

ONE
Minute Brief

12 December 2017

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Economic and Political News

The National Prosecuting Authority (NPA) has given President, Jacob Zuma, an extension until 30 January 2018 to submit representations on why he should not be charged with corruption. The South African Federation of Trade Unions (Safu) has criticised the decision.

The Chairperson of Parliament's Standing Committee on Public Accounts (SCOPA), Themba Godi, has asked the Treasury to be more strident in the Steinhoff scandal and has called for investigations by the South African Revenue Service (SARS), the Reserve Bank and the Financial Services Board (FSB).

A Reuters poll revealed that economists expect the South African economy to grow by 1.2% in 2018 after expanding 0.9% in 2017.

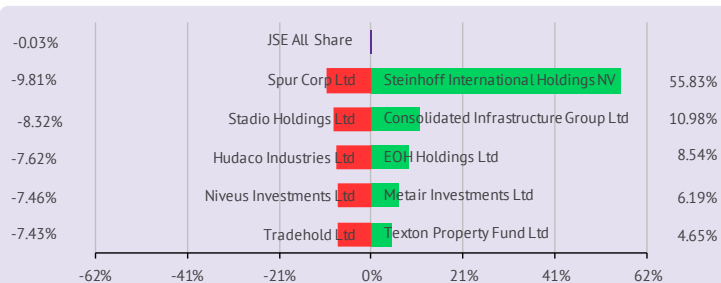
In his closing submissions filed to the chairman of the disciplinary hearing, suspended acting CEO and former head of generation, Matshele Koko, stated that Eskom had failed to prove that he was guilty.

The Democratic Alliance stated that it was taking legal advice to assess whether the new Integrated Resource Plan (IRP) had been approved lawfully.

South Africa Market ▼

South African markets closed lower

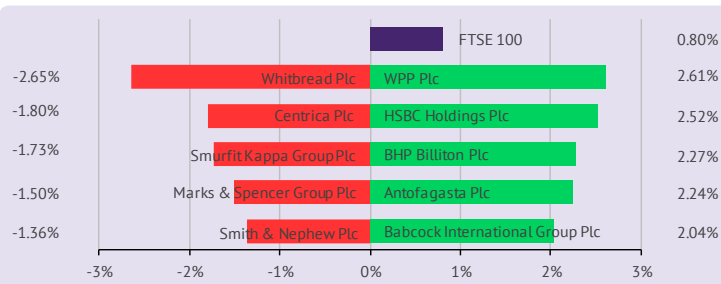
South African markets closed slightly lower yesterday, led by losses in banking and retail sector stocks. The JSE All Share Index fell marginally to close at 57,997.33.



UK Market ▲

The FTSE 100 futures are trading in positive territory

UK markets finished higher yesterday, boosted by gains in financial sector stocks and amid weakness in the British Pound. The FTSE 100 Index advanced 0.8% to close at 7,453.48.



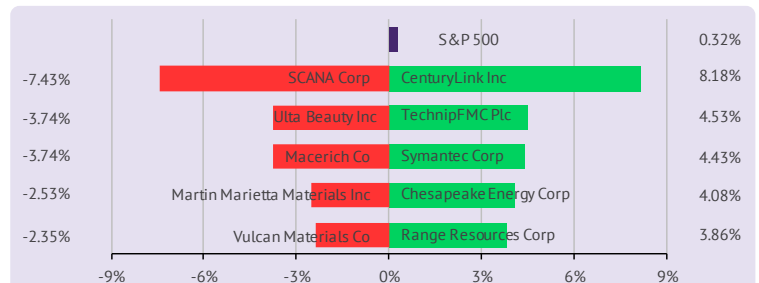
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	57997.33	▼	-14.98	-0.03%	-0.03%	-2.97%	1.34%
JSE Top 40	51711.22	▲	40.05	0.08%	0.08%	-2.93%	1.33%
FTSE 100	7453.48	▲	59.52	0.80%	0.80%	1.73%	-2.22%
DAX 30	13123.65	▼	-30.05	-0.23%	-0.23%	0.77%	-1.55%
CAC 40	5386.83	▼	-12.26	-0.23%	-0.23%	0.26%	-2.37%
S&P 500	2659.99	▲	8.49	0.32%	0.32%	0.47%	2.81%
Nasdaq Composite	6875.08	▲	35.00	0.51%	0.51%	0.02%	2.17%
DJIA	24386.03	▲	56.87	0.23%	0.23%	0.47%	3.83%

