

ONE  
Minute Brief

19 June 2017

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## Economic and Political News

South Africa mine's minister, Mosebenzi Zwane, has defended the new regulations that seek to accelerate black ownership in the mining industry as a "win-win" situation for all. Meanwhile, the National Union of Mineworkers (NUM) has welcomed the new Mining Charter.

Deputy President, Cyril Ramaphosa, has assured ANC representatives that the party still has the necessary moral fibre to provide better living for all South Africans. He, however, conceded that South Africa and the ANC are not currently in a "good place".

President, Jacob Zuma, stated that political freedom without economic freedom is an incomplete democracy. He highlighted that the question of land must be resolved within the realm of the country's laws and constitution.

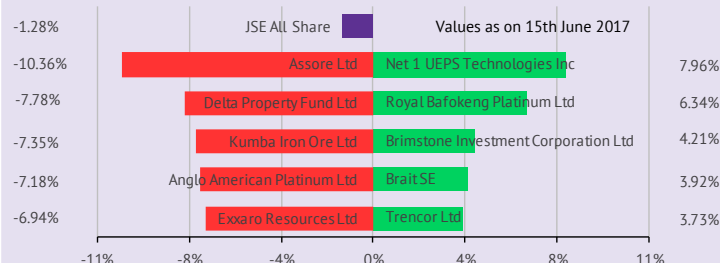
The Democratic Alliance (DA) has urged to the Public Protector, Busisiwe Mkhwebane, to release reports involving the Gupta family in her press conference today. Meanwhile, the DA will ask the public protector to probe Mineral Resources Minister, Mosebenzi Zwane, over a trip to India, reportedly paid by the Gupta family.

The Sunday Times has reported that President, Jacob Zuma, asked Jacinto Rocha, then deputy director-general in the department of minerals and energy, to help his son Duduzane, at a meeting in 2009.

## South Africa Market ▼

## South African markets closed lower

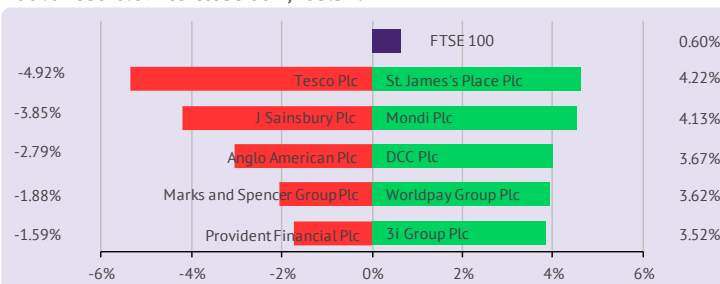
South African markets closed in the red on Thursday, amid losses in gold and platinum mining sector stocks. The JSE All Share Index fell 1.3% to close at 50,831.89.



## UK Market ▲

## The FTSE 100 futures are trading in positive territory

UK markets finished higher on Friday, led by a rise in financial and industrial sector stocks. Data revealed that UK's Rightmove house price index slumped on a monthly basis in June. The FTSE 100 Index advanced 0.6% to close at 7,463.54.



## Key Indices

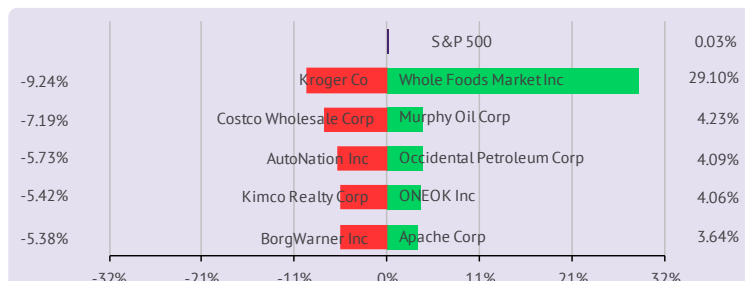
	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share*	50831.89	▼ -657.27	1.28%	NA	-5.10%	-0.47%	0.35%
JSE Top 40*	44512.15	▼ -572.71	1.27%	NA	-5.60%	0.17%	1.39%
FTSE 100	7463.54	▲ 44.18	0.60%	NA	-0.75%	4.39%	4.49%
DAX 30	12752.73	▲ 60.92	0.48%	NA	1.09%	1.42%	11.08%
CAC 40	5263.31	▲ 46.43	0.89%	NA	-0.38%	0.31%	8.25%
S&P 500	2433.15	▲ 0.69	0.03%	NA	0.89%	1.16%	8.68%
Nasdaq Composite	6151.76	▼ -13.74	-0.22%	NA	-0.75%	2.50%	14.28%
DJIA	21384.28	▲ 24.38	0.11%	NA	1.79%	0.33%	8.21%

