

ONE Minute Brief

21 November 2017

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Economic and Political News

SA was ranked 6th in the Mo Ibrahim Index of African Governance (IIAG), a monitor of overall governance performance in African countries.

African National Congress (ANC) stalwarts and veterans proposed “a one member, one vote” method for selecting the leaders for the party. Separately, they reiterated their call for President, Jacob Zuma, to step down with immediate effect.

The National Union of Metalworkers of South Africa (NUMSA) has urged the National Energy Regulator (NERSA) to reject Eskom’s request for a 19.9% tariff increase.

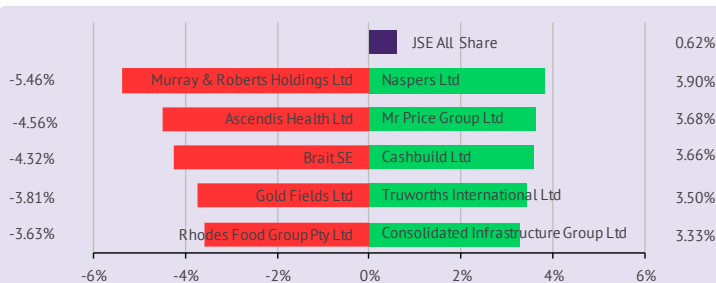
Former Finance Minister, Pravin Gordhan, stated that South Africans should together fight against the state capture and that sooner the Gupta family will leave the nation, the better it will be for the country.

The South African National Defence Force (SANDF) has rejected claims that former Eskom Chief Executive Officer (CEO), Brian Molefe, is working for the army.

South Africa Market ▲

South African markets closed higher

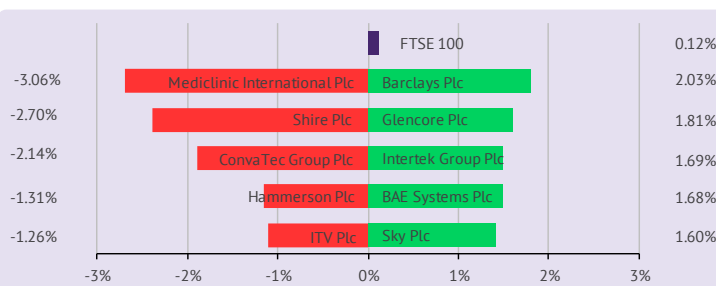
South African markets closed in the green yesterday, amid gains in industrial sector stocks. The JSE All Share Index rose 0.6% to close at 60,500.61.



UK Market ▲

The FTSE 100 futures are trading in negative territory

UK markets finished higher yesterday, boosted by gains in cyclical sector stocks. The FTSE 100 Index advanced 0.1% to close at 7,389.46.



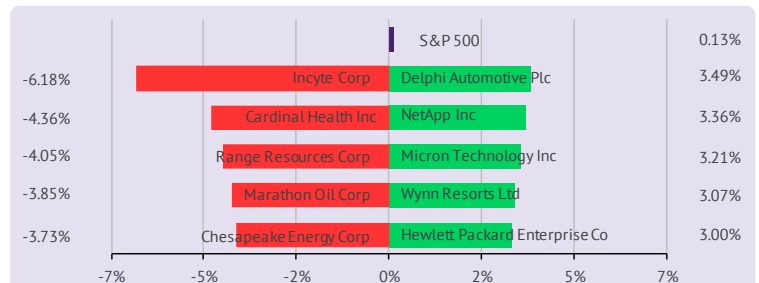
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	60500.61	▲	372.20	0.62%	0.62%	2.58%	6.12%	19.44%
JSE Top 40	54327.42	▲	418.28	0.78%	0.78%	3.34%	6.47%	23.75%
FTSE 100	7389.46	▲	8.78	0.12%	0.12%	-1.38%	1.63%	3.45%
DAX 30	13058.66	▲	64.93	0.50%	0.50%	-1.29%	3.12%	13.74%
CAC 40	5340.45	▲	21.28	0.40%	0.40%	-2.96%	3.25%	9.83%
S&P 500	2582.14	▲	3.29	0.13%	0.13%	0.27%	2.22%	15.33%
Nasdaq Composite	6790.71	▲	7.92	0.12%	0.12%	0.94%	3.57%	26.15%
DJIA	23430.33	▲	72.09	0.31%	0.31%	0.23%	4.34%	18.56%

