

ONE Minute Brief

9 May 2017

GTC
consult • partner • manage

Economic and Political News

In South Africa (SA), net gold & forex reserves registered an unexpected rise to a level of USD 41.73bn in April, compared to market expectations of a drop to USD 41.13bn. In the previous month, net gold & forex reserves had registered a level of USD 41.42bn.

Minister of Trade and Industry, Rob Davies, stated that SA had to impose emergency safeguard tariffs on imports of certain flat hot-rolled steel products to protect the local industry.

Tourism Minister, Tokozile Xasa, stated that a government-financed tourism development fund will be set up to support small-and medium-sized enterprises in the tourism sector, to achieve inclusive growth.

African National Congress Deputy President, Cyril Ramaphosa, has rejected calls from ANC leaders to not speak about the problems faced by the party.

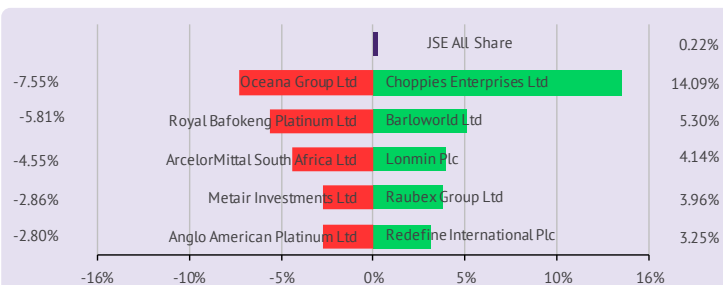
The High Court in Pretoria is set to hear ousted Hawks Chief Major-General Berning Ntlembeza request to interdict the Minister of Police, Fikile Mbalula.

Eskom has stated that it has given the Zimbabwe Electricity Supply Authority (ZESA) until the end of this month to honour its payments to Eskom or face cut in electricity supply.

South Africa Market ▲

South African markets closed higher

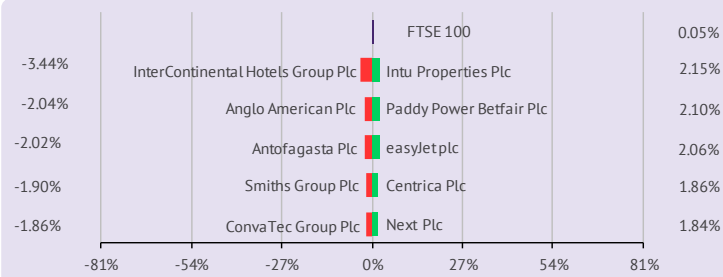
South African markets closed in the green yesterday, amid gains in banking and financial sector stocks. The JSE All Share Index rose 0.2% to close at 53,696.37.



UK Market ▲

The FTSE 100 futures are trading in negative territory

UK markets finished higher yesterday, led by an increase in consumer discretionary sector stocks. Data revealed that UK's BRC like-for-like retail sales rebounded more-than-anticipated on an annual basis in April. The FTSE 100 Index advanced 0.1% to close at 7,300.86.



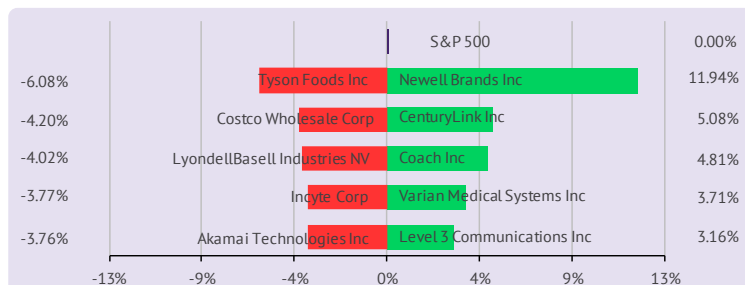
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	53696.37	▲	117.36	0.22%	0.22%	-0.22%	3.38%	6.01%
JSE Top 40	47076.82	▲	67.03	0.14%	0.14%	0.01%	4.22%	7.23%
FTSE 100	7300.86	▲	3.43	0.05%	0.05%	1.35%	-1.62%	2.21%
DAX 30	12694.55	▼	-22.34	-0.18%	-0.18%	2.06%	1.02%	10.57%
CAC 40	5382.95	▼	-49.45	-0.91%	-0.91%	2.20%	2.83%	10.71%
S&P 500	2399.38	▲	0.09	0.00%	0.00%	0.64%	0.91%	7.17%
Nasdaq Composite	6102.66	▲	1.90	0.03%	0.03%	0.91%	2.30%	13.37%
DJIA	21012.28	▲	5.34	0.03%	0.03%	0.34%	1.34%	6.32%

