

ONE Minute Brief

27 June 2017

GTC
consult • partner • manage

Economic and Political News

The South African Reserve Bank (SARB) has reported an after-tax profit of ZAR1.4bn for the financial year ended March 31, 2017, compared to a profit of ZAR1.6bn in the prior year.

The Chamber of Mines indicated that South Africa's mining companies have applied for an urgent interdict in the High Court in Pretoria to block the government's Mining Charter, stating that the new rules will destroy the industry.

Deputy Finance Minister, Sifiso Buthelezi, stated that the government is addressing the issue of credit rating downgrades and recession and needs support from businesses and labour. Separately, Buthelezi revealed that the Treasury is yet to decide whether it will challenge a recommendation by the public protector to change the SARB's mandate.

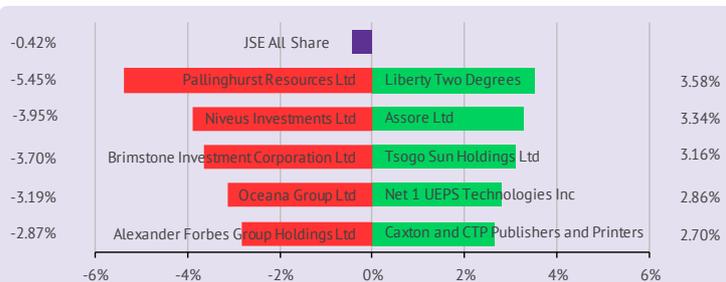
Keeping in view the 2019 national elections, Deputy President, Cyril Ramaphosa, has asked the National, Health and Allied Workers Union and the African National Congress alliance partners to become more united than ever before.

South Africa has banned the sale of live hens in an effort to contain an outbreak of H5N8 bird flu.

South Africa Market ▼

South African markets closed lower

South African markets closed in the red yesterday, amid losses in platinum and gold mining sector stocks. The JSE All Share Index fell 0.4% to close at 51,288.71.



Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	51288.71	▼ -214.81	-0.42%	-0.42%	-4.25%	-0.47%	1.25%
JSE Top 40	45113.21	▼ -245.45	-0.54%	-0.54%	-4.33%	0.17%	2.76%
FTSE 100	7446.80	▲ 22.67	0.31%	0.31%	-0.97%	4.39%	4.26%
DAX 30	12770.83	▲ 37.42	0.29%	0.29%	1.23%	1.42%	11.23%
CAC 40	5295.75	▲ 29.63	0.56%	0.56%	0.23%	0.31%	8.91%
S&P 500	2439.07	▲ 0.77	0.03%	0.03%	1.13%	1.16%	8.94%
Nasdaq Composite	6247.15	▼ -18.10	-0.29%	-0.29%	0.78%	2.50%	16.05%
DJIA	21409.55	▲ 14.79	0.07%	0.07%	1.91%	0.35%	8.33%

US Market ▲

The S&P 500 futures are trading in the green

US markets closed a tad higher yesterday, supported by gains in utility sector stocks. Data revealed that US flash durable goods orders recorded a higher-than-expected drop on a monthly basis in May. The S&P 500 Index marginally climbed to close at 2,439.07.



UK Market ▲

The FTSE 100 futures are trading in positive territory

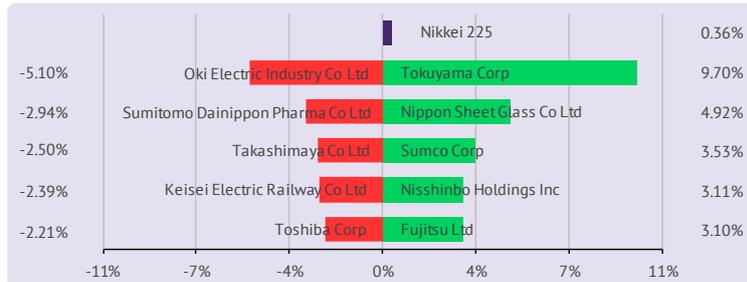
UK markets finished higher yesterday, led by a rise in industrial and banking sector stocks. On the data front, UK's BBA mortgage approvals declined to its lowest level since September 2016 in May. The FTSE 100 Index advanced 0.3% to close at 7,446.80.



Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning. Data indicated that China's industrial profits advanced on an annual basis in May, compared to its prior reading. The Nikkei 225 Index is trading 0.4% higher at 20,226.49.



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

27 June 2017

GTC
consult • partner • manage

USDZAR ▲

USD trading higher against ZAR

At 06:00 SAST, the US Dollar marginally gained against the South African Rand to trade at R12.8668. Later today, traders will keep a close watch on US consumer confidence index for further cues. Separately, South Africa's non-farm payrolls will be on investors' radar.

The US Dollar fell against the South African Rand yesterday, after the demand for long-lasting US durable goods orders eased more than expected on a monthly basis in May, pulled down by a decline in airplane orders, indicating that the nation's manufacturing output is barely growing. Further, US Chicago Fed National activity index retreated in May, dragged down by a sharp decline in production, employment and housing activities.

GBPZAR ▲

GBP trading firmer against ZAR

At 06:00 SAST, the British Pound marginally rose against the South African Rand to trade at R16.3736. Later today, traders will keep an eye on the Bank of England Governor, Mark Carney's speech for further cues.

The British Pound declined against the South African Rand yesterday, after the UK's BBA mortgage approvals dropped in May, recording its weakest level in 8 months.

EURZAR ▲

EUR trading stronger against ZAR

At 06:00 SAST, the Euro is trading 0.1% higher against the South African Rand at R14.3988. Going forward, market participants will keep a tab on the European Central Bank President, Mario Draghi's speech for further direction.

The Euro weakened against the South African Rand yesterday. The European Central Bank (ECB) President, Mario Draghi defended the ECB's stimulus policy, stating that keeping interest rates low had helped in creating employment opportunities, foster growth and diminish inequality in the Eurozone. On the data front, Germany's Ifo business climate index surprisingly advanced in June. Further, Ifo business expectations index unexpectedly rose in the same month.

AUDZAR ▲

AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.2% firmer against the South African Rand at R9.7775. Earlier in the session, data showed that Australia's ANZ Roy Morgan weekly consumer confidence index registered a decline for the week ended June 25, 2017, compared to its prior reading. Meanwhile, in China, Australia's largest trading partner, industrial profits advanced on a yearly basis in May.

The Australian Dollar fell against the South African Rand yesterday.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	12.8668	▲	-0.52%	-0.52%	-1.95%	-1.89%	-6.33%
GBPZAR	16.3736	▲	-0.50%	-0.50%	-2.97%	-2.60%	-3.32%
EURZAR	14.3988	▲	-0.65%	-0.65%	-2.25%	1.03%	-0.40%
AUDZAR	9.7775	▲	-0.31%	-0.31%	0.34%	-2.87%	-1.52%
EURUSD	1.1191	▲	-0.11%	-0.11%	-0.55%	3.20%	6.36%
GBPUSD	1.2727	▲	0.04%	0.04%	-1.30%	-0.47%	3.14%
Brent (\$/barrel)	46.0	▲	0.64%	0.64%	-9.71%	-2.48%	-19.34%
Gold (\$/oz)	1245.0	▼	-0.79%	-0.79%	-2.02%	0.29%	8.21%
Platinum (\$/oz)	919.5	▲	-1.38%	-1.38%	-3.55%	0.17%	1.66%
Copper (\$/MT)*	5771.3	▼	-0.16%	-0.16%	2.01%	-0.92%	4.49%

*As of Previous Close

Gold ▼

Trading in the red

At 06:00 SAST, gold prices edged 0.1% lower to trade at \$1,245.00/oz.

Yesterday, gold prices fell 0.8% to close at \$1,246.30/oz, as the US Dollar strengthened, lowering demand for the precious yellow metal.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged higher 0.3% to trade at \$45.98/bl.

Yesterday, Brent crude oil advanced 0.6% to settle at \$45.83/bl, after oscillating between gains and losses.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices climbed 0.3% to trade at \$919.50/oz.

Yesterday, platinum prices declined 1.4% to close at \$916.60/oz.



