

ONE Minute Brief

1 December 2017

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Economic and Political News

In South Africa (SA), the producer price index (PPI) registered an expected rise of 5.0% on an annual basis in October, compared to an advance of 5.2% in September. Trade surplus expanded better-than-expected to ZAR4.60bn in October, compared to a revised trade surplus of ZAR4.50bn in September. The nation's budget deficit widened at a faster pace in October.

President, Jacob Zuma, has approved the recommendations by the Independent Commission for Remuneration of Public Office Bearers, suggesting an increase of 4.0%-8.0% for public officials including MPs, judges and leaders of tribal authorities. Meanwhile, public sector unions expressed their disagreement with the decision.

Deputy President, Cyril Ramaphosa, has won the nomination from Eastern Cape to succeed Jacob Zuma as the next ANC president.

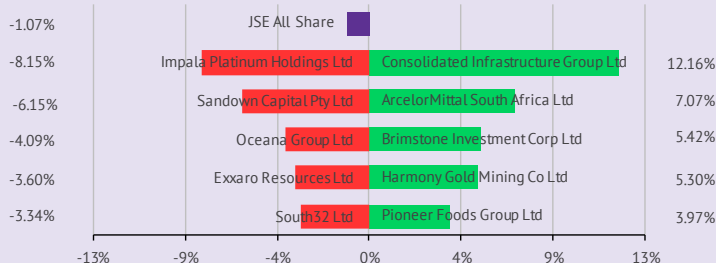
Finance minister, Malusi Gigaba, while speaking in the National Assembly during a debate on the Medium-Term Budget Policy statement, stated that the economy will "turn around", and that difficult decisions were being taken now.

Eskom has indicated that rolling power cuts were unlikely, despite coal supply possibly dropping below a 20-day requirement at its Hendrina power station. Meanwhile, Eskom's suspended CEO Matshele Koko has accused some of his colleagues of corruption and stated that he was being targeted for trying to stop it.

South Africa Market

South African markets closed lower

South African markets closed in the red yesterday, led by sharp losses in platinum mining and industrial sector stocks. Data revealed that SA posted an unexpected trade surplus in October. The JSE All Share Index fell 1.1% to close at 59,772.83.



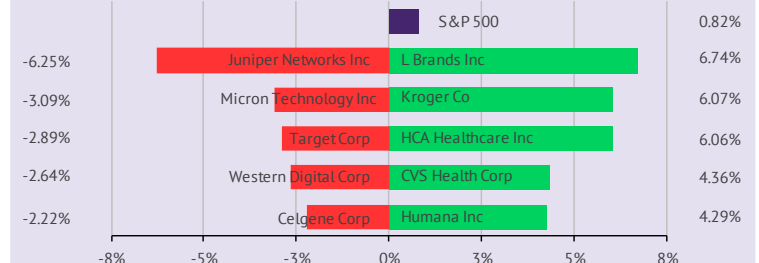
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	59772.83	▼ -645.56	-1.07%	-0.91%	NA	1.34%	18.00%
JSE Top 40	53269.83	▼ -687.23	-1.27%	-1.35%	NA	1.33%	21.34%
FTSE 100	7326.67	▼ -66.89	-0.90%	-1.12%	NA	-2.22%	2.57%
DAX 30	13023.98	▼ -37.89	-0.29%	-0.27%	NA	-1.55%	13.44%
CAC 40	5372.79	▼ -25.26	-0.47%	-0.33%	NA	-2.37%	10.50%
S&P 500	2647.58	▲ 21.51	0.82%	1.74%	NA	2.81%	18.26%
Nasdaq Composite	6873.97	▲ 49.58	0.73%	-0.22%	NA	2.17%	27.70%
DJIA	24272.35	▲ 331.67	1.39%	3.03%	NA	3.83%	22.82%

US Market

The S&P 500 futures are trading in the red

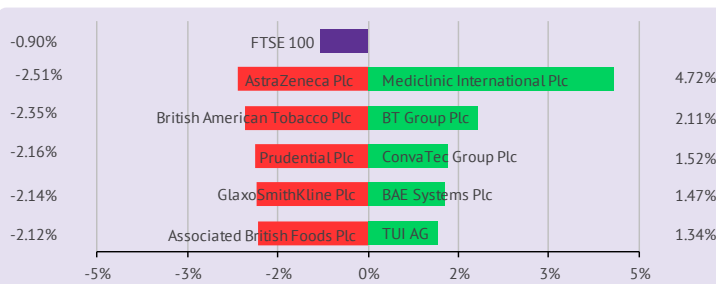
US markets closed higher yesterday, boosted by gains in industrial and technology sector stocks. Data showed that US initial jobless claims unexpectedly dropped during the week ended 25 November 2017. The S&P 500 Index climbed 0.8% to close at 2,647.58.



