

ONE  
Minute Brief

11 October 2017

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## Economic and Political News

South Africa's (SA) manufacturing output advanced 1.5% YoY in August, following a drop of 1.1% in July.

The International Monetary Fund (IMF) has trimmed its growth forecast for SA to 0.7% in 2017 from projection of 1.1% in July, citing that increasing political uncertainty had reduced consumer and business confidence.

The Deputy Governor of South African Reserve Bank (SARB), Kuben Naidoo, indicated that the risk of a further credit rating downgrade was "quite significant" in SA and that the current weakness was primarily due to domestic factors. He added that SA would likely grow 0.6% or 0.7% in 2017 and that inflation would remain within the 3.0% to 6.0% target range for the next two years.

Finance Minister, Malusi Gigaba, has ordered a forensic audit of Public Investment Corporation's (PIC) investments for the past two years.

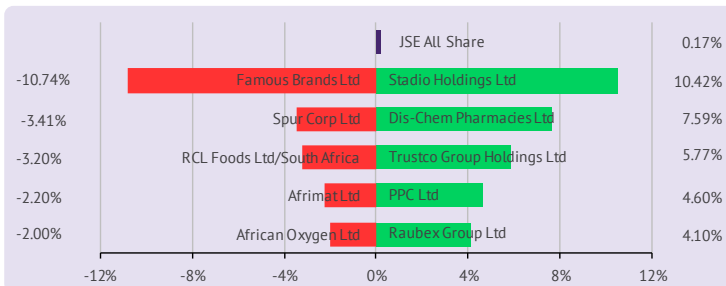
African National Congress (ANC) Treasurer-General, Zweli Mkhize, stated that the party must decide whether President, Jacob Zuma, should continue the remaining two years of his term as the nation's president or not.

McKinsey has indicated that it would pay back the fees, if its contract with Eskom were to be declared illegal by a court.

## South Africa Market ▲

## South African markets closed higher

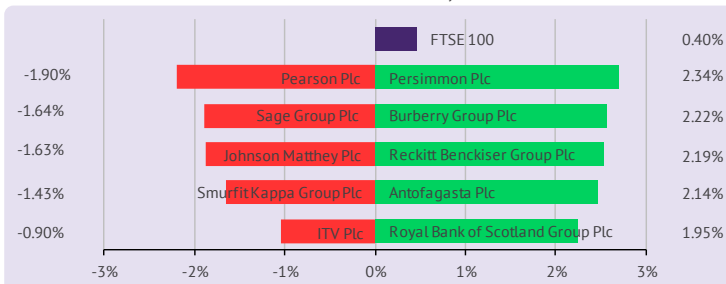
South African markets closed in the green yesterday, led by a sharp rally in retail, banking and property sector stocks. The JSE All Share Index rose 0.2% to close at 57,629.93.



## UK Market ▲

## The FTSE 100 futures are trading in positive territory

UK markets finished higher yesterday, amid gains in consumer discretionary and banking sector stocks. The NIESR estimate showed that UK's economy slightly advanced in the third quarter of 2017. The FTSE 100 Index advanced 0.4% to close at 7,538.27.



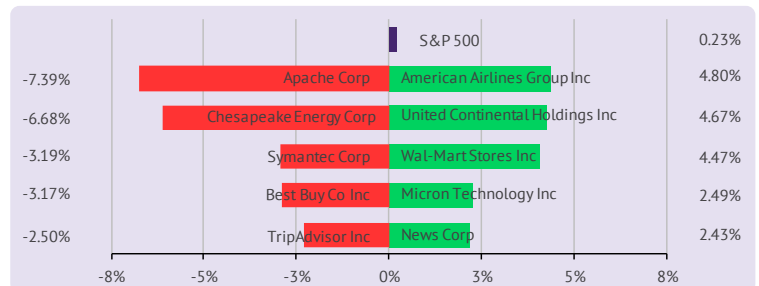
## Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	57629.93	▲	99.82	0.17%	0.70%	3.69%	-1.67%	13.77%
JSE Top 40	51362.73	▲	39.50	0.08%	0.69%	4.02%	-1.24%	16.99%
FTSE 100	7538.27	▲	30.38	0.40%	0.20%	2.24%	-0.78%	5.54%
DAX 30	12949.25	▼	-27.15	-0.21%	-0.05%	0.94%	6.41%	12.79%
CAC 40	5363.65	▼	-2.18	-0.04%	0.07%	0.63%	4.80%	10.31%
S&P 500	2550.64	▲	5.91	0.23%	0.05%	1.24%	1.93%	13.93%
Nasdaq Composite	6587.25	▲	7.52	0.11%	-0.04%	1.41%	1.05%	22.37%
DJIA	22830.68	▲	69.61	0.31%	0.25%	1.90%	2.08%	15.52%

