

ONE Minute Brief

26 February 2018

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Economic and Political News

Ratings agency, Fitch, stated on Friday that while South Africa's recent budget had reversed fiscal deterioration to some extent, poor finances of state-owned companies remain a major risk to fiscal targets.

African National Congress, Secretary General, Ace Magashule, stated that the party wants to lessen the impact of higher value-added tax on the poor by adding more zero-rated and tax-free items. He also stated that reshuffling the Cabinet would be handled with speed and that the party could discuss Cabinet appointments today.

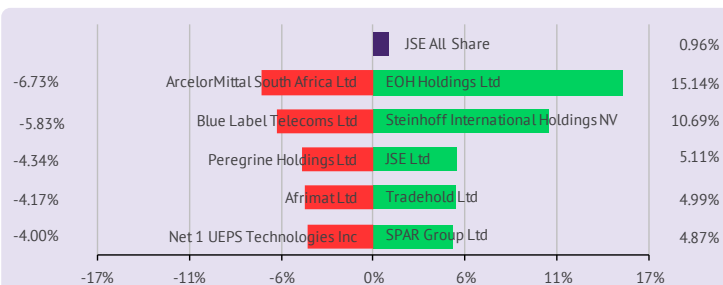
According to news reports, at least eight companies owned by the Gupta family have filed for protection from creditors. Meanwhile, the National Union of Mineworkers announced on Friday that over 500 workers will go on a strike from today at the Koorfontein Mine, which is owned by the Gupta family, over concerns of nonpayment of salaries.

President, Cyril Ramaphosa, has withdrawn former President, Jacob Zuma's appeal against a judgment of the North Gauteng High Court that National Prosecuting Authority Chief, Shaun Abrahams should vacate his position.

South Africa Market ▲

South African markets closed higher

South African markets closed in the green on Friday, boosted by gains in retail, banking and financial sector stocks. The JSE All Share Index rose 1.0% to close at 58,715.46.



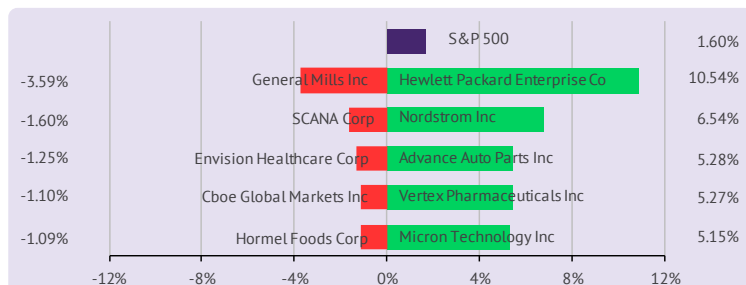
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	58715.46	▲	560.37	0.96%	NA	-1.33%	-1.33%
JSE Top 40	51747.15	▲	488.63	0.95%	NA	-1.65%	-1.50%
FTSE 100	7244.41	▼	-7.98	-0.11%	NA	-3.84%	-5.77%
DAX 30	12483.79	▲	21.88	0.18%	NA	-5.35%	-3.36%
CAC 40	5317.37	▲	8.14	0.15%	NA	-3.00%	0.09%
S&P 500	2747.30	▲	43.34	1.60%	NA	-2.71%	2.76%
Nasdaq Composite	7337.39	▲	127.31	1.77%	NA	-1.00%	6.29%
DJIA	25309.99	▲	347.51	1.39%	NA	-3.21%	2.39%

US Market ▲

The S&P 500 futures are trading in the green

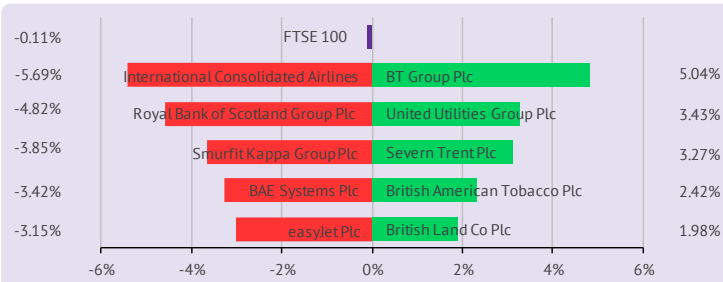
US markets closed higher on Friday, as concerns over the prospects of hike in interest rate eased and supported by gains in technology stocks. The S&P 500 Index climbed 1.6% to close at 2,747.30.



