

ONE Minute Brief

13 September 2017

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Economic and Political News

Moody's has warned that regulatory uncertainty in South Africa (SA) could hasten the closure of the nation's gold and platinum mines, which are already facing increasing cost pressures.

In a court hearing on the state capture report, President, Jacob Zuma, argued that Public Protector, Busisiwe Mkhwebane, had overstepped her mandate by ordering him to institute a judicial commission of inquiry into state capture.

The Energy Department has warned that the failure of Eskom and municipalities to maintain their electricity infrastructure could hamper power distribution in future.

The Democratic Alliance (DA) wants Parliament to remove Public Protector, Busisiwe Mkhwebane, following reports that she had a meeting with The Presidency and the State Security Agency, days before the release of her CIEX report.

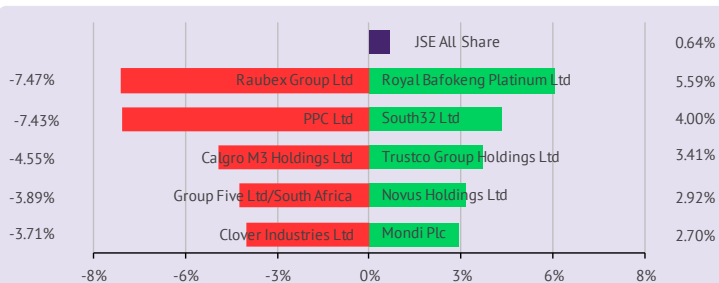
The Banking Association of SA stated that Moody's decision to maintain its negative outlook for the banking industry was due to poor economic growth.

Lynne Brown, the Minister of Public Enterprises, has informed Parliament that she will be unable to table the annual report and annual audited financial statements of SA Express for the 2016/2017 financial year, by 30 September 2017.

South Africa Market ▲

South African markets closed higher

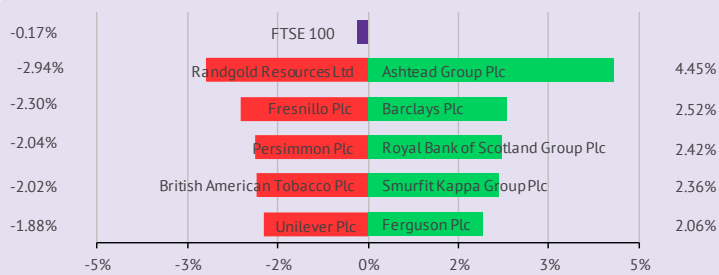
South African markets closed in the green yesterday, led by a rally in resources and platinum mining sector stocks. The JSE All Share Index rose 0.6% to close at 56,366.16.



UK Market ▼

The FTSE 100 futures are trading in negative territory

UK markets finished lower yesterday, weighed down by a strong Pound and losses in housebuilder sector stocks. Data showed that UK's annual consumer price index (CPI) expanded at a faster-than-expected pace in August. The FTSE 100 Index declined 0.2% to close at 7,400.69.



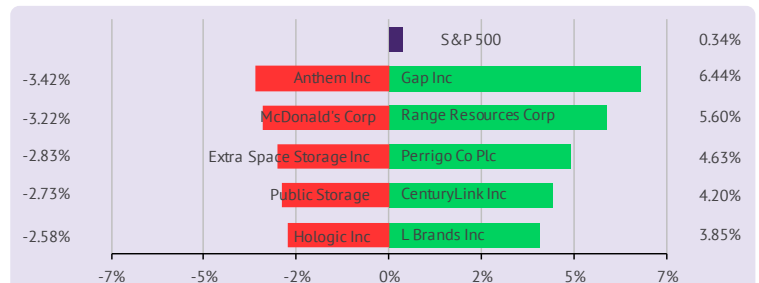
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	56366.16	▲	357.39	0.64%	1.15%	-0.28%	2.38%	11.28%
JSE Top 40	49970.85	▲	343.31	0.69%	1.41%	-0.05%	2.30%	13.82%
FTSE 100	7400.69	▼	-12.90	-0.17%	0.31%	-0.40%	0.80%	3.61%
DAX 30	12524.77	▲	49.53	0.40%	1.79%	3.89%	-0.52%	9.09%
CAC 40	5209.01	▲	32.30	0.62%	1.87%	2.43%	-0.16%	7.13%
S&P 500	2496.48	▲	8.37	0.34%	1.42%	1.00%	0.05%	11.51%
Nasdaq Composite	6454.28	▲	22.02	0.34%	1.48%	0.40%	1.27%	19.90%
DJIA	22118.86	▲	61.49	0.28%	1.47%	0.78%	0.26%	11.92%

