

ONE Minute Brief

22 May 2017

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Economic and Political News

The Democratic Alliance stated that it will ask the Treasury to submit Parliament copies of 13 forensic reports conducted at South African Airways (SAA) by the end of the week.

Deputy President, Cyril Ramaphosa, has called on the African National Congress (ANC) to urgently act on the "unburdening panel" report released by the South African Council of Churches (SACC) which has warned that the nation will collapse if the ruling party does not act on the systematic siphoning of state assets pivoted around President, Jacob Zuma. The report charged damning allegations of corruption in various multi-billion rand tenders in the country, including the ZAR50bn Transnet locomotives, nuclear deal, Eskom's coal contracts, and the partnership between VR Laser and Denel.

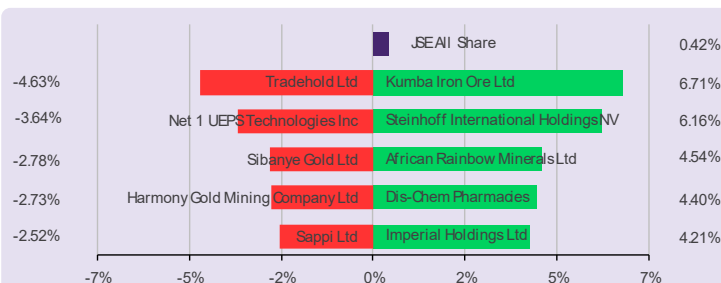
The South African Communist Party (SACP)'s Solly Mapaila has called for President, Jacob Zuma, to establish a commission of investigation into state capture, and further may approach the Constitutional Court to force his hand.

Deputy President, Cyril Ramaphosa, has stated that rating agency Moody's have shown concerns about the ANC to split.

South Africa Market ▲

South African markets closed higher

South African markets closed in the green on Friday, supported by gains in retail and platinum mining sector stocks. The JSE All Share Index rose 0.4% to close at 54,427.30.



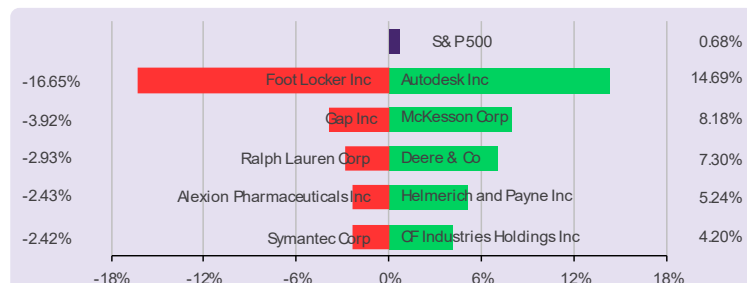
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	54427.30	▲	230.18	0.42%	NA	1.13%	3.38%	7.45%
JSE Top 40	47962.60	▲	193.17	0.40%	NA	1.89%	4.22%	9.25%
FTSE 100	7470.71	▲	34.29	0.46%	NA	3.70%	-1.62%	4.59%
DAX 30	12638.69	▲	48.63	0.39%	NA	1.61%	1.02%	10.08%
CAC 40	5324.40	▲	34.67	0.66%	NA	1.08%	2.83%	9.50%
S&P 500	2381.73	▲	16.01	0.68%	NA	-0.10%	0.91%	6.38%
Nasdaq Composite	6083.70	▲	28.57	0.47%	NA	0.60%	2.30%	13.01%
DJIA	20804.84	▲	141.82	0.69%	NA	-0.65%	1.34%	5.27%

US Market ▲

The S&P 500 futures are trading in the green

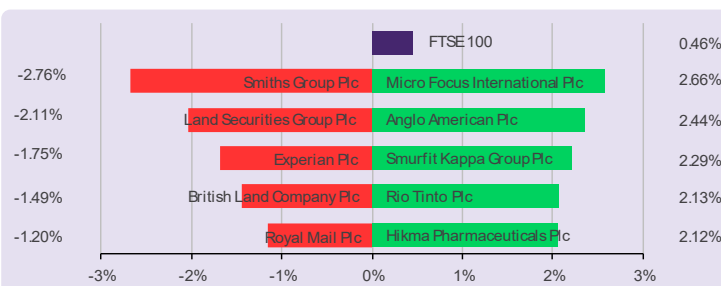
US markets closed higher on Friday, amid an increase in industrial sector stocks. The S&P 500 Index climbed 0.7% to close at 2,381.73.



UK Market ▲

The FTSE 100 futures are trading in negative territory

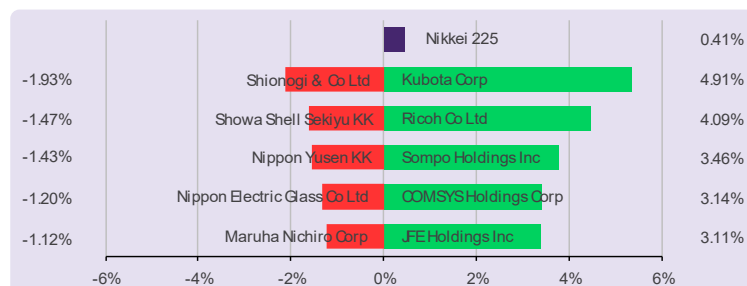
UK markets finished higher on Friday, led by a rise in material sector stocks. Data revealed that UK's CBI total trends orders advanced higher-than-expected in May. The FTSE 100 Index advanced 0.5% to close at 7,470.71.



Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning. Data showed that Japan's merchandise trade surplus narrowed more-than-anticipated in April. The Nikkei 225 Index is trading 0.4% higher at 19,671.41.



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USDZAR ▼

USD trading lower against ZAR

At 06:00 SAST, the US Dollar marginally retreated against the South African Rand to trade at R13.2215. Later today, traders will keep a close watch on the US Chicago Fed national activity index for further cues.

The US Dollar fell against the South African Rand on Friday. St. Louis Federal Reserve President, James Bullard, showed concerns about June rate hike stating that the macroeconomic data has been "relatively weak" since the March meeting.

GBPZAR ▼

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound declined 0.3% against the South African Rand to trade at R17.1910. Data indicated that UK's Rightmove house price index recorded a rise on a monthly basis, higher than its prior reading.

The British Pound declined against the South African Rand on Friday. On the data front, UK's CBI total trends orders grew more than market forecast in May.

EURZAR ▼

EUR trading lower against ZAR

At 06:00 SAST, the Euro retreated 0.1% against the South African Rand to trade at R14.8050.

The Euro weakened against the South African Rand on Friday. On the macro front, Eurozone's consumer confidence advanced in May. Meanwhile, current account surplus narrowed in March, compared to its prior reading. Separately, Germany's producer price index rose more than market anticipations on a monthly basis in April.

AUDZAR ▼

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.3% lower against the South African Rand at R9.8355.

The Australian Dollar fell against the South African Rand on Friday.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.2215	▼	-1.44%	NA	-1.07%	-0.37%	-3.67%
GBPZAR	17.1910	▼	-0.47%	NA	-0.43%	2.87%	1.87%
EURZAR	14.8050	▼	-0.41%	NA	1.76%	1.86%	2.63%
AUDZAR	9.8355	▼	-0.87%	NA	-1.45%	-2.21%	-0.42%
EURUSD	1.1190	▼	0.93%	NA	2.84%	2.31%	6.57%
GBPUSD	1.3001	▼	0.76%	NA	0.64%	3.24%	5.66%
Brent (\$/barrel)	54.1	▲	2.09%	NA	3.00%	-2.76%	-5.65%
Gold (\$/oz)	1252.8	▼	0.06%	NA	-1.16%	1.68%	8.85%
Platinum (\$/oz)	937.6	▼	0.36%	NA	-0.90%	0.05%	4.28%
Copper (\$/MT)*	5665.3	▲	1.86%	NA	-0.79%	-1.81%	2.58%

*As of Previous Close

Gold ▼

Trading in the red

At 06:00 SAST, gold prices edged 0.1% lower to trade at \$1,252.80/oz.

On Friday, gold prices rose 0.1% to close at \$1,253.60/oz, as weakness in the US Dollar increased demand for the precious yellow metal.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged 0.9% higher to trade at \$54.11/bl.

On Friday, Brent crude oil advanced 2.1% to settle at \$53.61/bl, despite Baker Hughes reporting that US oil rig count rose by 8 to 720 last week.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged 0.3% lower to trade at \$937.60/oz.

On Friday, platinum prices climbed 0.4% to close at \$940.20/oz.



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Major South Africa Corporate News

Liberty Holdings Limited

In its 1Q17 operational update, the company stated that the upward trend in group sales observed in 2H16 continued in 1Q17, with group indexed new business up 6.0% compared with the 1Q16. Indexed new business from Liberty Corporate of ZAR129.00mn was 2.0% lower than 2016. Recurring premiums were down 2.0% largely due to lower umbrella product sales. Liberty Corporate single premiums were flat compared with

Tongaat Hulett Limited

In its trading statement for FY17, the company revealed that its operating profit for the year is expected to increase by 40.0% to approximately ZAR2.33bn. Headline EPS for the year is expected to be approximately 852.00c, an increase of approximately 45.0% over prior year.

Major Global Economic News

Eurozone

In the Eurozone, the preliminary consumer confidence index climbed to -3.30 in May, compared to market expectations of an advance to a level of -3.00. In the previous month, the index had registered a reading of -3.60.

In March, the seasonally adjusted current account surplus narrowed to EUR34.10bn in the Eurozone. The Eurozone had posted a revised current account surplus of EUR37.80bn in the previous month.

In Germany, the producer price index registered a rise of 0.4% on a monthly basis in April, more than market expectations for a rise of 0.2%. The index had recorded a flat reading in the prior month.

UK

In the UK, the balance of firms reporting total order book above normal unexpectedly rose to 9.00 in May, higher than market expectations of a steady reading. The balance of firms reporting total order book above normal had registered a reading of 4.00 in the previous month.

