

ONE Minute Brief

10 July 2017

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Economic and Political News

In South Africa (SA), net gold & forex reserves unexpectedly climbed to a level of USD42.24bn in June, compared to USD42.02bn in May.

In court papers, National Assembly Speaker, Baleka Mbete, has indicated that Public Protector, Busisiwe Mkhwebane's, recommendation to change the central bank's mandate is unconstitutional and encroaches on Parliament's domain. Separately, Baleka Mbete revealed that she would stand as a contender to lead the African National Congress (ANC).

Deputy President, Cyril Ramaphosa, indicated that the ANC has emerged with renewed vigour from its national policy conference and that it is now time to focus on building a non-racial and a prosperous society.

The Democratic Alliance stated that the Defence Minister, Nosiviwe Mapisa-Nqakula, needs to explain to Parliament on how the Gupta family gained access to classified military information.

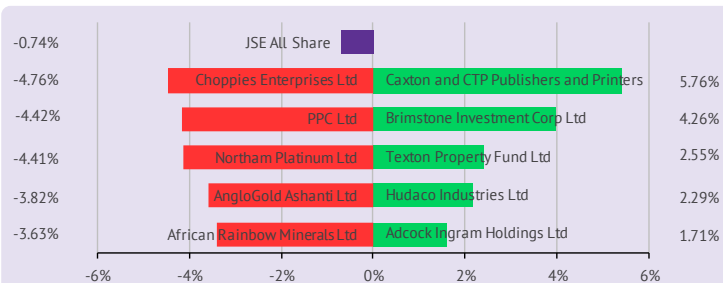
City Press has reported that President, Jacob Zuma declined to step down after the ANC's integrity commission asked him to do so, citing that his resignation would enable Western governments to capture the party and betray the revolution.

Eskom indicated that it will provide full details of its coal purchases to the National Energy Regulator (NERSA).

South Africa Market ▼

South African markets closed lower

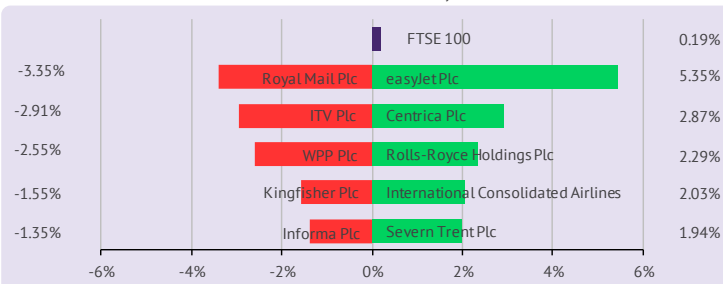
South African markets closed in the red on Friday, amid losses in banking and mining sector stocks. The JSE All Share Index fell 0.7% to close at 51,900.26.



UK Market ▲

The FTSE 100 futures are trading in positive territory

UK markets finished higher on Friday, supported by a rise in industrial and utility sector stocks. Data revealed that UK's NIESR gross domestic product estimate slightly advanced in the three months to June. The FTSE 100 Index advanced 0.2% to close at 7,350.92.



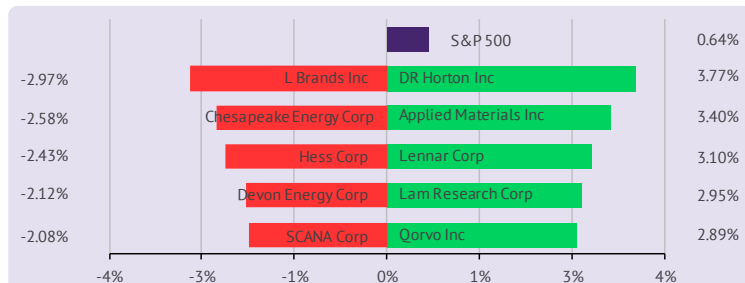
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	51900.26	▼	-384.82	-0.74%	NA	0.56%	-3.64%	2.46%
JSE Top 40	45670.49	▼	-330.28	-0.72%	NA	0.55%	-3.67%	4.03%
FTSE 100	7350.92	▲	13.64	0.19%	NA	0.52%	-2.76%	2.91%
DAX 30	12388.68	▲	7.43	0.06%	NA	0.52%	-2.30%	7.91%
CAC 40	5145.16	▼	-7.24	-0.14%	NA	0.48%	-3.08%	5.82%
S&P 500	2425.18	▲	15.43	0.64%	NA	0.07%	0.48%	8.32%
Nasdaq Composite	6153.08	▲	63.61	1.04%	NA	0.21%	-0.94%	14.30%
DJIA	21414.34	▲	94.30	0.44%	NA	0.30%	1.62%	8.36%

