

ONE Minute Brief

25 August 2017

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Economic and Political News

Nelson Mandela Bay's United Democratic Movement (UDM) Deputy Mayor, Mongameli Bobani, has been removed through a motion of no confidence.

The South African Revenue Service (SARS) stated that it has received 606 applications under the special voluntary disclosure programme (SVDP) that allows taxpayers to clean their undeclared foreign assets. Of these, 253 applications relating to offshore assets valued at ZAR6.5bn have been processed.

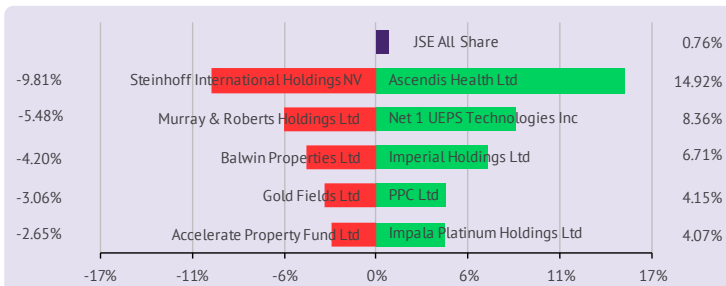
The Republic of China's ambassador to South Africa, Lin Songtian, stated that South African leaders should put citizens first if they want solid economic growth in the nation. Moreover, he added that China has vowed to support South Africa in fighting poverty and increase its economic growth.

Democratic Alliance leader, Mmusi Maimane, has laid charges against the Gupta family and the Minister of Mineral Resources, Mosebenzi Zwane, for theft of public funds linked to a Free State farming community project.

South Africa Market ▲

South African markets closed higher

South African markets closed in the green yesterday, amid gains in platinum mining and banking sector stocks. The JSE All Share Index rose 0.8% to close at 56,588.99.



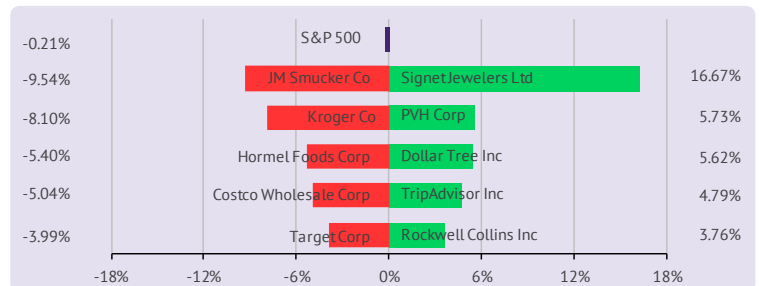
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	56588.99	▲ 426.69	0.76%	2.32%	2.50%	6.97%	11.72%
JSE Top 40	50101.48	▲ 366.97	0.74%	2.39%	2.51%	7.60%	14.12%
FTSE 100	7407.06	▲ 24.41	0.33%	1.13%	0.48%	0.81%	3.70%
DAX 30	12180.83	▲ 6.53	0.05%	0.13%	0.52%	-1.68%	6.09%
CAC 40	5113.13	▼ -2.26	-0.04%	-0.02%	0.38%	-0.53%	5.16%
S&P 500	2438.97	▼ -5.07	-0.21%	0.55%	-1.27%	1.93%	8.94%
Nasdaq Composite	6271.33	▼ -7.08	-0.11%	0.88%	-1.21%	3.38%	16.50%
DJIA	21783.40	▼ -28.69	-0.13%	0.50%	-0.49%	2.54%	10.23%

US Market ▼

The S&P 500 futures are trading in the green

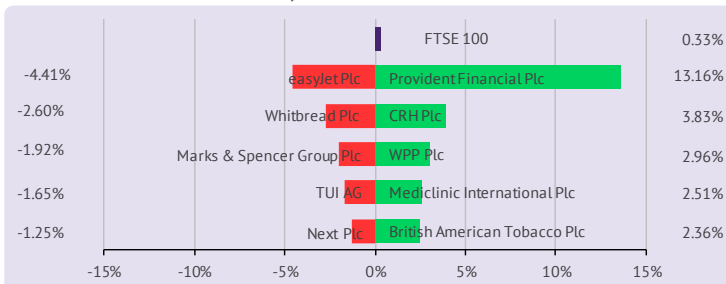
US markets closed lower yesterday, weighed down by losses in consumer staples sector stocks. Data showed that US initial jobless claims rose less than market expectations for the week ended August 19, 2017. The S&P 500 Index dropped 0.2% to close at 2,438.97.



