

ONE Minute Brief

7 August 2017

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Economic and Political News

S&P has indicated that South Africa's credit rating could be downgraded if the nation's growth and tax collections miss forecasts by a wide margin.

National Assembly speaker, Baleka Mbete, is likely to announce her decision on the secret ballot during the vote of no confidence in President, Jacob Zuma, later today.

The Umkhonto we Sizwe Military Veterans Association (MKMVA) is confident that President, Jacob Zuma, will survive the no confidence vote.

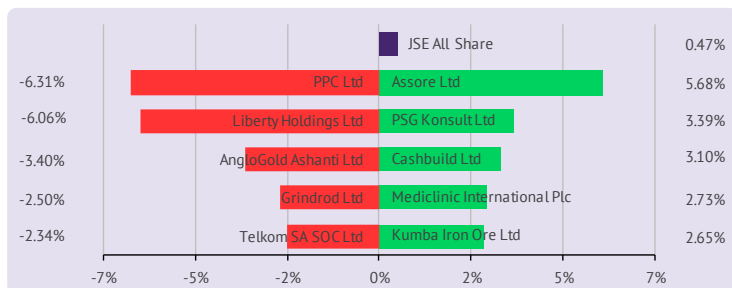
On Friday, Finance minister, Malusi Gigaba, ordered a forensic investigation into a report about coal supply agreements between Eskom and Tegeta Exploration and Resources, a company owned by the Guptas.

AfriForum has indicated that it might consider bringing contempt of court charges for failing to comply with a Pretoria High Court order, against Police Minister, Fikile Mbalula.

South Africa Market ▲

South African markets closed higher

South African markets closed in the green on Friday, led by strength in mining sector stocks. The JSE All Share Index rose 0.5% to close at 55,944.83.



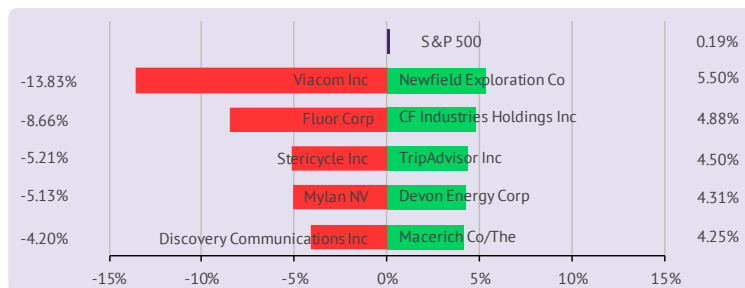
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	55944.83	▲ 259.82	0.47%	NA	1.34%	6.97%	10.45%
JSE Top 40	49506.15	▲ 262.36	0.53%	NA	1.30%	7.60%	12.77%
FTSE 100	7511.71	▲ 36.94	0.49%	NA	1.90%	0.81%	5.16%
DAX 30	12297.72	▲ 143.00	1.18%	NA	1.48%	-1.68%	7.11%
CAC 40	5203.44	▲ 72.95	1.42%	NA	2.15%	-0.53%	7.02%
S&P 500	2476.83	▲ 4.67	0.19%	NA	0.26%	1.93%	10.63%
Nasdaq Composite	6351.56	▲ 11.22	0.18%	NA	0.05%	3.38%	17.99%
DJIA	22092.81	▲ 66.71	0.30%	NA	0.92%	2.54%	11.79%

US Market ▲

The S&P 500 futures are trading in the green

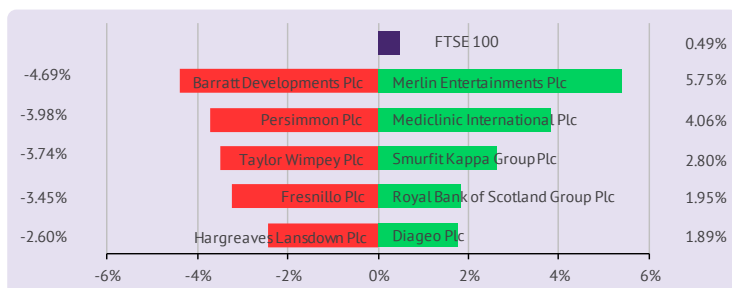
US markets closed higher on Friday, after data indicated that US non-farm payrolls rose more-than-expected in July. The S&P 500 Index climbed 0.2% to close at 2,476.83.



