

ONE Minute Brief

23 May 2018

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Economic and political news

In South Africa (SA), leading indicator eased to 107.40 in March, compared to a reading of 108.30 in the prior month.

SA President, Cyril Ramaphosa, has removed former Constitutional Court Justice, Kate O'Regan as Chairperson in Tom Moyane's disciplinary inquiry and appointed Azhar Bham SC as the presiding officer.

SA President, Cyril Ramaphosa, has assured that the national minimum wage will be implemented only after a few minor issues have been addressed with alliance partner, Cosatu.

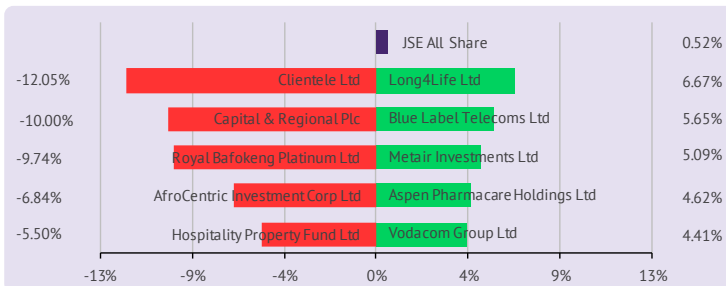
According to a news report, the Democratic Alliance has set out a six-point rescue plan to lift the troubled state-owned enterprises.

Mineral Resources Minister, Gwede Mantashe, stated that SA will remove 'Gupta Clause' from its Mining Charter that includes naturalised citizens in the group of people who should benefit from attempts to more evenly redistribute the country's mineral wealth.

South Africa Market ▲

South African markets closed higher

South African markets closed in the green yesterday, buoyed by gains in banking and retail sector stocks. Data showed that SA's leading indicator declined in March. The JSE All Share Index rose 0.5% to close at 58,121.84.



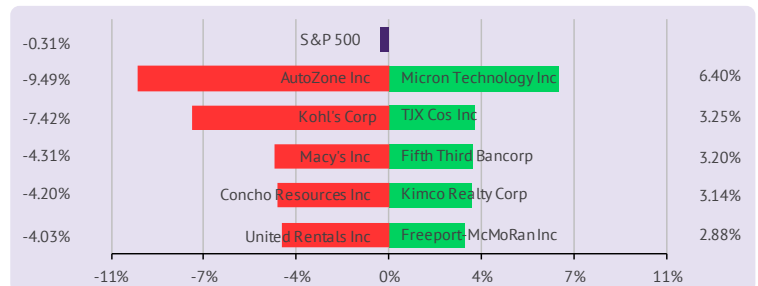
Key indices

	Last close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. month % Chg	YTD % Chg
JSE All Share	58121.84	▲ 300.64	0.52	0.55	-0.22	5.01	-2.32
JSE Top 40	51598.33	▲ 287.46	0.56	0.60	0.35	5.38	-1.78
FTSE 100	7877.45	▲ 18.28	0.23	1.27	4.90	6.42	2.47
DAX 30	13169.92	▲ 92.20	0.71	0.71	4.42	4.26	1.95
CAC 40	5640.10	▲ 2.59	0.05	0.46	2.17	6.84	6.17
S&P 500	2724.44	▼ -8.57	-0.31	0.42	2.88	0.27	1.90
Nasdaq Composite	7378.46	▼ -15.58	-0.21	0.33	4.42	0.04	6.88
DJIA	24834.41	▼ -178.88	-0.72	0.48	2.78	0.25	0.47
MSCI Emerging Markets	1142.05	▲ 5.56	0.49	0.38	-1.92	-0.55	-1.42
MSCI Developed World	2128.78	▼ -1.94	-0.09	0.38	2.03	0.95	1.20

US Market ▼

The S&P 500 futures are trading in the red

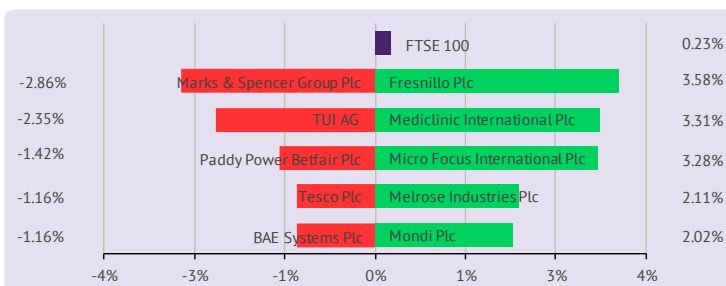
US markets closed lower yesterday, after the US President expressed dissatisfaction over the US- China trade talks and stated that US-North Korea June summit may not happen. The S&P 500 Index dropped 0.3% to close at 2,724.44.



