

ONE  
Minute Brief

8 March 2018

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## Economic and Political News

In South Africa (SA), net gold & forex reserves unexpectedly dropped to USD43.27bn in February, compared to a level of USD43.59bn in January. Gross gold & forex reserves fell to USD50.05bn in February, compared to a reading of USD50.50bn in January. Further, the nation's business confidence index fell to a level of 98.90 in February, compared to a reading of 99.70 in January.

In his first meeting as President with ratings agency Moody's, President Cyril Ramaphosa told the agency that land reform will unfold within a clear legal framework without negatively affecting economic growth, agricultural production and food security. He also indicated that failure to create jobs was the biggest risk to the nation's economy.

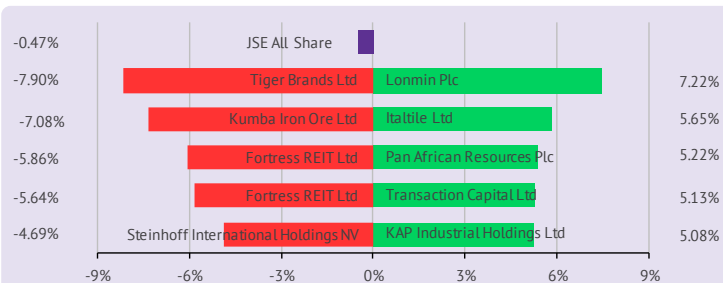
Deputy Chief Justice, Raymond Zondo, announced key appointments to the commission of inquiry into state capture. Former Auditor-General and CEO of the South African Institute of Chartered Accountants (Saica), Terence Nombembe, will lead the investigations team.

Treasurer-general of the ANC, Paul Mashatile, stated that the issue of expropriation of land without compensation had to be addressed in a way that does not disrupt the economy and also redresses the injustices of the past.

## South Africa Market ▼

## South African markets closed lower

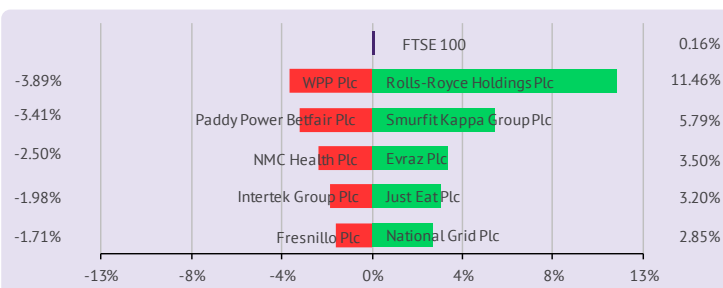
South African markets closed in the red yesterday, pulled down by losses in banking and mining sector stocks. Data revealed that SA's business confidence index dropped in February. The JSE All Share Index fell 0.5% to close at 58,962.65.



## UK Market ▲

## The FTSE 100 futures are trading in positive territory

UK markets ended higher yesterday, boosted by gains in the shares of Rolls-Royce Holdings, following the release of robust earnings report. The FTSE 100 Index advanced 0.2% to close at 7,157.84.



## Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	58962.65	▼	-280.21	-0.47%	2.11%	1.09%	-1.98%	-0.91%
JSE Top 40	52005.09	▼	-252.90	-0.48%	2.32%	1.21%	-2.34%	-1.00%
FTSE 100	7157.84	▲	11.09	0.16%	1.24%	-1.02%	-4.00%	-6.89%
DAX 30	12245.36	▲	131.49	1.09%	2.78%	-1.53%	-5.71%	-5.20%
CAC 40	5187.83	▲	17.60	0.34%	1.00%	-2.49%	-2.94%	-2.35%
S&P 500	2726.80	▼	-1.32	-0.05%	1.32%	0.48%	-3.89%	1.99%
Nasdaq Composite	7396.65	▲	24.64	0.33%	1.91%	1.70%	-1.87%	7.15%
DJIA	24801.36	▼	-82.76	-0.33%	1.07%	-0.91%	-4.28%	0.33%

## US Market ▼

## The S&amp;P 500 futures are trading in the green

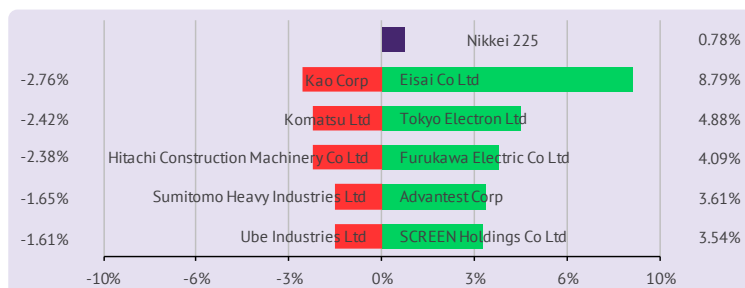
US markets closed lower yesterday, as the resignation of Gary Cohn as the Chief Economic Adviser to the US President, Donald Trump, intensified fears of a trade war. The S&P 500 Index dropped 0.1% to close at 2,726.80.