US Market ▲

The S&P 500 futures are trading in the red

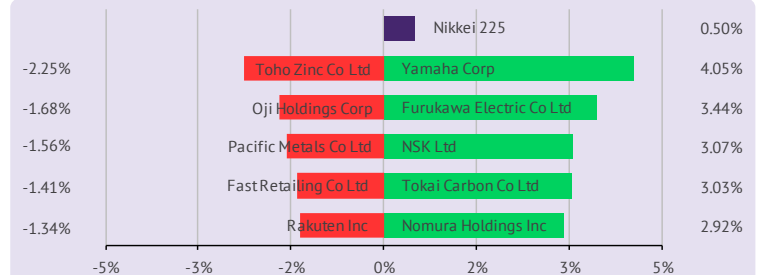
US markets closed higher yesterday, amid gains in financial sector stocks. Data revealed that US JOLTs job openings surprisingly advanced in July, notching its highest level since December 2000. The S&P 500 Index climbed 0.3% to close at 2,496.48.



Asian Market ▲

Trading mixed

Asian markets are trading mixed this morning. The Nikkei 225 Index is trading 0.5% higher at 19,876.33.



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USDZAR ▼

USD trading lower against ZAR

At 06:00 SAST, the US Dollar dropped 0.2% against the South African Rand to trade at R12.9827. Later today, traders will keep a close watch on US monthly budget statement and MBA mortgage applications for further cues. Separately, South Africa's retail sales and BER business confidence index will be on investors' radar.

The US Dollar rose against the South African Rand yesterday, after data indicated that US JOLTS job openings unexpected surged to its strongest level since the data series started in December 2000 in July. Additionally, the NFIB small business optimism index surprised with an unexpected rise in August, marking its highest level since 2006.

GBPZAR ▲

GBP trading higher against ZAR

At 06:00 SAST, the British Pound marginally climbed against the South African Rand to trade at R17.2813. Later today, traders will keep an eye on UK's ILO unemployment rate, Claimant count rate and average weekly earnings for further direction.

The British Pound advanced against the South African Rand yesterday, after UK's consumer price inflation soared at a stronger pace on an annual basis in August, notching its highest level in 5 years, driven by increases in prices of petrol and clothing. Furthermore, retail price index advanced more-than-expected to its strongest level since January 2012 in August. Moreover, house price index rose more than market anticipations on a yearly basis in July.

EURZAR ▼

EUR trading weaker against ZAR

At 06:00 SAST, the Euro declined 0.1% against the South African Rand to trade at R15.5562. Going forward, market participants will keep a tab on Eurozone's industrial production scheduled in few hours. Separately, Germany's CPI will be on investors' radar.

The Euro strengthened against the South African Rand yesterday.

AUDZAR ▼

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% weaker against the South African Rand at R10.4196. Earlier in the session, Australia's Westpac consumer confidence painted a positive picture for September.

The Australian Dollar rose against the South African Rand yesterday. On the data front, Australia's NAB business confidence index registered a decline in August, compared to its previous reading. Whereas, NAB business conditions index advanced in the same month.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	12.9827 ▼		0.20%	0.62%	0.05%	-1.39%	-5.25%
GBPZAR	17.2813 ▲		1.14%	1.29%	2.74%	-3.47%	2.08%
EURZAR	15.5562 ▼		0.34%	0.05%	0.51%	-0.81%	7.80%
AUDZAR	10.4196 ▼		0.11%	0.23%	0.94%	-2.31%	5.32%
EURUSD	1.1982 ▲		0.12%	-0.57%	0.48%	0.57%	13.83%
GBPUSD	1.3309 ▲		0.91%	0.63%	2.73%	-2.16%	7.68%
Brent (\$/barrel)	54.2 ▼		0.80%	0.91%	2.67%	0.27%	-4.49%
Gold (\$/oz)	1335.8 ▲		-0.23%	-1.37%	0.78%	4.10%	15.38%
Platinum (\$/oz)	989.5 ▲		-1.23%	-2.55%	-1.20%	6.14%	9.42%
Copper (\$/MT)*	6627.3 ▼		-1.52%	-0.67%	-1.96%	6.68%	19.99%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged higher 0.5% to trade at \$1,335.80/oz.

Yesterday, gold prices fell 0.2% to close at \$1,328.80/oz, extending its previous session losses.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil retreated 0.2% to trade at \$54.16/bl.

Yesterday, Brent crude oil advanced 0.8% to settle at \$54.27/bl, after the Organization of the Petroleum Exporting Countries reported that crude output dropped by 79,000 bls a day to 32.76mn in August, led by a decline in Libya, Gabon, Venezuela and Iraq. Meanwhile, the American Petroleum Institute (API) reported that crude oil inventories increased by 6.2mn bls for the week ended September 8, 2017.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices rose 0.3% to trade at \$989.50/oz.

Yesterday, platinum prices declined 1.2% to close at \$986.50/oz.