UK Market ▲

The FTSE 100 futures are trading in positive territory

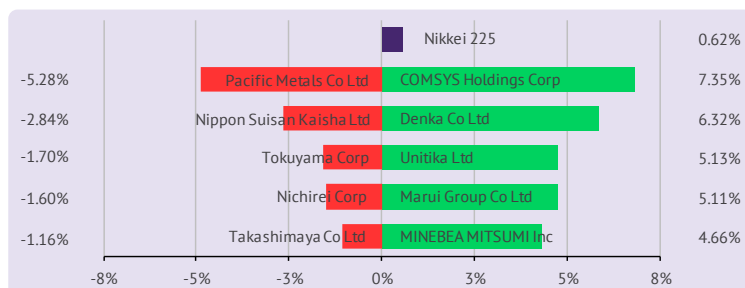
UK markets finished higher on Friday, amid gains in banking sector stocks. The FTSE 100 Index advanced 0.5% to close at 7,511.71.



Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning. The Nikkei 225 Index is trading 0.6% higher at 20,076.93.



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USDZAR ▼

USD trading lower against ZAR

At 06:00 SAST, the US Dollar fell 0.4% against the South African Rand to trade at R13.3957. Later today, traders will keep a close watch on the US labour market conditions index for further direction. Separately, South Africa's unemployment rate will be on investors' radar.

The US Dollar rose against the South African Rand on Friday, after non-farm payrolls in the US rose more-than-expected in July. Moreover, the nation's unemployment rate slid in-line with market expectations in July. Additionally, the US trade deficit narrowed more-than-anticipated in June.

GBPZAR ▼

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound is trading 0.2% lower against the South African Rand at R17.4890. Later today, traders will keep an eye on UK's Halifax house price index for further direction.

The British Pound declined against the South African Rand on Friday.

EURZAR ▼

EUR trading lower against ZAR

At 06:00 SAST, the Euro is trading 0.1% lower against the South African Rand at R15.8112. Going forward, market participants will keep a tab on Eurozone's Sentix investor confidence and Germany's industrial production for further indication.

The Euro weakened against the South African Rand on Friday. On the data front, the seasonally adjusted factory orders in Germany rose more-than-expected on a monthly basis in June.

AUDZAR ▼

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% lower against the South African Rand at R10.6396. Earlier in the session, data indicated that Australia's AIG performance of construction index advanced in July, compared to its prior reading.

The Australian Dollar fell against the South African Rand on Friday. The Reserve Bank of Australia (RBA) expected Australia's economy to grow by half a percentage point for 2017 to 2.0%-3.0%, citing the impact of a stronger Australian dollar on economic growth. However, the central bank reiterated its expectation that the economy would grow at an annual rate of about 3.0% over the next couple of years. The RBA left its outlook on average underlying inflation unchanged for the year ended December at 1.5%-2.5%, later picking up to 2.0%-3.0% by June 2019.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.3957	▼	0.36%	NA	1.99%	0.85%	-2.06%
GBPZAR	17.4890	▼	-0.52%	NA	0.54%	2.31%	3.49%
EURZAR	15.8112	▼	-0.45%	NA	1.40%	4.50%	9.65%
AUDZAR	10.6396	▼	-0.06%	NA	0.65%	5.43%	7.49%
EURUSD	1.1799	▲	-0.82%	NA	-0.58%	3.64%	11.99%
GBPUSD	1.3056	▲	-0.75%	NA	-1.32%	1.46%	5.71%
Brent (\$/barrel)	52.3	▼	0.79%	NA	-0.57%	8.10%	-7.74%
Gold (\$/oz)	1264.3	▲	-0.75%	NA	-0.66%	1.96%	9.26%
Platinum (\$/oz)	963.8	▼	0.46%	NA	3.01%	1.84%	7.48%
Copper (\$/MT)*	6347.8	▲	0.35%	NA	0.18%	6.90%	14.93%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.5% higher to trade at \$1,264.30/oz.