US Market ▲

The S&P 500 futures are trading in the red

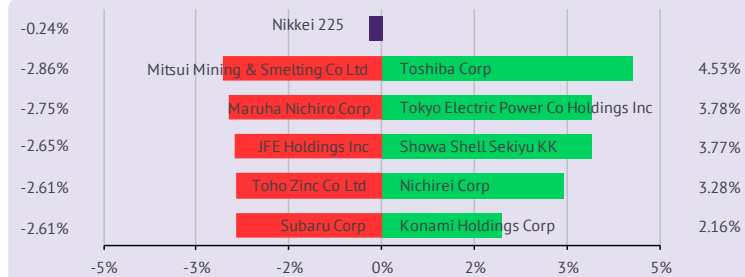
US markets closed marginally higher yesterday, supported by gains in energy sector stocks. Data indicated that the US labour market condition index advanced more than market expectations in April. The S&P 500 Index climbed to close at 2,399.38.



Asian Market ▼

Trading mostly lower

Asian markets are trading mostly lower this morning. On the macro front, Japan's labour cash earnings surprisingly eased on a yearly basis in March, reaching its weakest level since June 2015. The Nikkei 225 Index is trading 0.2% lower at 19,848.30.



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

9 May 2017

GTC
consult • partner • manage

USDZAR ▼

USD trading weaker against ZAR

At 06:00 SAST, the US Dollar is trading marginally lower against the South African Rand at R13.6100. Later today, traders will keep a close watch on US wholesale inventories, the NFIB small business optimism index, wholesale trade sales and JOLTS job openings for further cues. Separately, South Africa's unemployment rate will be on investors' radar.

The US Dollar rose against the South African Rand yesterday. On the macro front, the US labour market condition index recorded a higher-than-expected rise in April.

GBPZAR ▲

GBP trading higher against ZAR

At 06:00 SAST, the British Pound advanced 0.1% against the South African Rand to trade at R17.6256. On the data front, UK's BRC like-for-like retail sale bounced back into the positive territory, higher than market expectations on an annual basis in April, notching its strongest level since April 2011.

The British Pound advanced against the South African Rand yesterday. Data revealed that UK's Halifax house prices unexpectedly declined on a monthly basis in April.

EURZAR ▼

EUR trading lower against ZAR

At 06:00 SAST, the Euro marginally retreated against the South African Rand to trade at R14.8748. Going forward, market participants will keep a tab on Germany's trade balance, industrial production and current account balance for further indication.

The Euro strengthened against the South African Rand yesterday. Data indicated that Eurozone's Sentix investor confidence advanced higher than market forecast in May, its strongest rise since July 2007. Meanwhile, Germany's factory orders registered a more-than-expected rise on a monthly basis in March.

AUDZAR ▼

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.4% lower against the South African Rand at R10.0156. Earlier in the session, data showed that Australia's retail sales surprisingly dropped on a monthly basis in March.