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Major South Africa Corporate News

Ascendis Health Limited

In its FY17 results, the company revealed that its revenue considerably advanced from the preceding year to ZAR6.40bn. Its diluted EPS stood at 85.90c, compared with 57.10c recorded in the previous year.

Attacq Limited

In its FY17 results, the company stated that its revenue increased to ZAR1.31bn from ZAR1.11bn posted in the previous year. Its diluted EPS fell 45.2% from the prior year to 89.00c.

Clover Industries Limited

In its FY17 results, the group revealed that its revenue advanced 2.4% from the preceding year to ZAR10.05bn. Its diluted HEPS stood at 63.20c, compared with 184.70c recorded in the previous year.

Grand Parade Investments Limited

In its trading statement, the company revealed that it expects basic EPS to be between 0.09c and 8.69c. Further, it expects headline loss per share to be in the range of 4.39c to 4.79c.

Standard Bank Group Limited

The bank announced that Ben Kruger has resigned from the role of joint -group Chief Executive with immediate effect, however, remains an Executive Director. Further, Sim Tshabalala continues in the role of group Chief Executive and Chief Executive of The Standard Bank of South Africa Limited.

Major Global Economic News

UK

In the UK, the CPI climbed 2.9% on an annual basis in August, higher than market expectations for an advance of 2.8%. In the prior month, the CPI had recorded a rise of 2.6%.

In August, the retail price index registered a rise of 3.9% on a yearly basis in the UK, higher than market expectations for a rise of 3.7%. In the prior month, the index had recorded a rise of 3.6%.

In the UK, the house price index registered a rise of 5.1% on an annual basis in July, higher than market expectations for an advance of 4.8%. The index had registered a revised similar rise in the previous month.

US

In the US, JOLTs job openings registered an unexpected rise to 6170.00K in July, compared to market expectations of a drop to 6000.00K. In the previous month, JOLTs job openings had recorded a revised level of 6116.00K.

In August, the NFIB small business optimism index unexpectedly climbed to 105.30 in the US, compared to a reading of 105.20 in the prior month. Markets were expecting the index to fall to a level of 104.80.

Asia

In Australia, Westpac consumer confidence index climbed 2.5% on a monthly basis, to a level of 97.90 in September, compared to a reading of 95.50 in the prior month.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:50	BSI Large Manufacturing (QoQ) (Q3)	✓✓	9.40%*	-2.90%	Quarterly
Germany	08:00	Consumer Price Index (MoM) (Aug) (F)	✓✓✓	0.10%	0.10%**	Monthly
Germany	08:00	Consumer Price Index (YoY) (Aug) (F)	✓✓	1.80%	1.80%**	Monthly
Germany	08:00	Wholesale Price Index (MoM)	✓	-	-0.10%	Monthly
Germany	08:00	Wholesale Price Index (YoY)	✓	-	2.20%	Monthly
Eurozone	09:00	Employment Change (QoQ) (Q2)	✓✓✓	-	0.40%	Quarterly
Eurozone	09:00	Employment Change (YoY) (Q2)	✓✓	-	1.50%	Quarterly
UK	10:30	Claimant Count Change (Aug)	✓✓	-	-4.20K	Monthly
UK	10:30	Claimant Count Rate s.a. (Aug)	✓✓	-	2.30%	Monthly
UK	10:30	Claimant Count s.a. (Aug)	✓✓	-	807.80K	Monthly
UK	10:30	ILO Unemployment Rate (3M) (Jul)	✓✓✓	4.40%	4.40%	Monthly
UK	10:30	Average Earnings Excluding Bonus (3Mo/Yr) (Jul)	✓	2.20%	2.10%	Monthly
UK	10:30	Average Earnings Including Bonus (3Mo/Yr) (Jul)	✓✓	2.30%	2.10%	Monthly
UK	10:30	Employment Change (3M/3M) (Jul)	✓✓	150.00K	125.00K	Monthly
Eurozone	11:00	Industrial Production s.a. (MoM) (Jul)	✓✓✓	0.10%	-0.60%	Monthly
South Africa	12:00	BER Business Confidence Index (Q3)	✓✓✓	-	29.00	Quarterly
US	13:00	MBA Mortgage Applications (08-Sep)	✓	-	3.30%	Weekly
South Africa	13:00	Retail Sales (MoM) (Jul)	✓✓✓	0.00%	0.20%	Monthly
South Africa	13:00	Retail Sales (YoY) (Jul)	✓✓✓	2.50%	2.90%	Monthly
US	14:30	Producer Price Index (MoM) (Aug)	✓	0.30%	-0.10%	Monthly
US	14:30	Producer Price Index (YoY) (Aug)	✓✓	2.50%	1.90%	Monthly
US	20:00	Monthly Budget Statement (Aug)	✓✓	-USD119.00bn	-USD107.10bn	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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