

ONE Minute Brief

16 May 2017

GTC
consult • partner • manage

Economic and Political News

The Constitutional Court yesterday heard arguments from opposition parties to allow a motion of no confidence against President Jacob Zuma by a secret ballot. Meanwhile, National Assembly Speaker Baleka Mbete told the Constitutional Court through her lawyers that she had no obligation to hold a secret ballot.

The Democratic Alliance (DA) has filed a two-part court application to stop the return of Eskom's Chief Executive Officer, Brian Molefe, to office to perform any duties and receive any benefits from that position.

Finance Minister Malusi Gigaba has indicated that economic transformation is urgent and unavoidable and is the most difficult challenge currently. He additionally indicated that the Treasury will use its ZAR500bn (\$40bn) annual procurement budget for the transformation of the economy and provide support to black-owned businesses.

Dondo Mogajane has been appointed as the acting director-general of the National Treasury.

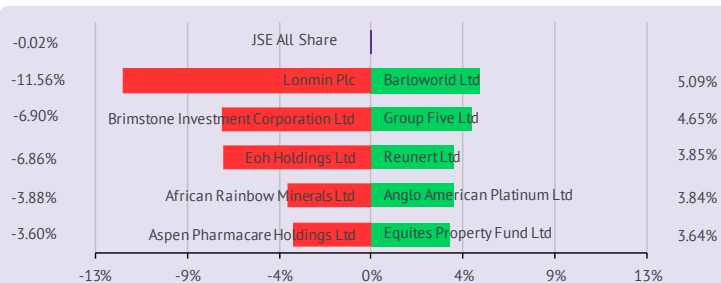
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	54052.18	▼	-11.16	-0.02%	0.44%	3.38%	6.71%
JSE Top 40	47436.82	▲	6.39	0.01%	0.01%	4.22%	8.05%
FTSE 100	7454.37	▲	18.98	0.26%	0.26%	-1.62%	4.36%
DAX 30	12807.04	▲	36.63	0.29%	0.29%	1.02%	11.55%
CAC 40	5417.40	▲	11.98	0.22%	0.22%	2.83%	11.42%
S&P 500	2402.32	▲	11.42	0.48%	0.48%	0.91%	7.30%
Nasdaq Composite	6149.67	▲	28.44	0.46%	0.46%	2.30%	14.24%
DJIA	20981.94	▲	85.33	0.41%	0.41%	1.34%	6.17%

South Africa Market ▼

South African markets closed lower

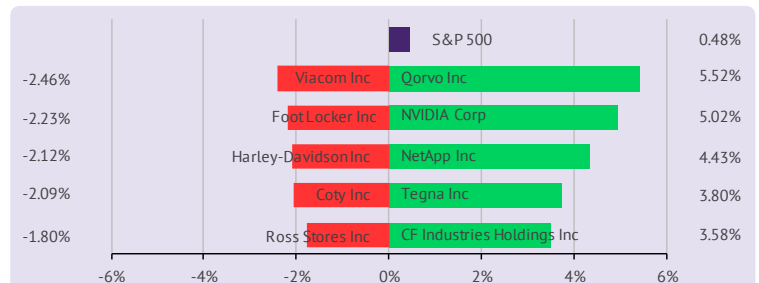
South African markets closed in the red yesterday, weighed down by losses in gold mining and retail sector stocks. The JSE All Share Index marginally fell to close at 54,052.18.



US Market ▲

The S&P 500 futures are trading in the red

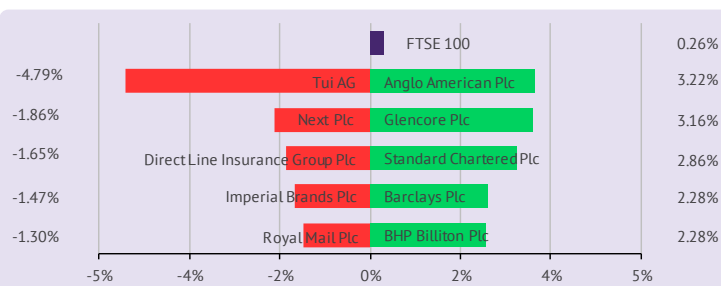
US markets closed higher yesterday, led by a rally in material sector stocks. Data revealed that the US NAHB housing market index unexpectedly advanced in May. The S&P 500 Index climbed 0.5% to close at 2,402.32.



