

# ONE Minute Brief

20 November 2017

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## Economic and Political News

President Jacob Zuma stated that the African region was committed to supporting the people of Zimbabwe. He added that he was cautiously optimistic about the situation being resolved amicably.

The International Monetary Fund stated that South Africa could face more fiscal problems and higher financing costs if the debt of state-owned companies continues to rise and if the nation's local debt is downgraded to junk.

The National Union of Mineworkers (NUM) stated that it will delay its coal sector strike notice after some companies revised their wage offers.

The South African Chamber of Mines has opposed Eskom's application to increase tariffs by 19.9%, stating that it will adversely affect the nation's economic growth.

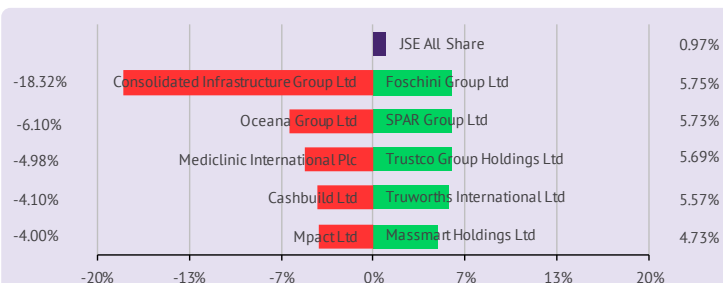
Over the weekend, the Democratic Alliance stated that it will lay criminal charges and will file a complaint with the Public Protector, Busisiwe Mkhwebane, against State Security Minister, Bongani Bongo, following bribery allegations.

President, Jacob Zuma, has launched the InvestSA, a one-stop shop for providing investors with services to fast-track projects and reduce government red tape when establishing a business.

## South Africa Market ▲

### South African markets closed higher

South African markets closed in the green on Friday, boosted by gains in the banking and retail sector stocks. The JSE All Share Index rose 1.0% to close at 60,128.41.



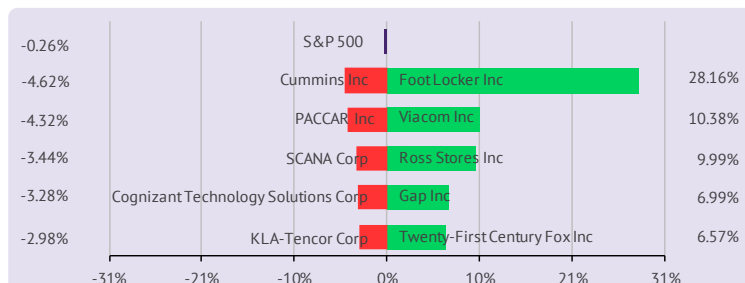
## Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	60128.41	▲	579.19	0.97%	NA	1.95%	18.71%
JSE Top 40	53909.14	▲	530.48	0.99%	NA	6.47%	22.79%
FTSE 100	7380.68	▼	-6.26	-0.08%	NA	1.63%	3.33%
DAX 30	12993.73	▼	-53.49	-0.41%	NA	3.12%	13.18%
CAC 40	5319.17	▼	-17.22	-0.32%	NA	3.25%	9.40%
S&P 500	2578.85	▼	-6.79	-0.26%	NA	0.14%	15.19%
Nasdaq Composite	6782.79	▼	-10.50	-0.15%	NA	3.57%	26.00%
DJIA	23358.24	▼	-100.12	-0.43%	NA	4.34%	18.19%

## US Market ▼

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

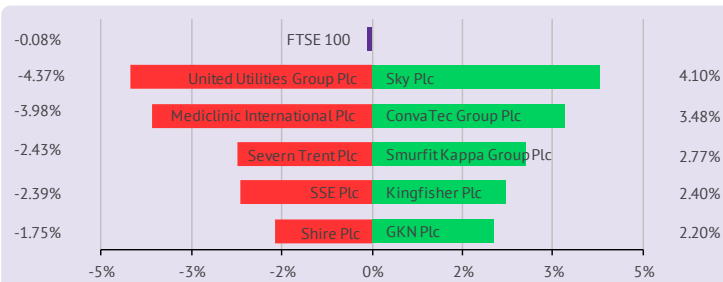
US markets closed lower on Friday, amid ongoing concerns over the US tax reform. Data showed that US housing starts and building permits painted a positive picture for the housing sector in October. The S&P 500 Index dropped 0.3% to close at 2,578.85.