\*Values as on 15th June 2017

## US Market ▲

## The S&amp;P 500 futures are trading in the green

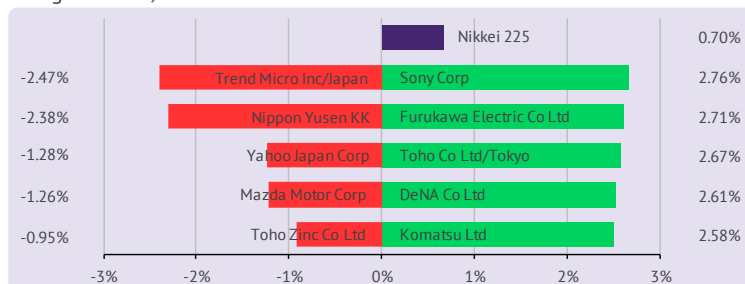
US markets closed a tad higher on Friday, supported by gains in energy sector stocks. Data showed that the US preliminary Reuters/Michigan consumer confidence index dropped more-than-expected in June. The S&P 500 Index marginally climbed to close at 2,433.15.



## Asian Market ▲

## Trading higher

Asian markets are trading higher this morning. Data indicated that Japan's merchandise trade balance recorded a deficit in May, compared to a surplus in previous month. The Nikkei 225 Index is trading 0.7% higher at 20,082.83.



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t: +27 (0) 21 412 1074 | e: oneminutebrief@gtc.co.za | w: www.gtc.co.za

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## USDZAR ▼

### USD trading lower against ZAR

At 06:00 SAST, the US Dollar marginally dropped against the South African Rand to trade at R12.8110.

The US Dollar fell against the South African Rand on Friday. On the macro front, the US preliminary Reuters/Michigan consumer confidence index declined more than market anticipations in June. Further, building permits unexpectedly eased on a monthly basis in May, notching its lowest level since April 2016. Moreover, housing starts recorded a surprising drop on a monthly basis in the same month, its weakest level in 8 months.

## GBPZAR ▼

### GBP trading weaker against ZAR

At 06:00 SAST, the British Pound declined 0.1% against the South African Rand to trade at R16.3684. In the economic news, UK's Rightmove house price index bounced back into negative territory on a monthly basis in June.

The British Pound declined against the South African Rand on Friday. On Thursday, the Bank of England Monetary Policy Committee (MPC) voted by a majority of 5-3 to maintain the benchmark interest rate steady at 0.25% and the bond purchase programme remained unchanged at £435bn. The MPC's meeting minutes revealed that it regards the robust British labour market as a sign that rates may need to rise sooner than expected.

## EURZAR ▲

### EUR trading higher against ZAR

At 06:00 SAST, the Euro marginally advanced against the South African Rand to trade at R14.3480. Going forward, market participants will keep a tab on Eurozone's construction output for further cues.

The Euro weakened against the South African Rand on Friday. On the macro front, Eurozone's final consumer price inflation advanced at a slower pace in line with market expectations on an annual basis in May.

## AUDZAR ▲

### AUD trading stronger against ZAR

At 06:00 SAST, the Australian Dollar is trading marginally higher against the South African Rand at R9.7640. Earlier in the session, in China, Australia's largest trading partner, house price index declined in May, compared to its previous reading.

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

## Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	12.8110	▼	-0.51%	NA	-2.32%	-1.89%	-6.68%
GBPZAR	16.3684	▼	-0.28%	NA	-2.89%	-2.60%	-3.23%
EURZAR	14.3480	▲	-0.04%	NA	-2.51%	1.03%	-0.67%
AUDZAR	9.7640	▲	0.03%	NA	0.41%	-2.87%	-1.45%
EURUSD	1.1198	-	0.48%	NA	-0.41%	3.20%	6.52%
GBPUSD	1.2776	▼	0.20%	NA	-0.83%	-0.47%	3.62%
Brent (\$/barrel)	47.3	▼	0.96%	NA	-6.68%	-2.48%	-16.63%
Gold (\$/oz)	1254.1	▲	0.14%	NA	-1.42%	0.29%	8.88%
Platinum (\$/oz)	927.8	▲	0.60%	NA	-2.47%	0.17%	2.80%
Copper (\$/MT)*	5639.0	▲	0.05%	NA	-0.33%	-0.92%	2.10%

\*As of Previous Close

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices edged marginally higher to trade at \$1,254.10/oz.