UK Market ▲

The FTSE 100 futures are trading in negative territory

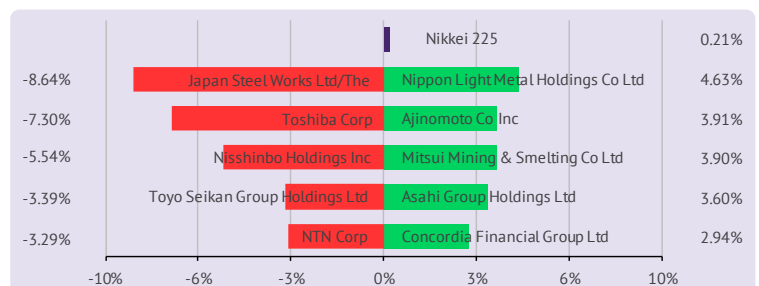
UK markets finished higher yesterday, amid gains in material and energy sector stocks. The FTSE 100 Index advanced 0.3% to close at 7,454.37.



Asian Market ◀▶

Trading mixed

Asian markets are trading mixed this morning. The Nikkei 225 Index is trading 0.2% higher at 19,911.35.



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

16 May 2017

GTC
consult • partner • manage

USDZAR ▼

USD trading lower against ZAR

At 06:00 SAST, the US Dollar is trading 0.1% weaker against the South African Rand at R13.1640. Later today, traders will keep a close watch on manufacturing production, industrial production, building permits along with housing starts data for further cues.

The US Dollar fell against the South African Rand yesterday. On the data front, the US NAHB housing market index surprisingly rose in May, compared to market expectations of an unchanged reading.

GBPZAR ▲

GBP trading higher against ZAR

At 06:00 SAST, the British Pound marginally gained against the South African Rand to trade at R16.9931. Later today, traders will keep an eye on consumer price inflation, retail price index and house price index for further direction.

The British Pound declined against the South African Rand yesterday.

EURZAR ▼

EUR trading weaker against ZAR

At 06:00 SAST, the Euro marginally declined against the South African Rand to trade at R14.4670. Going forward, market participants will keep a tab on Eurozone's gross domestic product, ZEW economic sentiment survey and trade balance data for further indication. Meanwhile, Germany's ZEW economic sentiment and current situation survey will be on investors' radar.

The Euro weakened against the South African Rand yesterday.

AUDZAR ▼

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% weaker against the South African Rand at R9.7493. Earlier in the session, The Reserve Bank of Australia (RBA) in its May meeting minutes revealed that the Official Cash Rate (OCR) was at record low level of 1.5%. The confidence in the economy is boosted by the expectations of underlying inflation to return to 2.0% by early 2018. Further, the central bank stated that expansions in labour and housing data warranted "careful monitoring." Further, Australia's ANZ-Roy Morgan weekly consumer confidence index recorded a drop for the week ended May 14, 2017, compared to its prior reading.

The Australian Dollar fell against the South African Rand yesterday. Meanwhile, in China, Australia's largest trading partner, industrial production recorded a less-than-anticipated rise on an annual basis in April. Further, annual retail sales grew less than market expectations in the same month.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.1640	▼	-1.34%	-1.34%	-1.48%	-0.37%	-4.07%
GBPZAR	16.9931	▲	-1.34%	-1.34%	-1.91%	2.87%	0.35%
EURZAR	14.4670	▼	-0.89%	-0.89%	-0.66%	1.86%	0.18%
AUDZAR	9.7493	▼	-0.98%	-0.98%	-2.47%	-2.21%	-1.45%
EURUSD	1.0988	▲	0.41%	0.41%	0.72%	2.31%	4.38%
GBPU\$	1.2912	▲	0.02%	0.02%	-0.45%	3.24%	4.52%
Brent (\$/barrel)	52.0	▲	1.93%	1.93%	-0.44%	-2.76%	-8.80%
Gold (\$/oz)	1234.4	▲	0.19%	0.19%	-3.02%	1.68%	6.80%
Platinum (\$/oz)	934.3	▲	1.22%	1.22%	-2.11%	0.05%	3.01%
Copper (\$/MT)*	5593.3	▲	0.98%	0.98%	-2.05%	-1.81%	1.27%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged higher 0.4% to trade at \$1,234.40/oz.

Yesterday, gold prices rose 0.2% to close at \$1,230.00/oz, reaching its strongest level in nearly 2 weeks, after North Korea launched a successful 10th missile test revealing its nuclear strength and a global cyberattack, increased demand for the precious yellow metal.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged 0.4% higher to trade at \$52.02/bl.

Yesterday, Brent crude oil advanced 1.9% to settle at \$51.82/bl, after major crude oil producers Saudi Arabia and Russia stated that they will extend the agreement of cutting oil supply into 2018.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged 0.6% higher to trade at \$934.30/oz.

