

# ONE Minute Brief

5 March 2018

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## Economic and Political News

The Deputy Director-General of the Treasury, Ismail Momoniat, stated that the Treasury would convene a panel of independent experts to investigate the potential for an expansion or review of the basket of goods zero-rated for VAT.

Mlungisi Johnson, Chairman of Parliament's Portfolio Committee on Water and Sanitation, stated that Parliament will conduct an inquiry into allegations of mismanagement at the Water Ministry, as the country's tourist hub, Cape Town, faces the worst recorded drought in its history.

Minister of International Relations and Co-operation, Lindiwe Sisulu, stated that there was no need for international organisations to panic about the land expropriation policy. Meanwhile, Economic Freedom Fighters leader, Julius Malema, expressed confidence that land would be returned to the people.

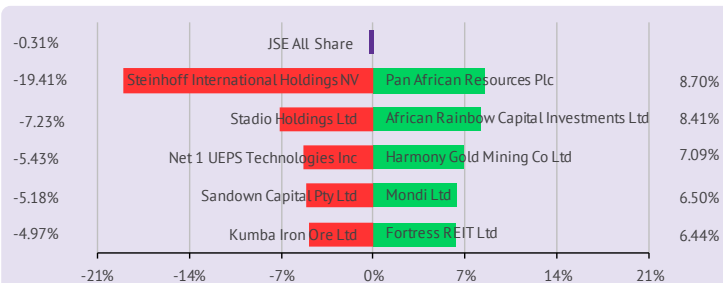
Health Minister Aaron Motsoaledi, has advised people not to consume ready-to-eat processed meat after the government identified a cold meat product as the source of a listeria outbreak.

The Portfolio Committee on Health has welcomed a forensic investigation in the Provincial Department of Health to be conducted by the North-West Premier, Supra Mahumapelo, to deal with allegations raised by members of the public.

## South Africa Market

### South African markets closed lower

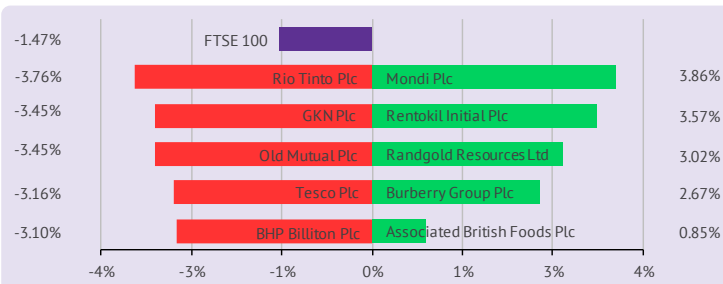
South African markets closed in the red on Friday, led by losses in platinum mining, industrial and banking sector stocks. The JSE All Share Index fell 0.3% to close at 57,744.70.



## UK Market

### The FTSE 100 futures are trading in negative territory

UK markets finished lower on Friday, amid growing concerns that the new US tariffs on steel and aluminium imports will spark a global trade disputes. The FTSE 100 Index declined 1.5% to close at 7,069.90.



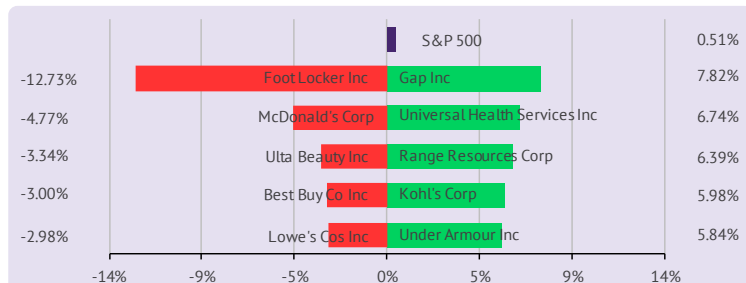
## Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	57744.70	▼	-178.46	-0.31%	NA	-1.00%	-1.98%
JSE Top 40	50824.62	▼	-186.40	-0.37%	NA	-1.09%	-2.34%
FTSE 100	7069.90	▼	-105.74	-1.47%	NA	-2.24%	-4.00%
DAX 30	11913.71	▼	-277.23	-2.27%	NA	-4.20%	-5.71%
CAC 40	5136.58	▼	-125.98	-2.39%	NA	-3.46%	-2.94%
S&P 500	2691.25	▲	13.58	0.51%	NA	-0.83%	-3.89%
Nasdaq Composite	7257.87	▲	77.31	1.08%	NA	-0.21%	-1.87%
DJIA	24538.06	▼	-70.92	-0.29%	NA	-1.96%	-4.28%