On Friday, gold prices fell 0.7% to close at \$1,258.30/oz, as strength in the greenback and gains in global equities dented demand for the safe haven asset.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil fell 0.2% to trade at \$52.33/bl.

On Friday, Brent crude oil advanced 0.8% to settle at \$52.42/bl, after Baker Hughes reported that US crude oil rig count fell by 1 to 765 last week. Also, leading producers, Saudi Arabia and Russia have indicated that they are ready to get tough with oil producers who are still producing more than they had agreed.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged 0.5% lower to trade at \$963.80/oz.

On Friday, platinum prices climbed 0.5% to close at \$969.00/oz.



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Major South Africa Corporate News

Liberty Holdings Limited

In its 1H17 results, the company stated that its revenue declined slightly to ZAR18.46bn from ZAR18.51bn posted in the corresponding period of the previous year. Its diluted EPS fell 14.6% from the same period of the prior year to 553.30c.

Redefine Properties Limited

The real estate company announced that as a part of its succession plan for Non-Executive Directors, the board revealed that it appointed Bridgitte Mathews as the Deputy Chairperson and Lead Independent Director of the Board with immediate effect.

Major Global Economic News

US

Non-farm payrolls in the US advanced by 209.00K in July, compared to a revised gain of 231.00K in the prior month. Market anticipation was for non-farm payrolls to rise 180.00K.

Unemployment rate in the US recorded a drop to 4.3% in July, in line with market expectations. Unemployment rate had recorded a level of 4.4% in the prior month.

US has posted trade deficit of USD43.60bn in June, following a revised trade deficit of USD46.40bn in the previous month. Market anticipation was for a trade deficit of USD44.50bn.

On a monthly basis in July, average hourly earnings of all employees registered a rise of 0.3% in the US, in line with market expectations. Average hourly earnings of all employees had risen 0.2% in the prior month.

Asia

The AIG performance of construction index in Australia rose to a level of 60.50 in July, compared to a reading of 56.00 in the prior month.

On a monthly basis, ANZ job advertisements rose 1.5% in July, in Australia. ANZ job advertisements had risen 2.7% in the prior month.

Eurozone

The seasonally adjusted factory orders in Germany recorded a rise of 1.0% on a monthly basis in June, compared to a revised rise of 1.1% in the previous month. Markets were expecting factory orders to advance 0.5%.



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40 Best Performers on the All Share Index

