

ONE Minute Brief

8 August 2017



GTC
consult • partner • manage

Economic and Political News

In South Africa (SA), the unemployment rate remained flat at 27.7% in 2Q 2017, higher than market expectations of a drop to a level of 27.5%. Net gold & forex reserves recorded a more-than-expected rise to USD42.41bn in July, compared to a level of USD42.24bn in June.

The National Assembly speaker, Baleka Mbete, announced that the vote on the motion of no confidence in President Jacob Zuma will be conducted by secret ballot. African National Congress (ANC) chief whip Jackson Mthembu stated that the ANC would vote against this motion and the party was confident that the motion would be defeated. Meanwhile, the Democratic Alliance (DA) has called on ANC members to vote President Jacob Zuma out in the secret ballot.

In a responding affidavit filed by the Minister of Mineral Resources Mosebenzi Zwane, the minister has indicated that the Chamber of Mines is attempting to block "effective and meaningful" participation of black persons in the mining industry.

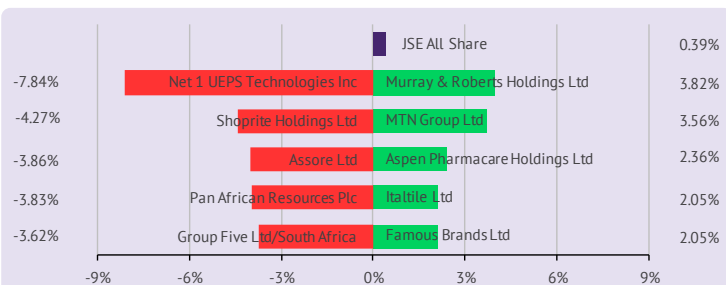
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	56163.60	▲ 218.77	0.39%	0.39%	1.73%	6.97%	10.88%
JSE Top 40	49763.82	▲ 257.67	0.52%	0.52%	1.82%	7.60%	13.35%
FTSE 100	7531.94	▲ 20.23	0.27%	0.27%	2.17%	0.81%	5.45%
DAX 30	12257.17	▼ -40.55	-0.33%	-0.33%	1.15%	-1.68%	6.76%
CAC 40	5207.89	▲ 4.45	0.09%	0.09%	2.24%	-0.53%	7.11%
S&P 500	2480.91	▲ 4.08	0.16%	0.16%	0.43%	1.93%	10.81%
Nasdaq Composite	6383.77	▲ 32.21	0.51%	0.51%	0.56%	3.38%	18.59%
DJIA	22118.42	▲ 25.61	0.12%	0.12%	1.04%	2.54%	11.92%

South Africa Market ▲

South African markets closed higher

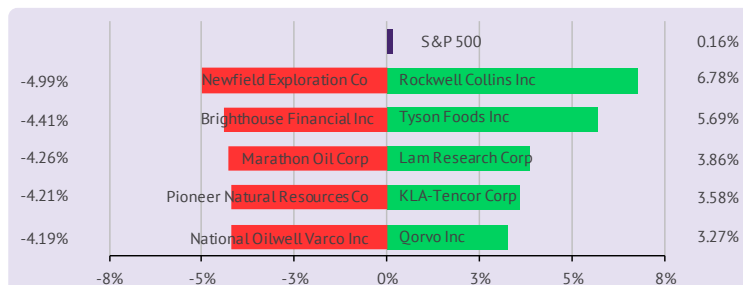
South African markets closed in the green yesterday, led by gains in banking sector stocks. On the data front, South Africa's unemployment rate remained flat at 27.7% in 2Q 2017. The JSE All Share Index rose 0.4% to close at 56,163.60.



US Market ▲

The S&P 500 futures are trading in the red

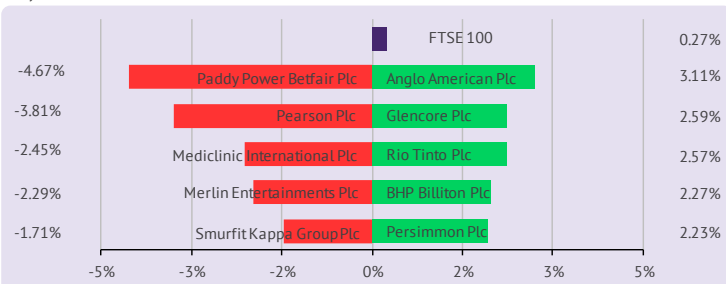
US markets closed higher yesterday, led by gains in consumer staples and technology sector stocks. Data showed that US consumer credit advanced less-than-expected in June. The S&P 500 Index climbed 0.2% to close at 2,480.91.



