

ONE Minute Brief

10 January 2018

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Economic and Political News

In South Africa (SA), new vehicle sales recorded a drop of 2.4% on a yearly basis in December. In the previous month, new vehicle sales had registered a rise of 7.2%.

In its January 2018 Global Economic Prospect report, the World Bank has forecast a growth of 1.1% for South Africa in 2018. It expects sub-Saharan Africa to grow at about 3.2% in 2018.

President, Jacob Zuma, has appointed Deputy Chief Justice, Raymond Mnyamezeli Mlungisi Zondo, to head the judicial commission of inquiry into state capture.

Transport Minister, Joe Maswanganyi, has asked the Railway Safety Regulator (RSR) and the Passenger Rail Agency of South Africa (PRASA) to start probe into the cause of a collision between two Metrorail trains at the Goldenhuis station.

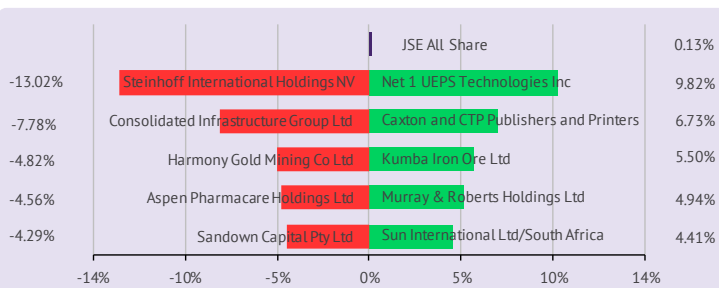
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	60113.65	▲ 75.26	0.13%	0.66%	1.02%	-0.45%	1.02%
JSE Top 40	53184.36	▲ 52.66	0.10%	0.65%	1.24%	-1.38%	1.24%
FTSE 100	7731.02	▲ 34.51	0.45%	0.09%	0.56%	4.93%	0.56%
DAX 30	13385.59	▲ 17.81	0.13%	0.50%	3.62%	-0.82%	3.62%
CAC 40	5523.94	▲ 36.52	0.67%	0.97%	3.98%	-1.12%	3.98%
S&P 500	2751.29	▲ 3.58	0.13%	0.30%	2.91%	0.98%	2.91%
Nasdaq Composite	7163.58	▲ 6.19	0.09%	0.38%	3.77%	0.43%	3.77%
DJIA	25385.80	▲ 102.80	0.41%	0.36%	2.70%	1.84%	2.70%

South Africa Market ▲

South African markets closed higher

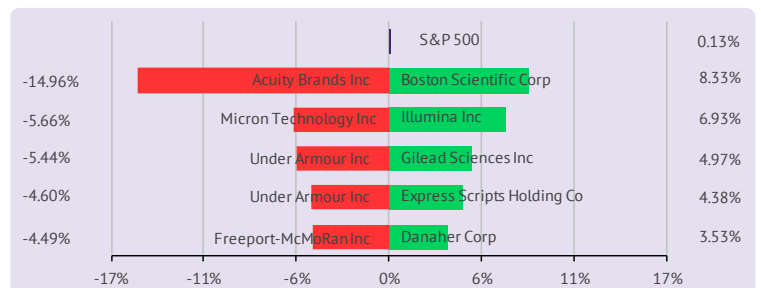
South African markets closed in the green yesterday, supported by gains in banking and retail sector stocks. The JSE All Share Index rose 0.1% to close at 60,113.65.



US Market ▲

The S&P 500 futures are trading in the red

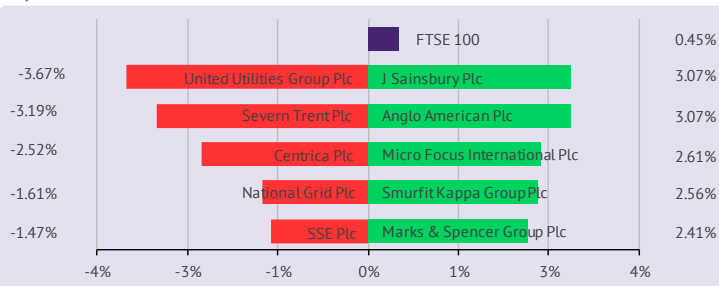
US markets closed higher yesterday, amid buoyant global markets. Data revealed that US JOLTS job openings unexpectedly eased to its lowest level in six months in November. The S&P 500 Index climbed 0.1% to close at 2,751.29.



