

ONE
Minute Brief

28 March 2018



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Economic and Political News

In South Africa (SA), non-farm payrolls registered a rise of 0.2% YoY in 4Q17, compared to a revised drop of 0.1% in the previous quarter. Steel production dropped 0.9% to 491,000 tonnes YoY in February, compared to a rise of 8.1% to 577,000 tonnes in January.

S&P Global Ratings stated that it now forecasts SA's gross domestic product to grow by 2.0% in 2018 and 2.1% in 2019. S&P added that while it was not upgrading its rating now, stronger per capita economic growth and faster debt stabilisation could lift the rating in future.

Moody's has maintained its ratings on Standard Bank, Investec, FirstRand, Absa and Nedbank at "Baa3".

President, Cyril Ramaphosa, stated that the government plans to create at least 330,000 jobs for youth over the next year.

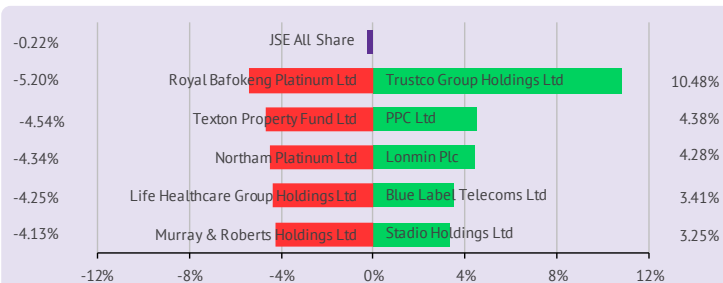
Parliament has summoned former South African Airways (SAA) Chair, Dudu Myeni, Duduzane Zuma and three Gupta brothers to appear before the state-capture inquiry.

Home Affairs Minister, Malusi Gigaba, wants former ministers of his portfolio to answer to Parliament to account for the early naturalisation of the Guptas.

South Africa Market ▼

South African markets closed lower

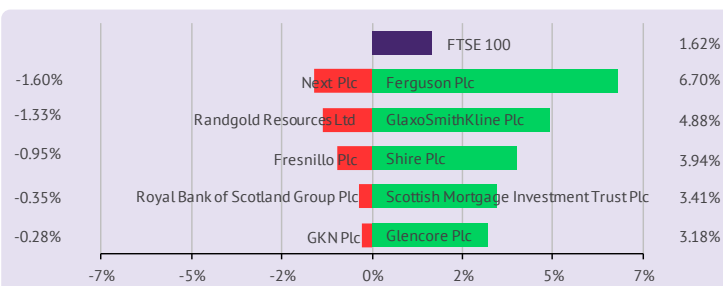
South African markets closed in the red yesterday, weighed down by losses in banking and mining sector stocks. Data revealed that SA's non-farm payrolls advanced on an annual basis in 4Q17. The JSE All Share Index fell 0.2% to close at 56,050.79.



UK Market ▲

The FTSE 100 futures are trading in positive territory

UK markets finished higher yesterday, as worries over global trade war subsided. The FTSE 100 Index advanced 1.6% to close at 7,000.14.



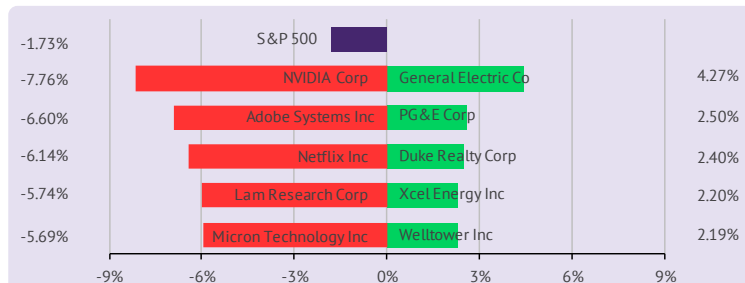
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	56050.79	▼	-125.64	-0.22%	-0.63%	-3.90%	-1.98%	-5.80%
JSE Top 40	49417.76	▼	-148.47	-0.30%	-0.68%	-3.83%	-2.34%	-5.93%
FTSE 100	7000.14	▲	111.45	1.62%	1.13%	-3.20%	-4.00%	-8.94%
DAX 30	11970.83	▲	183.57	1.56%	0.71%	-3.74%	-5.71%	-7.33%
CAC 40	5115.74	▲	49.46	0.98%	0.40%	-3.85%	-2.94%	-3.70%
S&P 500	2612.62	▼	-45.93	-1.73%	0.94%	-3.73%	-3.89%	-2.28%
Nasdaq Composite	7008.81	▼	-211.74	-2.93%	0.23%	-3.63%	-1.87%	1.53%
DJIA	23857.71	▼	-344.89	-1.43%	1.38%	-4.68%	-4.28%	-3.49%

