

ONE Minute Brief

12 April 2018

GTC
consult • partner • manage

Economic and Political News

News reports indicate that Eskom is exploring a sale of its mortgage unit by way of a competitive tender process.

Deputy Finance Minister, Mondli Gungubele, stated that South Africa (SA) is a powerhouse on the continent and warned that all Africans would suffer if the nation's economy did not perform well.

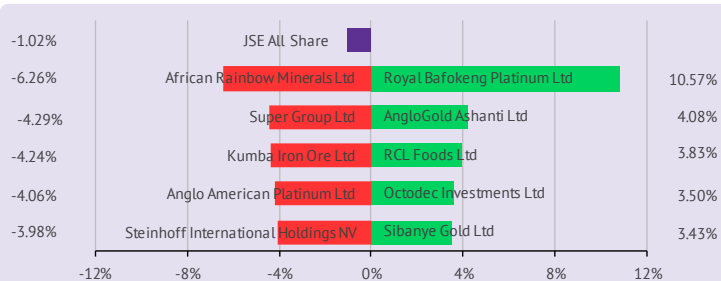
The Democratic Alliance (DA) has requested President, Cyril Ramaphosa, to immediately suspend State Security Agency Director-General, Arthur Fraser.

AfriForum has filed criminal charges against National Director of Public Prosecutions, Shaun Abraham and six other senior members of the National Prosecuting Authority (NPA). The NPA has responded by terming the charges as a "desperate campaign to besmirch" the NPA.

South Africa Market ▼

South African markets closed lower

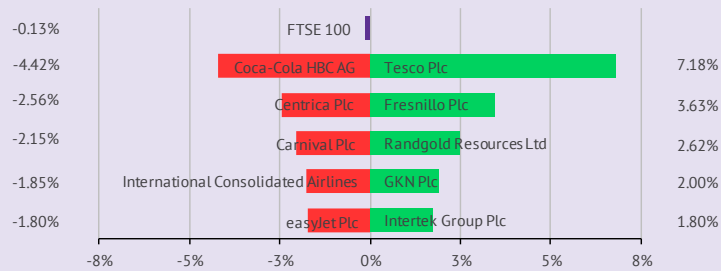
South African markets closed in the red yesterday, weighed down by losses in banking, financial and industrial sector stocks. The JSE All Share Index fell 1.0% to close at 56,170.07.



UK Market ▼

The FTSE 100 futures are trading in positive territory

UK markets ended lower yesterday, amid growing tensions surrounding the US, Russia and Syria. Data showed that UK's NIESR gross domestic product (GDP) estimate rose less-than-expected in the three months ended March. The FTSE 100 Index declined 0.1% at 7,257.14.



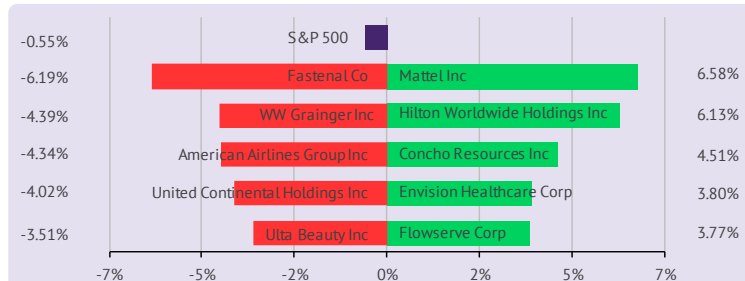
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	56170.07	▼ -577.17	-1.02%	0.52%	1.25%	-4.89%	-5.60%
JSE Top 40	49472.90	▼ -563.17	-1.13%	0.68%	1.39%	-5.04%	-5.83%
FTSE 100	7257.14	▼ -9.61	-0.13%	1.02%	2.84%	-2.42%	-5.60%
DAX 30	12293.97	▼ -103.35	-0.83%	0.43%	1.63%	-2.73%	-4.83%
CAC 40	5277.94	▼ -29.62	-0.56%	0.37%	2.14%	-2.88%	-0.65%
S&P 500	2642.19	▼ -14.68	-0.55%	1.45%	0.05%	-2.69%	-1.18%
Nasdaq Composite	7069.03	▼ -25.27	-0.36%	2.23%	0.08%	-2.88%	2.40%
DJIA	24189.45	▼ -218.55	-0.90%	1.07%	0.36%	-3.70%	-2.14%

US Market ▼

The S&P 500 futures are trading in the green

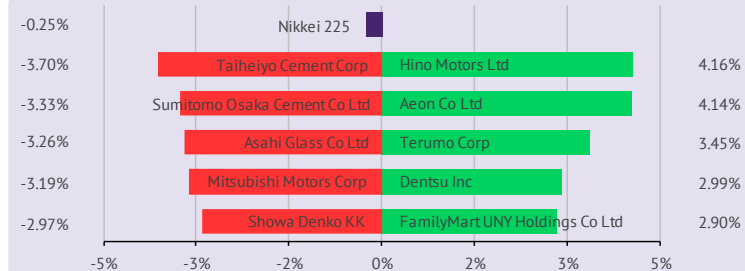
US markets closed lower yesterday, on rising geopolitical tensions and led by losses in telecommunications and banking sector stocks. The S&P 500 Index dropped 0.6% to close at 2,642.19.