## Asian Market ▲

## Trading higher

Asian markets are trading higher this morning. Data showed that Japan's gross domestic product (GDP) rose more-than-anticipated on a quarterly basis in 4Q17. The Nikkei 225 Index is trading 0.8% higher at 21,417.81.



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## USDZAR ▲

### USD trading higher against ZAR

At 06:00 SAST, the US Dollar marginally advanced against the South African Rand to trade at R11.8403. Later today, traders will keep a close watch on the US initial jobless claims for further direction.

The US Dollar rose against the South African Rand yesterday. The Federal Reserve's (Fed) Beige Book report indicated that economic growth across the US remained at a "modest to moderate" pace in January and February. On the macro front, the US trade deficit widened more than market forecast in January. Further, MBA mortgage applications registered only a slight increase for the week ended 2 March 2018. Moreover, the US consumer credit rose less than expected in January. Meanwhile, private sector jobs in the US posted an impressive rate of expansion in February. Separately, in South Africa, the net gold & forex reserves fell in February. Additionally, the nation's business confidence index recorded a drop in February.

## GBPZAR ▲

### GBP trading stronger against ZAR

At 06:00 SAST, the British Pound climbed 0.1% against the South African Rand to trade at R16.4664. Amid no major economic news scheduled in the UK later today, investor sentiment will be determined by global macroeconomic factors.

The British Pound advanced against the South African Rand yesterday. Data indicated that UK's Halifax house price index advanced in line with market expectations on a monthly basis in February. Meanwhile, the nation's RICS house price balance showed a flat reading for February.

## EURZAR ▼

### EUR trading weaker against ZAR

At 06:00 SAST, the Euro retreated marginally against the South African Rand to trade at R14.6896. Going forward, market participants will keep a tab on the European Central Bank's interest rate decision and German factory orders for further cues.

The Euro strengthened against the South African Rand yesterday. Data revealed that the Eurozone's GDP rose in line with market expectations on a quarterly basis in 4Q17.

## AUDZAR ▲

### AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar climbed 0.1% against the South African Rand to trade at R9.2733. Earlier in the session, Australia's trade balance posted a higher-than-expected trade surplus in January. Meanwhile, in China, Australia's largest trading partner, trade surplus surprisingly widened 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	11.8403	▲	0.53%	-0.74%	0.34%	-0.47%	-4.42%
GBPZAR	16.4664	▲	0.55%	-0.05%	1.33%	-3.41%	-1.63%
EURZAR	14.6896	▼	0.57%	0.02%	2.14%	-2.22%	-1.11%
AUDZAR	9.2733	▲	0.43%	0.10%	1.18%	-4.08%	-4.15%
EURUSD	1.2407	▼	0.06%	0.76%	1.78%	-1.77%	3.38%
GBPUSD	1.3907	▲	0.06%	0.68%	0.99%	-3.04%	2.83%
Brent (\$/barrel)	64.5	▲	-2.20%	-0.05%	-0.60%	-6.04%	-3.78%
Gold (\$/oz)	1328.6	▲	-0.57%	0.32%	0.74%	-1.58%	1.40%
Platinum (\$/oz)	956.1	▲	-1.79%	-1.23%	-3.53%	-1.61%	2.03%
Copper (\$/MT)*	6909.8	▼	-0.80%	0.67%	0.22%	-2.60%	-4.12%

\*As of Previous Close

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices edged 0.1% higher to trade at \$1,328.60/oz.

Yesterday, gold prices fell 0.6% to close at \$1,327.60/oz, following the release of stronger-than-expected US private sector jobs data.

## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil edged 0.2% higher to trade at \$64.49/bl.

Yesterday, Brent crude oil dropped 2.2% to settle at \$64.34/bl, after the US Energy Information Administration reported that domestic crude oil supplies rose by 2.40mn bls for the week ended 2 March 2018.

## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices edged 0.3% higher to trade at \$956.10/oz.

Yesterday, platinum prices declined 1.8% to close at \$953.20/oz.



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## Major South Africa Corporate News

### MMI Holdings Limited

In its 1H18 results, the company indicated that its net income increased to ZAR46.98bn, compared to ZAR20.66bn posted in the corresponding period of the previous year. Its diluted EPS rose 22.9% compared to the same period of the prior year to 79.40c. Separately, the company announced that it has appointed Hillie Meyer as its new Chief Executive Officer.

### Mpact Limited

In its FY17 results, the company indicated that its revenue increased to ZAR10.12bn, compared to ZAR10.10bn posted in the corresponding period of the previous year. Its diluted EPS fell 30.8% compared to the same period of the prior year to 162.00c. The company has declared a total gross dividend of 55.00c per share.

