

ONE  
Minute Brief

30 November 2017

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## Economic and Political News

In South Africa (SA), private sector credit registered a less-than-expected rise of 5.43% on an annual basis in October, compared to a revised rise of 5.50% in September.

BankservAfrica's latest disposable salary index for October recorded a rise of 0.5% in pay cheques to employees in the formal sector, compared to a drop of 1.6% in September. Further, the BankservAfrica Private Pension Index (BPPI) revealed that pensions paid advanced by 31.3% in September.

Moody's has downgraded Eskom's credit rating to Ba3 from Ba2, with an outlook of "review for further downgrade". Meanwhile, Eskom indicated that it was positive that its funding plan would succeed, despite the recent downgrades. Moody's also announced that it had put Standard Bank, First Rand Bank, Absa, Nedbank and Investec under a review for downgrade.

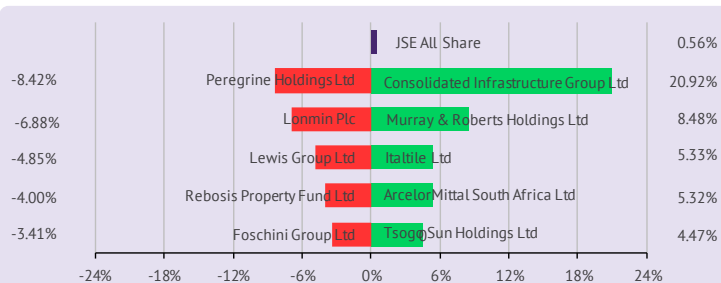
South African Airways (SAA) has projected a loss of ZAR4.0bn for the 2017/18 financial year, higher than the ZAR2.8bn anticipated in its turnaround plan.

Treasury revealed that Ian Stuart has been appointed as acting Deputy Director-General for the budget office following the resignation Michael Sachs.

## South Africa Market ▲

## South African markets closed higher

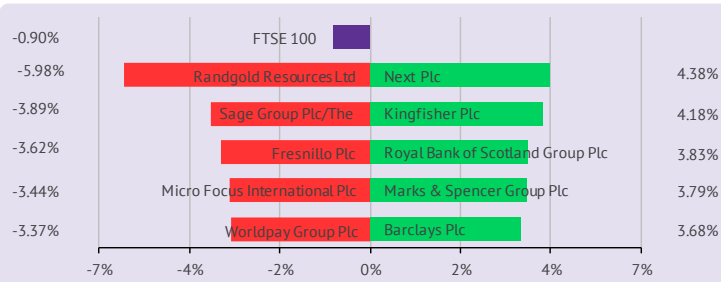
South African markets closed in the green yesterday, amid gains in platinum mining and property sector stocks. Data revealed that South Africa's private sector credit rose less-than-expected on a yearly basis in October. The JSE All Share Index rose 0.6% to close at 60,418.39.



## UK Market ▼

## The FTSE 100 futures are trading in negative territory

UK markets finished lower yesterday, amid strength in the British Pound, after reports revealed that the UK government has offered Brussels a larger potential exit payment of up to EUR50.0bn. The FTSE 100 Index declined 0.9% to close at 7,393.56.



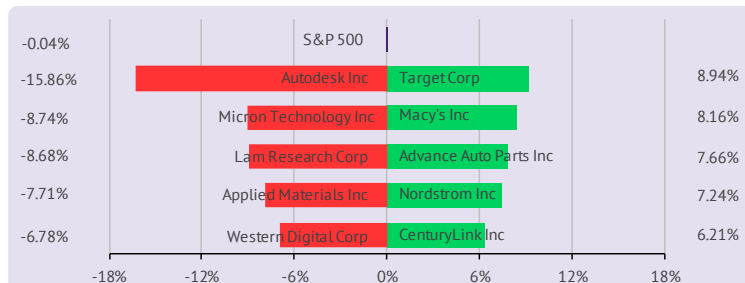
## Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	60418.39	▲	335.60	0.56%	0.16%	2.44%	6.12%	19.28%
JSE Top 40	53957.06	▲	311.62	0.58%	-0.08%	2.64%	6.47%	22.90%
FTSE 100	7393.56	▼	-67.09	-0.90%	-0.22%	-1.33%	1.63%	3.51%
DAX 30	13061.87	▲	2.34	0.02%	0.02%	-1.27%	3.12%	13.77%
CAC 40	5398.05	▲	7.57	0.14%	0.14%	-1.91%	3.25%	11.02%
S&P 500	2626.07	▼	-0.97	-0.04%	0.91%	1.97%	2.22%	17.30%
Nasdaq Composite	6824.39	▼	-87.97	-1.27%	-0.94%	1.44%	3.57%	26.77%
DJIA	23940.68	▲	103.97	0.44%	1.62%	2.41%	4.34%	21.14%