## UK Market ▼

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

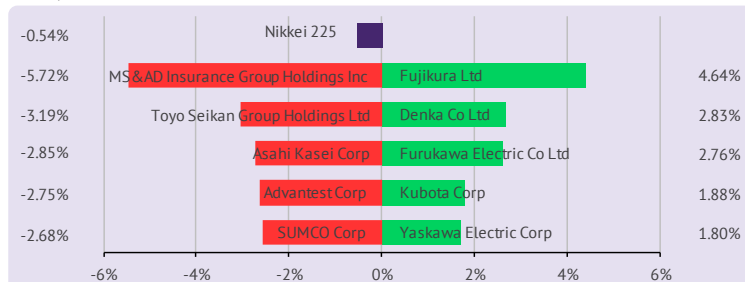
UK markets finished lower on Friday, weighed down by losses in utility and healthcare sector stocks and strength in the British Pound. The FTSE 100 Index declined 0.1% to close at 7,380.68.



## Asian Market ▼

### Trading lower

Asian markets are trading lower this morning, tracking Friday's losses on Wall Street. Data indicated that Japan's trade surplus narrowed more-than-expected in October. The Nikkei 225 Index is trading 0.5% lower at 22,276.88.



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## USDZAR ▲

### USD trading stronger against ZAR

At 06:00 SAST, the US Dollar is trading 0.2% firmer against the South African Rand at R14.0329. Later today, traders will keep a close watch on the US leading index data for further cues.

The US Dollar fell against the South African Rand on Friday. On the macro front, the US housing starts rebounded more-than-expected to its highest level since October 2016 on a monthly basis in October. Furthermore, the building permits bounced back into positive territory in October, reaching its strongest level since September 2007.

## GBPZAR ▲

### GBP trading higher against ZAR

At 06:00 SAST, the British Pound climbed 0.2% against the South African Rand to trade at R18.5230. 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 on Friday.

## EURZAR ▼

### EUR trading weaker against ZAR

At 06:00 SAST, the Euro is trading 0.1% lower against the South African Rand at R16.4696. Going forward, market participants will keep a tab on Germany's producer price index data for further direction.

The Euro weakened against the South African Rand on Friday. On the data front, Eurozone's current account surplus widened in September. Additionally, construction output rose on a monthly basis in the same month.

## AUDZAR ▲

### AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar rose 0.2% against the South African Rand to trade at R10.6004.

The Australian Dollar fell against the South African Rand on Friday.

## Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	14.0329	▲	-1.12%	NA	-0.91%	4.19%	1.94%
GBPZAR	18.5230	▲	-1.04%	NA	-1.51%	3.32%	9.20%
EURZAR	16.4696	▼	-1.05%	NA	0.19%	2.73%	14.17%
AUDZAR	10.6004	▲	-1.52%	NA	-2.20%	1.82%	6.78%
EURUSD	1.1737	▼	0.17%	NA	1.24%	-1.42%	12.15%
GBPUSD	1.3200	▼	0.15%	NA	-0.51%	-0.86%	7.13%
Brent (\$/barrel)	62.6	▼	2.22%	NA	2.92%	7.31%	10.38%
Gold (\$/oz)	1292.0	▼	1.43%	NA	2.05%	-0.86%	12.57%
Platinum (\$/oz)	945.7	▼	1.97%	NA	3.81%	1.02%	5.88%
Copper (\$/MT)*	6743.5	▲	0.61%	NA	-1.07%	5.98%	22.10%

\*As of Previous Close

## Gold ▼

### Trading in the red

At 06:00 SAST, gold prices edged 0.3% lower to trade at \$1,292.00/oz.

