

# ONE Minute Brief

11 January 2018

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## Economic and Political News

In South Africa, the SACCI business confidence index climbed to 96.40 in December, compared to a reading of 95.10 in the previous month.

African National Congress (ANC) Secretary General Ace Magashule indicated that the new leadership of the party did not discuss President Jacob Zuma's future in the party's national executive committee (NEC) meeting yesterday.

News reports indicate that the subcommittee of Parliament's rules committee, which met yesterday, expects to finalise Parliamentary rules for the impeachment of a sitting president by the end of March.

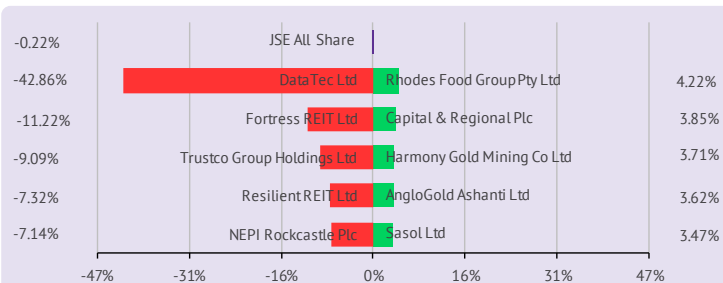
The Presidency stated that President, Jacob Zuma, will head to the African Union (AU) Summit in Ethiopia, while ANC leader, Cyril Ramaphosa, will lead a team to the World Economic Forum's (WEF) annual meeting in Davos, Switzerland, later this month.

Public Protector, Busisiwe Mkhwebane, has welcomed the decision of President, Jacob Zuma, to appoint a commission of inquiry into state capture, and wants the terms of reference of the commission to be broadened, if necessary.

## South Africa Market ▼

### South African markets closed lower

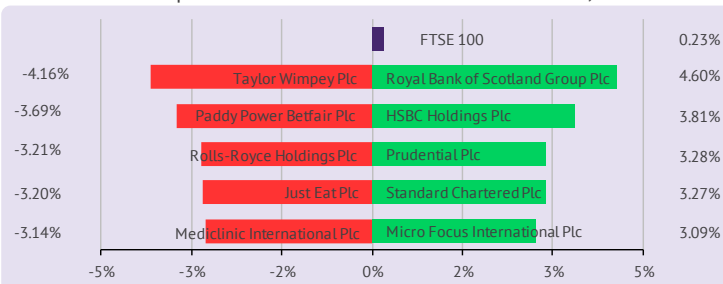
South African markets closed in the red yesterday, led by losses in property, retail and financial sector stocks. Data revealed that South Africa's SACCI business confidence index soared in December. The JSE All Share Index fell 0.2% to close at 59,979.63.



## UK Market ▲

### The FTSE 100 futures are trading in positive territory

UK markets finished higher yesterday, boosted by gains in banking and energy sector stocks. Data showed that UK's NIESR estimated gross domestic product (GDP) rose more-than-expected in the October-December 2017 period. The FTSE 100 Index rose 0.2% to 7,748.51.



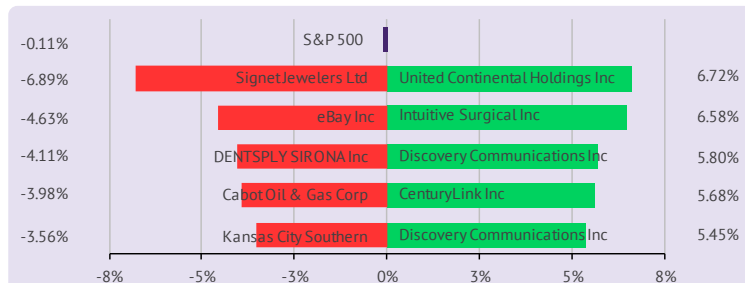
## Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	59979.63	▼	-134.02	-0.22%	0.44%	0.80%	-0.45%
JSE Top 40	53167.96	▼	-16.40	-0.03%	0.62%	1.21%	-1.38%
FTSE 100	7748.51	▲	17.49	0.23%	0.31%	0.79%	4.93%
DAX 30	13281.34	▼	-104.25	-0.78%	-0.29%	2.82%	-0.82%
CAC 40	5504.68	▼	-19.26	-0.35%	0.62%	3.62%	-1.12%
S&P 500	2748.23	▼	-3.06	-0.11%	0.19%	2.79%	0.98%
Nasdaq Composite	7153.57	▼	-10.01	-0.14%	0.24%	3.62%	0.43%
DJIA	25369.13	▼	-16.67	-0.07%	0.29%	2.63%	1.84%

