

ONE
Minute Brief

10 October 2017



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Economic and Political News

The National Union of Mineworkers has called for the reinstatement of former acting Eskom CEO, Johnny Dladla, and threatened to protest against perceived corruption and wage inequality in the company.

African National Congress presidential hopeful, Nkosazana Dalimini-Zuma, has been appointed to the Arts and Culture, and Small Business Development committees.

The Organisation Undoing Tax Abuse stated that it was concerned that President, Jacob Zuma, has not yet appointed the new South African Broadcasting Corporation (SABC) board, leaving an unacceptable gap in governance at the SABC.

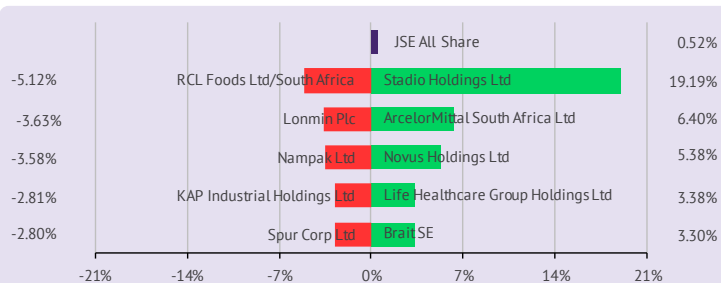
The Portfolio Committee on Police has stated that the nation needs to appoint a new National Police Commissioner as soon as possible to fix operational problems in the South African Police Service.

Minister of Mineral Resources, Mosebenzi Zwane, highlighted that limited knowledge of geosciences in Africa was hindering its development. He also accused multi-national companies of continuing to exploit Africa.

South Africa Market ▲

South African markets closed higher

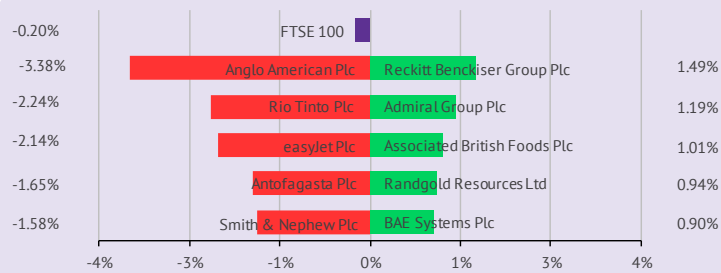
South African markets closed in the green yesterday, led by sharp gains in gold mining and resources sector stocks. The JSE All Share Index rose 0.5% to close at 57,530.11.



UK Market ▼

The FTSE 100 futures are trading in positive territory

UK markets finished lower yesterday, amid losses in mining and energy sector stocks. Data showed that UK's BRC like-for-like retail sales recorded a rise on an annual basis in September. The FTSE 100 Index declined 0.2% to close at 7,507.89.



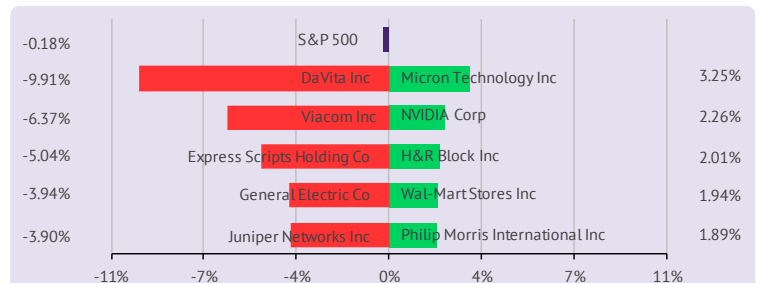
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	57530.11	▲	298.24	0.52%	0.52%	3.51%	-1.67%	13.58%
JSE Top 40	51323.23	▲	312.85	0.61%	0.61%	3.94%	-1.24%	16.90%
FTSE 100	7507.89	▼	-14.98	-0.20%	-0.20%	1.83%	-0.78%	5.11%
DAX 30	12976.40	▲	20.46	0.16%	0.16%	1.15%	6.41%	13.02%
CAC 40	5365.83	▲	5.93	0.11%	0.11%	0.68%	4.80%	10.36%
S&P 500	2544.73	▼	-4.60	-0.18%	-0.18%	1.01%	1.93%	13.66%
Nasdaq Composite	6579.73	▼	-10.45	-0.16%	-0.16%	1.29%	1.05%	22.23%
DJIA	22761.07	▼	-12.60	-0.06%	-0.06%	1.59%	2.08%	15.17%