US Market ▲

The S&P 500 futures are trading in the green

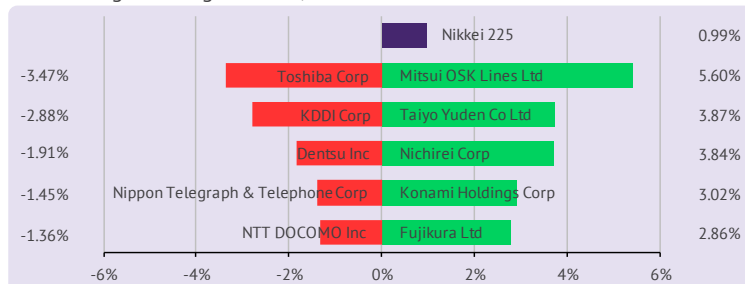
US markets closed higher on Friday, led by gains in information technology sector stocks. Data showed that US non-farm payrolls recorded a stronger-than-expected rise in June. The S&P 500 Index climbed 0.6% to close at 2,425.18.



Asian Market ▲

Trading higher

Asian markets are trading higher this morning, tracking Friday gains on Wall Street. Data indicated that China's consumer price inflation rose less-than-expectations on an annual basis in June. The Nikkei 225 Index is trading 1.0% higher at 20,126.96.



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USDZAR ▲

USD trading higher against ZAR

At 06:00 SAST, the US Dollar is trading 0.1% firmer against the South African Rand at R13.3943. Later today, traders will keep a close watch on US labour market conditions index and consumer credit change for June for further direction.

The US Dollar fell against the South African Rand on Friday. On the macro front, the US job market surged higher than market expectations in June. Moreover, average hourly earnings advanced less-than-expected on an annual basis in the same month. Meanwhile, the unemployment rate unexpectedly rose in June.

GBPZAR ▲

GBP trading stronger against ZAR

At 06:00 SAST, the British Pound climbed 0.1% against the South African Rand to trade at R17.2718. 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. In economic news, UK's NIESR gross domestic product estimate marginally rose in the three months to June, compared to its previous reading. Further, the total trade deficit widened more than market forecast in May. Meanwhile, construction output surprisingly retreated on a monthly basis in May, reaching its weakest level since October 2015. Moreover, industrial production recorded an unexpected decline on a monthly basis in the same month. Additionally, monthly manufacturing production unexpectedly eased in May, led by a decline in production of transport equipment, food, beverages and tobacco.

EURZAR ▲

EUR trading firmer against ZAR

At 06:00 SAST, the Euro is trading 0.1% higher against the South African Rand at R15.2759. Going forward, market participants will keep a tab on Eurozone's Sentix investor confidence index for July and Germany's trade balance data for May for further cues.

The Euro weakened against the South African Rand on Friday. On the data front, Germany's industrial production advanced at a faster-than-anticipated pace on a monthly basis in May, driven by an increased production of energy and capital goods.

AUDZAR ▲

AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar advanced 0.1% against the South African Rand to trade at R10.1953. Earlier in the session, in China, Australia's largest trading partner, consumer price index rose less than market forecast on a yearly basis in June. Further, producer price index increased in line with market anticipations on an annual basis in the same month.

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

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.3943	▲	-0.44%	NA	2.37%	-0.33%	-2.53%
GBPZAR	17.2718	▲	-1.03%	NA	1.31%	0.98%	1.93%
EURZAR	15.2759	▲	-0.64%	NA	2.11%	1.56%	5.65%
AUDZAR	10.1953	▲	-0.15%	NA	1.49%	3.21%	2.81%
EURUSD	1.1405	▲	-0.19%	NA	-0.22%	1.62%	8.45%
GBPUSD	1.2895	▲	-0.62%	NA	-1.04%	1.05%	4.49%
Brent (\$/barrel)	47.1	▲	-2.91%	NA	-4.22%	-3.92%	-17.79%
Gold (\$/oz)	1210.2	▲	-1.11%	NA	-2.62%	-2.33%	5.04%
Platinum (\$/oz)	901.1	=	-0.67%	NA	-2.45%	-2.80%	-0.06%
Copper (\$/MT)*	5804.0	▼	-0.34%	NA	-2.08%	4.76%	5.09%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged marginally higher to trade at \$1,210.20/oz.