## US Market ▼

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

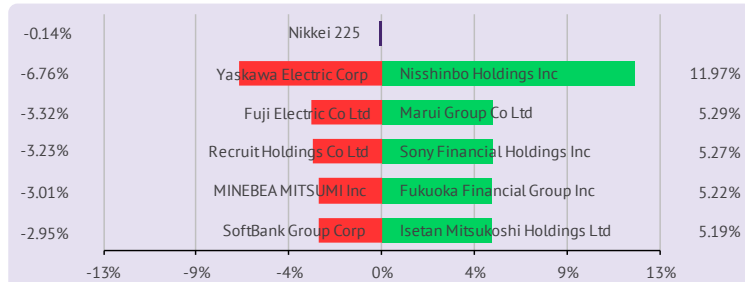
US markets closed a tad lower yesterday, weighed down by losses in technology sector stocks. Data showed that the US economy expanded at its fastest pace in three years in 3Q17. The S&P 500 Index marginally dropped to close at 2,626.07.



## Asian Market ▼

## Trading lower

Asian markets are trading lower this morning, tracking overnight losses on Wall Street. Data indicated that China's manufacturing PMI unexpectedly advanced in November. The Nikkei 225 Index is trading 0.1% lower at 22,566.43.



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## USDZAR ▲

### USD trading higher against ZAR

At 06:00 SAST, the US Dollar is trading 0.2% firmer against the South African Rand at R13.6792. Later today, traders will keep a close watch on the US initial jobless claims, personal spending and Chicago purchasing manager index for further direction.

The US Dollar fell against the South African Rand yesterday, after the Federal Reserve (Fed) Chairwoman, Janet Yellen, expressed significant concerns over the US surging public debt and income inequality. However, Yellen reiterated that economic expansion in the nation is increasingly broad-based and that further gradual interest rate hikes are essential to sustain a healthy labour market and stabilise inflation at the central bank's target. Separately, according to the Fed's Beige Book report, the US economy grew at a modest to moderate pace in October through mid-November. In economic news, the US annualised gross domestic product advanced at a stronger-than-anticipated pace in the third quarter of 2017. Further, monthly pending home sales rebounded more-than-expected in October, its highest rise in eight months. Separately, South Africa's annual private sector credit grew less-than-expected in October.

## GBPZAR ▲

### GBP trading firmer against ZAR

At 06:00 SAST, the British Pound climbed 0.6% against the South African Rand to trade at R18.4284. On the data front, UK's GfK consumer confidence index fell more-than-expected in November.

The British Pound advanced against the South African Rand yesterday. On the macro front, UK's net consumer credit advanced at par with market expectations in October. In contrast, the nation's mortgage approvals dropped more-than-anticipated in the same month.

## EURZAR ▲

### EUR trading stronger against ZAR

At 06:00 SAST, the Euro gained 0.3% against the South African Rand to trade at R16.2326. Going forward, market participants will keep a tab on Eurozone's consumer price index and the unemployment rate for further cues. Meanwhile, Germany's unemployment rate and retail sales will be on investors' radar.

The Euro strengthened against the South African Rand yesterday, after Eurozone's economic confidence index recorded a rise in line with market expectations in November, reaching its highest level in 17 years. However, business climate indicator unexpectedly declined in the same month. Separately, Germany's consumer price index advanced more-than-expected on an annual basis in November.

## AUDZAR ▲

### AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.4% higher against the South African Rand at R10.3813. Earlier in the session, data indicated that Australia's annual private sector credit climbed as expected in October. Further, monthly building approvals jumped in October. Meanwhile, in China, Australia's largest trading partner, manufacturing PMI and non-manufacturing PMI rose in November.