## US Market

### The S&P 500 futures are trading in the red

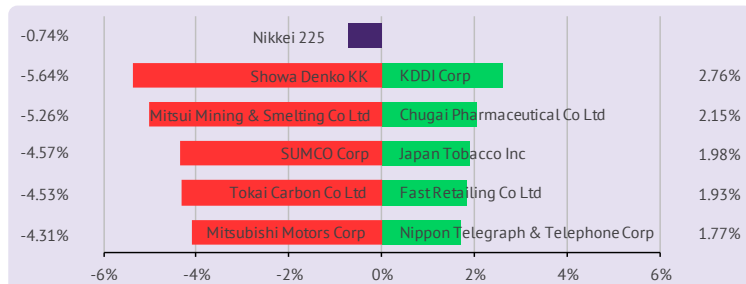
US markets closed higher on Friday, boosted by gains in health-care sector stocks. Data indicated that the US Michigan consumer sentiment index advanced in February, recording its second highest level since 2004. The S&P 500 Index climbed 0.5% to close at 2,691.25.



## Asian Market

### Trading lower

Asian markets are trading lower this morning. Data showed that Japan's Nikkei services PMI dropped in February. The Nikkei 225 Index is trading 0.7% lower at 21,023.97.



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## USDZAR ▲

### USD trading higher against ZAR

At 06:00 SAST, the US Dollar is trading 0.5% firmer against the South African Rand at R11.9837. Later today, traders will keep a close watch on the US Markit services PMI for further cues.

The US Dollar rose against the South African Rand on Friday, after final reading of the US Michigan consumer sentiment index improved in February, notching its second highest level since 2004.

## GBPZAR ▲

### GBP trading stronger against ZAR

At 06:00 SAST, the British Pound is trading 0.4% higher against the South African Rand at R16.5304. Later today, traders will keep an eye on the UK's Markit services PMI for further indication.

The British Pound advanced against the South African Rand on Friday. Britain's Prime Minister, Theresa May, admitted that the UK and the European Union (EU) would have reduced access to each other's markets after Brexit. However, she insisted that Britain sought the "broadest and deepest possible agreement" and that the nation was close to agreeing the terms of an implementation period that will help smooth the country's departure from the EU. On the data front, UK's Markit construction PMI recorded a more-than-anticipated rise in February.

## EURZAR ▲

### EUR trading firmer against ZAR

At 06:00 SAST, the Euro gained 0.6% against the South African Rand to trade at R14.7706. Going forward, market participants will keep a tab on Markit services PMI across the Eurozone, the Eurozone's investor confidence index and retail sales for further direction.

The Euro strengthened against the South African Rand on Friday. Data revealed that the Eurozone's producer price index (PPI) rose at a slower-than-expected pace on an annual basis in January. Meanwhile, German retail sales unexpectedly dropped on a monthly basis in January.

## AUDZAR ▲

### AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.4% firmer against the South African Rand at R9.2890. Earlier in the session, Australia's AiG performance of service index registered a drop in February. Meanwhile, the nation's building approvals rallied on a monthly basis in January. Meanwhile, in China, Australia's largest trading partner, Caixin services PMI fell more than market expectations in February.

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

## Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	11.9837	▲	0.27%	NA	1.08%	-0.47%	-3.71%
GBPZAR	16.5304	▲	0.46%	NA	1.38%	-3.41%	-1.58%
EURZAR	14.7706	▲	0.73%	NA	2.12%	-2.22%	-1.13%
AUDZAR	9.2890	▲	0.50%	NA	1.08%	-4.08%	-4.25%
EURUSD	1.2325	▲	0.41%	NA	1.01%	-1.77%	2.60%
GBPUSD	1.3793	▼	0.19%	NA	0.31%	-3.04%	2.14%
Brent (\$/barrel)	64.7	▲	0.85%	NA	-0.56%	-6.04%	-3.74%
Gold (\$/oz)	1327.5	▲	1.39%	NA	0.42%	-1.58%	1.08%
Platinum (\$/oz)	972.0	▲	0.76%	NA	-2.33%	-1.61%	3.31%
Copper (\$/MT)*	6863.5	▼	-0.33%	NA	-0.45%	-2.60%	-4.77%

\*As of Previous Close

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices advanced 0.3% to trade at \$1,327.50/oz.

On Friday, gold prices rose 1.4% to close at \$1,323.40/oz, as growing fears over a global trade war spurred demand for the safe haven asset.

## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil edged 0.5% higher to trade at \$64.66/bl, ahead of a meeting between OPEC and US shale firms, raising expectations that oil producers would discuss further on how to clear the global oil glut.

