

ONE Minute Brief

30 August 2017

GTC
consult • partner • manage

Economic and Political News

Finance Minister, Malusi Gigaba, stated that more clarity would be provided in September on the bailout for South African Airways (SAA) and that the government is exploring various financing options.

The crop estimates committee (CEC) revealed that South African farmers will harvest 16.4mn tonnes of maize in 2017, notching the largest crop on record.

Democratic Alliance (DA) leader, Mmusi Maimane, stated that development of infrastructure and zero tolerance for corruption are some of the measures to solve the nation's job crisis and strengthen the economy.

Public Enterprises Minister, Lynne Brown, has instructed Eskom to clarify on payments and business relations with the Gupta-linked Trillion Capital Holdings within a 48-hour deadline. Meanwhile, The Organisation Undoing Tax Abuse has laid charges of corruption and financial misconduct against Eskom's suspended CFO, Anoj Singh, at the Randburg police station.

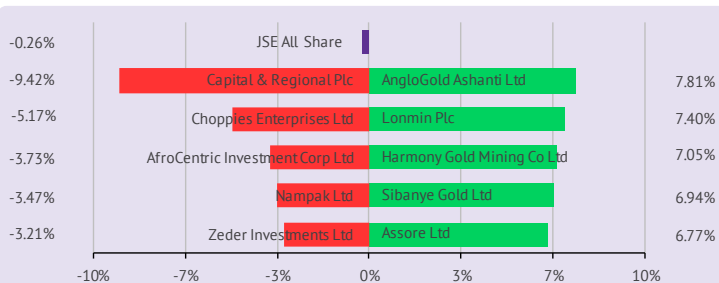
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	56409.62	▼	-146.00	-0.26%	-0.43%	2.18%	6.97%	11.36%
JSE Top 40	49883.28	▼	-175.01	-0.35%	-0.58%	2.07%	7.60%	13.62%
FTSE 100	7337.43	▼	-64.03	-0.87%	-0.87%	-0.47%	0.81%	2.72%
DAX 30	11945.88	▼	-177.59	-1.46%	-1.82%	-1.42%	-1.68%	4.05%
CAC 40	5031.92	▼	-47.83	-0.94%	-1.42%	-1.21%	-0.53%	3.49%
S&P 500	2446.30	▲	2.06	0.08%	0.13%	-0.97%	1.93%	9.27%
Nasdaq Composite	6301.89	▲	18.87	0.30%	0.58%	-0.73%	3.38%	17.07%
DJIA	21865.37	▲	56.97	0.26%	0.24%	-0.12%	2.54%	10.64%

South Africa Market ▼

South African markets closed lower

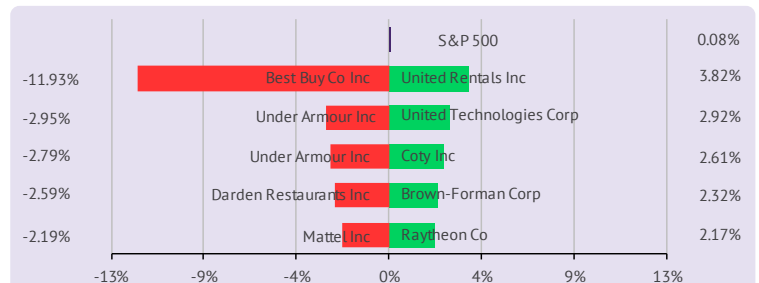
South African markets closed in the red yesterday, led by losses in retail and industrial sector stocks. The JSE All Share Index fell 0.3% to close at 56,409.62.



US Market ▲

The S&P 500 futures are trading in the green

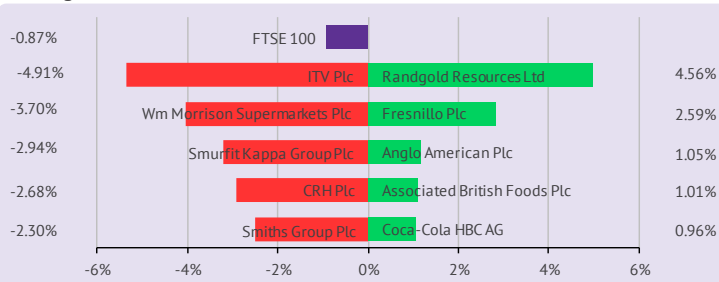
US markets closed higher yesterday, boosted by gains in industrial sector stocks. Data revealed that the US CB consumer confidence index advanced higher-than-expected in August, notching its highest level in 5 months. The S&P 500 Index climbed 0.1% to close at 2,446.30.



