

# ONE Minute Brief

16 March 2018

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## Economic and Political News

In South Africa (SA), mining production advanced 2.4% YoY in January, higher than market expectations and compared to a rise of 0.1% in December. Meanwhile, gold production eased 7.7% YoY in January, compared to a fall of 12.4% in December. Further, platinum production fell 13.6% YoY in January, compared to a drop of 1.4% in December. The Mastercard Spending Pulse report has indicated that consumer spending in January rose 3.8% YoY on a real basis and 7.3% YoY on a nominal basis.

SA's health minister, Aaron Motsoaledi, stated that the government would support anyone pursuing legal action with regard to the recent listeria outbreak. He further indicated that the outbreak is only in its early stages and could likely infect more people in South Africa and the region.

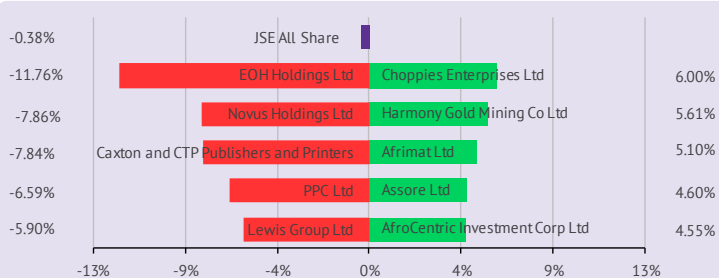
Energy Minister, Jeff Radebe, stated that the integrated resource plan (IRP), which was approved by Cabinet in December, had been sent back to Cabinet for reprocessing.

SA has demanded that Australian interior minister, Peter Dutton, retract comments which indicated that white farmers were being persecuted and should be granted emergency visas.

## South Africa Market ▼

### South African markets closed lower

South African markets closed in the red yesterday, weighed down by losses in mining and industrial sector stocks. Data indicated that SA's mining production rose more-than-expected on an annual basis in January. The JSE All Share Index fell 0.4% to close at 58,203.77.



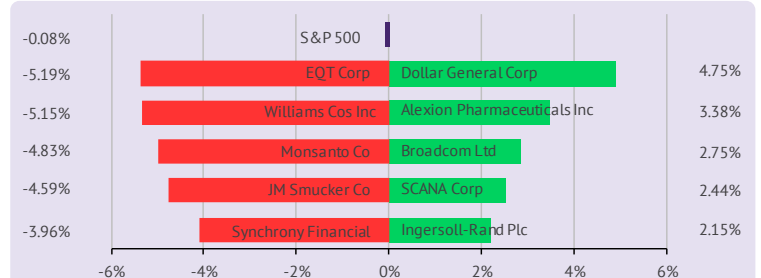
## Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	58203.77	▼ -219.40	-0.38%	-1.63%	-0.21%	-1.98%	-2.19%
JSE Top 40	51613.14	▼ -175.69	-0.34%	-1.40%	0.45%	-2.34%	-1.75%
FTSE 100	7139.76	▲ 7.07	0.10%	-1.17%	-1.27%	-4.00%	-7.13%
DAX 30	12345.56	▲ 107.82	0.88%	-0.01%	-0.73%	-5.71%	-4.43%
CAC 40	5267.26	▲ 33.90	0.65%	-0.14%	-1.00%	-2.94%	-0.85%
S&P 500	2747.33	▼ -2.15	-0.08%	-1.41%	1.23%	-3.89%	2.76%
Nasdaq Composite	7481.74	▼ -15.07	-0.20%	-1.05%	2.87%	-1.87%	8.38%
DJIA	24873.66	▲ 115.54	0.47%	-1.82%	-0.62%	-4.28%	0.62%

## US Market ▼

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

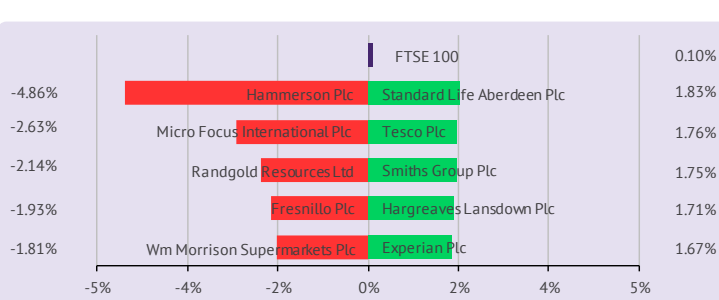
US markets closed lower yesterday, amid persistent concerns over trade war and led by losses in material sector stocks. Data revealed that the US NAHB housing market index unexpectedly fell in March. The S&P 500 Index dropped 0.1% to close at 2,747.33.



