

ONE Minute Brief

14 July 2017

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Economic and Political News

In South Africa (SA) gold production fell 3.4% YoY in May, compared to a revised drop of 2.3% in April. Mining production rose more-than-expected by 3.6% YoY in May, compared to a revised rise of 1.6% in April. Platinum production slumped 17.5% YoY in May, compared to a revised fall of 6.8% in April.

Finance Minister, Malusi Gigaba, released a 14-point action plan for SA's economy, which includes selling noncore assets and the partial privatisation of state-owned enterprises (SOEs), a reduction in issuance of government guarantees, and developing a framework for private-sector to participate in projects run by the government and SOEs.

Absa has filed an application in the North Gauteng High Court in Pretoria to set aside the Public Protector, Busisiwe Mkhwebane's, findings on the bailout of Bankorp.

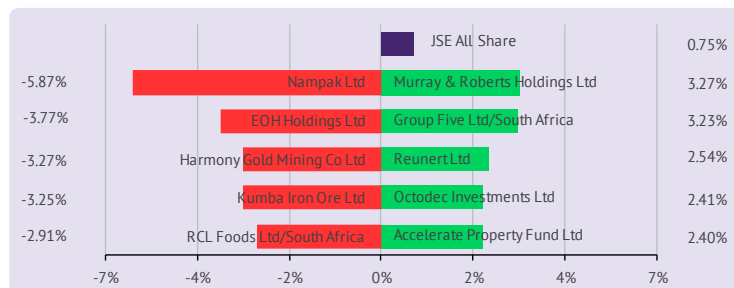
Opposition parties in Parliament want Deputy Speaker, Lechesa Tsenoli, to supervise debate on the motion of no confidence in President, Jacob Zuma, stating that Speaker, Baleka Mbete, is too biased. The parties have also urged President, Jacob Zuma, to urgently set up a commission of inquiry into state capture.

The South African Broadcasting Corporation (SABC) has called on the people of SA to participate in reviewing its editorial policies to ensure that the final policies selected are compliant, legitimate and reflective of SA's views and sentiments.

South Africa Market ▲

South African markets closed higher

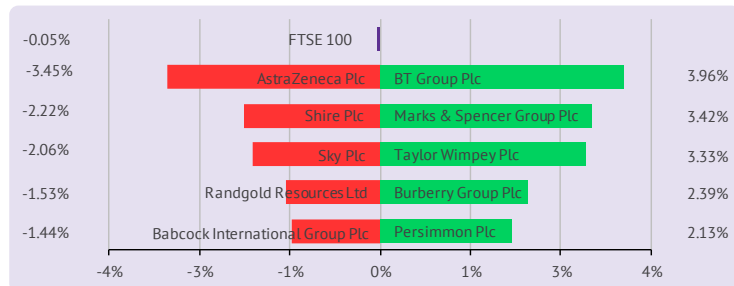
South African markets closed in the green yesterday, amid gains in retail and banking sector stocks. The JSE All Share Index rose 0.8% to close at 53,300.96.



UK Market ▼

The FTSE 100 futures are trading in negative territory

UK markets finished lower yesterday, weighed down by a decline in health care and material sector stocks. The FTSE 100 Index declined 0.1% to close at 7,413.44.



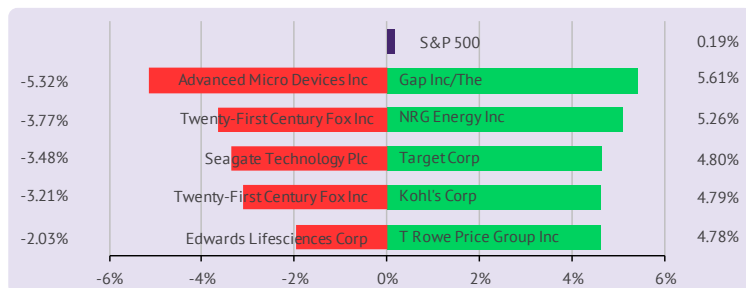
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	53300.96	▲	394.98	0.75%	2.70%	3.27%	-3.64%	5.23%
JSE Top 40	47056.02	▲	381.67	0.82%	3.03%	3.60%	-3.67%	7.18%
FTSE 100	7413.44	▼	-3.49	-0.05%	0.85%	1.38%	-2.76%	3.79%
DAX 30	12641.33	▲	14.75	0.12%	2.04%	2.57%	-2.30%	10.11%
CAC 40	5235.40	▲	13.27	0.25%	1.75%	2.24%	-3.08%	7.67%
S&P 500	2447.83	▲	4.58	0.19%	0.93%	1.01%	0.48%	9.34%
Nasdaq Composite	6274.44	▲	13.27	0.21%	1.97%	2.18%	-0.94%	16.56%
DJIA	21553.09	▲	20.95	0.10%	0.65%	0.95%	1.62%	9.06%

