

ONE Minute Brief

15 February 2018

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Economic and Political News

In South Africa (SA), retail sales advanced 5.30% YoY in December, higher than market expectations for a rise of 4.90%. In the prior month, retail sales had climbed by a revised 7.90%.

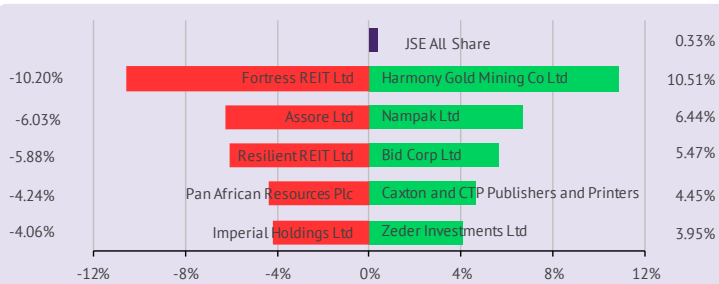
President, Jacob Zuma, has resigned with immediate effect. This followed speaker Baleka Mbete's confirmation that she had agreed to reschedule the EFF's motion of no confidence in President Zuma for Thursday and after the ANC confirmed that it would back the EFF motion. Zuma termed the party order asking him to step down as unfair and stated that the party had not provided him with reasons for demanding his resignation. ANC's deputy secretary general, Jessie Duarte, stated that Zuma's resignation would bring certainty to the people of SA. Meanwhile, ANC treasurer-general, Paul Mashatile, stated that Deputy President, Cyril Ramaphosa, would be elected the new President and would deliver the state of nation address. Ramaphosa has automatically become acting President of the republic after Zuma's resignation. Reacting to the President's resignation, DA leader, Mmusi Maimane, stated that Zuma should not be given amnesty or immunity in lieu of his resignation from office.

The Hawks have arrested three people following raids at home of the Gupta family, in relation to the Vrede dairy farm investigation.

South Africa Market ▲

South African markets closed higher

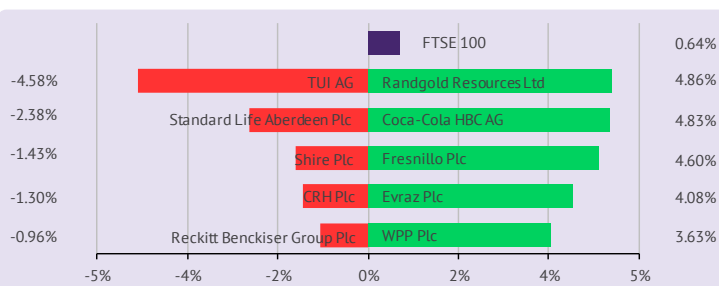
South African markets closed in the green yesterday, amid gains in retail, industrial and banking sector stocks. Data revealed that South Africa's retail sales fell more than market forecast on a monthly basis in December. The JSE All Share Index rose 0.3% to close at 57,399.55.



UK Market ▲

The FTSE 100 futures are trading in positive territory

UK markets finished higher yesterday, boosted by gains in financial and commodity sector stocks. The FTSE 100 Index advanced 0.6% to close at 7,213.97.



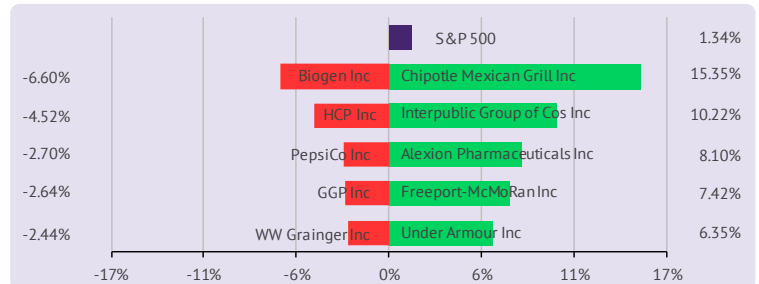
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	57399.55	▲	190.58	0.33%	2.68%	-3.54%	0.00%	-3.54%
JSE Top 40	50556.00	▲	150.97	0.30%	2.57%	-3.91%	0.16%	-3.76%
FTSE 100	7213.97	▲	45.96	0.64%	1.71%	-4.24%	-2.01%	-6.16%
DAX 30	12339.16	▲	142.66	1.17%	1.91%	-6.45%	2.10%	-4.48%
CAC 40	5165.26	▲	56.02	1.10%	1.69%	-5.78%	3.19%	-2.77%
S&P 500	2698.63	▲	35.69	1.34%	3.02%	-4.43%	5.62%	0.94%
Nasdaq Composite	7143.62	▲	130.11	1.86%	3.91%	-3.61%	7.36%	3.48%
DJIA	24893.49	▲	253.04	1.03%	2.90%	-4.80%	5.79%	0.70%