US Market ▲

The S&P 500 futures are trading in the red

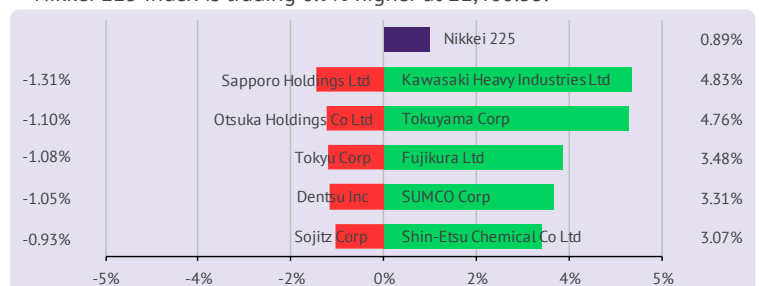
US markets closed higher yesterday, driven by a rise in technology and telecommunication sector stocks. Data revealed that the US leading index rebounded at a higher-than-expected rate in October. The S&P 500 Index climbed 0.1% to close at 2,582.14.



Asian Market ▲

Trading higher

Asian markets are trading higher this morning, tracking overnight gains on Wall Street. Data showed that Japan's all industry activity index dropped more-than-expected on a monthly basis in September. The Nikkei 225 Index is trading 0.9% higher at 22,460.33.



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USDZAR ▼

USD trading weaker against ZAR

At 06:00 SAST, the US Dollar is trading marginally lower against the South African Rand at R14.0435. Later today, traders will keep a close watch on the US existing home sales data and the Chicago Fed National activity index data for further direction. Separately, South Africa's leading indicator will be on investors' radar.

The US Dollar rose against the South African Rand yesterday. On the data front, US leading index advanced more than market anticipations in October.

GBPZAR ▲

GBP trading firmer against ZAR

At 06:00 SAST, the British Pound is trading 0.1% higher against the South African Rand at R18.6038. Later today, traders will keep an eye on UK's public sector net borrowings and CBI industrial trends survey orders data for further cues.

The British Pound advanced against the South African Rand yesterday.

EURZAR ▲

EUR trading stronger against ZAR

At 06:00 SAST, the Euro is trading marginally firmer against the South African Rand at R16.4856. With no major economic news 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 producer price (PPI) index rose at a slower pace, but in line with market expectations on an annual basis in October.

AUDZAR ▼

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar fell 0.1% against the South African Rand to trade at R10.5873. Earlier in the session, the Reserve Bank of Australia (RBA) in its November meeting minutes revealed that it has less confidence in the outlook and stated that there is "considerable uncertainty" over how quickly wage pressures might grow and how this would impact inflationary pressure. Further, the central bank indicated that wage growth remained slow, despite continuing fall in the nation's unemployment rate.

The Australian Dollar rose against the South African Rand yesterday.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	14.0435	▼	0.35%	0.35%	-0.57%	4.19%	2.30%
GBPZAR	18.6038	▲	0.55%	0.55%	-0.97%	3.32%	9.80%
EURZAR	16.4856	▲	-0.04%	-0.04%	0.15%	2.73%	14.12%
AUDZAR	10.5873	▼	0.23%	0.23%	-1.98%	1.82%	7.03%
EURUSD	1.1738	▲	-0.48%	-0.48%	0.75%	-1.42%	11.60%
GBPUSD	1.3248	▲	0.15%	0.15%	-0.36%	-0.86%	7.29%
Brent (\$/barrel)	62.4	▲	-0.80%	-0.80%	2.10%	7.31%	9.50%
Gold (\$/oz)	1279.8	▲	-1.64%	-1.64%	0.38%	-0.86%	10.73%
Platinum (\$/oz)	930.8	▲	-3.25%	-3.25%	0.43%	1.02%	2.44%
Copper (\$/MT)*	6797.3	▲	0.80%	0.80%	-0.29%	5.98%	23.07%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices climbed 0.4% to trade at \$1,279.80/oz, after the US President, Donald Trump put North Korea back on the list of state sponsors of terrorism, that allows US to impose more sanctions and risks inflaming tensions over Pyongyang's nuclear weapons and missile programmes.