US Market ▲

The S&P 500 futures are trading in the green

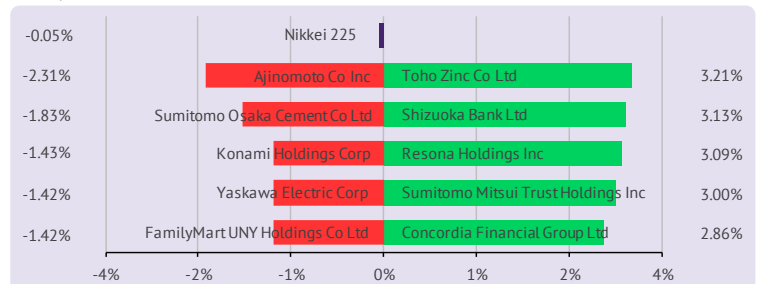
US markets closed higher yesterday, driven by a rise in technology and energy sector stocks, as oil prices rose. Data showed that US JOLTS job openings dropped in October. The S&P 500 Index climbed 0.3% to close at 2,659.99.



Asian Market ▼

Trading lower

Asian markets are trading lower this morning. Data revealed that Japan's tertiary industry index advanced more-than-expected on a monthly basis in October. The Nikkei 225 Index is trading 0.1% lower at 22,926.47.



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USDZAR ▲

USD trading stronger against ZAR

At 06:00 SAST, the US Dollar is trading 0.2% higher against the South African Rand at R13.6301. Later today, traders will keep a close watch on the US NFIB small business optimism index, producer price index and monthly budget statement for further cues. Separately, South Africa's manufacturing production will be on investors' radar.

The US Dollar fell against the South African Rand yesterday, after the US JOLTS job openings recorded a more-than-expected drop in October.

GBPZAR ▲

GBP trading higher against ZAR

At 06:00 SAST, the British Pound gained 0.2% against the South African Rand to trade at R18.1812. Later today, traders will keep an eye on UK's consumer price index, retail price index and house price index for further direction.

The British Pound declined against the South African Rand yesterday, amid persisting fears over Brexit.

EURZAR ▲

EUR trading firmer against ZAR

At 06:00 SAST, the Euro gained 0.2% against the South African Rand to trade at R16.0399. Going forward, market participants will keep a tab on the Eurozone's ZEW economic sentiment index for further cues. Meanwhile, Germany's ZEW current situation and expectation index will also garner significant investor attention.

The Euro weakened against the South African Rand yesterday,

AUDZAR ▲

AUD trading stronger against ZAR

At 06:00 SAST, the Australian Dollar climbed 0.3% against the South African Rand to trade at R10.2649. Earlier in the session, Australia's NAB business confidence index declined in November. Further, the NAB business conditions index eased in the same month. In contrast, the nation's house price index unexpectedly fell on a quarterly basis in 3Q17.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.6301	▲	-0.47%	-0.47%	-0.69%	-3.04%	-0.93%
GBPZAR	18.1812	▲	-0.68%	-0.68%	-2.18%	-1.19%	7.17%
EURZAR	16.0399	▲	-0.48%	-0.48%	-1.86%	-0.84%	10.88%
AUDZAR	10.2649	▲	-0.17%	-0.17%	-1.33%	-4.09%	3.32%
EURUSD	1.1769	=	-0.03%	-0.03%	-1.13%	2.22%	11.95%
GBPUSD	1.3339	▼	-0.37%	-0.37%	-1.36%	1.82%	8.15%
Brent (\$/barrel)	65.3	▲	2.03%	2.03%	3.29%	2.77%	13.85%
Gold (\$/oz)	1246.0	▲	-0.12%	-0.12%	-2.32%	0.21%	7.99%
Platinum (\$/oz)	888.1	▼	1.03%	1.03%	-5.27%	2.49%	-0.98%
Copper (\$/MT)*	6634.5	▲	1.50%	1.50%	-1.49%	-1.20%	20.12%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices rose 0.2% to trade at \$1,246.00/oz.

Yesterday, gold prices fell 0.1% to close at \$1,243.70/oz, ahead of an expected interest rate hike from the US Federal Reserve.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil climbed 0.9% to trade at \$65.30/bl.

