

ONE Minute Brief

9 January 2018

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Economic and Political News

In South Africa (SA), net gold & forex reserves climbed to USD42.93bn in December, compared to USD42.69bn in the previous month.

Calling for unity within the African National Congress (ANC), party President, Cyril Ramaphosa, stated that removing corruption will provide strength to the party and allow it to serve the nation better. He added that the process of returning land to black South Africans would be done with great care.

Cape Town Mayor, Patricia de Lille, stated that she would not quit her job and was open to allegations against her being investigated.

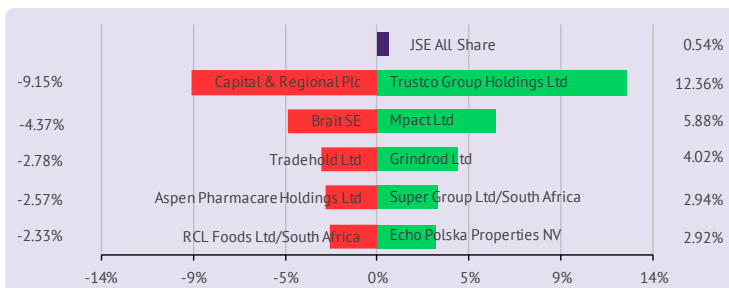
Grain SA has stated that the western part of South Africa's maize belt has been affected by drought and that farmers in the region have been able to plant only 70% to 75% of the area they had intended to.

The Umkhonto we Sizwe Military Veterans Association (MKMVA) stated that the ANC's National Executive Committee (NEC) should address the matter of Jacob Zuma's future as the President of SA without any vendetta and vindictiveness.

South Africa Market ▲

South African markets closed higher

South African markets closed in the green yesterday, boosted by gains in platinum mining and resources sector stocks. The JSE All Share Index rose 0.5% to close at 60,038.39.



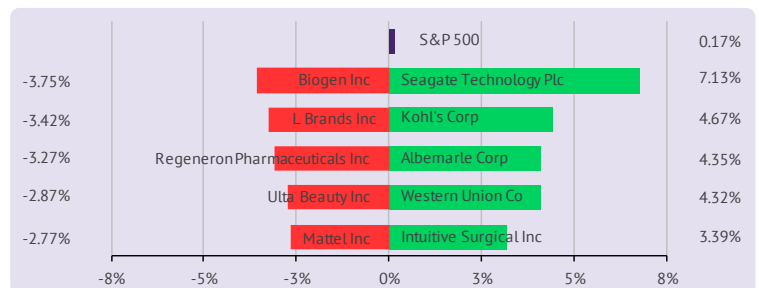
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	60038.39	▲	321.19	0.54%	0.54%	0.90%	-0.45%	0.90%
JSE Top 40	53131.70	▲	289.02	0.55%	0.55%	1.14%	-1.38%	1.14%
FTSE 100	7696.51	▼	-27.71	-0.36%	-0.36%	0.11%	4.93%	0.11%
DAX 30	13367.78	▲	48.14	0.36%	0.36%	3.48%	-0.82%	3.48%
CAC 40	5487.42	▲	16.67	0.30%	0.30%	3.29%	-1.12%	3.29%
S&P 500	2747.71	▲	4.56	0.17%	0.17%	2.77%	0.98%	2.77%
Nasdaq Composite	7157.39	▲	20.83	0.29%	0.29%	3.68%	0.43%	3.68%
DJIA	25283.00	▼	-12.87	-0.05%	-0.05%	2.28%	1.84%	2.28%

US Market ▲

The S&P 500 futures are trading in the red

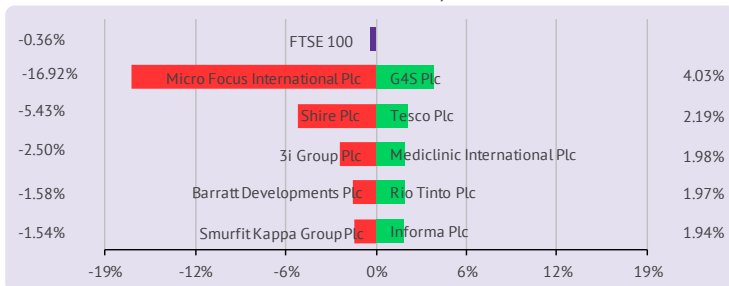
US markets closed higher yesterday, led by gains in utility sector stocks. Data indicated that US consumer credit surged more-than-expected to its highest level in 16 years in November. The S&P 500 Index climbed 0.2% to close at 2,747.71.