## US Market ▲

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

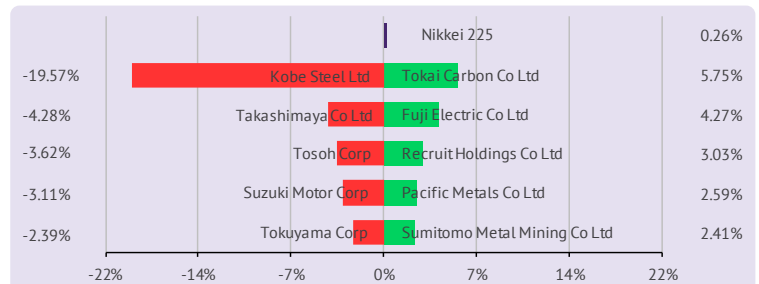
US markets closed higher yesterday, boosted by gains in consumer staples stocks. Data showed that US NFIB small business optimism index declined more-than-anticipated in September. The S&P 500 Index climbed 0.2% to close at 2,550.64.



## Asian Market ▲

## Trading mostly firmer

Asian markets are trading mostly higher this morning. The Nikkei 225 Index is trading 0.3% higher at 20,877.71.



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## USDZAR ▼

### USD trading lower against ZAR

At 06:00 SAST, the US Dollar is trading 0.2% weaker against the South African Rand at R13.6769. Later today, traders will keep a close watch on the FOMC meeting minutes, JOLTS job openings and MBA mortgage applications for further cues.

The US Dollar fell against the South African Rand yesterday. On the macro front, US NFIB small business optimism index dropped more than market expectations in September.

## GBPZAR ▼

### GBP trading weaker against ZAR

At 06:00 SAST, the British Pound retreated 0.2% against the South African Rand to trade at R18.0525. With no major economic news in the UK today, investor sentiment will be determined by global macroeconomic news.

The British Pound declined against the South African Rand yesterday. In economic news, UK's NIESR estimated gross domestic product (GDP) expanded more than its previous reading in the July-September 2017 period. Further, manufacturing production recorded a more-than-expected rise on a monthly basis in August while monthly industrial production rose at a slower pace but in line with market anticipations in the same month. Moreover, construction output surprisingly rebounded on a monthly basis in August. In contrast, the nation's trade deficit unexpectedly widened in August.

## EURZAR ▼

### EUR trading lower against ZAR

At 06:00 SAST, the Euro is trading 0.2% weaker against the South African Rand at R16.1488. Amid a lack of major economic releases in the Eurozone today, investor sentiment will be determined by global macroeconomic news.

The Euro weakened against the South African Rand yesterday. On the macro front, Germany's trade surplus widened more than market expectations in August.

## AUDZAR ▼

### AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar retreated 0.1% against the South African Rand to trade at R10.6415. Earlier in the session, data revealed that Australia's Westpac consumer confidence index edged up to its highest level this year in October, compared to its prior reading.

The Australian Dollar fell against the South African Rand yesterday. Data indicated that Australia's NAB business confidence index advanced in September.

## Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.6769	▼	-0.80%	-0.35%	1.03%	4.27%	-0.23%
GBPZAR	18.0525	▼	-0.33%	0.90%	-0.43%	8.01%	6.86%
EURZAR	16.1488	▼	-0.22%	0.35%	1.00%	3.41%	12.02%
AUDZAR	10.6415	▼	-0.50%	-0.03%	0.29%	2.78%	7.54%
EURUSD	1.1808	=	0.58%	0.66%	-0.05%	-0.81%	12.32%
GBPUSD	1.3199	▼	0.46%	1.05%	-1.46%	3.62%	7.03%
Brent (\$/barrel)	56.7	▲	1.47%	1.78%	-0.32%	7.43%	-0.37%
Gold (\$/oz)	1289.9	▼	0.69%	1.49%	0.71%	-2.81%	12.06%
Platinum (\$/oz)	933.1	=	2.05%	2.21%	2.50%	-8.83%	3.49%
Copper (\$/MT)*	6706.3	▲	1.38%	1.36%	4.26%	-4.84%	21.42%

\*As of Previous Close

## Gold ▼

### Trading in the red

At 06:00 SAST, gold prices fell 0.1% to trade at \$1,289.90/oz.

