

# ONE Minute Brief

11 September 2017

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## Economic and Political News

African National Congress (ANC) Secretary-General, Gwede Mantashe, stated that ANC MPs who voted against President, Jacob Zuma, in the motion of no confidence will not be disciplined by the party. Separately, he stated that the ANC's elective conference in December was a matter of 'life and death' for the party.

ANC chief whip Jackson Mthembu hinted that he is considering quitting national politics after the party's elective conference in December.

Deputy President, Cyril Ramaphosa, stated that South Africa's (SA) recovery from a technical recession should encourage government, business and labour to work together to improve and strengthen the economy.

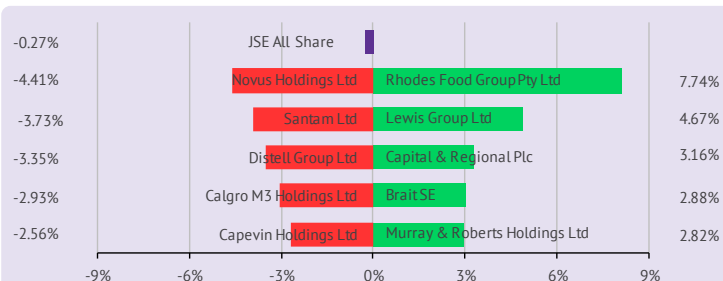
The Democratic Alliance (DA) has asked Finance Minister, Malusi Gigaba, to assure Parliament and the South African public that due procedure will be followed before handling ZAR70.0bn in contracts to Chinese companies.

Roger Baxter, the chief of South Africa's Chamber of Mines stated on Friday that the mining industry in the nation is in "crisis" and that policy and regulatory uncertainty had frozen new investment in the sector.

## South Africa Market ▼

### South African markets closed lower

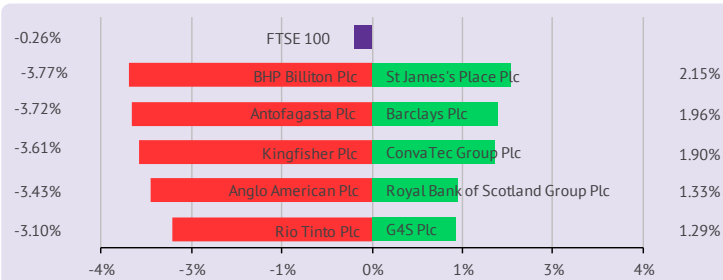
South African markets closed in the red on Friday, led by sharp losses in resources and retail sector stocks. The JSE All Share Index fell 0.3% to close at 55,724.67.



## UK Market ▼

### The FTSE 100 futures are trading in positive territory

UK markets finished lower on Friday, amid a decline in mining sector stocks. Data revealed that UK's NIESR estimated gross domestic product advanced on a monthly basis in the June-August 2017 period. The FTSE 100 Index declined 0.3% to close at 7,377.60.



