

# ONE Minute Brief

2 October 2017

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## Economic and Political News

In South Africa, trade surplus eased to ZAR5.90bn in August, following a revised trade surplus of ZAR9.30bn in the prior month. Private sector credit recorded a less-than-expected rise of 5.98% YoY in August, compared to an advance of 5.71% in the prior month.

The Treasury announced a bail out for South African Airways (SAA), with ZAR3.0bn in funds, to avoid a default on the latter's Citibank loan and to help with its "immediate working capital requirements".

The Treasury has denied claims by the City Press that Finance Minister, Malusi Gigaba, has captured the department and has established a parallel administration.

A South African High Court ruled on Friday that it cannot force President, Jacob Zuma, to set up a commission of inquiry into state capture.

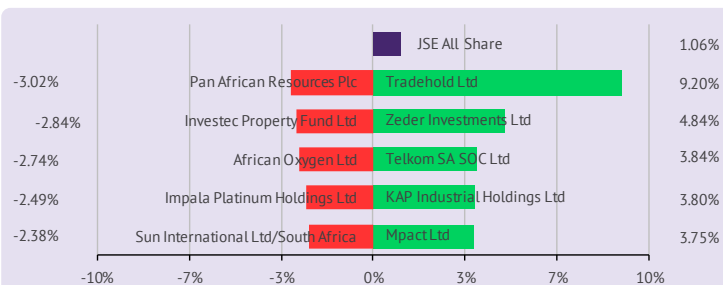
The Democratic Alliance (DA) stated that it will ask the Public Protector, Busisiwe Mkhwebane, to probe Transport Minister, Joe Maswanganyi, for "wilfully misleading" Parliament about meeting with the PRASA Board when he was appointed to the portfolio.

South African Federation of Trade Unions (SAFTU) has expressed concern about the Stats SA's quarterly employment survey indicating a loss of 34,000 jobs in Q17.

## South Africa Market ▲

### South African markets closed higher

South African markets closed in the green on Friday, amid gains in gold producers, retailers and industrial sector stocks. Data showed that South Africa's trade surplus recorded a drop in August. The JSE All Share Index rose 1.1% to close at 55,579.92.



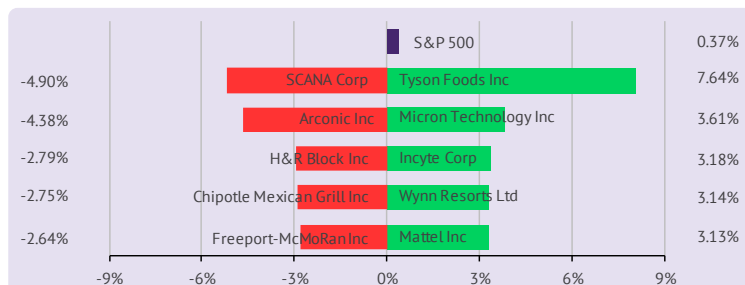
## Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	55579.92	▲	585.57	1.06%	NA	NA	-1.67%	9.73%
JSE Top 40	49376.46	▲	533.57	1.09%	NA	NA	-1.24%	12.47%
FTSE 100	7372.76	▲	49.94	0.68%	NA	NA	-0.78%	3.22%
DAX 30	12828.86	▲	124.21	0.98%	NA	NA	6.41%	11.74%
CAC 40	5329.81	▲	36.04	0.68%	NA	NA	4.80%	9.61%
S&P 500	2519.36	▲	9.30	0.37%	NA	NA	1.93%	12.53%
Nasdaq Composite	6495.96	▲	42.51	0.66%	NA	NA	1.05%	20.67%
DJIA	22405.09	▲	23.89	0.11%	NA	NA	2.08%	13.37%

## US Market ▲

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

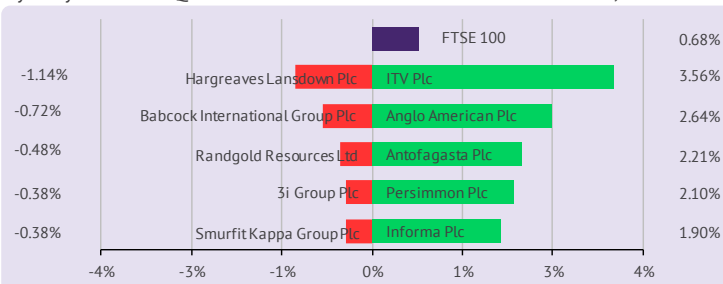
US markets closed higher on Friday, boosted by gains in material sector stocks. Data indicated that US personal consumption expenditure rose less-than-expected on an annual basis in August. The S&P 500 Index climbed 0.4% to close at 2,519.36.



