

ONE Minute Brief

15 August 2017

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Economic and Political News

South Africa's (SA) bulk export volumes rose 34.5% on an annual basis in July. Meanwhile, new vehicle sales in the nation grew 4.1% YoY in July, while vehicle export sales rose 22.2%.

The Organisation for Economic Co-operation and Development (OECD) has projected SA's growth to rebound "timidly" to 0.6% in 2017, led by a recovery in investment and exports and an improvement in the international economy.

The North Gauteng High Court is set to give its ruling on whether the Public Protector should set aside its instruction to modify the inflation-targeting mandate of the central bank.

The Congress of South African Trade Unions (COSATU) has denounced calls to victimise ANC MPs who voted against President, Jacob Zuma.

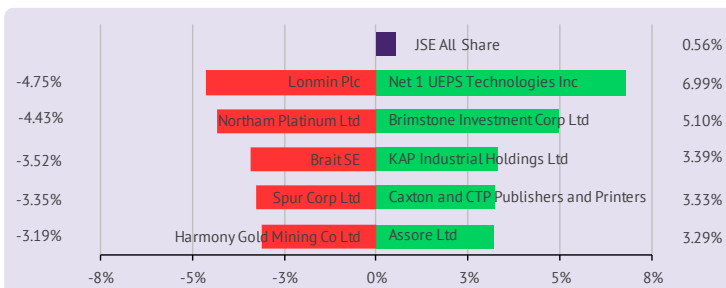
Themba Godi, the chairperson of the Standing Committee on Public Accounts (Scopa) stated that the trust deficit between government and business started much before the Zuma administration.

President, Jacob Zuma, has signed a proclamation ordering the Special Investigating Unit (SIU) to investigate the Department of Correctional Services and the Independent Development Trust for flouting procurement rules.

South Africa Market ▲

South African markets closed higher

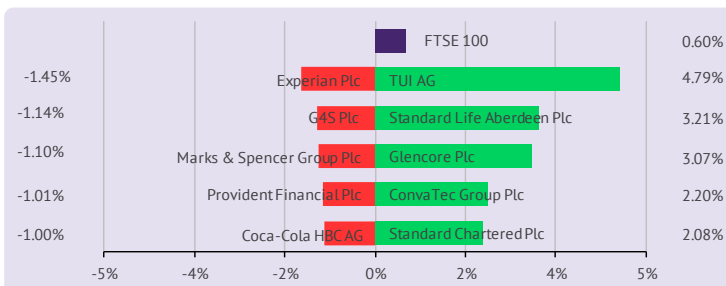
South African markets closed in the green yesterday, driven by a rise in industrial and banking sector stocks. The JSE All Share Index rose 0.6% to close at 55,465.65.



UK Market ▲

The FTSE 100 futures are trading in positive territory

UK markets finished higher yesterday, amid an increase in financials and material sector stocks. The FTSE 100 Index advanced 0.6% to close at 7,353.89.



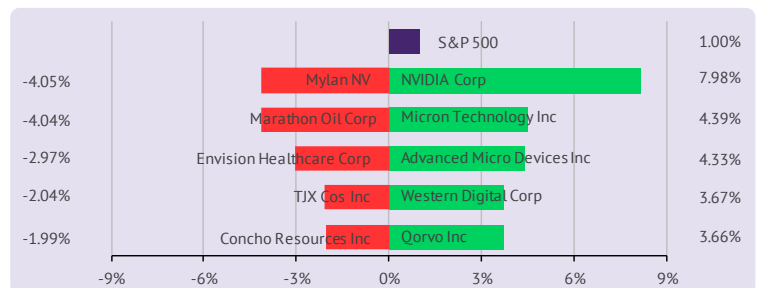
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	55465.65	▲	310.52	0.56%	0.56%	0.47%	6.97%	9.50%
JSE Top 40	49108.55	▲	341.84	0.70%	0.70%	0.48%	7.60%	11.86%
FTSE 100	7353.89	▲	43.93	0.60%	0.60%	-0.25%	0.81%	2.95%
DAX 30	12165.12	▲	151.06	1.26%	1.26%	0.39%	-1.68%	5.96%
CAC 40	5121.67	▲	60.75	1.20%	1.20%	0.55%	-0.53%	5.33%
S&P 500	2465.84	▲	24.52	1.00%	1.00%	-0.18%	1.93%	10.14%
Nasdaq Composite	6340.23	▲	83.68	1.34%	1.34%	-0.12%	3.38%	17.78%
DJIA	21993.71	▲	135.39	0.62%	0.62%	0.47%	2.54%	11.29%