Yesterday, gold prices fell 1.6% to close at \$1,275.30/oz, amid strength in the greenback and rising expectations for an interest rate hike in the US.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged 0.2% higher to trade at \$62.35/bl.

Yesterday, Brent crude oil dropped 0.8% to settle at \$62.22/bl, following a meeting between OPEC and non-OPEC members next week, where an extension of crude output cuts is set to be discussed.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged 0.8% higher to trade at \$930.80/oz.

Yesterday, platinum prices declined 3.3% to close at \$923.60/oz.



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Major South Africa Corporate News

Astral Foods Limited

In its FY17 results, the company stated that revenues increased to ZAR12.35bn from ZAR11.95bn posted in the corresponding period of the previous year. Its diluted EPS rose to 1,947.00c from the same period of the prior year.

Barloworld Limited

In its FY17 results, the company indicated that its revenue fell to ZAR61.96bn from ZAR62.07bn posted in the corresponding period of the previous year. Its diluted EPS continuing operations increased 3.1% year to 901.50c from the same period of the prior year. For FY18, the firm expects higher returns across its equipment businesses due to recovery of global mining.

Mr Price Group Limited

In its 1H18 results, the company revealed that its revenue advanced 6.7% to ZAR9.78bn from the same period of the preceding year. Its diluted EPS stood at 432.10c up from 350.70c recorded in the corresponding period of the previous year.

Netcare Limited

In its FY17 results, the company stated that revenues decreased to ZAR34.13bn from ZAR37.73bn posted in the corresponding period of the previous year. Its diluted loss per share stood at 40.90c, compared to a profit of 122.60c recorded in the corresponding period of the previous year.

Omnia Holdings Limited

In its 1H18 trading update, the company indicated that its HEPS is expected to be in the range between 412.00c to 428.00c, representing an increase of 28.8% to 33.8% compared to the corresponding period of the previous year.

Pioneer Food Group Limited

In its FY17 results, the company reported that its revenue declined 5.0% to ZAR19.58bn from the same period of the preceding year. Its diluted EPS stood at 366.00c, compared to 846.90c recorded in the corresponding period of the previous year.

Major Global Economic News

Asia

In its November meeting minutes, the RBA indicated that it has less confidence in the outlook and cautioned that there remains “considerable uncertainty” over how quickly wage pressure might grow and how this could impact inflationary pressures. Further, board members noted that growth in inflation would be influenced by pressure on margins from strong competition and the outlook for wage growth.

In Japan, the all industry activity index slid 0.5% on a monthly basis in September, more than market expectations for a drop of 0.4%. In the prior month, the index had recorded a revised rise of 0.2%.

US

In the US, leading indicator climbed 1.2% on a monthly basis in October, more than market expectations for an advance of 0.8%. In the prior month, the leading indicator had recorded a drop of 0.2%.

Eurozone

In Germany, the PPI climbed 2.7% on a yearly basis in October, at par with market expectations and compared to a climb of 3.1% in the prior month.

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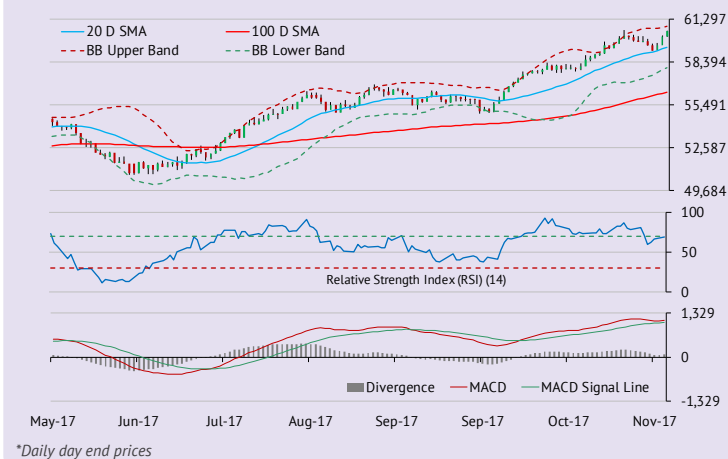
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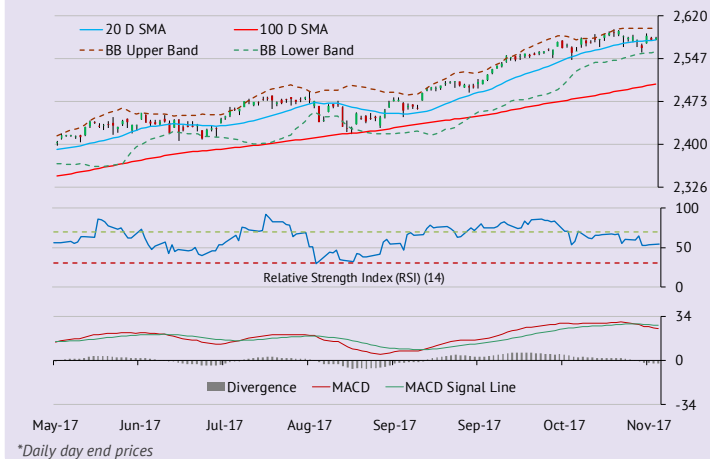
Technical Snapshot

