

# ONE Minute Brief

13 November 2017

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## Economic and Political News

The Democratic Alliance (DA) indicated that it had asked the High Court to force President, Jacob Zuma, to reveal the amount of legal fees the state had spent to fight corruption and other charges against him.

The National Union of Mineworkers (NUM) has indicated that its members will go on strike in the coal sector from November 19, demanding a once off payment of ZAR1,100 and an increase of 8.0% next year.

The Constitutional Court has ordered the South African Social Security Agency (SASSA) to provide a credible progress plan by December 8 on phasing out the Cash Paymaster Services (CPS) contract.

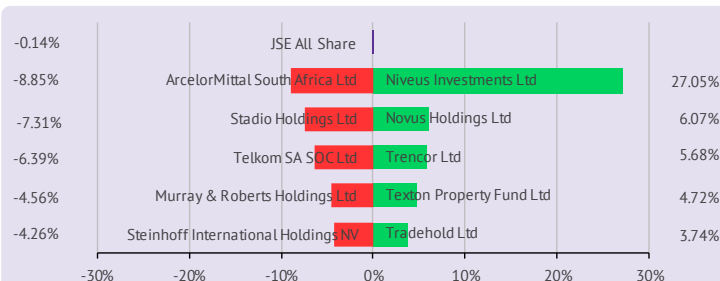
South African Communist Party (SACP) General Secretary, Blade Nzimande, has demanded that state capture and corruption must be decisively dealt with, both in the public and private sectors. He additionally warned that if SACP leaders were not elected for top positions in government during the upcoming elective conference, the party would contest the 2019 national elections.

African National Congress (ANC) General-Secretary, Gwede Mantashe, stated that there will be no extensions to the deadline for nominations, ahead of the December elective conference.

## South Africa Market ▼

### South African markets closed lower

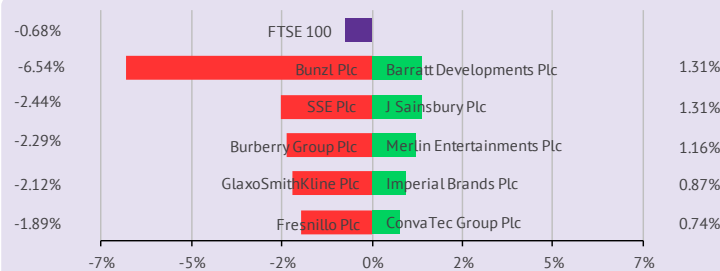
South African markets closed in the red on Friday, amid losses in industrial and retail sector stocks. The JSE All Share Index fell 0.1% to close at 59,776.12.



## UK Market ▼

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

UK markets finished lower on Friday, led by sharp losses in retail, energy, health care and telecommunication sector stocks. Data showed that UK's NIESR estimated gross domestic product (GDP) rose in the 3 months to October. The FTSE 100 Index declined 0.7% to 7,432.99.



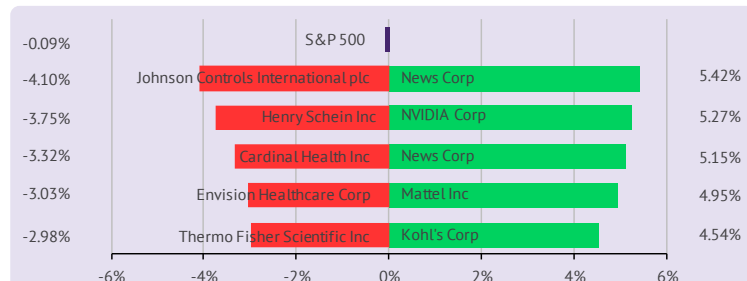
## Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	59776.12	▼	-85.99	-0.14%	NA	1.35%	6.12%	18.01%
JSE Top 40	53424.93	▼	-88.89	-0.17%	NA	1.63%	6.47%	21.69%
FTSE 100	7432.99	▼	-51.11	-0.68%	NA	-0.80%	1.63%	4.06%
DAX 30	13127.47	▼	-55.09	-0.42%	NA	-0.77%	3.12%	14.34%
CAC 40	5380.72	▼	-27.03	-0.50%	NA	-2.23%	3.25%	10.66%
S&P 500	2582.30	▼	-2.32	-0.09%	NA	0.27%	2.22%	15.34%
Nasdaq Composite	6750.94	▲	0.89	0.01%	NA	0.35%	3.57%	25.41%
DJIA	23422.21	▼	-39.73	-0.17%	NA	0.19%	4.34%	18.52%

