

ONE Minute Brief

25 May 2017

GTC
consult • partner • manage

Economic and Political News

In South Africa, the consumer price index registered a less-than-expected rise of 5.3% YoY in April, compared to a rise of 6.1% in March.

African National Congress (ANC) officials stated that the ANC's National Executive Committee is due to discuss a motion of no confidence in the President, Jacob Zuma, that has been filed by the opposition parties. Some reports indicated that a few members are likely to raise the possibility of Zuma to be removed as South Africa's President at a meeting this weekend. However, ANC has denied these reports.

President, Jacob Zuma, stated that if he were to establish a commission of inquiry into "state capture", it would mean exercising his executive power by dictation.

Finance minister, Malusi Gigaba, indicated that he has full confidence in South African Airways Chairperson, Dudu Myeni, and the airline's board of directors, albeit he will remain updated about the national carrier.

Credit Suisse has checked the nine discussion documents presented by the ANC ahead of its policy conference and have concluded that 70 of the 108 statements and proposals are positive for growth, productivity and investment.

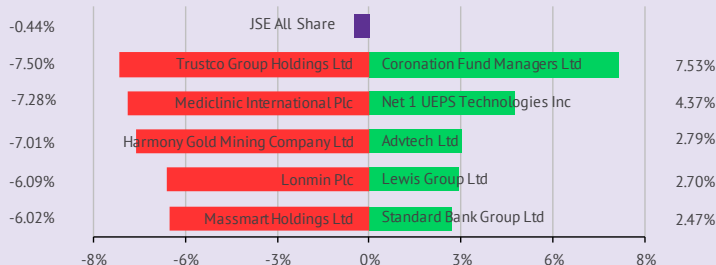
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	54308.67	▼ -240.24	-0.44%	-0.22%	0.91%	3.38%	7.22%
JSE Top 40	47822.12	▼ -224.04	-0.47%	-0.29%	1.59%	4.22%	8.93%
FTSE 100	7514.90	▲ 29.61	0.40%	0.59%	4.32%	-1.62%	5.21%
DAX 30	12642.87	▼ -16.28	-0.13%	0.03%	1.65%	1.02%	10.12%
CAC 40	5341.34	▼ -6.82	-0.13%	0.32%	1.41%	2.83%	9.85%
S&P 500	2404.39	▲ 5.97	0.25%	0.95%	0.85%	0.91%	7.39%
Nasdaq Composite	6163.02	▲ 24.31	0.40%	1.30%	1.91%	2.30%	14.49%
DJIA	21012.42	▲ 74.51	0.36%	1.00%	0.34%	1.34%	6.32%

South Africa Market ▼

South African markets closed lower

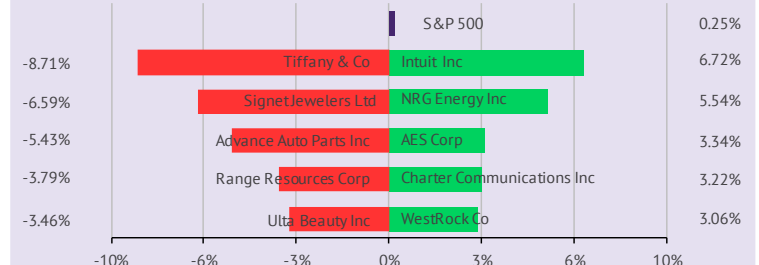
South African markets closed in the red yesterday, led by losses in platinum and gold mining sector stocks. Data revealed that South Africa's consumer price inflation advanced less-than-anticipated on an annual basis in April. The JSE All Share Index fell 0.4% to 54,308.67.



US Market ▲

The S&P 500 futures are trading in the green

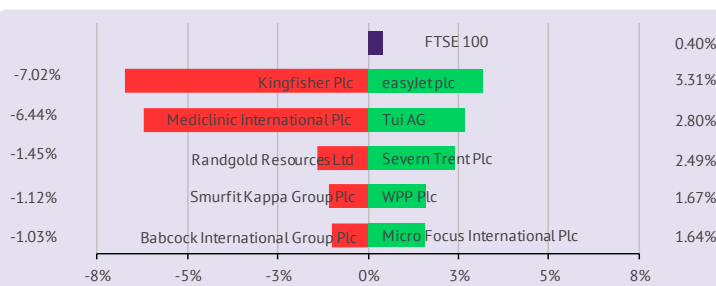
US markets closed higher yesterday, amid a rise in material sector stocks. Data indicated that US existing home sales declined more than market forecast on a monthly basis in April. The S&P 500 Index climbed 0.3% to close at 2,404.39.