On Friday, Brent crude oil advanced 0.9% to settle at \$64.37/bl, amid a weaker greenback. Meanwhile, Baker Hughes reported that the US oil rig count rose by 1 to 800 last week.

## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices edged 0.7% higher to trade at \$972.00/oz.

On Friday, platinum prices climbed 0.8% to close at \$965.10/oz.



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## Major South Africa Corporate News

### Anglogold Ashanti Limited

The company announced that all the conditions have been fulfilled with respect to the sale of the Moab Khotsong Mine and related assets and liabilities to Harmony Gold Mining Company Limited. Further, the conditions for sale of the Kopanang Mine and related assets and liabilities to Heaven-Sent SA Sunshine Investment Company Limited have been fulfilled.

### Exxaro Resources Limited

In its FY17 trading statement, the company stated that it expects core HEPS to increase in the range of 30.0% to 42.0%, compared to 1,457.00c from the same period of the prior year.

### Hyprop Investments Limited

In its 1H18 interim results, the company indicated that its revenue fell to ZAR1.54bn compared to ZAR1.62bn posted in the corresponding period of the previous year. Its diluted HEPS decreased 8.9% compared to the same period of the prior year to 356.20c. The company declared a dividend of 376.3c per share.

### Liberty Holdings Limited

In its FY17 financial results, the company stated that its revenue increased to ZAR82.72bn compared to ZAR62.74bn posted in the corresponding period of the previous year. Its diluted EPS rose significantly compared to the same period of the prior year to 1,120.70c. The company declared a final dividend of 415.00c per share.

### Mondi Limited

In its FY17 results, the company indicated that its revenue rose to EUR7.10bn compared to EUR6.66bn posted in the corresponding period of the previous year. Its diluted HEPS increased 7.4% compared to the same period of the prior year to 145.90c.

### MTN Group Limited

In its FY17 trading statement, the company announced that it expects HEPS to be in the range of 170.00c to 190.00c and expects EPS to be in the range of 235.00c to 255.00c.

## Major Global Economic News

### Asia

In Australia, the AiG performance of services index eased to 54.00 in February. In the prior month, the AiG performance of services index had recorded a reading of 54.90.

In Australia, the seasonally adjusted building approvals registered a more-than-anticipated rise of 17.1% on a monthly basis in January. In the previous month, building approvals had dropped by a revised 20.6%.

In Japan, Nikkei Japan services PMI fell to a level of 51.70 in February, compared to a reading of 51.90 in the prior month.

In China, the Caixin services PMI index fell more-than-expected to a level of 54.20 in February, compared to a reading of 54.70 in the prior month.

### US

In the US, the final Michigan consumer sentiment index climbed higher than market expectations to 99.70 in February. The preliminary figures had recorded a rise to 99.90. In the previous month, the Michigan consumer sentiment index had recorded a level of 95.70.

### Eurozone

In the Eurozone, the PPI recorded a less-than-expected rise of 1.5% on an annual basis in January, compared to an advance of 2.2% in the previous month.

In Germany, retail sales registered an unexpected drop of 2.0% on a monthly basis in January. In the prior month, retail sales had registered a drop of 1.9%.

### UK

In the UK, the construction PMI registered a more-than-expected rise to 51.40 in February, compared to a level of 50.20 in the prior month.

Britain's Prime Minister, Theresa May, admitted that the UK and the EU would have reduced access to each other's markets after Brexit. However, she insisted that Britain sought the "broadest and deepest possible agreement" and that the nation was close to agreeing the terms of an implementation period that will help smooth the country's departure from the EU. Further, UK PM conceded that no side can get exactly what it wants in Brexit negotiations.

