

ONE
Minute Brief

12 June 2017



consult • partner • manage

Economic and Political News

On Friday, Moody's downgraded its sovereign credit rating for South Africa (SA) to Baa3 from Baa2, one notch above junk, and assigned a negative outlook, citing weakness in the nation's institutional framework, fall in the country's growth prospects, slow implementation of structural reforms and a continuous decline in fiscal strength due to increasing public debt and contingent liabilities.

The Federation of Unions of South Africa (FEDUSA) has called for President, Jacob Zuma, to step down after Moody's downgraded SA's sovereign credit rating.

The Treasury indicated that the rating given by Moody's is still investment grade and has urged trade unions and the private sector to help prevent a further downgrade.

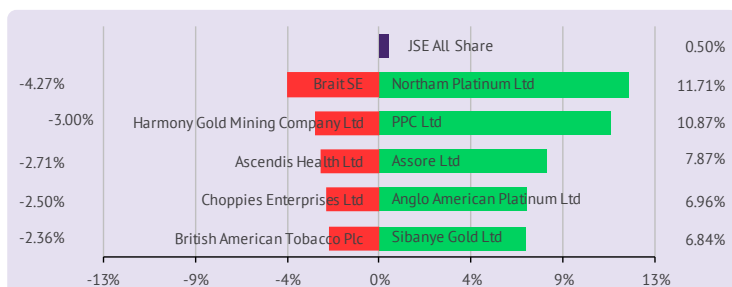
The Democratic Alliance has expressed concern and asked for an investigation into media reports that a police crime intelligence unit is to be set up to identify and spy on "anti-Zuma" individuals and organisations.

Calling on the ANC to end infighting, President Jacob Zuma has called on the party to unite and close ranks and to find solutions to the challenges it faces.

South Africa Market ▲

South African markets closed higher

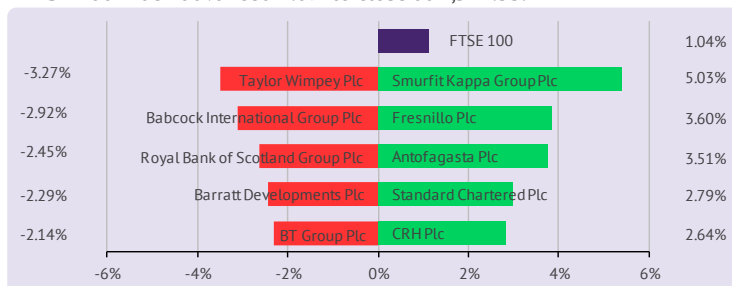
South African markets closed in the green on Friday, amid gains in platinum sector stocks. The JSE All Share Index rose 0.5% to close at 52,216.93.



UK Market ▲

The FTSE 100 futures are trading in negative territory

UK markets finished higher on Friday. Meanwhile, the results of an election revealed that no party gained a majority in the parliament and further increased political chaos before the Brexit process can start. The FTSE 100 Index advanced 1.0% to close at 7,527.33.



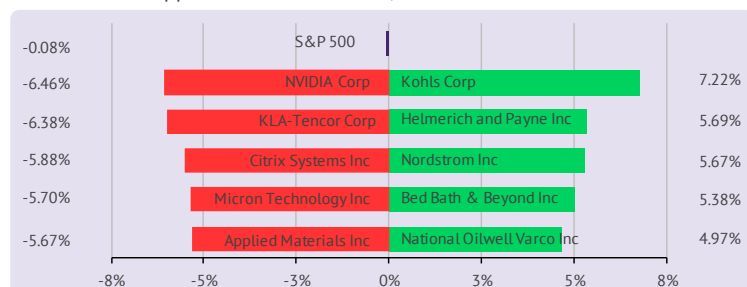
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	52216.93	▲ 258.41	0.50%	NA	-2.51%	-0.47%	3.09%
JSE Top 40	45874.22	▲ 140.44	0.31%	NA	-2.71%	0.17%	4.49%
FTSE 100	7527.33	▲ 77.35	1.04%	NA	0.10%	4.39%	5.38%
DAX 30	12815.72	▲ 102.14	0.80%	NA	1.59%	1.42%	11.62%
CAC 40	5299.71	▲ 35.47	0.67%	NA	0.30%	0.31%	9.00%
S&P 500	2431.77	▼ -2.02	-0.08%	NA	0.83%	1.16%	8.62%
Nasdaq Composite	6207.92	▼ -113.85	-1.80%	NA	0.15%	2.50%	15.32%
DJIA	21271.97	▲ 89.44	0.42%	NA	1.25%	0.33%	7.64%