UK Market ▼

The FTSE 100 futures are trading in negative territory

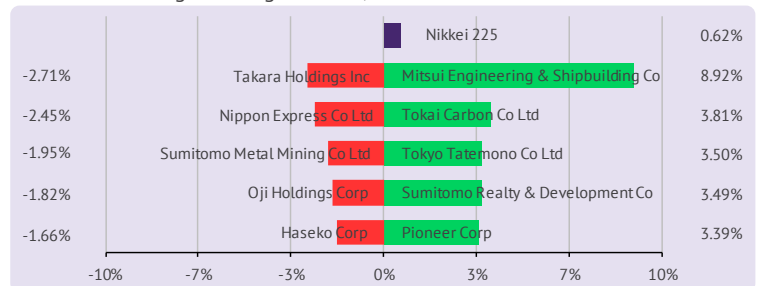
UK markets finished lower yesterday, amid losses in retail, technology and healthcare sector stocks. Data revealed that UK's Halifax house price index unexpectedly eased on a monthly basis in December. The FTSE 100 Index declined 0.4% to close at 7,696.51.



Asian Market ▲

Trading higher

Asian markets are trading higher this morning, tracking overnight gains on Wall Street. Data showed that Japan's labour cash earnings advanced more-than-expected on an annual basis in November. The Nikkei 225 Index is trading 0.6% higher at 23,861.43.



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USDZAR ▼

USD trading lower against ZAR

At 06:00 SAST, the US Dollar marginally declined against the South African Rand to trade at R12.3825. Later today, traders will keep a close watch on the US JOLTS job openings and NFIB small business optimism index data for further cues.

The US Dollar rose against the South African Rand yesterday, after the US consumer credit soared higher than market anticipations in November, notching its strongest level in 16 years.

GBPZAR ▲

GBP trading higher against ZAR

At 06:00 SAST, the British Pound rose 0.1% against the South African Rand to trade at R16.8186. On the macro front, UK's BRC like-for-like retail sales advanced more-than-expected on an annual basis in December. With no major economic news in the UK today, investor sentiment will be determined by global macroeconomic news.

The British Pound advanced against the South African Rand yesterday. On the data front, UK's monthly Halifax house price index highlighted a negative picture of the housing sector in December.

EURZAR ▲

EUR trading firmer against ZAR

At 06:00 SAST, the Euro marginally gained against the South African Rand to trade at R14.8238. Going forward, market participants will keep a tab on Eurozone's unemployment rate for further cues. Meanwhile, Germany's industrial production, current account balance and trade balance will be on investors' radar.

The Euro strengthened against the South African Rand yesterday, after Eurozone's retail sales rebounded more-than-expected on a monthly basis in November. Furthermore, the Sentix investor confidence index climbed higher than market expectations in January. Adding to the positive sentiment, the region's economic confidence accelerated at a faster pace to its highest level since October 2000 in December. Moreover, business climate indicator advanced more-than-anticipated in the same month, reaching the highest level since measurements began in 1985. However, the final consumer confidence recorded a steady reading in December. Separately, Germany's factory orders unexpectedly dropped on a monthly basis in November, its first drop in four months, weighed down by fluctuations in bulk orders.

AUDZAR ▲

AUD trading stronger against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.2% higher against the South African Rand at R9.7349. Earlier in the session, Australia's building approvals unexpectedly surged on a monthly basis in November, led by a sharp rally in apartment permits.

The Australian Dollar rose against the South African Rand yesterday. Data indicated that Australia's AiG performance of construction index fell in December, compared to its previous reading.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	12.3825	▼	0.59%	0.59%	0.02%	-9.60%	0.02%
GBPZAR	16.8186	▲	0.58%	0.58%	0.51%	-9.84%	0.51%
EURZAR	14.8238	▲	0.05%	0.05%	-0.23%	-8.96%	-0.23%
AUDZAR	9.7349	▲	0.34%	0.34%	0.49%	-6.85%	0.49%
EURUSD	1.1972	▲	-0.52%	-0.52%	-0.32%	0.85%	-0.32%
GBPU\$D	1.3579	▲	-0.02%	-0.02%	0.41%	-0.09%	0.41%
Brent (\$/barrel)	68.2	▲	0.24%	0.24%	1.36%	6.77%	1.36%
Gold (\$/oz)	1319.4	▼	-0.14%	-0.14%	0.85%	2.84%	0.85%
Platinum (\$/oz)	972.3	=	0.11%	0.11%	4.08%	-0.88%	4.08%
Copper (\$/MT)*	7080.0	▲	0.02%	0.02%	-1.76%	7.01%	-1.76%

*As of Previous Close

Gold ▼

Trading in the red

At 06:00 SAST, gold prices edged 0.1% lower to trade at \$1,319.40/oz.