The Australian Dollar rose against the South African Rand yesterday. Data showed that Australia's NAB business confidence rose to its strongest level since 2010 in April, while business condition index recorded a rise in April, notching its highest level since 2008. Meanwhile, building approvals plummeted more than market anticipations on a monthly basis in March. Separately, in China, Australia's largest trading partner, trade surplus widened more-than-expected in April.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.6100	▼	1.48%	1.48%	1.83%	-0.37%	-0.85%
GBPZAR	17.6256	▲	1.23%	1.23%	1.72%	2.87%	4.07%
EURZAR	14.8748	▼	0.86%	0.86%	2.16%	1.86%	3.03%
AUDZAR	10.0156	▼	1.01%	1.01%	0.42%	-2.21%	1.47%
EURUSD	1.0927	▲	-0.66%	-0.66%	0.25%	2.31%	3.89%
GBPUSD	1.2948	▲	-0.32%	-0.32%	-0.10%	3.24%	4.88%
Brent (\$/barrel)	49.4	▲	0.49%	0.49%	-5.21%	-2.76%	-13.16%
Gold (\$/oz)	1228.0	▲	0.02%	0.02%	-3.25%	1.68%	6.55%
Platinum (\$/oz)	918.0	▼	1.03%	1.03%	-3.07%	0.05%	2.00%
Copper (\$/MT)*	5461.8	▼	-1.82%	-1.82%	-4.36%	-1.81%	-1.11%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.1% higher to trade at \$1,228.00/oz.

Yesterday, gold prices marginally rose to close at \$1,227.10/oz, reversing its previous session losses.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil climbed 0.1% to trade at \$49.40/bbl.

Yesterday, Brent crude oil advanced 0.5% to settle at \$49.34/bbl, after the Organization of the Petroleum Exporting Countries (OPEC) stated that OPEC and non-OPEC members are having a possibility of extending the output cuts until the end of the first quarter of 2018. Further, Saudi Arabia's Oil Minister, Khalid AL-Falih, indicated that he is confident about the deal to slash production will be extended into the second half of the year and possibly into next year as well.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged 0.2% lower to trade at \$918.00/oz.

Yesterday, platinum prices climbed 1.0% to close at \$919.60/oz.



ONE Minute Brief

9 May 2017



Major South Africa Corporate News

Raubex Group Limited

In its FY17 results, the company revealed that its revenue advanced 13.6% from the preceding year to ZAR9.00bn. Its diluted EPS stood at 202.20c, compared with 234.30c recorded in the previous year. Its profit before tax fell to ZAR618.96mn from ZAR661.64mn posted in the similar period last year.

Redefine Properties Limited

In its 1H17 results, the company stated that its revenue increased to ZAR3.59bn from ZAR3.31bn posted in the corresponding period of the previous year. Its diluted headline EPS from continuing operations substantially rose from the same period of the prior year to 66.48c. Additionally, the company declared an interim cash dividend of 44.82c/share, for the period.

Tsogo Sun Holdings Limited

In its trading statement for FY17, the company indicated that its revenue is expected to be between 7.0% and 9.0% higher compared with the prior comparative period. Its headline EPS is expected to be between 12.0% and 14.0% higher compared with last year.

Major Global Economic News

Eurozone

In the Eurozone, the Sentix investor confidence index recorded a rise to 27.40 in May, compared to market expectations of an advance to a level of 25.20. The index had registered a reading of 23.90 in the prior month.

In March, the seasonally adjusted factory orders advanced 1.0% on a monthly basis in Germany, more than market expectations for an advance of 0.7%. Factory orders had advanced by a revised 3.5% in the previous month.

UK

In the UK, the BRC like-for-like retail sales across all sectors advanced 5.6% on a yearly basis in April, compared to a drop of 1.0% in the prior month. Markets were anticipating retail sales to rise 0.5%.

In April, the Halifax house price index registered an unexpected drop of 0.1% on a monthly basis in the UK, lower than market expectations for a rise of 0.1%. In the previous month, the index had registered an unchanged reading.

Asia

In Australia, the seasonally adjusted retail sales unexpectedly eased 0.1% on a monthly basis in March, lower than market expectations for a rise of 0.3%. In the prior month, retail sales had fallen by a revised 0.2%.

In Japan, labour cash earnings registered an unexpected drop of 0.4% on an annual basis in March, compared to an advance of 0.4% in the previous month. Market expectation was for labour cash earnings to climb 0.5%.

US

In the US, the labour market conditions index change rose 3.5 in April, compared to a reading of 3.6 in the prior month. Market expectation was for the index to record a reading of 1.0.

