

ONE Minute Brief

22 June 2017

GTC
consult • partner • manage

Economic and Political News

In South Africa (SA), the consumer price index recorded a rise of 5.4% on a yearly basis in May, in line with market expectations. The index had climbed 5.3% in the prior month. Meanwhile, steel production dropped by 3.5% on an annual basis in May to 561,000 tonnes.

Rating agency Moody's has warned that the implementation of the new Mining Charter could lead to further downgrade in the credit ratings of South African mining groups.

BMI Research has dropped SA's mining risk/reward regulatory score to 46 from 50, following the issue of the new Mining Charter.

Finance Minister, Malusi Gigaba, indicated that SA should protect the independence of the South African Reserve Bank (SARB) and must evaluate the effects of any recommended actions on the institution.

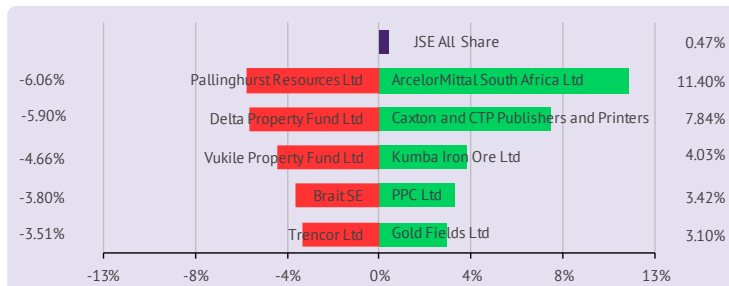
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	51402.69	▲	242.12	0.47%	1.12%	-4.03%	-0.47%	1.48%
JSE Top 40	45213.45	▲	242.96	0.54%	1.58%	-4.12%	0.17%	2.99%
FTSE 100	7447.79	▼	-24.92	-0.33%	-0.21%	-0.96%	4.39%	4.27%
DAX 30	12774.26	▼	-40.53	-0.32%	0.17%	1.26%	1.42%	11.26%
CAC 40	5274.26	▼	-19.39	-0.37%	0.21%	-0.18%	0.31%	8.47%
S&P 500	2435.61	▼	-1.42	-0.06%	0.10%	0.99%	1.16%	8.79%
Nasdaq Composite	6233.95	▲	45.92	0.74%	1.34%	0.57%	2.50%	15.81%
DJIA	21410.03	▼	-57.11	-0.27%	0.12%	1.91%	0.33%	8.34%

South Africa Market ▲

South African markets closed higher

South African markets closed in the green yesterday, led by a rise in gold mining sector stocks. Data showed that South Africa's annual consumer price inflation advanced at par with the market forecast in May. The JSE All Share Index rose 0.5% to close at 51,402.69.



US Market ▼

The S&P 500 futures are trading in the red

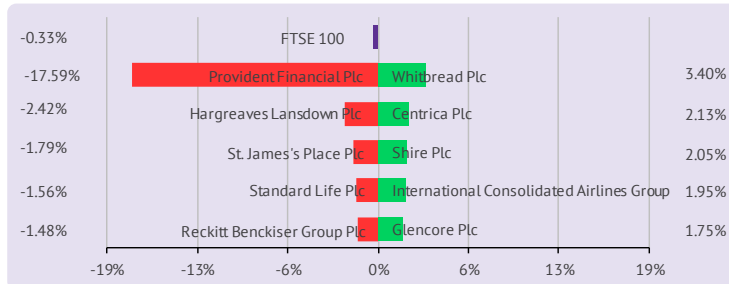
US markets closed lower yesterday, weighed down by losses in energy sector stocks. Data indicated that US existing home sales unexpectedly rebounded on a monthly basis in May. The S&P 500 Index dropped 0.1% to close at 2,435.61.



UK Market ▼

The FTSE 100 futures are trading in positive territory

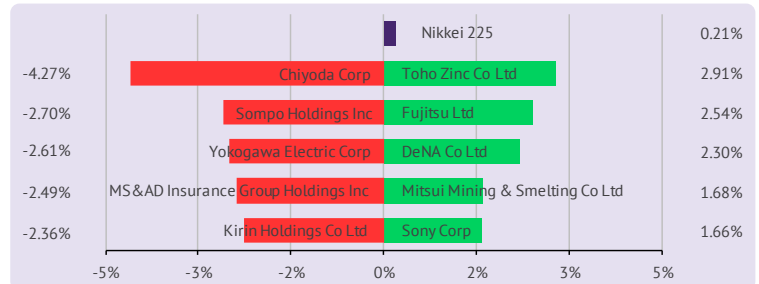
UK markets finished lower yesterday, amid a decline in financial and energy sector stocks. Data revealed that UK's public sector net borrowings registered a less-than-anticipated deficit in May. The FTSE 100 Index declined 0.3% to close at 7,447.79.



Asian Market ▲

Trading higher

Asian markets are trading higher this morning. The Nikkei 225 Index is trading 0.2% higher at 20,182.03.



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

22 June 2017

GTC
consult • partner • manage

USDZAR ▼

USD trading weaker against ZAR

At 06:00 SAST, the US Dollar fell 0.2% against the South African Rand to trade at R13.0509. Later today, traders will keep a close watch on US initial jobless claims, house price index and leading indicator for further cues.

The US Dollar rose against the South African Rand yesterday. On the data front, the US existing home sales bounced back into positive territory on a monthly basis in May. Meanwhile, MBA mortgage applications rose for the week ended June 16, 2017, less than its prior reading. Separately, South Africa's consumer price index advanced as expected on a yearly basis in May, led by a rise in food prices and transport.

