

ONE  
Minute Brief

9 May 2018

GTC  
consult • partner • manage

## Economic and political news

In South Africa (SA), gross gold & forex reserves eased to USD49.54bn in April, meeting market expectations and compared to a reading of USD49.98bn in the previous month. Net gold & forex reserves unexpectedly dropped to a level of USD43.12bn in April, compared to a reading of USD43.38bn in March.

News reports indicated that the African National Congress has accepted North West Premier, Supra Mahumapelo's resignation.

The International Monetary Fund (IMF) warned that Sub-Saharan African nations are at growing risk of debt distress due to heavy borrowing and gaping deficits. Additionally, the IMF stated that Nigeria and SA are dragging down growth in the Sub-Saharan region. Further, it stated that it expects growth in the region to rise from 2.8% in 2017 to 3.4% in 2018.

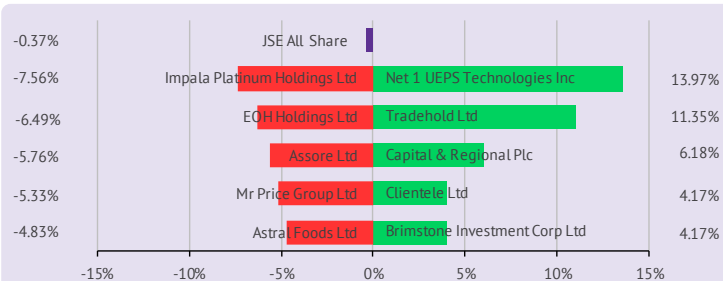
News reports indicated that the National Union of Mineworkers (NUM) has called for wage hike demands in the gold sector of up to 37% over the next two years.

The Democratic Alliance stated that the party's reputation has been damaged, following a dispute with the Cape Town Mayor, Patricia De Lille.

## South Africa Market ▼

## South African markets closed lower

South African markets closed in the red yesterday, weighed down by losses in retail and platinum mining sector stocks. On the data front, SA's gross gold & forex reserves fell in April, at par with market expectations. The JSE All Share Index fell 0.4% to close at 57,665.24.



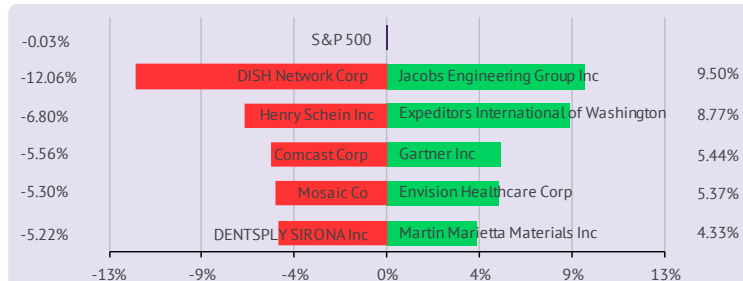
## Key indices

	Last close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	57665.24	▼	-215.48	-0.37	0.03	-1.01	5.01	-3.09
JSE Top 40	51002.58	▼	-146.27	-0.29	0.25	-0.81	5.38	-2.91
FTSE 100	7565.75	▼	-1.39	-0.02	-0.02	0.75	6.42	-1.59
DAX 30	12912.21	▼	-35.93	-0.28	0.72	2.38	4.26	-0.04
CAC 40	5521.93	▼	-9.49	-0.17	0.11	0.03	6.84	3.94
S&P 500	2671.92	▼	-0.71	-0.03	0.32	0.90	0.27	-0.06
Nasdaq Composite	7266.90	▲	1.69	0.02	0.79	2.84	0.04	5.27
DJIA	24360.21	▲	2.89	0.01	0.40	0.82	0.25	-1.45
MSCI Emerging Markets	1142.66	▲	3.11	0.27	0.57	-1.87	-0.55	-1.36
MSCI Developed World	2095.07	▼	-1.79	-0.09	0.27	0.41	0.95	-0.40