US Market ▼

The S&P 500 futures are trading in the green

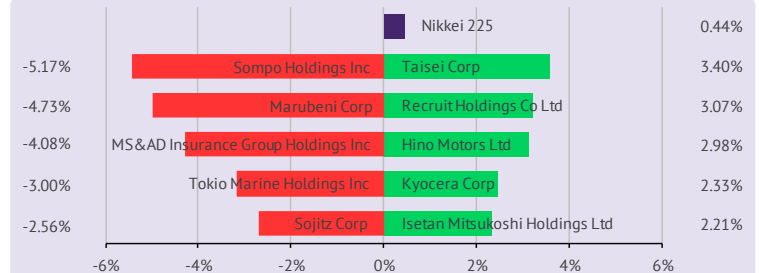
US markets closed lower yesterday, led by losses in healthcare, industrial and financial sector stocks. The S&P 500 Index dropped 0.2% to close at 2,544.73.



Asian Market ▲

Trading mostly firmer

Asian markets are trading mostly higher this morning. Data indicated that Japan's trade surplus narrowed less-than-expected in August. The Nikkei 225 Index is trading 0.4% higher at 20,780.99.



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USDZAR ▼

USD trading weaker against ZAR

At 06:00 SAST, the US Dollar is trading 0.3% lower against the South African Rand at R13.7703. Later today, traders will keep a close watch on US NFIB small business optimism index data for further direction.

The US Dollar rose against the South African Rand yesterday.

GBPZAR ▼

GBP trading lower against ZAR

At 06:00 SAST, the British Pound dropped 0.2% against the South African Rand to trade at R18.1193. On the macro front, UK's BRC like-for-like retail sales advanced on a yearly basis in August, driven by higher food and clothing prices. Later today, traders will keep an eye on UK's NIESR gross domestic product estimate, manufacturing production and industrial production data along with construction output and trade balance data for further cues.

The British Pound advanced against the South African Rand yesterday. The UK Prime Minister, Theresa May, warned the British public to prepare for crashing out of the European Union (EU) with no deal, setting out emergency plans to avoid border meltdown for businesses and travelers. Further, May noted that UK would publish two white papers on trade and customs after Brexit.

EURZAR ▼

EUR trading weaker against ZAR

At 06:00 SAST, the Euro marginally fell against the South African Rand to trade at R16.2087. Going forward, market participants will keep a tab on Germany's trade balance data for further indication.

The Euro strengthened against the South African Rand yesterday, after Eurozone's Sentix investor confidence index surged more-than-expected in October, notching its highest level in 10 years. Meanwhile, Germany's industrial production rebounded more-than-anticipated to its highest level since July 2011 on a monthly basis in August.

AUDZAR ▲

AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% higher against the South African Rand at R10.7163. Earlier in the session, data revealed that Australia's NAB business confidence index recorded a rise in September.

The Australian Dollar rose against the South African Rand yesterday. On the data front, in China, Australia's largest trading partner, the Caixin services PMI dropped to 21-month lows in September.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.7703	▼	0.45%	0.45%	1.84%	4.27%	0.57%
GBPZAR	18.1193	▼	1.24%	1.24%	-0.10%	8.01%	7.22%
EURZAR	16.2087	▼	0.57%	0.57%	1.22%	3.41%	12.27%
AUDZAR	10.7163	▲	0.48%	0.48%	0.79%	2.78%	8.09%
EURUSD	1.1770	▲	0.09%	0.09%	-0.63%	-0.81%	11.67%
GBPUSD	1.3158	▲	0.58%	0.58%	-1.91%	3.62%	6.53%
Brent (\$/barrel)	55.9	▲	0.31%	0.31%	-1.76%	7.43%	-1.81%
Gold (\$/oz)	1289.0	▲	0.80%	0.80%	0.02%	-2.81%	11.30%
Platinum (\$/oz)	914.4	=	0.16%	0.16%	0.45%	-8.83%	1.42%
Copper (\$/MT)*	6615.3	▼	-0.02%	-0.02%	2.85%	-4.84%	19.78%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.6% higher to trade at \$1,289.00/oz.

Yesterday, gold prices rose 0.8% to close at \$1,281.80/oz, as geopolitical tensions between the US and North Korea increased and the return of Chinese buyers to the market after a week-long holiday supported the precious metal prices.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil rose 0.1% to trade at \$55.85/bl, amid indications that the oil market was rebalancing and as Hurricane Nate halted around 90% of Gulf of Mexico oil production.