The Australian Dollar fell against the South African Rand yesterday.

## Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.6792	▲	-0.03%	-3.54%	-3.33%	4.19%	-0.54%
GBPZAR	18.4284	▲	0.50%	-3.00%	-2.42%	3.32%	8.20%
EURZAR	16.2326	▲	0.04%	-4.23%	-1.66%	2.73%	12.05%
AUDZAR	10.3813	▲	-0.36%	-4.14%	-4.40%	1.82%	4.38%
EURUSD	1.1866	▲	0.06%	-0.72%	1.73%	-1.42%	12.69%
GBPUSD	1.3471	▲	0.52%	0.54%	0.95%	-0.86%	8.70%
Brent (\$/barrel)	63.4	▲	-0.79%	-1.17%	3.56%	7.31%	11.07%
Gold (\$/oz)	1287.4	▲	-0.99%	-0.40%	0.91%	-0.86%	11.32%
Platinum (\$/oz)	947.6	▲	-1.22%	-0.43%	2.35%	1.02%	4.39%
Copper (\$/MT)*	6730.8	▼	-0.67%	-3.57%	-1.26%	5.98%	21.87%

\*As of Previous Close

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices edged 0.4% higher to trade at \$1,287.40/oz.

Yesterday, gold prices fell 1.0% to close at \$1,282.10/oz, amid upbeat economic releases in the US and optimistic comments by Fed chair, Janet Yellen, regarding interest rate hike, strong labour market and stable inflation.

## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil advanced 0.5% to trade at \$63.41/bl.

Yesterday, Brent crude oil dropped 0.8% to settle at \$63.11/bl, amid continuing concerns over the outcome of a meeting between OPEC and non-OPEC members for an extension of output cut agreement. Meanwhile, the Energy Information Administration reported that crude oil inventories declined by 3.4mn bls during the week ended 24 November 2017.

## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices advanced 0.7% to trade at \$947.60/oz.

Yesterday, platinum prices declined 1.2% to close at \$941.20/oz.

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## Major South Africa Corporate News

### Naspers Limited

In its 1H18 results, the company reported that its revenue rose to USD3.1bn compared to USD3.0bn recorded in the corresponding period of the previous year. Its diluted EPS stood at 249.00c, up from 125.00c recorded in the corresponding period of the previous year.

## Major Global Economic News

### Asia

In Australia, the private sector credit recorded a rise of 5.3% on a yearly basis in October, compared to a rise of 5.4% in the prior month. Market anticipation was for the private sector credit to advance 5.3%.

In Australia, the seasonally adjusted building approvals registered an unexpected rise of 0.9% on a monthly basis in October, more than market expectations for a fall of 1.0%. Building approvals had recorded a revised rise of 0.6% in the previous month.

In China, the NBS manufacturing PMI unexpectedly advanced to 51.80 in November, compared to a reading of 51.60 in the prior month. Market expectation was for the NBS manufacturing PMI to drop to 51.40.

In November, the NBS non-manufacturing PMI advanced to 54.80 in China, compared to a level of 54.30 in the previous month.

In Japan, the flash industrial production advanced 0.5% on a monthly basis in October, compared to a fall of 1.0% in the previous month. Markets were anticipating industrial production to climb 1.8%.

### Eurozone

In the Eurozone, the economic sentiment indicator recorded a rise to 114.60 in November, compared to a revised reading of 114.10 in the prior month. Markets were expecting the economic sentiment indicator to advance to 114.60.

In November, the business climate indicator registered a rise to 1.49 in the Eurozone, lower than market expectations of an advance to 1.51. The business climate indicator had recorded a level of 1.44 in the prior month.

In November, the final consumer confidence index climbed to 0.10 in the Eurozone, in line with market expectations. The consumer confidence index had recorded a revised reading of -1.10 in the prior month. The preliminary figures had also indicated a rise to 0.10.

In Germany, the flash CPI rose 1.8% on an annual basis in November, compared to a rise of 1.6% in the previous month. Markets were expecting the consumer price index to rise 1.7%.

### US

The Fed Chairwoman, Janet Yellen, reiterated optimism over the US economic growth and highlighted the importance of further gradual interest rate hikes to sustain a healthy labour market and stabilise inflation at the central bank's target. However, Yellen expressed significant concerns over the nation's surging public debt and income inequality.

