

ONE Minute Brief

20 February 2018

GTC
consult • partner • manage

Economic and Political News

Fitch Ratings stated that Zuma's resignation has reduced South Africa's (SA's) "policy paralysis risk" and that it expects growth to improve slightly on the back of favourable investor and business sentiment. Fitch, however, warned that growth would still be lower than the "BB" rating category median.

Moody's has indicated that the credit ratings of South African mining groups may improve under President Cyril Ramaphosa.

Atul Gupta, one of three Gupta brothers under investigation in the Estina dairy farm probe, has challenged the freezing of ZAR10mn in his personal bank account, stating that he had not received any cash as alleged by prosecutors.

The Democratic Alliance (DA) indicated that it supports a pledge by President, Cyril Ramaphosa to reduce the size of his cabinet.

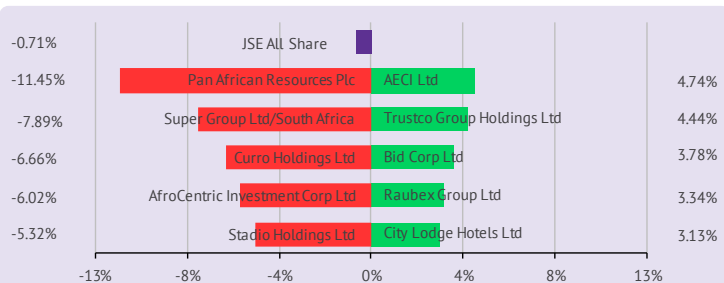
The South African Revenue Service (SARS) stated that it will cooperate fully with a presidential inquiry into tax administration and governance at SARS.

The Steel and Engineering Industries Federation of South Africa (SEIFSA) has warned that a tariff on steel imports to the United States could hurt the South African steel industry.

South Africa Market ▼

South African markets closed lower

South African markets closed in the red yesterday, led by losses in industrial, gold mining and retail sector stocks. The JSE All Share Index fell 0.7% to close at 58,701.37.



Key Indices

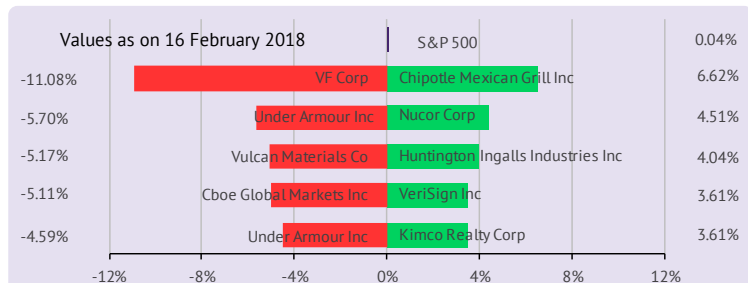
	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	58701.37	▼ -420.97	-0.71%	-0.71%	-1.35%	0.00%	-1.35%
JSE Top 40	51717.42	▼ -393.38	-0.75%	-0.75%	-1.71%	0.16%	-1.55%
FTSE 100	7247.66	▼ -47.04	-0.64%	-0.64%	-3.79%	-2.01%	-5.72%
DAX 30	12385.60	▼ -66.36	-0.53%	-0.53%	-6.09%	2.10%	-4.12%
CAC 40	5256.18	▼ -25.40	-0.48%	-0.48%	-4.12%	3.19%	-1.06%
S&P 500*	2732.22	▲ 1.02	0.04%	0.00%	-3.24%	5.62%	2.19%
Nasdaq Composite*	7239.47	▼ -16.97	-0.23%	0.00%	-2.32%	7.36%	4.87%
DJIA*	25219.38	▲ 19.01	0.08%	0.00%	-3.56%	5.79%	2.02%

*Values as on 16 February 2018

US Market ▼

The S&P 500 futures are trading in the red

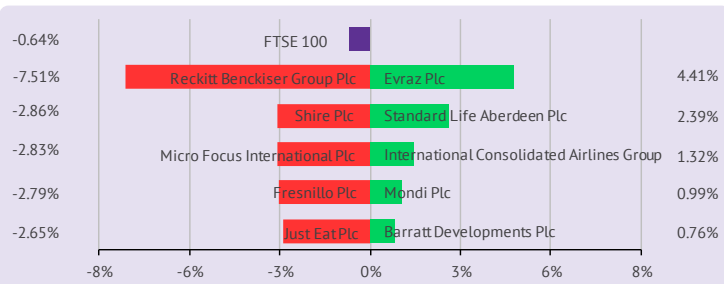
US markets were closed yesterday on account of national holiday.