Yesterday, Brent crude oil advanced 0.3% to settle at \$55.79/bl, after Saudi Arabia stated that it had curtailed crude oil distribution for November by 560,000 bls per day and further the commodity gained support after Iraq's oil minister indicated that the country is fully committed to its OPEC production target.

Platinum ◀▶

Trading flat

At 06:00 SAST, platinum prices traded flat at \$914.40/oz.

Yesterday, platinum prices climbed 0.2% to close at \$914.40/oz.



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Major South Africa Corporate News

Famous Brands Limited

In its 1H18 trading statement, the company revealed that HEPS is expected to decline to in the range of 153.00c to 187.00c, compared to the 411.00c recorded in the corresponding period last year.

Major Global Economic News

Eurozone

In the Eurozone, the Sentix investor confidence index registered a rise to 29.70 in October, compared to a level of 28.20 in the prior month. Market expectation was for the index to climb to a level of 28.50.

In Germany, the seasonally adjusted industrial production advanced 2.6% on a monthly basis in August, higher than market expectations for an advance of 0.9%. Industrial production had recorded a revised drop of 0.1% in the prior month.

Asia

In Australia, the NAB business confidence index advanced to 7.00 in September. The index had registered a reading of 5.00 in the previous month.

Japan has registered a (BOP basis) trade surplus of JPY318.70bn in August, compared to a trade surplus of JPY566.60bn in the prior month. Market anticipation was for a trade surplus of JPY264.90bn.

UK

The UK Prime Minister, Theresa May, warned the British public to prepare for crashing out of the EU with no deal, setting out emergency plans to avoid border meltdown for businesses and travelers. Further, May noted that UK would publish two white papers on trade and customs after Brexit.

In the UK, the BRC retail sales across all sectors recorded a rise of 1.9% on a yearly basis, in September. Retail sales across all sectors had climbed 1.3% in the prior month.

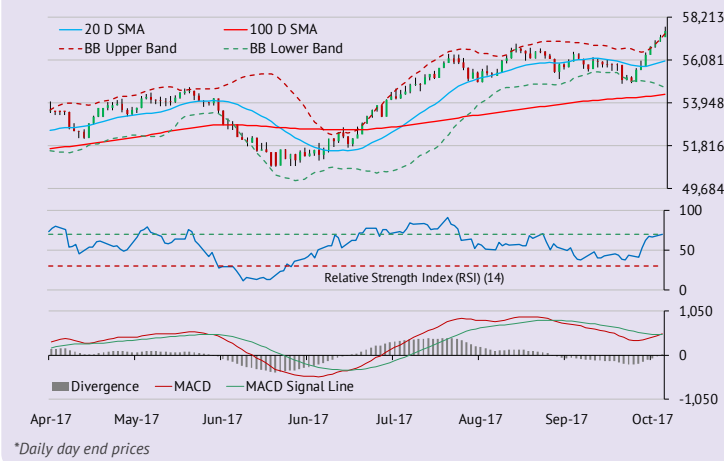
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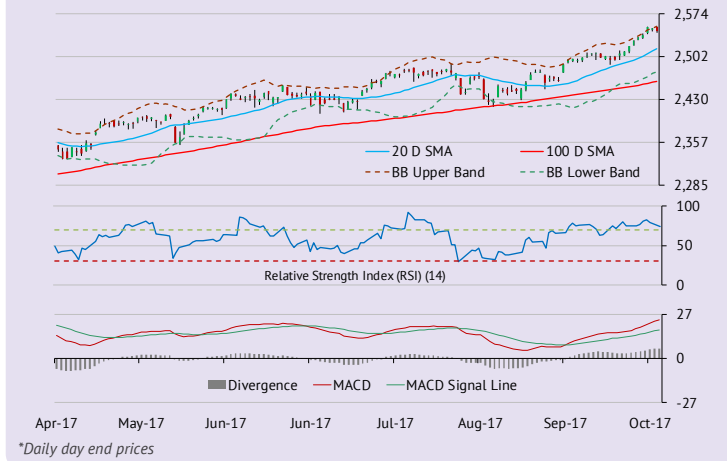
Technical Snapshot