JSE All Share



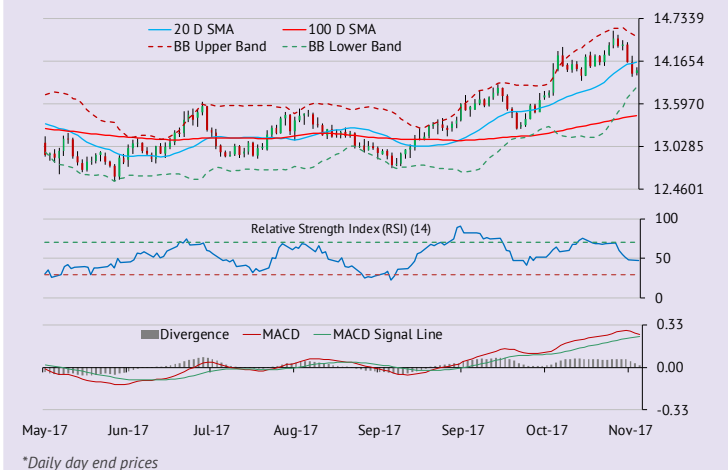
The JSE All Share index is expected to find support at 59,614.24, and a fall through could take it to the next support level of 58,727.86. The index is expected to find its first resistance at 60,957.96, and a rise through could take it to the next resistance level of 61,415.30.

S&P 500



The S&P 500 index is expected to find support at 2,563.03, and a fall through could take it to the next support level of 2,543.92. The index is expected to find its first resistance at 2,595.67, and a rise through could take it to the next resistance level of 2,609.20.

USDZAR



The pair is expected to find support at 13.8279, and a fall through could take it to the next support level of 13.6095. The pair is expected to find its first resistance at 14.3939, and a rise through could take it to the next resistance level of 14.7415.

XAU/USD



Gold is expected to find support at \$1,264.17/oz, and a fall through could take it to the next support level of \$1,253.03/oz. The precious metal is expected to find its first resistance at \$1,291.97/oz, and a rise through could take it to the next resistance level of \$1,308.63/oz.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	06:30	All Industry Activity Index (MoM) (Sep)	✓✓✓	-0.50%*	0.10%	Monthly
South Africa	09:00	Leading Indicator (Sep)	✓✓	-	97.20	Monthly
Eurozone	11:00	Financial Stability Review	✓✓	-	-	As scheduled
UK	11:30	Public Sector Net Cash Requirement (Oct)	✓✓	-	GBP11.20bn	Monthly
UK	11:30	Public Sector Net Borrowing (Oct)	✓✓	GBP6.50bn	GBP5.30bn	Monthly
UK	13:00	CBI Distributive Trades Survey - Realised (Nov)	✓✓	-	-36.00%	Monthly
UK	13:00	CBI Trends Selling Prices (Nov)	✓✓	-	18.00	Monthly
UK	13:00	CBI Industrial Trends Survey - Orders (Nov)	✓	3.00	-2.00	Monthly
US	15:30	Chicago Fed National Activity Index (Oct)	✓✓✓	0.20	0.17	Monthly
US	17:00	Existing Home Sales (MoM) (Oct)	✓✓✓	0.20%	0.70%	Monthly
US	17:00	Existing Home Sales (Oct)	✓✓✓	5.40mn	5.39mn	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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