ONE Minute Brief

27 June 2017



Major South Africa Corporate News

Invicta Holdings Limited

The company, in its preliminary FY17 results, indicated that its revenue increased to ZAR9.63bn from ZAR8.80bn posted in the previous year. Its headline EPS from continuing operations significantly rose from the prior year to 466.00c. Its pre-tax profit advanced to ZAR897.05mn from ZAR563.91mn posted last year.

Major Global Economic News

Eurozone

The ECB President, Mario Draghi defended the central bank's stimulus policy, arguing that keeping interest rates low had helped in creating job opportunities, foster growth and decrease inequality in the Eurozone.

In Germany, the Ifo business expectations index registered an unexpected rise to 106.80 in June, compared to a reading of 106.50 in the previous month. Markets were expecting the index to fall to a level of 106.40.

In June, the Ifo business climate index registered an unexpected rise to 115.10 in Germany, compared to market expectations of a fall to 114.50. The index had recorded a level of 114.60 in the previous month.

Asia

In China, industrial profits rose 16.7% on an annual basis in May. In the previous month, industrial profits had advanced 14.0%.

In Australia, the ANZ Roy Morgan Weekly consumer confidence index fell to 111.8 for the week ended June 25, 2017, compared to a reading of 112.4 in the prior week.

US

In the US, the preliminary durable goods orders eased 1.1% on a monthly basis in May, more than market expectations for a drop of 0.6%. In the previous month, durable goods orders had dropped 0.8%.

In May, the Chicago Fed national activity index registered a drop to -0.26 in the US, compared to a revised reading of 0.57 in the prior month. Market expectation was for the index to fall to a level of 0.20.

UK

In the UK, BBA mortgage approvals fell to a level of 40.35K in May, compared to a revised level of 40.69K in the previous month. Markets were anticipating BBA mortgage approvals to drop to a level of 40.25K.