## UK Market ▲

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

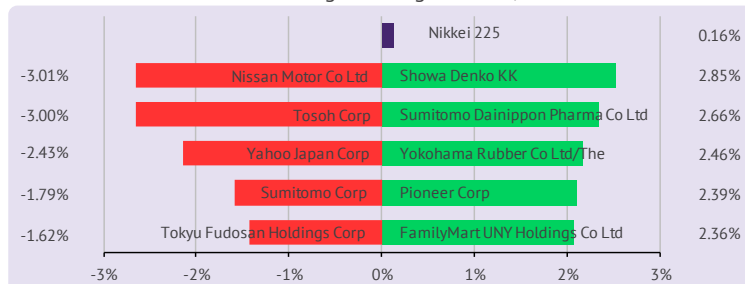
UK markets finished higher on Friday, driven by a rise in consumer discretionary and material sector stocks. Data revealed that the UK economic growth was revised down to its lowest level since 1Q13 on a yearly basis in Q17. The FTSE 100 Index advanced 0.7% to 7,372.76.



## Asian Market ▲

### Trading higher

Asian markets are trading higher this morning. On the data front, Japan's final Nikkei manufacturing PMI expanded in September. Hong Kong and South Korean markets are closed today on account of a public holiday. The Nikkei 225 Index is trading 0.2% higher at 20,388.31.



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## USDZAR ▲

### USD trading higher against ZAR

At 06:00 SAST, the US Dollar gained 0.2% against the South African Rand to trade at R13.5870. Later today, traders will keep a close watch on US ISM and Markit manufacturing PMI along with construction spending data in the US for further cues.

The US Dollar rose against the South African Rand on Friday. On the macro front, US Michigan consumer confidence dropped more than market expectations in September. Further, personal consumption expenditure recorded a less-than-anticipated rise on a yearly basis in August. Separately, South Africa's trade surplus eased in August and private sector credit registered a less-than-expected rise on an annual basis in August.

## GBPZAR ▲

### GBP trading firmer against ZAR

At 06:00 SAST, the British Pound marginally gained against the South African Rand to trade at R18.1684. Later today, traders will keep an eye on UK's Markit manufacturing PMI data for further direction.

The British Pound declined against the South African Rand on Friday, after UK's gross domestic product (GDP) advanced less-than-expected on an annual basis in 2Q17, marking its lowest level since the first quarter of 2013. Further, mortgage approvals dropped more-than-expected in August. Additionally, the nation's current account deficit unexpectedly widened in 2Q17. Meanwhile, Nationwide house price index rebounded more-than-expected on a monthly basis in September. In major news, the Bank of England (BoE) Governor, Mark Carney, stated that interest rates were likely to rise in "relatively near term" if the British economy continues to show signs of strengthening.

## EURZAR ▼

### EUR trading weaker against ZAR

At 06:00 SAST, the Euro is trading 0.1% lower against the South African Rand at R16.0046. Going forward, market participants will keep a tab on market manufacturing PMI across the Eurozone along with Eurozone's unemployment rate for further indication.

The Euro strengthened against the South African Rand on Friday. In economic news, Eurozone's consumer price index (CPI) rose less than market expectations on a yearly basis in September. Separately, Germany's unemployment rate surprisingly eased in September, hitting its lowest level since the beginning of the data series in January 1992. In contrast, retail sales unexpectedly declined on a monthly basis in August.

## AUDZAR ▲

### AUD trading stronger against ZAR

At 06:00 SAST, the Australian Dollar gained 0.1% against the South African Rand to trade at R10.6321. Earlier in the session, data revealed that Australia's AiG performance of manufacturing index registered a decline in September. Over the weekend, in China, Australia's largest trading partner, manufacturing PMI unexpectedly rose to its highest level since May 2012 in September while non-manufacturing PMI expanded in the same month.

