

ONE
Minute Brief

29 March 2018



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Economic and Political News

The South African Reserve Bank (SARB) slashed its benchmark interest rate by 25 basis points to a two-year low rate of 6.50%, citing lower inflation expectations and subsiding risks. Meanwhile, the bank raised its 2018 economic growth forecast to 1.7% from 1.4% and guided that inflation would remain in the target range until at least the end of 2020, peaking at 5.5% in the first quarter of next year.

The Ministry of Health stated that no traces of a strain of listeria were found in tests at a processed-food factory of RCL Foods, but evidence of other strains that could also cause the disease were detected. Separately, Trade and Industry Minister, Rob Davies, warned that the listeriosis outbreak is the worst in recorded history and its financial impact on companies could be more widespread.

National Treasury Director-General, Dondo Mogajane, stated that South Africa (SA) does not have a specific target in terms of reducing the debt-to-GDP ratio.

The Energy Department announced that petrol prices in SA will rise by 72 cents to ZAR14.48 per litre and diesel prices by 65 cents to ZAR12.74 per litre with effect from April 4, citing an increase in fuel and road accident fund levies.

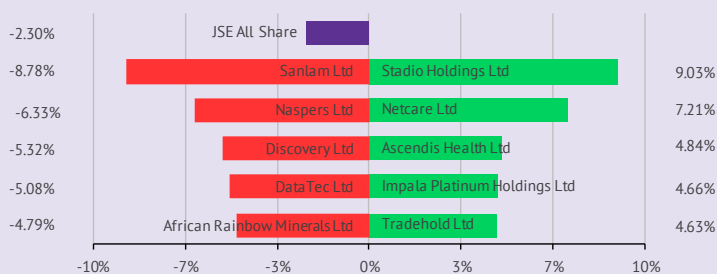
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	54763.97	▼	-1286.82	-2.30%	-2.91%	-6.11%	-1.98%	-7.97%
JSE Top 40	48139.78	▼	-1277.98	-2.59%	-3.25%	-6.31%	-2.34%	-8.36%
FTSE 100	7044.74	▲	44.60	0.64%	1.77%	-2.59%	-4.00%	-8.36%
DAX 30	11940.71	▼	-30.12	-0.25%	0.46%	-3.98%	-5.71%	-7.56%
CAC 40	5130.44	▲	14.70	0.29%	0.69%	-3.57%	-2.94%	-3.43%
S&P 500	2605.00	▼	-7.62	-0.29%	0.65%	-4.01%	-3.89%	-2.57%
Nasdaq Composite	6949.23	▼	-59.58	-0.85%	-0.62%	-4.45%	-1.87%	0.66%
DJIA	23848.42	▼	-9.29	-0.04%	1.34%	-4.72%	-4.28%	-3.52%

South Africa Market ▼

South African markets closed lower

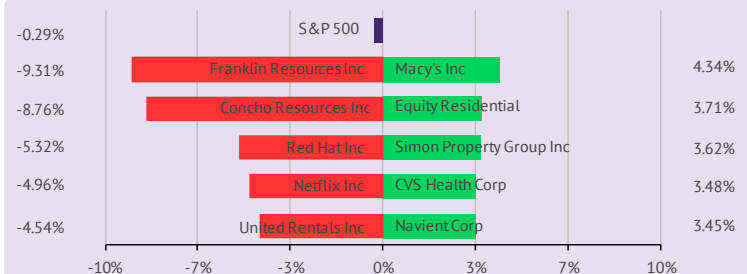
South African markets closed in the red yesterday, led by losses in banking, financial and industrial sector stocks. Meanwhile, the SARB reduced its key interest rate to 6.5%. The JSE All Share Index fell 2.3% to close at 54,763.97.