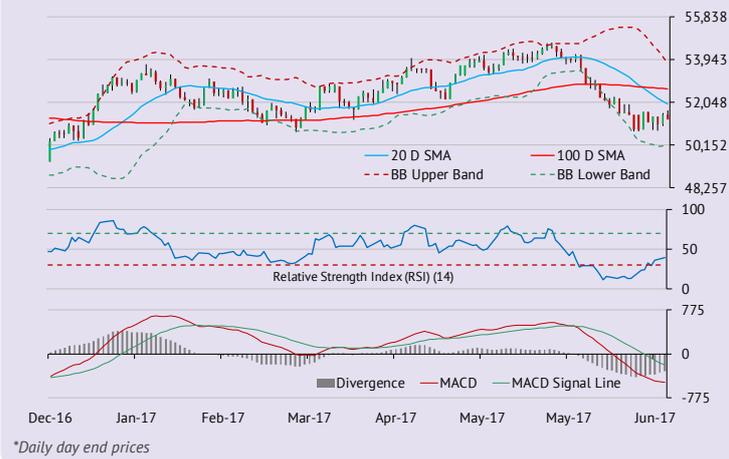
ONE Minute Brief



27 June 2017

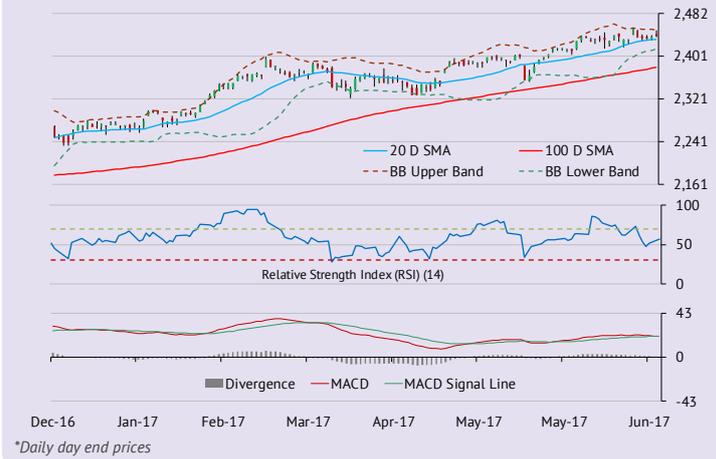
Technical Snapshot

JSE All Share



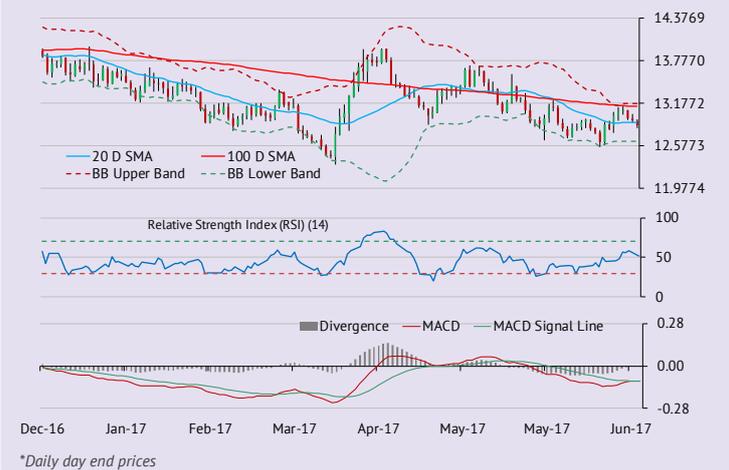
The JSE All Share index is expected to find support at 50,823.44, and a fall through could take it to the next support level of 50,358.17. The index is expected to find its first resistance at 51,725.54, and a rise through could take it to the next resistance level of 52,162.37.

S&P 500



The S&P 500 index is expected to find support at 2,429.65, and a fall through could take it to the next support level of 2,420.24. The index is expected to find its first resistance at 2,449.57, and a rise through could take it to the next resistance level of 2,460.08.

USDZAR



The pair is expected to find support at 12.7424, and a fall through could take it to the next support level of 12.6227. The pair is expected to find its first resistance at 13.0587, and a rise through could take it to the next resistance level of 13.2553.

XAU/USD



Gold is expected to find support at \$1,233.00/oz, and a fall through could take it to the next support level of \$1,219.70/oz. The precious metal is expected to find its first resistance at \$1,266.60/oz, and a rise through could take it to the next resistance level of \$1,286.90/oz.

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

27 June 2017

GTC
consult • partner • manage

Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous	Frequency
China	03:30	Industrial Profits (YoY) (May)	✓✓	16.70%*	14.00%	Monthly
Italy	10:00	Manufacturing Confidence (Jun)	✓✓	106.70	106.90	Monthly
Italy	10:00	Consumer Confidence (Jun)	✓	105.80	105.40	Monthly
Eurozone	10:00	ECB President Draghi gives introductory speech at the ECB Forum on	✓✓✓	-	-	As scheduled
Eurozone	10:30	ECB Board member Benoît Cœuré gives speech in Sintra	✓	-	-	As scheduled
UK	12:00	CBI Distributive Trades Survey - Realised (Jun)	✓	-	2.00%	Monthly
UK	12:00	BoE's Carney Speaks at Financial Stability Report Press Conference	✓✓✓	-	-	As scheduled
Eurozone	13:00	ECB Board member Peter Praet speaks in Sintra	✓	-	-	As scheduled
US	14:55	Redbook Index (YoY) (23-Jun)	✓	-	2.80%	Weekly
US	14:55	Redbook Index s.a. (MoM) (23-Jun)	✓	-	0.70%	Weekly
US	15:00	S&P/Case-Shiller Home Price Index (Apr)	✓	-	195.39	Monthly
US	15:00	S&P/Case-Shiller 20 City s.a. (MoM) (Apr)	✓	0.50%	0.87%	Monthly
US	15:00	S&P/Case-Shiller Composite-20 (YoY) (Apr)	✓	5.90%	5.89%	Monthly
US	16:00	Consumer Confidence (Jun)	✓✓✓	116.00	117.90	Monthly
US	16:00	Richmond Fed Manufacturing Index (Jun)	✓	5.00	1.00	Monthly
US	17:00	Fed's Harker Speaks on Economy in London	✓	-	-	As scheduled
US	19:00	Fed's Yellen Speaks on Global Economic Issues in London	✓✓✓	-	-	As scheduled
US	23:30	Fed's Kashkari Speaks at Townhall Event in Houghton, Michigan	✓	-	-	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