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	13.5870	▲	0.33%	NA	NA	4.27%	-1.25%
GBPZAR	18.1684	▲	-0.01%	NA	NA	8.01%	7.32%
EURZAR	16.0046	▼	0.54%	NA	NA	3.41%	10.92%
AUDZAR	10.6321	▲	0.01%	NA	NA	2.78%	7.23%
EURUSD	1.1779	▼	0.24%	NA	NA	-0.81%	12.38%
GBPUSD	1.3372	▼	-0.33%	NA	NA	3.62%	8.61%
Brent (\$/barrel)	56.6	▼	-1.08%	NA	NA	7.43%	-0.05%
Gold (\$/oz)	1277.8	▼	-0.31%	NA	NA	-2.81%	11.27%
Platinum (\$/oz)	909.6	▼	-1.16%	NA	NA	-8.83%	0.96%
Copper (\$/MT)*	6432.3	▼	-0.64%	NA	NA	-4.84%	16.46%

\*As of Previous Close

## Gold ▼

### Trading in the red

At 06:00 SAST, gold prices edged lower 0.3% to trade at \$1,277.80/oz.

On Friday, gold prices fell 0.3% to close at \$1,281.50/oz, as strength in the US Dollar lowered demand for the safe haven asset.

## Brent Crude Oil ▼

### Trading weaker

At 06:00 SAST, Brent crude oil edged 0.4% lower to trade at \$56.56/bl.

On Friday, Brent crude oil dropped 1.1% to settle at \$56.79/bl, after a report stated that OPEC's oil production increased by 50,000 bls per day in September, as production in Iraq and Libya rose by 40,000 and 50,000 bls per day. Furthermore, the commodity remained under pressure after Baker Hughes reported that US oil rig count rose by 6 to 750 last week.

## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices edged 0.1% lower to trade at \$909.60/oz.

On Friday, platinum prices declined 1.2% to close at \$910.30/oz.

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## Major South Africa Corporate News

### Sun International Limited

In its 1H17 results, the company stated that its revenue increased to ZAR7.56bn from ZAR6.35bn posted in the corresponding period of the previous year. Its diluted adjusted HEPS stood at 198.00c compared to 280.00c from the same period of the prior year.

## Major Global Economic News

### UK

In the UK, the final GDP climbed 1.5% on an annual basis in 2Q17, lower than market expectations for an advance of 1.7%. GDP had climbed 2.0% in the prior quarter. The preliminary figures had indicated a rise of 1.7%.

In August, the number of mortgage approvals for house purchases recorded a drop to 66.60K in the UK, lower than market expectations of a fall to a level of 67.30K. The number of mortgage approvals for house purchases had registered a revised reading of 68.50K in the prior month.

In the UK, current account deficit rose to GBP23.20bn in 2Q17, compared to market expectations of a current account deficit of GBP15.90bn. The UK had posted a revised current account deficit of GBP22.30bn in the previous quarter.

In September, the seasonally adjusted house prices recorded a rise of 0.2% on a monthly basis in the UK, compared to a fall of 0.1% in the previous month. Markets were anticipating house prices to rise 0.1%.

### Asia

In Australia, the AIG performance of manufacturing index fell to a level of 54.20 in September, compared to a reading of 59.80 in the prior month.

In Japan, the final Nikkei manufacturing PMI rose to a level of 52.90 in September. Manufacturing PMI had recorded a level of 52.20 in the prior month. The preliminary figures had recorded an advance to 52.60.

### Eurozone

In the Eurozone, the flash CPI climbed 1.5% on an annual basis in September, lower than market expectations for an advance of 1.6%. The CPI had registered a similar rise in the prior month.

In Germany, the seasonally adjusted unemployment rate unexpectedly eased to a level of 5.6% in September, compared to market expectations of an unchanged reading. In the previous month, the unemployment rate had registered a level of 5.7%.

In August, retail sales registered an unexpected drop of 0.4% on a monthly basis in Germany, against market expectations for an advance of 0.5%. In the previous month, retail sales had fallen 1.2%.

### US

In the US, the final Reuters/Michigan consumer sentiment index recorded a drop to 95.10 in September, lower than market expectations of a drop to 95.30. The preliminary figures had indicated a rise to 98.00. In the previous month, the index had registered a reading of 96.80.



