

ONE Minute Brief

10 April 2018

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Economic and Political News

In South Africa (SA), gross gold & forex reserves dropped more-than-expected to USD49.98bn in March, compared to a level of USD50.05bn in February. The net gold & forex reserves rose to a level of USD43.38bn in March, lower than market expectations and compared to a reading of USD43.27bn in the prior month.

Finance Minister, Nhlanhla Nene, warned that some South African cities were on the brink of collapse, adding that leadership in government was required to pull them back up.

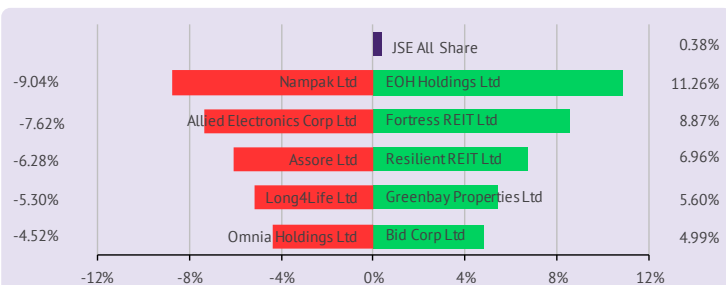
The Democratic Alliance (DA) claimed that the newly adopted recall clause was not aimed at unseating Cape Town Mayor, Patricia de Lille. Meanwhile, Patricia de Lille stated that she was not afraid of the newly adopted recall clause.

Reuters has reported that the South African Health Products Regulatory Authority (SAHPRA) is considering asking drugmakers to pay a "backlog fee" in order to clear the pipeline of drugs awaiting approval.

South Africa Market ▲

South African markets closed higher

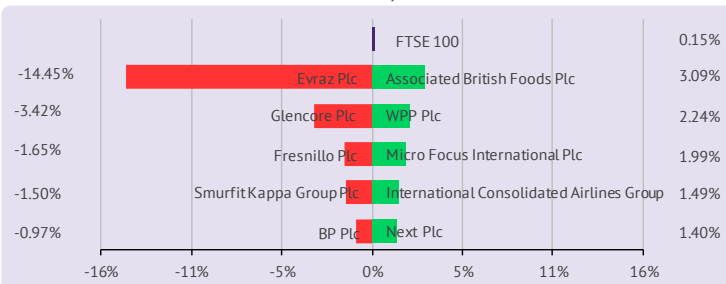
South African markets closed in the green yesterday, buoyed by gains in retail and industrial sector stocks. Data indicated that SA's gross gold & forex reserves recorded a more-than-expected drop in March. The JSE All Share Index rose 0.4% to close at 56,091.56.



UK Market ▲

The FTSE 100 futures are trading in positive territory

UK markets finished higher yesterday, supported by gains in financial and industrial sector stocks. Data revealed that UK's Halifax house price index rose more-than-expected on a monthly basis in March. The FTSE 100 Index advanced 0.2% to close at 7,194.75.



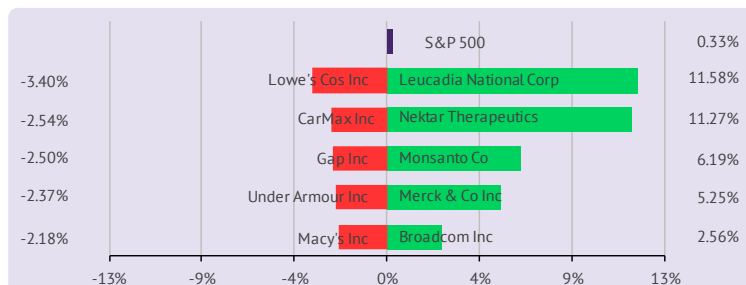
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	56091.56	▲ 212.75	0.38%	0.38%	1.11%	-4.89%	-5.74%
JSE Top 40	49391.36	▲ 250.77	0.51%	0.51%	1.22%	-5.04%	-5.98%
FTSE 100	7194.75	▲ 11.11	0.15%	0.15%	1.96%	-2.42%	-6.41%
DAX 30	12261.75	▲ 20.48	0.17%	0.17%	1.36%	-2.73%	-5.08%
CAC 40	5263.39	▲ 5.15	0.10%	0.10%	1.86%	-2.88%	-0.93%
S&P 500	2613.16	▲ 8.69	0.33%	0.33%	-1.05%	-2.69%	-2.26%
Nasdaq Composite	6950.34	▲ 35.23	0.51%	0.51%	-1.60%	-2.88%	0.68%
DJIA	23979.10	▲ 46.34	0.19%	0.19%	-0.51%	-3.70%	-2.99%