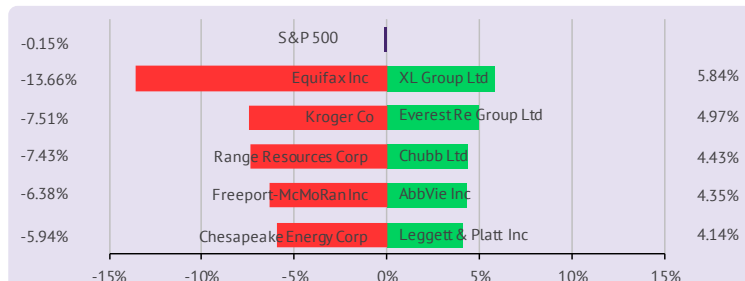
## Key Indices

|                  | Last Close |   | 1 Day Chg | 1 D % Chg | WTD % Chg | MTD % Chg | Prev. Month % Chg | YTD % Chg |
|------------------|------------|---|-----------|-----------|-----------|-----------|-------------------|-----------|
| JSE All Share    | 55724.67   | ▼ | -153.52   | -0.27%    | NA        | -1.41%    | 2.38%             | 10.01%    |
| JSE Top 40       | 49274.03   | ▼ | -156.78   | -0.32%    | NA        | -1.45%    | 2.30%             | 12.24%    |
| FTSE 100         | 7377.60    | ▼ | -19.38    | -0.26%    | NA        | -0.71%    | 0.80%             | 3.29%     |
| DAX 30           | 12303.98   | ▲ | 7.35      | 0.06%     | NA        | 2.06%     | -0.52%            | 7.17%     |
| CAC 40           | 5113.49    | ▼ | -1.13     | -0.02%    | NA        | 0.55%     | -0.16%            | 5.17%     |
| S&P 500          | 2461.43    | ▼ | -3.67     | -0.15%    | NA        | -0.41%    | 0.05%             | 9.94%     |
| Nasdaq Composite | 6360.19    | ▼ | -37.68    | -0.59%    | NA        | -1.07%    | 1.27%             | 18.15%    |
| DJIA             | 21797.79   | ▲ | 13.01     | 0.06%     | NA        | -0.68%    | 0.26%             | 10.30%    |

## US Market ▼

### The S&P 500 futures are trading in the green

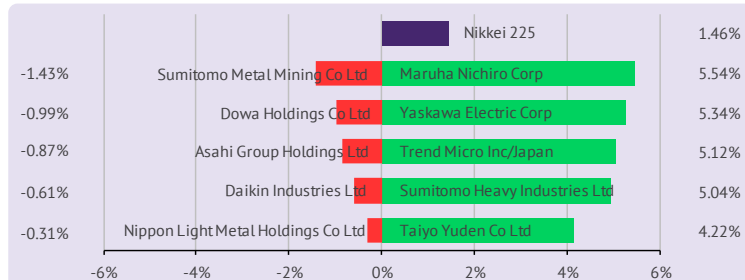
US markets closed lower on Friday, weighed down by losses in energy and information technology sector stocks. Data indicated that US final wholesale inventories recorded a more-than-expected rise on a monthly basis in July. The S&P 500 Index dropped 0.1% to close at 2,461.43.



## Asian Market ▲

### Trading higher

Asian markets are trading higher this morning. Over the weekend, data showed that China's consumer price index (CPI) surged higher than market expectations on an annual basis in August. The Nikkei 225 Index is trading 1.5% higher at 19,556.55.



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## USDZAR ▼

### USD trading weaker against ZAR

At 06:00 SAST, the US Dollar retreated 0.1% against the South African Rand to trade at R12.9188. With no major economic news in the US today, investor sentiment will be determined by global macroeconomic news.

The US Dollar rose against the South African Rand on Friday. On the data front, US final wholesale inventories climbed higher than market anticipations on a monthly basis in July. Further, consumer credit surged more-than-expected in the same month.

## GBPZAR ▼

### GBP trading lower against ZAR

At 06:00 SAST, the British Pound is trading 0.2% weaker against the South African Rand at R17.0235. As there are no major releases in the UK today, investor sentiment will be determined by global macroeconomic news.

The British Pound advanced against the South African Rand on Friday, after UK's manufacturing production advanced at a stronger-than-expected pace this year on a monthly basis in July, as car production rebounded. Furthermore, NIESR estimated GDP recorded a rise on a monthly basis in the June-August 2017 period. Moreover, industrial production grew in line with market anticipations on a monthly basis in the same month. Additionally, trade deficit unexpectedly narrowed in July. Whereas, construction output eased more-than-estimated on a monthly basis in the same month.

## EURZAR ▼

### EUR trading weaker against ZAR

At 06:00 SAST, the Euro fell 0.3% against the South African Rand to trade at R15.5182. With no major economic news in the Eurozone today, investor sentiment will be determined by global macroeconomic news.

The Euro strengthened against the South African Rand on Friday. On the macro front, Germany's trade surplus narrowed more than market expectations in July.