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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	22041	2.39%	NA	50.90%
Exxaro Resources Ltd	12285	2.81%	NA	45.85%
Naspers Ltd	292000	-1.42%	NA	45.36%
Clicks Group Ltd	15803	0.66%	NA	39.97%
Murray & Roberts Holdings Ltd	1600	-3.73%	NA	38.89%
Gold Fields Ltd	5898	2.31%	NA	38.31%
Cie Financiere Richemont SA	12290	2.91%	NA	38.30%
Astral Foods Ltd	17208	3.45%	NA	35.62%
Trencor Ltd	3800	-0.21%	NA	35.15%
Glencore Plc	6198	0.62%	NA	35.03%
Equites Property Fund Ltd	2050	1.74%	NA	34.08%
Mondi Plc	36281	-0.31%	NA	33.47%
South32 Ltd	3458	2.49%	NA	32.43%
Mondi Ltd	36148	-0.84%	NA	32.38%
MAS Real Estate Inc	2881	2.89%	NA	31.49%
Anglo American Platinum Ltd	34500	0.37%	NA	30.48%
Adcock Ingram Holdings Ltd	6050	-0.85%	NA	28.29%
Anglo American Plc	24241	2.24%	NA	27.85%
Bid Corp Ltd	30390	-0.33%	NA	26.16%
Dis-Chem Pharmacies Ltd	2811	-3.07%	NA	25.82%
Fortress Income Fund Ltd	3875	-1.15%	NA	25.57%
Capitec Bank Holdings Ltd	85907	-5.46%	NA	24.91%
African Oxygen Ltd	2305	-4.79%	NA	24.75%
Discovery Ltd	14066	-1.10%	NA	23.66%
Assore Ltd	27710	3.59%	NA	23.54%
Shoprite Holdings Ltd	20689	0.43%	NA	23.54%
PSG Konsult Ltd	895	0.00%	NA	22.66%
Resilient REIT Ltd	13308	-1.71%	NA	21.87%
RCL Foods Ltd/South Africa	1525	0.66%	NA	20.94%
Trustco Group Holdings Ltd	501	4.38%	NA	20.14%
Echo Polska Properties NV	2175	2.11%	NA	18.84%
Holdsport Ltd	6680	-1.40%	NA	17.75%
Capital & Regional Plc	1023	0.69%	NA	17.16%
KAP Industrial Holdings Ltd	847	0.83%	NA	16.10%
Mr Price Group Ltd	18004	-0.08%	NA	16.07%
DataTec Ltd	5727	1.54%	NA	15.74%
Hudaco Industries Ltd	12690	0.71%	NA	15.56%
Northam Platinum Ltd	4673	-0.70%	NA	15.38%
Cashbuild Ltd	38500	-1.53%	NA	14.69%
BHP Billiton Plc	23863	-0.62%	NA	14.40%
<b>JSE All Share Index</b>	<b>55580</b>	<b>-0.47%</b>	<b>NA</b>	<b>9.73%</b>

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## Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	02:30	Nomura/ JMMA Manufacturing PMI (Sep) (F)	✓✓✓	52.90*	52.60**	Monthly
Japan	07:00	Vehicle Sales (YoY) (Sep)	✓	-	4.70%	Monthly
Germany	09:55	Markit Manufacturing PMI (Sep) (F)	✓✓✓	60.60	60.60**	Monthly
Eurozone	10:00	Markit Manufacturing PMI (Sep) (F)	✓✓✓	58.20	58.20**	Monthly
UK	10:30	Markit Manufacturing PMI (Sep)	✓✓✓	56.20	56.90	Monthly
Eurozone	11:00	Unemployment Rate (Aug)	✓✓	9.00%	9.10%	Monthly
South Africa	11:00	PMI Manufacturing (Sep)	✓✓	45.00	44.00	Monthly
US	15:45	Markit Manufacturing PMI (Sep) (F)	✓✓✓	53.00	53.00**	Monthly
US	16:00	ISM Backlog Orders (Sep)	✓	-	57.50	Monthly
US	16:00	Construction Spending (MoM) (Aug)	✓✓	0.40%	-0.60%	Monthly
US	16:00	ISM Manufacturing PMI (Sep)	✓✓	58.00	58.80	Monthly
US	16:00	ISM Prices Paid (Sep)	✓✓	63.50	62.00	Monthly
US	20:00	Fed's Kaplan Speaks in El Paso	✓	-	-	As scheduled
South Africa	-	Naamsa Vehicle Sales (YoY) (Sep)	✓	5.60%	6.50%	Monthly

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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