UK Market ▲

The FTSE 100 futures are trading in negative territory

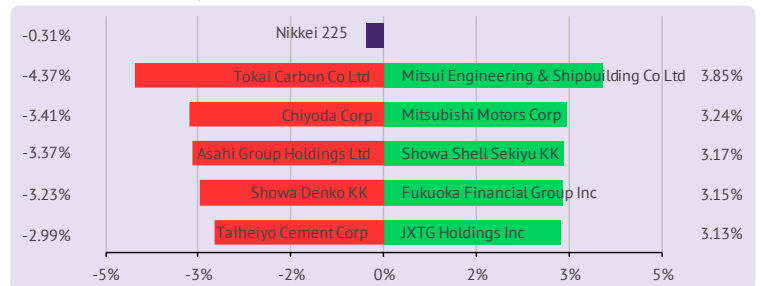
UK markets finished higher yesterday, led by sharp gains in retail sector stocks, following an upbeat Christmas trading update from Morrison Supermarkets Plc. The FTSE 100 Index advanced 0.5% to close at 7,731.02.



Asian Market ◀▶

Trading mixed

Asian markets are trading mixed this morning. Data indicated that China's consumer price index (CPI) advanced at a slower-than-expected pace on an annual basis in December. The Nikkei 225 Index is trading 0.3% lower at 23,776.25.



Address: GTC @Grant Thornton, The Wanderers Office Park, 52 Corlett Drive, Illovo, 2196.
t: +27 (0) 21 412 1074 | e: oneminutebrief@gtc.co.za | w: www.gtc.co.za

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USDZAR ▲

USD trading higher against ZAR

At 06:00 SAST, the US Dollar marginally advanced against the South African Rand to trade at R12.3496. Later today, traders will keep a close watch on the US wholesale inventories and MBA mortgage approvals for further direction.

The US Dollar fell against the South African Rand yesterday, after US JOLTS job openings recorded an unexpected drop in November, marking its lowest level in six months, led by a downfall in the manufacturing and real estate sectors. Further, the NFIB small business optimism index surprisingly declined in December.

GBPZAR ▼

GBP trading lower against ZAR

At 06:00 SAST, the British Pound marginally dropped against the South African Rand to trade at R16.7152. Later today, traders will keep an eye on UK's NIESR gross domestic product estimate, industrial production and manufacturing production along with trade balance and construction output data for further cues.

The British Pound declined against the South African Rand yesterday.

EURZAR ▲

EUR trading stronger against ZAR

At 06:00 SAST, the Euro is trading 0.1% firmer against the South African Rand at R14.7473. 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, Eurozone's unemployment rate dropped to its lowest level since January 2009 in November. Meanwhile, Germany's industrial production rebounded more-than-expected on a monthly basis in November, notching its strongest level since September 2009. Furthermore, trade surplus widened higher than the market forecast in November. However, current account surplus expanded less-than-expected in the same month.

AUDZAR ▲

AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar marginally rose against the South African Rand to trade at R9.6635. Earlier in the session, in China, Australia's largest trading partner, CPI rose less than market anticipations on a yearly basis in December. Further, producer price inflation slowed down to 13 month low on an annual basis in the same month.

The Australian Dollar fell against the South African Rand yesterday. On the data front, Australia's building approvals surprised with a rise on a monthly basis in November, boosted by a sharp rally in apartment permits.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	12.3496	▲	-0.32%	0.27%	-0.31%	-9.60%	-0.31%
GBPZAR	16.7152	▼	-0.54%	0.04%	-0.03%	-9.84%	-0.03%
EURZAR	14.7473	▲	-0.56%	-0.52%	-0.79%	-8.96%	-0.79%
AUDZAR	9.6635	▲	-0.53%	-0.19%	-0.04%	-6.85%	-0.04%
EURUSD	1.1942	▲	-0.25%	-0.76%	-0.57%	0.85%	-0.57%
GBPUSD	1.3534	▼	-0.21%	-0.23%	0.20%	-0.09%	0.20%
Brent (\$/barrel)	69.2	▲	1.53%	1.77%	2.92%	6.77%	2.92%
Gold (\$/oz)	1311.8	▼	-0.51%	-0.65%	0.34%	2.84%	0.34%
Platinum (\$/oz)	967.9	-	-0.45%	-0.34%	3.61%	-0.88%	3.61%
Copper (\$/MT)*	7059.5	▼	-0.29%	-0.27%	-2.05%	7.01%	-2.05%

*As of Previous Close

Gold ▼

Trading in the red

At 06:00 SAST, gold prices fell 0.1% to trade at \$1,311.80/oz.

Yesterday, gold prices fell 0.5% to close at \$1,313.70/oz, amid strength in the US Dollar and gains in global equities.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged 0.5% higher to trade at \$69.17/bl.

Yesterday, Brent crude oil advanced 1.5% to settle at \$68.82/bl, after the Energy Information Administration (EIA) raised its 2018 price forecasts for West Texas Intermediate crude to USD55.33 and Brent crude to USD59.74. Additionally, the EIA also reported that the OPEC's crude production averaged 32.5mn bls a day in 2017, down 200,000 bls a day from 2016. Furthermore, the American Petroleum Institute (API) reported that crude oil inventories declined by 11.2mn bls during the week ended 5 January 2018. Meanwhile, the EIA raised its 2018 US crude production forecast to 10.27mn bls a day, up 2.6% from December prediction. Moreover, It expects OPEC output to rise by 200,000 bls a day in 2018.