## US Market ▼

## The S&amp;P 500 futures are trading in the green

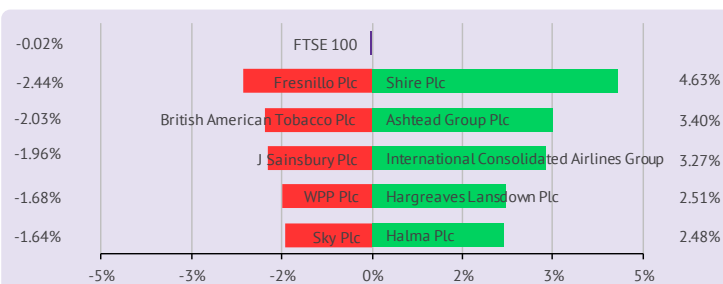
US markets ended flat yesterday, after the US President, Donald Trump decided to withdraw the US from the Iran nuclear deal. Data showed that the US NFIB small optimism index unexpectedly rose in April. The S&P 500 Index slightly dropped to close at 2,671.92.



## UK Market ▼

## The FTSE 100 futures are trading in negative territory

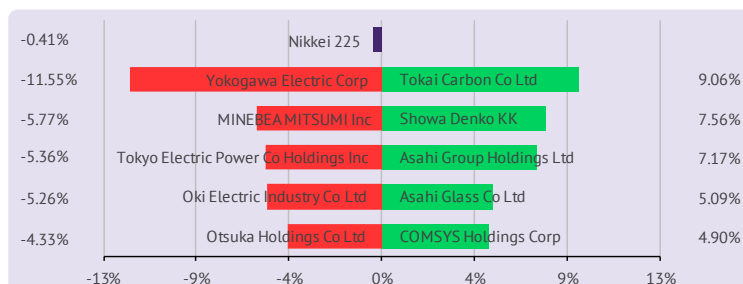
UK markets finished slightly lower yesterday, led by losses in energy sector stocks. The FTSE 100 Index marginally declined to close at 7,565.75.



## Asian Market ◀▶

## Trading mixed

Asian markets are trading mixed this morning. The Nikkei 225 Index is trading 0.4% lower at 22,417.34



formerly Grant Thornton Capital

a GTC @Grant Thornton, The Wanderers Office Part,  
52 Corlett Drive, Illovo, 2196  
p P O Box 55118, Illovo, 2118

t +27 (0) 10 597 6800  
f +27 (0) 10 597 6801  
w www.gtc.co.za

GTC (Pty) Ltd.  
reg. no. 1996/001488/07  
Directors: G.K. Mockler, F.Dildar

An Authorised Financial  
Services Provider  
FSP no. 731

GTC is nationally represented in Johannesburg, Cape Town and Durban.

GTC Group of products and services include: 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

9 May 2018

GTC  
consult • partner • manage

## USD ZAR ▲

## USD trading stronger against ZAR

At 06:00 SAST, the US Dollar is trading 0.2% higher against the South African Rand at R12.5998. Later today, traders will keep a close watch on the US producer price index and MBA mortgage loans for further indication.

The US Dollar rose against the South African Rand yesterday. Data revealed that the US NFIB small optimism index surprised with a rise in April. Additionally, JOLTS job openings climbed more than market forecast in March, marking its highest level since the data series started in December 2000. Separately, in SA, gross gold & forex reserves dropped in line with market forecast in April. Further, net gold & forex reserves surprisingly dipped in April.

## GBP ZAR ▲

## GBP trading higher against ZAR

At 06:00 SAST, the British Pound is trading 0.1% firmer against the South African Rand at R17.0450. 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 data front, UK's Halifax house price index registered a more-than-expected decline on a monthly basis in April, marking its biggest drop since September 2010. Moreover, annual BRC like-for-like sales data slid more than market anticipations in the same month.

## EUR ZAR ▲

## EUR trading firmer against ZAR

At 06:00 SAST, the Euro gained 0.1% against the South African Rand to trade at R14.9336. Amid no major economic news across the Eurozone, market sentiment will be determined by global macroeconomic factors.

The Euro weakened against the South African Rand yesterday. On the macro front, Germany's trade surplus widened more-than-expected in March. Additionally, current account surplus widened more than market forecast in the same month. Moreover, industrial production advanced higher than market anticipations on a monthly basis in March.

## AUD ZAR ▼

## AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar is trading marginally weaker against the South African Rand at R9.3657.

The Australian Dollar fell against the South African Rand yesterday. Data indicated that Australia's monthly retail sales recorded a flat reading in March.