In May, the Rightmove house price index rose 1.2% on a monthly basis in

Asia

In Japan, merchandise (total) trade surplus narrowed to JPY481.70bn in April, compared to a revised merchandise (total) trade surplus of JPY614.00bn in the previous month.

US

St. Louis Federal Reserve President, James Bullard, expressed concerns about June rate hike indicating that the economic data has been "relatively weak" since the March meeting.

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40 Best Performers on the All Share Index

Company Name	Last Close	1 Week % Change	MTD % Change	YTD % Change
Naspers Ltd	2771	1.56%	9.16%	37.58%
Adcock Ingram Holdings Ltd	61	2.01%	1.87%	26.42%
Astral Foods Ltd	162	2.27%	4.19%	24.95%
Compagnie Financiere Richemont SA	111	2.68%	-0.79%	22.59%
Mondi Plc	341	-1.36%	-1.67%	22.42%
Bid Corporation Ltd	300	0.07%	5.95%	22.37%
Mondi Ltd	340	-1.49%	-1.81%	21.60%
Murray & Roberts Holdings Ltd	14	-1.56%	-0.71%	20.66%
Reinet Investments SCA	32	1.00%	4.13%	20.52%
Trencor Ltd	34	-9.09%	-14.69%	20.39%
KAP Industrial Holdings Ltd	9	-1.53%	-3.95%	20.32%
British American Tobacco Plc	930	0.32%	3.18%	19.38%
Anglo American Platinum Ltd	315	0.68%	-4.67%	18.99%
Exxaro Resources Ltd	106	1.96%	-7.24%	18.02%
Gold Fields Ltd	51	6.94%	17.35%	17.78%
Clicks Group Ltd	136	-0.70%	0.98%	17.35%
Hudaco Industries Ltd	134	-2.11%	-1.46%	17.31%
Mpact Ltd	33	-1.81%	7.11%	16.81%
Dis-Chem Pharmacies	26	4.40%	5.88%	16.52%
Shoprite Holdings Ltd	199	-0.78%	-4.96%	16.30%
Mediclinic International Plc	151	4.05%	7.03%	16.10%
Investec Ltd	104	3.37%	3.90%	14.67%
Investec Plc	104	2.96%	4.89%	14.62%
Capital & Regional Plc	10	-0.87%	0.59%	14.44%
Datatec Ltd	57	1.25%	-2.69%	14.19%
Brimstone Investment Corporation Ltd	14	-6.90%	-6.90%	12.50%
Northam Platinum Ltd	45	-0.07%	-8.47%	12.32%
Delta Property Fund Ltd	9	-2.02%	-0.57%	11.79%
PSG Konsult Ltd	8	1.23%	1.85%	11.64%
RCL Foods Ltd	14	-2.35%	-1.60%	11.42%
Capitec Bank Holdings Ltd	773	0.32%	1.31%	11.15%
Discovery Ltd	127	-4.92%	-5.16%	10.83%
Sanlam Ltd	70	-1.86%	-1.92%	10.54%
Sappi Ltd	99	-1.16%	0.13%	10.54%
Octodec Investments Ltd	24	-2.68%	1.97%	10.20%
Capital & Counties Properties Plc	54	-0.75%	-0.06%	9.90%
Glencore Plc	51	3.80%	-3.40%	9.55%
PSG Group Ltd	238	-1.78%	-5.87%	8.98%
Equites Property Fund Ltd	17	1.06%	1.65%	8.86%
Pan African Resources Plc	3	3.32%	7.28%	8.53%
JSE All Share Index	54427	0.67%	1.13%	7.45%

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
UK	01:01	Rightmove House Price Index (MoM) (May)	✓	1.20%*	1.10%	Monthly
UK	01:01	Rightmove House Price Index (YoY) (May)	✓	3.00%*	2.20%	Monthly
Japan	01:50	Adjusted Merchandise Trade Balance (Apr)	✓	JPY97.60bn*	JPY106.40bn	Monthly
Japan	01:50	Exports (YoY) (Apr)	✓✓	7.50%*	12.00%	Monthly
Japan	01:50	Imports (YoY) (Apr)	✓	15.10%*	15.80%	Monthly
Japan	01:50	Merchandise Trade Balance Total (Apr)	✓✓	JPY481.70bn*	JPY614.00bn	Monthly
Japan	07:00	Coincident Index (Mar) (F)	✓	-	114.60**	Monthly
Japan	07:00	Leading Economic Index (Mar) (F)	✓✓	-	105.50**	Monthly
Japan	09:00	Convenience Store Sales (YoY) (Apr)	✓	-	0.00%	Monthly
Eurozone	10:00	General Affairs Council Meeting	✓	-	-	As scheduled
Portugal	13:30	Current Account Balance (Mar)	✓	-	EUR0.03bn	Monthly
US	14:30	Chicago Fed National Activity Index (Apr)	✓	0.10	0.08	Monthly
China	15:00	Conference Board Leading Economic Index (Apr)	✓	-	0.90%	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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