## US Market ▼

### The S&P 500 futures are trading in the green

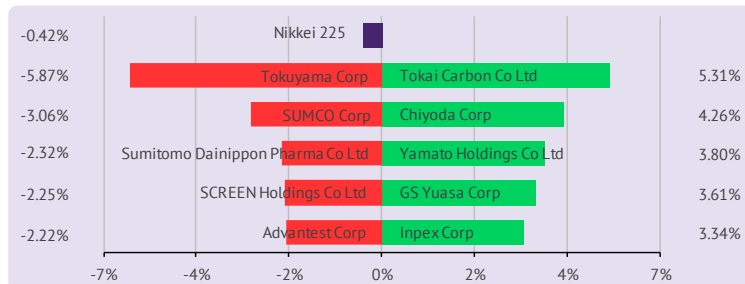
US markets closed lower yesterday, weighed down by losses in utility and real estate sector stocks. Data indicated that US final wholesale inventories advanced more than initially estimated on a monthly basis in November. The S&P 500 Index dropped 0.1% to close at 2,748.23.



## Asian Market ▼

### Trading lower

Asian markets are trading lower this morning, tracking overnight losses on the Wall Street. The Nikkei 225 Index is trading 0.4% lower at 23,687.41.



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## USDZAR ▼

### USD trading lower against ZAR

At 06:00 SAST, the US Dollar fell 0.1% against the South African Rand to trade at R12.4250. Later today, traders will keep a close watch on the US initial jobless claims, producer price index, Philadelphia Fed manufacturing index and monthly budget statement for further cues.

The US Dollar rose against the South African Rand yesterday, after the US final wholesale inventories rose higher than initially anticipated on a monthly basis in November. Furthermore, the MBA mortgage rebounded during the week ended 5 January 2018. However, the import price index grew less-than-expected on a monthly basis in December. Meanwhile, the nation's monthly export price index painted a negative picture for December. Separately, South Africa's SACCI business confidence index recorded a rise in December.

## GBPZAR ▼

### GBP trading weaker against ZAR

At 06:00 SAST, the British Pound fell 0.1% against the South African Rand to trade at R16.7794. 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, after UK's NIESR estimated GDP advanced higher than market anticipations in the October-December 2017 period. Furthermore, industrial production jumped for the eighth straight month, in line with market expectations on a monthly basis in November, led by energy and manufacturing production. Moreover, monthly manufacturing production advanced at a faster-than-expected pace in the same month, notching its highest level since early 2008. However, construction output rebounded less-than-expected on a monthly basis in November. Meanwhile, the nations' trade deficit unexpectedly widened in November.

## EURZAR ▼

### EUR trading lower against ZAR

At 06:00 SAST, the Euro is trading marginally weaker against the South African Rand at R14.8525. Going forward, market participants will keep a tab on the European Central Bank's monetary policy meeting along with Eurozone's industrial production for further direction. Meanwhile, German GDP figures will garner significant market attention.

The Euro strengthened against the South African Rand yesterday.

## AUDZAR ▲

### AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar advanced 0.3% against the South African Rand to trade at R9.7800. Earlier in the session, Australia's retail sales accelerated to its highest level since 2013 on a monthly basis in November.

The Australian Dollar rose against the South African Rand yesterday. On the macro front, in China, Australia's largest trading partner, consumer price index rose less-than-expected on an annual basis in December. Further, producer price index grew at a slower pace on a yearly basis in the same month.

## Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	12.4250	▼	0.74%	1.01%	0.43%	-9.60%	0.43%
GBPZAR	16.7794	▼	0.50%	0.54%	0.47%	-9.84%	0.47%
EURZAR	14.8525	▼	0.82%	0.30%	0.02%	-8.96%	0.02%
AUDZAR	9.7800	▲	0.97%	0.78%	0.93%	-6.85%	0.93%
EURUSD	1.1952	▲	0.09%	-0.67%	-0.47%	0.85%	-0.47%
GBPUSD	1.3505	▼	-0.24%	-0.47%	-0.04%	-0.09%	-0.04%
Brent (\$/barrel)	69.1	▼	0.55%	2.34%	3.48%	6.77%	3.48%
Gold (\$/oz)	1319.8	▲	0.43%	-0.23%	0.76%	2.84%	0.76%
Platinum (\$/oz)	974.4	=	0.67%	0.33%	4.30%	-0.88%	4.30%
Copper (\$/MT)*	7112.8	▲	0.75%	0.48%	-1.31%	7.01%	-1.31%

\*As of Previous Close

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices edged marginally higher to trade at \$1,319.80/oz.

Yesterday, gold prices rose 0.4% to close at \$1,319.30/oz, notching its highest level in nearly four months, as the greenback weakened after news emerged that Chinese officials recommended slowing US Treasury purchases.

## Brent Crude Oil ▼

### Trading weaker

At 06:00 SAST, Brent crude oil edged 0.1% lower to trade at \$69.11/bl.

Yesterday, Brent crude oil advanced 0.6% to settle at \$69.20/bl, after the Energy Information Administration (EIA) reported that US crude production declined by 290,000 bls per day to 9.5mn bls per day. Furthermore, the EIA also reported that domestic crude supplies dropped by 4.9mn bls during the week ended 5 January 2018.

