

ONE Minute Brief

13 February 2018

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Economic and Political News

Data from the Transnet National Ports Authority (TNPA) has revealed that bulk export volumes from South Africa (SA) rose 88.8% YoY in January 2018 to a record 25.4-million tonnes.

News reports indicate that the ruling African National Congress (ANC) has given President, Jacob Zuma, 48 hours to resign as head of state, following a meeting of the ANC National Executive Committee. ANC president, Cyril Ramaphosa, reportedly delivered the message to President Zuma after the decision was taken by the party's top officials.

Opposition parties have demanded that a motion of no confidence in President Jacob Zuma, scheduled for 22 February, be brought forward to this week and subsequently Parliament be dissolved after the motion.

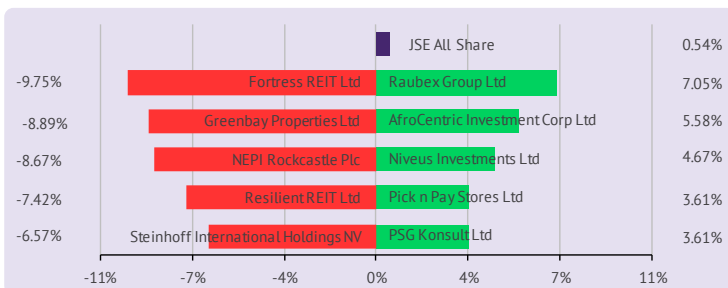
The Democratic Alliance has demanded a review of Public Protector, Busisiwe Mkhwebane's report on the Vrede dairy project, calling it a disgraceful whitewash.

The South African Reserve Bank (SARB) stated that its registrar is in discussions with the Bank of Baroda to ensure the bank's orderly withdrawal from SA so that no depositor is disadvantaged, after the bank notified the office of the Registrar of Banks of its exit from the nation.

South Africa Market ▲

South African markets closed higher

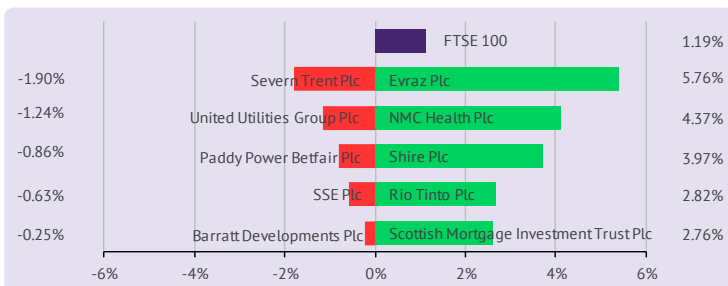
South African markets closed in the green yesterday, boosted by gains in banking and retail sector stocks. The JSE All Share Index rose 0.5% to close at 56,206.76.



UK Market ▲

The FTSE 100 futures are trading in negative territory

UK markets finished higher yesterday, amid gains in energy, material and financial sector stocks. The FTSE 100 Index advanced 1.2% to close at 7,177.06.



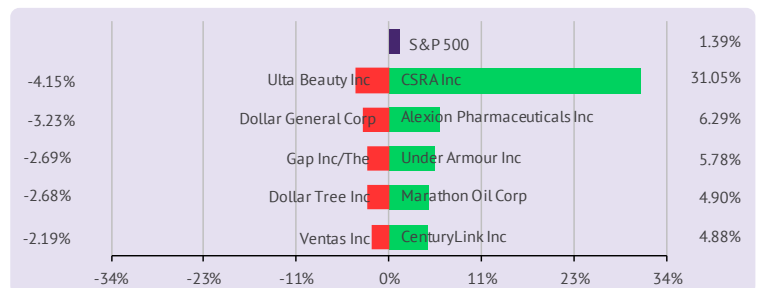
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	56206.76	▲ 304.14	0.54%	0.54%	-5.54%	0.00%	-5.54%
JSE Top 40	49544.32	▲ 256.87	0.52%	0.52%	-5.84%	0.16%	-5.69%
FTSE 100	7177.06	▲ 84.63	1.19%	1.19%	-4.73%	-2.01%	-6.64%
DAX 30	12282.77	▲ 175.29	1.45%	1.45%	-6.87%	2.10%	-4.91%
CAC 40	5140.06	▲ 60.85	1.20%	1.20%	-6.24%	3.19%	-3.25%
S&P 500	2656.00	▲ 36.45	1.39%	1.39%	-5.94%	5.62%	-0.66%
Nasdaq Composite	6981.96	▲ 107.47	1.56%	1.56%	-5.80%	7.36%	1.14%
DJIA	24601.27	▲ 410.37	1.70%	1.70%	-5.92%	5.79%	-0.48%

