

ONE Minute Brief

29 June 2017

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Economic and Political News

Roger Baxter, the CEO of the Chamber of Mines, has stated that the new mining rules will all but wipe out returns for non-black shareholders. Separately, the Chamber has objected to the Mining Charter being given the status of law in the Mineral Petroleum and Resources Development Amendment Act.

The National Association of Automobile Manufacturers indicated that it aims to increase the share of industry production by black-owned companies to 60% by 2035, from 38% currently.

News reports indicate that South African Airways has identified Vodacom Group Ltd. executive Vuyani Jarana as the leading candidate to become its CEO.

The Democratic Alliance has filed a formal complaint against Mineral Resources Minister, Mosebenzi Zwane, of deliberately misleading Members of Parliament and has asked Parliament's ethics committee and Public Protector, Busisiwe Mkhwebane, to investigate the matter.

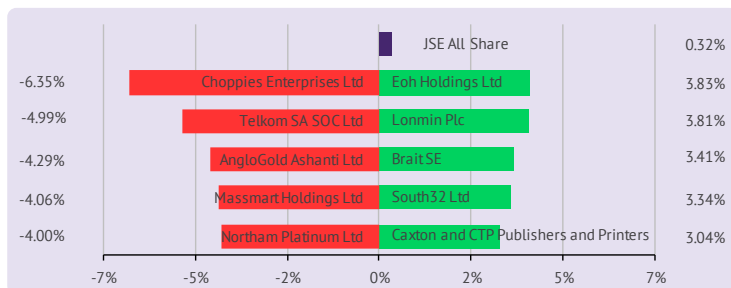
The ANC indicated that its national executive committee has approved the final programme for its policy conference that begins on Friday.

Public Protector, Busisiwe Mkhwebane, has confirmed that she has received the judicial review application by the SARB and indicated that she will meet her legal team to decide whether to oppose it.

South Africa Market ▲

South African markets closed higher

South African markets closed in the green yesterday, led by gains in resources and mining sector stocks. The JSE All Share Index rose 0.3% to close at 51,596.84.



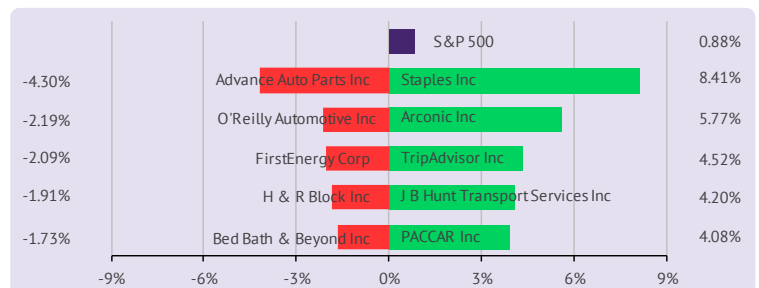
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	51596.84	▲	164.60	0.32%	0.18%	-3.67%	-0.47%	1.86%
JSE Top 40	45504.55	▲	216.17	0.48%	0.32%	-3.50%	0.17%	3.65%
FTSE 100	7387.80	▼	-46.56	-0.63%	-0.49%	-1.76%	4.39%	3.43%
DAX 30	12647.27	▼	-23.75	-0.19%	-0.68%	0.26%	1.42%	10.16%
CAC 40	5252.90	▼	-5.68	-0.11%	-0.25%	-0.58%	0.31%	8.03%
S&P 500	2440.69	▲	21.31	0.88%	0.10%	1.20%	1.16%	9.02%
Nasdaq Composite	6234.42	▲	87.79	1.43%	-0.49%	0.58%	2.50%	15.81%
DJIA	21454.61	▲	143.95	0.68%	0.28%	2.12%	0.33%	8.56%

US Market ▲

The S&P 500 futures are trading in the green

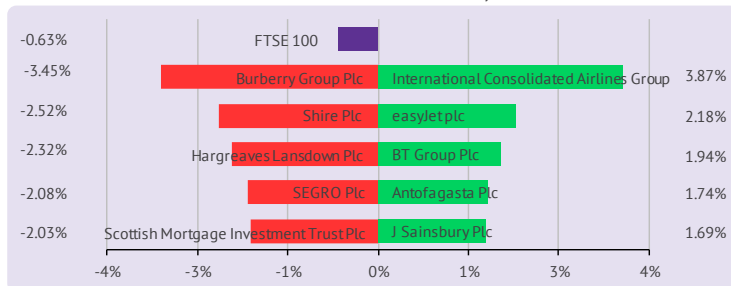
US markets closed higher yesterday, amid gains in financial sector stocks. Data indicated that US advance goods trade deficit narrowed more-than-anticipated in May. The S&P 500 Index climbed 0.9% to close at 2,440.69.