US Market ▲

The S&P 500 futures are trading in the red

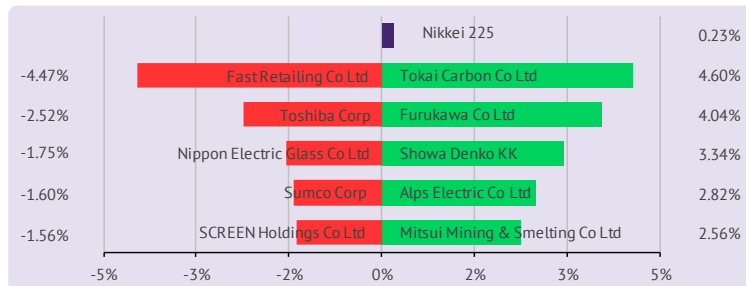
US markets closed higher yesterday, led by a rise in retail sector stocks. Data revealed that US initial jobless claims declined less-than-expected for the week ended July 8, 2017. The S&P 500 Index climbed 0.2% to close at 2,447.83.



Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning. Data showed that Japan's industrial production dropped more-than-expected on a monthly basis in May. The Nikkei 225 Index is trading 0.2% higher at 20,146.78.



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USDZAR ▲

USD trading higher against ZAR

At 06:00 SAST, the US Dollar marginally gained against the South African Rand to trade at R13.2109. Later today, traders will keep a close watch on US consumer price inflation, the Reuters/Michigan consumer confidence index, advanced retail sales and real average weekly earnings along with business inventories, industrial and manufacturing production for further direction.

The US Dollar fell against the South African Rand yesterday. In economic news, the number of Americans applying for the first-time unemployment benefits dropped less than market forecast for the week ended July 8, 2017. Whereas, monthly budget deficit widened higher-than-expected in June.

GBPZAR ▲

GBP trading firmer against ZAR

At 06:00 SAST, the British Pound advanced 0.1% against the South African Rand to trade at R17.1119. With no major economic news in the UK today, investor sentiment will be determined by global macroeconomic news.

The British Pound advanced against the South African Rand yesterday.

EURZAR ▲

EUR trading stronger against ZAR

At 06:00 SAST, the Euro is trading 0.1% firmer against the South African Rand at R15.0729. Going forward, market participants will keep a tab on Eurozone's trade balance for further cues.

The Euro weakened against the South African Rand yesterday. On the macro front, Germany's final consumer price inflation advanced at par with market expectations on an annual basis in June.

AUDZAR ▼

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar is trading marginally lower against the South African Rand at R10.2280.

The Australian Dollar rose against the South African Rand yesterday. On the data front, Australia's consumer inflation expectation recorded a rise in July, compared to its previous reading.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.2109	▲	-0.31%	-1.30%	1.04%	-0.33%	-3.79%
GBPZAR	17.1119	▲	0.15%	-0.92%	0.38%	0.98%	1.00%
EURZAR	15.0729	▲	-0.41%	-1.30%	0.77%	1.56%	4.27%
AUDZAR	10.2280	▼	0.54%	0.43%	1.93%	3.21%	3.25%
EURUSD	1.1410	▲	-0.12%	-0.03%	-0.25%	1.62%	8.42%
GBPUSD	1.2952	▲	0.42%	0.38%	-0.66%	1.05%	4.89%
Brent (\$/barrel)	48.4	▼	1.42%	3.66%	-0.72%	-3.92%	-14.78%
Gold (\$/oz)	1215.9	▼	-0.15%	0.63%	-2.01%	-2.33%	5.70%
Platinum (\$/oz)	904.1	▼	-1.29%	0.38%	-2.08%	-2.80%	0.32%
Copper (\$/MT)*	5853.5	▼	-0.44%	0.85%	-1.24%	4.76%	5.98%

*As of Previous Close

Gold ▼

Trading in the red

At 06:00 SAST, gold prices edged 0.1% lower to trade at \$1,215.90/oz.

Yesterday, gold prices fell 0.2% to close at \$1,217.30/oz, as strength in the US Dollar dented demand for the precious yellow metal.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 0.1% lower to trade at \$48.35/bL.