## US Market ▼

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

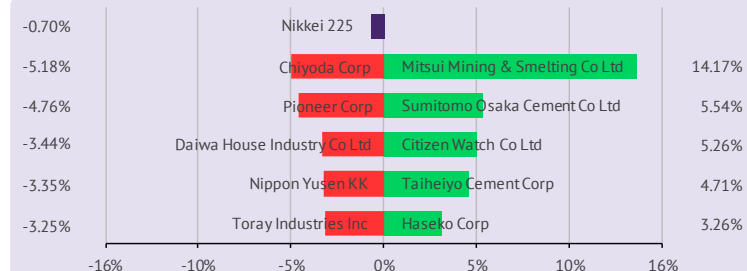
US markets closed lower on Friday, weighed down by losses in energy and health care sector stocks. Data revealed that US flash Michigan consumer confidence index surprisingly declined in November. The S&P 500 Index dropped 0.1% to close at 2,582.30.



## Asian Market ◀▶

### Trading mixed

Asian markets are trading mixed this morning. The Nikkei 225 Index is trading 0.7% lower at 22,523.39.



**Address:** GTC @Grant Thornton, The Wanderers Office Park, 52 Corlett Drive, Illovo, 2196.  
t: +27 (0) 21 412 1074 | e: oneminutebrief@gtc.co.za | w: www.gtc.co.za

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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 R14.4131. Later today, traders will keep an eye on US monthly budget statement for further direction.

The US Dollar rose against the South African Rand on Friday. On the macro front, US preliminary Michigan consumer confidence index recorded an unexpected drop in November, amid rising expectations that interest rates and inflation will increase.

## GBPZAR ▼

### GBP trading weaker against ZAR

At 06:00 SAST, the British Pound is trading 0.5% lower against the South African Rand at R18.9121. Data indicated that UK's Rightmove house price index dropped on a monthly basis in November. With no major economic news in the UK today, investor sentiment will be determined by global macroeconomic factors.

The British Pound advanced against the South African Rand on Friday, after UK's NIESR estimated GDP recorded a rise in the three months to October. Further, industrial production advanced at a faster-than-expected pace on a monthly basis in September, driven by a rise in production of machinery and equipment. Moreover, the nation's monthly manufacturing production advanced in the same month. However, construction output retreated more-than-anticipated on a monthly basis in September, led by a drop in commercial work and housing repairs. Meanwhile, UK's trade deficit unexpectedly narrowed in the same month, amid rising exports.

## EURZAR ▲

### EUR trading stronger against ZAR

At 06:00 SAST, the Euro is trading 0.2% firmer against the South African Rand at R16.7975. Going forward, market participants will keep a tab on Germany's wholesale price index for further cues.

The Euro strengthened against the South African Rand on Friday.

## AUDZAR ▲

### AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar advanced 0.2% against the South African Rand to trade at R11.0402.

The Australian Dollar rose against the South African Rand on Friday. In its quarterly monetary policy statement, the Reserve Bank of Australia (RBA), revealed that it will likely keep the key interest rate steady and pointed towards a gradual increase in the nation's inflation rate. Also, the central bank lowered its GDP growth forecast to 2.5% in December from its previous forecast of 2.0% to 3.0% in August.

## Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	14.4131	▲	0.90%	NA	1.77%	4.19%	4.71%
GBPZAR	18.9121	▼	1.52%	NA	1.31%	3.32%	12.34%
EURZAR	16.7975	▲	1.08%	NA	1.90%	2.73%	16.12%
AUDZAR	11.0402	▲	0.67%	NA	1.83%	1.82%	11.18%
EURUSD	1.1654	▼	0.20%	NA	0.16%	-1.42%	10.96%
GBPUSD	1.3122	▼	0.39%	NA	-0.65%	-0.86%	6.97%
Brent (\$/barrel)	63.6	▲	-0.64%	NA	4.23%	7.31%	11.79%
Gold (\$/oz)	1276.1	▲	-1.03%	NA	0.29%	-0.86%	10.64%
Platinum (\$/oz)	933.3	▲	-0.90%	NA	1.36%	1.02%	3.38%
Copper (\$/MT)*	6753.8	▼	-0.36%	NA	-0.92%	5.98%	22.28%

\*As of Previous Close

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices gained 0.1% to trade at \$1,276.10/oz.

On Friday, gold prices fell 1.0% to close at \$1,274.20/oz, reversing its previous session gains.

## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil edged marginally higher to trade at \$63.55/bl.

On Friday, Brent crude oil dropped 0.6% to settle at \$63.52/bl, after Baker Hughes reported that US oil rig count rose by 9 to 738 last week.

## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices edged 0.1% higher to trade at \$933.30/oz.

On Friday, platinum prices declined 0.9% to close at \$932.10/oz.



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## Major South Africa Corporate News

### Arcelormittal South Africa Limited

In its operational update, the company stated that liquid steel production was up by 11.2% to 125,000 tonnes, due to higher production at Saldanha Works. For 4Q17, the company expects local sales to be under pressure due to tough trading conditions because of lower steel demand, amid poor economic conditions. However, local sales is expected to be slightly higher in 4Q17 due to lower imports and export sales will also be higher due to better international prices.

### Telkom SA SOC Limited

In its 1H18 results, the company revealed that its operating revenue marginally declined from the same period of the preceding year to ZAR20.11bn. Its diluted EPS stood at 311.30c, compared with 334.60c recorded in the corresponding period of the previous year.

### Net 1 UEPS Technologies Inc

In its 1Q18 results, the company stated that its revenue decreased to USD152.56mn from USD155.63mn posted in the corresponding period of the previous year. Its diluted EPS fell 26.1% from the same period of the prior year to \$0.34. Separately, the company stated that it has entered into arrangements with Mr. Carl Scheible for him to lead and partner in the development and implementation of a global expansion and deployment of large scale UEPS/EMV projects for the company, and majorly targeting already identified developing economies.

### Tsogo Sun Holdings Limited

In its 1H18 trading update, the company stated that HEPS is expected to be higher in the range of 18.80c to 20.50c, which is an increase of 22.0% to 24.0% compared with the corresponding period in the previous year.

## Major Global Economic News

### UK

In the UK, the NIESR estimated GDP recorded a rise of 0.5% on a monthly basis, in the August-October 2017 period. The NIESR estimated GDP had recorded a revised unchanged reading in the July-September 2017 period.

In September, manufacturing production recorded a rise of 0.7% on a monthly basis in the UK, higher than market expectations for a rise of 0.3%. Manufacturing production had risen 0.4% in the prior month.

In the UK, industrial production climbed 0.7% on a monthly basis in September, compared to a revised rise of 0.3% in the previous month. Markets were expecting industrial production to advance 0.3%.

In September, construction output eased 1.6% on a monthly basis in the UK, compared to a revised advance of 0.8% in the previous month. Market anticipation was for construction output to drop 0.9%.

In the UK, total trade deficit fell to GBP2.75bn in September, compared to market expectations of a total trade deficit of GBP4.30bn. In the prior month, the UK had reported a revised total trade deficit of GBP3.45bn.

### US

In the US, the preliminary Reuters/Michigan consumer sentiment index registered an unexpected drop to a level of 97.80 in November, compared to market expectations of an advance to a level of 100.80. In the prior month, the index had registered a reading of 100.70.