UK Market ▲

The FTSE 100 futures are trading in negative territory

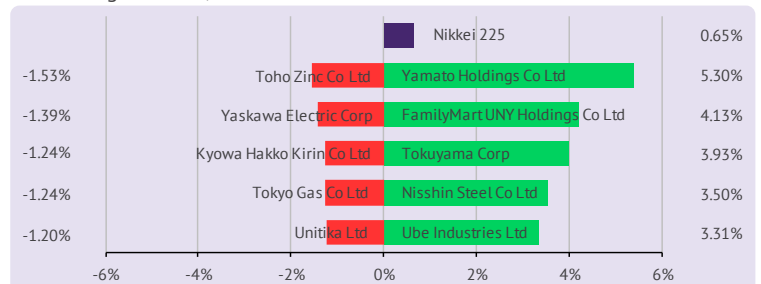
UK markets finished higher yesterday, led by a rise in financial and material sector stocks. Data revealed that the UK economy grew at par with market forecasts on a quarterly basis in 2Q17. The FTSE 100 Index advanced 0.3% to close at 7,407.06.



Asian Market ▲

Trading higher

Asian markets are trading higher this morning. Data indicated that Japan's National consumer price index rose in line with market anticipations on a yearly basis in July. The Nikkei 225 Index is trading 0.7% higher at 19,478.95.



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 higher against ZAR

At 06:00 SAST, the US Dollar rose 0.1% against the South African Rand to trade at R13.2086. Later today, traders will keep a close watch on the Federal Reserve Chairwoman, Janet Yellen's speech and US durable goods orders for further cues.

The US Dollar rose against the South African Rand yesterday. In economic news, the number of American applying for first-time unemployment benefits recorded a less-than-expected rise for the week ended August 19, 2017. Further, existing home sales surprisingly declined to its lowest level in 11 months on a monthly basis in July.

GBPZAR ▲

GBP trading firmer against ZAR

At 06:00 SAST, the British Pound is trading 0.1% higher against the South African Rand at R16.9218. 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, after data indicated that UK's BBA mortgage approvals advanced to its highest level in 5 months in July, compared to its prior reading. Further, gross domestic product expanded in line with market expectations on a quarterly basis in the second quarter of 2017.

EURZAR ▲

EUR trading higher against ZAR

At 06:00 SAST, the Euro marginally rose against the South African Rand to trade at R15.5803. Going forward, market participants will keep a tab on Germany's gross domestic product, Ifo business climate and expectations index for further direction. Moreover, the European Central Bank President, Mario Draghi is set to deliver a speech at the Jackson Hole symposium later today.

The Euro strengthened against the South African Rand yesterday.

AUDZAR ▼

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar is trading marginally weaker against the South African Rand at R10.4325.

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	13.2086	▲	0.27%	0.32%	0.11%	0.85%	-3.87%
GBPZAR	16.9218	▲	0.30%	-0.22%	-3.01%	2.31%	-0.17%
EURZAR	15.5803	▲	0.23%	0.68%	-0.25%	4.50%	7.86%
AUDZAR	10.4325	▼	0.27%	0.32%	-1.38%	5.43%	5.31%
EURUSD	1.1796	▼	-0.07%	0.32%	-0.36%	3.64%	12.23%
GBPUSD	1.2809	▲	0.01%	-0.54%	-3.13%	1.46%	3.77%
Brent (\$/barrel)	52.5	▲	-1.01%	-1.29%	-1.29%	8.10%	-8.41%
Gold (\$/oz)	1291.7	▲	-0.19%	0.06%	1.57%	1.96%	11.70%
Platinum (\$/oz)	981.3	▼	0.17%	0.02%	4.45%	1.84%	8.98%
Copper (\$/MT)*	6663.3	▲	1.93%	3.27%	5.16%	6.90%	20.65%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices gained 0.4% to trade at \$1,291.70/oz.

Yesterday, gold prices fell 0.2% to close at \$1,286.50/oz, amid strength in the US Dollar and as investors await cues for further interest rate rises from central bankers meeting in Jackson Hole, Wyoming.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil rose 0.8% to trade at \$52.45/bl, as tropical storm Harvey makes its way towards the US state of Texas, threatening to cause production disruptions in the region.