Asian Market ▼

Trading mostly lower

Asian markets are trading mostly lower this morning. The Nikkei 225 Index is trading 0.3% lower at 21,631.85.



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

An Authorised Financial Services Provider FSP No. 731
formerly Grant Thornton Capital

Employee Benefits Consulting • Employee Benefits Administration • Private Client Wealth Management • Healthcare Consulting • Short-Term Risk Solutions • Stockbroking • Derivatives Trading • Unit Trust Management • Asset Management • Fiduciary Services

ONE Minute Brief

12 April 2018

GTC
consult • partner • manage

USDZAR ▲

USD trading higher against ZAR

At 06:00 SAST, the US Dollar gained 0.1% against the South African Rand to trade at R11.9511. Later today, traders will keep a close watch on the US initial jobless claims for further indication.

The US Dollar fell against the South African Rand yesterday, amid increasing tensions over Syria and Russia. On the data front, the US consumer price index (CPI) advanced in line with market expectations on an annual basis in March, marking its fastest gain in a year. Additionally, the real average weekly earnings registered an advance on a yearly basis in March. Meanwhile, monthly budget deficit narrowed less-than-anticipated in March. Further, the MBA mortgage applications dropped to a seven-week low in the week ended April 6, 2018.

GBPZAR ▲

GBP trading stronger against ZAR

At 06:00 SAST, the British Pound is trading 0.1% higher against the South African Rand at R16.9483. Data showed that UK's RICS house price index remained flat in March.

The British Pound declined against the South African Rand yesterday. Data indicated that UK's NIESR GDP estimate rose less than market forecast in the three months ended March. Additionally, industrial production recorded a less-than-anticipated rise on a monthly basis in February. Further, monthly manufacturing production unexpectedly fell in the same month, marking its first decline since March 2017. On the contrary, trade deficit narrowed more than market expectations in February.

EURZAR ▲

EUR trading higher against ZAR

At 06:00 SAST, the Euro is trading 0.1% firmer against the South African Rand at R14.7821. Going forward, market participants will keep a tab on Eurozone's industrial production for further direction.

The Euro weakened against the South African Rand yesterday.

AUDZAR ▲

AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar is trading marginally higher against the South African Rand at R9.2639. Earlier in the session, Australia's consumer inflation expectations eased in April. Moreover, home loans declined more than market anticipations on a monthly basis in February.

The Australian Dollar fell against the South African Rand yesterday.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	11.9511	▲	-0.78%	-0.75%	0.86%	0.38%	-3.56%
GBPZAR	16.9483	▲	-0.77%	-0.12%	2.01%	2.24%	1.26%
EURZAR	14.7821	▲	-0.70%	-0.05%	1.18%	1.50%	-0.57%
AUDZAR	9.2639	▲	-0.86%	0.31%	1.88%	-0.68%	-4.15%
EURUSD	1.2368	▲	0.09%	0.70%	0.35%	1.07%	3.02%
GBPUSD	1.4183	▲	0.01%	0.60%	1.16%	1.85%	4.91%
Brent (\$/barrel)	72.5	▲	1.44%	7.38%	3.92%	7.12%	7.76%
Gold (\$/oz)	1354.7	▼	1.08%	1.85%	2.55%	0.37%	3.60%
Platinum (\$/oz)	928.8	=	0.13%	1.84%	0.16%	-6.15%	-0.58%
Copper (\$/MT)*	6912.3	▲	0.06%	2.72%	3.49%	-3.12%	-4.09%

*As of Previous Close

Gold ▼

Trading in the red

At 06:00 SAST, gold prices retreated 0.1% to trade at \$1,354.70/oz.

Yesterday, gold prices rose 1.1% to close at \$1,356.50/oz, amid weakness in global equities.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil rose 0.6% to trade at \$72.46/bl.

Yesterday, Brent crude oil advanced 1.4% to settle at \$72.06/bl, as rising tensions in the Middle East stoked concerns over potential supply disruptions in the region. Separately, the US Energy Information Administration (EIA) reported that crude oil inventories rose by 3.3mn bls for the week ended April 6, 2018.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices are trading marginally lower at \$928.80/oz.

Yesterday, platinum prices climbed 0.1% to close at \$928.80/oz.

ONE Minute Brief

12 April 2018

GTC
consult • partner • manage

Major Global Economic News

UK

In the UK, NIESR estimated GDP rose 0.2% on a monthly basis in the January-March 2018 period, less than market forecast and compared to a revised advance of 0.1% in the December-February 2018 period.

In the UK, total trade deficit narrowed more-than-expected to GBP0.97bn in February, following a revised total trade deficit of GBP2.95bn in the previous month.