UK Market ▲

The FTSE 100 futures are trading in positive territory

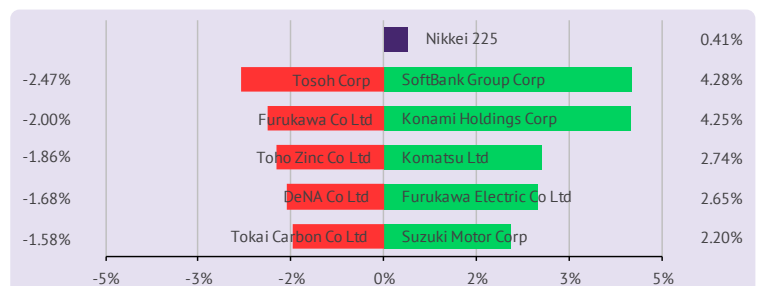
UK markets finished higher yesterday, supported by gains in industrial and consumer discretionary sector stocks. The FTSE 100 Index advanced 0.4% to close at 7,514.90.



Asian Market ▲

Trading higher

Asian markets are trading higher this morning, tracking overnight gains on Wall Street. The Nikkei 225 Index is trading 0.4% higher at 19,824.49.



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

25 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 R12.9015. Later today, traders will keep a close watch on US advance goods trade balance, initial jobless claims and wholesale inventories for further direction. Separately, SARB interest rate decision and South Africa's producer price index will be on investors' radar.

The US Dollar fell against the South African Rand yesterday. Minutes from the Federal Open Market Committee's (FOMC) May 2-3 meeting revealed that most policymakers believe it would "soon" be time to raise rates again as long as the US economy continues to rebound from a surprising bout of weakness in the first quarter. The FOMC also moved towards a consensus on a plan to scale back its massive \$4.5 trillion sheet. On the macro front, US existing home sales recorded a more-than-expected drop on a monthly basis in April. Meanwhile, house price index rose more than market anticipations on a monthly basis in March. Further, MBA mortgage applications rebounded in the week ended May 19, 2017. Separately, South Africa's consumer price index grew less than market expectations on a yearly basis in April.

GBPZAR ▲

GBP trading higher against ZAR

At 06:00 SAST, the British Pound is trading marginally firmer against the South African Rand at R16.7486. Later today, traders will keep an eye on UK's gross domestic product and BBA mortgage approvals for further cues.

The British Pound declined against the South African Rand yesterday.

EURZAR ▲

EUR trading stronger against ZAR

At 06:00 SAST, the Euro is trading 0.1% firmer against the South African Rand at R14.5012.

The Euro weakened against the South African Rand yesterday. On the data front, Germany's GfK consumer confidence index surprisingly advanced in June.

AUDZAR ▼

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar declined 0.1% against the South African Rand to trade at R9.6828.

The Australian Dollar fell against the South African Rand yesterday. Data indicated that Australia's Westpac leading index registered a decline on a monthly basis in April.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	12.9015	▼	-1.27%	-2.36%	-3.41%	-0.37%	-5.95%
GBPZAR	16.7486	▲	-1.25%	-2.91%	-3.32%	2.87%	-1.10%
EURZAR	14.5012	▲	-0.95%	-2.25%	-0.53%	1.86%	0.31%
AUDZAR	9.6828	▼	-0.94%	-1.76%	-3.19%	-2.21%	-2.17%
EURUSD	1.1239	▲	0.32%	0.13%	2.97%	2.31%	6.72%
GBPUSD	1.2981	▲	0.08%	-0.48%	0.16%	3.24%	5.16%
Brent (\$/barrel)	54.4	▲	-0.35%	0.65%	3.67%	-2.76%	-5.03%
Gold (\$/oz)	1261.5	▲	-0.19%	-0.04%	-1.20%	1.68%	8.80%
Platinum (\$/oz)	949.9	▲	-0.22%	0.76%	-0.15%	0.05%	5.07%
Copper (\$/MT)*	5662.5	▼	-0.57%	-0.05%	-0.84%	-1.81%	2.53%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices climbed 0.7% to trade at \$1,261.50/oz.

Yesterday, gold prices fell 0.2% to close at \$1,253.10/oz, after the FOMC meeting minutes indicated that if US economic data came at the part with market expectations the Fed will consider increasing interest rate at its meeting in June.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil rose 0.8% to trade at \$54.38/bl.

Yesterday, Brent crude oil dropped 0.4% to settle at \$53.96/bl, as investors are eagerly waiting for the outcome of the meeting between OPEC and non-OPEC members, which will decide whether to extend the agreement of production cuts or not. Meanwhile, the US Energy Department reported that crude oil inventories declined by 4.4mn bls for the week ended May 19, 2017.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged 0.3% higher to trade at \$949.90/oz.

Yesterday, platinum prices declined 0.2% to close at \$947.30/oz.



ONE Minute Brief

25 May 2017



Major South Africa Corporate News

Arrowhead Properties Limited

In its 1H17 results, the company reported that its total revenue significantly advanced from the preceding year to ZAR1.06bn. Its diluted headline EPS stood at 68.70c, compared with 61.52c recorded in the corresponding period of the previous year. Its pre-tax earnings surged to ZAR835.96mn from ZAR318.24mn reported last year.