## Key currencies &amp; commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
USDZAR	12.5998	▲	0.22	0.57	0.88	5.24	1.51
GBPZAR	17.0450	▲	0.16	0.69	-0.76	3.38	1.84
EURZAR	14.9336	▲	-0.24	-0.22	-0.88	3.08	0.40
AUDZAR	9.3657	▼	-0.61	-0.55	-0.15	3.20	-3.05
EURUSD	1.1852	▼	-0.49	-0.80	-1.77	-2.00	-1.17
GBPUSD	1.3528	▼	-0.07	0.12	-1.57	-1.80	0.25
Brent (\$/barrel)	76.7	▲	-1.73	-0.03	0.21	7.72	11.93
Gold (\$/oz)	1311.2	▼	-0.03	-0.08	-0.42	-0.27	0.34
Platinum (\$/oz)	914.2	▲	-0.13	0.20	0.85	-2.47	-2.37
Copper (\$/MT)*	6707.8	▼	-1.21	-0.01	-0.92	1.36	-6.93

\*As of previous close

## Gold ▼

## Trading in the red

At 06:00 SAST, gold prices edged 0.2% lower to trade at \$1,311.20/oz.

Yesterday, gold prices marginally fell to close at \$1,313.70/oz, amid strength in the US Dollar, following the US President, Donald Trump's decision to pull out of the Iran nuclear deal.

## Brent Crude Oil ▲

## Trading stronger

At 06:00 SAST, Brent crude oil climbed 2.5% to trade at \$76.73/bl, after the US President, Donald Trump, abandoned an international nuclear deal with Iran.

Yesterday, Brent crude oil dropped 1.7% to settle at \$74.85/bl. Meanwhile, the American Petroleum Institute (API) reported that crude oil inventories declined by 1.9mn bls in the week ended 4 May 2018.

## Platinum ▲

## Trading in positive territory

At 06:00 SAST, platinum prices climbed 0.2% to trade at \$914.20/oz.

Yesterday, platinum prices declined 0.1% to close at \$912.10/oz.

formerly Grant Thornton Capital

a GTC @Grant Thornton, The Wanderers Office Part,  
52 Corlett Drive, Illovo, 2196  
p P O Box 55118, Illovo, 2118

t +27 (0) 10 597 6800  
f +27 (0) 10 597 6801  
w www.gtc.co.za

GTC (Pty) Ltd.  
reg. no. 1996/001488/07  
Directors: G.K. Mockler, F.Dildar

An Authorised Financial  
Services Provider  
FSP no. 731

GTC is nationally represented in Johannesburg, Cape Town and Durban.

GTC Group of products and services include: 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

9 May 2018



## Major South African corporate news

### Anglogold Ashanti Limited

In its 1Q18 operational update, the company stated that its production from retained operations increased 6.0% to 773,000.00oz compared to the same period of the preceding year, with Australian production up by 27.0%, highlighting strong performance from core assets. Further, the company remains on track to meet FY18 production guidance of between 3.33Moz and 3.45Moz.

### Rebosis Property Fund Limited

In its 1H18 results, the company stated that its revenues increased to ZAR1.20bn, compared to restated figure of ZAR0.99bn in the preceding year. Profit for the period declined to ZAR0.34bn, compared to ZAR1.21bn. The company declared a dividend of 126.43c per class A share and 63.23c per class B share.

### Barloworld Limited

In its 1H18 trading statement, the company announced that it expects EPS to be in the range of 454.40c and 488.10c, which is 35.0% to 45.0% higher compared to the same period of the prior year. Further, it expects HEPS to be in the range of 440.00c to 480.00c, which is 10.0% to 20%, higher compared to the same period of the prior year.

## Major global economic news

### Eurozone

In Germany, seasonally adjusted trade surplus rose more-than-anticipated to EUR25.20bn in March, compared to a trade surplus of EUR18.40bn in the previous month.

In Germany, non-seasonally adjusted current account surplus expanded to EUR29.10bn in March, more than market forecast and compared to a revised surplus of EUR21.70bn in the prior month.

In Germany, seasonally adjusted industrial production registered a rise of 1.0% on a monthly basis, higher than market expectations. Industrial production had dropped by a revised 1.7% in the previous month.

### UK

In the UK, the Halifax house price index dropped 3.1% on a MoM basis in April, more than market expectations. The index had recorded a revised rise of 1.6% in the prior month.

