

ONE Minute Brief

17 January 2018

GTC
consult • partner • manage

Economic and Political News

In South Africa (SA), gold production eased 8.3% YoY in November, compared to a revised drop of 0.5% in October. Mining production rose more-than-expected by 6.5% YoY in November, compared to a rise of 5.2% in October. Platinum production advanced by 12.3% YoY in November, compared to a revised rise of 0.6% in October.

Parliament's Portfolio Committee on Justice and Correctional Services has welcomed the decision of the National Prosecuting Authority's (NPA) Asset Forfeiture Unit to seize Gupta-linked assets, and stated that the process should be done without any fear or favour. Meanwhile, Corruption Watch has welcomed the move by the NPA.

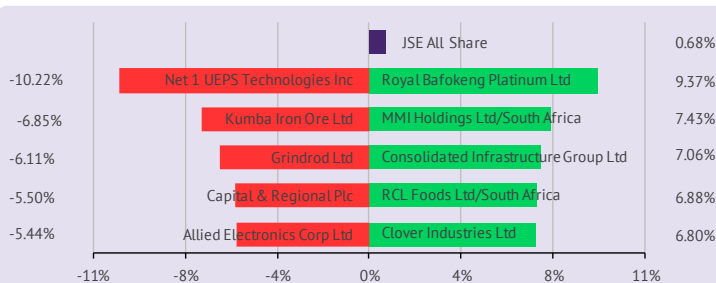
Finance Minister, Malusi Gigaba, indicated that the funding plans for a move to provide free university education to students from poor households would be provided in the next month's budget.

The Economic Freedom Fighters (EFF) has criticised a statement by Communications Minister, Mmamoloko Kubayi-Ngubane, that the appointment of senior executives at the South African Broadcasting Corporation (SABC) had to be done through Cabinet and stated that appointments must be done by non-executive members of the SABC board. The minister has denied interfering in the appointment of key executives at the SABC, but stated that the board had to "consult" her.

South Africa Market ▲

South African markets closed higher

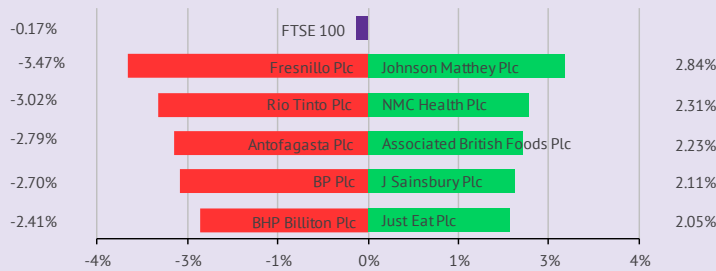
South African markets closed in the green yesterday, boosted by gains in banking, property and retail sector stocks. The JSE All Share Index rose 0.7% to close at 60,649.60.



UK Market ▼

The FTSE 100 futures are trading in positive territory

UK markets finished lower yesterday, led by losses in energy and mining sector stocks. Data revealed that UK's consumer price index (CPI) advanced at a slower pace, in line with expectations on an annual basis in December. The FTSE 100 Index declined 0.2% to close at 7,755.93.