Company Name	Last Close	1 Week % Change	MTD % Change	YTD % Change
Naspers Ltd	283594	-0.50%	4.43%	40.81%
Dis-Chem Pharmacies Ltd	3003	6.68%	4.16%	34.41%
Adcock Ingram Holdings Ltd	6323	-1.43%	2.31%	32.44%
Trencor Ltd	3720	5.38%	10.39%	32.31%
Bid Corp Ltd	31850	0.35%	6.29%	31.13%
Exxaro Resources Ltd	11300	5.29%	10.69%	31.01%
Cie Financiere Richemont SA	11849	7.28%	7.12%	30.58%
Clicks Group Ltd	14627	-1.57%	8.06%	29.55%
Kumba Iron Ore Ltd	20530	7.28%	30.72%	29.12%
Glencore Plc	5918	4.84%	21.15%	27.97%
Anglo American Platinum Ltd	33581	4.94%	20.40%	27.00%
Discovery Ltd	14400	2.13%	12.39%	26.60%
Mondi Plc	34621	1.17%	0.36%	26.30%
RCL Foods Ltd/South Africa	1590	2.58%	6.00%	26.10%
PSG Konsult Ltd	915	7.02%	11.59%	25.40%
Capitec Bank Holdings Ltd	86211	-0.33%	10.70%	25.35%
Mondi Ltd	34236	0.69%	-0.85%	24.33%
Fortress Income Fund Ltd	3891	1.70%	11.20%	23.11%
Vodacom Group Ltd	18256	2.65%	13.46%	23.03%
Shoprite Holdings Ltd	20902	2.39%	0.01%	22.98%
Gold Fields Ltd	5265	0.77%	13.47%	22.62%
Murray & Roberts Holdings Ltd	1412	2.92%	6.25%	22.57%
Astral Foods Ltd	15465	4.49%	-2.45%	21.88%
PSG Group Ltd	26232	1.43%	9.50%	21.24%
Resilient REIT Ltd	13282	2.21%	10.43%	18.77%
MAS Real Estate Inc	2590	3.31%	10.21%	18.21%
Holdsport Ltd	6700	0.00%	17.82%	18.10%
South32 Ltd	3150	5.53%	21.57%	17.66%
Equites Property Fund Ltd	1796	1.18%	4.66%	17.47%
Hudaco Industries Ltd	13049	1.55%	-0.47%	17.19%
DataTec Ltd	5755	-0.35%	10.25%	16.31%
Northam Platinum Ltd	4700	7.28%	6.87%	16.05%
British American Tobacco Plc	88005	4.52%	-6.79%	15.67%
Cashbuild Ltd	38870	9.02%	12.98%	14.63%
Anglo American Plc	22350	6.18%	27.00%	14.56%
Sanlam Ltd	6850	1.20%	-0.19%	13.40%
Octodec Investments Ltd	2388	3.83%	2.93%	13.18%
Investec Plc	10025	1.88%	-0.36%	12.97%
Standard Bank Group Ltd	16600	0.77%	13.28%	12.58%
BHP Billiton Plc	23993	3.01%	19.21%	12.45%
JSE All Share Index	55945	1.93%	1.34%	10.45%

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus	Previous	Frequency
Japan	07:00	Coincident Index (Jun) (P)	✓	117.20	115.80	Monthly
Japan	07:00	Leading Economic Index (Jun) (P)	✓✓	106.20	104.60	Monthly
Germany	08:00	Industrial Production s.a. (MoM) (Jun)	✓✓✓	0.20%	1.20%	Monthly
South Africa	08:00	Net Gold & Forex Reserve (Jul)	✓	USD42.29bn	USD42.24bn	Monthly
South Africa	08:00	Gross Gold & Forex Reserve (Jul)	✓	USD47.30bn	USD47.35bn	Monthly
Switzerland	09:00	Foreign Currency Reserves (Jul)	✓✓✓	-	CHF693.50bn	Monthly
Switzerland	09:15	Consumer Price Index (MoM) (Jul)	✓✓✓	-0.30%	-0.10%	Monthly
Switzerland	09:15	Consumer Price Index (YoY) (Jul)	✓✓	0.30%	0.20%	Monthly
UK	09:30	Halifax House Prices (3m/YoY) (Jul)	✓	2.10%	2.60%	Monthly
UK	09:30	Halifax House Prices (MoM) (Jul)	✓	0.30%	-1.00%	Monthly
South Africa	09:30	Unemployment Rate (Q2)	✓✓	27.50%	27.70%	Quarterly
Eurozone	10:30	Sentix Investor Confidence (Aug)	✓✓	27.60	28.30	Monthly
US	17:45	Fed's Bullard Speaks on U.S. Economy in Nashville, TN	✓	-	-	As scheduled
US	19:25	Fed's Kashkari Speaks in Bloomington, MN	✓	-	-	As scheduled
US	21:00	Consumer Credit Change (Jun)	✓✓	USD15.25bn	USD18.41bn	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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