## Platinum ◀▶

### Trading flat

At 06:00 SAST, platinum prices traded flat at \$974.40/oz.

Yesterday, platinum prices climbed 0.7% to close at \$974.40/oz.

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## Major South Africa Corporate News

### Old Mutual Plc

The company announced that the Competition Commission has approved the newly incorporated Old Mutual Limited to acquire Old Mutual Plc on a condition that it would allocate ZAR500.0mn to a new ring-fenced Enterprise Supplier Development Fund.

## Major Global Economic News

### UK

In the UK, the NIESR estimated GDP climbed 0.6% on a monthly basis in the October-December 2017 period, compared to a revised similar rise in the September-November 2017 period. Market expectation was for NIESR estimated GDP to climb 0.5%.

In November, industrial production climbed 0.4% on a monthly basis in the UK, compared to a revised rise of 0.2% in the previous month. Markets were anticipating industrial production to rise 0.4%.

In the UK, manufacturing production registered a rise of 0.4% on a monthly basis in November, compared to a revised advance of 0.3% in the prior month. Markets were anticipating manufacturing production to rise 0.3%.

In November, construction output climbed 0.4% on a monthly basis in the UK, less than market expectations for a rise of 0.8%. Construction output had registered a revised drop of 1.1% in the previous month.

In the UK, the total trade deficit widened to GBP2.80bn in November, following a revised total trade deficit of GBP2.23bn in the prior month. Market expectation was for the nation to post a total trade deficit of GBP1.50bn.

### US

In the US, the seasonally adjusted final wholesale inventories climbed 0.8% on a monthly basis in November, more than market expectations for a rise of 0.7%. In the prior month, the wholesale inventories had dropped by a revised 0.4%. The preliminary figures had indicated an advance of 0.7%.

In the US, the MBA mortgage applications rose 8.3% in the week ended 5 January 2018. Mortgage applications had dropped by a revised 1.6% in the prior week.

In December, the export price index unexpectedly fell 0.1% on a monthly basis in the US, compared to market expectations for a rise of 0.3%. In the previous month, the export price index had climbed 0.5%.

In the US, the import price index registered a rise of 0.1% on a monthly basis in December, compared to a revised rise of 0.8% in the prior month. Market expectation was for the import price index to climb 0.4%.

### Asia

In Australia, the seasonally adjusted retail sales recorded a rise of 1.2% on a monthly basis in November, compared to a rise of 0.5% in the prior month. Market expectation was for retail sales to advance 0.4%.

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## Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus	Previous	Frequency
Japan	07:00	Coincident Index (Nov) (P)	✓	117.90	116.40	Monthly
Japan	07:00	Leading Economic Index (Nov) (P)	✓✓✓	108.60	106.50	Monthly
Germany	11:00	Gross Domestic Product n.s.a.	✓✓✓	2.30%	1.90%	Yearly
UK	11:30	Bank of England Credit Conditions & Bank Liabilities Surveys	✓✓✓	-	-	As scheduled
Eurozone	12:00	Industrial Production (Nov)	✓	-	104.80	Monthly
Eurozone	12:00	Industrial Production s.a. (MoM) (Nov)	✓✓✓	0.80%	0.20%	Monthly
Eurozone	12:00	Industrial Production w.d.a. (YoY) (Nov)	✓✓✓	3.10%	3.70%	Monthly
South Africa	13:00	Manufacturing Production s.a. (MoM) (Nov)	✓✓✓	-	0.70%	Monthly
South Africa	13:00	Manufacturing Production Index (YoY) (Nov)	✓✓✓	1.80%	2.20%	Monthly
Eurozone	14:30	ECB Monetary Policy Meeting Accounts	✓✓✓	-	-	As scheduled
US	15:30	Producer Price Index (MoM) (Dec)	✓✓✓	0.20%	0.40%	Monthly
US	15:30	Producer Price Index (YoY) (Dec)	✓✓✓	3.00%	3.10%	Monthly
US	15:30	Producer Price Index ex Food & Energy (MoM) (Dec)	✓✓	0.20%	0.40%	Monthly
US	15:30	Producer Price Index ex Food & Energy (YoY) (Dec)	✓✓	2.50%	2.40%	Monthly
US	15:30	Continuing Jobless Claims (30-Dec)	✓✓✓	1920.00K	1914.00K	Weekly
US	15:30	Initial Jobless Claims (06-Jan)	✓✓✓	245.00K	250.00K	Weekly
Canada	15:30	New Housing Price Index (MoM) (Nov)	✓✓	0.20%	0.10%	Monthly
US	21:00	Monthly Budget Statement (Dec)	✓✓✓	-USD26.50bn	-USD138.50bn	Monthly
US	22:30	Fed's Dudley Speaks on the U.S. Economic Outlook	✓	-	-	As scheduled

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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