UK Market ▼

The FTSE 100 futures are trading in positive territory

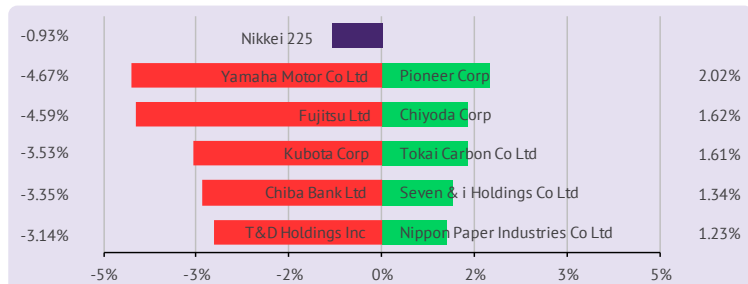
UK markets finished lower yesterday, amid losses in shares of Reckitt Benckiser Group, following disappointing annual results. The FTSE 100 Index declined 0.6% to close at 7,247.66.



Asian Market ▼

Trading mostly lower

Asian markets are trading mostly lower this morning. The Nikkei 225 Index is trading 0.9% lower at 21,942.96.



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

20 February 2018

GTC
consult • partner • manage

USDZAR ▲

USD trading stronger against ZAR

At 06:00 SAST, the US Dollar gained 0.2% against the South African Rand to trade at R11.6955, as investors await the latest Federal Reserve minutes due to be released tomorrow. With no major economic releases in the US today, investor sentiment.

The US Dollar rose against the South African Rand yesterday.

GBPZAR ▲

GBP trading firmer against ZAR

At 06:00 SAST, the British Pound is trading 0.1% higher against the South African Rand at R16.3447. Later today, traders will keep an eye on UK's CBI trends total orders for further indication.

The British Pound advanced against the South African Rand yesterday. On the data front, UK's Rightmove house price index advanced on a monthly basis in February.

EURZAR ▲

EUR trading stronger against ZAR

At 06:00 SAST, the Euro is trading 0.1% higher against the South African Rand at R14.4867. Going forward, market participants will keep a tab on Eurozone's consumer confidence index for further cues. Meanwhile, Germany's producer price index, ZEW survey on expectations index and economic sentiment index will be on investors radar.

The Euro strengthened against the South African Rand yesterday. Data indicated that Eurozone's current account surplus narrowed to a six-month low in December.

AUDZAR ▲

AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar rose 0.1% against the South African Rand to trade at R9.2490, following upbeat minutes from the Reserve Bank of Australia's (RBA) February meeting. Overnight data showed that Australia's ANZ Morgan weekly consumer confidence index dropped for the week ended 18 February 2018.

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	11.6955	▲	0.64%	0.64%	-1.53%	-4.29%	-5.75%
GBPZAR	16.3447	▲	0.08%	0.08%	-2.80%	0.50%	-2.31%
EURZAR	14.4867	▲	0.53%	0.53%	-1.57%	-0.98%	-2.53%
AUDZAR	9.2490	▲	0.42%	0.42%	-3.22%	-1.24%	-4.42%
EURUSD	1.2386	▼	0.01%	0.01%	-0.06%	3.41%	3.35%
GBPUSD	1.3973	▼	-0.19%	-0.19%	-1.35%	5.02%	3.60%
Brent (\$/barrel)	65.4	▼	1.28%	1.28%	-4.67%	3.02%	-1.79%
Gold (\$/oz)	1343.4	▼	0.00%	NA	1.06%	2.27%	3.35%
Platinum (\$/oz)	1007.2	▼	0.00%	NA	0.80%	7.50%	8.36%
Copper (\$/MT)*	7076.5	▼	-1.59%	-1.59%	-0.03%	-1.78%	-1.81%

*As of Previous Close

Gold ▼

Trading in the red

At 06:00 SAST, gold prices edged 0.7% lower to trade at \$1,343.40/oz.

Yesterday, gold prices traded flat to close at \$1,353.20/oz, as a uncertain dollar and rising equity markets offset increasing inflation expectations that have boosted demand for the precious yellow metal.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 0.4% lower to trade at \$65.41/bl.

Yesterday, Brent crude oil advanced 1.3% to settle at \$65.67/bl, amid recovery in the global equity markets and growing geopolitical tensions in the Middle East.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged 0.5% lower to trade at \$1,007.20/oz.

Yesterday, platinum prices traded flat to close at \$1012.30/oz.