UK Market ▲

The FTSE 100 futures are trading in negative territory

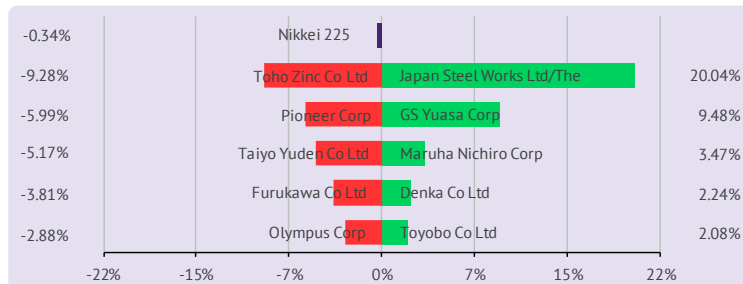
UK markets finished higher yesterday, amid strength in mining sector stocks. Data indicated that UK's retail sales across all sectors rose as expected in July. The FTSE 100 Index advanced 0.3% to close at 7,531.94.



Asian Market ▼

Trading lower

Asian markets are trading lower this morning. On the macro front, China's trade surplus expanded more-than-expected in July. The Nikkei 225 Index is trading 0.3% lower at 19,987.01.



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

8 August 2017

GTC
consult • partner • manage

USDZAR ▲

USD trading higher against ZAR

At 06:00 SAST, the US Dollar is trading marginally firmer against the South African Rand at R13.2267. Later today, traders will keep a close watch on the US NFIB small business optimism index for further direction. Separately, South Africa's SACCI business confidence will be on investors' radar.

The US Dollar fell against the South African Rand yesterday, after the St. Louis Federal Reserve (Fed) President, James Bullard, indicated that the Fed could leave benchmark interest rates where they are for now as inflation is not expected to rise. On the data front, US consumer credit rose less-than-expected in June. Separately, South Africa's unemployment rate remained flat at 27.7% in 2Q 2017. Moreover, the nation's net gold & forex reserves recorded a more-than-expected rise in July.

GBPZAR ▲

GBP trading firmer against ZAR

At 06:00 SAST, the British Pound advanced 0.1% against the South African Rand to trade at R17.2547. Data indicated that UK's retail sales across all sectors rose as expected in July. Later today, traders will keep an eye on UK's NIESR GDP estimate for further indication.

The British Pound declined against the South African Rand yesterday, amid latest reports of controversy surrounding the Brexit payment for leaving the European Union.

EURZAR ▲

EUR trading higher against ZAR

At 06:00 SAST, the Euro is trading 0.1% firmer against the South African Rand at R15.6214. Going forward, market participants will keep a tab on Germany's trade balance and current account data for further cues.

The Euro weakened against the South African Rand yesterday, after the Eurozone's Sentix investor confidence index eased more-than-anticipated in August. Data indicated that Germany's seasonally adjusted industrial production unexpectedly eased on a monthly basis in June.

AUDZAR ▲

AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar is trading marginally higher against the South African Rand at R10.4703. Earlier in the session, data indicated that in China, Australia's largest trading partner, trade surplus expanded more-than-expected in July. Moreover, Australia's NAB business conditions and confidence indices advanced in July.

The Australian Dollar fell against the South African Rand yesterday. On the data front, Australia's AIG performance of construction index advanced in July, compared to its previous reading.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.2267	▲	-1.65%	-1.65%	0.31%	0.85%	-3.67%
GBPZAR	17.2547	▲	-1.58%	-1.58%	-1.05%	2.31%	1.86%
EURZAR	15.6214	▲	-1.46%	-1.46%	-0.08%	4.50%	8.05%
AUDZAR	10.4703	▲	-1.70%	-1.70%	-1.05%	5.43%	5.67%
EURUSD	1.1809	▲	0.19%	0.19%	-0.40%	3.64%	12.19%
GBPUSD	1.3044	▲	-0.04%	-0.04%	-1.36%	1.46%	5.67%
Brent (\$/barrel)	52.2	▼	-0.10%	-0.10%	-0.66%	8.10%	-7.83%
Gold (\$/oz)	1265.6	▲	-0.01%	-0.01%	-0.66%	1.96%	9.25%
Platinum (\$/oz)	972.5	▲	0.27%	0.27%	3.28%	1.84%	7.76%
Copper (\$/MT)*	6384.3	▲	0.58%	0.58%	0.76%	6.90%	15.59%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices advanced 0.6% to trade at \$1,265.60/oz.

Yesterday, gold prices marginally fell to close at \$1,258.20/oz, extending its previous session losses.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil declined 0.4% to trade at \$52.15/bl, as Libya's largest oil field resumes production and as investors await the final outcome of the Organisation of the Petroleum Exporting Countries meeting in Abu Dhabi.