US Market ▼

The S&P 500 futures are trading in the green

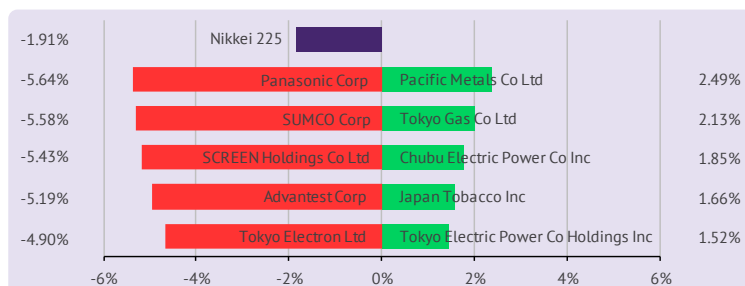
US markets closed lower yesterday, led by sharp losses in technology and financial sector stocks. Data showed that the US consumer confidence index unexpectedly fell in March. The S&P 500 Index dropped 1.7% to close at 2,612.62.



Asian Market ▼

Trading lower

Asian markets are trading lower this morning, tracking overnight losses on Wall Street. The Nikkei 225 Index is trading 1.9% lower at 20,909.97.



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USDZAR ▼

USD trading weaker against ZAR

At 06:00 SAST, the US Dollar fell 0.2% against the South African Rand to trade at R11.6467. Later today, traders will keep a close watch on the US gross domestic product (GDP), advance goods trade balance along with the MBA mortgage applications and pending home sales data for further cues.

The US Dollar rose against the South African Rand yesterday. On the data front, the US consumer confidence index recorded an unexpected drop in March. Additionally, the Richmond Fed manufacturing index fell more than market expectations in the same month. Separately, in SA, non-farm payrolls recorded a rise on an annual basis in 4Q17.

GBPZAR ▲

GBP trading higher against ZAR

At 06:00 SAST, the British Pound is trading marginally firmer against the South African Rand at R16.5256. Later today, traders will keep an eye on UK's GfK consumer confidence index and Lloyds business barometer for further indication.

The British Pound declined against the South African Rand yesterday.

EURZAR ▼

EUR trading lower against ZAR

At 06:00 SAST, the Euro dropped 0.1% against the South African Rand to trade at R14.4637. Amid no major economic releases in the Eurozone, market participants will keep a tab on Germany's GfK consumer confidence index for further direction.

The Euro weakened against the South African Rand yesterday. Data indicated that Eurozone's economic confidence index dropped more than market expectations in March, marking its lowest level in six months. Meanwhile, the region's consumer confidence index remained unchanged in March.

AUDZAR ▲

AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar gained 0.1% against the South African Rand to trade at R8.9700.

The Australian Dollar fell against the South African Rand yesterday. Data revealed that Australia's ANZ Roy Morgan consumer confidence index registered a decline in the week ended March 25, 2018.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	11.6467	▼	0.31%	-0.66%	-1.07%	-0.47%	-5.76%
GBPZAR	16.5256	▲	-0.20%	-0.40%	1.78%	-3.41%	-1.19%
EURZAR	14.4637	▼	-0.02%	-0.17%	0.63%	-2.22%	-2.57%
AUDZAR	8.9700	▲	-0.56%	-0.83%	-2.09%	-4.08%	-7.25%
EURUSD	1.2420	▲	-0.33%	0.40%	1.71%	-1.77%	3.32%
GBPUSD	1.4188	▲	-0.51%	0.18%	2.89%	-3.04%	4.77%
Brent (\$/barrel)	69.7	▼	-0.01%	-0.48%	8.31%	-6.04%	4.85%
Gold (\$/oz)	1351.4	▲	-0.96%	-0.59%	1.83%	-1.58%	2.50%
Platinum (\$/oz)	946.4	▼	-0.39%	-0.18%	-4.19%	-1.61%	1.34%
Copper (\$/MT)*	6606.5	▲	0.77%	-0.17%	-4.18%	-2.60%	-8.33%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices advanced 0.7% to trade at \$1,351.40/oz.