## AUDZAR ▼

### AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% weaker against the South African Rand at R10.3990. Over the weekend, in China, Australia's largest trading partner, CPI accelerated sharply on a yearly basis in August, boosted by higher food prices. Furthermore, producer price index (PPI) accelerated sharply to its highest level in 4 months on an annual basis in the same month, driven by robust gains in raw materials.

The Australian Dollar rose against the South African Rand on Friday.

## Key Currencies & Commodities

|                   | Current |   | 1 D % Chg | WTD % Chg | MTD % Chg | Prev. Month % Chg | YTD % Chg |
|-------------------|---------|---|-----------|-----------|-----------|-------------------|-----------|
| USDZAR            | 12.9188 | ▼ | 1.02%     | NA        | -0.57%    | -1.39%            | -5.84%    |
| GBPZAR            | 17.0235 | ▼ | 1.74%     | NA        | 1.43%     | -3.47%            | 0.79%     |
| EURZAR            | 15.5182 | ▼ | 1.12%     | NA        | 0.46%     | -0.81%            | 7.75%     |
| AUDZAR            | 10.3990 | ▼ | 1.07%     | NA        | 0.71%     | -2.31%            | 5.07%     |
| EURUSD            | 1.2013  | ▼ | 0.11%     | NA        | 1.06%     | 0.57%             | 14.49%    |
| GBPUSD            | 1.3178  | ▼ | 0.76%     | NA        | 2.09%     | -2.16%            | 7.00%     |
| Brent (\$/barrel) | 54.0    | ▲ | -1.30%    | NA        | 1.74%     | 0.27%             | -5.35%    |
| Gold (\$/oz)      | 1341.7  | ▼ | 0.06%     | NA        | 2.18%     | 4.10%             | 16.98%    |
| Platinum (\$/oz)  | 1005.6  | ▼ | -0.44%    | NA        | 1.38%     | 6.14%             | 12.28%    |
| Copper (\$/MT)*   | 6672.3  | ▼ | -2.93%    | NA        | -1.29%    | 6.68%             | 20.81%    |

\*As of Previous Close

## Gold ▼

### Trading in the red

At 06:00 SAST, gold prices fell 0.4% to trade at \$1,341.70/oz.

On Friday, gold prices rose 0.1% to close at \$1,347.30/oz, as the greenback weakened against its major counterparts, increasing demand for the safe haven asset.

## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil advanced 0.4% to trade at \$54.00/bbl.

On Friday, Brent crude oil dropped 1.3% to settle at \$53.78/bbl, amid rising pressure as Gulf refiners are recovering at a slower pace. Meanwhile, Baker Hughes reported that US crude oil rig count fell by 3 to 756 last week.

## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices dropped 0.7% to trade at \$1,005.60/oz.

On Friday, platinum prices declined 0.4% to close at \$1012.30/oz.



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## Major South Africa Corporate News

### African Oxygen Limited

In its 1H17 results, the company revealed that its revenue advanced 6.9% from the same period of the preceding year to ZAR2.79bn. Its basic and diluted EPS stood at 94.40c, compared with 77.80c recorded in the corresponding period of the previous year.

### RMB Holdings Limited

In its FY17 results, the company stated that its revenue increased to ZAR16.00mn from ZAR7.00mn posted in the previous year. Its diluted EPS rose 6.0% from the prior year to 561.70c.

### Transaction Capital Limited

The company announced that Mr Raboijane (Moses) Kgosana has stepped down as Chairman and member of the audit, risk and compliance committee (ARC) and as a director of the board with immediate effect.

## Major Global Economic News

### UK

In the UK, NIESR estimated GDP climbed 0.4% on a monthly basis in the June-August 2017 period. NIESR estimated GDP had registered a rise of 0.2% in the May-July 2017 period.

In July, construction output fell 0.9% on a monthly basis in the UK, compared to a fall of 0.1% in the prior month. Markets were anticipating construction output to drop 0.2%.

In the UK, manufacturing production recorded a rise of 0.5% on a monthly basis in July, more than market expectations for a rise of 0.3%. In the prior month, manufacturing production had recorded a flat reading.