Yesterday, Brent crude oil advanced 1.4% to settle at \$48.42/bL, after the International Energy Agency projected that global demand for oil will be slightly higher-than-expected this year, led by a rise in consumption in India, US and Germany. Meanwhile, IEA reported in its latest market report that the supply of oil rose by 720,000 bls a day in June across the world and by 340,000 bls a day in OPEC countries.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices marginally fell to trade at \$904.10/oz.

Yesterday, platinum prices declined 1.3% to close at \$904.50/oz.



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14 July 2017



Major South Africa Corporate News

Harmony Gold Mining Company Limited

The company reported that its South African and Papua New Guinean operations achieved a milestone fatality free quarter during the June 2017 quarter. Separately, gold production for FY17 is estimated to be 1.09mn oz, which exceeds production guidance of 1.05mn oz.

Sibanye Gold Limited

The company stated that Robert van Niekerk has been appointed as Executive Vice President, South Africa Region.

Royal Bafokeng Platinum Limited

In its 1H17 trading statement, the company revealed that it anticipates a loss per share and headline loss per share for the period to be between 12.00c and 20.00c, compared with earnings per share of 78.20c and headline EPS of 77.80c for the previous corresponding period.

Woolworths Holdings Limited

In its FY17 trading statement, the company revealed that group sales for the period increased by 3.0% compared with the prior year. However, growth in the second half was impacted by increasingly difficult trading conditions, in both South Africa and Australia. Its headline EPS and adjusted diluted headline EPS are expected to be lower than the prior year.

Major Global Economic News

US

In the US, the seasonally adjusted initial jobless claims eased to 247.00K in the week ended July 8, 2017, compared to a revised reading of 250.00K in the prior week. Markets were anticipating initial jobless claims to fall to a level of 245.00K.

In June, monthly budget deficit rose to USD90.20bn in the US, compared to market expectations of a budget deficit of USD38.00bn. The US had registered a budget deficit of USD88.43bn in the previous month.

Eurozone

In Germany, the final consumer price index (CPI) registered a rise of 1.6% on an annual basis in June, compared to an advance of 1.5% in the previous month. Market anticipation was for the index to advance 1.6%. The preliminary figures had also indicated a rise of 1.6%.

Asia

In Japan, final industrial production recorded a drop of 3.6% on a monthly basis in May, compared to a reading of 3.3% in the previous month. Market expectations was for industrial production to record a drop of 3.3%.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	06:30	Capacity Utilisation (MoM) (May)	✓	-4.10%*	4.30%	Monthly
Japan	06:30	Industrial Production (MoM) (May) (F)	✓✓✓	-3.60%*	-3.30%**	Monthly
Japan	06:30	Industrial Production (YoY) (May) (F)	✓✓	6.50%*	6.80%**	Monthly
Eurozone	10:00	ECB's Nowotny presents Austrian Financial Stability Report	✓	-	-	As scheduled
Eurozone	11:00	Trade Balance n.s.a. (May)	✓	-	EUR17.90bn	Monthly
Eurozone	11:00	Trade Balance s.a. (May)	✓✓	EUR20.20bn	EUR19.60bn	Monthly
US	14:30	Consumer Price Index n.s.a. (MoM) (Jun)	✓	-	0.10%	Monthly
US	14:30	Advance Retail Sales (MoM) (Jun)	✓✓✓	0.10%	-0.30%	Monthly
US	14:30	Consumer Price Index Ex Food & Energy (MoM) (Jun)	✓	0.20%	0.10%	Monthly
US	14:30	Retail Sales "Control Group" (MoM) (Jun)	✓✓	0.30%	0.00%	Monthly
US	14:30	Consumer Price Index (MoM) (Jun)	✓✓✓	0.10%	-0.10%	Monthly
US	14:30	Consumer Price Index (YoY) (Jun)	✓✓	1.70%	1.90%	Monthly
US	14:30	Consumer Price Index Core s.a. (Jun)	✓	251.71	251.33	Monthly
US	15:15	Industrial Production (MoM) (Jun)	✓✓	0.30%	0.00%	Monthly
US	15:15	Capacity Utilisation (Jun)	✓	76.80%	76.60%	Monthly
US	15:15	Manufacturing (SIC) Production (MoM) (Jun)	✓✓	0.20%	-0.40%	Monthly
US	15:30	Fed's Kaplan Speaks in Mexico City	✓	-	-	As scheduled
US	16:00	Business Inventories (May)	✓	0.30%	-0.20%	Monthly
US	16:00	Reuters/Michigan Consumer Sentiment Index (Jul) (P)	✓✓✓	95.00	95.10	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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