On Friday, gold prices fell 1.1% to close at \$1,209.70/oz, as the greenback strengthened on the back of an upbeat US non-farm payrolls data which lowered demand for the safe haven asset.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged 0.8% higher to trade at \$47.08/bl.

On Friday, Brent crude oil dropped 2.9% to settle at \$46.71/bl, after Baker Hughes reported that US oil rig count rose by 7 to 763 last week.

Platinum ▲▶

Trading flat

At 06:00 SAST, platinum prices are trading flat at \$901.10/oz.

On Friday, platinum prices declined 0.7% to close at \$901.10/oz.



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Major South Africa Corporate News

Impala Platinum Holdings Limited

The company announced that Dr. Nkosana Moyo has resigned as an independent Non-Executive Director of the Board with immediate effect.

JSE Limited

The company announced that Leanne Parsons, alternate Executive Director responsible for JSE Information Services, has decided to step down from the Executive Committee and from the Board effective December 31, 2017. Further, the company also announced that it had taken a number of initiatives that will result in annualised cost savings of approximately ZAR170.0mn which will be fully realised from 2019 onwards. These include reduction in the company's technology operating expenditure by a minimum of ZAR70.0m over a two-year period and a consultation process which could result in the retrenchment of approximately 60 people from the company's current full-time staff complement during 2017.

Major Global Economic News

UK

In the UK, the NIESR estimated gross domestic product (GDP) climbed 0.3% on a monthly basis in the April-June 2017 period. In the March-May 2017 period, the NIESR estimated GDP had recorded a rise of 0.2%.

In May, total trade deficit widened to GBP3.07bn in the UK, following a revised total trade deficit of GBP2.12bn in the prior month. Markets were expecting the nation's total trade deficit to rise to GBP2.50bn.

In the UK, construction output unexpectedly dropped 1.2% on a monthly basis in May, against market expectations for an advance of 0.7%. Construction output had dropped by a revised 1.1% in the previous month.

In May, manufacturing production surprisingly eased 0.2% on a monthly basis in the UK, against market expectations for a rise of 0.5%. Manufacturing production had advanced 0.2% in the prior month.

In the UK, industrial production unexpectedly fell 0.1% on a monthly basis in May, compared to market expectations for a rise of 0.4%. In the previous month, industrial production had risen 0.2%.

US

In the US, the non-farm payrolls registered a rise of 222.00K in June, more than market anticipations of an advance of 178.00K. Non-farm payrolls had recorded a revised increase of 152.00K in the previous month.

In June, unemployment rate unexpectedly climbed to a level of 4.4% in the US, compared to a reading of 4.3% in the prior month. Markets were anticipating unemployment rate to remain unchanged.

In the US, average hourly earnings of all employees registered a rise of 2.5% on an annual basis in June, lower than market expectations for a rise of 2.6%. Average hourly earnings of all employees had advanced by a revised 2.4% in the previous month.

Asia

In China, the consumer price index advanced 1.5% on a yearly basis in June, less than market expectations for an advance of 1.6%. The index had registered a similar rise in the prior month.

In June, the producer price index rose 5.5% on an annual basis in China, compared to a similar rise in the prior month. Market anticipation was for the index to climb 5.5%.

In Japan, total trade balance (BOP basis) recorded a deficit of JPY115.1bn in May, compared to market expectations for a reading of JPY45.0bn. Total trade balance had recorded a surplus of JPY553.6bn in the previous month.

Eurozone

In Germany, the seasonally adjusted industrial production registered a rise of 1.2% on a monthly basis in May, higher than market expectations for an advance of 0.2%. In the previous month, industrial production had registered a revised rise of 0.7%.

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40 Best Performers on the All Share Index