UK Market ▼

The FTSE 100 futures are trading in positive territory

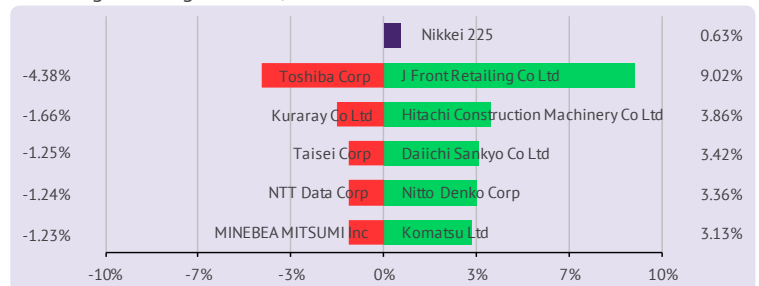
UK markets finished lower yesterday, weighed down by a decline in health care sector stocks. Data revealed that UK's nationwide house price index rebounded more-than-expected on a monthly basis in June. The FTSE 100 Index declined 0.6% to close at 7,387.80.



Asian Market ▲

Trading higher

Asian markets are trading higher this morning, tracking overnight gains on Wall Street. Data showed that Japan's retail sales retreated more-than-anticipated on a monthly basis in May. The Nikkei 225 Index is trading 0.6% higher at 20,256.39.



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

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USDZAR ▼

USD trading lower against ZAR

At 06:00 SAST, the US Dollar is trading 0.3% weaker against the South African Rand at R12.8910. Later today, traders will keep a close watch on US annualized gross domestic product, initial jobless claims and personal consumption expenditure for further cues. Separately, South Africa's producer price index will be on investors' radar.

The US Dollar fell against the South African Rand yesterday. On the data front, US advance goods trade deficit narrowed more-than-expected in May. Meanwhile, preliminary wholesale inventories bounced back into positive territory in the same month. In contrast, MBA mortgage applications plummeted for the week ended June 23, 2017, its lowest level in 6 months. Additionally, pending home sales surprisingly eased on a monthly basis in May.

GBPZAR ▼

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound retreated 0.1% against the South African Rand to trade at R16.7030. Later today, traders will keep an eye on UK's net consumer credit and mortgage approvals for further direction.

The British Pound advanced against the South African Rand yesterday. Bank of England (BoE) Governor, Mark Carney, pointed towards a necessity of an interest rate hike and stated that the central bank will debate on this "in the coming months". Moreover, he added that interest rates might increase if there is growth in wages and labour cost and businesses start investing more. On the macro front, UK's nationwide house price index rebounded above expectations on a monthly basis in June.

EURZAR ▼

EUR trading lower against ZAR

At 06:00 SAST, the Euro retreated 0.1% against the South African Rand to trade at R14.7052. Going forward, market participants will keep a tab on Eurozone's consumer confidence and business climate index for further indication. Meanwhile, Germany's consumer price index and GfK consumer confidence will be on investors' radar.

The Euro weakened against the South African Rand yesterday. In economic news, Germany's import price index declined more-than-expected on a monthly basis in May.

AUDZAR ▼

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar retreated 0.1% against the South African Rand to trade at R9.8733. Earlier in the session, data revealed that Australia's HIA new home sales advanced on a monthly basis in May, compared to its prior reading.

The Australian Dollar rose against the South African Rand yesterday.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	12.8910	▼	-0.73%	0.04%	-1.40%	-1.89%	-5.80%
GBPZAR	16.7030	▼	0.14%	1.65%	-0.88%	-2.60%	-1.23%
EURZAR	14.7052	▼	-0.34%	1.68%	0.04%	1.03%	1.93%
AUDZAR	9.8733	▼	0.59%	0.96%	1.62%	-2.87%	-0.26%
EURUSD	1.1407	▲	0.34%	1.64%	1.19%	3.20%	8.23%
GBPUSD	1.2958	▲	0.87%	1.64%	0.28%	-0.47%	4.78%
Brent (\$/barrel)	47.5	▲	1.41%	3.89%	-6.80%	-2.48%	-16.74%
Gold (\$/oz)	1251.7	▲	0.22%	-0.57%	-1.80%	0.29%	8.46%
Platinum (\$/oz)	923.5	▲	0.33%	-0.83%	-3.01%	0.17%	2.23%
Copper (\$/MT)*	5866.5	▲	0.49%	1.49%	3.69%	-0.92%	6.22%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices gained 0.2% to trade at \$1,251.70/oz.

Yesterday, gold prices rose 0.2% to close at \$1,249.10/oz, as weakness in the greenback, boosted demand for the safe haven asset.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged 0.4% higher to trade at \$47.48/bl.

Yesterday, Brent crude oil advanced 1.4% to settle at \$47.31/bl, after the US Energy Department reported that crude oil production fell by 100,000 bls a day to 9.25mn bls for the week ended June 23, 2017.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged 0.2% higher to trade at \$923.50/oz.

