

ONE Minute Brief

8 May 2017

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Economic and Political News

Former Finance Minister, Pravin Gordhan, has called on business leaders in the retail motor industry to take control of the nation's economic future and asked them to educate their staff on promoting integrity, fighting against corruption, and bringing transformation.

The African National Congress (ANC) stated that the court order to President, Jacob Zuma, to explain the reason for the dismissal of former Finance Minister, Pravin Gordhan, and his Deputy Minister, Mcebisi Jonas, is a clear case of judicial interference in matters of the executive.

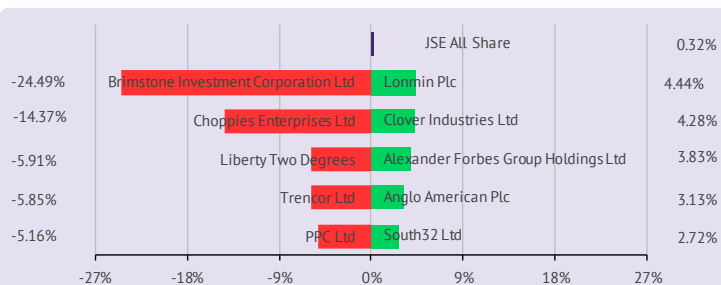
The Democratic Alliance (DA) plans to file an application in terms of the Promotion of Access to Information Act (PAIA) to receive access to tender documents which resulted in President, Jacob Zuma's, energy adviser Silas Zimu, to receive a contract from Eskom.

ANC Deputy President, Cyril Ramaphosa, has asked members of his party to elect a leadership that will enable the party to win the 2019 elections. Separately, he highlighted the need for radical economic transformation in South Africa and return of land to rightful owners.

South Africa Market ▲

South African markets closed higher

South African markets closed in the green on Friday, led by a rise in resources and gold mining sector stocks. The JSE All Share Index rose 0.3% to close at 53,579.01.



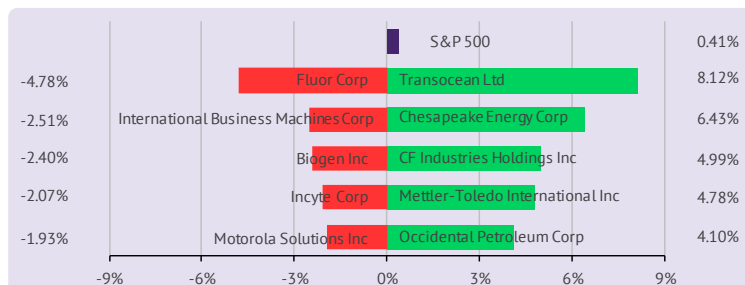
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	53579.01	▲ 172.70	0.32%	NA	-0.44%	3.38%	5.78%
JSE Top 40	47009.79	▲ 262.73	0.56%	NA	-0.13%	4.22%	7.08%
FTSE 100	7297.43	▲ 49.33	0.68%	NA	1.30%	-1.62%	2.16%
DAX 30	12716.89	▲ 69.11	0.55%	NA	2.24%	1.02%	10.76%
CAC 40	5432.40	▲ 59.98	1.12%	NA	3.13%	2.83%	11.72%
S&P 500	2399.29	▲ 9.77	0.41%	NA	0.63%	0.91%	7.17%
Nasdaq Composite	6100.76	▲ 25.42	0.42%	NA	0.88%	2.30%	13.33%
DJIA	21006.94	▲ 55.47	0.26%	NA	0.32%	1.34%	6.30%

US Market ▲

The S&P 500 futures are trading in the red

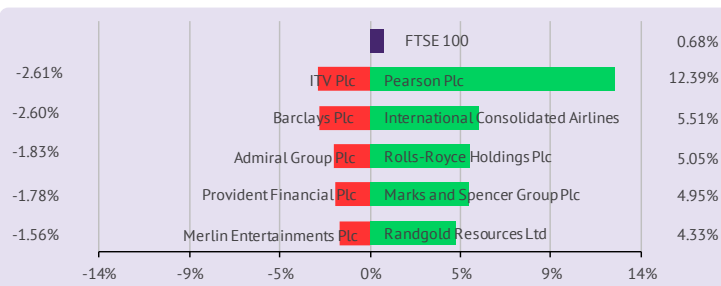
US markets closed higher on Friday, supported by an increase in energy sector stocks. Data showed that US unemployment rate surprisingly declined in April to its weakest level since May 2007. The S&P 500 Index climbed 0.4% to close at 2,399.29.