In July, industrial production climbed 0.2% on a monthly basis in the UK, compared to an advance of 0.5% in the previous month. Market anticipation was for industrial production to rise 0.2%.

In the UK, total trade deficit dropped to GBP2.87bn in July, less than market expectations of a total trade deficit of GBP3.25bn. The UK had registered a revised total trade deficit of GBP2.91bn in the previous month.

### US

In the US, the seasonally adjusted final wholesale inventories advanced 0.6% on a monthly basis in July, higher than market expectations for a rise of 0.4%. The preliminary figures had recorded a rise of 0.4%. The wholesale inventories had registered a revised similar rise in the previous month.

In July, consumer credit advanced USD18.50bn in the US, compared to a revised advance of USD11.83bn in the previous month. Markets were expecting consumer credit to rise USD15.00bn.

### Asia

In China, the CPI advanced 1.8% on a yearly basis in August, more than market expectations for a rise of 1.6%. In the prior month, the CPI had advanced 1.4%.

In August, the PPI rose 6.3% on an annual basis in China, more than market expectations for a rise of 5.6%. In the prior month, the PPI had advanced 5.5%.

In Japan, the tertiary industry index registered a rise of 0.1% on a monthly basis in July, in line with market expectations. The index had dropped by a revised 0.2% in the previous month.

### Eurozone

In Germany, the seasonally adjusted trade surplus fell to EUR19.50bn in July, compared to a trade surplus of EUR22.30bn in the prior month. Market expectation was for the country's trade surplus to narrow to EUR21.00bn.

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## 40 Best Performers on the All Share Index

| Company Name                  | Last Close   | 1 Week % Change | MTD % Change  | YTD % Change  |
|-------------------------------|--------------|-----------------|---------------|---------------|
| Kumba Iron Ore Ltd            | 21482        | -2.29%          | 48.89%        | 47.07%        |
| Exxaro Resources Ltd          | 12588        | -1.07%          | 23.30%        | 45.94%        |
| Murray & Roberts Holdings Ltd | 1680         | 2.07%           | 26.41%        | 45.83%        |
| Naspers Ltd                   | 286384       | -2.22%          | 5.46%         | 42.19%        |
| Trencor Ltd                   | 3900         | -2.26%          | 15.73%        | 38.71%        |
| Gold Fields Ltd               | 5898         | 4.74%           | 27.99%        | 38.31%        |
| Anglo American Platinum Ltd   | 35713        | 1.75%           | 28.04%        | 35.07%        |
| Glencore Plc                  | 6192         | 1.34%           | 27.71%        | 34.90%        |
| Clicks Group Ltd              | 15105        | -0.17%          | 11.59%        | 33.78%        |
| Adcock Ingram Holdings Ltd    | 6350         | -0.35%          | 2.75%         | 33.00%        |
| Capitec Bank Holdings Ltd     | 91205        | 2.28%           | 17.11%        | 32.61%        |
| Cie Financiere Richemont SA   | 11878        | 2.60%           | 7.39%         | 30.90%        |
| Dis-Chem Pharmacies Ltd       | 2888         | -1.67%          | 0.17%         | 29.26%        |
| Shoprite Holdings Ltd         | 21475        | -2.27%          | 4.28%         | 28.23%        |
| Mondi Plc                     | 34397        | -3.48%          | 0.55%         | 26.54%        |
| PSG Konsult Ltd               | 919          | 2.11%           | 12.07%        | 25.95%        |
| Fortress Income Fund Ltd      | 3879         | 0.81%           | 13.55%        | 25.70%        |
| Mondi Ltd                     | 34315        | -3.54%          | 0.22%         | 25.67%        |
| Discovery Ltd                 | 14289        | -3.84%          | 11.53%        | 25.62%        |
| Northam Platinum Ltd          | 5065         | 2.55%           | 15.17%        | 25.06%        |
| Anglo American Plc            | 23471        | -0.95%          | 37.24%        | 23.79%        |
| Equites Property Fund Ltd     | 1884         | 1.29%           | 9.79%         | 23.22%        |
| Holdsport Ltd                 | 6969         | 2.83%           | 22.55%        | 22.85%        |
| DataTec Ltd                   | 6028         | 7.15%           | 15.48%        | 21.83%        |
| Astral Foods Ltd              | 15400        | -0.65%          | -2.86%        | 21.37%        |
| South32 Ltd                   | 3247         | 7.52%           | 25.32%        | 21.28%        |
| MAS Real Estate Inc           | 2650         | 3.43%           | 12.77%        | 20.94%        |
| Bid Corp Ltd                  | 29360        | -2.33%          | -2.02%        | 20.88%        |
| Hudaco Industries Ltd         | 13000        | -0.38%          | 0.55%         | 18.38%        |
| Cashbuild Ltd                 | 39999        | 6.74%           | 16.26%        | 17.96%        |
| Resilient REIT Ltd            | 12732        | 1.86%           | 8.42%         | 16.60%        |
| Mr Price Group Ltd            | 18050        | -3.73%          | 23.78%        | 16.37%        |
| Assore Ltd                    | 26900        | 0.07%           | 40.18%        | 16.35%        |
| African Oxygen Ltd            | 2140         | -3.12%          | 8.30%         | 15.82%        |
| Sibanye Gold Ltd              | 1909         | -6.70%          | 20.67%        | 15.69%        |
| BHP Billiton Plc              | 23967        | -1.32%          | 21.80%        | 14.90%        |
| PPC Ltd                       | 635          | 16.51%          | 3.42%         | 14.83%        |
| KAP Industrial Holdings Ltd   | 857          | 3.25%           | -4.25%        | 14.57%        |
| RCL Foods Ltd/South Africa    | 1420         | -6.58%          | -5.33%        | 12.62%        |
| Echo Polska Properties NV     | 2142         | 2.49%           | 5.31%         | 12.52%        |
| <b>JSE All Share Index</b>    | <b>55725</b> | <b>-1.40%</b>   | <b>-1.41%</b> | <b>10.01%</b> |