US Market ▼

The S&P 500 futures are trading in the red

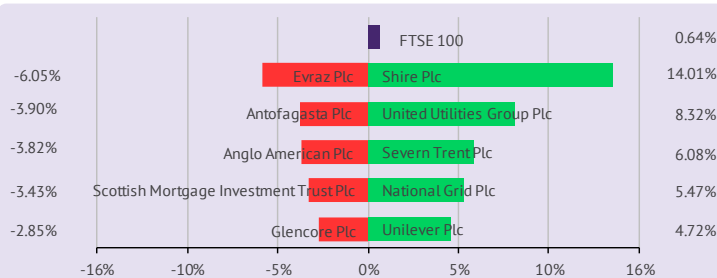
US markets closed lower yesterday, amid continuing sell-off in technology sector stocks. Data showed that US gross domestic product (GDP) advanced more-than-expected on a quarterly basis in 4Q17. The S&P 500 Index dropped 0.3% to close at 2,605.00.



UK Market ▲

The FTSE 100 futures are trading in negative territory

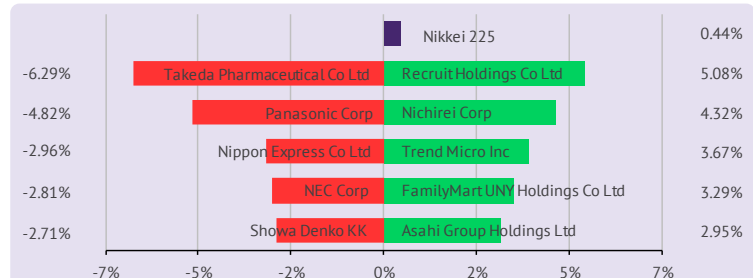
UK markets finished higher yesterday, buoyed by gains in shares of Shire, following bid talks. Data revealed that UK's GfK consumer confidence index unexpectedly rose in March. The FTSE 100 Index advanced 0.6% to close at 7,044.74.



Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning. On the macro front, Japan's monthly retail trade rose lower-than-expected on a monthly basis in February. The Nikkei 225 Index is trading 0.4% higher at 21,124.85.



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

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USDZAR ▼

USD trading weaker against ZAR

At 06:00 SAST, the US Dollar declined 0.1% against the South African Rand to trade at R11.7595. Later today, traders will keep a close watch on the US Michigan consumer sentiment index, Chicago purchasing manager index and initial jobless claims for further direction.

The US Dollar rose against the South African Rand yesterday, after the US economy grew higher than market expectations on a quarterly basis in 4Q17. Additionally, the MBA mortgage applications rebounded in the week ended 23 March 2018. Moreover, pending home sales rose more than market forecast on a monthly basis in February. Meanwhile, the nation's advance goods trade deficit unexpectedly widened in February. Separately, the South African Rand weakened after the SARB announced its first interest rate cut since July.

GBPZAR ▼

GBP trading lower against ZAR

At 06:00 SAST, the British Pound retreated 0.1% against the South African Rand to trade at R16.5626. Later today, traders will keep an eye on UK's GDP, net consumer credit and mortgage approvals data along with index of services and current account balance for further cues.

The British Pound advanced against the South African Rand yesterday. On the data front, UK's GfK consumer confidence index surprisingly rose in March. On the contrary, Lloyds business barometer recorded a drop in the same month.

EURZAR ▲

EUR trading higher against ZAR

At 06:00 SAST, the Euro marginally advanced against the South African Rand to trade at R14.4994. Amid no major releases in the Eurozone, market participants will keep a tab on Germany's consumer price index (CPI) and unemployment rate for further indication.

The Euro strengthened against the South African Rand yesterday. Data revealed that Germany's GfK consumer confidence index surprised with a rise in April.