UK Market ▲

The FTSE 100 futures are trading in positive territory

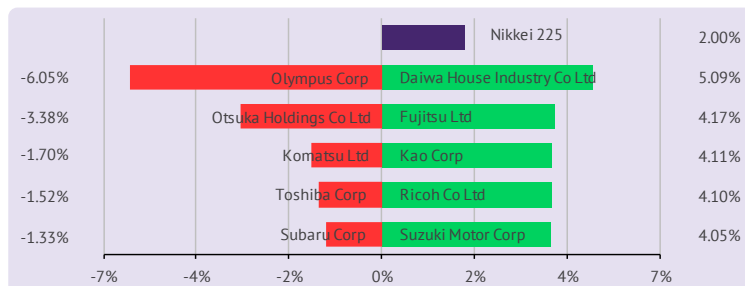
UK markets finished higher on Friday, amid gains in consumer discretionary and material sector stocks. The FTSE 100 Index advanced 0.7% to close at 7,297.43.



Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning. Data revealed that China's trade surplus widened more-than-expected in April. The Nikkei 225 Index is trading 2.0% higher at 19,834.67.



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USDZAR ▲

USD trading higher against ZAR

At 06:00 SAST, the US Dollar gained 0.6% against the South African Rand to trade at R13.4978. Later today, traders will keep a close watch on the US labour market conditions index for further cues.

The US Dollar fell against the South African Rand on Friday. On the data front, US unemployment rate unexpectedly dropped in April, notching its lowest level in 10 years. Meanwhile, change in non-farm payrolls increased more than market forecast in the same month. Further, average hourly earnings recorded a less-than-anticipated rise on an annual basis in April.

GBPZAR ▲

GBP trading stronger against ZAR

At 06:00 SAST, the British Pound is trading 0.5% firmer against the South African Rand at R17.4809. Later today, traders will keep an eye on UK's Halifax house prices scheduled in few hours.

The British Pound declined against the South African Rand on Friday.

EURZAR ▲

EUR trading firmer against ZAR

At 06:00 SAST, the Euro rose 0.3% against the South African Rand to trade at R14.8022, after Emmanuel Macron was elected as the President of France. Going forward, market participants will keep a tab on Eurozone's Sentix investor confidence for further direction. Meanwhile, Germany's factory orders will be on investors' radar.

The Euro weakened against the South African Rand on Friday. On the macro front, Eurozone's Markit retail PMI expanded in April. Separately, Germany's Markit construction PMI dropped in April, remaining in expansion territory. Meanwhile, Markit retail PMI advanced at a faster pace in the same month.

AUDZAR ▲

AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.3% firmer against the South African Rand at R9.9857. Earlier in the session, data revealed that Australia's NAB business confidence advanced at a stronger pace to its highest level since 2010 in April, while business condition index rose in April, reaching its strongest level since 2008. Meanwhile, building approvals retreated more-than-expected on a monthly basis in March. Meanwhile, in China, Australia's largest trading partner, trade surplus widened more than market forecast in April.

The Australian Dollar fell against the South African Rand on Friday. In its quarterly statement on monetary policy, the Reserve Bank of Australia (RBA) has forecasted Australia's gross domestic product to rise between 2.75% to 3.75% in 2018, up from its previous prediction of 2.5% to 3.5%. Earlier in the session, data indicated that Australia's AiG performance of service index advanced in April, higher than its previous reading.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.4978	▲	-1.68%	NA	0.35%	-0.37%	-2.29%
GBPZAR	17.4809	▲	-1.32%	NA	0.48%	2.87%	2.80%
EURZAR	14.8022	▲	-1.60%	NA	1.29%	1.86%	2.15%
AUDZAR	9.9857	▲	-1.57%	NA	-0.58%	-2.21%	0.46%
EURUSD	1.0970	▼	0.10%	NA	0.92%	2.31%	4.58%
GBPUSD	1.2954	▼	0.46%	NA	0.22%	3.24%	5.21%
Brent (\$/barrel)	49.8	▲	1.49%	NA	-5.67%	-2.76%	-13.59%
Gold (\$/oz)	1230.7	▲	-0.14%	NA	-3.26%	1.68%	6.53%
Platinum (\$/oz)	919.8	▲	0.28%	NA	-4.06%	0.05%	0.95%
Copper (\$/MT)*	5563.0	▲	0.82%	NA	-2.58%	-1.81%	0.72%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices rose 0.3% to trade at \$1,230.70/oz.