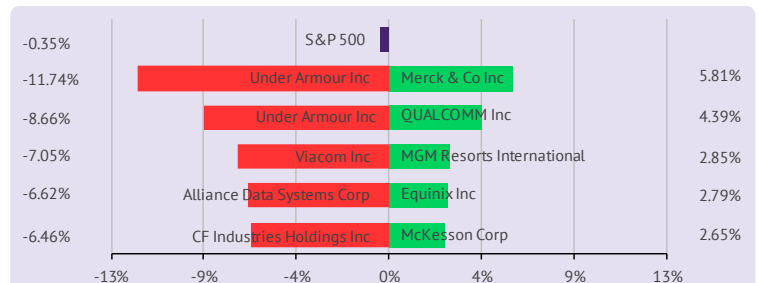
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	60649.60	▲ 408.64	0.68%	0.94%	1.92%	-0.45%	1.92%
JSE Top 40	53777.68	▲ 346.15	0.65%	0.90%	2.37%	-1.38%	2.37%
FTSE 100	7755.93	▼ -13.21	-0.17%	-0.29%	0.89%	4.93%	0.89%
DAX 30	13246.33	▲ 45.82	0.35%	0.01%	2.54%	-0.82%	2.54%
CAC 40	5513.82	▲ 4.13	0.07%	-0.06%	3.79%	-1.12%	3.79%
S&P 500	2776.42	▼ -9.82	-0.35%	-0.35%	3.85%	0.98%	3.85%
Nasdaq Composite	7223.69	▼ -37.38	-0.51%	-0.51%	4.64%	0.43%	4.64%
DJIA	25792.86	▼ -10.33	-0.04%	-0.04%	4.34%	1.84%	4.34%

US Market ▼

The S&P 500 futures are trading in the red

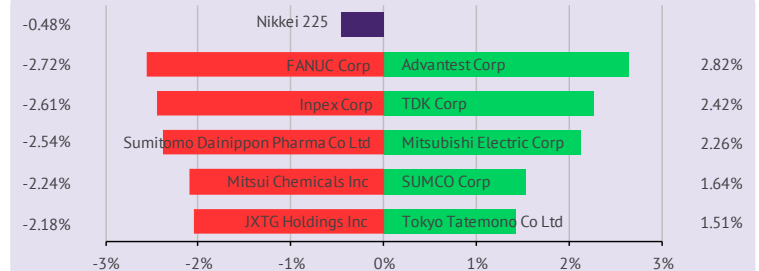
US markets closed lower yesterday, amid concerns over the possibility of a government shutdown and led by losses in industrial and energy sector stocks. Data showed that the US Empire manufacturing index dropped in January. The S&P 500 Index fell 0.4% to close at 2,776.42.



Asian Market ▼

Trading mostly lower

Asian markets are trading mostly lower this morning. The Nikkei 225 Index is trading 0.5% lower at 23,835.91.



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

An Authorised Financial Services Provider FSP No. 731
formerly Grant Thornton Capital

Employee Benefits Consulting • Employee Benefits Administration • Private Client Wealth Management • Healthcare Consulting • Short-Term Risk Solutions • Stockbroking • Derivatives Trading • Unit Trust Management • Asset Management • Fiduciary Services

ONE Minute Brief

17 January 2018

GTC
consult • partner • manage

USDZAR ▼

USD trading lower against ZAR

At 06:00 SAST, the US Dollar is trading 0.1% weaker against the South African Rand at R12.2687. Later today, traders will keep a close watch on the US Federal Reserve's Beige book along with the US manufacturing production, industrial production and the NAHB housing market index for further cues. Separately, South Africa's retail sales will be on investors' radar.

The US Dollar fell against the South African Rand yesterday, after the US Empire manufacturing index dropped higher than market expectations in January.

GBPZAR ▼

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound declined 0.1% against the South African Rand to trade at R16.9147. With no major economic news in the UK today, investor sentiment will be determined by global macroeconomic news.

The British Pound declined against the South African Rand yesterday, after UK's CPI grew at a slower pace but at par with the market forecast on a yearly basis in December, amid slowdown in airfares and prices for games, toys and televisions. However, the retail price index recorded a more-than-anticipated rise on a monthly basis in December. Further, the house price index climbed higher than market forecast on an annual basis in November.

EURZAR ▼

EUR trading lower against ZAR

At 06:00 SAST, the Euro marginally declined against the South African Rand to trade at R15.0490. Going forward, market participants will keep a tab on Eurozone's consumer price index and construction output for further direction.

The Euro weakened against the South African Rand yesterday. On the macro front, German final CPI advanced in line with its preliminary estimate on a yearly basis in December. Further, the wholesale price index rose at a slower pace on an annual basis in the same month.