ONE Minute Brief

20 February 2018



Major South Africa Corporate News

AECI Limited

In its FY17 trading update, the company stated that it expects HEPS to be in the range of 940.00c to 975.00c, which is 15.0% to 19.0% higher compared to the corresponding period of the previous year. Further, it expects EPS to be in the range of 880.00c to 910.00c, which is 20.0% to 24.0% higher, compared to the same period of the previous year.

Anglo American Platinum Limited

In its FY17 results, the company stated that its gross sales revenue increased to ZAR65.69bn, compared to ZAR61.98bn posted in the corresponding period of the previous year. Its diluted EPS significantly rose compared to the same period of the prior year to 739.00c. Further, the company declared a final gross cash dividend of 349.00c per share payable on March 9, 2018.

Clientele Limited

In its 1H18 results, the company revealed that its net insurance premium advanced 13.0%, compared to the same period of the preceding year to ZAR1.04bn. Its diluted EPS stood at 78.31c, compared to 66.50c recorded in the corresponding period of the previous year.

Curro Holdings Limited

In its FY17 results, the company indicated that its revenue rose to ZAR2.10bn, compared to ZAR1.72bn posted in the corresponding period of the previous year. Its diluted EPS increased 14.2% compared to the same period of the prior year to 50.80c.

Impala Platinum Holdings Limited

In its 1H18 trading update, the company stated that it expects loss per share to be in the range of 17.00c to 24.00c, which is an increase of 76.0% to 63.0% compared to the corresponding period of the previous year. Further, it expects basic loss per share to be in the range of 19.00c to 28.00c, which is 63.0% to 46.0% higher compared to the same period of the previous year.

Super Group Limited

In its 1H18 results, the company indicated that its revenue rose to ZAR17.97bn, compared to ZAR14.09bn posted in the corresponding period of the previous year. Its diluted EPS increased 7.1% compared to the same period of the prior year to 172.20c.

Major Global Economic News

Asia

As per the minutes of the RBA February meeting, officials remained sanguine about Australia's economic outlook, on the backdrop of robust recovery in global economy. Further, the central bank hinted at a steady course for raising interest rates and stressed that in spite of the robust labour market, wage growth "was yet to pick up". Moreover, officials expect inflation to increase gradually as the economy strengthens, while emphasising that household debt remained elevated.

UK

In the UK, the Rightmove house price index climbed 0.8% on a monthly basis in February. In the previous month, the index had recorded a rise of 0.7%.

Eurozone

In the Eurozone, the seasonally adjusted current account surplus narrowed to EUR29.90bn in December. The Eurozone had registered a revised current account surplus of EUR35.00bn in the previous month.

The seasonally adjusted construction output in the Eurozone registered a rise of 0.10% on a monthly basis in December. Construction output had climbed by a revised 0.20% in the prior month.