US Market ▼

The S&P 500 futures are trading in the red

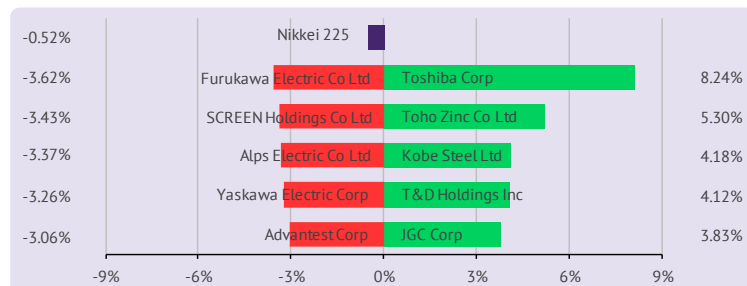
US markets closed lower on Friday, weighed down by losses in information technology sector stocks. Data revealed that US final wholesale inventories dropped more-than-expected in April. The S&P 500 Index dropped 0.1% to close at 2,431.77.



Asian Market ▼

Trading lower

Asian markets are trading lower this morning. Data indicated that Japan's machine orders rebounded less-than-expected on an annual basis in April. The Nikkei 225 Index is trading 0.5% lower at 19,909.33.



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

12 June 2017

GTC
consult • partner • manage

USDZAR ▼

USD trading lower against ZAR

At 06:00 SAST, the US Dollar fell 0.4% against the South African Rand to trade at R12.8948. Later today, traders will keep a close watch on US monthly budget statement for further cues.

The US Dollar rose against the South African Rand on Friday. On the macro front, US final wholesale inventories declined more than market anticipations in April, notching its lowest level in more than a year.

GBPZAR ▼

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound is trading 0.2% lower against the South African Rand at R16.4550. With no major economic news in the UK today, investor sentiment will be determined by the global macroeconomic news.

The British Pound declined against the South African Rand on Friday. On the data front, UK's NIESR gross domestic product estimate recorded a rise in May, in line with its previous reading. Further, industrial production bounced back into positive territory, less than market forecast on a monthly basis in April. Additionally, manufacturing production rebounded less-than-expected on a monthly basis in the same month. Meanwhile, construction output unexpectedly declined on a monthly basis in April. Moreover, the total trade deficit narrowed more-than-anticipated in April.

EURZAR ▼

EUR trading lower against ZAR

At 06:00 SAST, the Euro is trading 0.3% weaker against the South African Rand at R14.4521.

The Euro strengthened against the South African Rand on Friday. In the economic news, Germany's trade surplus narrowed more-than-expected in April. Further, current account surplus narrowed more than market forecast in the same month.

AUDZAR ▼

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.5% lower against the South African Rand at R9.7067.

The Australian Dollar rose against the South African Rand on Friday. Meanwhile, in China, Australia's largest trading partner, consumer price inflation advanced at par with market expectations on an annual basis in May. Moreover, producer price index registered a less-than-expected rise on a yearly basis in the same month.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	12.8948	▼	0.22%	NA	-1.31%	-1.89%	-5.72%
GBPZAR	16.4550	▼	-1.46%	NA	-2.22%	-2.60%	-2.57%
EURZAR	14.4521	▼	0.03%	NA	-1.51%	1.03%	0.34%
AUDZAR	9.7067	▼	0.02%	NA	0.31%	-2.87%	-1.55%
EURUSD	1.1208	▲	-0.17%	NA	-0.44%	3.20%	6.49%
GBPUSD	1.2760	▲	-1.62%	NA	-1.12%	-0.47%	3.32%
Brent (\$/barrel)	48.5	▲	0.61%	NA	-5.14%	-2.48%	-15.26%
Gold (\$/oz)	1269.1	▲	-0.61%	NA	-0.28%	0.29%	10.14%
Platinum (\$/oz)	941.2	▲	0.23%	NA	-1.05%	0.17%	4.29%
Copper (\$/MT)*	5779.5	▲	1.33%	NA	2.15%	-0.92%	4.64%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged marginally higher to trade at \$1,269.10/oz.

