

ONE Minute Brief

6 April 2018

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Economic and Political News

In South Africa (SA), the business confidence index fell to a level of 97.60 in March, compared to a reading of 98.90 in the prior month. Electricity production advanced 2.0% YoY, while electricity consumption registered a rise of 0.4% in February. The Standard Bank Purchasing Managers' Index (PMI) dropped slightly to 51.1 in March, compared to a reading of 51.4 in the last month.

Former President, Jacob Zuma's lawyer, Michael Hulley, confirmed that the former President would appear in the High Court in Durban today and stated that he would appeal the court to postpone the graft case so that the legal team could deal with Zuma's review application and the DA and EFF's applications to have him pay back his legal fees.

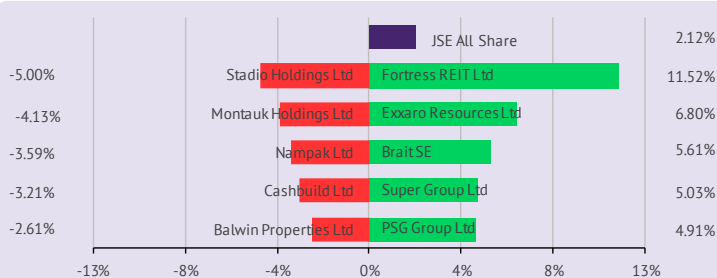
The World Bank report indicated that greater access to higher education and faster economic growth in SA are key to the National Development Plan.

Eskom stated that it will take legal action to recover nearly ZAR1.6bn in unlawful payments to consultancy firms McKinsey and Gupta-linked Trillian.

South Africa Market ▲

South African markets closed higher

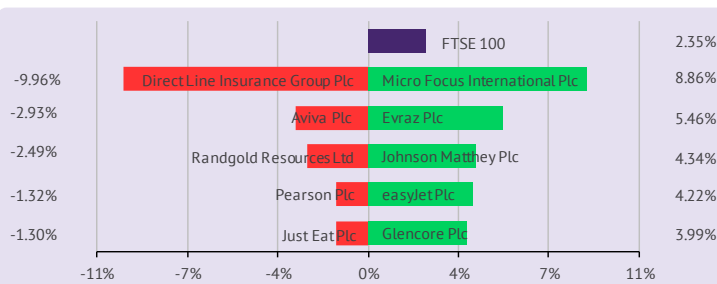
South African markets closed in the green yesterday, boosted by gains in resources and banking sector stocks. On the data front, SA's business confidence index declined in March. The JSE All Share Index rose 2.1% to close at 55,761.15.



UK Market ▲

The FTSE 100 futures are trading in negative territory

UK markets finished higher yesterday, as worries over a global trade war eased and amid weakness in the British Pound. The FTSE 100 Index advanced 2.4% to close at 7,199.50.



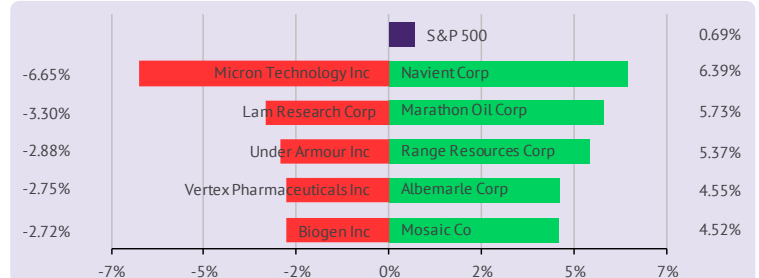
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	55761.15	▲	1158.47	2.12%	0.52%	-4.89%	-6.29%
JSE Top 40	49097.22	▲	1045.32	2.18%	0.62%	-5.04%	-6.54%
FTSE 100	7199.50	▲	165.49	2.35%	2.02%	-2.42%	-6.35%
DAX 30	12305.19	▲	347.29	2.90%	1.72%	-2.73%	-4.74%
CAC 40	5276.67	▲	134.87	2.62%	2.12%	-2.88%	-0.68%
S&P 500	2662.84	▲	18.15	0.69%	0.83%	-2.69%	-0.40%
Nasdaq Composite	7076.55	▲	34.44	0.49%	0.19%	-2.88%	2.51%
DJIA	24505.22	▲	240.92	0.99%	1.67%	-3.70%	-0.87%