US Market ▲

The S&P 500 futures are trading in the green

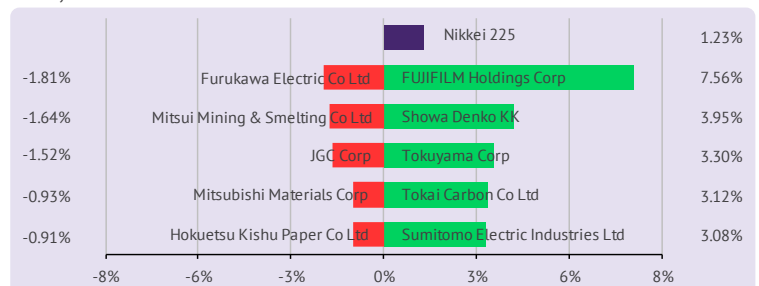
US markets closed higher yesterday, boosted by gains in information technology sector stocks. The S&P 500 Index climbed 1.0% to close at 2,465.84.



Asian Market ▲

Trading higher

Asian markets are trading higher this morning. Data revealed that Japan's industrial production advanced more-than-expected on a monthly basis in June. The Nikkei 225 Index is trading 1.2% higher at 19,777.66.



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USDZAR ▼

USD trading lower against ZAR

At 06:00 SAST, the US Dollar is trading 0.1% weaker against the South African Rand at R13.3144. Later today, traders will keep a close watch on US retail sales, the NAHB housing market index and business inventories for further direction.

The US Dollar fell against the South African Rand yesterday.

GBPZAR ▼

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound is trading 0.1% lower against the South African Rand at R17.2610. Later today, traders will keep an eye on UK's consumer price index, retail price index and house price index for further cues.

The British Pound declined against the South African Rand yesterday.

EURZAR ▼

EUR trading lower against ZAR

At 06:00 SAST, the Euro declined 0.1% against the South African Rand to trade at R15.6848. Going forward, market participants will keep a tab on Germany's gross domestic product for further indication.

The Euro weakened against the South African Rand yesterday, after Eurozone's industrial production retreated more than market expectations on a monthly basis in June, its first decline since February.

AUDZAR ▲

AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar advanced 0.1% against the South African Rand to trade at R10.4755. Earlier in the session, the Reserve Bank of Australia (RBA) in its August 1 meeting minutes revealed that the policymakers are concerned about skilled labour shortage which could lift wages at a faster-than-expected pace and fuel inflation. The central bank left its benchmark interest rate unchanged at a record low of 1.5%, citing strength in Australian dollar, growing housing debt and sluggish income growth as key concerns.

The Australian Dollar fell against the South African Rand yesterday. Data showed that in China, Australia's largest trading partner, industrial production rose less-than-expected on a yearly basis in July. Moreover, retail sales recorded a less-than-anticipated rise on an annual basis in the same month.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.3144	▼	-1.07%	-1.07%	1.05%	0.85%	-2.96%
GBPZAR	17.2610	▼	-1.47%	-1.47%	-0.84%	2.31%	2.07%
EURZAR	15.6848	▼	-1.47%	-1.47%	0.53%	4.50%	8.70%
AUDZAR	10.4755	▲	-1.51%	-1.51%	-1.10%	5.43%	5.61%
EURUSD	1.1781	▲	-0.35%	-0.35%	-0.52%	3.64%	12.05%
GBPUSD	1.2964	=	-0.38%	-0.38%	-1.90%	1.46%	5.09%
Brent (\$/barrel)	50.8	▲	-2.63%	-2.63%	-3.77%	8.10%	-10.72%
Gold (\$/oz)	1281.4	▼	-0.27%	-0.27%	1.39%	1.96%	11.50%
Platinum (\$/oz)	966.5	▼	-1.50%	-1.50%	3.64%	1.84%	8.13%
Copper (\$/MT)*	6367.5	▼	-0.24%	-0.24%	0.49%	6.90%	15.29%

*As of Previous Close

Gold ▼

Trading in the red

At 06:00 SAST, gold prices edged 0.2% lower to trade at \$1,281.40/oz.

Yesterday, gold prices fell 0.3% to close at \$1,284.20/oz, as strength in the greenback and gains in global equities dented demand for the safe haven yellow metal.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged 0.2% higher to trade at \$50.84/bl.

Yesterday, Brent crude oil dropped 2.6% to settle at \$50.73/bl, marking its lowest level in 3 months, after reports from the Energy Information Administration revealed that Shale oil production from seven major US oil players is expected to see a monthly climb of 117,000 bls per day in September to 6.149mn bls per day.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged 0.9% lower to trade at \$966.50/oz.

Yesterday, platinum prices declined 1.5% to close at \$974.90/oz.



ONE Minute Brief

15 August 2017



Major South Africa Corporate News

Advtech Limited

In its 1H17 trading statement, the company revealed that its EPS is expected to be between 37.80c and 38.80c per share, compared with 36.30c per share recorded in the comparative period. Further, HEPS is anticipated to be between 38.00c and 39.10c per share compared with 36.50c per share posted in the comparative period.

