

# ONE Minute Brief

9 March 2018

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## Economic and Political News

German software maker, SAP, indicated that it had found payments made to Gupta-related entities and indications of irregularities, in its contracts with Transnet and Eskom. Meanwhile, Eskom stated that it would launch its own probe into its contract with SAP.

Mining Minister, Gwede Mantashe, stated that the business rescue process being undertaken at the Optimum coal mine had to be done with speed.

Health Minister, Dr Aaron Motsoaledi, indicated that the government would support any community intending court action over the listeria outbreak.

Energy Minister, Jeff Radebe, stated that Eskom will sign purchase agreements with independent producers for 27 renewable energy projects next week. Meanwhile, the Commission for Conciliation, Mediation and Arbitration (CCMA) declared the suspension of Eskom's head of legal compliance, Suzanne Daniels, as unfair and ordered her reinstatement with effect from 19 March 2018.

The Economic Freedom Fighters (EFF) has demanded the removal of Terence Nombembe as the lead investigator in the state capture inquiry.

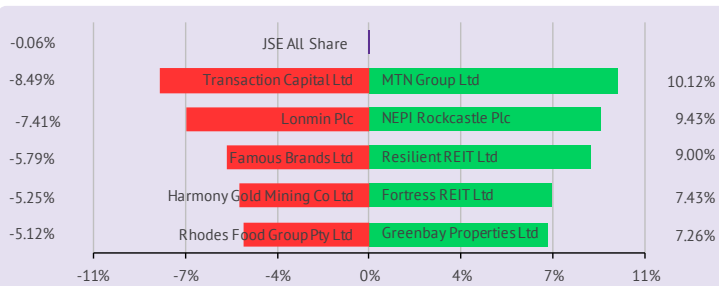
## Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	58926.01	▼ -36.64	-0.06%	2.05%	1.03%	-1.98%	-0.97%
JSE Top 40	52057.14	▲ 52.05	0.10%	2.43%	1.31%	-2.34%	-0.91%
FTSE 100	7203.24	▲ 45.40	0.63%	1.89%	-0.40%	-4.00%	-6.30%
DAX 30	12355.57	▲ 110.21	0.90%	3.71%	-0.65%	-5.71%	-4.35%
CAC 40	5254.10	▲ 66.27	1.28%	2.29%	-1.25%	-2.94%	-1.10%
S&P 500	2738.97	▲ 12.17	0.45%	1.77%	0.93%	-3.89%	2.44%
Nasdaq Composite	7427.95	▲ 31.30	0.42%	2.34%	2.13%	-1.87%	7.60%
DJIA	24895.21	▲ 93.85	0.38%	1.46%	-0.54%	-4.28%	0.71%

## South Africa Market ▼

### South African markets closed lower

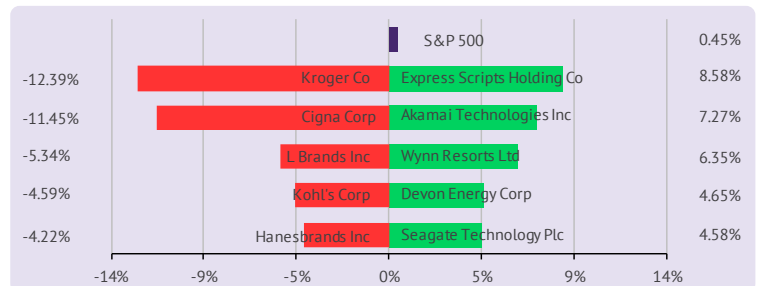
South African markets closed in the red yesterday, driven by losses in retail, mining and banking sector stocks. The JSE All Share Index fell 0.1% to close at 58,926.01.