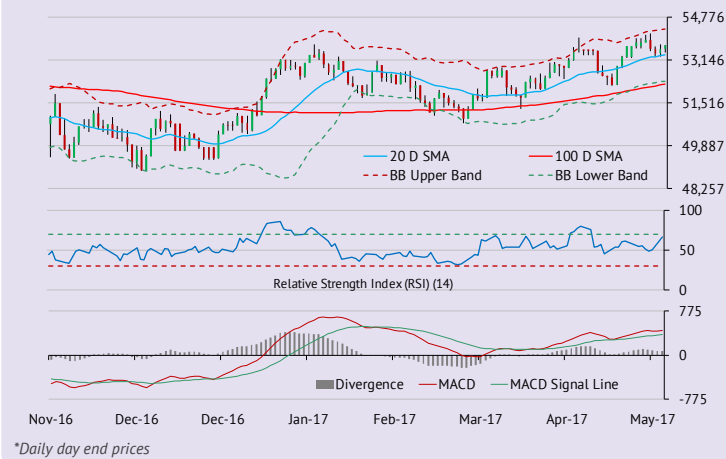
ONE Minute Brief

9 May 2017

GTC
consult • partner • manage

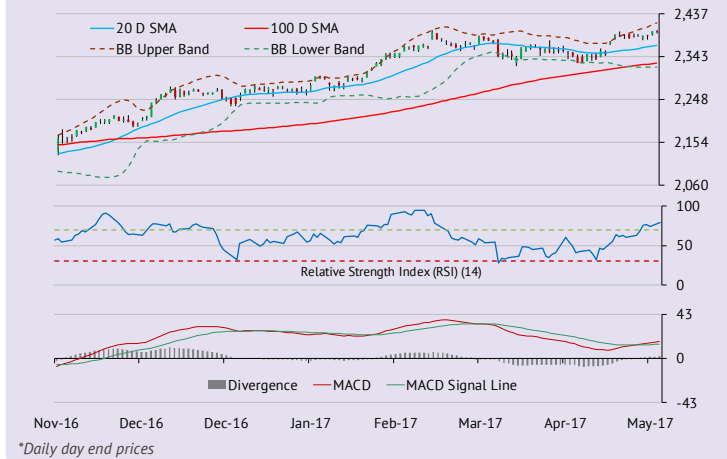
Technical Snapshot

JSE All Share



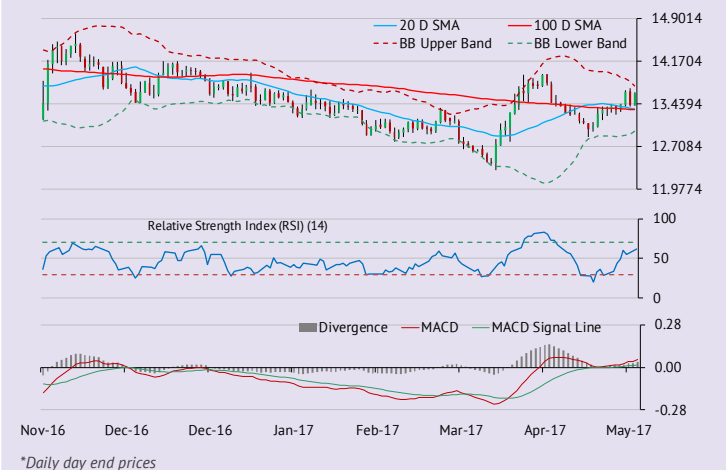
The JSE All Share index is expected to find support at 53,269.48, and a fall through could take it to the next support level of 52,842.58. The index is expected to find its first resistance at 54,140.40, and a rise through could take it to the next resistance level of 54,584.42.