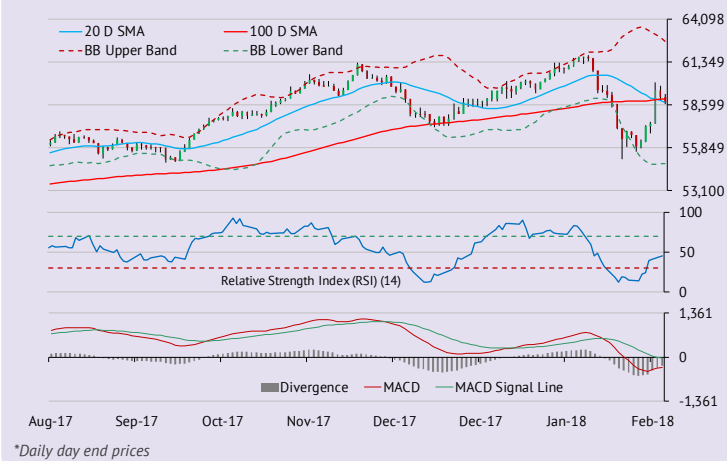
ONE Minute Brief



20 February 2018

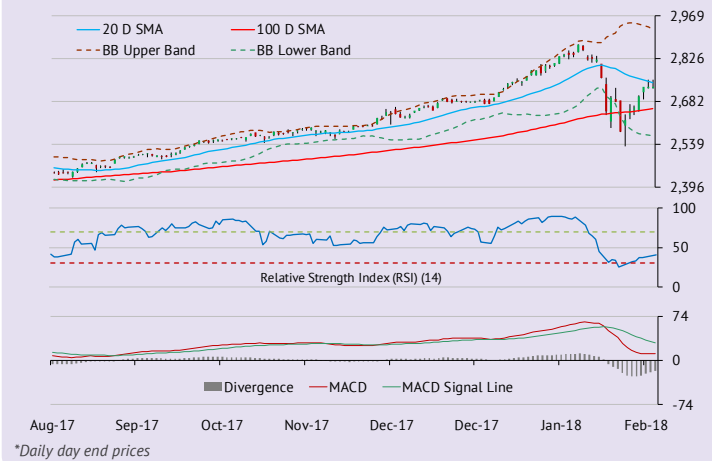
Technical Snapshot

JSE All Share



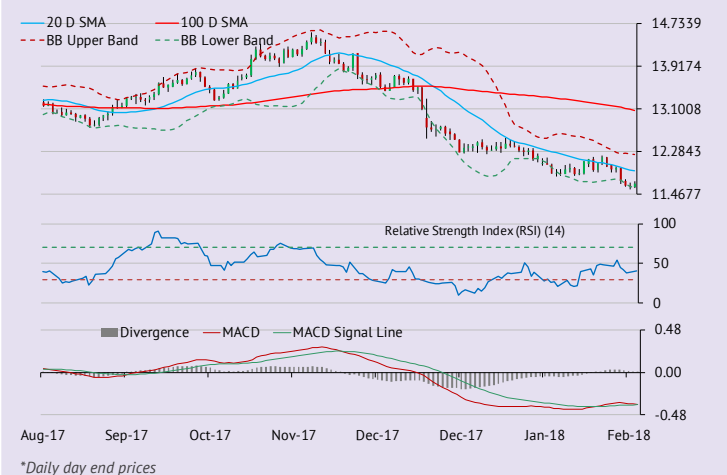
The JSE All Share index is expected to find support at 56,592.64, and a fall through could take it to the next support level of 54,483.90. The index is expected to find its first resistance at 60,424.23, and a rise through could take it to the next resistance level of 62,147.08.

S&P 500



The S&P 500 index is expected to find support at 26,61.39, and a fall through could take it to the next support level of 25,90.57. The index is expected to find its first resistance at 27,78.73, and a rise through could take it to the next resistance level of 28,25.25.

USDZAR



The pair is expected to find support at 11.4878, and a fall through could take it to the next support level of 11.3053. The pair is expected to find its first resistance at 11.9251, and a rise through could take it to the next resistance level of 12.1799.

XAU/USD



Gold is expected to find support at \$1,330.60/oz, and a fall through could take it to the next support level of \$1,308.00/oz. The precious metal is expected to find its first resistance at \$1,368.60/oz, and a rise through could take it to the next resistance level of \$1,384.00/oz.

ONE Minute Brief

20 February 2018



GTC
consult • partner • manage

Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus	Previous/ **Previous Est.	Frequency
Japan	08:00	Machine Tool Orders (YoY) (Jan) (F)	✓✓✓	-	48.80%**	Monthly
Switzerland	09:00	Exports (MoM) (Jan)	✓	-	2.80%	Monthly
Switzerland	09:00	Imports (MoM) (Jan)	✓	-	0.60%	Monthly
Japan	09:00	Convenience Store Sales (YoY) (Jan)	✓	-	-0.30%	Monthly
South Africa	09:00	Leading Indicator (Dec)	✓	-	105.40	Monthly
Germany	09:00	Producer Price Index (YoY) (Jan)	✓✓✓	1.80%	2.30%	Monthly
Germany	09:00	Producer Price Index (MoM) (Jan)	✓✓✓	0.30%	0.20%	Monthly
Spain	11:00	Trade Balance (Dec)	✓✓✓	-	-EUR1.62bn	Monthly
Eurozone	12:00	ZEW Survey - Economic Sentiment (Feb)	✓✓	-	31.80	Monthly
Germany	12:00	ZEW Survey - Economic Sentiment (Feb)	✓✓✓	16.00	20.40	Monthly
Germany	12:00	ZEW Survey - Current Situation (Feb)	✓✓	93.90	95.20	Monthly
UK	13:00	CBI Trends Selling Prices (Feb)	✓✓	-	40.00	Monthly
UK	13:00	CBI Industrial Trends Survey - Orders (Feb)	✓	11.00	14.00	Monthly
Canada	15:30	Wholesale Sales (MoM) (Dec)	✓✓✓	0.40%	0.70%	Monthly
Eurozone	17:00	Consumer Confidence (Feb) (P)	✓✓✓	1.00	1.30	Monthly
Greece	-	Current Account (Dec)	✓	-	-EUR0.95bn	Monthly
Eurozone	-	EcoFin Meeting	✓✓	-	-	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