AUDZAR ▲

AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar marginally advanced against the South African Rand to trade at R9.7725. Earlier in the session, Australia's Westpac consumer confidence index edged up on a monthly basis in January.

The Australian Dollar fell against the South African Rand yesterday.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	12.2687	▼	-0.20%	-0.69%	-0.82%	-9.60%	-0.82%
GBPZAR	16.9147	▼	-0.24%	-0.27%	1.25%	-9.84%	1.25%
EURZAR	15.0490	▼	-0.26%	-0.24%	1.34%	-8.96%	1.34%
AUDZAR	9.7725	▲	-0.35%	-0.20%	1.10%	-6.85%	1.10%
EURUSD	1.2268	▲	-0.03%	0.48%	2.12%	0.85%	2.12%
GBPUSD	1.3788	▼	0.00%	0.47%	2.06%	-0.09%	2.06%
Brent (\$/barrel)	69.0	▼	-1.58%	-1.03%	3.41%	6.77%	3.41%
Gold (\$/oz)	1338.0	▲	0.16%	0.16%	2.12%	2.84%	2.12%
Platinum (\$/oz)	1000.2	=	0.91%	0.91%	7.06%	-0.88%	7.06%
Copper (\$/MT)*	7035.8	▼	-2.03%	-0.54%	-2.38%	7.01%	-2.38%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.1% higher to trade at \$1,338.00/oz., as weakness in the US Dollar, underpinned demand for the safe haven asset.

Yesterday, gold prices rose 0.2% to close at \$1,337.10/oz, amid decline in the US equities.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 0.2% lower to trade at \$69.00/bl.

Yesterday, Brent crude oil dropped 1.6% to settle at \$69.15/bl, after the Energy Information Administration (EIA) revealed that shale crude oil production from seven major US oil plays is expected to rise by 111,000 bls per day to 6.549mn bls per day in February.

Platinum ◀▶

Trading flat

At 06:00 SAST, platinum prices traded flat at \$1,000.20/oz.

Yesterday, platinum prices climbed 0.9% to close at \$1000.20/oz.



ONE Minute Brief

17 January 2018



Major South Africa Corporate News

Adcock Ingram Holdings Limited

In its 1H18 trading update, the company stated that it expects HEPS to be at least 40.00c, which is 27.0% higher compared with the corresponding period in the previous year. Further, it expects EPS to be at 20.00c, which is 12.0% higher compared with the corresponding period in the previous year.

Harmony Gold Mining Company Limited

The company announced that it is on track to achieve annual production guidance of 1.1Moz, after producing more than 550,000.00 ounces in 1H18. Further, for 1H18 it expects gold production to increase in the range of 3.0% to 5.0%.

MMI Holdings Limited

The company announced that its Chief Executive Officer (CEO), Nicolaas Kruger, will be stepping down with effect from February 15, 2018.

Shoprite Holdings Limited

In its 1H18 operational update, the company stated that its turnover increased by 6.3% for the period. Further, its supermarkets sales in South Africa increased sales by 7.8% and furniture division reported increased sales of 10.8%, compared with the corresponding period of the previous year.

The Foschini Group Limited

In its 9M18 sales update, the company indicated that its turnover increased by 17.1% from the same period of the preceding year. Further, the turnover growth for the period in Africa was 5.6%, with same store turnover growth of 1.5%.

Major Global Economic News

UK

In the UK, the CPI registered a rise of 3.0% on a yearly basis in December, compared to an advance of 3.1% in the previous month. Markets were anticipating the CPI to rise 3.0%.

In November, the house price index recorded a rise of 5.1% on an annual basis in the UK, more than market expectations for an advance of 4.2%. The index had advanced by a revised 5.4% in the prior month.

In the UK, the retail price index rose 0.8% on monthly basis, to a level of 278.10 in December, higher than market expectations of 277.60. In the previous month, the index had registered a level of 275.80.

US

In the US, the NY Empire State manufacturing index eased to 17.70 in January, higher than market expectations of a fall to a level of 19.00. The index had recorded a revised reading of 19.60 in the previous month.