US Market ▲

The S&P 500 futures are trading in the red

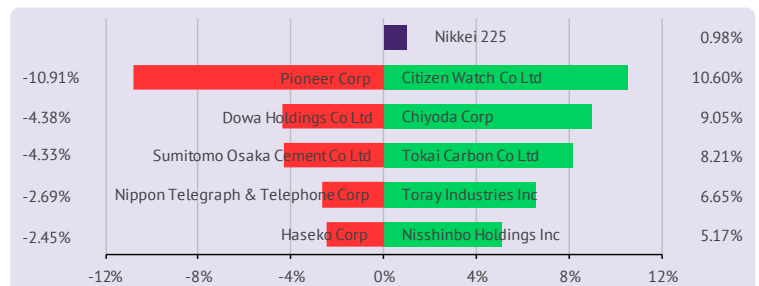
US markets closed higher yesterday, driven by gains in financial and technology sector stocks. On the data front, US budget surplus narrowed more-than-expected in January. The S&P 500 Index climbed 1.4% to close at 2,656.00.



Asian Market ▲

Trading higher

Asian markets are trading higher this morning, tracking overnight gains on Wall Street. The Nikkei 225 Index is trading 0.9% higher at 21,591.33.



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 stronger against ZAR

At 06:00 SAST, the US Dollar is trading 0.1% firmer against the South African Rand at R11.9466. Later today, traders will keep a close watch on the US NFIB small business optimism index for further cues.

The US Dollar fell against the South African Rand yesterday, amid expectations that Jacob Zuma would soon step down as the President. Separately, data showed that US budget surplus narrowed more than market expectations in January.

GBPZAR ▲

GBP trading firmer against ZAR

At 06:00 SAST, the British Pound rose 0.2% against the South African Rand to trade at R16.5430. Later today, traders will keep an eye on UK's consumer price index (CPI), producer price index (PPI), retail price index (RPI) and house price index for further direction.

The British Pound declined against the South African Rand yesterday.

EURZAR ▲

EUR trading higher against ZAR

At 06:00 SAST, the Euro is trading 0.2% firmer against the South African Rand at R14.6912. With no major economic news across the Eurozone today, investor sentiment will be determined by global macroeconomic news.

The Euro weakened against the South African Rand yesterday.

AUDZAR ▲

AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.2% higher against the South African Rand at R9.4050. Earlier in the session, Australia's NAB business confidence index advanced in January, notching its highest level since April 2017.

The Australian Dollar rose against the South African Rand yesterday.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	11.9466	▲	-0.49%	-0.49%	0.71%	-4.29%	-3.61%
GBPZAR	16.5430	▲	-0.49%	-0.49%	-1.75%	0.50%	-1.25%
EURZAR	14.6912	▲	-0.17%	-0.17%	-0.27%	-0.98%	-1.25%
AUDZAR	9.4050	▲	0.18%	0.18%	-1.67%	-1.24%	-2.89%
EURUSD	1.2296	▲	0.33%	0.33%	-0.98%	3.41%	2.39%
GBPUSD	1.3846	▲	0.08%	0.08%	-2.49%	5.02%	2.41%
Brent (\$/barrel)	63.0	▲	-0.32%	-0.32%	-9.15%	3.02%	-6.40%
Gold (\$/oz)	1326.3	▲	0.85%	0.85%	-1.11%	2.27%	1.14%
Platinum (\$/oz)	974.6	▲	1.18%	1.18%	-3.14%	7.50%	4.13%
Copper (\$/MT)*	6788.0	▲	1.14%	1.14%	-4.11%	-1.78%	-5.81%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.2% higher to trade at \$1,326.30/oz.