S&P 500



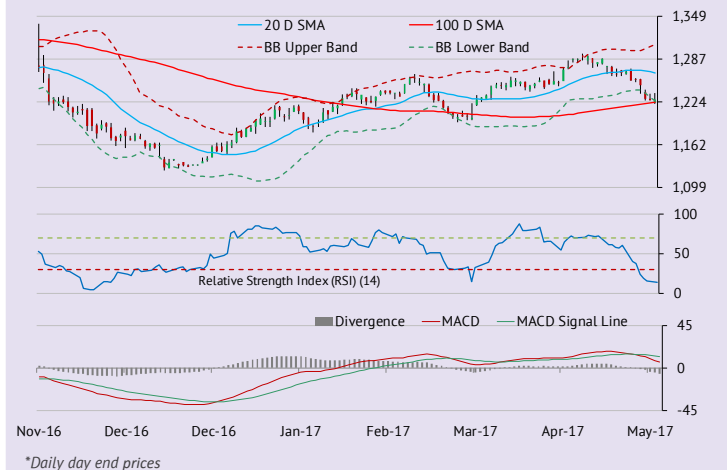
The S&P 500 index is expected to find support at 2,385.63, and a fall through could take it to the next support level of 2,371.89. The index is expected to find its first resistance at 2,407.24, and a rise through could take it to the next resistance level of 2,415.11.

USDZAR



The pair is expected to find support at 13.3455, and a fall through could take it to the next support level of 13.0765. The pair is expected to find its first resistance at 13.7955, and a rise through could take it to the next resistance level of 13.9765.

XAU/USD



Gold is expected to find support at \$1,212.47/oz, and a fall through could take it to the next support level of \$1,197.83/oz. The precious metal is expected to find its first resistance at \$1,250.27/oz, and a rise through could take it to the next resistance level of \$1,273.43/oz.

ONE Minute Brief

9 May 2017

GTC
consult • partner • manage

Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
UK	01:01	BRC Sales Like-For-Like (YoY) (Apr)	✓	5.60%*	-1.00%	Monthly
Japan	02:00	Labour Cash Earnings (YoY) (Mar)	✓✓	-0.40%*	0.40%	Monthly
Switzerland	07:45	Unemployment Rate s.a. (Apr)	✓✓	3.20%	3.30%	Monthly
Germany	08:00	Industrial Production s.a. (MoM) (Mar)	✓	-0.70%	2.20%	Monthly
Germany	08:00	Current Account n.s.a. (Mar)	✓	EUR26.50bn	EUR20.40bn	Monthly
Germany	08:00	Exports s.a. (MoM) (Mar)	✓	0.20%	0.80%	Monthly
Germany	08:00	Imports s.a. (MoM) (Mar)	✓	1.60%	-1.60%	Monthly
Germany	08:00	Trade Balance n.s.a. (Mar)	✓✓	EUR21.50bn	EUR19.90bn	Monthly
Germany	08:00	Industrial Production n.s.a. and w.d.a. (YoY) (Mar)	✓✓	2.50%	2.50%	Monthly
Germany	09:00	Exports (Mar)	✓	-	EUR102.30bn	Monthly
Germany	09:00	Imports (Mar)	✓	-	EUR82.40bn	Monthly
Germany	09:00	Industrial Production (Mar)	✓	-	113.70	Monthly
South Africa	11:30	Unemployment Rate (Q1)	✓✓✓	27.00%	26.50%	Quarterly
US	12:00	NFIB Small Business Optimism (Apr)	✓	104.00	104.70	Monthly
Canada	14:30	Building Permits (MoM) (Mar)	✓	2.80%	-2.50%	Monthly
US	14:55	Redbook Index (YoY) (05-May)	✓	-	2.30%	Weekly
US	14:55	Redbook Index s.a. (MoM) (05-May)	✓	-	1.30%	Weekly
US	16:00	Wholesale Inventories (MoM) (Mar) (F)	✓✓✓	-	-0.10%**	Monthly
US	16:00	IBD/TIPP Economic Optimism (MoM) (May)	✓	-	51.70	Monthly
US	16:00	JOLTs Job Openings (Mar)	✓	-	5743.00K	Monthly
US	19:00	Fed's Rosengren Speaks at NYU Conference on Risk Management	✓	-	-	As scheduled
US	22:15	Fed's Kaplan Speaks in Dallas	✓	-	-	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