GBPZAR ▼

GBP trading lower against ZAR

At 06:00 SAST, the British Pound is trading 0.2% weaker against the South African Rand at R16.5388. Later today, traders will keep an eye on UK's CBI trends total orders for further direction.

The British Pound advanced against the South African Rand yesterday. On the macro front, UK's public sector net borrowings recorded a deficit less than market expectations in May.

EURZAR ▼

EUR trading weaker against ZAR

At 06:00 SAST, the Euro fell 0.2% against the South African Rand to trade at R14.5823. Going forward, market participants will keep a tab on Eurozone's consumer confidence for further indication.

The Euro strengthened against the South African Rand yesterday.

AUDZAR ▼

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar fell 0.3% against the South African Rand to trade at R9.8540.

The Australian Dollar fell against the South African Rand yesterday. Data revealed that Australia's Westpac leading index declined on a monthly basis in May.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.0509	▼	0.09%	2.08%	-0.29%	-1.89%	-4.74%
GBPZAR	16.5388	▼	0.44%	1.21%	-1.72%	-2.60%	-2.07%
EURZAR	14.5823	▼	0.40%	1.85%	-0.71%	1.03%	1.16%
AUDZAR	9.8540	▼	-0.26%	1.21%	1.62%	-2.87%	-0.26%
EURUSD	1.1171	▲	0.31%	-0.27%	-0.68%	3.20%	6.23%
GBPUSD	1.2672	▲	0.33%	-0.88%	-1.70%	-0.47%	2.72%
Brent (\$/barrel)	44.8	▼	-2.61%	-5.38%	-11.70%	-2.48%	-21.12%
Gold (\$/oz)	1253.2	▲	0.19%	-0.85%	-2.25%	0.29%	7.96%
Platinum (\$/oz)	932.3	▲	0.60%	0.02%	-2.45%	0.17%	2.82%
Copper (\$/MT)*	5717.5	▲	1.55%	1.39%	1.06%	-0.92%	3.52%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices climbed 0.8% to trade at \$1,253.20/oz.

Yesterday, gold prices rose 0.2% to close at \$1,243.40/oz, as the greenback weakened increasing demand for the precious yellow metal.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil marginally fell to trade at \$44.80/bl.

Yesterday, Brent crude oil dropped 2.6% to settle at \$44.82/bl, after the Energy Information Administration (EIA) indicated that US weekly domestic production increased by 20,000 bls to 9.35mn bls a day. Meanwhile, the EIA reported that US crude oil inventories fell more-than-expected by 2.5mn bls for the week ended June 16, 2017.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices rose 0.6% to trade at \$932.30/oz.

Yesterday, platinum prices climbed 0.6% to close at \$927.00/oz.



ONE Minute Brief

22 June 2017



Major South Africa Corporate News

Barclays Africa Group Limited

The company stated that it will go to the nation's High Court to challenge a decision that it should pay the government ZAR1.125bn over the apartheid-era acquisition of Bankorp Limited.

Major Global Economic News

US

In the US, existing home sales unexpectedly advanced by 1.1% on monthly basis in May, to a level of 5.62mn higher than market expectations of 5.55mn. Existing home sales had recorded a reading of 5.57mn in the previous month.

In the US, MBA mortgage applications registered a rise of 0.6% in the week ended June 16, 2017. Mortgage applications had registered a rise of 2.8% in the prior week.

UK

In the UK, the public sector net borrowing has posted a deficit of GBP6.00bn in May, from a revised deficit of GBP8.70bn in the prior month. Markets were expecting public sector net borrowing to report a deficit of GBP7.00bn.

ONE Minute Brief

22 June 2017

GTC
consult • partner • manage

Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus	Previous	Frequency
Switzerland	08:00	Trade Balance (May)	✓✓	-	CHF1.97bn	Monthly
Switzerland	08:00	Exports (MoM) (May)	✓	-	-2.50%	Monthly
Switzerland	08:00	Imports (MoM) (May)	✓	-	2.60%	Monthly
France	08:45	Own-Company Production Outlook (Jun)	✓	-	14.00	Monthly
France	08:45	Production Outlook Indicator (Jun)	✓	-	7.00	Monthly
France	08:45	Business Climate (Jun)	✓	105.00	105.00	Monthly
UK	12:00	CBI Industrial Trends Survey - Orders (Jun)	✓	-	9.00	Monthly
UK	12:00	CBI Trends Selling Prices (Jun)	✓✓	20.00	23.00	Monthly
Portugal	13:30	Current Account Balance (Apr)	✓	-	EUR0.19bn	Monthly
Canada	14:30	Retail Sales (MoM) (Apr)	✓✓	0.30%	0.70%	Monthly
Canada	14:30	Retail Sales ex Autos (MoM) (Apr)	✓	0.70%	-0.20%	Monthly
US	14:30	Initial Jobless Claims (17-Jun)	✓✓✓	240.00K	237.00K	Weekly
US	14:30	Continuing Jobless Claims (10-Jun)	✓	1928.00K	1935.00K	Weekly
US	15:00	House Price Index s.a. (Apr)	✓✓	-	246.20	Monthly
US	15:00	Housing Price Index (MoM) (Apr)	✓	0.50%	0.60%	Monthly
Eurozone	16:00	Consumer Confidence (Jun) (P)	✓✓	-3.00	-3.30	Monthly
US	16:00	Leading Indicator (MoM) (May)	✓✓	0.30%	0.30%	Monthly
US	16:30	EIA Natural Gas Storage Change (16-Jun)	✓	-	78.00Bcf	Weekly
US	17:00	Kansas City Fed Manufacturing Activity (Jun)	✓	9.00	8.00	Monthly
Japan	-	Cabinet Office Monthly Economic Report	✓✓	-	-	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