According to the Fed's Beige Book report, the US economy grew at a modest to moderate pace in October through mid-November. Further, it revealed that inflationary pressures have strengthened and the labour market has continued to tighten.

In the US, the second estimate of annualised GDP climbed 3.3% on a quarterly basis in 3Q17, more than market expectations for a rise of 3.2%. The annualized GDP had recorded a rise of 3.1% in the prior quarter. The preliminary figures had indicated a rise of 3.0%.

In October, the pending home sales registered a rise of 3.5% on a monthly basis in the US, compared to a revised fall of 0.4% in the prior month. Markets were expecting pending home sales to climb 1.0%.

### UK

In the UK, net consumer credit advanced GBP1.50bn in October, meeting market expectations. In the prior month, net consumer credit had registered a revised similar rise.

In October, the number of mortgage approvals for house purchases recorded a drop to 64.60K in the UK, compared to a revised reading of 66.10K in the prior month. Markets were expecting the number of mortgage approvals for house purchases to fall to a level of 65.00K.

In the UK, the consumer confidence eased to -12.00 in November, compared to a level of -10.00 in the prior month. Markets were expecting the consumer confidence to fall to a level of -11.00.

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## Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	01:50	Industrial Production (MoM) (Oct) (P)	✓✓✓	0.50%*	-1.00%	Monthly
Japan	01:50	Industrial Production (YoY) (Oct) (P)	✓✓✓	5.90%*	2.60%	Monthly
UK	02:01	Lloyds Business Barometer (Nov)	✓	24.00%*	26.00%	Monthly
UK	02:01	GfK Consumer Confidence (Nov)	✓✓✓	-12.00*	-10.00	Monthly
China	03:00	NBS Non-manufacturing PMI (Nov)	✓	54.80*	54.30	Monthly
China	03:00	NBS Manufacturing PMI (Nov)	✓✓	51.80*	51.60	Monthly
Japan	07:00	Annualised Housing Starts (Oct)	✓✓	0.95mn units	0.95mn units	Monthly
Germany	09:00	Retail Sales (MoM) (Oct)	✓✓✓	0.30%	0.50%	Monthly
Germany	09:00	Retail Sales (YoY) (Oct)	✓✓✓	2.80%	4.10%	Monthly
UK	09:00	Nationwide House Prices s.a. (MoM) (Nov)	✓✓✓	0.10%	0.20%	Monthly
Germany	10:55	Unemployment Change (Nov)	✓✓✓	-10.00K	-11.00K	Monthly
Germany	10:55	Unemployment Rate s.a. (Nov)	✓✓✓	5.60%	5.60%	Monthly
South Africa	11:30	Producer Price Index (MoM) (Oct)	✓✓✓	0.60%	0.70%	Monthly
South Africa	11:30	Producer Price Index (YoY) (Oct)	✓✓✓	5.00%	5.20%	Monthly
Eurozone	12:00	Unemployment Rate (Oct)	✓✓✓	8.90%	8.90%	Monthly
Eurozone	12:00	Consumer Price Index - Core (YoY) (Nov) (P)	✓✓✓	1.00%	0.90%	Monthly
Eurozone	12:00	Consumer Price Index (YoY) (Nov) (P)	✓✓✓	1.60%	1.40%	Monthly
South Africa	13:00	Electricity Consumption (YoY) (Oct)	✓✓	-	0.20%	Monthly
South Africa	13:00	Electricity Production (YoY) (Oct)	✓✓	-	1.10%	Monthly
South Africa	14:00	Trade Balance (Oct)	✓✓✓	-ZAR5.50bn	ZAR4.00bn	Monthly
US	15:30	Personal Income (MoM) (Oct)	✓✓	0.30%	0.40%	Monthly
US	15:30	Personal Consumption Expenditure Core (MoM) (Oct)	✓✓	0.20%	0.10%	Monthly
US	15:30	Personal Spending (Oct)	✓✓	0.30%	1.00%	Monthly
US	15:30	Initial Jobless Claims (25-Nov)	✓✓✓	240.00K	239.00K	Weekly
US	16:45	Chicago PMI (Nov)	✓✓✓	63.00	66.20	Monthly

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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