

ONE Minute Brief

7 September 2017

GTC
consult • partner • manage

Economic and Political News

In South Africa, the SACCI business confidence index registered a drop to 89.60 in August, the lowest in 30 years, compared to a reading of 95.30 in July, amid a decline in merchandise import and export volumes.

Social Development Minister, Bathabile Dlamini, has sought intervention by Parliamentary Speaker, Baleka Mbete, citing that the Standing Committee on Public Accounts was increasingly overstepping the boundaries of its mandate with regards to Sassa. The Minister also indicated that her department was sincere about a partnership with the South African Post Office for the payment of social grants.

The National Assembly has approved the appointment of 12 Non-Executive members to the board of the South African Broadcasting Corporation (SABC). President Jacob Zuma will now make the appointments and select one of them as the chairperson.

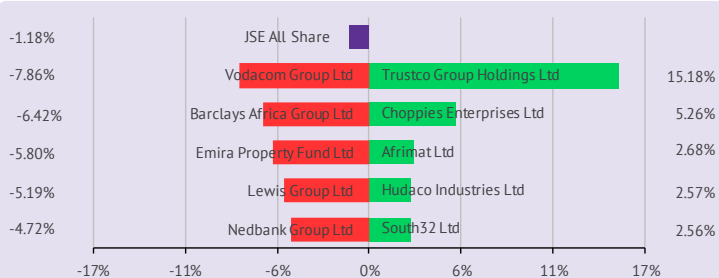
National Director of Public Prosecutions, Shaun Abrahams, has confirmed that the leaked Gupta emails are a part of the Hawks' investigation into state capture.

Deputy President, Cyril Ramaphosa, stated that the courts will decide on whether the government did the correct thing in granting diplomatic immunity to Grace Mugabe.

South Africa Market ▼

South African markets closed lower

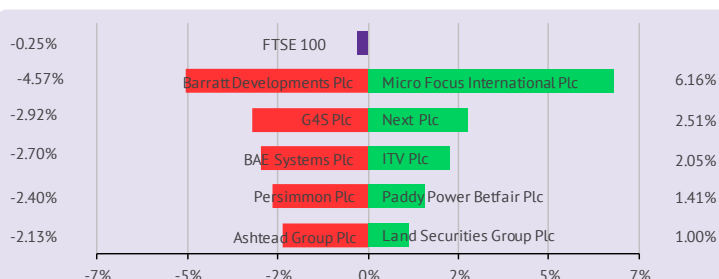
South African markets closed in the red yesterday, amid losses in banking and financial sector stocks. Data revealed that South Africa's SACCI business confidence index fell to its lowest level in more than three decades in August. The JSE All Share Index fell 1.2% to 55,480.20.



UK Market ▼

The FTSE 100 futures are trading in positive territory

UK markets finished lower yesterday, led by sharp losses in financial sector stocks. The FTSE 100 Index declined 0.3% to close at 7,354.13.



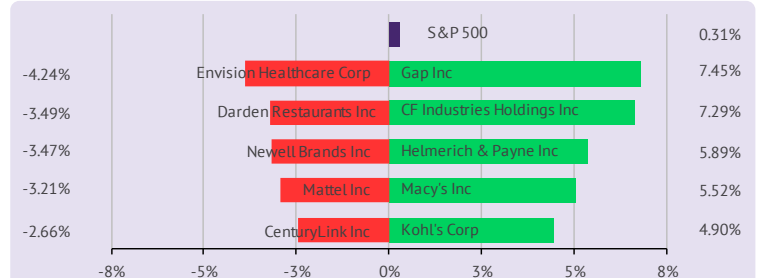
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	55480.20	▼	-664.60	-1.18%	-1.83%	-1.84%	2.38%	9.53%
JSE Top 40	49023.66	▼	-619.09	-1.25%	-1.95%	-1.95%	2.30%	11.67%
FTSE 100	7354.13	▼	-18.79	-0.25%	-1.13%	-1.03%	0.80%	2.96%
DAX 30	12214.54	▲	90.83	0.75%	0.59%	1.32%	-0.52%	6.39%
CAC 40	5101.41	▲	14.85	0.29%	-0.43%	0.31%	-0.16%	4.92%
S&P 500	2465.54	▲	7.69	0.31%	-0.44%	-0.25%	0.05%	10.13%
Nasdaq Composite	6393.31	▲	17.74	0.28%	-0.65%	-0.55%	1.27%	18.77%
DJIA	21807.64	▲	54.33	0.25%	-0.82%	-0.64%	0.26%	10.35%

US Market ▲

The S&P 500 futures are trading in the red

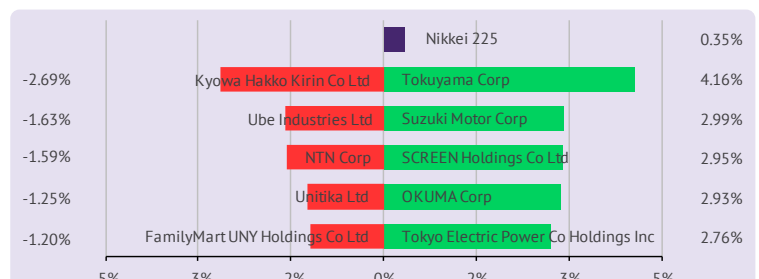
US markets closed higher yesterday, led by a rally in energy and consumer discretionary sector stocks. Data showed that the US ISM non-manufacturing PMI advanced less-than-expected in August. The S&P 500 Index climbed 0.3% to close at 2,465.54.



Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning. The Nikkei 225 Index is trading 0.4% higher at 19,426.21.



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

7 September 2017

GTC
consult • partner • manage

USDZAR ▲

USD trading higher against ZAR

At 06:00 SAST, the US Dollar gained 0.3% against the South African Rand to trade at R12.8111. Later today, traders will keep a close watch on US initial jobless claims for further cues. Separately, South Africa's manufacturing production will be on investors' radar.

The US Dollar fell against the South African Rand yesterday. The Federal Reserve's (Fed) Beige Book indicated that the US economy expanded at a modest to moderate pace in July through mid-August but there were few signals of an acceleration in inflation. The Fed was concerned about a prolonged slowdown in the auto industry but stated that consumer spending increased in most districts. On the data front, the US ISM non-manufacturing PMI rose less-than-anticipated in August. Whereas, the final Markit services PMI unexpectedly dropped in the same month. Further, the trade deficit widened less-than-expected in July. In contrast, MBA mortgage applications rebounded for the week ended September 1, 2017. Separately, South Africa's SACCI business confidence index tumbled to its weakest level since the mid-1980s in August.

GBPZAR ▲

GBP trading firmer against ZAR

At 06:00 SAST, the British Pound climbed 0.2% against the South African Rand to trade at R16.7139. 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 yesterday.

EURZAR ▲

EUR trading stronger against ZAR

At 06:00 SAST, the Euro is trading 0.4% higher against the South African Rand at R15.2762. Going forward, market participants will keep a tab on the European Central Bank interest rate decision and Eurozone's gross domestic product along with Germany's industrial production for further indication.

The Euro weakened against the South African Rand yesterday. On the macro front, Eurozone's retail PMI registered a decline in August. Meanwhile, Germany's factory orders surprisingly eased on a monthly basis in July, its first decline since April 2017. Furthermore, construction PMI recorded a drop in August. Whereas, the retail PMI posted a rise in the same month.

AUDZAR ▲

AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar advanced 0.2% against the South African Rand to trade at R10.2477. Earlier in the session, data indicated that Australia's trade surplus surprisingly narrowed in July. Further, the AiG performance of construction index registered a decline in August. Moreover, retail sales recorded a flat reading on a monthly basis in July.

The Australian Dollar fell against the South African Rand yesterday. Data revealed that Australia's economy rose slightly less-than-expected on a quarterly basis in 2Q17.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	12.8111	▲	-1.02%	-1.26%	-1.75%	-1.39%	-6.96%
GBPZAR	16.7139	▲	-0.87%	-0.50%	-0.85%	-3.47%	-1.48%
EURZAR	15.2762	▲	-1.02%	-0.83%	-1.73%	-0.81%	5.40%
AUDZAR	10.2477	▲	-0.87%	-0.77%	-1.01%	-2.31%	3.28%
EURUSD	1.1924	▲	0.03%	0.48%	0.06%	0.57%	13.35%
GBPUUSD	1.3047	▲	0.08%	0.71%	0.87%	-2.16%	5.73%
Brent (\$/barrel)	54.1	▼	1.54%	2.75%	2.53%	0.27%	-4.61%
Gold (\$/oz)	1339.5	▲	-0.40%	0.65%	1.27%	4.10%	15.93%
Platinum (\$/oz)	1006.1	▼	-0.19%	-0.19%	0.86%	6.14%	11.70%
Copper (\$/MT)*	6875.5	▲	0.09%	1.04%	1.72%	6.68%	24.49%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.3% higher to trade at \$1,339.50/oz.

Yesterday, gold prices fell 0.4% to close at \$1,335.20/oz, after the policymakers and the White House reached a deal that extends the deadline for raising the federal governments' debt limit for around 3 months to mid-December.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 0.3% lower to trade at \$54.05/bL.

Yesterday, Brent crude oil advanced 1.5% to settle at \$54.20/bL, extending its previous session gains. Meanwhile, the American Petroleum Institute (API) reported that crude oil inventories advanced by 2.8mn bls last week.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices declined 0.1% to trade at \$1,006.10/oz.

Yesterday, platinum prices declined 0.2% to close at \$1007.10/oz.



ONE Minute Brief

7 September 2017



Major South Africa Corporate News

MMI Holdings Limited

In its FY17 results, the company stated that its net income decreased to ZAR54.74bn from ZAR65.99bn posted in the previous year. Its diluted EPS fell 27.8% from the prior year to 98.10c.