Harmony Gold Mining Company Limited

In its 1H17 trading statement, the company indicated that its HEPS is expected to rise between 276.00c and 320.00c per share and EPS is anticipated to decrease between 65.00c and 109.00c per share.

Group Five Limited

In its 1H17 trading statement, the company announced that it now expects diluted HEPS and HEPS to be between 800.00c per share and 870.00c per share. Further, diluted EPS and EPS is expected to report a loss of between 780.00c and 850.00c per share.

KAP Industrial Holdings Limited

In its FY17 results, the company stated that its revenue increased to ZAR19.78bn from ZAR16.04bn posted in the corresponding period of the previous year. Its diluted EPS rose 15.0% from the same period of the prior year to 54.10c.

Major Global Economic News

Asia

The RBA in its August 1 meeting minutes revealed that the board members are anxious about shortage of skilled labour which might lift wages at a stronger pace and increase inflation. The central bank left its key interest rate steady at a record low of 1.5%, citing strength in Australian dollar, growing housing debt and sluggish income growth as key concerns.

In Japan, the final industrial production advanced 2.2% on a monthly basis, in June. Industrial production had registered a drop of 3.6% in the prior month. The preliminary figures had indicated a rise of 1.6%.

In June, capacity utilisation recorded a rise of 2.1% on a monthly basis, in Japan. In the prior month, capacity utilisation had dropped 4.1%.

Eurozone

In the Eurozone, the seasonally adjusted industrial production eased 0.6% on a monthly basis in June, compared to a revised rise of 1.2% in the previous month. Market expectation was for industrial production to fall 0.5%.

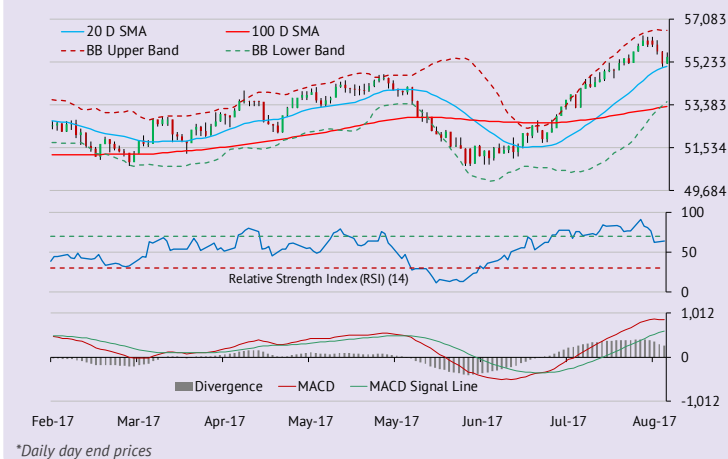
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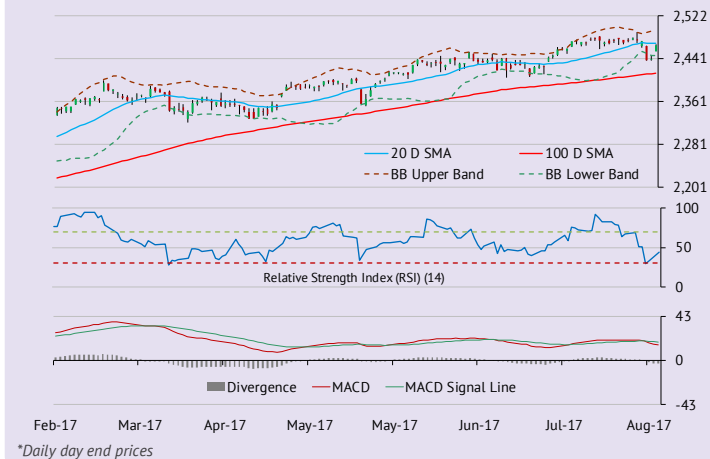
Technical Snapshot

JSE All Share



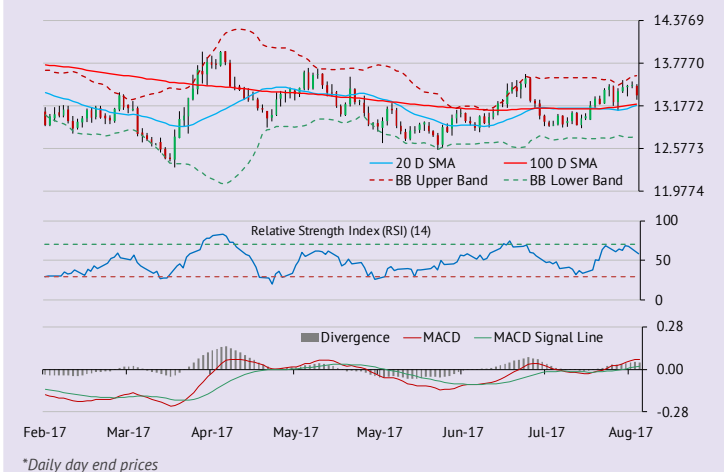
The JSE All Share index is expected to find support at 54,878.33, and a fall through could take it to the next support level of 54,291.01. The index is expected to find its first resistance at 56,197.62, and a rise through could take it to the next resistance level of 56,929.59.

