

# ONE Minute Brief

19 May 2017

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## Economic and Political News

The International Monetary Fund has raised its growth forecast for South Africa to 1.0% for 2017, higher than the prior forecast of 0.8%, after the recent rebound in agriculture and mining production.

Eskom's Chief Nuclear Officer, Dave Nichols, stated that nuclear technology is a viable option to replace power from coal. He added that coal power stations in the nation are coming to an end of their lifespan and renewable energy still faces difficulties with storing electricity.

The South African Broadcasting Corporation has postponed the external disciplinary hearing against its former Chief Operating Officer, Hlaudi Motsoeneng, until May 24.

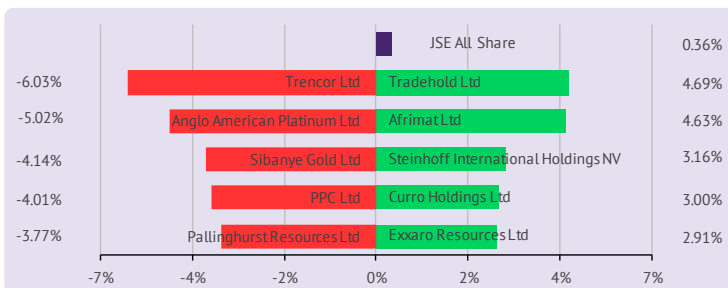
The Democratic Alliance stated that General Motors' decision of withdrawing from the South African market showed that it has no confidence in the government's leadership of the economy.

The Human Settlements Minister, Lindiwe Sisulu, indicated that the new Human Settlements Development Bank, set to be launched today, should provide faster access to home financing for the poor and boost plans for integrated housing projects in metropolitan areas.

## South Africa Market ▲

### South African markets closed higher

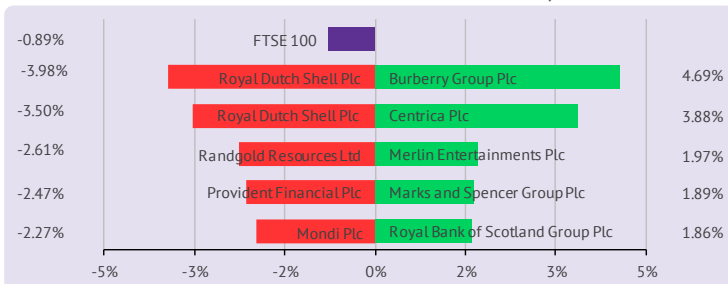
South African markets closed in the green yesterday, amid gains in resources and industrial sector stocks. The JSE All Share Index rose 0.4% to close at 54,197.12.



## UK Market ▼

### The FTSE 100 futures are trading in positive territory

UK markets finished lower yesterday, weighed down by losses in energy and material sector stocks. Data showed that, UK's monthly retail sales rebounded more-than-expected in April, its highest level since January 2016. The FTSE 100 Index declined 0.9% to close at 7,436.42.



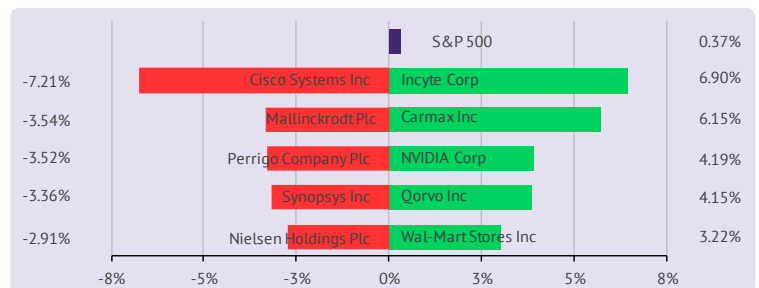
## Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	54197.12	▲	195.18	0.36%	0.25%	0.71%	3.38%	7.00%
JSE Top 40	47769.43	▲	265.36	0.56%	0.71%	1.48%	4.22%	8.81%
FTSE 100	7436.42	▼	-67.05	-0.89%	0.01%	3.23%	-1.62%	4.11%
DAX 30	12590.06	▼	-41.55	-0.33%	-1.41%	1.22%	1.02%	9.66%
CAC 40	5289.73	▼	-28.16	-0.53%	-2.14%	0.43%	2.83%	8.79%
S&P 500	2365.72	▲	8.69	0.37%	-1.05%	-0.78%	0.91%	5.67%
Nasdaq Composite	6055.13	▲	43.89	0.73%	-1.08%	0.12%	2.30%	12.48%
DJIA	20663.02	▲	56.09	0.27%	-1.12%	-1.33%	1.34%	4.56%