In the UK, retail sales across all sectors fell 4.2% on an annual basis, in April, more than market expectations. Retail sales across all sectors had risen 1.4% in the prior month.

### US

In the US, the small business optimism index registered an unexpected rise to 104.80 in April, compared to a level of 104.70 in the prior month.

In the US, JOLTs job openings registered a rise to 6550.00K in March, more than market forecast and compared to a revised reading of 6078.00K in the previous month.

formerly Grant Thornton Capital

a GTC @Grant Thornton, The Wanderers Office Part,  
52 Corlett Drive, Illovo, 2196  
p P O Box 55118, Illovo, 2118

t +27 (0) 10 597 6800  
f +27 (0) 10 597 6801  
w [www.gtc.co.za](http://www.gtc.co.za)

GTC (Pty) Ltd.  
reg. no. 1996/001488/07  
Directors: G.K. Mockler, F.Dildar

An Authorised Financial  
Services Provider  
FSP no. 731

GTC is nationally represented in Johannesburg, Cape Town and Durban.

GTC Group of products and services include: 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

9 May 2018

**GTC**  
consult • partner • manage

## Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous/ **Previous est.	Frequency
UK	01:01	BRC Sales Like-For-Like (YoY) (Apr)	✓✓✓	-4.20%*	1.40%	Monthly
Japan	01:50	Japan Foreign Reserves (Apr)	✓	USD1256.00bn*	USD1268.30bn	Monthly
Japan	07:00	Coincident Index (Mar) (P)	✓	116.40	116.10	Monthly
Japan	07:00	Leading Economic Index (Mar) (P)	✓✓✓	105.10	106.00	Monthly
France	08:45	Industrial Production (MoM) (Mar)	✓✓✓	0.40%	1.20%	Monthly
France	08:45	Industrial Production (YoY) (Mar)	✓✓✓	2.80%	4.00%	Monthly
France	08:45	Manufacturing Production (MoM) (Mar)	✓✓✓	0.90%	-0.60%	Monthly
France	08:45	Manufacturing Production (YoY) (Mar)	✓✓✓	2.10%	2.40%	Monthly
Spain	09:00	Industrial Output s.a. (YoY) (Mar)	✓✓	3.60%	3.10%	Monthly
Spain	09:00	Industrial Output n.s.a. (YoY) (Mar)	✓✓	3.00%	3.10%	Monthly
Italy	10:00	Retail Sales n.s.a. (YoY) (Mar)	✓✓✓	0.10%	-0.60%	Monthly
Italy	10:00	Retail Sales s.a. (MoM) (Mar)	✓✓✓	0.00%	0.40%	Monthly
South Africa	11:30	SACCI Business Confidence Index (Apr)	✓	-	97.60	Monthly
US	13:00	MBA Mortgage Applications (04-May)	✓	-	-2.50%	Weekly
US	14:30	Producer Price Index (MoM) (Apr)	✓✓✓	0.20%	0.30%	Monthly
US	14:30	Producer Price Index (YoY) (Apr)	✓✓✓	2.80%	3.00%	Monthly
US	14:30	Producer Price Index ex Food & Energy (MoM) (Apr)	✓✓	0.20%	0.30%	Monthly
US	14:30	Producer Price Index ex Food & Energy (YoY) (Apr)	✓✓	2.40%	2.70%	Monthly
US	16:00	Wholesale Inventories (MoM) (Mar) (F)	✓✓✓	0.50%	0.50%**	Monthly
US	19:15	Fed's Bostic Speaks on Economic Outlook and Monetary Policy	✓	-	-	As scheduled

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

### 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.

formerly Grant Thornton Capital

**a** GTC @Grant Thornton, The Wanderers Office Part,  
52 Corlett Drive, Illovo, 2196  
**p** P O Box 55118, Illovo, 2118

**t** +27 (0) 10 597 6800  
**f** +27 (0) 10 597 6801  
**w** www.gtc.co.za

GTC (Pty) Ltd.  
**reg. no.** 1996/001488/07  
**Directors:** G.K. Mockler, F.Dildar

An Authorised Financial  
Services Provider  
**FSP no.** 731

**GTC is nationally represented in Johannesburg, Cape Town and Durban.**

**GTC Group of products and services include:** 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