Yesterday, platinum prices climbed 0.3% to close at \$921.70/oz.



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Major South Africa Corporate News

Anglogold Ashanti Limited

The company reported that it is planning to retrench 8,500 mine workers as part of its South African business restructuring programme, so as to ensure its viability. It has begun a consultation process with employees in terms of section 189 and 189A of the Labour Relations Act.

Major Global Economic News

US

In the US, advance goods trade deficit fell to USD65.90bn in May, following a revised advance goods trade deficit of USD67.10bn in the previous month. Market anticipation was for the nation to record an advance goods trade deficit of USD66.00bn.

In May, the seasonally adjusted flash wholesale inventories advanced 0.3% on a monthly basis in the US, compared to a revised fall of 0.4% in the previous month. Markets were anticipating the wholesale inventories to rise 0.2%.

In the US, MBA mortgage applications eased 6.2% in the week ended June 23, 2017. In the previous week, mortgage applications had recorded a rise of 0.6%.

In May, pending home sales registered an unexpected drop of 0.8% on a monthly basis in the US, less than market expectations for a rise of 1.0%. Pending home sales had fallen by a revised 1.7% in the previous month.

UK

The BoE Governor, Mark Carney, stated that policymakers will debate on the case for raising interest rates in the coming months if UK's business investment begins to rise and offsets weaker consumption.

In the UK, the Nationwide seasonally adjusted house prices advanced 1.1% on a monthly basis in June, compared to a drop of 0.2% in the prior month. Markets were anticipating house prices to climb 0.1%.

Asia

In Australia, HIA new home sales recorded a rise of 1.1% on a monthly basis in May. New home sales had advanced 0.8% in the previous month.

In Japan, retail trade dropped 1.6% on a monthly basis in May, higher than market expectations for a fall of 1.0%. In the prior month, retail trade had registered a rise of 1.4%.

Eurozone

In Germany, the import price index slid 1.0% on a monthly basis in May, higher than market expectations for a drop of 0.6%. In the prior month, the import price index had fallen 0.1%.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:50	Retail Trade s.a. (MoM) (May)	✓	-1.60%*	1.40%	Monthly
Japan	01:50	Retail Trade (YoY) (May)	✓✓	2.00%*	3.20%	Monthly
Japan	01:50	Large Retailer's Sales (May)	✓✓	-0.60%*	1.10%	Monthly
Germany	08:00	GfK Consumer Confidence Survey (Jul)	✓✓✓	10.40	10.40	Monthly
Japan	08:30	BoJ Harada speaks in Tokyo	✓	-	-	As scheduled
UK	10:30	Net Lending to Individuals (May)	✓✓	-	GBP4.30bn	Monthly
UK	10:30	Net Consumer Credit (May)	✓✓	GBP1.40bn	GBP1.50bn	Monthly
UK	10:30	Mortgage Approvals (May)	✓✓✓	64.00K	64.60K	Monthly
Eurozone	11:00	Business Climate Indicator (Jun)	✓✓	0.94	0.90	Monthly
Eurozone	11:00	Consumer Confidence (Jun) (F)	✓✓	-1.30	-1.30**	Monthly
Eurozone	11:00	Economic Sentiment Indicator (Jun)	✓	109.50	109.20	Monthly
Eurozone	11:00	Industrial Confidence (Jun)	✓	2.80	2.80	Monthly
South Africa	11:30	Producer Price Index (MoM) (May)	✓✓	0.50%	0.30%	Monthly
South Africa	11:30	Producer Price Index (YoY) (May)	✓✓	4.80%	4.60%	Monthly
Germany	14:00	Consumer Price Index (MoM) (Jun) (P)	✓✓✓	0.00%	-0.20%	Monthly
Germany	14:00	Consumer Price Index (YoY) (Jun) (P)	✓✓	1.40%	1.50%	Monthly
US	14:30	Full Nominal GDP (Q2) (F)	✓	-	USD19027.60bn**	Quarterly
US	14:30	Personal Consumption Expenditure Core (QoQ) (Q1) (F)	✓	-	2.10%**	Quarterly
US	14:30	Gross Domestic Product Annualised (QoQ) (Q1) (F)	✓✓✓	1.20%	1.20%**	Quarterly
US	14:30	Gross Domestic Purchases Price Index (QoQ) (Q1) (F)	✓✓	2.20%	2.20%**	Quarterly
US	14:30	Personal Consumption (QoQ) (Q1) (F)	✓✓	0.60%	0.60%**	Quarterly
US	14:30	Continuing Jobless Claims (17-Jun)	✓	1934.00K	1944.00K	Weekly
US	14:30	Initial Jobless Claims (24-Jun)	✓✓✓	240.00K	241.00K	Weekly
US	19:00	Fed's Bullard Speaks on Monetary Policy in London	✓	-	-	As scheduled
Eurozone	19:30	ECB's Angeloni gives speech in Florence, Italy	✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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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

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