Platinum ◀▶

Trading flat

At 06:00 SAST, platinum prices traded flat at \$967.90/oz.

Yesterday, platinum prices declined 0.5% to close at \$967.90/oz.

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Major South Africa Corporate News

Aspen Pharmacare Holdings Limited

The company revealed a market speculation regarding a possible report of the firm being undertaken by Viceroy Research, which is a research group that published a report into Steinhoff's accounts last month. Further, it informed that it has had no contact with Viceroy Research and is unable to confirm that this speculation is correct.

Major Global Economic News

Eurozone

In the Eurozone, the unemployment rate eased to 8.7% in November, compared to a level of 8.8% in the previous month. Markets were expecting the unemployment rate to ease to 8.7%.

In Germany, the seasonally adjusted industrial production rose 3.4% on a monthly basis in November, more than market expectations for an advance of 1.8%. Industrial production had fallen by a revised 1.2% in the prior month.

Germany has posted the seasonally adjusted trade surplus of EUR23.70bn in November, following a trade surplus of EUR18.90bn in the previous month. Markets were anticipating the nation to register a trade surplus of EUR21.30bn.

Asia

In China, the CPI climbed 1.8% on an annual basis in December, lower than market expectations for an advance of 1.9%. The CPI had risen 1.7% in the previous month.

In December, the producer price index (PPI) climbed 4.9% on an annual basis in China, compared to an advance of 5.8% in the previous month. Markets were expecting the PPI to advance 4.8%.

US

In the US, JOLTs job openings unexpectedly dropped to 5879.00K in November, compared to a revised reading of 5925.00K in the previous month. Market anticipation was for JOLTs job openings to advance to a level of 6025.00K.

In December, the NFIB small business optimism index surprisingly fell to a level of 104.90 in the US, lower than market expectations of an advance to 107.80. The index had registered a reading of 107.50 in the prior month.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
China	03:30	Consumer Price Index (YoY) (Dec)	✓✓✓	1.80%*	1.70%	Monthly
China	03:30	Producer Price Index (YoY) (Dec)	✓✓✓	4.90%*	5.80%	Monthly
UK	11:30	Industrial Production (Nov)	✓	-	103.80	Monthly
UK	11:30	Manufacturing Production (Nov)	✓	-	104.10	Monthly
South Africa	11:30	SACCI Business Confidence Index (Dec)	✓✓✓	-	95.10	Monthly
UK	11:30	Industrial Production (MoM) (Nov)	✓✓✓	0.40%	0.00%	Monthly
UK	11:30	Industrial Production (YoY) (Nov)	✓✓✓	1.80%	3.60%	Monthly
UK	11:30	Manufacturing Production (MoM) (Nov)	✓✓✓	0.30%	0.10%	Monthly
UK	11:30	Manufacturing Production (YoY) (Nov)	✓✓✓	2.80%	3.90%	Monthly
UK	11:30	Construction Output s.a. (YoY) (Nov)	✓	-1.00%	-0.20%	Monthly
UK	11:30	Total Trade Balance (Nov)	✓✓✓	-GBP1.50bn	-GBP1.41bn	Monthly
UK	11:30	Trade Balance; non-EU (Nov)	✓✓✓	-GBP2.60bn	-GBP2.38bn	Monthly
UK	11:30	Visible Trade Balance (Nov)	✓✓✓	-GBP10.95bn	-GBP10.78bn	Monthly
US	14:00	MBA Mortgage Applications (05-Jan)	✓	-	0.70%	Weekly
UK	15:00	NIESR GDP Estimate (3M) (Dec)	✓✓✓	0.50%	0.50%	Monthly
US	15:30	Export Price Index (YoY) (Dec)	✓	-	3.10%	Monthly
US	15:30	Export Price Index (Dec)	✓	-	124.60	Monthly
US	15:30	Import Price Index (Dec)	✓	-	124.90	Monthly
US	15:30	Import Price Index (MoM) (Dec)	✓	0.40%	0.70%	Monthly
US	15:30	Import Price Index (YoY) (Dec)	✓	3.10%	3.10%	Monthly
US	15:30	Export Price Index (MoM) (Dec)	✓	0.30%	0.50%	Monthly
US	17:00	Wholesale Inventories (MoM) (Nov) (F)	✓✓✓	0.70%	0.70%**	Monthly
US	20:30	Fed's Bullard Speaks on U.S. Economic Outlook in St. Louis	✓	-	-	As scheduled

Note: ✓✓✓High ✓✓Medium ✓Low

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