Yesterday, gold prices fell 0.1% to close at \$1,320.40/oz, as strength in the greenback, dented demand for the safe haven asset.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged 0.6% higher to trade at \$68.20/bl, amid expectations for a further increase in oil prices ahead of OPEC-led production cuts and drop in US drilling activity.

Yesterday, Brent crude oil advanced 0.2% to settle at \$67.78/bl, notching its highest level since May 2015, as rising political concerns in some OPEC countries, offset forecasts for higher US oil production.

Platinum ◀▶

Trading flat

At 06:00 SAST, platinum prices traded flat at \$972.30/oz.

Yesterday, platinum prices climbed 0.1% to close at \$972.30/oz.

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Major South Africa Corporate News

Pallinghurst Resources Limited

The company announced that BDO LLP has been appointed as its External Auditor for FY17 and Mr Scott Knight as the designated Audit Partner, replacing Saffery Champness Chartered Accountants.

Major Global Economic News

Eurozone

In the Eurozone, the seasonally adjusted retail sales advanced 1.5% on a monthly basis in November, more than market expectations for a rise of 1.3%. In the previous month, retail sales had dropped 1.1%.

In December, the economic sentiment indicator climbed to 116.00 in the Eurozone, compared to market expectations of an advance to a level of 114.80. In the previous month, the economic sentiment indicator had recorded a reading of 114.60.

In the Eurozone, the business climate indicator recorded a rise to 1.66 in December, compared to market expectations of an advance to a level of 1.50. The business climate indicator had registered a level of 1.49 in the prior month.

In January, the Sentix investor confidence index recorded a rise to 32.90 in the Eurozone, compared to a level of 31.10 in the previous month. Markets were expecting the index to climb to 31.30.

In December, the final consumer confidence index rose to a level of 0.50 in the Eurozone, compared to a revised level of 0.00 in the previous month. Markets were anticipating the index to rise to 0.50. The preliminary figures had also indicated a rise to 0.50.

In Germany, the seasonally adjusted factory orders unexpectedly dropped 0.4% on a monthly basis in November, compared to market expectations for an unchanged reading. In the prior month, factory orders had climbed by a revised 0.7%.

UK

In the UK, the Halifax house price index recorded an unexpected drop of 0.6% on a monthly basis in December, compared to a revised advance of 0.3% in the prior month. Market anticipation was for the index to rise 0.2%.

In December, the BRC retail sales across all sectors recorded a rise of 0.6% on a yearly basis in the UK, compared to a similar rise in the previous month. Market anticipation was for retail sales across all sectors to climb 0.3%.

Asia

In Japan, labour cash earnings climbed 0.9% on an annual basis in November, more than market expectations for a rise of 0.6%. In the previous month, labour cash earnings had advanced 0.6%.

In Australia, the seasonally adjusted building approvals unexpectedly climbed 11.7% on a monthly basis in November, compared to market expectations for a drop of 1.3%. In the previous month, building approvals had climbed 0.9%.

US

In the US, consumer credit rose USD27.95bn in November, more than market expectations for a rise of USD18.00bn. In the previous month, consumer credit had advanced by a revised USD20.53bn.