Yesterday, gold prices rose 0.8% to close at \$1,324.20/oz, as weakness in the US Dollar increased demand for the precious metal.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil advanced 0.7% to trade at \$63.02/bl, amid expectations of higher global demand and higher imports from China.

Yesterday, Brent crude oil dropped 0.3% to settle at \$62.59/bl, after the Energy Information Administration (EIA), in its monthly report, forecasted that Shale crude-oil production from seven major US oil players would climb by 110,000 bls per day to 6.76mn bls per day in March. Additionally, the Organisation of the Petroleum Exporting Countries (OPEC) raised its crude supply forecast for 2018, citing a boom in US shale oil production. The OPEC stated that it expects global oil demand growth to rise by 1.59mn bls per day (bpd), up 60,000 bpd from December's forecast.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged 0.2% higher to trade at \$974.60/oz.

Yesterday, platinum prices climbed 1.2% to close at \$972.80/oz.



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Major South Africa Corporate News

Liberty Holdings Limited

The company announced the appointment of Mr Yuresh Maharaj as its Finance Director with immediate effect.

RCL Foods Limited

In its 1H18 trading statement, the company stated that it expects HEPS to be in the range of 69.50c to 79.00c, which is 46.0% to 66.06% higher compared to the corresponding period of the previous year. Further, it expects EPS to be in the range of 72.00c to 79.00c, which is significantly higher compared to the same period of the previous year.

Resilient Property Income Fund Limited

The company announced that it has analysed and fully considered the content of the 36One report. Further, the company has withdrawn its earlier cautionary statement as the company is of the view that there is no reason for shareholders to continue to exercise caution in their dealings in its securities.

Major Global Economic News

Asia

In Australia, the business conditions index climbed to 19.00 in January. The index had registered a reading of 13.00 in the previous month.

In Australia, the business confidence index advanced to 12.00 in January. In the previous month, the index had registered a revised reading of 10.00.

US

In the US, budget surplus narrowed more-than-anticipated to USD49.20bn in January, compared to a surplus of USD51.30bn in the prior month.

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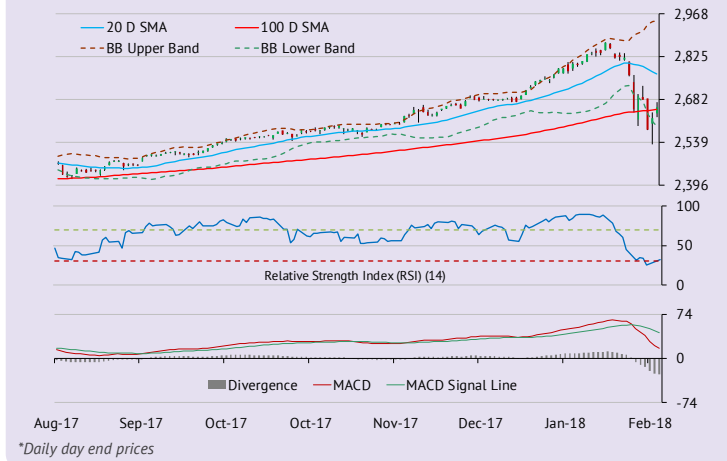
Technical Snapshot