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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	3997	-9.16%	-0.08%	51.17%
JSE Ltd	20001	5.13%	-1.96%	30.01%
Clover Industries Ltd	1634	6.80%	0.18%	24.73%
Shoprite Holdings Ltd	26666	3.08%	2.58%	20.56%
Adcock Ingram Holdings Ltd	6973	1.65%	2.54%	19.50%
Santam Ltd	31900	4.59%	3.91%	19.46%
PPC Ltd	830	-0.84%	-0.60%	19.08%
Famous Brands Ltd	12200	-0.41%	-0.81%	18.46%
Emira Property Fund Ltd	1585	1.67%	1.21%	17.76%
Balwin Properties Ltd	595	15.53%	5.50%	16.67%
Massmart Holdings Ltd	16273	2.60%	-0.15%	16.62%
Nedbank Group Ltd	29400	0.34%	2.24%	14.80%
AECI Ltd	11450	2.23%	1.18%	14.50%
Harmony Gold Mining Co Ltd	2597	10.98%	9.95%	14.46%
City Lodge Hotels Ltd	16400	-4.09%	-4.09%	13.60%
Mr Price Group Ltd	27712	-3.59%	-2.00%	13.17%
RCL Foods Ltd	1720	-1.71%	-2.82%	13.16%
Investec Plc	10150	-1.06%	-1.64%	13.08%
Investec Ltd	10105	-0.80%	-1.41%	12.63%
Foschini Group Ltd	22200	-1.38%	3.50%	12.50%
Mpact Ltd	2745	-0.18%	-0.87%	12.50%
Growthpoint Properties Ltd	3090	3.34%	4.75%	11.71%
Barloworld Ltd	17700	-2.24%	-0.58%	10.93%
Standard Bank Group Ltd	21700	-1.19%	-0.37%	10.91%
Raubex Group Ltd	2208	-0.09%	-2.82%	10.73%
Barclays Africa Group Ltd	20017	-1.82%	0.84%	9.99%
FirstRand Ltd	7380	-2.98%	-0.14%	9.74%
Coronation Fund Managers Ltd	8106	2.09%	1.39%	9.69%
Metair Investments Ltd	2355	7.05%	-1.22%	9.53%
Anglo American Plc	27988	-2.56%	-4.31%	9.49%
Choppies Enterprises Ltd	325	-5.52%	-2.99%	9.43%
RMB Holdings Ltd	8660	-2.58%	-0.60%	9.38%
Astral Foods Ltd	29300	4.64%	2.81%	9.37%
Hosken Consolidated Investments Ltd	15202	-1.29%	-1.45%	9.37%
Vodacom Group Ltd	15924	-2.16%	-2.16%	9.31%
Hudaco Industries Ltd	15700	-0.07%	-0.63%	9.03%
Accelerate Property Fund Ltd	560	3.70%	-1.75%	8.74%
Telkom SA SOC Ltd	5227	0.91%	1.00%	8.62%
Invicta Holdings Ltd	5545	-2.08%	-0.32%	8.62%
Wilson Bayly Holmes-Ovcon Ltd	16866	-2.62%	-2.74%	8.50%
<b>JSE All Share Index</b>	<b>57745</b>	<b>-1.65%</b>	<b>-1.00%</b>	<b>-2.96%</b>

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## Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	02:30	Nikkei Japan Services PMI (Feb)	✓✓	51.70*	51.90	Monthly
Japan	02:30	Nikkei Japan Composite PMI (Feb)	✓✓✓	52.20*	52.80	Monthly
China	03:45	Caixin/Markit Services PMI (Feb)	✓✓✓	54.20*	54.70	Monthly
China	03:45	HSBC China Composite PMI (Feb)	✓✓✓	53.30*	53.70	Monthly
Japan	07:15	BoJ Deputy Governor nominees' confirmation hearing	✓	-	-	As scheduled
Germany	10:55	Markit Services PMI (Feb) (F)	✓✓✓	55.30	55.30**	Monthly
UK	11:00	New Car Registrations (YoY) (Feb)	✓	-	-6.30%	Monthly
Eurozone	11:00	Markit Composite PMI (Feb) (F)	✓✓✓	57.50	57.50**	Monthly
Eurozone	11:00	Markit Services PMI (Feb) (F)	✓✓✓	56.70	56.70**	Monthly
UK	11:30	Official Reserves (Changes) (Feb)	✓✓	-	USD1709.00mn	Monthly
Eurozone	11:30	Sentix Investor Confidence (Mar)	✓✓✓	30.90	31.90	Monthly
UK	11:30	Markit Services PMI (Feb)	✓✓✓	53.30	53.00	Monthly
Eurozone	12:00	Retail Sales (Jan)	✓✓	-	106.60	Monthly
Eurozone	12:00	Retail Sales (MoM) (Jan)	✓✓✓	-0.10%	-1.10%	Monthly
Eurozone	12:00	Retail Sales (YoY) (Jan)	✓✓✓	2.00%	1.90%	Monthly
US	16:45	Markit Composite PMI (Feb) (F)	✓✓✓	-	55.90**	Monthly
US	16:45	Markit Services PMI (Feb) (F)	✓✓✓	55.90	55.90**	Monthly
US	17:00	ISM Non-Manufacturing PMI (Feb)	✓✓✓	59.00	59.90	Monthly
China	-	China's National People's Congress Begins in Beijing	✓✓	-	-	As scheduled

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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