## UK Market ▲

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

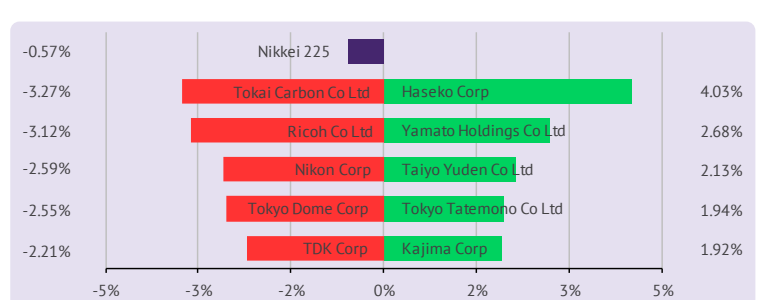
UK markets finished higher yesterday, boosted by gains in financial, healthcare and industrial sector stocks. The FTSE 100 Index advanced 0.1% to close at 7,139.76.



## Asian Market ▼

### Trading lower

Asian markets are trading lower this morning. The Nikkei 225 Index is trading 0.6% lower at 21,679.82.



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 higher against ZAR

At 06:00 SAST, the US Dollar is trading marginally higher against the South African Rand to trade at R11.9044. Later today, traders will keep a close watch on the US industrial production, Michigan consumer sentiment index, manufacturing production along with the US JOLTS job openings, housing starts and building permits for further cues.

The US Dollar rose against the South African Rand yesterday, amid upbeat economic data. Data showed that US initial jobless claims dropped more than market expectations for the week ended 10 March 2018. The NY Empire State manufacturing index climbed higher than expected in March. Meanwhile, the nation's NAHB housing market index unexpectedly eased in March. Separately, in South Africa, mining production advanced more than market forecast on an annual basis in January. Meanwhile, gold production dropped on a yearly basis in January. Additionally, the nation's annual platinum production recorded a drop in the same month.

## GBPZAR ▼

### GBP trading lower against ZAR

At 06:00 SAST, the British Pound is trading marginally weaker against the South African Rand at R16.5813. With no major economic news in UK today, investor sentiment will be determined by global macroeconomic news.

The British Pound advanced against the South African Rand yesterday.

## EURZAR ▲

### EUR trading stronger against ZAR

At 06:00 SAST, the Euro is trading 0.1% higher against the South African Rand at R14.6526. Going forward, market participants will keep a tab on the Eurozone's consumer price index (CPI) for further indication.

The Euro strengthened against the South African Rand yesterday.

## AUDZAR ▼

### AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar dropped 0.2% against the South African Rand to trade at R9.2592.

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	11.9044	▲	1.04%	0.71%	0.87%	-0.47%	-3.91%
GBPZAR	16.5813	▼	0.89%	1.33%	2.17%	-3.41%	-0.82%
EURZAR	14.6526	▲	0.55%	0.70%	1.80%	-2.22%	-1.44%
AUDZAR	9.2592	▼	0.02%	0.09%	1.37%	-4.08%	-3.97%
EURUSD	1.2308	▲	-0.51%	-0.02%	0.91%	-1.77%	2.50%
GBPUSD	1.3929	▼	-0.18%	0.63%	1.29%	-3.04%	3.14%
Brent (\$/barrel)	65.1	▼	0.35%	-0.56%	0.60%	-6.04%	-2.62%
Gold (\$/oz)	1316.3	▼	-0.59%	-0.47%	-0.01%	-1.58%	0.65%
Platinum (\$/oz)	956.7	▼	-0.48%	-0.76%	-3.16%	-1.61%	2.43%
Copper (\$/MT)*	6887.5	▼	-0.94%	-0.72%	-0.10%	-2.60%	-4.43%

\*As of Previous Close

## Gold ▼

### Trading in the red

At 06:00 SAST, gold prices edged 0.1% lower to trade at \$1,316.30/oz.

Yesterday, gold prices fell 0.6% to close at \$1,317.80/oz, as strength in the greenback lowered demand for the precious yellow metal.

## Brent Crude Oil ▼

### Trading weaker

At 06:00 SAST, Brent crude oil edged 0.1% down to trade at \$65.06/bl.