UK Market

The FTSE 100 futures are trading in negative territory

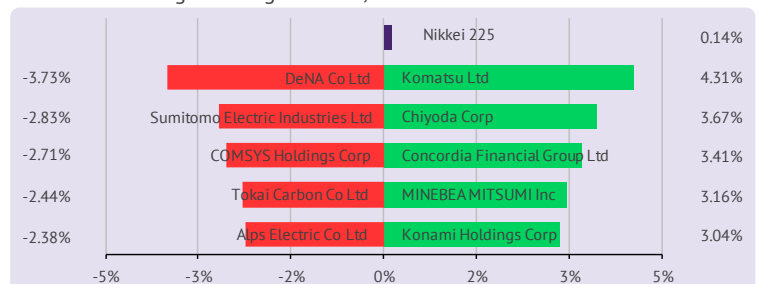
UK markets finished lower yesterday, following strength in the British Pound as hopes for Brexit negotiations increased. The FTSE 100 Index declined 0.9% to close at 7,326.67.



Asian Market

Trading mixed

Asian markets are trading mixed this morning. Data indicated that Japan's national consumer price index (CPI) rose at a slower pace but in line with expectations on an annual basis in October. The Nikkei 225 Index is trading 0.1% higher at 22,756.15.



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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 R13.7258. Later today, traders will keep a close watch on US ISM manufacturing PMI, construction spending and final Markit manufacturing PMI for further direction.

The US Dollar rose against the South African Rand yesterday, after the number of Americans applying for unemployment benefits surprised with a drop during the week ended 25 November 2017. Further, personal spending grew in line with market forecast in October. However, Chicago purchasing manager index dropped less-than-expected in November. Separately, South Africa's PPI rose in line with expectations on a yearly basis in October. In contrast, the nation recorded a trade surplus in October.

GBPZAR ▲

GBP trading firmer against ZAR

At 06:00 SAST, the British Pound is trading 0.2% higher against the South African Rand at R18.5737. Later today, traders will keep an eye on UK's Markit manufacturing PMI 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 climbed 0.2% against the South African Rand to trade at R16.3491. Going forward, market participants will keep a tab on Markit manufacturing PMI across the Eurozone.

The Euro strengthened against the South African Rand yesterday, after Eurozone's unemployment rate unexpectedly fell to its lowest level since January 2009 in October. Further, the CPI advanced but less than market anticipations on a yearly basis in November. Meanwhile, Germany's unemployment rate remained steady in November. In contrast, monthly and annual retail sales painted a negative picture for October.

AUDZAR ▲

AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% firmer against the South African Rand at R10.3802. Earlier in the session, data revealed that Australia's AiG performance of manufacturing index advanced at a faster pace in November. Meanwhile, in China, Australia's largest trading partner, Caixin manufacturing PMI dropped more-than-expected in November, remaining in expansion territory.

The Australian Dollar rose against the South African Rand yesterday. Data revealed that Australia's annual private sector credit rose as expected in October. Further, monthly building approvals advanced in October. Meanwhile, in China, Australia's largest trading partner, manufacturing PMI and non-manufacturing PMI rose in November.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.7258	▲	0.30%	-3.25%	NA	-3.04%	-0.24%
GBPZAR	18.5737	▲	1.26%	-1.78%	NA	-1.19%	9.56%
EURZAR	16.3491	▲	0.83%	-3.44%	NA	-0.84%	12.98%
AUDZAR	10.3802	▲	0.32%	-3.83%	NA	-4.09%	4.72%
EURUSD	1.1911	▲	0.48%	-0.24%	NA	2.22%	13.23%
GBPUSD	1.3531	▲	0.87%	1.41%	NA	1.82%	9.64%
Brent (\$/barrel)	62.9	▲	-0.76%	-1.93%	NA	2.77%	10.23%
Gold (\$/oz)	1278.1	▲	-0.69%	-1.10%	NA	0.21%	10.55%
Platinum (\$/oz)	943.6	▲	0.14%	-0.30%	NA	2.49%	4.54%
Copper (\$/MT)*	6735.0	▲	0.06%	-3.51%	NA	-1.20%	21.94%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.4% higher to trade at \$1,278.10/oz.

Yesterday, gold prices fell 0.7% to close at \$1,273.20/oz, amid strength in the US equities, followed by upbeat US economic data.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil climbed 0.5% to trade at \$62.92/bl, after OPEC and Russia agreed to extend their agreement to slash oil output until the end of 2018.

Yesterday, Brent crude oil dropped 0.8% to settle at \$62.63/bl.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged 0.1% higher to trade at \$943.60/oz.

Yesterday, platinum prices climbed 0.1% to close at \$942.50/oz.



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Major South Africa Corporate News

Consolidated Infrastructure Group

In its reviewed provisional condensed consolidated results for the year ended August 31, 2017, the company stated that its revenue declined 3.6% to ZAR4,369bn from the same period of the preceding year. It reported a headline loss per share of 77.9c, compared to HEPS of 255.3c. The firm also notified that a further trading statement will be released with the EPS and HEPS ranges once it obtains reasonable certainty on the financial results.

