly
Eurozone	10:00	Markit Manufacturing PMI (Apr) (P)	✓✓✓	56.00	56.20	Monthly
Eurozone	10:00	Markit Services PMI (Apr) (P)	✓✓	55.90	56.00	Monthly
Italy	10:30	Current Account (Feb)	✓	-	-EUR1.91bn	Monthly
UK	10:30	Retail Sales (MoM) (Mar)	✓	-0.50%	1.40%	Monthly
UK	10:30	Retail Sales (YoY) (Mar)	✓✓	3.30%	3.70%	Monthly
Canada	14:30	Consumer Price Index (Mar)	✓✓	-	129.70	Monthly
Canada	14:30	Consumer Price Index (YoY) (Mar)	✓✓	-	2.00%	Monthly
US	15:30	Fed's Kashkari Participates in Q&A in St. Paul, MN	✓	-	-	As scheduled
US	15:45	Markit Composite PMI (Apr) (P)	✓✓	-	53.00	Monthly
US	15:45	Markit Services PMI (Apr) (P)	✓✓	53.20	52.80	Monthly
US	15:45	Markit Manufacturing PMI (Apr) (P)	✓✓✓	53.80	53.30	Monthly
US	16:00	Existing Home Sales (Mar)	✓	5.60mn	5.48mn	Monthly
US	16:00	Existing Home Sales (MoM) (Mar)	✓	2.20%	-3.70%	Monthly

Note: ✓✓✓High ✓✓Medium ✓Low

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