US Market ▲

The S&P 500 futures are trading in the green

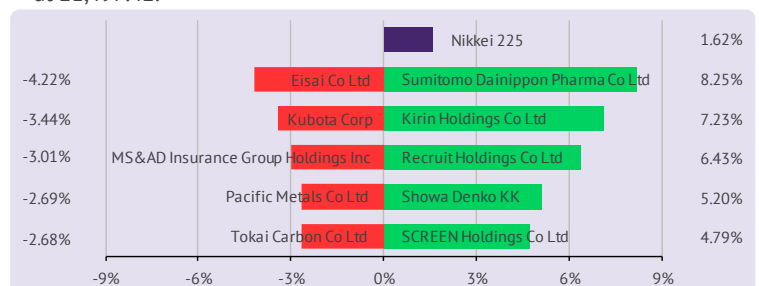
US markets closed in positive territory yesterday, led by gains in financials and technology sector stocks. Data showed that US consumer price index (CPI) advanced more than market expectations on an annual basis in January. The S&P 500 Index climbed 1.3% to close at 2,698.63.



Asian Market ▲

Trading higher

Asian markets are trading firmer this morning, tracking overnight gains on Wall Street. On the data front, Japan's industrial production rose on a monthly basis in December. The Nikkei 225 Index is trading 1.6% higher at 21,497.42.



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USDZAR ▲

USD trading stronger against ZAR

At 06:00 SAST, the US Dollar gained 0.1% against the South African Rand to trade at R11.7260. Later today, traders will keep a close watch on US producer price index, initial jobless claims, and NAHB housing market index along with the nation's industrial and manufacturing production due later today.

The US Dollar fell against the South African Rand yesterday. The Rand advanced the greenback, after President, Jacob Zuma, announced his resignation. Separately, data showed that South African retail sales rose more-than-anticipated on an annual basis in December. Meanwhile, annual consumer price inflation in the US rose more-than-anticipated in January. In contrast, advance retail sales unexpectedly dropped on a monthly basis in January.

GBPZAR ▲

GBP trading higher against ZAR

At 06:00 SAST, the British Pound climbed 0.2% against the South African Rand to trade at R16.4379. 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. The Rand paced gains after Zuma resigned as the President.

EURZAR ▲

EUR trading firmer against ZAR

At 06:00 SAST, the Euro climbed 0.2% against the South African Rand to trade at R14.6112. Going forward, market participants will keep a tab on Eurozone's trade balance for further indication.

The Euro weakened against the South African Rand yesterday. On the macro front, Eurozone's economy advanced in line with market expectations on a quarterly basis in the fourth quarter. Moreover, monthly industrial production advanced more than market forecast in December. Meanwhile, Germany's gross domestic product (GDP) advanced at par with market expectations on a quarterly basis in 4Q17. Further, the nation's CPI remained unchanged on an annual basis in January.