Yesterday, Brent crude oil dropped 0.1% to settle at \$52.37/bl, amid concerns about leading oil producers wavering commitment to curb production.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices climbed 0.1% to trade at \$972.50/oz.

Yesterday, platinum prices climbed 0.3% to close at \$971.60/oz.

ONE Minute Brief

8 August 2017



Major South Africa Corporate News

Imperial Holdings Limited

In its FY17 voluntary trading statement, the company announced that it anticipates EPS in the range of ZAR13.50 to ZAR13.00, down from ZAR15.81 recorded in the previous year. It expects HEPS to be between ZAR14.00 to ZAR13.60, lower from ZAR15.79 posted in the prior year.

Lonmin Plc

The company, in its operational update, announced that it remained concerned by the persistent adverse macroeconomic conditions and the inflationary cost pressures facing the platinum mining industry in South Africa. Further, in continuation to eliminating high cost production, the company announced the initial conclusions resulting from an on-going review of its operations, which has the primary objective of preserving value for shareholders and safeguarding the long-term interests of employees and all key stakeholders.

Major Global Economic News

UK

The Halifax house price index in the UK climbed 0.4% on a monthly basis in July, compared to a revised drop of 0.9% in the prior month. Markets were expecting the Halifax house price index to rise 0.3%.

On an annual basis, retail sales across all sectors recorded a rise of 0.9% in the UK, in July, at par with market expectations. Retail sales across all sectors had advanced 1.2% in the previous month.

US

St. Louis Fed President, James Bullard stated that the central bank can leave interest rates where they are for now, as inflation is not likely to rise much even if the US job market continues to improve.

Consumer credit in the US rose USD12.40bn in June, compared to a revised advance of USD18.29bn in the previous month. Markets were anticipating consumer credit to advance USD15.75bn.

Eurozone

The Sentix investor confidence index in the Eurozone registered a drop to 27.70 in August, compared to a reading of 28.30 in the prior month. Market expectation was for the investor confidence index to drop to 27.60.

In June, the seasonally adjusted industrial production unexpectedly eased 1.1% on a MoM basis in Germany, compared to market expectations for a rise of 0.2%. In the previous month, industrial production had registered a rise of 1.2%.

Asia

In July, trade surplus in China widened to USD46.74bn, from a revised trade surplus of USD42.75bn in the prior month. Market expectation was for the nation's trade surplus to expand to USD45.00bn.

In July, the business confidence index rose to a level of 12.00 in Australia. The business confidence index had registered a revised reading of 8.00 in the prior month.

The business conditions index recorded a rise to 15.00 in July, in Australia, compared to a revised reading of 14.00 in the prior month.

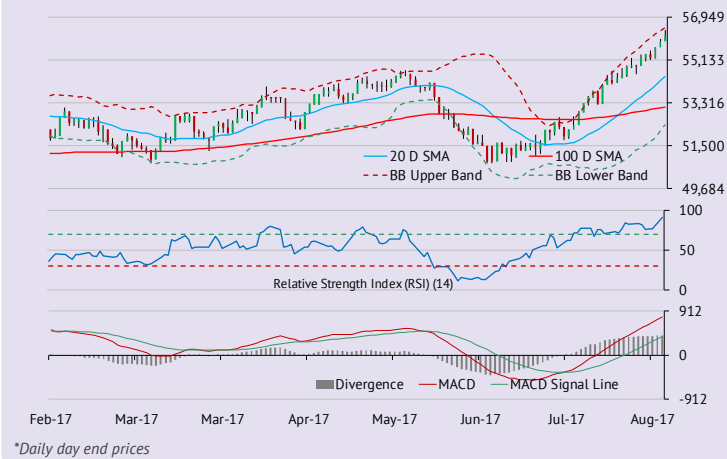
ONE Minute Brief



8 August 2017

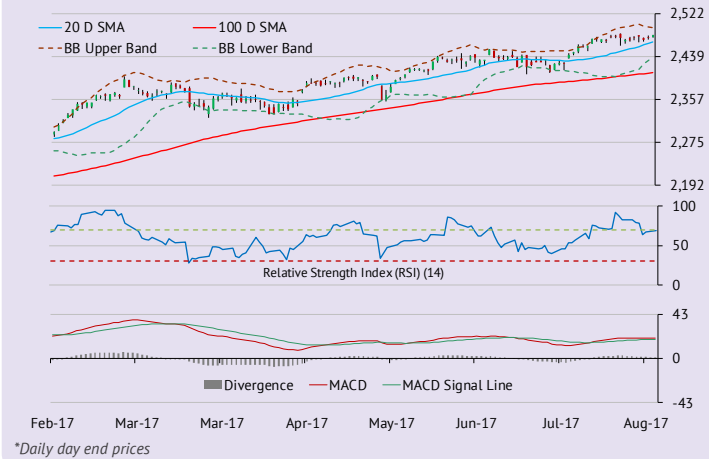
Technical Snapshot

JSE All Share



The JSE All Share index is expected to find support at 55,365.59, and a fall through could take it to the next support level of 54,567.59. The index is expected to find its first resistance at 56,678.92, and a rise through could take it to the next resistance level of 57,194.25.