Major Global Economic News

US

The Fed's Beige Book report stated that the US economy expanded at a modest to moderate pace in July through mid-August but signs of an acceleration in inflation remained slight. Majority of the US districts reported limited wage pressures and modest to moderate wage growth. There were reports of worker shortages in numerous industries, most notably in manufacturing and construction. Also, business contacts were becoming worried about a prolonged slowdown in the auto industry.

In the US, the Markit non-manufacturing PMI recorded a rise to 55.30 in August, compared to a reading of 53.90 in the previous month. Market expectation was for the non-manufacturing PMI to rise to a level of 55.60.

In the US, the final Markit services PMI recorded a rise to 56.00 in August, lower than market expectations of an advance to a level of 56.90. In the previous month, Markit services PMI had registered a level of 54.70. The preliminary figures had indicated an advance to 56.90.

In July, trade deficit rose to USD43.70bn in the US, compared to market expectations of a trade deficit of USD44.70bn. The US had posted a revised trade deficit of USD43.50bn in the previous month.

In the US, the MBA mortgage applications climbed 3.3% for the week ended September 1, 2017. In the prior week, mortgage applications had registered a drop of 2.3%.

Eurozone

In Germany, the seasonally adjusted factory orders unexpectedly dropped 0.7% on a monthly basis in July, compared to market expectations for an advance of 0.2%. In the previous month, factory orders had risen by a revised 0.9%.

In August, the construction PMI recorded a drop to 54.90 in Germany, compared to a reading of 55.80 in the previous month.

In Germany, the Markit retail PMI advanced to 53.00 in August, compared to a reading of 50.70 in the previous month.

In Eurozone, the Markit retail PMI dropped to 50.80 in August, compared to a reading of 51.00 in the previous month.

Asia

In Australia, the seasonally adjusted trade surplus dropped to AUD460.00mn in July, from a trade surplus of AUD856.00mn in the prior month. Market anticipation was for the country's trade surplus to widen to AUD1000.00mn.

In August, the AIG performance of construction index dropped to 55.30 in Australia. In the previous month, the index had registered a reading of 60.50.

In Australia, the seasonally adjusted retail sales remained steady in July on a monthly basis, less than market expectations for an advance of 0.2%. Retail sales had registered a rise of 0.3% in the previous month.

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

7 September 2017

GTC
consult • partner • manage

Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus	Previous/ **Previous Est.	Frequency
Japan	07:00	Coincident Index (Jul) (P)	✓	115.80	117.10	Monthly
Japan	07:00	Leading Economic Index (Jul) (P)	✓✓	105.10	105.90	Monthly
Germany	08:00	Industrial Production (Jul)	✓	-	114.20	Monthly
South Africa	08:00	Net Gold & Forex Reserve (Aug)	✓✓	-	USD42.41bn	Monthly
South Africa	08:00	Gross Gold & Forex Reserve (Aug)	✓✓	-	USD46.75bn	Monthly
Germany	08:00	Industrial Production s.a. (MoM) (Jul)	✓✓✓	0.50%	-1.10%	Monthly
UK	09:30	Halifax House Prices (3m/YoY) (Aug)	✓	2.10%	2.10%	Monthly
UK	09:30	Halifax House Prices (MoM) (Aug)	✓	0.20%	0.40%	Monthly
Eurozone	11:00	Gross Domestic Product s.a. (QoQ) (Q2) (F)	✓✓✓	0.60%	0.60%**	Quarterly
Eurozone	11:00	Gross Domestic Product s.a. (YoY) (Q2) (F)	✓✓	2.20%	2.20%**	Quarterly
Eurozone	11:00	Household Consumption (QoQ) (Q2)	✓	0.50%	0.30%	Quarterly
Eurozone	11:00	Gross Fixed Capital (QoQ) (Q2)	✓	1.00%	1.30%	Quarterly
Eurozone	11:00	Government Expenditure (QoQ) (Q2)	✓	0.50%	0.40%	Quarterly
South Africa	11:30	Gold Production (YoY) (Jul)	✓✓	-	-3.60%	Monthly
South Africa	11:30	Mining Production (YoY) (Jul)	✓✓	2.00%	-0.80%	Monthly
China	13:00	Composite leading indicator (Jul)	✓	-	100.00	Monthly
Japan	13:00	Composite leading indicator (Jul)	✓	-	100.20	Monthly
South Africa	13:00	Manufacturing Production Index (YoY) (Jul)	✓✓	-0.30%	-2.30%	Monthly
South Africa	13:00	Manufacturing Production s.a. (MoM) (Jul)	✓✓✓	0.50%	0.00%	Monthly
Eurozone	13:45	ECB Interest Rate Decision	✓✓✓	0.00%	0.00%	As scheduled
Eurozone	14:30	ECB Monetary policy statement and press conference	✓✓✓	-	-	As scheduled
US	14:30	Non-Farm Productivity (Q2) (F)	✓	1.30%	0.90%**	Quarterly
US	14:30	Unit Labour Costs (Q2) (F)	✓	0.30%	0.60%**	Quarterly
US	14:30	Initial Jobless Claims (02-Sep)	✓✓✓	245.00K	236.00K	Weekly

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