Yesterday, gold prices fell 1.0% to close at \$1,342.00/oz, as trade tensions between the US and China eased.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 0.7% lower to trade at \$69.65/bl.

Yesterday, Brent crude oil marginally dropped to settle at \$70.11/bl, amid a surprise rise in weekly crude inventories. The American Petroleum Institute (API) reported that crude oil inventories advanced 5.3mn bls to 430.6mn bls for the week ended March 23, 2018.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices are trading marginally lower at \$946.40/oz.

Yesterday, platinum prices declined 0.4% to close at \$946.70/oz.



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Major South Africa Corporate News

Capitec Bank Holdings Limited

In its FY18 results, the company stated that its interest income increased to ZAR15.47bn compared to ZAR14.93bn posted in the corresponding period of the previous year. Its diluted HEPS rose 17.6% to 3,846.00c, compared to the same period of the prior year. Further, the company declared a final gross dividend of 945.00c per share.

Murray & Roberts Holdings Limited

The company advised its shareholders to take no action in connection with the offer made by ATON GMBH as it views the offer as opportunistic and made at a time of unprecedented share price weakness.

Northam Platinum Limited

The company announced that approximately 750 employees at the Booysendal mine in Mpumalanga Province, commenced an unprotected work stoppage with effect from March 26, 2018 as they are demanding end of contract termination packages from Murray & Roberts Cementation Limited.

Major Global Economic News

Eurozone

In the Eurozone, the economic sentiment indicator eased more-than-expected to 112.60 in March. The economic sentiment indicator had registered a revised level of 114.20 in the previous month.

In the Eurozone, the final consumer confidence index remained steady at a level of 0.10 in March. The preliminary figures had also recorded a same reading.

US

In the US, the consumer confidence index recorded an unexpected drop to a level of 127.70 in March, compared to a revised level of 130.00 in the prior month.

In the US, the Richmond Fed manufacturing index dropped more-than-expected to 15.00 in March. In the previous month, the index had registered a reading of 28.00.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus	Previous/ **Previous Est.	Frequency
China	03:00	People's Bank of China Deputy Governor Pan Gongsheng speaks	✓	-	-	As scheduled
Germany	08:00	GfK Consumer Confidence Survey (Apr)	✓✓✓	10.70	10.80	Monthly
UK	12:00	CBI Distributive Trades Survey - Realised (Mar)	✓✓	7.00%	8.00%	Monthly
US	13:00	MBA Mortgage Applications (23-Mar)	✓	-	-1.10%	Weekly
US	14:30	Gross Domestic Product Annualised (QoQ) (Q4) (F)	✓✓✓	2.70%	2.50%**	Quarterly
US	14:30	Gross Domestic Purchases Price Index (QoQ) (Q4) (F)	✓✓✓	2.30%	2.30%**	Quarterly
US	14:30	Wholesale Inventories (MoM) (Feb) (P)	✓✓✓	0.50%	0.80%	Monthly
US	14:30	Personal Consumption (QoQ) (Q4) (F)	✓✓✓	3.80%	3.80%**	Quarterly
US	14:30	Personal Consumption Expenditure Core (QoQ) (Q4) (F)	✓✓✓	1.90%	1.90%**	Quarterly
South Africa	15:00	SARB Interest Rate Decision	✓✓✓	6.50%	6.75%	As scheduled
US	16:00	Pending Home Sales (YoY) (Feb)	✓	-	-1.70%	Monthly
US	16:00	Pending Home Sales (MoM) (Feb)	✓✓	2.00%	-4.70%	Monthly
US	18:00	Fed's Bostic Speaks to Finance Professionals in Atlanta	✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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