On Friday, gold prices fell 0.6% to close at \$1,268.50/oz, as strength in the greenback dented demand for the safe haven asset.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil rose 0.6% to trade at \$48.46/bl.

On Friday, Brent crude oil advanced 0.6% to settle at \$48.15/bl. Meanwhile, Baker Hughes reported that US oil rig count rose by 8 to 741 last week.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices gained 0.1% to trade at \$941.20/oz.

On Friday, platinum prices climbed 0.2% to close at \$940.30/oz.



ONE Minute Brief

12 June 2017



Major South Africa Corporate News

Exxaro Resources Limited

The company announced that Group Company Secretary Catharina Helena Wessels, has resigned from her post.

Major Global Economic News

UK

In the UK, NIESR estimated gross domestic product (GDP) advanced 0.2% on a monthly basis in the March-May 2017 period. In the February-April 2017 period, NIESR estimated GDP had registered a similar rise.

In the UK, total trade deficit narrowed to GBP2.05bn in April, compared to a revised total trade deficit of GBP3.90bn in the previous month. Market expectation was for the nation's total trade deficit to drop to GBP3.50bn.

In April, industrial production climbed 0.2% on a monthly basis in the UK, compared to a fall of 0.5% in the prior month. Markets were anticipating industrial production to climb 0.7%.

In the UK, manufacturing production recorded a rise of 0.2% on a monthly basis in April, compared to a fall of 0.6% in the prior month. Market expectation was for manufacturing production to climb 0.8%.

In the UK, construction output unexpectedly dropped 1.6% on a monthly basis in April, lower than market expectations for a rise of 0.4%. Construction output had climbed by a revised 0.7% in the prior month.

Eurozone

In Germany, the seasonally adjusted trade surplus fell to EUR18.10bn in April, from a revised trade surplus of EUR25.30bn in the prior month. Market anticipation was for the nation to register a trade surplus of EUR23.00bn.

US

In the US, the seasonally adjusted final wholesale inventories recorded a drop of 0.5% on a monthly basis in April, higher than market expectations for a drop of 0.3%. In the previous month, the wholesale inventories had climbed 0.2%. The preliminary figures had recorded a drop of 0.3%.

Asia

In Japan, machinery orders climbed 2.7% on a yearly basis in April, less than market expectations for an advance of 7.4%. In the prior month, machinery orders had registered a drop of 0.7%.