In the UK, industrial production advanced 0.1% on a monthly basis in February, less than market expectations, compared to a rise of 1.3% in the previous month.

In February, manufacturing production registered an unexpected drop of 0.2% on a monthly basis in the UK, compared to an revised unchanged reading in the prior month.

In the UK, house price balance remained flat at a level of 0.0% in March.

Asia

In Australia, the consumer inflation expectations eased to 3.6% in April, compared to a level of 3.7% in the prior month.

In Australia, the seasonally adjusted home loan approvals recorded a more-than-expected fall of 0.2% on a monthly basis in February, compared to a revised drop of 1.0% in the prior month.

US

As per the minutes of the Federal Reserve's (Fed) March meeting, officials broadly agreed that the US economy is growing at a strong pace while inflation has picked-up in recent months. Additionally, the minutes indicated that the central bank remains on track for a gradual path of policy tightening, but a few officials expressed concerns that rising inflation may call for a faster pace of interest rate hikes.

The CPI advanced 2.40% in the US on a YoY basis in March, at par with market expectations. The CPI had advanced 2.20% in the prior month.

Budget deficit in the US dropped to USD208.70bn in March, compared to a budget deficit of USD215.20bn in the prior month. Markets were anticipating the nation to record a budget deficit of USD186.00bn.

The US MBA mortgage applications fell 1.90% on a weekly basis in the week ended April 6, 2018. Mortgage applications had fallen 3.3% in the previous week.

Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous	Frequency
UK	01:01	RICS Housing Price Balance (Mar)	✓✓✓	0.00%*	0.00%	Monthly
Japan	02:30	Kuroda Speaks at Branch Managers Meeting	✓✓✓	-	-	As scheduled
China	02:45	PBOC Governor Yi Gang speaks at IMF/PBoC conference in Beijing	✓✓	-	-	As scheduled
UK	08:30	BoE's Broadbent speaks in Sydney.	✓	-	-	As scheduled
UK	10:30	Bank of England Credit Conditions & Bank Liabilities Surveys	✓✓✓	-	-	As scheduled
UK	10:30	BoE Credit Conditions Survey	✓	-	-	As scheduled
Eurozone	11:00	Industrial Production s.a. (MoM) (Feb)	✓✓✓	0.10%	-1.00%	Monthly
Eurozone	11:00	Industrial Production w.d.a. (YoY) (Feb)	✓✓✓	3.50%	2.70%	Monthly
South Africa	11:30	Gold Production (YoY) (Feb)	✓	-	-7.70%	Monthly
South Africa	11:30	Mining Production (YoY) (Feb)	✓✓	-	2.40%	Monthly
Eurozone	13:30	ECB Monetary Policy Meeting Accounts	✓✓✓	-	-	As scheduled
Eurozone	14:15	ECB's Coeure Speaks in Paris	✓	-	-	As scheduled
US	14:30	Continuing Jobless Claims (31-Mar)	✓✓✓	1843.00K	1808.00K	Weekly
US	14:30	Initial Jobless Claims (07-Apr)	✓✓✓	230.00K	242.00K	Weekly
US	14:30	Export Price Index (MoM) (Mar)	✓	0.20%	0.20%	Monthly
US	15:00	Fed's Bullard Speaks on Living Standards across U.S. Cities	✓	-	-	As scheduled
Eurozone	19:00	ECB Publishes Account of January's Policy Meeting	✓	-	-	As scheduled
UK	21:00	BoE's Governor Carney speech	✓✓✓	-	-	As scheduled
US	23:00	Fed's Kashkari Speaks in Moderated Q&A in Minneapolis	✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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

An Authorised Financial Services Provider FSP No. 731
formerly Grant Thornton Capital

Employee Benefits Consulting • Employee Benefits Administration • Private Client Wealth Management • Healthcare Consulting •
Short-Term Risk Solutions • Stockbroking • Derivatives Trading • Unit Trust Management • Asset Management • Fiduciary Services



ONE Minute Brief

12 April 2018

**Disclaimer**

This report and its contents are confidential, privileged and only for the information of the intended recipient. GTC (Pty) Ltd make no representations or warranties in respect of this report or its content and will not be liable for any loss or damage of any nature arising from this report, the content thereof, your reliance thereon its unauthorised use or any electronic viruses associated therewith. Please note that content does not necessarily represent or reflect the views and opinions of GTC (Pty) Ltd. This report is proprietary to GTC (Pty) Ltd and you may not copy or distribute the report without the prior written consent of the authors. Any feedback or contributions are most welcome. GTC (Pty) Ltd Registration No 1996/001488/07 FSP No 731. An authorised Financial Services Provider.

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

An Authorised Financial Services Provider FSP No. 731
formerly Grant Thornton Capital

Employee Benefits Consulting • Employee Benefits Administration • Private Client Wealth Management • Healthcare Consulting •
Short-Term Risk Solutions • Stockbroking • Derivatives Trading • Unit Trust Management • Asset Management • Fiduciary Services