UK Market ▼

The FTSE 100 futures are trading in positive territory

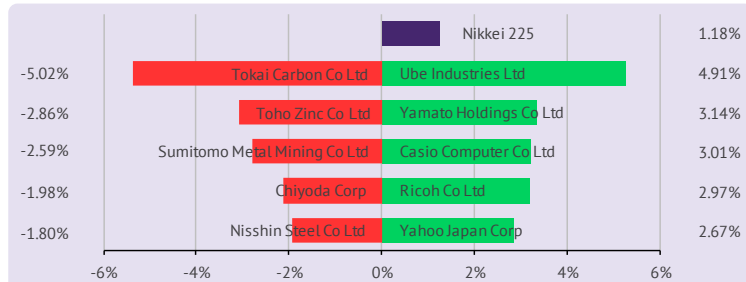
UK markets finished lower on Friday, amid strength in the Pound and disappointing earnings results from Royal Bank of Scotland Plc and International Consolidated Airlines Group SA. The FTSE 100 Index declined 0.1% to close at 7,244.41.



Asian Market ▲

Trading higher

Asian markets are trading higher this morning. The Nikkei 225 Index is trading 1.2% higher at 22,150.22.



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USDZAR ▼

USD trading weaker against ZAR

At 06:00 SAST, the US Dollar is trading 0.1% weaker against the South African Rand at R11.5476. Later today, traders will keep a close watch on the US Dallas Fed manufacturing index and new home sales for further direction.

The US Dollar fell against the South African Rand on Friday. The Rand rose against the US Dollar, amid speculation of a possible Cabinet reshuffle by President, Cyril Ramaphosa.

GBPZAR ▲

GBP trading stronger against ZAR

At 06:00 SAST, the British Pound advanced 0.1% against the South African Rand to trade at R16.1647. Later today, traders will keep an eye on UK's BBA loans for house purchase for further indication.

The British Pound declined against the South African Rand on Friday, despite hopes for a post-Brexit UK-EU trade deal.

EURZAR ▲

EUR trading firmer against ZAR

At 06:00 SAST, the Euro is trading marginally higher against the South African Rand at R14.2148. Going forward, market participants will keep a tab on the European Central Bank (ECB) President, Mario Draghi's speech for further cues.

The Euro weakened against the South African Rand on Friday. Data indicated that Eurozone's consumer price index (CPI) advanced in line with market forecast on an annual basis in January. Meanwhile, Germany's gross domestic product (GDP) showed a steady reading on a quarterly basis in 4Q17.

AUDZAR ▲

AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar rose 0.2% against the South African Rand to trade at R9.0771.

The Australian Dollar fell against the South African Rand on Friday.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	11.5476	▼	-0.89%	NA	-2.47%	-4.29%	-6.65%
GBPZAR	16.1647	▲	-0.81%	NA	-3.92%	0.50%	-3.44%
EURZAR	14.2148	▲	-1.17%	NA	-3.37%	-0.98%	-4.31%
AUDZAR	9.0771	▲	-0.98%	NA	-5.09%	-1.24%	-6.27%
EURUSD	1.2310	▲	-0.28%	NA	-0.96%	3.41%	2.42%
GBPUSD	1.3997	▲	0.11%	NA	-1.55%	5.02%	3.39%
Brent (\$/barrel)	67.5	▲	1.39%	NA	-2.29%	3.02%	0.66%
Gold (\$/oz)	1338.5	▲	-0.18%	NA	-0.81%	2.27%	1.44%
Platinum (\$/oz)	1005.8	▲	-0.06%	NA	-0.55%	7.50%	6.92%
Copper (\$/MT)*	7062.3	▼	-0.90%	NA	-0.23%	-1.78%	-2.01%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices gained 0.8% to trade at \$1,338.50/oz.

On Friday, gold prices fell 0.2% to close at \$1,328.20/oz, as strength in the US Dollar dented demand for the precious yellow metal.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil climbed 0.2% to trade at \$67.47/bl, after a report from Rystad Energy projected that oil production in East and Southeast Asia might fall by 20.0% between 2017 and 2025.

On Friday, Brent crude oil advanced 1.4% to settle at \$67.31/bl, following the shutdown of the El Feel oilfield in Libya and positive comments from Saudi Arabia that it would continue to restrain exports along with the OPEC's efforts to cut global supplies. Separately, Baker Hughes reported that US oil rig count rose by 1 to 799 last week.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices rose 0.7% to trade at \$1,005.80/oz.

On Friday, platinum prices declined 0.1% to close at \$998.80/oz.



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Major South Africa Corporate News

Northam Platinum Limited

In its reviewed 1H18 interim results, the company announced that its revenues fell to ZAR3.35bn compared to ZAR3.46bn posted in the corresponding period of the previous year. Its diluted loss per share stood at 81.10c, compared to 64.80c posted in the corresponding period of the previous year.

Royal Bafokeng Platinum Limited

In its FY17 trading statement, the company stated that it expects HEPS to be in the range of 51.00c to 60.00c, which is significantly lower compared to the same period of the previous year.

Spur Corporation Limited

The company announced that its Founder and Executive Chairman, Allen Ambor, is set to retire from the company and the board with effect from March 1, 2019.

Major Global Economic News

Eurozone

In the Eurozone, the final CPI rose 1.3% on an annual basis, in January, meeting market expectations. The preliminary figures had also indicated an advance of 1.3%. In the previous month, the CPI had advanced 1.4%.