UK Market ▼

The FTSE 100 futures are trading in negative territory

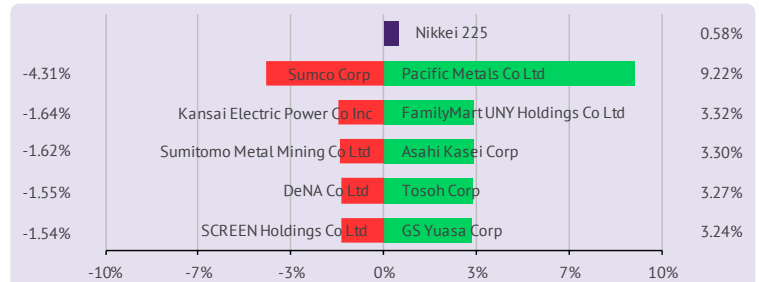
UK markets finished lower yesterday, amid a decline in consumer discretionary and material sector stocks. Data showed that UK's Nationwide house price index unexpectedly dropped on a monthly basis in August. The FTSE 100 Index declined 0.9% to close at 7,337.43.



Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning, tracking overnight gains on Wall Street. Data indicated that Japan's retail sales rose at a faster-than-expected pace on a monthly basis in July. The Nikkei 225 Index is trading 0.6% higher at 19,474.64.



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

30 August 2017

GTC
consult • partner • manage

USDZAR ▼

USD trading weaker against ZAR

At 06:00 SAST, the US Dollar is trading marginally lower against the South African Rand at R12.9794. Later today, traders will keep a close watch on US annualised gross domestic product for 2Q17, ADP employment change and MBA mortgage applications for further indication. Separately, South Africa's budget and private sector credit will be on investors' radar.

The US Dollar fell against the South African Rand yesterday. On the data front, the US CB consumer confidence index surged more than market anticipations to its strongest level in 5 months in August.

GBPZAR ▲

GBP trading higher against ZAR

At 06:00 SAST, the British Pound gained 0.1% against the South African Rand to trade at R16.7893. On the macro front, UK's BRC shop price index recorded a drop on a yearly basis in August. Later today, traders will keep an eye on UK's net consumer credit and mortgage approvals for July for further cues.

The British Pound declined against the South African Rand yesterday. Data indicated that UK's monthly Nationwide house price index surprisingly eased in August.

EURZAR ▲

EUR trading firmer against ZAR

At 06:00 SAST, the Euro is trading marginally higher against the South African Rand at R15.5529. Going forward, market participants will keep a tab on Eurozone's consumer confidence, economic confidence and business climate indicator for further direction. Separately, Germany's preliminary consumer price index (CPI) will be on investors' radar.

The Euro weakened against the South African Rand yesterday. In economic news, Germany's GfK consumer confidence index surprisingly advanced to its strongest level in 16 years in September.

AUDZAR ▲

AUD trading stronger against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.5% higher against the South African Rand at R10.3767. Earlier in the session, data showed that Australia's building approvals declined more-than-estimated on a monthly basis in July.

The Australian Dollar fell against the South African Rand yesterday. Data indicated that Australia's ANZ Roy Morgan weekly consumer confidence index grew for the week ended August 27, 2017.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	12.9794	▼	-0.41%	-0.33%	-1.56%	0.85%	-5.47%
GBPZAR	16.7893	▲	-0.52%	-0.05%	-3.73%	2.31%	-0.90%
EURZAR	15.5529	▲	-0.45%	0.08%	-0.43%	4.50%	7.67%
AUDZAR	10.3767	▲	-0.53%	0.35%	-2.41%	5.43%	4.22%
EURUSD	1.1984	▲	-0.06%	0.40%	1.10%	3.64%	13.88%
GBPUSD	1.2936	▲	-0.12%	0.28%	-2.25%	1.46%	4.72%
Brent (\$/barrel)	51.8	▼	0.21%	-0.78%	-1.37%	8.10%	-8.48%
Gold (\$/oz)	1318.6	▲	0.43%	1.76%	3.84%	1.96%	14.21%
Platinum (\$/oz)	1002.2	▼	1.44%	2.49%	6.68%	1.84%	11.30%
Copper (\$/MT)*	6772.0	▲	1.86%	1.86%	6.88%	6.90%	22.61%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.3% higher to trade at \$1,318.60/oz.

Yesterday, gold prices rose 0.4% to close at \$1,315.30/oz, amid renewed geopolitical tensions after North Korea tested a ballistic missile over Japan's airspace.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 0.4% lower to trade at \$51.80/bl.

Yesterday, Brent crude oil advanced 0.2% to settle at \$52.00/bl, after the American Petroleum Institute (API) reported that crude oil inventories declined by 5.8mn bls for the week ended August 25, 2017.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged 0.1% lower to trade at \$1,002.20/oz.

Yesterday, platinum prices climbed 1.4% to close at \$1003.50/oz.