Harmony Gold Mining Company

The company announced that the planned shutdown at its Hidden Valley mine in Papua New Guinea was completed two weeks ahead of schedule and that the processing of ore recommenced on the November 15, 2017.

Niveus Investments

The company released a statement regarding its acquisition of Golden Arrow Bus Services Proprietary Limited and advised shareholders that, on November 29, 2017, the concerned parties entered into an asset for share agreement to record the full terms and conditions of the acquisition.

Major Global Economic News

Asia

In Australia, the AIG performance of manufacturing index recorded a rise to 57.30 in November, compared to a reading of 51.10 in the prior month.

In China, Caixin/Markit manufacturing PMI index registered a drop to 50.80 in November, compared to a reading of 51.00 in the prior month. Markets were anticipating Caixin/Markit manufacturing PMI index to ease to 50.90.

In Japan, the national CPI rose 0.2% on a yearly basis in October, in line with market expectations. In the prior month, the national CPI had registered a rise of 0.7%.

In Japan, unemployment rate remained flat at 2.8% in October, at par with market expectations.

In November, the final manufacturing PMI rose to a level of 53.60 in Japan, compared to a level of 52.80 in the prior month. The preliminary figures had indicated an advance to 53.80.

Eurozone

In the Eurozone, the flash CPI advanced 1.5% on an annual basis in November, compared to a rise of 1.4% in the previous month. Market anticipation was for the CPI to climb 1.6%.

In October, the unemployment rate recorded an unexpected drop to a rate of 8.8% in the Eurozone, compared to market expectations of a steady reading. The unemployment rate had registered a reading of 8.9% in the previous month.

In Germany, retail sales unexpectedly dropped 1.2% on a monthly basis in October, compared to market expectations for an advance of 0.3%. In the previous month, retail sales had climbed 0.5%.

In November, the seasonally adjusted unemployment rate remained flat at 5.6% in Germany, at par with market expectations.

US

In the US, the seasonally adjusted initial jobless claims unexpectedly dropped to a level of 238.00K in the week ended 25 November 2017, compared to a revised reading of 240.00K in the prior week. Markets were anticipating initial jobless claims to remain unchanged.

In October, personal spending rose 0.3% on a monthly basis in the US, in line with market expectations. Personal spending had climbed by a revised 0.9% in the previous month.

In the US, the Chicago Fed purchasing managers index dropped to 63.90 in November, lower than market expectations of a drop to 63.00. In the previous month, the index had registered a level of 66.20.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:30	Job-To-Applicant Ratio (Oct)	✓	1.55*	1.52	Monthly
Japan	01:30	Unemployment Rate (Oct)	✓✓	2.80%*	2.80%	Monthly
Japan	01:30	National Consumer Price Index (YoY) (Oct)	✓✓✓	0.20%*	0.70%	Monthly
Japan	01:30	Tokyo Consumer Price Index (YoY) (Nov)	✓✓✓	0.30%*	-0.10%	Monthly
Japan	01:30	Household Spending (YoY) (Oct)	✓✓	0.00%*	-0.30%	Monthly
Japan	01:50	Capital Spending (Q3)	✓✓✓	4.20%*	1.50%	Quarterly
Japan	02:30	Nomura/ JIMMA Manufacturing PMI (Nov) (F)	✓✓✓	53.60*	53.80**	Monthly
China	03:45	Caixin/Markit Manufacturing PMI (Nov)	✓✓✓	50.80*	51.00	Monthly
Japan	07:00	Vehicle Sales (YoY) (Nov)	✓	-	-4.70%	Monthly
Germany	10:55	Markit Manufacturing PMI (Nov) (F)	✓✓✓	62.50	62.50**	Monthly
South Africa	11:00	PMI Manufacturing (Nov)	✓✓✓	-	47.80	Monthly
Eurozone	11:00	Markit Manufacturing PMI (Nov) (F)	✓✓✓	60.00	60.00**	Monthly
UK	11:30	Markit Manufacturing PMI (Nov)	✓✓✓	56.50	56.30	Monthly
US	16:05	Fed's Bullard Speaks in Little Rock, Arkansas	✓	-	-	As scheduled
US	16:30	Fed's Kaplan Speaks in McAllen, Texas	✓	-	-	As scheduled
US	16:45	Markit Manufacturing PMI (Nov) (F)	✓✓✓	54.00	53.80**	Monthly
US	17:00	Construction Spending (MoM) (Oct)	✓✓	0.50%	0.30%	Monthly
US	17:00	ISM Manufacturing PMI (Nov)	✓✓✓	58.30	58.70	Monthly
US	17:00	ISM Prices Paid (Nov)	✓✓	67.00	68.50	Monthly
US	17:15	Fed's Harker Speaks on Inclusive Economic Growth	✓	-	-	As scheduled
South Africa	-	Naamsa Vehicle Sales (YoY) (Nov)	✓✓	-	4.60%	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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