Company Name	Last Close	1 Week % Change	MTD % Change	YTD % Change
Bid Corp Ltd	31900	6.61%	6.45%	31.34%
Adcock Ingram Holdings Ltd	6063	2.59%	-1.89%	26.99%
Mondi Plc	34419	1.04%	-0.23%	25.56%
Clicks Group Ltd	14166	1.19%	4.65%	25.47%
Mondi Ltd	34200	0.85%	-0.95%	24.20%
DataTec Ltd	6136	1.84%	17.55%	24.01%
Trencor Ltd	3476	-6.03%	3.15%	23.63%
Naspers Ltd	247471	-2.76%	-8.87%	22.87%
Dis-Chem Pharmacies Ltd	2702	-2.49%	-6.28%	20.94%
RCL Foods Ltd/South Africa	1522	-0.13%	1.47%	20.71%
Cie Financiere Richemont SA	10822	0.05%	-2.16%	19.26%
British American Tobacco Plc	90506	1.30%	-4.14%	18.96%
Murray & Roberts Holdings Ltd	1348	3.14%	1.43%	17.01%
Anglo American Platinum Ltd	30600	2.09%	9.71%	15.73%
Astral Foods Ltd	14665	-0.91%	-7.50%	15.58%
Capitec Bank Holdings Ltd	79445	-4.28%	2.01%	15.51%
Shoprite Holdings Ltd	19629	-1.55%	-6.08%	15.49%
Hudaco Industries Ltd	12692	-1.23%	-3.19%	13.98%
PSG Konsult Ltd	830	0.61%	1.22%	13.75%
Equites Property Fund Ltd	1736	1.40%	1.17%	13.54%
Discovery Ltd	12880	0.69%	0.53%	13.24%
New Europe Property Investments Plc	17600	6.37%	15.03%	13.08%
Reunert Ltd	7210	-1.66%	1.29%	12.86%
AECI Ltd	11090	4.35%	3.47%	12.63%
Fortress Income Fund Ltd	3555	2.45%	1.60%	12.48%
Vodacom Group Ltd	16643	1.31%	3.43%	12.16%
Brimstone Investment Corp Ltd	1298	-0.15%	-5.60%	11.40%
Rockcastle Global Real Estate Co Ltd	3761	5.41%	14.32%	11.34%
Kumba Iron Ore Ltd	17639	3.03%	12.31%	10.94%
Resilient REIT Ltd	12399	1.85%	3.09%	10.87%
PSG Group Ltd	23952	-0.20%	-0.02%	10.71%
MAS Real Estate Inc	2425	3.19%	3.19%	10.68%
Capital & Regional Plc	965	0.10%	-2.13%	10.52%
Glencore Plc	5111	4.28%	4.63%	10.52%
Exxaro Resources Ltd	9530	2.47%	-6.65%	10.49%
Sanlam Ltd	6639	2.45%	-3.26%	9.91%
Reinet Investments SCA	2939	-0.31%	-7.14%	9.66%
Investec Plc	9892	1.66%	-3.86%	9.00%
Texton Property Fund Ltd	805	1.90%	-1.71%	8.77%
Investec Ltd	9793	1.48%	-5.06%	7.91%
JSE All Share Index	51900	0.56%	0.56%	2.46%

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	01:50	Machinery Orders (YoY) (May)	✓✓	0.60%*	2.70%	Monthly
Japan	01:50	Adjusted Current Account Total (May)	✓	JPY1400.90bn*	JPY1807.40bn	Monthly
Japan	01:50	Current Account n.s.a. (May)	✓	JPY1653.90bn*	JPY1951.90bn	Monthly
Japan	01:50	Trade Balance - BOP Basis (May)	✓✓	-JPY115.10bn*	JPY553.60bn	Monthly
China	03:30	Consumer Price Index (MoM) (Jun)	✓✓	-0.20%*	-0.10%	Monthly
China	03:30	Consumer Price Index (YoY) (Jun)	✓✓✓	1.50%*	1.50%	Monthly
China	03:30	Producer Price Index (YoY) (Jun)	✓✓✓	5.50%*	5.50%	Monthly
Japan	06:30	Bankruptcies (YoY) (Jun)	✓✓	-7.47%*	19.52%	Monthly
Japan	07:00	Eco Watchers Survey: Current (Jun)	✓✓	48.90	48.60	Monthly
Japan	07:00	Eco Watchers Survey: Outlook (Jun)	✓✓	50.20	49.60	Monthly
Germany	08:00	Exports (May)	✓	-	EUR101.00bn	Monthly
Germany	08:00	Imports (May)	✓	-	EUR83.00bn	Monthly
Germany	08:00	Current Account n.s.a. (May)	✓	-	EUR15.10bn	Monthly
Germany	08:00	Exports s.a. (MoM) (May)	✓	0.30%	0.90%	Monthly
Germany	08:00	Imports s.a. (MoM) (May)	✓	0.40%	1.20%	Monthly
Germany	08:00	Trade Balance n.s.a. (May)	✓✓	EUR18.30bn	EUR18.10bn	Monthly
Eurozone	10:30	Sentix Investor Confidence (Jul)	✓✓	28.20	28.40	Monthly
China	13:00	Composite leading indicator (May)	✓	-	98.80	Monthly
Japan	13:00	Composite leading indicator (May)	✓	-	100.10	Monthly
US	21:00	Consumer Credit Change (May)	✓✓	USD13.00bn	USD8.20bn	Monthly

Note: ✓✓✓High ✓✓Medium ✓Low

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