AUDZAR ▼

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% lower against the South African Rand at R9.0132. Earlier in the session, Australia's private sector credit climbed more than market forecast 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	11.7595	▼	0.92%	0.25%	-0.16%	-0.47%	-4.89%
GBPZAR	16.5626	▼	0.34%	-0.06%	2.12%	-3.41%	-0.86%
EURZAR	14.4994	▲	0.15%	-0.02%	0.79%	-2.22%	-2.42%
AUDZAR	9.0132	▼	0.69%	-0.14%	-1.42%	-4.08%	-6.61%
EURUSD	1.2328	▲	-0.77%	-0.36%	0.93%	-1.77%	2.52%
GBPU\$	1.4084	▲	-0.57%	-0.39%	2.30%	-3.04%	4.17%
Brent (\$/barrel)	69.8	▲	-0.83%	-1.31%	7.42%	-6.04%	3.98%
Gold (\$/oz)	1331.7	▲	-1.33%	-1.90%	0.48%	-1.58%	1.14%
Platinum (\$/oz)	937.9	▲	-1.27%	-1.44%	-5.40%	-1.61%	0.05%
Copper (\$/MT)*	6633.5	▲	0.41%	0.24%	-3.79%	-2.60%	-7.96%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices advanced 0.6% to trade at \$1,331.70/oz.

Yesterday, gold prices fell 1.3% to close at \$1,324.20/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 edged up 0.4% to trade at \$69.81/bl, as the Organisation of the Petroleum Exporting Countries and other suppliers expect to continue with their production cuts for this year and 2019.

Yesterday, Brent crude oil dropped 0.8% to settle at \$69.53/bl, after the US Energy Information Administration reported that crude oil inventories rose by 1.6mn bls for the week ended March 23, 2018. Further, it also indicated that domestic production rose by 26,000bls to 10.43mn bls per day last week.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged 0.3% higher to trade at \$937.90/oz.

Yesterday, platinum prices declined 1.3% to close at \$934.70/oz.

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Major South Africa Corporate News

EOH Holdings Limited

In its 1H18 results, the company stated that its revenue increased to ZAR8.35bn from ZAR7.02bn posted in the corresponding period of the previous year. Its diluted EPS fell 21.1% to 310.00c compared to the same period of the prior year.

Howden Africa Holdings Limited

In its FY17 results, the company stated that its revenue increased to ZAR1.74bn from ZAR1.60bn posted in the corresponding period of the previous year. Its diluted EPS rose 28.3% compared to the same period of the prior year to 426.38c.

Netcare Limited

In its 1H18 trading update, the company announced that its South African operations continued to experience positive patient day growth and an overall improvement in year-on-year activity in the period and as a result the patient days have advanced in excess of 3.0% compared with the same period of the previous year. Further, the company announced its decision to exit the UK market and pursue the disposal of its interests in the GHG group in due course.

Pallinguhrst Resources Limited

In its FY17 trading statement, the company announced that its net profit after tax will be ZAR600.00mn (ZAR656.00mn net profit after tax for the comparative year), a decrease of 9%. Earnings per share is expected to be ZAR0.49 (ZAR0.86 earnings per share for the comparative period).

Pan African Resources Plc

In its 2H18 operational update, the company announced that it is on track to produce approximately 50,000oz of gold in 2H18, representing an increase of 23.0% from 1H18. Further, the company reported a 100.0% increase in mineral resources at Barberton's Royal Sheba Project to 720,000.00oz.

Sanlam Limited

The company announced the completion of the placing of total 65,517,241 new ordinary shares at a price of ZAR87.00 per placing share, raising gross proceeds of approximately ZAR5,700.00mn. Further, the placing price represents a discount of 5.0% to the closing share price of the company's ordinary share on March 27, 2018.

Major Global Economic News

US

In the US, the final annualised GDP advanced 2.9% on a quarterly basis in 4Q17, higher than market expectations. The annualised GDP had risen 3.2% in the prior quarter. The preliminary figures had recorded a rise of 2.5%.

The US advance goods trade deficit widened to USD75.40bn in February, compared to a revised advance goods trade deficit of USD75.30bn in the prior month.

In the US, the MBA mortgage applications advanced 4.8% on a weekly basis in the week ended 23 March 2018. In the prior week, mortgage applications had dropped 1.1%.

In the US, pending home sales advanced 3.1% on a monthly basis in February, more than market expectations. In the previous month, pending home sales had dropped by a revised 5.0%.

Asia

In Australia, the private sector credit registered a more-than-expected rise of 0.4% on a monthly basis in February. In the previous month, the private sector credit had recorded a rise of 0.3%.