Yesterday, Brent crude oil dropped 1.0% to settle at \$52.04/bl, reversing its previous session gains.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged lower 0.1% to trade at \$981.30/oz.

Yesterday, platinum prices climbed 0.2% to close at \$982.60/oz.



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Major South Africa Corporate News

Blue Label Telecoms Limited

In its FY17 results, the company indicated that its revenue rose to ZAR26.31bn from ZAR26.20bn recorded in the previous year. Its diluted EPS stood at 116.91c, compared with 102.84c recorded in the corresponding period of the previous year.

Woolworths Holdings Limited

In its FY17 results, the company stated that its revenue increased to ZAR69.45bn from ZAR66.98bn recorded in the previous year. Its diluted EPS rose 25.0% from the preceding year to 563.70c.

Massmart Holdings Limited

In its 1H17 results, the company revealed that its revenue advanced 0.4% from the same period of the preceding year to ZAR42.63bn. Its diluted EPS stood at 151.30c, compared with 162.00c recorded in the corresponding period of the previous year.

Major Global Economic News

UK

In the UK, the second estimate of gross domestic product (GDP) recorded a rise of 0.3% on a quarterly basis in 2Q17, compared to an advance of 0.2% in the prior quarter. Markets were anticipating GDP to advance 0.3%. The preliminary figures had also recorded a rise of 0.3%.

In July, BBA mortgage approvals registered a rise to 41.59K in the UK. In the prior month, BBA mortgage approvals had recorded a revised reading of 40.39K.

US

In the US, the seasonally adjusted initial jobless claims rose to a level of 234.00K in the week ended August 19, 2017, lower than market expectations of a rise to a level of 238.00K. Initial jobless claims had recorded a level of 232.00K in the previous week.

In July, existing home sales unexpectedly eased by 1.3% on monthly basis in the US, to a level of 5.44mn, lower than market expectations of 5.55mn. In the prior month, existing home sales had registered a revised level of 5.51mn.

Asia

In Japan, the national consumer price index (CPI) climbed 0.4% on an annual basis in July, meeting market expectations. The national CPI had registered a similar rise in the prior month.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:30	National Consumer Price Index (YoY) (Jul)	✓✓✓	0.40%*	0.40%	Monthly
Japan	01:30	National CPI Ex-Fresh Food (YoY) (Jul)	✓✓	0.50%*	0.40%	Monthly
Germany	08:00	Gross Domestic Product n.s.a. (YoY) (Q2) (F)	✓✓	0.80%	0.80%**	Quarterly
Germany	08:00	Gross Domestic Product s.a. (QoQ) (Q2) (F)	✓✓✓	0.60%	0.60%**	Quarterly
Germany	08:00	Gross Domestic Product w.d.a. (YoY) (Q2) (F)	✓✓	2.10%	2.10%**	Quarterly
Germany	08:00	Domestic Demand s.a. (QoQ) (Q2)	✓	1.00%	0.20%	Quarterly
Germany	08:00	Private Consumption (QoQ) (Q2)	✓	0.70%	0.30%	Quarterly
Germany	08:00	Capital Investment (QoQ) (Q2)	✓	1.10%	1.70%	Quarterly
Germany	08:00	Government Spending (QoQ) (Q2)	✓	0.60%	0.40%	Quarterly
Germany	08:00	Import Price Index s.a. (MoM) (Jul)	✓	0.00%	-1.10%	Monthly
Germany	08:00	Exports (QoQ) (Q2)	✓	1.20%	1.30%	Quarterly
Germany	08:00	Imports (QoQ) (Q2)	✓	2.00%	0.40%	Quarterly
Germany	10:00	Ifo - Business Climate (Aug)	✓✓	115.50	116.00	Monthly
Germany	10:00	Ifo - Current Assessment (Aug)	✓✓	125.00	125.40	Monthly
Germany	10:00	Ifo - Expectations (Aug)	✓✓✓	106.80	107.30	Monthly
US	14:30	Durable Goods Orders (Jul) (P)	✓✓✓	-6.00%	6.40%	Monthly
US	16:00	Fed's Yellen speaks at Fed Conference in Jackson Hole, Wyoming	✓✓✓	-	-	As scheduled
Eurozone	21:00	ECB President Mario Draghi speaks in Jackson Hole	✓✓✓	-	-	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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