S&P 500



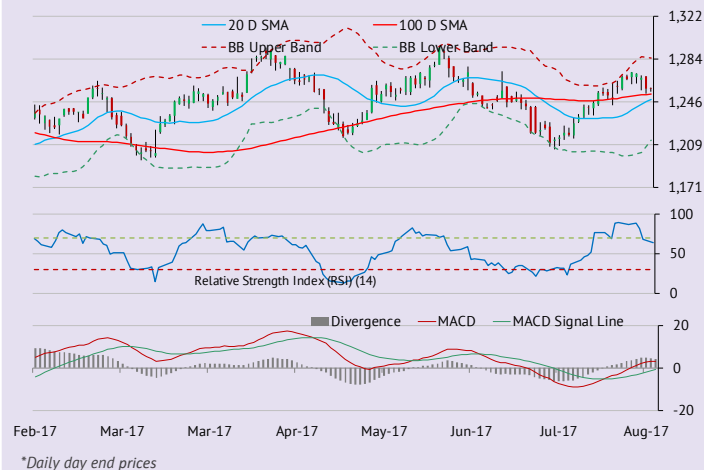
The S&P 500 index is expected to find support at 2,471.28, and a fall through could take it to the next support level of 2,461.64. The index is expected to find its first resistance at 2,485.75, and a rise through could take it to the next resistance level of 2,490.58.

USDZAR



The pair is expected to find support at 13.0897, and a fall through could take it to the next support level of 12.9529. The pair is expected to find its first resistance at 13.4246, and a rise through could take it to the next resistance level of 13.6227.

XAU/USD



Gold is expected to find support at \$1,250.30/oz, and a fall through could take it to the next support level of \$1,242.40/oz. The precious metal is expected to find its first resistance at \$1,269.70/oz, and a rise through could take it to the next resistance level of \$1,281.20/oz.

ONE Minute Brief

8 August 2017



GTC
consult • partner • manage

Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous	Frequency
UK	01:01	BRC Sales Like-For-Like (YoY) (Jul)	✓	0.90%*	1.20%	Monthly
Japan	01:50	Adjusted Current Account Total (Jun)	✓	JPY1522.50 bn*	JPY1400.90 bn	Monthly
Japan	01:50	Trade Balance - BOP Basis (Jun)	✓✓	JPY518.50 bn*	-JPY115.10 bn	Monthly
China	04:45	Exports (YoY) (Jul)	✓✓	7.20%*	11.30%	Monthly
China	04:45	Imports (YoY) (Jul)	✓✓	11.00%*	17.20%	Monthly
China	04:45	Trade Balance (Jul)	✓✓	USD46.74bn*	USD42.75bn	Monthly
Japan	07:00	Eco Watchers Survey: Current (Jul)	✓✓	50.20	50.00	Monthly
Japan	07:00	Eco Watchers Survey: Outlook (Jul)	✓✓	51.00	50.50	Monthly
Switzerland	07:45	Unemployment Rate s.a. (Jul)	✓✓✓	3.20%	3.20%	Monthly
Germany	08:00	Exports (Jun)	✓	-	EUR110.60bn	Monthly
Germany	08:00	Imports (Jun)	✓	-	EUR88.60bn	Monthly
Germany	08:00	Current Account n.s.a. (Jun)	✓	EUR24.50bn	EUR17.30bn	Monthly
Germany	08:00	Exports s.a. (MoM) (Jun)	✓	0.20%	1.40%	Monthly
Germany	08:00	Imports s.a. (MoM) (Jun)	✓	0.20%	1.20%	Monthly
Germany	08:00	Trade Balance n.s.a. (Jun)	✓✓	EUR23.00bn	EUR22.00bn	Monthly
South Africa	11:30	SACCI Business Confidence Index (Jul)	✓	-	94.90	Monthly
US	12:00	NFIB Small Business Optimism (Jul)	✓	103.50	103.60	Monthly
Canada	14:15	Housing Starts s.a. (Jul)	✓✓✓	205.00 K	212.70 K	Monthly
US	16:00	JOLTs Job Openings (Jun)	✓	5700.00 K	5666.00 K	Monthly

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