US Market ▲

The S&P 500 futures are trading in the green

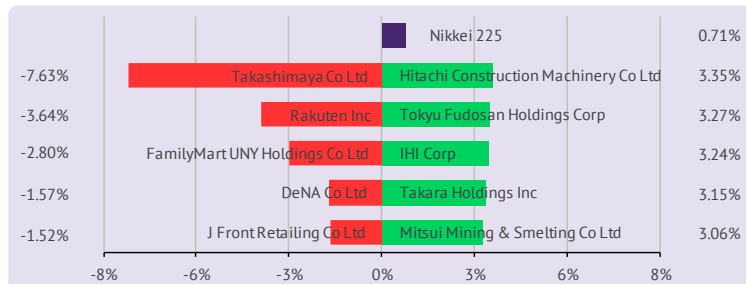
US markets closed higher yesterday, as trade war fears between the US and China subsided and boosted by gains in technology sector stocks. The S&P 500 Index climbed 0.3% to close at 2,613.16.



Asian Market ▲

Trading higher

Asian markets are trading higher this morning. The Nikkei 225 Index is trading 0.7% higher at 21,831.86.



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 lower against ZAR

At 06:00 SAST, the US Dollar is trading 0.3% weaker against the South African Rand at R12.0588. Later today, traders will keep a close watch on the US producer price index and NFIB small business optimism index for further indication.

The US Dollar rose against the South African Rand yesterday. On the macro front, SA's gross gold & forex reserves fell more-than-expected in March, while the nation's net gold & forex reserves rose less than market forecast in the same month.

GBPZAR ▼

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound fell 0.3% against the South African Rand to trade at R17.0463. 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. On the macroeconomic front, UK's Halifax house price index advanced more than market expectations on a monthly basis in March.

EURZAR ▼

EUR trading lower against ZAR

At 06:00 SAST, the Euro fell 0.4% against the South African Rand to trade at R14.8497. Amid no major economic news across the Eurozone, market sentiment will be governed by global macroeconomic news.

The Euro strengthened against the South African Rand yesterday. Data indicated that Eurozone's Sentix investor confidence index recorded a more-than-anticipated decline in April. Separately, Germany's trade surplus widened less than market forecast in February.

AUDZAR ▲

AUD trading stronger against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% higher against the South African Rand at R9.3219. Earlier in the session, Australia's NAB business confidence index recorded a fall in March. Additionally, the nation's NAB business conditions index dropped in the same month.

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	12.0588	▼	0.53%	0.53%	2.16%	0.38%	-2.31%
GBPZAR	17.0463	▼	0.82%	0.82%	2.98%	2.24%	2.21%
EURZAR	14.8497	▼	0.85%	0.85%	2.09%	1.50%	0.33%
AUDZAR	9.3219	▲	0.83%	0.83%	2.41%	-0.68%	-3.65%
EURUSD	1.2314	▼	0.33%	0.33%	-0.02%	1.07%	2.63%
GBPUSD	1.4136	▲	0.28%	0.28%	0.83%	1.85%	4.57%
Brent (\$/barrel)	69.0	▲	2.29%	2.29%	-1.00%	7.12%	2.66%
Gold (\$/oz)	1337.6	▲	0.33%	0.33%	1.02%	0.37%	2.06%
Platinum (\$/oz)	933.8	▼	2.40%	2.40%	0.71%	-6.15%	-0.03%
Copper (\$/MT)*	6790.3	▲	0.90%	0.90%	1.66%	-3.12%	-5.78%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices climbed 0.1% to trade at \$1,337.60/oz.

Yesterday, gold prices rose 0.3% to close at \$1,336.30/oz, amid weakness in the US Dollar.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil gained 0.5% to trade at \$68.99/bl.

Yesterday, Brent crude oil advanced 2.3% to settle at \$68.65/bl, amid easing trade war tensions.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices are trading marginally lower at \$933.80/oz.

Yesterday, platinum prices climbed 2.4% to close at \$933.90/oz.



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Major South Africa Corporate News

Delta Property Fund Limited

The company announced that it is still negotiating for a proposed subscription by a broad-based black economic empowerment consortium for approximately 42.2%, of its issued share capital. Therefore, the company advised its shareholders to continue to exercise caution when dealing in its securities

Major Global Economic News

Eurozone

In the Eurozone, the Sentix investor confidence index registered a more-than-expected drop to 19.60 in April. The index had recorded a level of 24.00 in the prior month.

In Germany, the seasonally adjusted trade surplus widened less than market expectations to EUR18.40bn in February, following a revised trade surplus of EUR17.30bn in the previous month.

Asia

In Australia, the NAB business confidence index registered a drop to 7.00 in March, compared to a reading of 9.00 in the prior month.