In Japan, retail trade registered a lower-than-anticipated rise of 0.4% on a monthly basis in February. Retail trade had registered a drop of 1.8% in the previous month.

UK

In the UK, the consumer confidence index recorded an unexpected rise to a level of -7.00 in March. The index had registered a reading of -10.00 in the previous month.

In the UK, the Lloyds business barometer recorded a drop to a level of 32.0 in March. In the previous month, the Lloyds business barometer had recorded a reading of 33.0.

Eurozone

In Germany, the consumer confidence index unexpectedly climbed to a level of 10.90 in April. In the prior month, the consumer confidence index had registered a level of 10.80.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
UK	01:01	Lloyds Business Barometer (Mar)	✓	32.00*	33.00	Monthly
UK	01:01	GfK Consumer Confidence (Mar)	✓✓✓	-7.00*	-10.00	Monthly
Japan	01:50	Retail Trade (YoY) (Feb)	✓✓✓	1.60%*	1.60%	Monthly
Japan	01:50	Retail Trade s.a. (MoM) (Feb)	✓✓✓	0.40%*	-1.80%	Monthly
UK	08:00	Nationwide House Prices n.s.a. (YoY) (Mar)	✓✓	2.60%	2.20%	Monthly
UK	08:00	Nationwide House Prices s.a. (MoM) (Mar)	✓✓✓	0.20%	-0.30%	Monthly
South Africa	08:00	M3 Money Supply (YoY) (Feb)	✓	6.00%	5.83%	Monthly
South Africa	08:00	Private Sector Credit (YoY) (Feb)	✓	5.52%	5.54%	Monthly
Germany	09:55	Unemployment Rate s.a. (Mar)	✓✓✓	5.30%	5.40%	Monthly
Germany	09:55	Unemployment Change (Mar)	✓✓✓	-15.00K	-22.00K	Monthly
UK	10:30	Gross Domestic Product s.a. (QoQ) (Q4) (F)	✓✓✓	0.40%	0.40%**	Quarterly
UK	10:30	Gross Domestic Product s.a. (YoY) (Q4) (F)	✓✓✓	1.40%	1.40%**	Quarterly
UK	10:30	Net Consumer Credit (Feb)	✓✓	GBP1.40bn	GBP1.40bn	Monthly
UK	10:30	Mortgage Approvals (Feb)	✓✓✓	66.00 K	67.50 K	Monthly
UK	10:30	Current Account (Q4)	✓✓	-GBP24.00bn	-GBP22.80bn	Quarterly
South Africa	11:30	Producer Price Index (MoM) (Feb)	✓✓	0.50%	0.30%	Monthly
South Africa	11:30	Producer Price Index (YoY) (Feb)	✓✓	5.00%	5.10%	Monthly
Germany	14:00	Consumer Price Index (YoY) (Mar) (P)	✓✓✓	1.70%	1.40%	Monthly
Germany	14:00	Harmonised Index of Consumer Prices (HICP) (MoM) (Mar) (P)	✓✓✓	0.50%	0.50%	Monthly
Germany	14:00	Harmonised Index of Consumer Prices (HICP) (YoY) (Mar) (P)	✓✓✓	1.60%	1.20%	Monthly
Germany	14:00	Consumer Price Index (MoM) (Mar) (P)	✓✓✓	0.50%	0.50%	Monthly
South Africa	14:00	Trade Balance (Feb)	✓✓	ZAR1.00bn	-ZAR27.70bn	Monthly
US	14:30	Continuing Jobless Claims (17-Mar)	✓✓✓	1870.00K	1828.00K	Weekly
US	14:30	Initial Jobless Claims (24-Mar)	✓✓✓	230.00K	229.00K	Weekly
US	15:45	Chicago PMI (Mar)	✓✓✓	62.00	61.90	Monthly
US	16:00	Reuters/Michigan Consumer Sentiment Index (Mar) (F)	✓✓✓	102.00	102.00**	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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