

ONE  
Minute Brief

14 February 2018


  
consult • partner • manage

## Economic and Political News

In South Africa, the unemployment rate dropped to 26.7% in 4Q17, compared to a reading of 27.7% in the previous quarter.

President, Jacob Zuma, will hold a media briefing today, after the African National Congress (ANC) asked him to step down as head of state. The ANC stated that it is expecting the President to respond today on the decision to recall him. The party has called its MP's to an urgent caucus meeting in Parliament today. Democratic Alliance leader, Mmusi Maimane, stated that the only way to remove Zuma as President was through a motion of no confidence in Parliament. Ace Magashule, Secretary General of the ANC, indicated that he did not know whether the party would support the motion of no-confidence against Zuma, scheduled on February 22. The Economic Freedom Fighters stated that it would not withdraw its scheduled motion of no confidence to allow the ANC to table its own motion. Meanwhile, a cabinet meeting set for today has been postponed.

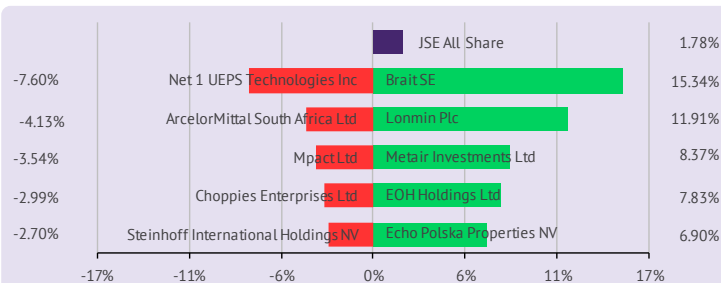
ANC Secretary General, Ace Magashule, has confirmed that ANC president, Cyril Ramaphosa, will deliver the State of the Nation Address.

The drought afflicting southern and western regions, including Cape Town, has been declared a national disaster.

## South Africa Market ▲

## South African markets closed higher

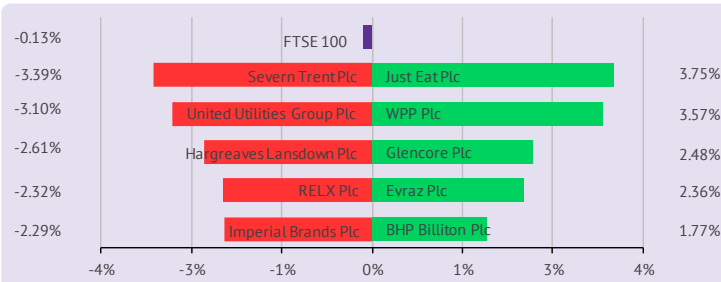
South African markets closed in the green yesterday, boosted by gains in mining, resources and industrial sector stocks. Data showed that South Africa's unemployment rate fell in 4Q17. The JSE All Share Index rose 1.8% to close at 57,208.97.



## UK Market ▼

## The FTSE 100 futures are trading in negative territory

UK markets finished lower yesterday, led by losses in utility and telecom sector stocks. Data revealed that UK's consumer price index (CPI) rose more than market forecast on a yearly basis in January. The FTSE 100 Index declined 0.1% to close at 7,168.01.