Yesterday, platinum prices climbed 1.2% to close at \$928.70/oz.

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

16 May 2017



GTC
consult • partner • manage

Major South Africa Corporate News

Astral Foods Limited

In its 1H17 results, the company stated that its revenue decreased to ZAR5.79bn from ZAR5.82bn posted in the corresponding period of the previous year. Its diluted headline EPS substantially fell from the same period of the prior year to 355.00c, due to lower volume and the impact of drought-related cost increases, in particular on the profitability of the poultry businesses. Its pre-tax earnings declined to ZAR196.00mn from ZAR424.61mn posted in the same period last year.

Lonmin Plc

In its 1H17 results, the company reported that its revenue decreased to \$486.00mn from \$515.00mn posted in the corresponding period of the previous year. Moreover, the miner, in its 2Q17 production report, indicated that the poor mining performance from 1Q17 continued into January 2017, with mining production of 584,000 tonnes for the month. The March production of 978,000 tonnes illustrated the mining improvement from the poor performance in the first four months to January 31, 2017. Its platinum production was 138,041 ounces, which was 10.6% lower than the comparative prior year period. Separately, the company stated that it has entered into a conditional sale and purchase agreement to acquire Mvelaphanda Resources Proprietary Limited's 7.5% equity interest in the Pandora Joint Venture for a cash payment of ZAR45.56mn.

Barloworld Limited

In its 1H17 results, the company revealed that its revenue advanced 1.8% from the same period of the preceding year to ZAR32.53bn. Its diluted EPS stood at 363.00c, compared with 334.80c recorded in the corresponding period of the previous year. However, its profit before tax registered a decline during the period as compared with the previous year.

Netcare Limited

In its 1H17 results, the company reported that its revenue declined 10.1% from the same period of the preceding year to ZAR16.91bn. Its adjusted headline EPS stood at 80.60c, compared with 91.00c recorded in the corresponding period of the previous year. However, its pre-tax earnings advanced to ZAR2.43bn from ZAR1.78bn recorded in the same period of the prior year.

Major Global Economic News

Asia

The RBA in its May meeting minutes stated that the Official Cash Rate (OCR) was at record low level of 1.5%. The confidence in the economy is boosted by the expectations of underlying inflation to return to 2.0% by early 2018. Further, the central bank indicated that expansions in labour and housing data warranted "careful monitoring."

In Australia, the ANZ-Roy Morgan weekly consumer confidence index declined to 109.4 for the week ended May 14, 2017, compared to a reading of 112.3 in the prior week.

In Japan, the tertiary industry index unexpectedly eased 0.2% on a monthly basis in March, compared to a revised flat reading in the previous month. Market expectation was for the index to advance 0.1%.

US

In the US, the NAHB housing market index unexpectedly advanced to 70.00 in May, higher than market expectations of an unchanged reading. In the previous month, the index had registered a level of 68.00.