In March, the NAB business conditions index eased to 14.00 in Australia, compared to a revised level of 20.00 in the previous month.

UK

In the UK, the Halifax house price index climbed 1.5% on a monthly basis in March, more than market forecast and compared to a revised gain of 0.5% in the prior month.

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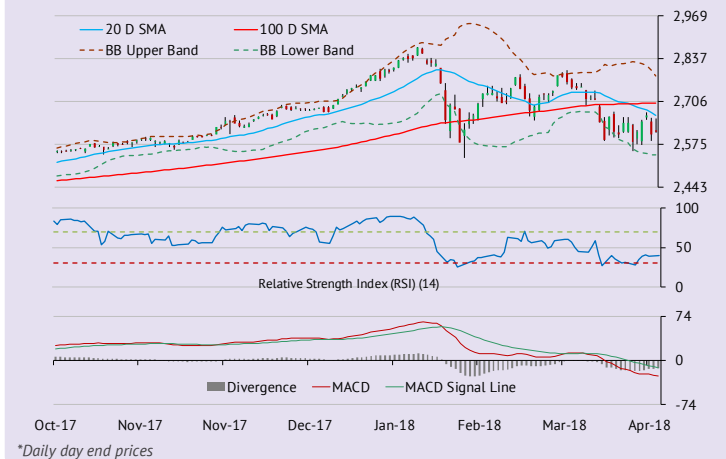
Technical Snapshot

JSE All Share



The JSE All Share index is expected to find support at 54,012.60, and a fall through could take it to the next support level of 51,933.63. The index is expected to find its first resistance at 57,185.31, and a rise through could take it to the next resistance level of 58,279.05.

S&P 500



The S&P 500 index is expected to find support at 2,567.15, and a fall through could take it to the next support level of 2,521.15. The index is expected to find its first resistance at 2,665.62, and a rise through could take it to the next resistance level of 2,718.09.

USDZAR



The pair is expected to find support at 11.8724, and a fall through could take it to the next support level of 11.6480. The pair is expected to find its first resistance at 12.2392, and a rise through could take it to the next resistance level of 12.3816.

XAU/USD



Gold is expected to find support at \$1,321.10/oz, and a fall through could take it to the next support level of \$1,305.90/oz. The precious metal is expected to find its first resistance at \$1,349.40/oz, and a rise through could take it to the next resistance level of \$1,362.50/oz.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Eurozone	00:15	ECB's Praet Speaks in Frankfurt	✓	-	-	As scheduled
UK	01:01	BRC Sales Like-For-Like (YoY) (Mar)	✓✓✓	1.40%*	0.60%	Monthly
Japan	08:00	Machine Tool Orders (YoY) (Mar) (P)	✓✓✓	-	39.50%	Monthly
US	10:30	Fed's Kaplan Speaks in Beijing	✓	-	-	As scheduled
UK	11:30	BoE's Haldane speaks in Melbourne	✓✓	-	-	As scheduled
US	12:00	NFIB Small Business Optimism (Mar)	✓	107.00	107.60	Monthly
South Africa	13:00	Manufacturing Production Index (YoY) (Feb)	✓✓	2.10%	2.50%	Monthly
South Africa	13:00	Manufacturing Production s.a. (MoM) (Feb)	✓✓	0.90%	-1.60%	Monthly
US	14:30	Producer Price Index (MoM) (Mar)	✓✓✓	0.10%	0.20%	Monthly
US	14:30	Producer Price Index ex Food & Energy (MoM) (Mar)	✓✓	0.20%	0.20%	Monthly
US	14:30	Producer Price Index (YoY) (Mar)	✓✓✓	2.90%	2.80%	Monthly
US	14:30	Producer Price Index ex Food & Energy (YoY) (Mar)	✓✓	2.60%	2.50%	Monthly
US	14:55	Redbook Index (YoY) (06-Apr)	✓	-	4.40%	Weekly
US	14:55	Redbook Index s.a. (MoM) (06-Apr)	✓	-	0.40%	Weekly
Eurozone	15:00	ECB's Nouy Speaks in Ljubljana	✓	-	-	As scheduled
Eurozone	15:15	ECB's Nowotny Speaks in London	✓	-	-	As scheduled
US	16:00	Wholesale Inventories (MoM) (Feb) (F)	✓✓✓	0.80%	1.10%**	Monthly
Germany	-	Wholesale Price Index (MoM) (Mar)	✓	-	-0.30%	Monthly
Germany	-	Wholesale Price Index (YoY) (Mar)	✓	-	1.20%	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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t: +27 (0) 21 412 1074 | e: oneminutebrief@gtc.co.za | w: www.gtc.co.za

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