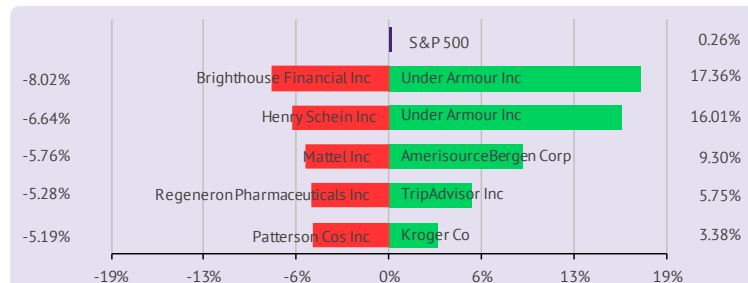
## Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	57208.97	▲	1002.21	1.78%	2.34%	-3.86%	0.00%	-3.86%
JSE Top 40	50405.03	▲	860.71	1.74%	2.27%	-4.20%	0.16%	-4.05%
FTSE 100	7168.01	▼	-9.05	-0.13%	1.07%	-4.85%	-2.01%	-6.76%
DAX 30	12196.50	▼	-86.27	-0.70%	0.74%	-7.53%	2.10%	-5.58%
CAC 40	5109.24	▼	-30.82	-0.60%	0.59%	-6.80%	3.19%	-3.83%
S&P 500	2662.94	▲	6.94	0.26%	1.66%	-5.70%	5.62%	-0.40%
Nasdaq Composite	7013.51	▲	31.55	0.45%	2.02%	-5.37%	7.36%	1.60%
DJIA	24640.45	▲	39.18	0.16%	1.86%	-5.77%	5.79%	-0.32%

## US Market ▲

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

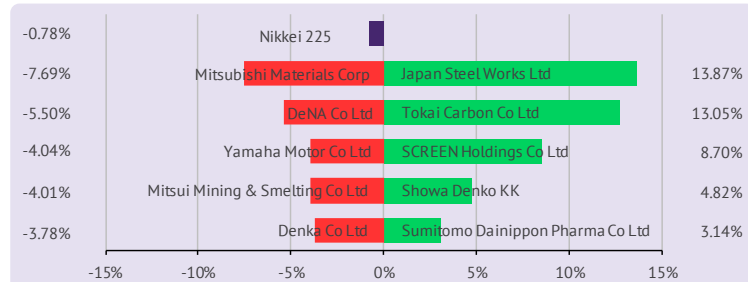
US markets closed higher for the third consecutive session yesterday, ahead of key inflation data. Data indicated that the US NFIB small business optimism index rose more-than-expected in January. The S&P 500 Index climbed 0.3% to close at 2,662.94.



## Asian Market ◀▶

## Trading mixed

Asian markets are trading mixed this morning. On the macro front, Japan's annualised gross domestic product (GDP) expanded at a slower pace on a quarterly basis in 4Q17, posting the eighth straight quarter of expansion. The Nikkei 225 Index is trading 0.8% lower at 21,078.77.



**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

14 February 2018

**GTC**  
consult • partner • manage

## USDZAR ▼

### USD trading weaker against ZAR

At 06:00 SAST, the US Dollar fell 0.3% against the South African Rand to trade at R11.9250. Later today, traders will keep a close watch on US consumer price index (CPI), MBA mortgage applications and advance retail sales along with average hourly earnings and business inventories data for further cues.

The US Dollar rose against the South African Rand yesterday. Data showed that the US NFIB small business optimism index advanced higher than market expectations in January. Separately, South Africa's unemployment rate recorded a drop in 4Q17.

## GBPZAR ▼

### GBP trading lower against ZAR

At 06:00 SAST, the British Pound declined 0.1% against the South African Rand to trade at R16.6031.

The British Pound advanced against the South African Rand yesterday. Data indicated that UK's CPI climbed higher than market expectations on an annual basis in January. Additionally, the retail price index rose in line with market expectations on an annual basis in January. Further, the annual house price index advanced more-than-anticipated in December. Meanwhile, producer output price inflation eased on a yearly basis in January, recording its weakest level since November 2016. Producer input price inflation slowed on an annual basis in January.

## EURZAR ▼

### EUR trading weaker against ZAR

At 06:00 SAST, the Euro marginally declined against the South African Rand to trade at R14.7743. Going forward, market participants will keep a tab on Eurozone's GDP and industrial production for further direction. Meanwhile, Germany's GDP and CPI will also be on investors' radar.

The Euro strengthened against the South African Rand yesterday.

## AUDZAR ▲

### AUD trading stronger against ZAR

At 06:00 SAST, the Australian Dollar marginally gained against the South African Rand to trade at R9.4058. Earlier in the session, Australia's Westpac consumer confidence declined on a monthly basis in February.