## US Market ▲

### The S&P 500 futures are trading in the red

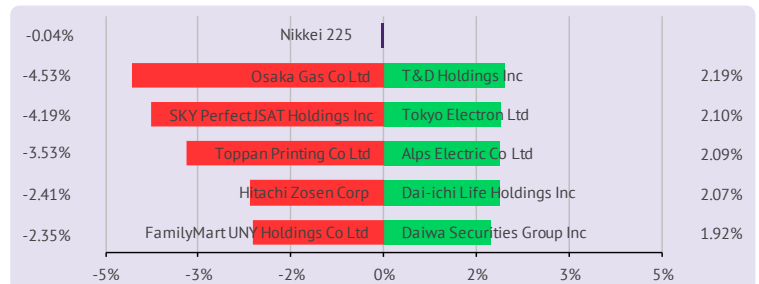
US markets closed higher yesterday, led by a rise in telecommunication sector stocks. Data revealed that US initial jobless claims surprisingly eased to its lowest level since 1988 for the week ended May 13, 2017. The S&P 500 Index climbed 0.4% to close at 2,365.72.



## Asian Market ◀▶

### Trading mixed

Asian markets are trading mixed this morning. The Nikkei 225 Index is trading marginally lower at 19,546.72.



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## USDZAR ▼

### USD trading weaker against ZAR

At 06:00 SAST, the US Dollar is trading 0.1% lower against the South African Rand at R13.4118.

The US Dollar rose against the South African Rand yesterday. Data indicated that the number of Americans applying for fresh unemployment benefits unexpectedly declined for the week ended May 13, 2017, notching its weakest level in 29 years. Meanwhile, leading indicator advanced less-than-anticipated on a monthly basis in April.

## GBPZAR ▲

### GBP trading higher against ZAR

At 06:00 SAST, the British Pound climbed 0.2% against the South African Rand to trade at R17.3688. Later today, traders will keep an eye on UK's CBI industrial trends orders survey for further cues.

The British Pound advanced against the South African Rand yesterday, after data revealed that UK's retail sales bounced back into positive territory on a monthly basis in April, higher than market forecast, reaching its strongest level since January 2016.

## EURZAR ▲

### EUR trading stronger against ZAR

At 06:00 SAST, the Euro is trading 0.1% firmer against the South African Rand at R14.9009. Going forward, market participants will keep a tab on Eurozone's consumer confidence and current account balance for further direction.

The Euro strengthened against the South African Rand yesterday.

## AUDZAR ▲

### AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% higher against the South African Rand at R9.9583.

The Australian Dollar rose against the South African Rand yesterday. Data showed that Australia's unemployment rate unexpectedly dropped in April. Moreover, consumer inflation expectations declined in May. Separately, in China, Australia's largest trading partner, house price index recorded a rise on a yearly basis in April, less than its previous reading.

## Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.4118	▼	1.69%	0.52%	0.37%	-0.37%	-2.27%
GBPZAR	17.3688	▲	1.20%	0.63%	0.05%	2.87%	2.35%
EURZAR	14.9009	▲	1.04%	1.96%	2.19%	1.86%	3.05%
AUDZAR	9.9583	▲	1.51%	0.94%	-0.58%	-2.21%	0.46%
EURUSD	1.1107	▲	-0.51%	1.58%	1.89%	2.31%	5.59%
GBPUSD	1.2952	▲	-0.25%	0.36%	-0.12%	3.24%	4.86%
Brent (\$/barrel)	52.9	▲	0.57%	3.28%	0.88%	-2.76%	-7.59%
Gold (\$/oz)	1249.2	▼	-0.47%	2.04%	-1.22%	1.68%	8.78%
Platinum (\$/oz)	932.4	▼	-0.98%	2.10%	-1.25%	0.05%	3.90%
Copper (\$/MT)*	5562.0	▼	-0.55%	0.42%	-2.60%	-1.81%	0.71%

\*As of Previous Close

## Gold ▼

### Trading in the red

At 06:00 SAST, gold prices edged lower 0.3% to trade at \$1,249.20/oz.

Yesterday, gold prices fell 0.5% to close at \$1,252.80/oz, as strength in the greenback dented demand for the safe haven yellow metal.

## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil edged higher 0.7% to trade at \$52.86/bl.

Yesterday, Brent crude oil advanced 0.6% to settle at \$52.51/bl, extending its previous session gains. Further, investors are keeping a close watch on the organization of the petroleum exporting countries (OPEC) meeting in Vienna to extend the agreement to curb production.

## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices retreated 0.5% to trade at \$932.40/oz.

Yesterday, platinum prices declined 1.0% to close at \$936.80/oz.



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## Major South Africa Corporate News

### Afrimat Limited

In its FY17 results, the company stated that its revenue increased to ZAR2.23bn from ZAR1.97bn posted in the prior year. Its diluted headline EPS significantly advanced from the prior year to 194.30c. Its pre-tax earnings climbed to ZAR402.21mn from ZAR315.12mn posted last year.