On Friday, gold prices fell 0.1% to close at \$1,226.90/oz, extending its previous session losses.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged 1.5% higher to trade at \$49.82/bl.

On Friday, Brent crude oil advanced 1.5% to settle at \$49.10/bl, after Saudi Arabia assured that Russia will join OPEC in extending output cuts to reduce an excess supply of crude oil. Separately, Baker Hughes reported that US crude oil rig count rose by 6 to 703 last week.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices gained 1.1% to trade at \$919.80/oz.

On Friday, platinum prices climbed 0.3% to close at \$910.20/oz.



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Major South Africa Corporate News

Holdsport Limited

In its FY17 results, the company revealed that its sales advanced 5.8% from the preceding year to ZAR1.83bn. However, its profit before tax fell to ZAR266.05mn from ZAR304.13mn reported in the prior year. Its headline EPS stood at 455.00c, compared with 513.90c recorded in the corresponding period of the previous year.

Net 1 Ueps Technologies Inc.

In its 3Q17 results, the company stated that its revenue increased to \$147.94mn from \$134.74mn posted in the corresponding period of the previous year. Its diluted EPS fell 15.0% from the same period of the prior year to \$0.34. Its income before tax rose to \$29.20mn from \$28.68mn posted in the similar quarter last year.

Major Global Economic News

US

In the US, non-farm payrolls rose by 211.00K in April, higher than market expectations of an advance of 190.00K. Non-farm payrolls had registered a revised increase of 79.00K in the prior month.

In April, the unemployment rate unexpectedly eased to a level of 4.4% in the US, compared to market expectations of a rise to 4.6%. The unemployment rate had registered a level of 4.5% in the previous month.

In the US, average hourly earnings of all employees climbed 2.5% on an annual basis in April, less than market expectations for a rise of 2.7%. Average hourly earnings of all employees had risen by a revised 2.6% in the prior month.

Asia

In Australia, the NAB business confidence index rose to a level of 13.00 in April. In the prior month, the index had registered a reading of 6.00.

In April, the business conditions index climbed to 14.00 in Australia. The index had recorded a revised level of 12.00 in the previous month.

In Australia, the seasonally adjusted building approvals dropped 13.4% on a monthly basis in March, higher than market expectations for a drop of 4.0%. In the previous month, building approvals had risen by a revised 8.9%.

Eurozone

In the Eurozone, Markit retail PMI advanced to 52.70 in April, compared to a reading of 49.50 in the previous month.

In Germany, Markit retail PMI recorded a rise of 56.20 in April, compared to a level of 52.50 in the prior month.

In April, Markit construction PMI fell to 54.60 in Germany, compared to 56.40 in the previous month.



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40 Best Performers on the All Share Index