ONE Minute Brief

30 August 2017



Major South Africa Corporate News

Cashbuild Limited

In its FY17 results, the company indicated that its revenue rose to ZAR9.72bn from ZAR8.66bn posted in the previous year. Its diluted EPS increased 7.0% from the prior year to 2,046.70c.

RCL Foods Limited

In its FY17 results, the company revealed that its revenue declined 0.3% from the preceding year to ZAR24.95bn. Its diluted HEPS stood at 63.00c, compared with 96.30c recorded in the previous year.

Sibanye Gold Limited

In its 1H17 trading statement, the company stated that it expects loss per share of 324.00c and headline loss per share of 147.00c.

Major Global Economic News

UK

In the UK, the seasonally adjusted Nationwide house prices unexpectedly declined 0.1% on a monthly basis in August, compared to an advance of 0.3% in the prior month. Market anticipation was for house prices to record a flat reading.

In August, the BRC shop price index recorded a drop of 0.3% on a yearly basis in the UK. In the prior month, the index had fallen 0.4%.

Eurozone

In Germany, the GfK consumer confidence index recorded an unexpected rise to a level of 10.90 in September, compared to market expectations of an unchanged reading. The index had recorded a reading of 10.80 in the previous month.

Asia

In Japan, retail trade advanced 1.1% on a monthly basis in July, compared to an advance of 0.2% in the previous month. Markets were anticipating retail trade to climb 0.3%.

In Australia, the seasonally adjusted building approvals recorded a drop of 1.7% on a monthly basis in July, less than market expectations for a drop of 5.0%. In the prior month, building approvals had registered a rise of 10.9%.

US

In the US, the CB consumer confidence index recorded a rise to 122.90 in August, higher than market expectations of an advance to a level of 120.70. In the previous month, the index had recorded a revised reading of 120.00.

ONE Minute Brief

30 August 2017

GTC
consult • partner • manage

Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
UK	01:01	BRC Shop Price Index (YoY) (Aug)	✓	-0.30%*	-0.40%	Monthly
Japan	01:50	Retail Trade (YoY) (Jul)	✓✓	1.90%*	2.10%	Monthly
Japan	01:50	Large Retailer's Sales (Jul)	✓✓	-0.20%*	0.20%	Monthly
Japan	01:50	Retail Trade s.a. (MoM) (Jul)	✓	1.10%*	0.20%	Monthly
Japan	07:00	Small Business Confidence (Aug)	✓	-	50.00	Monthly
South Africa	08:00	M3 Money Supply (YoY) (Jul)	✓✓	6.10%	5.96%	Monthly
South Africa	08:00	Private Sector Credit (YoY) (Jul)	✓✓✓	6.05%	6.16%	Monthly
Germany	09:00	Export price index (Jul)	✓	-	106.00	Monthly
Germany	09:00	Import Price Index (Jul)	✓	-	100.60	Monthly
UK	10:30	Net Consumer Credit (Jul)	✓✓	GBP1.50bn	GBP1.50bn	Monthly
UK	10:30	Net Lending Sec. on Dwellings (Jul)	✓✓	GBP3.80bn	GBP4.10bn	Monthly
UK	10:30	Mortgage Approvals (Jul)	✓✓✓	65.50K	64.70K	Monthly
Eurozone	11:00	Consumer Confidence (Aug) (F)	✓✓	-1.50	-1.50**	Monthly
Eurozone	11:00	Economic Sentiment Indicator (Aug)	✓	111.30	111.20	Monthly
Eurozone	11:00	Services Sentiment Indicator (Aug)	✓	13.90	14.10	Monthly
Eurozone	11:00	Business Climate Indicator (Aug)	✓✓	1.05	1.05	Monthly
Eurozone	11:00	Industrial Confidence (Aug)	✓	4.70	4.50	Monthly
US	13:00	MBA Mortgage Applications (25-Aug)	✓	-	-0.50%	Weekly
Germany	14:00	Consumer Price Index (MoM) (Aug) (P)	✓✓✓	0.10%	0.40%	Monthly
Germany	14:00	Consumer Price Index (YoY) (Aug) (P)	✓✓	1.80%	1.70%	Monthly
US	14:15	ADP Employment Change (Aug)	✓✓✓	185.00K	178.00K	Monthly
US	14:30	Gross Domestic Product Annualised (QoQ) (Q2) (S)	✓✓✓	2.70%	2.60%**	Quarterly
US	14:30	Gross Domestic Purchases Price Index (QoQ) (Q2) (S)	✓✓	1.00%	1.00%**	Quarterly
US	14:30	Personal Consumption Expenditure Core (QoQ) (Q2) (S)	✓	0.90%	0.90%**	Quarterly
US	14:30	Personal Consumption (QoQ) (Q2) (S)	✓✓	3.00%	2.80%**	Quarterly
US	15:15	Fed's Powell Speaks at Large-Bank Directors Conference	✓	-	-	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