JSE All Share



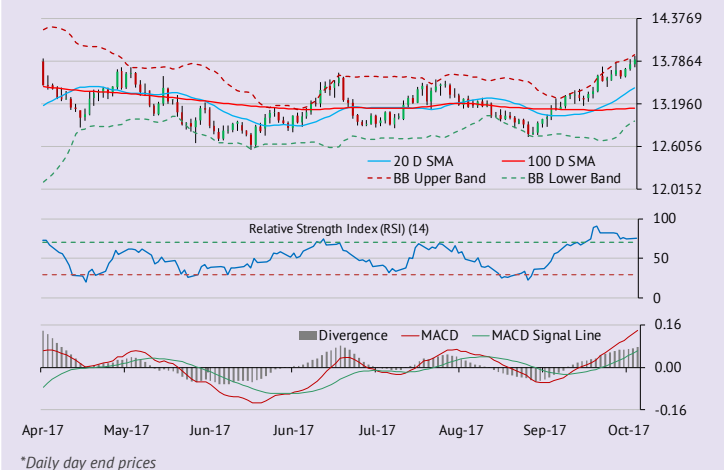
The JSE All Share index is expected to find support at 56,288.60, and a fall through could take it to the next support level of 55,047.08. The index is expected to find its first resistance at 58,261.30, and a rise through could take it to the next resistance level of 58,992.48.

S&P 500



The S&P 500 index is expected to find support at 2,531.55, and a fall through could take it to the next support level of 2,518.37. The index is expected to find its first resistance at 2,555.21, and a rise through could take it to the next resistance level of 2,565.69.

USDZAR



The pair is expected to find support at 13.6170, and a fall through could take it to the next support level of 13.4251. The pair is expected to find its first resistance at 13.9313, and a rise through could take it to the next resistance level of 14.0537.

XAU/USD



Gold is expected to find support at \$1,266.87/oz, and a fall through could take it to the next support level of \$1,251.93/oz. The precious metal is expected to find its first resistance at \$1,290.37/oz, and a rise through could take it to the next resistance level of \$1,298.93/oz.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous	Frequency
UK	01:01	BRC Sales Like-For-Like (YoY) (Sep)	✓	1.90%*	1.30%	Monthly
Japan	01:50	Current Account n.s.a. (Aug)	✓	JPY2380.40bn*	JPY2320.00bn	Monthly
Japan	01:50	Trade Balance - BOP Basis (Aug)	✓✓	JPY318.70bn*	JPY566.60bn	Monthly
Japan	01:50	Adjusted Current Account Total (Aug)	✓	JPY2266.90bn*	JPY2032.90bn	Monthly
Japan	02:30	Bank of Japan Governor Kuroda Speech	✓✓✓	-	-	As scheduled
Japan	07:00	Eco Watchers Survey: Outlook (Sep)	✓✓	50.50	51.10	Monthly
Japan	07:00	Eco Watchers Survey: Current (Sep)	✓✓	50.20	49.70	Monthly
Germany	08:00	Current Account n.s.a. (Aug)	✓	EUR17.00bn	EUR19.40bn	Monthly
Germany	08:00	Trade Balance n.s.a. (Aug)	✓✓✓	EUR19.50bn	EUR19.50bn	Monthly
UK	10:30	Industrial Production (YoY) (Aug)	✓✓✓	0.90%	0.40%	Monthly
UK	10:30	Manufacturing Production (YoY) (Aug)	✓✓	1.90%	1.90%	Monthly
UK	10:30	Industrial Production (MoM) (Aug)	✓✓✓	0.20%	0.20%	Monthly
UK	10:30	Manufacturing Production (MoM) (Aug)	✓	0.20%	0.50%	Monthly
UK	10:30	Construction Output s.a. (YoY) (Aug)	✓	0.20%	-0.40%	Monthly
UK	10:30	Total Trade Balance (Aug)	✓✓✓	-GBP2.80bn	-GBP2.87bn	Monthly
UK	10:30	Visible Trade Balance (Aug)	✓✓	-GBP11.15bn	-GBP11.58bn	Monthly
US	12:00	NFIB Small Business Optimism (Sep)	✓	105.00	105.30	Monthly
UK	14:00	NIESR GDP Estimate (3M) (Sep)	✓✓✓	-	0.40%	Monthly
US	16:00	Fed's Kashkari Speaks at Regional Economic Conference	✓✓✓	-	-	As scheduled
World	-	Annual Meetings of the IMF and the World Bank	✓✓✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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