### RMB Holdings Limited

In its 1H18 interim results, the company reported that its revenue increased to ZAR4.21bn compared to ZAR4.11bn posted in the corresponding period of the previous year. Its diluted HEPS rose 6.2% compared to the same period of the prior year to 298.2c. The company declared an interim dividend of 168.00c per share.

### Redefine Properties Limited

The company announced that it has negotiated an agreement to dispose securities in the Cromwell Property Group to ARA Real Estate Investors XXI Pte Ltd for a total sale consideration of AUD405.87mn.

## Major Global Economic News

### US

The Fed Beige Book report indicated that economic growth across the US remained at a “modest to moderate” pace in January and February. Additionally, it noted that businesses across the 12 districts experienced persistent labor market tightness that contributed to “moderate inflation”, while many regions noted a pick-up in wage growth since the beginning of the year.

In the US, trade deficit widened more-than-expected to USD56.60bn in January, compared to a revised trade deficit of USD53.90bn in the previous month.

In the US, mortgage applications recorded a rise of 0.3% on a weekly basis for the week ended 02 March 2018. In the previous week, mortgage applications had climbed 2.7%.

In February, the ADP employment recorded an increase of 235.00K in the US, higher than market expectations. The private sector employment had registered a revised gain of 244.00K in the previous month.

In the US, consumer credit registered a rise of USD13.91bn in January, lower than market expectations. In the previous month, consumer credit had climbed by a revised USD19.21bn.

### Eurozone

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

### Asia

In Australia, the seasonally adjusted trade balance recorded more-than-expected surplus of AUD1055.00mn in January, following a revised trade deficit of AUD1146.00mn in the prior month.

In Japan, the final GDP registered a more-than-expected rise of 0.4% on a quarterly in 4Q17. GDP had advanced 0.6% in the prior quarter. The preliminary figures had indicated an advance of 0.1%.

In Japan, trade deficit widened less-than-expected to JPY666.60bn in January, from a trade surplus of JPY538.90bn in the previous month.

In China, trade surplus unexpectedly rose to USD33.74bn in February, from a revised trade surplus of USD20.35bn in the previous month.

### UK

In the UK, the Halifax house price index rose 0.4% on a monthly basis in February, at par with market expectations. In the prior month, the index had registered a revised drop of 0.5%.

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## Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:50	Gross Domestic Product Annualised (Q4) (F)	✓✓✓	1.60%*	0.50%**	Quarterly
Japan	01:50	Nominal Gross Domestic Product (QoQ) (Q4) (F)	✓✓	0.30%*	0.00%**	Quarterly
Japan	01:50	Gross Domestic Product (QoQ) (Q4) (F)	✓✓	0.40%*	0.10%**	Quarterly
Japan	01:50	Adjusted Current Account Total (Jan)	✓	JPY2022.60bn*	JPY1677.60bn	Monthly
Japan	01:50	Current Account n.s.a. (Jan)	✓	JPY607.40bn*	JPY797.20bn	Monthly
Japan	01:50	Trade Balance - BOP Basis (Jan)	✓✓✓	-JPY666.60bn*	JPY538.90bn	Monthly
UK	02:01	RICS Housing Price Balance (Feb)	✓✓✓	0.00%*	7.00%	Monthly
China	05:15	Exports (YoY) (Feb)	✓✓	44.50%*	11.10%	Monthly
China	05:15	Imports (YoY) (Feb)	✓✓	6.30%*	36.80%	Monthly
China	05:15	Trade Balance (Feb)	✓✓	USD33.74bn*	USD20.35bn	Monthly
Japan	06:30	Bankruptcies (YoY) (Feb)	✓✓	-	4.95%	Monthly
Japan	07:00	Eco Watchers Survey: Current (Feb)	✓✓	50.50	49.90	Monthly
Japan	07:00	Eco Watchers Survey: Outlook (Feb)	✓✓	51.70	52.40	Monthly
Switzerland	08:45	Unemployment Rate n.s.a. (Feb)	✓✓	3.20%	3.30%	Monthly
Switzerland	08:45	Unemployment Rate s.a. (Feb)	✓✓	2.90%	3.00%	Monthly
Germany	09:00	Factory Orders n.s.a. (YoY) (Jan)	✓✓✓	11.50%	7.20%	Monthly
Germany	09:00	Factory Orders s.a. (MoM) (Jan)	✓✓	-1.80%	3.80%	Monthly
South Africa	11:30	Gold Production (YoY) (Jan)	✓	-	-12.40%	Monthly
South Africa	11:30	Mining Production (YoY) (Jan)	✓✓	-	0.10%	Monthly
US	14:30	Challenger Job Cuts (YoY) (Feb)	✓	-	-2.80%	Monthly
Eurozone	14:45	ECB Interest Rate Decision	✓✓✓	0.00%	0.00%	As scheduled
US	15:30	Continuing Jobless Claims (24-Feb)	✓✓✓	1919.00K	1931.00K	Weekly
US	15:30	Initial Jobless Claims (03-Mar)	✓✓✓	220.00K	210.00K	Weekly

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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