JSE All Share



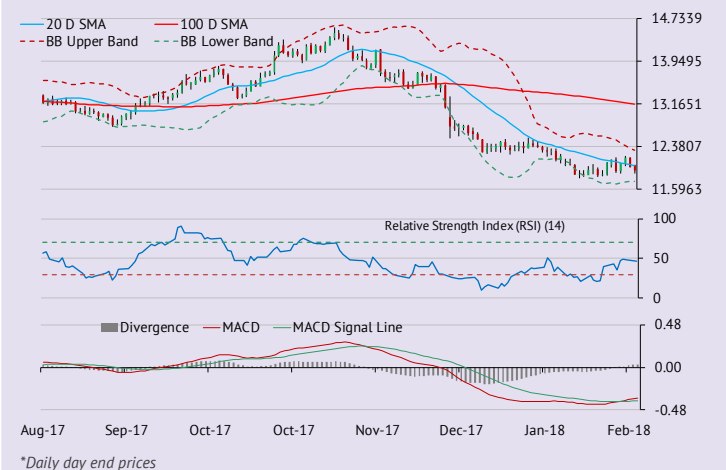
The JSE All Share index is expected to find support at 55,160.08, and a fall through could take it to the next support level of 54,113.40. The index is expected to find its first resistance at 57,183.59, and a rise through could take it to the next resistance level of 58,160.42.

S&P 500



The S&P 500 index is expected to find support at 2,549.90, and a fall through could take it to the next support level of 2,443.81. The index is expected to find its first resistance at 2,744.88, and a rise through could take it to the next resistance level of 2,833.77.

USDZAR



The pair is expected to find support at 11.8078, and a fall through could take it to the next support level of 11.6805. The pair is expected to find its first resistance at 12.1303, and a rise through could take it to the next resistance level of 12.3255.

XAU/USD



Gold is expected to find support at \$1,306.23/oz, and a fall through could take it to the next support level of \$1,288.27/oz. The precious metal is expected to find its first resistance at \$1,342.93/oz, and a rise through could take it to the next resistance level of \$1,361.67/oz.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	01:50	Domestic Corporate Goods Price Index (MoM) (Jan)	✓	0.30%*	0.10%	Monthly
Japan	01:50	Domestic Corporate Goods Price Index (YoY) (Jan)	✓	2.70%*	3.00%	Monthly
Japan	08:00	Machine Tool Orders (YoY) (Jan) (P)	✓✓✓	-	48.30%	Monthly
UK	11:30	Consumer Price Index (MoM) (Jan)	✓✓✓	-0.60%	0.40%	Monthly
UK	11:30	Consumer Price Index (YoY) (Jan)	✓✓✓	2.90%	3.00%	Monthly
UK	11:30	Consumer Price Index Core (YoY) (Jan)	✓✓✓	2.60%	2.50%	Monthly
UK	11:30	PPI Core Output n.s.a. (MoM) (Jan)	✓	0.20%	0.30%	Monthly
UK	11:30	PPI Core Output n.s.a. (YoY) (Jan)	✓✓	2.30%	2.50%	Monthly
UK	11:30	Producer Price Index - Input n.s.a. (MoM) (Jan)	✓	0.60%	0.10%	Monthly
UK	11:30	Producer Price Index - Output n.s.a. (MoM) (Jan)	✓	0.20%	0.40%	Monthly
UK	11:30	Producer Price Index - Output n.s.a. (YoY) (Jan)	✓✓	3.00%	3.30%	Monthly
UK	11:30	Retail Price Index (MoM) (Jan)	✓✓✓	-0.70%	0.80%	Monthly
UK	11:30	Retail Price Index Ex Mort Int.Payments (YoY) (Jan)	✓✓	4.10%	4.20%	Monthly
UK	11:30	Retail Price Index (Jan)	✓	276.20	278.10	Monthly
UK	11:30	Producer Price Index - Input n.s.a. (YoY) (Jan)	✓	4.10%	4.90%	Monthly
UK	11:30	Retail Price Index (YoY) (Jan)	✓✓	4.00%	4.10%	Monthly
South Africa	11:30	Unemployment Rate (Q4)	✓✓	27.20%	27.70%	Quarterly
US	13:00	NFIB Small Business Optimism (Jan)	✓	105.30	104.90	Monthly
US	15:00	Fed's Mester to Discuss Monetary Policy and Economic Outlook	✓✓	-	-	As scheduled
China	-	FDI - Foreign Direct Investment YTD (YoY) (Jan)	✓	-	-9.20%	Monthly

Note: ✓✓✓High ✓✓Medium ✓Low

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