

# ONE Minute Brief

12 October 2017

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## Economic and Political News

S&P Global Ratings stated that the South African Reserve Bank is likely to stay independent and that the agency does not see its credibility being undermined, despite the recent rhetoric.

The World Bank expects the South African economy to grow 0.6% in 2017.

Energy Minister, Mmamoloko Kubayi, indicated that in addition to shifting to gas as an energy source, South Africa is also looking to spread its trade and economic network in gas within the SADC region.

Parliament's Public Enterprises Committee has confirmed that it will start its investigation into Eskom on Tuesday next week.

The ANC has criticised a decision by Parliament's Justice Committee to investigate Public Protector, Busisiwe Mkhwebane's fitness to hold office. Meanwhile, the Democratic Alliance (DA) has called on President Zuma to suspend Mkhwebane.

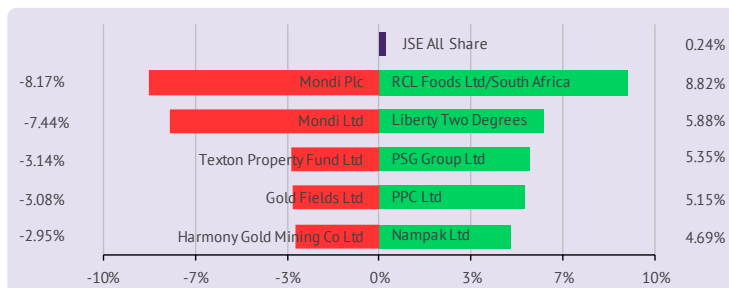
## Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	57770.73	▲	140.80	0.24%	0.94%	3.94%	-1.67%	14.05%
JSE Top 40	51438.55	▲	75.82	0.15%	0.84%	4.18%	-1.24%	17.17%
FTSE 100	7533.81	▼	-4.46	-0.06%	0.15%	2.18%	-0.78%	5.47%
DAX 30	12970.68	▲	21.43	0.17%	0.11%	1.11%	6.41%	12.97%
CAC 40	5362.41	▼	-1.24	-0.02%	0.05%	0.61%	4.80%	10.29%
S&P 500	2555.24	▲	4.60	0.18%	0.23%	1.42%	1.93%	14.13%
Nasdaq Composite	6603.55	▲	16.30	0.25%	0.20%	1.66%	1.05%	22.67%
DJIA	22872.89	▲	42.21	0.18%	0.44%	2.09%	2.08%	15.74%

## South Africa Market ▲

### South African markets closed higher

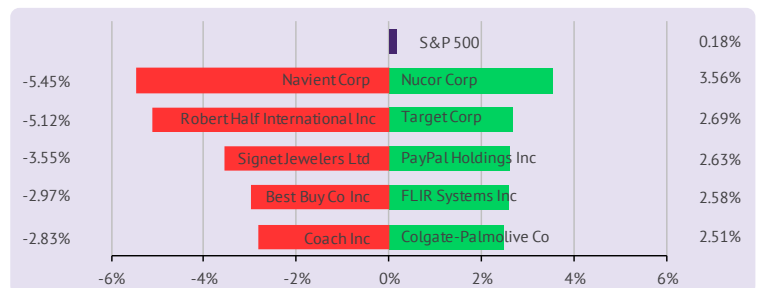
South African markets closed in the green yesterday, amid gains in banking and retail sector stocks. The JSE All Share Index rose 0.2% to close at 57,770.73.



## US Market ▲

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

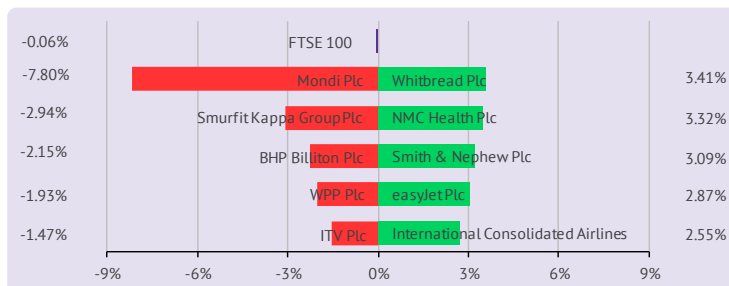
US markets closed higher yesterday, boosted by gains in real estate sector stocks. Data revealed that US JOLTS job openings dropped more-than-expected in August. The S&P 500 Index climbed 0.2% to close at 2,555.24.