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## Economic Calendar

| Country | SAST  | Economic Indicator                       | Relevance | Consensus/<br>*Actual | Previous | Frequency |
|---------|-------|--|-----------|-----------------------|----------|-----------|
| Japan   | 01:50 | Machinery Orders (MoM) (Jul)             | ✓         | 8.00%*                | -1.90%   | Monthly   |
| Japan   | 01:50 | Machinery Orders (YoY) (Jul)             | ✓✓        | -7.50%*               | -5.20%   | Monthly   |
| Japan   | 01:50 | Money Supply M3 (YoY) (Aug)              | ✓         | 3.40%*                | 3.40%    | Monthly   |
| Japan   | 01:50 | Money Supply M2+CD (YoY) (Aug)           | ✓         | 4.00%*                | 4.00%    | Monthly   |
| Japan   | 06:30 | Tertiary Industry Index (MoM) (Jul)      | ✓✓        | 0.10%*                | 0.00%    | Monthly   |
| Japan   | 08:00 | Machine Tool Orders (YoY) (Aug) (P)      | ✓✓        | -                     | 28.00%   | Monthly   |
| Italy   | 10:00 | Industrial Production n.s.a. (YoY) (Jul) | ✓✓        | -                     | 5.40%    | Monthly   |
| Italy   | 10:00 | Industrial Production s.a. (Jul)         | ✓✓        | -                     | 96.80    | Monthly   |
| Italy   | 10:00 | Industrial Production w.d.a.(YoY) (Jul)  | ✓✓        | -                     | 5.30%    | Monthly   |
| Italy   | 10:00 | Industrial Production s.a. (MoM) (Jul)   | ✓✓        | -0.40%                | 1.10%    | Monthly   |
| UK      | 13:00 | Composite Leading Indicator (Jul)        | ✓         | -                     | 99.55    | Monthly   |
| Spain   | 13:00 | Composite Leading Indicator (Jul)        | ✓         | -                     | 99.69    | Monthly   |
| Canada  | 14:15 | Housing Starts s.a. (Aug)                | ✓✓✓       | 216.00K               | 222.30K  | Monthly   |

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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