US Market ▲

The S&P 500 futures are trading in the red

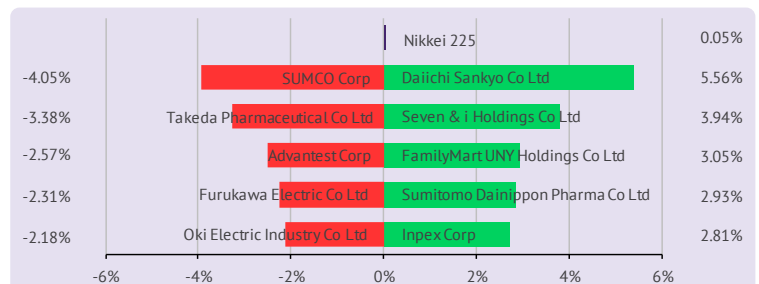
US markets closed higher yesterday, buoyed by gains in technology and industrial sector stocks. Data showed that the US trade deficit widened more than market forecast in February. The S&P 500 Index climbed 0.7% to close at 2,662.84.



Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning. The Nikkei 225 Index is trading 0.1% higher at 21,656.25.



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USDZAR ▲

USD trading higher against ZAR

At 06:00 SAST, the US Dollar gained 0.2% against the South African Rand to trade at R12.0026. Later today, traders will keep a close watch on the US non-farm payrolls, unemployment rate and average hourly earnings for further indication.

The US Dollar rose against the South African Rand yesterday, as trade tensions eased. On the macro front, the US trade deficit widened more than market anticipations in February, marking its highest level in nine and a half years. Further, initial jobless claims recorded a more-than-expected rise for the week ended March 31, 2018, notching its highest level in three months. Separately, in SA, the business confidence index recorded a drop in March.

GBPZAR ▲

GBP trading firmer against ZAR

At 06:00 SAST, the British Pound is trading 0.2% higher against the South African Rand at R16.8041. With no major economic news in the UK today, investor sentiment will be determined by global macroeconomic news.

The British Pound advanced against the South African Rand yesterday. Data showed that UK's Markit services PMI recorded a more-than-anticipated drop in March, marking its lowest reading since July 2016.

EURZAR ▲

EUR trading stronger against ZAR

At 06:00 SAST, the Euro rose 0.2% against the South African Rand to trade at R14.6912. Going forward, market participants will keep a tab on Germany's construction PMI and industrial production data for further direction.

The Euro strengthened against the South African Rand yesterday. On the data front, Eurozone's producer price index (PPI) rose more than market expectations on an annual basis in February. Meanwhile, the region's final Markit services PMI unexpectedly dropped to a seven-month low level in March. Additionally, retail sales rose at a slower-than-expected pace on a monthly basis in February. Separately, Germany's final Markit services PMI surprisingly fell in March. Further, factory orders advanced less than market expectations on a monthly basis in February.

AUDZAR ▲

AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% firmer against the South African Rand at R9.2157.

The Australian Dollar rose against the South African Rand yesterday. Data indicated that Australia's services PMI recorded a rise in March. Meanwhile, trade surplus narrowed less than market forecast in February.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	12.0026	▲	0.81%	1.17%	1.17%	0.38%	-3.26%
GBPZAR	16.8041	▲	0.29%	1.08%	1.08%	2.24%	0.33%
EURZAR	14.6912	▲	0.50%	0.45%	0.45%	1.50%	-1.29%
AUDZAR	9.2157	▲	0.43%	1.27%	1.27%	-0.68%	-4.72%
EURUSD	1.2240	=	-0.31%	-0.68%	-0.68%	1.07%	1.96%
GBPUSD	1.4000	▼	-0.54%	-0.09%	-0.09%	1.85%	3.63%
Brent (\$/barrel)	68.0	▼	0.46%	-1.46%	-1.46%	7.12%	2.18%
Gold (\$/oz)	1333.4	▲	-0.86%	0.11%	0.11%	0.37%	1.15%
Platinum (\$/oz)	909.8	=	-0.25%	-1.89%	-1.89%	-6.15%	-2.61%
Copper (\$/MT)*	6780.8	▲	1.35%	1.52%	1.52%	-3.12%	-5.91%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices climbed 0.7% to trade at \$1,333.40/oz, after the US President, Donald Trump proposed new tariffs on China, reigniting fears over a potential trade war between the two economies.