AUDZAR ▲

AUD trading stronger against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.2% firmer against the South African Rand at R9.3041. Earlier in the session, Australia's consumer inflation expectation rose at a slower pace in February. Further, the nation's unemployment rate rose in line with market anticipation 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	11.7260	▲	-2.08%	-2.31%	-1.14%	-4.29%	-5.38%
GBPZAR	16.4379	▲	-1.31%	-1.15%	-2.40%	0.50%	-1.91%
EURZAR	14.6112	▲	-1.28%	-0.72%	-0.83%	-0.98%	-1.80%
AUDZAR	9.3041	▲	-1.23%	-0.86%	-2.69%	-1.24%	-3.90%
EURUSD	1.2460	▲	0.80%	1.62%	0.30%	3.41%	3.72%
GBPUSD	1.4016	▲	0.76%	1.24%	-1.35%	5.02%	3.60%
Brent (\$/barrel)	64.9	▲	2.61%	2.50%	-6.58%	3.02%	-3.75%
Gold (\$/oz)	1356.8	▲	2.06%	3.23%	1.23%	2.27%	3.53%
Platinum (\$/oz)	1004.5	▲	2.40%	3.91%	-0.52%	7.50%	6.95%
Copper (\$/MT)*	7120.8	▲	2.53%	6.09%	0.59%	-1.78%	-1.20%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices advanced 0.1% to trade at \$1,356.80/oz.

Yesterday, gold prices rose 2.1% to close at \$1,355.50/oz, as weakness in the US Dollar boosted the demand for the dollar denominated commodity.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged 0.8% higher to trade at \$64.87/bl.

Yesterday, Brent crude oil advanced 2.6% to settle at \$64.36/bl, after US crude inventories rose less than market anticipation last week. Additionally, Saudi Arabia's energy minister indicated that the oil-rich kingdom and the OPEC cartel were committed to sticking with petroleum-production cuts.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices gained 0.5% to trade at \$1,004.50/oz.

Yesterday, platinum prices climbed 2.4% to close at \$991.10/oz.



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Major South Africa Corporate News

Emira Property Fund Limited

In its 1Q18 results, the company revealed that its revenue fell 2.6%, compared to the same period of the preceding year to ZAR855.36mn. Its diluted HEPS stood at 86.25c, compared to 65.44c recorded in the corresponding period of the previous year. Further, the company announced an interim dividend of 70.65c per share.

Gold Fields Limited

In its FY17 results, the company revealed that its revenue advanced 2.2%, compared to the same period of the preceding year to \$2.81bn. Its HEPS stood at 193.60c, compared to 208.40c recorded in the corresponding period of the previous year. For FY18, the company expects gold production to be in the range of 2.08Moz to 2.10Moz.

Niveus Investments Limited

The company announced that it has declared cash dividend of 120.00c per share from income reserves, which is payable on March 12, 2018.

PPC Limited

The company announced that it has appointed Mr Johan Claassen as the CEO and Executive Director of the company with immediate effect.

Royal Bafokeng Platinum Limited

The company announced that all remaining conditions precedent to the previously announced acquisition of the concentrator plant and certain surface assets of Maseve Investments 11 Proprietary Limited are completed and/or waived to the satisfaction of the company.

Major Global Economic News

Eurozone

In the Eurozone, the seasonally adjusted GDP recorded a rise of 0.6% on a quarterly basis in 4Q17, meeting market expectations. In the prior quarter, GDP had registered a revised rise of 0.7%. The preliminary figures had also recorded an advance of 0.6%.

In the Eurozone, the seasonally adjusted industrial production registered a more-than-anticipated rise of 0.4% on a monthly basis in December. In the previous month, industrial production had risen by a revised 1.3%.

In Germany, the seasonally adjusted preliminary GDP registered a rise of 0.6% on a quarterly basis in 4Q 2017, at par with market expectations. In the prior quarter, GDP had climbed 0.8%.

In Germany, the final CPI rose 1.6% on an annual basis in January, in line with market expectations. The preliminary figures had also indicated an advance of 1.6%. The CPI had registered a rise of 1.70% in the previous month.

Asia

In Australia, the consumer inflation expectations eased to 3.6% in February. In the prior month, the consumer inflation expectations had registered a reading of 3.7%.

In Australia, the seasonally adjusted unemployment rate remained steady at 5.5% in January, in line with market expectations.