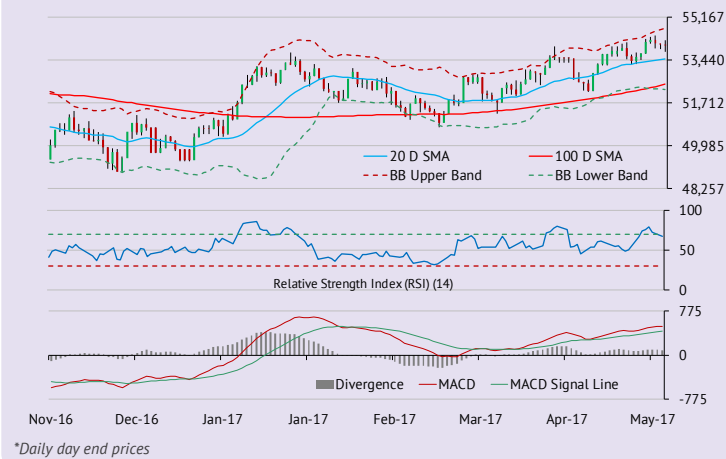
ONE Minute Brief

16 May 2017

GTC
consult • partner • manage

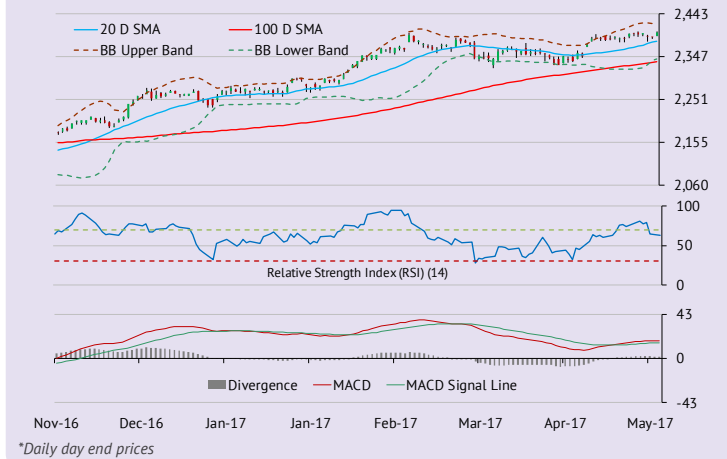
Technical Snapshot

JSE All Share



The JSE All Share index is expected to find support at 53,684.16, and a fall through could take it to the next support level of 53,316.13. The index is expected to find its first resistance at 54,432.42, and a rise through could take it to the next resistance level of 54,812.65.

S&P 500



The S&P 500 index is expected to find support at 2,388.02, and a fall through could take it to the next support level of 2,373.73. The index is expected to find its first resistance at 2,410.33, and a rise through could take it to the next resistance level of 2,418.35.

USDZAR



The pair is expected to find support at 12,9769, and a fall through could take it to the next support level of 12,7812. The pair is expected to find its first resistance at 13,5366, and a rise through could take it to the next resistance level of 13,9006.

XAU/USD



Gold is expected to find support at \$1,217.07/oz, and a fall through could take it to the next support level of \$1,204.13/oz. The precious metal is expected to find its first resistance at \$1,240.17/oz, and a rise through could take it to the next resistance level of \$1,250.33/oz.

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

16 May 2017

GTC
consult • partner • manage

Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	06:30	Tertiary Industry Index (MoM) (Mar)	✓✓	-0.20%*	0.20%	Monthly
UK	10:30	Retail Price Index Ex Food (Apr)	✓	-	278.50	Monthly
UK	10:30	Consumer Price Index (MoM) (Apr)	✓✓	0.40%	0.40%	Monthly
UK	10:30	Consumer Price Index (YoY) (Apr)	✓✓✓	2.60%	2.30%	Monthly
UK	10:30	Retail Price Index (MoM) (Apr)	✓	0.40%	0.30%	Monthly
UK	10:30	Retail Price Index (YoY) (Apr)	✓	3.40%	3.10%	Monthly
UK	10:30	Retail Price Index Ex Mort Int.Payments (YoY) (Apr)	✓	3.70%	3.40%	Monthly
UK	10:30	Retail Price Index (Apr)	✓	270.50	269.30	Monthly
UK	10:30	Consumer Price Index Core (YoY) (Apr)	✓✓✓	2.30%	1.80%	Monthly
Eurozone	11:00	Gross Domestic Product s.a. (QoQ) (Q1) (S)	✓✓✓	0.50%	0.50%**	Quarterly
Eurozone	11:00	Gross Domestic Product s.a. (YoY) (Q1) (S)	✓✓	1.70%	1.70%**	Quarterly
Eurozone	11:00	ZEW Survey - Economic Sentiment (May)	✓✓	-	26.30	Monthly
Germany	11:00	ZEW Survey - Current Situation (May)	✓✓	82.00	80.10	Monthly
Germany	11:00	ZEW Survey - Economic Sentiment (May)	✓✓✓	22.00	19.50	Monthly
Eurozone	11:00	Trade Balance n.s.a. (Mar)	✓	EUR25.80bn	EUR17.80bn	Monthly
Eurozone	11:00	Trade Balance s.a. (Mar)	✓	EUR18.70bn	EUR19.20bn	Monthly
US	14:30	Building Permits (MoM) (Apr)	✓✓	0.20%	3.60%	Monthly
US	14:30	Building Permits (Apr)	✓✓	1270.00K	1260.00K	Monthly
US	14:30	Housing Starts (Apr)	✓✓✓	1260.00K	1215.00K	Monthly
US	14:30	Housing Starts (MoM) (Apr)	✓✓	3.70%	-6.80%	Monthly
US	15:15	Capacity Utilisation (Apr)	✓	76.30%	76.10%	Monthly
US	15:15	Industrial Production (MoM) (Apr)	✓✓	0.40%	0.50%	Monthly
US	15:15	Manufacturing (SIC) Production (MoM) (Apr)	✓✓	0.40%	-0.40%	Monthly
US	16:00	MBA Mortgage Foreclosures (Q1)	✓	-	1.53%	Quarterly
Eurozone	17:30	ECB's Nowotny Speaks in Vienna	✓	-	-	As scheduled
Eurozone	19:00	ECB Executive Board member Coeure speaks in Frankfurt	✓	-	-	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