Yesterday, gold prices rose 0.7% to close at \$1,290.60/oz, as weakness in the greenback underpinned demand for the precious yellow metal.

## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil edged 0.1% higher to trade at \$56.68/bl. Going ahead traders will keep a close watch on data released by the American Petroleum Institute.

Yesterday, Brent crude oil advanced 1.5% to settle at \$56.61/bl, after Hurricane Nate shut nearly 59.0% of Gulf of Mexico oil production as of Tuesday and OPEC leader Saudi Arabia vowed to reduce monthly crude exports. Meanwhile, OPEC Secretary General, Mohammed Barkindo, urged US shale oil producers to help restrain global oil supply and restore stability to the market.

## Platinum ◀▶

### Trading flat

At 06:00 SAST, platinum prices traded flat at \$933.10/oz.

Yesterday, platinum prices climbed 2.0% to close at \$933.10/oz.



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## Major South Africa Corporate News

### Bell Equipment Limited

The company announced that Mr. WM Krzychylkiewicz has resigned as an alternative Director to Mr Peter Cooper, the Non- Executive Director of the company, with effect from October 9, 2017.

### MMI Holdings Limited

The company announced that independent Non-Executive Directors of the company, Ms Mamokete Ramathe and Mr Rajendran Naidu are appointed to Social, Ethics and Transformation Committee and Nominations Committee, respectively, with effect from October 10, 2017.

## Major Global Economic News

### UK

In the UK, NIESR estimated GDP recorded a rise of 0.4% on a monthly basis in the July-September 2017 period. NIESR estimated GDP had climbed by a revised 0.5% in the June-August 2017 period.

In August, manufacturing production registered a rise of 0.4% on a monthly basis in the UK, more than market expectations for an advance of 0.2%. In the previous month, manufacturing production had registered a revised similar rise.

In the UK, industrial production recorded a rise of 0.2% on a monthly basis in August, at par with market expectations. In the previous month, industrial production had risen by a revised 0.3%.

In August, construction output unexpectedly climbed 0.6% on a monthly basis in the UK, higher than market expectations for an unchanged reading. Construction output had registered a revised drop of 1.0% in the previous month.

In the UK, total trade deficit widened to GBP5.63bn in August, more than market expectations of a total trade deficit of GBP2.80bn. The UK had reported a revised total trade deficit of GBP4.24bn in the prior month.

### US

In the US, the small business optimism index registered a drop to 103.00 in September, more than market expectations of a drop to a level of 105.00. The index had registered a reading of 105.30 in the prior month.

### Eurozone

In Germany, the seasonally adjusted trade surplus rose to EUR20.00bn in August, compared to market expectations of a trade surplus of EUR19.50bn. Germany had registered a revised trade surplus of EUR19.30bn in the prior month.

### Asia

In Australia, Westpac consumer confidence index climbed 3.6% on a monthly basis in October, to a level of 101.40, compared to a level of 97.90 in the prior month.

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## Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	01:50	Machinery Orders (MoM) (Aug)	✓	3.4%*	8.00%	Monthly
Japan	01:50	Machinery Orders (YoY) (Aug)	✓✓	4.4%*	-7.50%	Monthly
Japan	08:00	Machine Tool Orders (YoY) (Sep) (P)	✓✓	-	36.20%	Monthly
UK	13:00	Composite Leading Indicator (Aug)	✓	-	99.50	Monthly
US	13:00	MBA Mortgage Applications (06-Oct)	✓	-	-0.40%	Weekly
US	13:15	Fed's Evans Speaks on Economy and Monetary Policy	✓✓✓	-	-	As scheduled
US	16:00	JOLTs Job Openings (Aug)	✓	-	6170.00K	Monthly
US	20:00	Fed Releases Minutes of FOMC Meeting	✓✓✓	-	-	As scheduled
US	20:40	Fed's Williams Gives Community Leaders Speech	✓✓✓	-	-	As scheduled
Eurozone	20:50	ECB's Praet Speaks in New York	✓✓✓	-	-	As scheduled
US	-	Fed's Kaplan Speaks at Stanford Institute	✓✓✓	-	-	As scheduled

Note: ✓✓✓High    ✓✓Medium    ✓Low

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