Eurozone

In Germany, the final CPI rose 1.7% on an annual basis in December, meeting market expectations. In the prior month, the CPI had risen 1.8%. The preliminary figures had also recorded a rise of 1.7%.

In December, the wholesale price index advanced 1.8% on an annual basis in Germany. The index had registered a rise of 3.3% in the previous month.

Asia

In Australia, the Westpac consumer confidence index registered a rise of 1.8% on a monthly basis, to a level of 105.10 in January. In the prior month, the index had registered a reading of 103.30.

ONE Minute Brief

17 January 2018

GTC
consult • partner • manage

Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:50	Machinery Orders (MoM) (Nov)	✓	5.70%*	5.00%	Monthly
Japan	01:50	Machinery Orders (YoY) (Nov)	✓✓	4.10%*	2.30%	Monthly
Eurozone	10:55	ECB's Nowotny Speaks at Euromoney CEE Conference	✓	-	-	As scheduled
Eurozone	12:00	Construction Output s.a. (MoM) (Nov)	✓	-	-0.40%	Monthly
Eurozone	12:00	Construction Output w.d.a. (YoY) (Nov)	✓	-	2.00%	Monthly
Eurozone	12:00	Consumer Price Index - Core (YoY) (Dec) (F)	✓✓✓	0.90%	0.90%**	Monthly
Eurozone	12:00	Consumer Price Index (MoM) (Dec)	✓✓✓	0.40%	0.10%	Monthly
Eurozone	12:00	Consumer Price Index (YoY) (Dec) (F)	✓✓✓	1.40%	1.40%**	Monthly
South Africa	13:00	Retail Sales (MoM) (Nov)	✓✓✓	0.80%	-0.10%	Monthly
South Africa	13:00	Retail Sales (YoY) (Nov)	✓✓✓	3.70%	3.20%	Monthly
US	14:00	MBA Mortgage Applications (12-Jan)	✓	-	8.30%	Weekly
US	16:15	Manufacturing (SIC) Production (MoM) (Dec)	✓✓✓	0.30%	0.20%	Monthly
US	16:15	Capacity Utilisation (Dec)	✓	77.40%	77.10%	Monthly
US	16:15	Industrial Production (MoM) (Dec)	✓✓✓	0.50%	0.20%	Monthly
Canada	17:00	Bank of Canada Interest Rate Decision	✓✓✓	1.25%	1.00%	As scheduled
US	17:00	NAHB Housing Market Index (Jan)	✓	72.00	74.00	Monthly
US	21:00	Fed's Beige Book	✓✓✓	-	-	As scheduled
US	22:00	Fed's Evans Speaks on Economy and Monetary Policy	✓	-	-	As scheduled
US	23:00	Net Long-Term TIC Flows (Nov)	✓✓	-	USD23.24bn	Monthly
US	23:00	Total Net TIC Flows (Nov)	✓	-	USD151.15bn	Monthly
US	23:30	Fed's Mester Discusses Monetary Policy Communication	✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

Disclaimer

This report and its contents are confidential, privileged and only for the information of the intended recipient. GTC (Pty) Ltd make no representations or warranties in respect of this report or its content and will not be liable for any loss or damage of any nature arising from this report, the content thereof, your reliance thereon its unauthorised use or any electronic viruses associated therewith. Please note that content does not necessarily represent or reflect the views and opinions of GTC (Pty) Ltd. This report is proprietary to GTC (Pty) Ltd and you may not copy or distribute the report without the prior written consent of the authors. Any feedback or contributions are most welcome. GTC (Pty) Ltd Registration No 1996/001488/07 FSP No 731. An authorised Financial Services Provider.

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

An Authorised Financial Services Provider FSP No. 731
formerly Grant Thornton Capital

Employee Benefits Consulting • Employee Benefits Administration • Private Client Wealth Management • Healthcare Consulting •
Short-Term Risk Solutions • Stockbroking • Derivatives Trading • Unit Trust Management • Asset Management • Fiduciary Services