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	11.9250	▼	0.25%	-0.24%	0.96%	-4.29%	-3.37%
GBPZAR	16.6031	▼	0.65%	0.16%	-1.11%	0.50%	-0.61%
EURZAR	14.7743	▼	0.74%	0.57%	0.46%	-0.98%	-0.52%
AUDZAR	9.4058	▲	0.20%	0.38%	-1.48%	-1.24%	-2.70%
EURUSD	1.2390	▲	0.49%	0.82%	-0.50%	3.41%	2.89%
GBPUUSD	1.3920	▲	0.40%	0.48%	-2.09%	5.02%	2.82%
Brent (\$/barrel)	62.8	▲	0.21%	-0.11%	-8.96%	3.02%	-6.21%
Gold (\$/oz)	1338.0	▲	0.29%	1.14%	-0.81%	2.27%	1.44%
Platinum (\$/oz)	983.7	▲	0.30%	1.48%	-2.85%	7.50%	4.44%
Copper (\$/MT)*	6944.8	▲	2.31%	3.47%	-1.89%	-1.78%	-3.64%

\*As of Previous Close

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices climbed 0.7% to trade at \$1,338.00/oz, amid caution ahead of US inflation data.

Yesterday, gold prices rose 0.3% to close at \$1,328.10/oz, as weakness in the US Dollar lowered demand for the precious yellow metal.

## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil advanced 0.1% to trade at \$62.80/bl.

Yesterday, Brent crude oil advanced 0.2% to settle at \$62.72/bl. The American Petroleum Institute (API) reported that crude oil inventories rose 3.95mn bls for the week ended 9 February 2018. Meanwhile, the International Energy Agency forecasted strong global crude demand, however raised concerns over higher production from non-OPEC countries.

## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices climbed 0.8% to trade at \$983.70/oz.

Yesterday, platinum prices climbed 0.3% to close at \$975.70/oz.



# ONE Minute Brief

14 February 2018



**GTC**  
consult • partner • manage

## Major South Africa Corporate News

### Adcock Ingram Holdings Limited

In its 1H18 trading statement, the company stated that it expects HEPS to be in the range of 188.60c to 193.60c, which is an increase of 27.0% to 30.0% compared to the corresponding period of the previous year. Further, the EPS is expected to be in the range of 188.90c to 193.90c, which is an increase of 12.0% to 15.0%, compared to the same period of the prior year.

### BHP Billiton Plc

The company announced that it expects positive impact on its US attributable profits in the longer term mainly due to tax reforms in the US. Further, it expects to recognise an income tax expense of \$1.8bn which will be treated as an exceptional item.

### Exxaro Resources Limited

The company declared to pay a special dividend of ZAR4.50bn out of income reserves, which equates to 1255.00c per share.

### Harmony Gold Mining Company Limited

In its 1H18 results, the company revealed that its revenue marginally declined from the same period of the preceding year to ZAR9.84bn. Its diluted EPS stood at 197.00c, compared to 333.00c recorded in the corresponding period of the previous year. Separately, the company announced that consent to cede the Moab Khotsoeng mining right to the company was granted by the department of Mineral Resources, which is significant step towards concluding the Moab Khotsoeng transaction.

### Kumba Iron Ore Limited

In its FY17 results, the company revealed that its revenue advanced 15.5% from the same period of the preceding year to ZAR46.38bn. Its diluted EPS stood at ZAR38.37, compared to ZAR26.84 recorded in the corresponding period of the previous year. For FY18, the company expects total sales volumes to be in the range of 44.00 Mt to 45.00 Mt.

### Pan African Resources Plc

In its 1H18 result, the company stated that its revenue increased to ZAR1.46bn, compared to ZAR1.61bn posted in the corresponding period of the previous year. Its diluted EPS significantly declined from the same period of the prior year to 3.23c.

## Major Global Economic News

### UK

In the UK, the consumer price index recorded a more-than-anticipated rise of 3.0% on an annual basis in January. In the previous month, the index had registered a similar rise.