In Japan, the final industrial production rose 2.9% on a monthly basis in December. In the prior month, industrial production had advanced 0.5%. The preliminary figures had recorded an advance of 2.7%.

In Japan, machinery orders slid more than market expectations by 11.9% on a monthly basis in December. In the previous month, machinery orders had climbed 5.7%.

US

In the US, the CPI registered a more-than-expected rise of 2.1% on a yearly basis in January, compared to a similar rise in the prior month.

In the US, mortgage applications eased 4.1% on a weekly basis for the week ended 9 February 2018. In the previous week, mortgage applications had advanced 0.7%.

In January, advance monthly retail sales recorded an unexpected drop of 0.3% in the US, compared to a revised flat reading in the previous month.

In the US, business inventories registered a more-than-anticipated rise of 0.4% on a monthly basis in December. In the prior month, business inventories had registered a similar rise.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
 Japan	01:50	Machinery Orders (YoY) (Dec)	✓✓	-5.00%*	4.10%	Monthly
 Japan	01:50	Machinery Orders (MoM) (Dec)	✓	-11.90%*	5.70%	Monthly
 Japan	06:30	Capacity Utilisation (MoM) (Dec)	✓	2.80%*	0.00%	Monthly
 Japan	06:30	Industrial Production (MoM) (Dec) (F)	✓✓✓	2.90%*	2.70%**	Monthly
 Japan	06:30	Industrial Production (YoY) (Dec) (F)	✓✓✓	4.40%*	4.20%**	Monthly
 Eurozone	09:00	EU 28 New Car Registrations (YoY) (Jan)	✓	-	-4.90%	Monthly
 Eurozone	10:15	ECB's Mersch Speaks in Paris	✓	-	-	As scheduled
 Eurozone	12:00	Trade Balance n.s.a. (Dec)	✓✓	EUR27.00bn	EUR26.30bn	Monthly
 Eurozone	12:00	Trade Balance s.a. (Dec)	✓✓✓	EUR22.30bn	EUR22.50bn	Monthly
 Eurozone	12:45	ECB's Praet Participates in Panel Discussion in Paris	✓	-	-	As scheduled
 Eurozone	14:00	ECB's Lautenschlaeger speaks in Amsterdam	✓	-	-	As scheduled
 US	15:30	Producer Prices (Jan)	✓	-	-	Monthly
 US	15:30	Producer Price Index (MoM) (Jan)	✓✓✓	0.40%	-0.10%	Monthly
 US	15:30	Producer Price Index ex Food & Energy (MoM) (Jan)	✓✓	0.20%	0.10%	Monthly
 US	15:30	Continuing Jobless Claims (03-Feb)	✓✓✓	1925.00K	1923.00K	Weekly
 US	15:30	Initial Jobless Claims (10-Feb)	✓✓✓	228.00K	221.00K	Weekly
 US	15:30	NY Empire State Manufacturing Index (Feb)	✓✓	18.00	17.70	Monthly
 US	15:30	Philadelphia Fed Manufacturing Survey (Feb)	✓✓	21.60	22.20	Monthly
 US	15:30	Producer Price Index (YoY) (Jan)	✓✓✓	2.40%	2.60%	Monthly
 US	15:30	Producer Price Index ex Food & Energy (YoY) (Jan)	✓✓	2.00%	2.30%	Monthly
 US	16:15	Capacity Utilisation (Jan)	✓	78.00%	77.90%	Monthly
 US	16:15	Industrial Production (MoM) (Jan)	✓✓✓	0.20%	0.90%	Monthly
 US	16:15	Manufacturing (SIC) Production (MoM) (Jan)	✓✓✓	0.30%	0.10%	Monthly
 US	17:00	NAHB Housing Market Index (Feb)	✓	72.00	72.00	Monthly
 US	23:00	Net Long-Term TIC Flows (Dec)	✓✓	-	USD57.50bn	Monthly
 US	23:00	Total Net TIC Flows (Dec)	✓	-	USD33.80bn	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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