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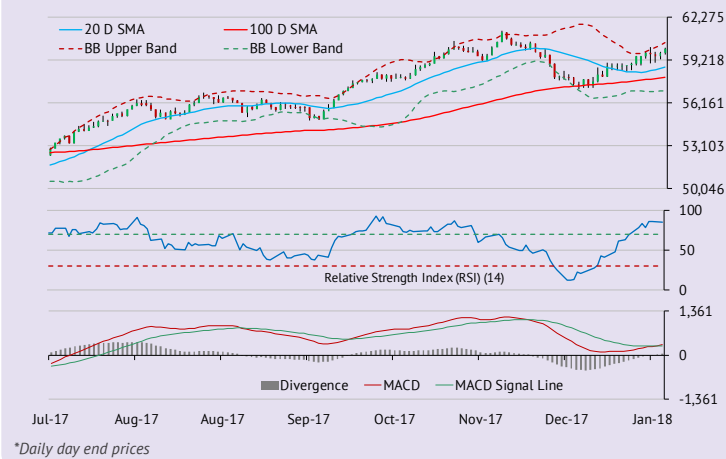
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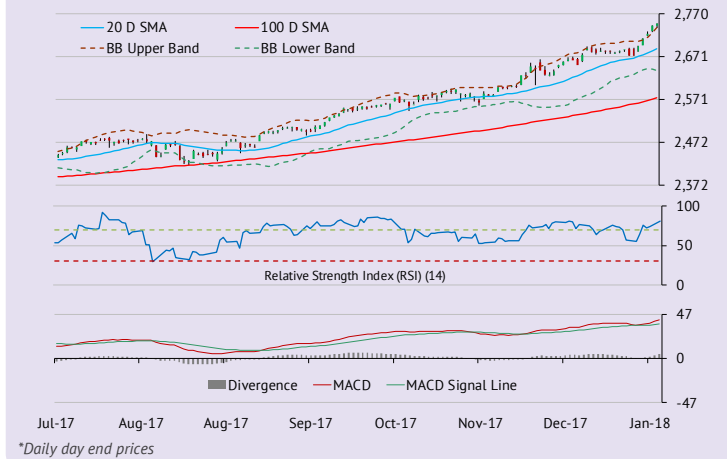
Technical Snapshot

JSE All Share



The JSE All Share index is expected to find support at 59,314.55, and a fall through could take it to the next support level of 58,590.71. The index is expected to find its first resistance at 60,456.46, and a rise through could take it to the next resistance level of 60,874.53.

S&P 500



The S&P 500 index is expected to find support at 2,703.88, and a fall through could take it to the next support level of 2,660.04. The index is expected to find its first resistance at 2,770.03, and a rise through could take it to the next resistance level of 2,792.34.

USDZAR



The pair is expected to find support at 12.2401, and a fall through could take it to the next support level of 12.0953. The pair is expected to find its first resistance at 12.5217, and a rise through could take it to the next resistance level of 12.6585.

XAU/USD



Gold is expected to find support at \$1,307.57/oz, and a fall through could take it to the next support level of \$1,294.73/oz. The precious metal is expected to find its first resistance at \$1,330.27/oz, and a rise through could take it to the next resistance level of \$1,340.13/oz.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	02:00	Labour Cash Earnings (YoY) (Nov)	✓✓	0.90%*	0.60%	Monthly
UK	02:01	BRC Sales Like-For-Like (YoY) (Dec)	✓✓✓	0.60%*	0.60%	Monthly
Japan	07:00	Consumer Confidence Index (Dec)	✓✓	45.00	44.90	Monthly
Germany	09:00	Exports (Nov)	✓	-	EUR108.00bn	Monthly
Germany	09:00	Imports (Nov)	✓	-	EUR89.10bn	Monthly
Germany	09:00	Industrial Production (Nov)	✓	-	113.20	Monthly
Germany	09:00	Industrial Production s.a. (MoM) (Nov)	✓✓✓	1.80%	-1.40%	Monthly
Germany	09:00	Exports s.a. (MoM) (Nov)	✓	1.20%	-0.40%	Monthly
Germany	09:00	Industrial Production n.s.a. and w.d.a. (YoY) (Nov)	✓✓✓	3.90%	2.70%	Monthly
Germany	09:00	Current Account n.s.a. (Nov)	✓	EUR25.30bn	EUR18.10bn	Monthly
Germany	09:00	Imports s.a. (MoM) (Nov)	✓	0.40%	1.80%	Monthly
Germany	09:00	Trade Balance n.s.a. (Nov)	✓✓✓	EUR21.30bn	EUR18.90bn	Monthly
France	09:45	Current Account (Nov)	✓✓	-	-EUR2.20bn	Monthly
France	09:45	Trade Balance (Nov)	✓✓✓	-EUR4.70bn	-EUR4.96bn	Monthly
Italy	11:00	Unemployment Rate (Nov)	✓	11.00%	11.10%	Monthly
Greece	12:00	Industrial Production (YoY) (Nov)	✓	-	0.50%	Monthly
Eurozone	12:00	Unemployment Rate (Nov)	✓✓✓	8.70%	8.80%	Monthly
US	13:00	NFIB Small Business Optimism (Dec)	✓	107.80	107.50	Monthly
Canada	15:15	Housing Starts s.a. (Dec)	✓✓✓	211.00K	252.20K	Monthly
US	17:00	USD Fed's Kashkari Speaks on Moderated Panel	✓	-	-	As scheduled
US	17:00	JOLTs Job Openings (Nov)	✓	6025.00K	5996.00K	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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