Yesterday, Brent crude oil advanced 2.0% to settle at \$64.69/bl, amid supply disruptions after reports emerged that a major North Sea pipeline would be closed for weeks to repair a leak.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices retreated 0.5% to trade at \$888.10/oz.

Yesterday, platinum prices climbed 1.0% to close at \$892.80/oz.



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Major South Africa Corporate News

Aspen Pharmacare Holdings Limited

The company announced the appointment of Ms Babalwa Ngonyama to succeed Mr John Buchanan as the Chairman of the company's Audit & Risk Committee with effect from January 1, 2018.

Steinhoff International Holdings NV

The company announced that Moelis & Company and AlixPartners have been appointed as independent Financial Advisor and Operational Advisor respectively with immediate effect.

Blue Label Telecoms Limited

The company announced that it has completed the initial acquisition of 47.4% of the issued share capital of 3G Mobile Proprietary Limited by its subsidiary, the Prepaid Company Proprietary Limited for a purchase consideration of ZAR900.00mn. Further, the company stated that the Competition Tribunal has approved the purchase of the remaining 52.6% of the issued share capital of 3G for a consideration of ZAR1.00bn.

Major Global Economic News

Asia

In Australia, the NAB business confidence index eased to 6.00 in November, compared to a revised reading of 9.00 in the prior month.

In November, the business conditions index fell to a level of 12.00 in Australia, compared to a level of 21.00 in the previous month.

In Australia, the house price index unexpectedly eased 0.2% on a quarterly basis in 3Q17, compared to market expectations for a rise of 0.5%. In the previous quarter, the index had registered a rise of 1.9%.

In Japan, the tertiary industry index recorded a rise of 0.3% on a monthly basis in October, more than market expectations for a rise of 0.2%. In the prior month, the index had recorded a drop of 0.2%.

US

In the US, JOLTs job openings registered a drop to 5996.00K in October, compared to a revised level of 6177.00K in the previous month. Market anticipation was for JOLTs job openings to drop to 6135.00K.

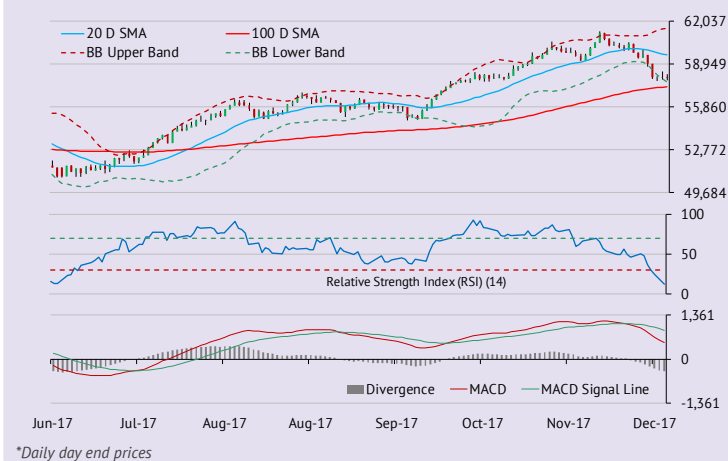
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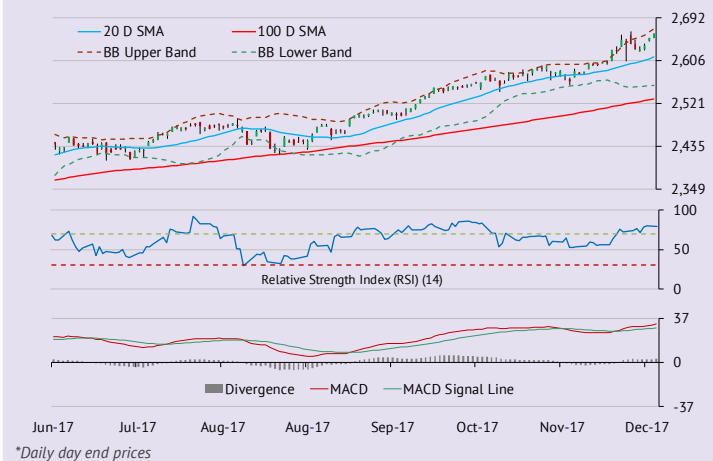
Technical Snapshot

JSE All Share



The JSE All Share index is expected to find support at 57,297.01, and a fall through could take it to the next support level of 56,596.68. The index is expected to find its first resistance at 59,152.50, and a rise through could take it to the next resistance level of 60,307.66.