In Germany, the seasonally adjusted final GDP climbed 0.6% on a quarterly basis, meeting market expectations and compared to an advance of 0.8% in the previous quarter. The preliminary figures had also indicated an advance of 0.6%.



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40 Best Performers on the All Share Index

Company Name	Last Close	1 Week % Change	MTD % Change	YTD % Change
Lewis Group Ltd	4400	8.51%	31.34%	66.41%
JSE Ltd	19025	1.37%	1.30%	23.67%
PPC Ltd	837	3.59%	3.33%	20.09%
Famous Brands Ltd	12250	2.94%	10.18%	18.94%
City Lodge Hotels Ltd	17100	6.88%	16.33%	18.45%
Adcock Ingram Holdings Ltd	6860	-2.00%	4.62%	17.57%
Mr Price Group Ltd	28745	1.60%	0.51%	17.39%
Shoprite Holdings Ltd	25870	2.00%	4.84%	16.96%
Clover Industries Ltd	1530	-1.29%	2.07%	16.79%
Choppies Enterprises Ltd	344	1.47%	4.24%	15.82%
Emira Property Fund Ltd	1559	-1.95%	5.41%	15.82%
RCL Foods Ltd/South Africa	1750	-3.58%	0.92%	15.13%
KAP Industrial Holdings Ltd	910	3.41%	6.56%	14.47%
Nedbank Group Ltd	29300	0.26%	10.98%	14.41%
Investec Plc	10259	1.18%	10.00%	14.29%
Royal Bafokeng Platinum Ltd	3200	-7.25%	0.00%	14.29%
Santam Ltd	30500	3.55%	1.90%	14.22%
Foschini Group Ltd	22510	3.74%	16.30%	14.07%
Massmart Holdings Ltd	15861	9.27%	14.61%	13.67%
Steinhoff International Holdings NV	528	-2.94%	-22.81%	13.55%
Investec Ltd	10186	0.35%	9.63%	13.53%
Barloworld Ltd	18105	-1.88%	7.27%	13.47%
FirstRand Ltd	7607	3.24%	14.39%	13.12%
Truworths International Ltd	10655	0.21%	8.72%	12.79%
Mpact Ltd	2750	0.00%	2.23%	12.70%
Anglo American Plc	28722	1.30%	-0.84%	12.36%
RMB Holdings Ltd	8889	7.10%	12.80%	12.28%
Standard Bank Group Ltd	21961	1.23%	9.44%	12.24%
Barclays Africa Group Ltd	20388	-0.44%	13.20%	12.03%
AECI Ltd	11200	2.77%	8.74%	12.00%
Hudaco Industries Ltd	16095	-4.71%	9.49%	11.77%
Vodacom Group Ltd	16276	-2.23%	-0.45%	11.72%
Wilson Bayly Holmes-Ovcon Ltd	17320	2.49%	8.76%	11.43%
SA Corporate Real Estate Ltd	535	1.13%	6.57%	11.23%
Invicta Holdings Ltd	5663	3.72%	0.41%	10.93%
Raubex Group Ltd	2210	4.00%	3.85%	10.83%
Hosken Consolidated Investments Ltd	15400	0.39%	2.42%	10.79%
Arrowhead Properties Ltd	717	2.43%	7.01%	9.47%
EOH Holdings Ltd	7340	12.98%	14.69%	8.84%
SPAR Group Ltd	22112	1.52%	7.86%	8.75%
JSE All Share Index	58715	-0.69%	-1.33%	-1.33%

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	07:00	Coincident Index (Dec) (F)	✓	-	120.70**	Monthly
Japan	07:00	Leading Economic Index (Dec) (F)	✓✓✓	-	107.90**	Monthly
UK	11:30	BBA Mortgage Approvals (Jan)	✓✓	35.93K	36.12K	Monthly
US	15:00	Fed's Bullard Speaks on U.S. Economy and Monetary Policy	✓	-	-	As scheduled
US	15:30	Chicago Fed National Activity Index (Jan)	✓✓✓	0.20	0.27	Monthly
Eurozone	16:00	ECB President Draghi speaks in Brussels	✓✓✓	-	-	As scheduled
US	17:00	New Home Sales (Jan)	✓✓✓	648.00K	625.00K	Monthly
US	17:00	New Home Sales (MoM) (Jan)	✓✓✓	3.60%	-9.30%	Monthly
US	17:30	Dallas Fed Manufacturing Business Index (Feb)	✓✓✓	30.00	33.40	Monthly
Eurozone	18:15	Luis de Guindos at hearing for ECB Vice President in Brussels	✓	-	-	As scheduled
UK	20:00	BoE's Cunliffe Speaks at Event at Warwick University	✓	-	-	As scheduled
US	22:15	Fed's Quarles Gives Assessment of U.S. Economy	✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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