On Friday, gold prices rose 0.1% to close at \$1,254.00/oz, as weakness in the greenback increased demand for the previous yellow metal.

## Brent Crude Oil ▼

### Trading weaker

At 06:00 SAST, Brent crude oil edged 0.2% lower to trade at \$47.26/bl.

On Friday, Brent crude oil advanced 1.0% to settle at \$47.37/bl, despite Baker Hughes reporting that US oil rig count rose by 6 to 747 last week.

## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices gained 0.1% to trade at \$927.80/oz.

On Friday, platinum prices climbed 0.6% to close at \$926.80/oz.



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## Major South Africa Corporate News

### Growthpoint Properties Limited

The company reported that Moody's downgraded the long-term issuer ratings to Baa3 from Baa2 and changed the outlook to negative from ratings under review. The national scale ratings have been affirmed at Aaa.za and P-1.za.

### Vodacom Group Limited

The company announced the appointment of Mr Jabu Moleketi, current Independent Non-Executive Director, to the role of Chairman with effect from July 19, 2017. It further revealed the appointment of Mr Sakumzi (Saki) Macozoma as lead Independent Director with effect from the same date.

## Major Global Economic News

### US

In the US, the preliminary Reuters/Michigan consumer sentiment index dropped to 94.50 in June, compared to a reading of 97.10 in the prior month. Market anticipation was for the index to drop to 97.00.

In May, building permits unexpectedly dropped by 4.9% on monthly basis, to an annual rate of 1168.00K in the US, compared to a revised reading of 1228.00K in the previous month. Markets were anticipating building permits to climb to a level of 1249.00K.

In the US, housing starts registered an unexpected drop of 5.5% on monthly basis, to an annual rate of 1092.00K in May, compared to a revised reading of 1156.00K in the previous month. Markets were expecting housing starts to rise to 1220.00K.

### Asia

In Japan, merchandise trade balance posted a deficit of JPY203.4bn in May, compared to a surplus of JPY481.1bn in the prior month. Markets were expectation trade balance to record a surplus of JPY43.3bn.

In China, the house price index registered a rise of 10.4% on a yearly basis in May. The index had risen 10.7% in the prior month.

### Eurozone

In the Eurozone, the final consumer price index (CPI) advanced 1.4% on a yearly basis in May, compared to an advance of 1.9% in the previous month. The preliminary figures had indicated a rise of 1.9%. Markets were expecting the index to advance 1.4%.

### UK

In the UK, the Rightmove house price index fell 0.4% on a monthly basis in June. In the prior month, the price index had climbed 1.2%.



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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	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%
<b>JSE All Share Index</b>	<b>50832</b>	<b>-2.65%</b>	<b>-5.10%</b>	<b>0.35%</b>

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## Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous	Frequency
UK	01:01	Rightmove House Price Index (MoM) (Jun)	✓	-0.40%*	1.20%	Monthly
UK	01:01	Rightmove House Price Index (YoY) (Jun)	✓	1.80%*	3.00%	Monthly
Japan	01:50	Adjusted Merchandise Trade Balance (May)	✓	JPY133.80bn*	JPY97.60bn	Monthly
Japan	01:50	Merchandise Trade Balance Total (May)	✓✓	-JPY203.40bn*	JPY481.70bn	Monthly
Japan	01:50	Exports (YoY) (May)	✓✓	14.90%*	7.50%	Monthly
Japan	01:50	Imports (YoY) (May)	✓	17.80%*	15.20%	Monthly
China	03:30	House Price Index (YoY) (May)	✓	10.40%*	10.70%	Monthly
Eurozone	11:00	Construction Output s.a. (MoM) (Apr)	✓	-	-1.10%	Monthly
Eurozone	11:00	Construction Output w.d.a. (YoY) (Apr)	✓	-	3.60%	Monthly
Germany	12:00	German Buba Monthly Report	✓	-	-	As scheduled
US	14:00	Fed's Dudley Holds Business Roundtable in Plattsburgh, NY	✓	-	-	As scheduled
UK	-	Start of Brexit negotiations	✓✓✓	-	-	As scheduled

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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