## UK Market ▼

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

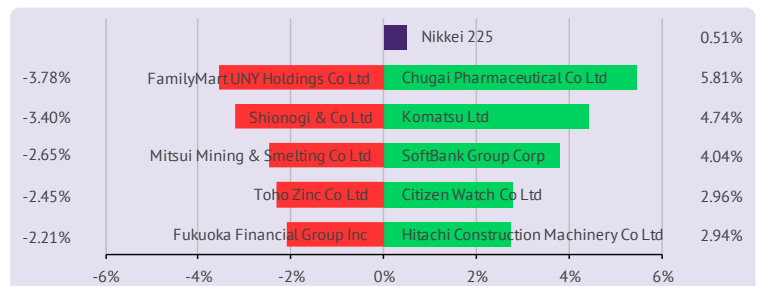
UK markets finished lower yesterday, led by losses in material and financial sector stocks. The FTSE 100 Index declined 0.1% to close at 7,533.81.



## Asian Market ▲

### Trading mostly higher

Asian markets are trading mostly higher this morning. Data showed that Japan's tertiary industry index surprisingly eased on a monthly basis in August. The Nikkei 225 Index is trading 0.5% higher at 20,988.35.



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## USDZAR ▼

### USD trading lower against ZAR

At 06:00 SAST, the US Dollar dropped 0.1% against the South African Rand to trade at R13.5152. Later today, traders will keep a close watch on US initial jobless claims data for further indication. Separately, South Africa's manufacturing production will be on investors' radar.

The US Dollar fell against the South African Rand yesterday. The Federal Open Market Committee (FOMC) in its 19-20 September meeting minutes revealed that the Federal Reserve (Fed) kept the benchmark interest rate unchanged in the range of 1.0% to 1.25% and warranted one final rate hike in 2017 as well as three more in 2018. On the data front, US JOLTS job openings registered a more-than-expected decline in August. Further, MBA mortgage applications dropped for the week ended October 6, 2017.

## GBPZAR ▲

### GBP trading higher against ZAR

At 06:00 SAST, the British Pound rose 0.1% against the South African Rand to trade at R17.9139. Data revealed that UK's RICS house price balance rose more-than-expected in September. 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.

## EURZAR ▲

### EUR trading stronger against ZAR

At 06:00 SAST, the Euro is trading 0.1% firmer against the South African Rand at R16.0507. Going forward, market participants will keep a tab on Eurozone's industrial production data for further cues.

The Euro weakened against the South African Rand yesterday.

## AUDZAR ▲

### AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.3% higher against the South African Rand at R10.5665. Earlier in the session, data showed that Australia's consumer inflation expectations edged higher in October.

The Australian Dollar fell against the South African Rand yesterday. Data indicated that Australia's Westpac consumer confidence index rose to its highest level this year in October.

## Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.5152	▼	-1.26%	-1.61%	-0.24%	4.27%	-1.49%
GBPZAR	17.9139	▲	-1.11%	-0.22%	-1.54%	8.01%	5.67%
EURZAR	16.0507	▲	-0.84%	-0.49%	0.15%	3.41%	11.08%
AUDZAR	10.5665	▲	-1.12%	-1.14%	-0.83%	2.78%	6.34%
EURUSD	1.1874	▲	0.43%	1.10%	0.38%	-0.81%	12.80%
GBPUSD	1.3255	▲	0.15%	1.20%	-1.31%	3.62%	7.19%
Brent (\$/barrel)	56.6	▼	0.58%	2.37%	0.26%	7.43%	0.21%
Gold (\$/oz)	1296.9	▲	-0.37%	1.12%	0.34%	-2.81%	11.64%
Platinum (\$/oz)	930.4	▼	-0.29%	1.92%	2.21%	-8.83%	3.19%
Copper (\$/MT)*	6756.0	▲	0.74%	2.11%	5.03%	-4.84%	22.32%

\*As of Previous Close

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices edged 0.9% higher to trade at \$1,296.90/oz.

Yesterday, gold prices fell 0.4% to close at \$1,285.80/oz, reversing its previous session gains, pressured by mounting expectations for a December rate hike by the US Fed.

## Brent Crude Oil ▼

### Trading weaker

At 06:00 SAST, Brent crude oil fell 0.6% to trade at \$56.58/bl.