S&P 500



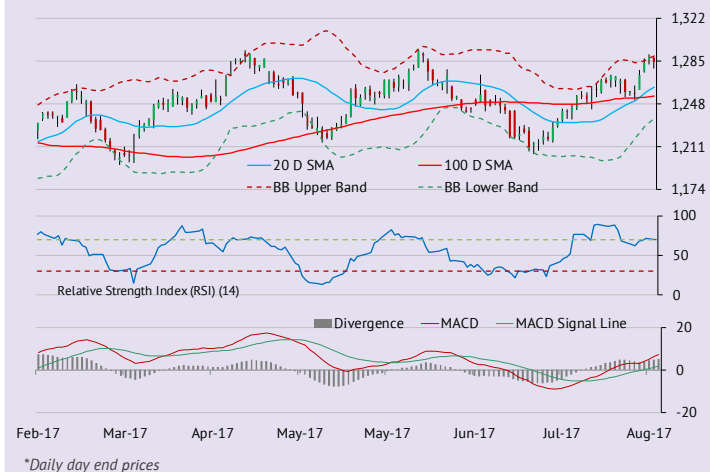
The S&P 500 index is expected to find support at 2,438.77, and a fall through could take it to the next support level of 2,411.70. The index is expected to find its first resistance at 2,491.89, and a rise through could take it to the next resistance level of 2,517.94.

USDZAR



The pair is expected to find support at 13.1123, and a fall through could take it to the next support level of 12.9002. The pair is expected to find its first resistance at 13.5365, and a rise through could take it to the next resistance level of 13.7486.

XAU/USD



Gold is expected to find support at \$1,260.03/oz, and a fall through could take it to the next support level of \$1,235.87/oz. The precious metal is expected to find its first resistance at \$1,299.73/oz, and a rise through could take it to the next resistance level of \$1,315.27/oz.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	06:30	Capacity Utilisation (MoM) (Jun)	✓	2.10%*	-4.10%	Monthly
Japan	06:30	Industrial Production (MoM) (Jun) (F)	✓✓✓	2.20%*	1.60%**	Monthly
Japan	06:30	Industrial Production (YoY) (Jun) (F)	✓✓	5.50%*	4.90%**	Monthly
Germany	08:00	Gross Domestic Product n.s.a. (YoY) (Q2) (P)	✓✓	0.60%	2.90%	Quarterly
Germany	08:00	Gross Domestic Product s.a. (QoQ) (Q2) (P)	✓✓✓	0.70%	0.60%	Quarterly
Germany	08:00	Gross Domestic Product w.d.a. (YoY) (Q2) (P)	✓✓	1.90%	1.70%	Quarterly
UK	10:30	Consumer Price Index (MoM) (Jul)	✓✓	0.00%	0.00%	Monthly
UK	10:30	Consumer Price Index (YoY) (Jul)	✓✓✓	2.70%	2.60%	Monthly
UK	10:30	Consumer Price Index Core (YoY) (Jul)	✓✓✓	2.50%	2.40%	Monthly
UK	10:30	Retail Price Index (MoM) (Jul)	✓	0.10%	0.20%	Monthly
UK	10:30	Retail Price Index (YoY) (Jul)	✓	3.50%	3.50%	Monthly
US	14:30	Export Price Index (YoY) (Jul)	✓	-	0.60%	Monthly
US	14:30	Export Price Index (Jul)	✓	-	121.60	Monthly
US	14:30	Import Price Index (Jul)	✓	-	122.50	Monthly
US	14:30	Import Price Index (MoM) (Jul)	✓	0.10%	-0.20%	Monthly
US	14:30	NY Empire State Manufacturing Index (Aug)	✓✓	10.00	9.80	Monthly
US	14:30	Export Price Index (MoM) (Jul)	✓	0.20%	-0.20%	Monthly
US	14:30	Advance Retail Sales (MoM) (Jul)	✓✓✓	0.30%	-0.20%	Monthly
US	14:30	Import Price Index (YoY) (Jul)	✓	1.50%	1.50%	Monthly
US	16:00	Business Inventories (Jun)	✓	0.40%	0.30%	Monthly
US	16:00	NAHB Housing Market Index (Aug)	✓	64.00	64.00	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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