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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	29432	1.13%	104.00%	101.50%
Trencor Ltd	5040	15.86%	51.35%	81.41%
Exxaro Resources Ltd	15226	3.12%	52.73%	80.77%
Naspers Ltd	354100	2.05%	30.74%	76.28%
Niveus Investments Ltd	944	48.25%	50.04%	62.38%
Anglo American Platinum Ltd	41675	3.82%	49.42%	57.62%
Astral Foods Ltd	19598	-1.17%	23.62%	54.46%
Assore Ltd	34354	10.34%	84.53%	53.16%
Glencore Plc	6895	-1.99%	42.21%	50.21%
MAS Real Estate Inc	3202	0.06%	38.72%	48.78%
Anglo American Plc	28159	2.81%	64.65%	48.51%
Dis-Chem Pharmacies Ltd	3176	-4.08%	10.79%	42.97%
Cie Financiere Richemont SA	12508	-4.57%	15.47%	40.76%
Equites Property Fund Ltd	2085	-0.81%	25.02%	40.32%
South32 Ltd	3663	-5.37%	44.95%	40.28%
African Rainbow Minerals Ltd	12803	-0.75%	68.08%	38.56%
Clicks Group Ltd	15550	-2.58%	14.88%	37.73%
Capitec Bank Holdings Ltd	92486	-1.92%	19.43%	35.24%
Gold Fields Ltd	5699	2.41%	23.67%	33.64%
African Oxygen Ltd	2400	-1.23%	23.89%	32.49%
Discovery Ltd	14962	0.48%	17.59%	32.45%
Fortress Income Fund Ltd	4054	-1.70%	18.67%	31.37%
Northam Platinum Ltd	5310	1.63%	20.74%	31.11%
BHP Billiton Plc	27100	2.46%	37.72%	29.91%
Murray & Roberts Holdings Ltd	1443	-8.61%	11.82%	29.01%
Bid Corp Ltd	31050	-0.10%	4.47%	28.90%
Resilient REIT Ltd	14061	-2.22%	19.73%	28.77%
DataTec Ltd	6320	3.23%	21.07%	27.73%
Sibanye Gold Ltd	2034	4.31%	31.14%	25.73%
Mondi Plc	34101	-0.43%	-0.32%	25.45%
Mondi Ltd	34100	0.29%	-0.41%	24.88%
Mr Price Group Ltd	19259	8.65%	32.07%	24.17%
Shoprite Holdings Ltd	20775	1.44%	0.88%	24.05%
British American Tobacco Plc	93054	0.49%	-0.29%	23.73%
RCL Foods Ltd/South Africa	1525	1.46%	3.02%	22.56%
PPC Ltd	670	-10.31%	9.12%	21.16%
PSG Group Ltd	25907	-0.72%	8.72%	20.38%
PSG Konsult Ltd	865	-1.70%	6.18%	19.32%
Sanlam Ltd	7185	1.31%	4.69%	18.95%
Barloworld Ltd	13504	-1.87%	17.23%	18.18%
<b>JSE All Share Index</b>	<b>59776</b>	<b>0.23%</b>	<b>1.35%</b>	<b>18.01%</b>

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## Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus	Previous	Frequency
Japan	08:00	Machine Tool Orders (YoY) (Oct) (P)	✓✓✓	-	45.00%	Monthly
Germany	09:00	Wholesale Price Index (MoM) (Oct)	✓	-	0.60%	Monthly
Germany	09:00	Wholesale Price Index (YoY) (Oct)	✓	-	3.40%	Monthly
Eurozone	11:00	ECB's Constancio Speaks in Frankfurt	✓	-	-	As scheduled
UK	13:00	Composite Leading Indicator (Sep)	✓	-	99.50	Monthly
Japan	19:45	BoJ Governor Kuroda scheduled to speak in Zurich	✓✓✓	-	-	As scheduled
US	21:00	Monthly Budget Statement (Oct)	✓✓✓	-USD50.00bn	USD8.00bn	Monthly

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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**Address:** GTC @Grant Thornton, The Wanderers Office Park, 52 Corlett Drive, Illovo, 2196.  
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