## US Market ▲

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

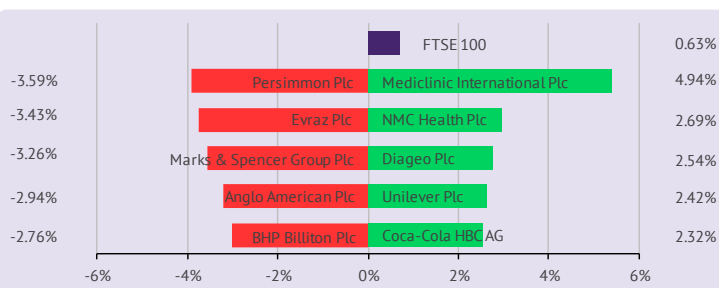
US markets closed firmer yesterday, after the US President, Donald Trump, implemented steel and aluminium import tariffs that excluded Canada and Mexico and amid gains in utilities and consumer sector stocks. The S&P 500 Index climbed 0.4% to close at 2,738.97.



## UK Market ▲

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

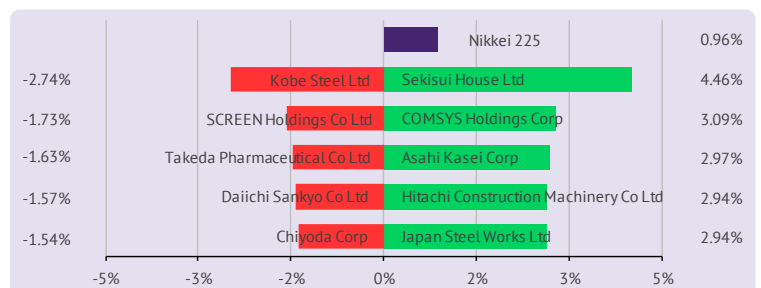
UK markets finished in the green yesterday, boosted by gains in healthcare and consumer sector stocks. The FTSE 100 Index advanced 0.6% to close at 7,203.24.



## Asian Market ▲

### Trading higher

Asian markets are trading in positive territory this morning. The Nikkei 225 Index is trading 1.0% higher at 21,573.74.



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## USDZAR ▲

### USD trading firmer against ZAR

At 06:00 SAST, the US Dollar is trading marginally higher against the South African Rand at R11.9139. Later today, traders will keep a close watch on the US non-farm payrolls, unemployment rate and earnings data for further direction.

The US Dollar rose against the South African Rand yesterday, after the US President, Donald Trump formally announced that Canada and Mexico will be exempted from tariffs on steel and aluminium imports for now. Data indicated that the US initial jobless claims advanced more than market forecast for the week ended 3 March 2018.

## GBPZAR ▼

### GBP trading weaker against ZAR

At 06:00 SAST, the British Pound marginally fell against the South African Rand to trade at R16.4483. Later today, traders will keep an eye on UK's trade balance, industrial and manufacturing production along with NIESR gross domestic product (GDP) estimate for further cues.

The British Pound advanced against the South African Rand yesterday.

## EURZAR ▲

### EUR trading stronger against ZAR

At 06:00 SAST, the Euro advanced marginally against the South African Rand to trade at R14.6647. Going forward, market participants will keep a tab on German trade balance and industrial production for further indication.

The Euro weakened against the South African Rand yesterday, after the European Central Bank (ECB), at its March monetary policy meeting, opted to keep the benchmark interest rates unchanged at a record low of 0.00%. On the data front, German factory orders fell more than market expectations on a monthly basis in January.

## AUDZAR ▼

### AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar marginally declined against the South African Rand to trade at R9.2738. Meanwhile, in China, Australia's largest trading partner producer price index (PPI) rose less-than-expected on an annual basis in February. On the other hand, the nation's consumer prices surpassed expectations on an annual basis in February.

The Australian Dollar rose against the South African Rand yesterday. Data revealed that Australia's trade balance registered a higher-than-expected trade surplus in January.

## Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	11.9139	▲	0.62%	-0.12%	0.96%	-0.47%	-3.83%
GBPZAR	16.4483	▼	0.03%	-0.02%	1.37%	-3.41%	-1.59%
EURZAR	14.6647	▲	-0.17%	-0.15%	1.96%	-2.22%	-1.28%
AUDZAR	9.2738	▼	0.16%	0.26%	1.35%	-4.08%	-3.99%
EURUSD	1.2310	▼	-0.80%	-0.04%	0.97%	-1.77%	2.56%
GBPU\$D	1.3805	▼	-0.61%	0.07%	0.37%	-3.04%	2.21%
Brent (\$/barrel)	63.7	▲	-1.13%	-1.18%	-1.73%	-6.04%	-4.88%
Gold (\$/oz)	1318.4	▼	-0.44%	-0.13%	0.29%	-1.58%	0.95%
Platinum (\$/oz)	952.7	▲	-0.09%	-1.33%	-3.62%	-1.61%	1.94%
Copper (\$/MT)*	6799.8	▼	-1.59%	-0.93%	-1.37%	-2.60%	-5.65%

\*As of Previous Close

## Gold ▼

### Trading in the red

At 06:00 SAST, gold prices retreated 0.2% to trade at \$1,318.40/oz.

Yesterday, gold prices fell 0.4% to close at \$1,321.70/oz, after the US President, Donald Trump's announcement of tariffs on steel and aluminum imports that excludes Canada and Mexico boosted the US Dollar thus lowering demand for the safe haven asset.

## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil edged 0.2% higher to trade at \$63.74/bl.

Yesterday, Brent crude oil dropped 1.1% to settle at \$63.61/bl, amid growing concerns over continued rise in US crude production and as a potential trade war continued to weigh on the commodity.

## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices marginally advanced to trade at \$952.70/oz.

Yesterday, platinum prices declined 0.1% to close at \$952.30/oz.



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## Major South Africa Corporate News

### Aspen Pharmacare Holdings Limited

In its 1H18 results, the company stated that its revenue increased to ZAR21.90bn compared to ZAR19.80bn posted in the corresponding period of the previous year. Its diluted EPS rose 30.3% compared to the same period of the prior year to 806.00c.

### Exxaro Resources Limited

In its FY17 results, the company revealed that its revenue rose to ZAR22.81bn compared to ZAR20.90bn posted in the audited corresponding period of the previous year. Its diluted EPS from continuing operations significantly fell compared to the same period of the prior year to 786.00c. The company declared a final dividend of 400.00c per share.

### Famous Brands Limited

In its FY18 trading statement, the company announced that it expects EPS to decline by 20.0% compared to the previous year, due to impairments and provision for property related expenses at GBK Restaurants Limited.

### MTN Group Limited

In its FY17 results, the company indicated that its revenue decreased to ZAR132.82bn, compared to ZAR147.92bn posted in the corresponding period of the previous year. Its diluted EPS significantly rose compared to the same period of the prior year to 241.00c. The company declared a final dividend of 450.00c per share.

### Sanlam Limited

In its FY17 results, the company stated that its net income increased to ZAR113.98bn compared to ZAR86.70bn posted in the corresponding period of the previous year. Its diluted EPS rose 13.1% compared to the same period of the prior year to 538.80c.

### Standard Bank Group Limited

In its FY17 results, the company stated that its total income increased to ZAR127.56bn compared to ZAR121.22bn posted in the corresponding period of the previous year. Its diluted EPS rose 17.9% compared to the same period of the prior year to 1,617.50c. The company declared a final dividend of 510.00c per share.

## Major Global Economic News

### Asia

The Bank of Japan (BoJ), in its latest monetary policy meeting, voted 8-1 to keep the key interest rate steady at -0.1% and its target for 10-year Japanese government bond yields at around zero. Further, the central bank held its upbeat view of the economy, signalling its conviction that a robust economic recovery will gradually fuel inflation towards its 2.0% target.

In China, the PPI rose 3.7% on an annual basis in February, less than market expectations. In the prior month, the index had advanced 4.3%.

In China, the consumer price index (CPI) registered a higher-than-expected rise of 2.9% on an annual basis in February. The CPI had advanced 1.5% in the prior month.