Company Name	Last Close	1 Week % Change	MTD % Change	YTD % Change
Trencor Ltd	38	-6.74%	-6.74%	31.61%
Naspers Ltd	2604	2.57%	2.57%	29.28%
Compagnie Financiere Richemont SA	116	3.54%	3.54%	27.95%
Mondi Plc	357	2.76%	2.76%	27.93%
Mondi Ltd	354	2.13%	2.13%	26.47%
Adcock Ingram Holdings Ltd	60	-0.27%	-0.27%	23.77%
KAP Industrial Holdings Ltd	9	-1.92%	-1.92%	22.86%
Datatec Ltd	60	3.34%	3.34%	21.26%
Astral Foods Ltd	157	0.97%	0.97%	21.08%
Reinet Investments SCA	32	3.87%	3.87%	20.22%
Hudaco Industries Ltd	137	0.74%	0.74%	19.92%
Murray & Roberts Holdings Ltd	14	-1.43%	-1.43%	19.79%
Anglo American Platinum Ltd	315	-4.71%	-4.71%	18.94%
British American Tobacco Plc	925	2.65%	2.65%	18.77%
Shoprite Holdings Ltd	203	-3.24%	-3.24%	18.39%
Bid Corporation Ltd	289	2.07%	2.07%	17.89%
Capital & Regional Plc	10	2.05%	2.05%	16.11%
Mpact Ltd	33	5.97%	5.97%	15.58%
Discovery Ltd	132	-1.35%	-1.35%	15.28%
Exxaro Resources Ltd	103	-9.73%	-9.73%	14.86%
Clicks Group Ltd	133	-1.28%	-1.28%	14.73%
Sappi Ltd	103	3.73%	3.73%	14.51%
PSG Group Ltd	247	-2.31%	-2.31%	13.10%
Delta Property Fund Ltd	9	0.34%	0.34%	12.82%
Northam Platinum Ltd	46	-8.45%	-8.45%	12.35%
AECI Ltd	113	-2.61%	-2.61%	11.77%
RCL Foods Ltd	14	-1.95%	-1.95%	11.02%
Sanlam Ltd	69	-2.00%	-2.00%	10.45%
Investec Ltd	100	-0.13%	-0.13%	10.21%
Capitec Bank Holdings Ltd	766	0.41%	0.41%	10.17%
Capital & Counties Properties Plc	55	0.15%	0.15%	10.12%
Investec Plc	100	0.36%	0.36%	9.67%
Octodec Investments Ltd	24	0.71%	0.71%	8.84%
PSG Konsult Ltd	8	-0.74%	-0.74%	8.80%
Mediclinic International Plc	141	0.05%	0.05%	8.53%
Glencore Plc	50	-5.46%	-5.46%	7.22%
Hammerson Plc	103	0.21%	0.21%	6.75%
Dis-Chem Pharmacies	24	-3.04%	-3.04%	6.70%
Equites Property Fund Ltd	17	-0.41%	-0.41%	6.65%
Santam Ltd	248	0.40%	0.40%	6.13%
JSE All Share Index	53579	-0.44%	-0.44%	5.78%

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous	Frequency
China	05:40	Exports (YoY) (Apr)	✓✓	8.00%*	16.40%	Monthly
China	05:40	Imports (YoY) (Apr)	✓✓	11.90%*	20.30%	Monthly
China	05:40	Trade Balance (Apr)	✓✓	USD38.05bn*	USD23.93bn	Monthly
Japan	07:00	Consumer Confidence Index (Apr)	✓✓	-	43.90	Monthly
Germany	08:00	Germany- Foreign Export Orders (Mar)	✓	-	116.70	Monthly
Germany	08:00	Germany- Domestic Orders (Mar)	✓	-	111.80	Monthly
Germany	08:00	Germany- Manufacturing Order-Total (Mar)	✓	-	114.50	Monthly
Germany	08:00	Factory Orders n.s.a. (YoY) (Mar)	✓✓	2.30%	4.60%	Monthly
Germany	08:00	Factory Orders s.a. (MoM) (Mar)	✓✓	1.00%	3.40%	Monthly
South Africa	08:00	Net Gold & Forex Reserve (Apr)	✓	USD41.20bn	USD41.42bn	Monthly
South Africa	08:00	Gross Gold & Forex Reserve (Apr)	✓	USD46.00bn	USD46.59bn	Monthly
UK	09:30	Halifax House Prices (3m/YoY) (Apr)	✓	3.60%	3.80%	Monthly
UK	09:30	Halifax House Prices (MoM) (Apr)	✓	0.00%	0.00%	Monthly
Eurozone	10:30	Sentix Investor Confidence (May)	✓✓	24.70	23.90	Monthly
Portugal	10:30	Bank of Portugal Governor Speaks at Conference in Lisbon	✓	-	-	As scheduled
US	12:45	Fed's Mester Speaks at Chicago Council on Global Affairs	✓	-	-	As scheduled
Canada	14:15	Housing Starts s.a. (Apr)	✓✓	220.00K	253.70K	Monthly
US	14:35	Fed's Bullard Speaks on Panel on Interest Rate Policy	✓	-	-	As scheduled
China	-	FDI - Foreign Direct Investment YTD (YoY) (Apr)	✓	-	-	Monthly
US	-	Mortgage Delinquencies (Q1)	✓	-	4.80%	Quarterly
US	-	MBA Mortgage Foreclosures (Q1)	✓	-	1.53%	Quarterly

Note: ✓✓✓High ✓✓Medium ✓Low

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