On Friday, gold prices rose 1.4% to close at \$1,296.50/oz, as the US Dollar weakened on concerns surrounding US special counsel Robert Mueller's investigation into Russia's interference in the US presidential election.

## Brent Crude Oil ▼

### Trading weaker

At 06:00 SAST, Brent crude oil retreated 0.2% to trade at \$62.59/bl.

On Friday, Brent crude oil advanced 2.2% to settle at \$62.72/bl, amid rising expectations that the Organization of the Petroleum Exporting Countries (OPEC) will extend its agreement to curb production when it meets on 30 November 2017. Meanwhile, Baker Hughes recorded an unchanged reading in the US oil rig count at 738 last week.

## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices fell 0.9% to trade at \$945.70/oz.

On Friday, platinum prices climbed 2.0% to close at \$954.60/oz.





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## Major South Africa Corporate News

### Naspers Limited

In its 1H18 trading statement, the company reported that it expects core HEPS to be in the range of 132.00c to 142.00c, which is 62.0% to 67.0% higher compared with the corresponding period of the previous year. Further, it expects EPS to increase to be in the range of 121.00c and 128.00c, which is 94.0% to 99.0% higher compared with the same period of the prior year.

### Nedbank Group Limited

The company announced that it has capitalised at levels significantly above the minimum regulatory requirements. The common equity tier 1 ratio at September 30, 2017 was 12.1% compared to 11.5% in corresponding period of the previous year which indicates organic capital generation and growth in risk weighted assets during the period.

## Major Global Economic News

### US

In the US, the housing starts advanced 13.7% on a monthly basis to an annual rate of 1290.00K in October, higher than market expectations of 1190.00K. In the prior month, the housing starts had recorded a revised level of 1135.00K.

In October, the building permits advanced 5.9% on monthly basis to an annual rate of 1297.00K in the US, compared to a revised level of 1225.00K in the prior month. Market expectation was for building permits to climb to 1250.00K.

### Eurozone

In the Eurozone, the seasonally adjusted current account surplus widened to EUR37.80bn in September, compared to a revised current account surplus of EUR34.50bn in the prior month.

In September, the seasonally adjusted construction output climbed 0.1% on a monthly basis in the Eurozone. Construction output had recorded a revised unchanged reading in the prior month.

### Asia

In Japan, trade surplus narrowed to JPY285.40bn in October, following a trade surplus of JPY670.20bn in the previous month. Market anticipation was for the nation's trade surplus to drop to JPY330.00bn.



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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>60128</b>	<b>0.59%</b>	<b>1.95%</b>	<b>18.71%</b>

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## Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	01:50	Exports (YoY) (Oct)	✓✓	14.00%*	14.10%	Monthly
Japan	01:50	Imports (YoY) (Oct)	✓✓	18.90%*	12.00%	Monthly
Japan	01:50	Merchandise Trade Balance Total (Oct)	✓✓✓	JPY285.40bn*	JPY670.20bn	Monthly
Japan	01:50	Adjusted Merchandise Trade Balance (Oct)	✓✓✓	JPY322.90bn*	JPY266.60bn	Monthly
Germany	09:00	Producer Price Index (MoM) (Oct)	✓✓✓	0.30%	0.30%	Monthly
Germany	09:00	Producer Price Index (YoY) (Oct)	✓✓✓	2.70%	3.10%	Monthly
Eurozone	14:30	Governors of Central European C.Banks on Panel in Vienna	✓✓	-	-	As scheduled
US	17:00	Leading Indicator (MoM) (Oct)	✓✓✓	0.70%	-0.20%	Monthly
Eurozone	19:45	Lautenschlaeger Speaks at IIF Forum in Frankfurt	✓	-	-	As scheduled
Eurozone	21:30	President Draghi speaks in Brussels	✓✓✓	-	-	As scheduled
Eurozone	21:45	Constancio Chairs Panel in Frankfurt	✓	-	-	As scheduled
Eurozone	23:30	Draghi speaks in Brussels in his capacity as ESRB Chair	✓✓✓	-	-	As scheduled
Germany	-	German Buba Monthly Report	✓	-	-	As scheduled

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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