### Eurozone

The ECB, at its March monetary policy meeting, opted to keep the benchmark interest rates steady at a record low of 0.00% and to continue its asset purchase programme at least until September 2018. In an accompanying statement, the central bank dropped its commitment to increase the size and duration of the asset purchases if the Euro-zone's economic outlook deteriorates. Further, the central bank upgraded its economic growth forecast to 2.4% for this year, from an earlier prediction of 2.3%, while inflation was estimated to be at 1.4% in 2018.

In Germany, the seasonally adjusted factory orders recorded a more-than-expected drop to 3.9% on a monthly basis in January. Factory orders had registered a revised rise of 3.0% in the prior month.

### US

In the US, the seasonally adjusted initial jobless claims recorded a more-than-anticipated rise to 231.00K for the week ended 3 March 2018, compared to a level of 210.00K in the prior week.

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## Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:30	Household Spending (YoY) (Jan)	✓✓	2.00%*	-0.10%	Monthly
China	03:30	Producer Price Index (YoY) (Feb)	✓✓✓	3.70%*	4.30%	Monthly
China	03:30	Consumer Price Index (YoY) (Feb)	✓✓✓	2.90%*	1.50%	Monthly
Japan	04:46	Bank of Japan Interest Rate Decision	✓✓✓	-0.10%*	-0.10%	As scheduled
Germany	09:00	Industrial Production s.a. and w.d.a. (YoY) (Jan)	✓✓	-	2.00%	Monthly
Germany	09:00	Industrial Production (Jan)	✓	-	119.20	Monthly
Germany	09:00	Industrial Production n.s.a. and w.d.a. (YoY) (Jan)	✓✓✓	6.00%	6.50%	Monthly
Germany	09:00	Trade Balance n.s.a. (Jan)	✓✓✓	EUR18.10bn	EUR18.20bn	Monthly
Germany	09:00	Industrial Production s.a. (MoM) (Jan)	✓✓✓	0.60%	-0.60%	Monthly
UK	11:30	Manufacturing Production (MoM) (Jan)	✓✓✓	0.20%	0.30%	Monthly
UK	11:30	Manufacturing Production (YoY) (Jan)	✓✓✓	2.80%	1.40%	Monthly
UK	11:30	Industrial Production (MoM) (Jan)	✓✓✓	1.50%	-1.30%	Monthly
UK	11:30	Industrial Production (YoY) (Jan)	✓✓✓	1.90%	0.00%	Monthly
UK	11:30	Trade Balance; non-EU (Jan)	✓✓✓	-GBP4.50bn	-GBP5.18bn	Monthly
UK	11:30	Total Trade Balance (Jan)	✓✓✓	-GBP3.40bn	-GBP4.90bn	Monthly
UK	14:00	NIESR GDP Estimate (3M) (Feb)	✓✓✓	0.40%	0.50%	Monthly
US	15:30	Average Hourly Earnings (Feb)	✓✓	-	USD22.34	Monthly
US	15:30	Unemployment Rate (Feb)	✓✓✓	4.00%	4.10%	Monthly
US	15:30	Average Hourly Earnings All Employees (MoM) (Feb)	✓✓	0.20%	0.30%	Monthly
US	15:30	Average Hourly Earnings All Employees (YoY) (Feb)	✓✓	2.80%	2.90%	Monthly
US	15:30	Change in Non-farm Payrolls (Feb)	✓✓✓	205.00K	200.00K	Monthly
US	17:00	Wholesale Inventories (MoM) (Jan) (F)	✓✓✓	0.70%	0.70%**	Monthly
US	19:40	Fed's Rosengren Speaks on Outlook	✓	-	-	As scheduled
US	19:45	Fed's Evans Speaks on Monetary Policy	✓	-	-	As scheduled
US	22:30	CFTC Report	✓	-	-	As scheduled
Japan	-	BoJ Monetary Policy Statement and Press Conference	✓✓✓	-	-	As scheduled

Note: ✓✓✓High    ✓✓Medium    ✓Low

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