S&P 500



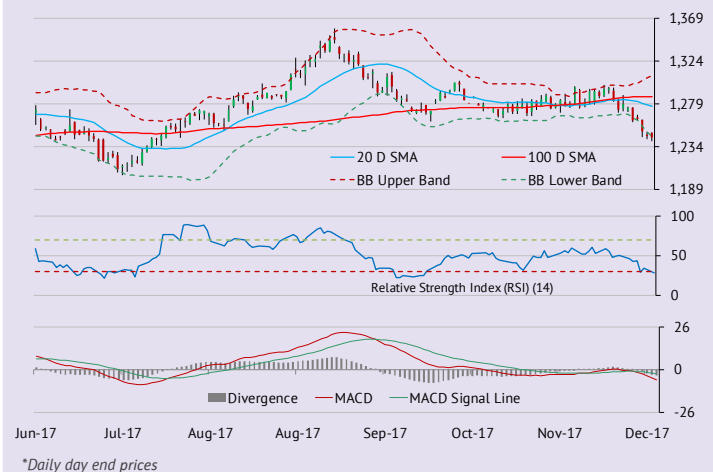
The S&P 500 index is expected to find support at 2,636.38, and a fall through could take it to the next support level of 2,612.78. The index is expected to find its first resistance at 2,671.96, and a rise through could take it to the next resistance level of 2,683.94.

USDZAR



The pair is expected to find support at 13.4378, and a fall through could take it to the next support level of 13.2726. The pair is expected to find its first resistance at 13.7643, and a rise through could take it to the next resistance level of 13.9256.

XAU/USD



Gold is expected to find support at \$1,230.47/oz, and a fall through could take it to the next support level of \$1,217.23/oz. The precious metal is expected to find its first resistance at \$1,266.37/oz, and a rise through could take it to the next resistance level of \$1,289.03/oz.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous	Frequency
China	02:01	Manpower Survey (Q1)	✓	8.00%*	9.00%	Quarterly
Japan	02:01	Manpower Survey (Q1)	✓	24.00%*	23.00%	Quarterly
Japan	06:30	Tertiary Industry Index (MoM) (Oct)	✓✓	0.30%*	-0.20%	Monthly
UK	11:30	Consumer Price Index Core (YoY) (Nov)	✓✓✓	2.70%	2.70%	Monthly
UK	11:30	Retail Price Index (MoM) (Nov)	✓✓✓	0.30%	0.10%	Monthly
UK	11:30	Retail Price Index (YoY) (Nov)	✓✓	4.00%	4.00%	Monthly
UK	11:30	Retail Price Index (Nov)	✓	276.10	275.30	Monthly
UK	11:30	Consumer Price Index (MoM) (Nov)	✓✓✓	0.20%	0.10%	Monthly
UK	11:30	Consumer Price Index (YoY) (Nov)	✓✓✓	3.00%	3.00%	Monthly
Eurozone	12:00	ZEW Survey - Economic Sentiment (Dec)	✓✓	-	30.90	Monthly
Germany	12:00	ZEW Survey - Current Situation (Dec)	✓✓	88.70	88.80	Monthly
Germany	12:00	ZEW Survey - Economic Sentiment (Dec)	✓✓✓	18.00	18.70	Monthly
South Africa	13:00	Manufacturing Production s.a. (MoM) (Oct)	✓✓✓	1.00%	-0.80%	Monthly
South Africa	13:00	Manufacturing Production Index (YoY) (Oct)	✓✓✓	1.10%	-1.60%	Monthly
US	13:00	NFIB Small Business Optimism (Nov)	✓	104.00	103.80	Monthly
US	15:15	USD Alabama Special General Election - U.S. Senate	✓	-	-	As scheduled
US	15:30	Producer Price Index (MoM) (Nov)	✓✓✓	0.30%	0.40%	Monthly
US	15:30	Producer Price Index (YoY) (Nov)	✓✓✓	2.90%	2.80%	Monthly
US	15:55	Redbook Index (YoY) (08-Dec)	✓	-	3.00%	Weekly
US	15:55	Redbook Index s.a. (MoM) (08-Dec)	✓	-	-0.90%	Weekly
US	21:00	Monthly Budget Statement (Nov)	✓✓✓	-	-USD63.20bn	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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