### Hosken Consolidated Investments Limited

In its FY17 trading statement, the company stated that it will report headline EPS of between 1,333.60c and 1,433.90c, an increase of between 33.0% and 43.0% as compared with headline EPS of 1,002.70c in the prior year.

### Hospitality Property Fund Limited

In its 1Q17 trading statement, the company reported that it changed its year end from June to March in order to align its financial reporting period with that of its controlling shareholder, Tsogo Sun Holdings Limited. As a result, the distribution for the previous corresponding period was for a twelve-month period, whereas the distribution for the current period is in respect of a nine-month period and with effect from August 31, 2016, the company's dual-class share capital structure was restructured into a single-class share capital structure, in the ratio of one ordinary share for every A-share held and one ordinary share for every 3.5 B-shares held. In such scenario, guidance on the expected distribution for the three months ended March 31, 2017 is between 42.00c and 46.00c per ordinary share, implying a total distribution for the current period of between 98.09c and 102.09c cents per ordinary share.

### Investec Limited

In its FY17 results, the company indicated that its total operating income advanced 18.1% from the preceding year to ZAR2.28bn. Its diluted headline EPS stood at 46.30c, compared with 36.70c recorded in the corresponding period of the previous year. Its operating profit before tax rose to ZAR643.42mn from ZAR567.40mn recorded last year.

### Liberty Holdings Limited

In its 1Q17 operational update, the company indicated that the upward trend in group sales observed in the 2Q16 continued in 1Q17, with group indexed new business up 6.0% compared with 1Q16.

### Oceana Group Limited

In its 1H17 results, the company revealed that its revenue fell 13.0% from the same period of the preceding year to ZAR3.14bn. Its diluted headline EPS stood at 176.40c, compared with 210.20c recorded in the corresponding period of the previous year. Its profit before tax fell to ZAR333.89mn from ZAR437.14mn posted in the prior year.

## Major Global Economic News

### US

In the US, the seasonally adjusted initial jobless claims unexpectedly fell to 232.00K in the week ended May 13, 2017, compared to market expectations of a rise to 240.00K. Initial jobless claims had registered a reading of 236.00K in the previous week.

In April, leading indicator rose 0.3% on a monthly basis in the US, less than market expectations for an advance of 0.4%. In the previous month, leading indicator had registered a revised similar rise.

### UK

In the UK, retail sales advanced 2.3% on a monthly basis in April, higher than market expectations for an advance of 1.1%. In the previous month, retail sales had dropped by a revised 1.4%.

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## Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus	Previous	Frequency
Germany	08:00	Producer Price Index (MoM) (Apr)	✓✓	0.20%	0.00%	Monthly
Germany	08:00	Producer Price Index (YoY) (Apr)	✓✓	3.20%	3.10%	Monthly
Eurozone	10:00	Current Account n.s.a. (Mar)	✓	-	EUR27.90bn	Monthly
Eurozone	10:00	Current Account s.a (Mar)	✓	-	EUR37.90bn	Monthly
Eurozone	10:00	EU's Dombrovskis Speaks at ECB-EU Conference in Brussels	✓	-	-	As scheduled
Italy	10:30	Current Account (Mar)	✓	-	EUR1.19bn	Monthly
Eurozone	11:00	ECB's Praet Moderates Panel at Conference in Brussels	✓	-	-	As scheduled
UK	12:00	CBI Trends Selling Prices (May)	✓✓	29.00	29.00	Monthly
UK	12:00	CBI Industrial Trends Survey - Orders (May)	✓	4.00	4.00	Monthly
Eurozone	14:00	ECB's Constancio Speaks at Conference in Brussels	✓	-	-	As scheduled
Canada	14:30	Consumer Price Index (Apr)	✓✓	-	129.90	Monthly
Canada	14:30	Retail Sales (MoM) (Mar)	✓✓	0.30%	-0.60%	Monthly
Canada	14:30	Retail Sales ex Autos (MoM) (Mar)	✓	0.20%	-0.10%	Monthly
Canada	14:30	Consumer Price Index n.s.a. (MoM) (Apr)	✓✓	0.50%	0.20%	Monthly
Canada	14:30	Consumer Price Index (YoY) (Apr)	✓✓	1.70%	1.60%	Monthly
US	15:15	Fed's Bullard to Speak about U.S. Economy and Monetary Policy	✓	-	-	As scheduled
Eurozone	16:00	Consumer Confidence (May) (P)	✓✓	-3.00	-3.60	Monthly
Eurozone	16:15	EU Commission's Guersens Speaks at ECB Conference in Brussels	✓	-	-	As scheduled

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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