Lewis Group Limited

In its FY17 results, the company stated that its revenue decreased to ZAR5.59bn from ZAR5.78bn posted in the previous year. Its diluted headline EPS substantially fell from the prior year to 395.80c. Its pre-tax earnings fell to ZAR521.30mn from ZAR1.28bn posted last year. Separately, the company reported the appointment of Jacques Bestbier as Chief Financial Officer designate with effect from June 1, 2017.

Transaction Capital Limited

In its 1H17 results, the company revealed that its net interest income advanced 8.0% from the same period of the preceding year to ZAR464.00mn. Its diluted EPS stood at 39.30c, compared with 36.60c recorded in the corresponding period of the previous year. Its profit before tax rose to ZAR312.00mn from ZAR274.00mn reported last year.

Tsogo Sun Holdings Limited

In its FY17 results, the company indicated that its income rose to ZAR13.22bn from ZAR12.28bn posted in the previous year. Its basic and diluted adjusted headline EPS increased 6.0% from the prior year to 207.60c. Its profit before tax rose to ZAR3.71bn from ZAR2.60bn recorded in the prior year.

Vukile Property Fund Limited

In its FY17 results, the company stated that its property revenue decreased to ZAR1.96bn from ZAR2.10bn posted in the previous year. Its headline EPS fell 10.0% from the prior year to 151.13c. Moreover, it reported that the dividend for 2H17 has increased by 7.2% to 89.1025c/share, bringing the total for the year at 156.75c/share.

Major Global Economic News

US

FOMC's May 2-3 meeting minutes indicated that most policymakers have confidence that it would "soon" be time to raise rates again as long as the US economy continues to rebound from a surprising bout of weakness in the first quarter. The FOMC also moved towards a consensus on a plan to scale back its massive \$4.5 trillion sheet.

In April, existing home sales fell 2.3% on monthly basis, to a level of 5.57 million in the US, compared to market expectations of 5.65 million. Existing home sales had registered a revised reading of 5.70 million in the prior month.

In the US, weekly mortgage applications rose 4.4% for the week ended May 19, 2017. Mortgage applications had dropped 4.1% in the previous week.

In March, the housing price index climbed 0.6% on a monthly basis in the US, compared to a rise of 0.8% in the prior month. Markets were anticipating the index to climb 0.5%.

Eurozone

In Germany, the GfK consumer confidence index recorded an unexpected rise to 10.40 in June, compared to a level of 10.20 in the previous month. Market anticipation was for the index to record a flat reading.

ONE Minute Brief

25 May 2017

GTC
consult • partner • manage

Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus	Previous/ **Previous Est.	Frequency
UK	10:30	Government Spending (Q1) (P)	✓	0.40%	0.00%	Quarterly
UK	10:30	Total Business Investment (YoY) (Q1) (P)	✓	-	-0.90%	Quarterly
UK	10:30	Gross Domestic Product s.a. (QoQ) (Q1) (S)	✓✓✓	0.30%	0.30%**	Quarterly
UK	10:30	Gross Domestic Product s.a. (YoY) (Q1) (S)	✓✓	2.10%	2.10%**	Quarterly
UK	10:30	Total Business Investment (QoQ) (Q1) (P)	✓	0.30%	-0.90%	Quarterly
UK	10:30	Private Consumption (QoQ) (Q1) (P)	✓	0.30%	0.70%	Quarterly
UK	10:30	Gross Fixed Capital Formation (Q1) (P)	✓	-0.20%	0.10%	Quarterly
UK	10:30	BBA Mortgage Approvals (Apr)	✓✓	40.80K	41.06K	Monthly
UK	10:30	Exports (QoQ) (Q1) (P)	✓	0.50%	4.60%	Quarterly
UK	10:30	Imports (QoQ) (Q1) (P)	✓	0.90%	-1.00%	Quarterly
South Africa	11:30	Producer Price Index (MoM) (Apr)	✓✓✓	0.50%	0.30%	Monthly
South Africa	11:30	Producer Price Index (YoY) (Apr)	✓✓✓	4.90%	5.20%	Monthly
US	14:30	Continuing Jobless Claims (13-May)	✓	1925.00K	1898.00K	Weekly
US	14:30	Initial Jobless Claims (20-May)	✓✓✓	238.00K	232.00K	Weekly
US	14:30	Wholesale Inventories (MoM) (Apr) (P)	✓✓✓	0.20%	0.20%	Monthly
US	16:00	Fed's Brainard Takes in Panel Discussion on Global Economy	✓	-	-	As scheduled
Eurozone	19:00	ECB's Constancio Speaks at Seminar in Lisbon	✓	-	-	As scheduled
Canada	23:20	Bank of Canada Deputy Governor Sylvain Leduc Speech	✓	-	-	As scheduled
South Africa	-	SARB Interest Rate Decision	✓✓✓	7.00%	7.00%	As scheduled
Eurozone	-	OPEC Meeting	✓✓✓	-	-	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