Yesterday, gold prices fell 0.9% to close at \$1,324.30/oz, as trade war worries eased, reducing demand for the safe haven asset.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 0.5% lower to trade at \$67.99/bl.

Yesterday, Brent crude oil advanced 0.5% to settle at \$68.33/bl, as trade war fears receded and after Saudi Arabia announced hike in crude prices.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices are trading marginally lower at \$909.80/oz.

Yesterday, platinum prices declined 0.3% to close at \$909.80/oz.

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Major South Africa Corporate News

Shoprite Holdings Limited

The company announced that Mr Marius Bosman would retire as Chief Financial Officer but would remain involved as a consultant to assist in the completion of the financial accounts for FY18. Further, the company has appointed Mr Anton de Bruyn as its Chief Financial Officer.

Major Global Economic News

Eurozone

In the Eurozone, the final services PMI unexpectedly fell to a level of 54.90 in March, compared to a level of 56.20 in the previous month. The preliminary figures had recorded a drop to 55.00.

In the Eurozone, the PPI climbed 1.6% on an annual basis in February, more than market expectations. In the previous month, the PPI had registered a revised similar rise.

In the Eurozone, the seasonally adjusted retail sales climbed 0.1% on a monthly basis in February, less than market expectations. In the previous month, retail sales had dropped by a revised 0.3%.

In Germany, the final services PMI surprisingly dropped to 53.90 in March. In the prior month, services PMI had recorded a reading of 55.30. The preliminary figures had indicated a drop to 54.20.

In Germany, the seasonally adjusted factory orders recorded a less-than-expected rise of 0.3% on a monthly basis in February, compared to a revised fall of 3.5% in the prior month.

US

In the US, trade deficit widened more-than-expected to USD57.60bn in February, from a revised trade deficit of USD56.70bn in the previous month.

In the US, the seasonally adjusted initial jobless claims climbed to 242.00K in the week ended March 31, 2018 higher than market expectations. Initial jobless claims had registered a revised reading of 218.00K in the prior week.

UK

In the UK, the services PMI eased more than market forecast to 51.70 in March. The services PMI had recorded a reading of 54.50 in the previous month.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	01:30	Household Spending (YoY) (Feb)	✓✓	0.10%*	2.00%	Monthly
Japan	07:00	Coincident Index (Feb) (P)	✓	116.10	114.90	Monthly
Japan	07:00	Leading Economic Index (Feb) (P)	✓✓✓	105.50	105.60	Monthly
Germany	08:00	Industrial Production (Feb)	✓	-	108.40	Monthly
Germany	08:00	Industrial Production n.s.a. and w.d.a. (YoY) (Feb)	✓✓✓	4.40%	5.50%	Monthly
Germany	08:00	Industrial Production s.a. (MoM) (Feb)	✓✓✓	0.20%	-0.10%	Monthly
US	14:30	Change in Household Employment (Mar)	✓	-	785.00K	Monthly
US	14:30	Average Hourly Earnings (Mar)	✓✓	-	USD22.40	Monthly
US	14:30	Average Weekly Hours All Employees (Mar)	✓	34.50	34.50	Monthly
US	14:30	Unemployment Rate (Mar)	✓✓✓	4.00%	4.10%	Monthly
US	14:30	Underemployment Rate (Mar)	✓✓	-	8.20%	Monthly
US	14:30	Average Hourly Earnings All Employees (MoM) (Mar)	✓✓	0.30%	0.10%	Monthly
US	14:30	Average Hourly Earnings All Employees (YoY) (Mar)	✓✓	2.70%	2.60%	Monthly
US	14:30	Change in Manufacturing Payrolls (Mar)	✓	22.00K	31.00K	Monthly
US	14:30	Change in Non-farm Payrolls (Mar)	✓✓✓	185.00K	313.00K	Monthly
US	14:30	Change in Private Payrolls (Mar)	✓✓	190.00K	287.00K	Monthly
US	19:30	Fed Chairman Powell to Give Speech on Economic Outlook	✓✓✓	-	-	As scheduled
US	21:00	Consumer Credit Change (Feb)	✓✓	USD15.50bn	USD13.91bn	Monthly
Japan	-	Labour Cash Earnings (YoY) (Feb)	✓✓	1.30%*	1.20%	Monthly

Note: ✓✓✓ High

✓✓ Medium

✓ Low

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