Yesterday, Brent crude oil advanced 0.6% to settle at \$56.94/bl, after the Organization of the Petroleum Exporting Countries (OPEC) raised its forecast for oil demand by around 30,000 bls per day in 2017 and 2018. Meanwhile, in its monthly report, the OPEC revealed that its crude oil production rose by 90,000 bls per day last month. In contrast, the American Petroleum Institute reported that crude oil inventories advanced by 3.1mn bls for the week ended October 6, 2017.

## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices edged marginally lower to trade at \$930.37/oz.

Yesterday, platinum prices climbed 0.3% to close at \$930.40/oz.



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## Major South Africa Corporate News

### Sun International Limited

The company through its subsidiary, Sun Dreams SA, has entered into and completed a share purchase agreement with Thunderbird Resorts Inc and Casinos Peruanos SA, whereby the company's subsidiary has agreed to acquire from the sellers 100.0% of certain Peruvian companies that operate four gambling operations in Peru and which includes certain immovable property on which one of the casinos is located on terms and conditions more fully set out in the agreement.

## Major Global Economic News

### US

Minutes of the Fed's September meeting indicated that policymakers are leaning towards another interest rate hike before this year-end. However, officials debated over whether a streak of soft inflation readings reflects a longer-term trend, rather than temporary weakness.

In the US, JOLTs job openings recorded a drop to 6082.00K in August, compared to market expectations of a fall to 6125.00K. JOLTs job openings had registered a revised reading of 6140.00K in the prior month.

In the US, the MBA mortgage applications eased 2.1% for the week ended October 6, 2017. In the previous week, mortgage applications had fallen 0.4%.

### UK

In the UK, house price balance remained unchanged at 6.0% in September, compared to market expectations of a drop to a level of 4.0%.

### Asia

In Australia, the consumer inflation expectations registered a rise to 4.3% in October. The consumer inflation expectations had registered a reading of 3.8% in the previous month.

In Japan, the tertiary industry index registered an unexpected drop of 0.2% on a monthly basis in August, compared to a rise of 0.1% in the previous month. Markets were expecting the index to advance 0.1%.

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## Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous	Frequency
UK	01:01	RICS Housing Price Balance (Sep)	✓✓✓	6.00%*	6.00%	Monthly
Japan	06:30	Tertiary Industry Index (MoM) (Aug)	✓✓	-0.20%*	0.10%	Monthly
UK	10:30	Bank of England Credit Conditions & Bank Liabilities Surveys	✓✓✓	-	-	As scheduled
Eurozone	11:00	Industrial Production s.a. (MoM) (Aug)	✓✓✓	0.60%	0.10%	Monthly
Eurozone	11:00	Industrial Production w.d.a. (YoY) (Aug)	✓✓✓	2.60%	3.20%	Monthly
South Africa	11:30	Gold Production (YoY) (Aug)	✓✓	-	3.90%	Monthly
South Africa	11:30	Manufacturing Production s.a. (MoM) (Aug)	✓✓✓	-	1.50%	Monthly
South Africa	11:30	Manufacturing Production Index (YoY) (Aug)	✓✓✓	-0.10%	-1.40%	Monthly
South Africa	11:30	Mining Production (YoY) (Aug)	✓✓	0.40%	0.90%	Monthly
US	14:30	Producer Price Index (MoM) (Sep)	✓✓✓	0.40%	0.20%	Monthly
US	14:30	Producer Price Index (YoY) (Sep)	✓✓✓	2.60%	2.40%	Monthly
US	14:30	Continuing Jobless Claims (30-Sep)	✓✓✓	1930.00K	1938.00K	Weekly
US	14:30	Initial Jobless Claims (07-Oct)	✓✓✓	250.00K	260.00K	Weekly
UK	15:00	MPC Member Haldane Speech	✓	-	-	As scheduled
US	16:15	ECB's Draghi, Fed's Brainard Speak on Monetary Policy Panel	✓✓✓	-	-	As scheduled
US	16:30	Fed's Powell Speaks at IIF Conference in Washington	✓✓✓	-	-	As scheduled
Eurozone	16:30	ECB's Praet speaks in Washington	✓	-	-	As scheduled
Eurozone	22:10	ECB Cœuré Speech	✓✓	-	-	As scheduled
Eurozone	22:10	ECB's Lautenschläger Speech	✓✓	-	-	As scheduled
US	-	Monthly Budget Statement (Sep)	✓✓	USD6.00bn	USD33.40bn	Monthly

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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