Yesterday, Brent crude oil advanced 0.4% to settle at \$65.12/bl, after the International Energy Agency stated that global oil demand would grow by 1.5mn bls per day to 99.3mn bls per day in 2018.

## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices are trading marginally lower at \$956.70/oz.

Yesterday, platinum prices declined 0.5% to close at \$956.90/oz.



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## Major South Africa Corporate News

### Grand Parade Investments Limited

In its 1H18 results, the company stated that its revenue increased to ZAR576.72mn compared to ZAR506.76mn posted in the corresponding period of the previous year. Its diluted EPS significantly fell compared to the same period of the prior year to 2.92c. Further, the company announced that it has entered into an agreement with Ballesteros Properties Proprietary Limited to dispose its property at 33 Heerengracht Street for total consideration of ZAR225.00mn.

### Remgro Limited

In its 1H18 results, the company revealed that its revenue declined 3.2% compared to the same period of the preceding year to ZAR14.05bn. Its diluted EPS stood at 725.20c, compared to 960.80c recorded in the corresponding period of the previous year. Further, the company declared an interim gross dividend of 204.00c.

### Metair Investments Limited

In its FY17 results, the company stated that its revenue increased to ZAR9.52bn compared to ZAR8.95bn posted in the corresponding period of the previous year. Its diluted EPS rose 24.0% compared to the same period of the prior year to 279.00c. Further, the company has declared a gross cash dividend of 80.0c per share.

### Old Mutual Plc

In its FY17 results, the company revealed that its profit before tax from continuing operations significantly advanced compared to the same period of the preceding year to GBP617.00mn. Its basic EPS stood at 19.30p, compared to 12.00p recorded in the corresponding period of the previous year.

## Major Global Economic News

### US

In the US, the seasonally adjusted initial jobless claims registered a more-than-expected drop to 226.00K for the week ended 10 March 2018. Initial jobless claims had recorded a revised reading of 230.00K in the previous week.

In the US, the NAHB housing market index unexpectedly eased to a level of 70.00 in March. In the prior month, the index had registered a revised level of 71.00.

### Asia

In Japan, the final industrial production recorded a more-than-expected drop of 6.8% on a monthly basis in January. The preliminary figures had indicated a fall of 6.6%.

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## Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	06:30	Industrial Production (MoM) (Jan) (F)	✓✓✓	-6.80%*	-6.60%**	Monthly
Japan	06:30	Industrial Production (YoY) (Jan) (F)	✓✓✓	2.50%*	2.70%**	Monthly
Eurozone	12:00	Labour Cost (Q4)	✓	-	1.60%	Quarterly
Eurozone	12:00	Consumer Price Index - Core (YoY) (Feb) (F)	✓✓✓	1.00%	1.00%**	Monthly
Eurozone	12:00	Consumer Price Index (MoM) (Feb)	✓✓✓	0.20%	-0.90%	Monthly
Eurozone	12:00	Consumer Price Index (YoY) (Feb) (F)	✓✓✓	1.20%	1.30%**	Monthly
UK	14:00	BoE Quarterly Bulletin	✓	-	-	As scheduled
US	14:30	Building Permits (Feb)	✓✓✓	1320.00K	1396.00K	Monthly
US	14:30	Housing Starts (Feb)	✓✓✓	1290.00K	1326.00K	Monthly
US	14:30	Housing Starts (MoM) (Feb)	✓✓✓	-2.70%	9.70%	Monthly
US	14:30	Building Permits (MoM) (Feb)	✓✓✓	-4.10%	7.40%	Monthly
US	15:15	Capacity Utilisation (Feb)	✓	77.70%	77.50%	Monthly
US	15:15	Industrial Production (MoM) (Feb)	✓✓✓	0.40%	-0.10%	Monthly
US	15:15	Manufacturing (SIC) Production (MoM) (Feb)	✓✓✓	0.50%	0.00%	Monthly
US	16:00	Reuters/Michigan Consumer Sentiment Index (Mar) (P)	✓✓✓	99.20	99.70	Monthly
US	16:00	JOLTs Job Openings (Jan)	✓	5917.00K	5811.00K	Monthly
US	16:00	Reuters/Michigan Consumer Sentiment Index (Mar) (F)	✓✓✓	99.30	99.90**	Monthly
China	-	FDI - Foreign Direct Investment YTD (YoY) (Feb)	✓	-	0.30%	Monthly

Note: ✓✓✓High    ✓✓Medium    ✓Low

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**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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