ONE Minute Brief

12 June 2017



GTC
consult • partner • manage

40 Best Performers on the All Share Index

Company Name	Last Close	1 Week % Change	MTD % Change	YTD % Change
Naspers Ltd	2683	0.50%	-1.20%	33.21%
Dis-Chem Pharmacies	28	2.49%	-1.53%	26.74%
Trencor Ltd	36	5.58%	6.68%	26.14%
Adcock Ingram Holdings Ltd	58	-3.37%	-5.91%	20.52%
Mondi Plc	336	-0.93%	-2.69%	20.45%
Bid Corporation Ltd	294	-1.51%	-1.75%	20.10%
Astral Foods Ltd	155	-2.80%	-3.35%	19.91%
Mondi Ltd	333	-1.60%	-3.43%	19.09%
Hudaco Industries Ltd	135	0.79%	2.59%	17.73%
Datatec Ltd	58	12.52%	10.71%	16.79%
Clicks Group Ltd	135	0.93%	-1.01%	16.74%
Shoprite Holdings Ltd	200	-3.92%	-4.52%	16.38%
British American Tobacco Plc	901	-1.91%	-4.54%	15.75%
Compagnie Financiere Richemont SA	105	-3.01%	-5.18%	15.58%
RCL Foods Ltd	14	0.98%	-3.73%	13.70%
PSG Konsult Ltd	8	1.82%	2.44%	13.67%
Northam Platinum Ltd	46	6.18%	4.30%	13.26%
Murray & Roberts Holdings Ltd	13	-3.20%	-2.18%	12.85%
KAP Industrial Holdings Ltd	8	-5.83%	-6.15%	12.30%
Capitec Bank Holdings Ltd	779	0.95%	-0.04%	12.01%
Discovery Ltd	128	-0.07%	-0.32%	11.54%
Reunert Ltd	76	2.98%	4.62%	11.16%
Mpact Ltd	31	-0.32%	-3.09%	11.15%
Anglo American Platinum Ltd	294	3.43%	5.31%	11.09%
Reinet Investments SCA	30	-4.24%	-6.51%	10.41%
Gold Fields Ltd	48	1.98%	3.38%	10.05%
Octodec Investments Ltd	24	3.16%	4.01%	9.43%
Brimstone Investment Corporation Ltd	13	-0.76%	-4.73%	9.17%
Vodacom Group Ltd	166	0.01%	0.63%	9.12%
Exxaro Resources Ltd	97	0.39%	-5.28%	8.04%
Equites Property Fund Ltd	17	0.47%	-0.52%	8.04%
Distell Group Ltd	156	1.87%	7.18%	7.92%
Nampak Ltd	20	0.00%	-2.44%	7.76%
Delta Property Fund Ltd	8	2.44%	0.96%	7.56%
Niveus Investments Ltd	39	-1.27%	-1.27%	6.85%
Fortress Income Fund Ltd	35	-0.86%	-1.40%	6.71%
PSG Group Ltd	233	-1.48%	-2.74%	6.60%
Resilient Reit Ltd	122	1.66%	1.37%	6.56%
Sanlam Ltd	67	-1.57%	-2.35%	6.55%
Avi Ltd	97	-2.84%	-1.85%	5.99%
JSE All Share Index	52217	-1.27%	-2.51%	3.09%

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

12 June 2017

GTC
consult • partner • manage

Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	01:50	Domestic Corporate Goods Price Index (MoM) (May)	✓	0.00%*	0.20%	Monthly
Japan	01:50	Domestic Corporate Goods Price Index (YoY) (May)	✓	2.10%*	2.10%	Monthly
Japan	01:50	Machinery Orders (MoM) (Apr)	✓	-3.10%*	1.40%	Monthly
Japan	01:50	Machinery Orders (YoY) (Apr)	✓✓	2.70%*	-0.70%	Monthly
Japan	08:00	Machine Tool Orders (YoY) (May) (P)	✓✓	-	34.70%	Monthly
France	08:30	Bank of France Business Sentiment (May)	✓✓	105.00	104.00	Monthly
Italy	10:00	Industrial Production n.s.a. (YoY) (Apr)	✓	-	7.60%	Monthly
Italy	10:00	Industrial Production s.a. (Apr)	✓	-	95.30	Monthly
Italy	10:00	Industrial Production s.a. (MoM) (Apr)	✓	0.20%	0.40%	Monthly
Italy	10:00	Industrial Production w.d.a.(YoY) (Apr)	✓	2.50%	2.80%	Monthly
Portugal	12:00	Consumer Price Index (MoM) (May)	✓	-	1.00%	Monthly
Portugal	12:00	Consumer Price Index (YoY) (May)	✓	-	2.00%	Monthly
UK	13:00	Composite Leading Indicator (Apr)	✓	-	99.70	Monthly
China	13:00	Composite leading indicator (Apr)	✓	-	99.10	Monthly
Spain	13:00	Composite Leading Indicator (Apr)	✓	-	99.90	Monthly
Japan	13:00	Composite leading indicator (Apr)	✓	-	100.10	Monthly
US	20:00	Monthly Budget Statement (May)	✓✓	-	USD182.43bn	Monthly

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