In the UK, the retail price index recorded a drop of 0.8%, on a monthly basis, to a level of 276.00 in January, lower than market expectations of 276.20. The index had recorded a level of 278.10 in the previous month.

In the UK, the house price index advanced 5.2% on an annual basis in December, more than market expectation and compared to a revised rise of 5.0% in the prior month.

### US

In the US, the small business optimism index advanced higher than expected to 106.90 in January. In the previous month, the index had registered a level of 104.90.

### Asia

In Australia, Westpac consumer confidence index eased 2.3%, on a monthly basis, to a level of 102.70 in February. In the previous month, the index had recorded a reading of 105.10.

In Japan, the flash annualised GDP rose less than market forecast by 0.5% on a quarterly basis in 4Q17, compared to a rise of 2.5% in the prior quarter.

In Japan, the preliminary nominal GDP remained steady in 4Q17, lower than market expectations for a rise of 0.4%. In the previous quarter, nominal GDP had risen 0.8%.

**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

14 February 2018

**GTC**  
consult • partner • manage

## Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:50	Gross Domestic Product (QoQ) (Q4) (P)	✓✓	0.10%*	0.60%	Quarterly
Japan	01:50	Gross Domestic Product Annualised (Q4) (P)	✓✓✓	0.50%*	2.20%	Quarterly
Germany	09:00	Gross Domestic Product n.s.a. (YoY) (Q4) (P)	✓✓	2.20%	2.30%	Quarterly
Germany	09:00	Gross Domestic Product s.a. (QoQ) (Q4) (P)	✓✓✓	0.60%	0.80%	Quarterly
Germany	09:00	Gross Domestic Product w.d.a. (YoY) (Q4) (P)	✓✓	3.00%	2.80%	Quarterly
Germany	09:00	Consumer Price Index (MoM) (Jan) (F)	✓✓✓	-0.70%	-0.70%**	Monthly
Germany	09:00	Consumer Price Index (YoY) (Jan) (F)	✓✓✓	1.60%	1.60%**	Monthly
Eurozone	10:00	ECB's Weidmann Speaks in Frankfurt	✓✓	-	-	As scheduled
Eurozone	12:00	Gross Domestic Product s.a. (QoQ) (Q4) (S)	✓✓✓	0.60%	0.60%**	Quarterly
Eurozone	12:00	Gross Domestic Product s.a. (YoY) (Q4) (S)	✓✓	2.70%	2.70%**	Quarterly
Eurozone	12:00	Industrial Production s.a. (MoM) (Dec)	✓✓✓	0.10%	1.00%	Monthly
Eurozone	12:00	Industrial Production w.d.a. (YoY) (Dec)	✓✓✓	4.20%	3.20%	Monthly
Eurozone	12:20	ECB's Mersch Speaks in Frankfurt	✓	-	-	As scheduled
South Africa	13:00	Retail Sales (MoM) (Dec)	✓✓	-0.10%	4.00%	Monthly
South Africa	13:00	Retail Sales (YoY) (Dec)	✓✓	4.90%	8.20%	Monthly
Eurozone	13:20	ECB's Mersch, SNB's Zurbuegg Participate in Panel Discussion	✓	-	-	As scheduled
US	14:00	MBA Mortgage Applications (09-Feb)	✓	-	0.70%	Weekly
US	15:30	Retail Sales ex Autos (MoM) (Jan)	✓✓✓	0.50%	0.40%	Monthly
US	15:30	Retail Sales "Control Group" (MoM) (Jan)	✓✓	0.40%	0.30%	Monthly
US	15:30	Advance Retail Sales (MoM) (Jan)	✓✓✓	0.20%	0.40%	Monthly
US	15:30	Retail Sales Ex Auto & Gas (Jan)	✓✓✓	0.30%	0.40%	Monthly
US	15:30	Consumer Price Index (MoM) (Jan)	✓✓✓	0.30%	0.10%	Monthly
US	15:30	Consumer Price Index (YoY) (Jan)	✓✓✓	1.90%	2.10%	Monthly
US	17:00	Business Inventories (Dec)	✓	0.30%	0.40%	Monthly

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