UK Market ▲

The FTSE 100 futures are trading in negative territory

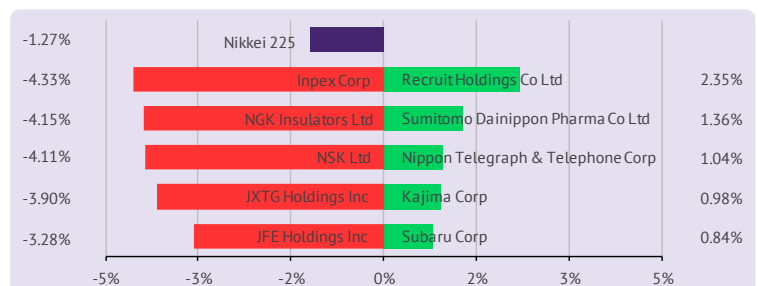
UK markets finished higher yesterday, boosted by gains in financial and mining sector stocks. The FTSE 100 Index advanced 0.2% to close at 7,877.45.



Asian Market ▼

Trading mostly lower

Asian markets are trading mostly lower this morning, amid renewed geopolitical tensions. The Nikkei 225 Index is trading 1.3% lower at 22,668.84.



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USD ZAR ▲

USD trading stronger against ZAR

At 06:00 SAST, the US Dollar is trading 0.4% higher against the South African Rand at R12.6263. Later today, traders will keep a close watch on the FOMC meeting minutes along with the MBA mortgage applications, new home sales, Markit manufacturing and services PMI for further indication.

The US Dollar fell against the South African Rand yesterday. Data indicated that the US Richmond Fed manufacturing index recorded a more-than-anticipated rise in May. Separately, in SA, leading indicator recorded a drop in March.

GBP ZAR ▲

GBP trading higher against ZAR

At 06:00 SAST, the British Pound gained 0.3% against the South African Rand to trade at R16.9325. Later today, traders will keep an eye on UK's house price index, consumer and producer price index for further cues.

The British Pound declined against the South African Rand yesterday. On the data front, UK's public sector net borrowing recorded a deficit in April. Further, the CBI total trend orders registered a decline in May, marking its lowest level since November 2016.

EUR ZAR ▲

EUR trading stronger against ZAR

At 06:00 SAST, the Euro is trading 0.3% firmer against the South African Rand at R14.8491. Going forward, market participants will keep a tab on Markit manufacturing and services PMI across the Eurozone along with Eurozone's consumer confidence index for further direction.

The Euro weakened against the South African Rand yesterday.

AUD ZAR ▲

AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar marginally advanced against the South African Rand to trade at R9.5251. Earlier in the session, Australia's Westpac leading index rebounded on a monthly basis in April.

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	12.6263	▲	-0.81	-1.51	0.89	5.24	1.53
GBPZAR	16.9325	▲	-0.77	-1.83	-1.59	3.38	0.98
EURZAR	14.8491	▲	-0.92	-1.47	-1.60	3.08	-0.32
AUDZAR	9.5251	▲	-0.89	-0.71	1.50	3.20	-1.44
EURUSD	1.1761	▼	-0.10	0.06	-2.48	-2.00	-1.88
GBPUSD	1.3409	▼	0.04	-0.27	-2.40	-1.80	-0.60
Brent (\$/barrel)	79.1	▼	0.44	1.35	6.53	7.72	18.99
Gold (\$/oz)	1291.9	▼	0.09	0.05	-2.06	-0.27	-1.32
Platinum (\$/oz)	905.5	▼	1.00	2.52	0.49	-2.47	-2.72
Copper (\$/MT)*	6950.3	▲	1.55	0.02	2.66	1.36	-3.56

*As of previous close

Gold ▼

Trading in the red

At 06:00 SAST, gold prices edged marginally lower to trade at \$1,291.90/oz.

Yesterday, gold prices rose 0.1% to close at \$1,292.00/oz, as weakness in the greenback, increased demand for the dollar denominated asset.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil retreated 0.5% to trade at \$79.14/bl, amid fears that OPEC may ease supply curbs.

Yesterday, Brent crude oil advanced 0.4% to settle at \$79.57/bl, after the American Petroleum Institute reported that crude oil inventories declined by 1.3mn bls in the week ended 18 May 2018.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged 0.4% lower to trade at \$905.50/oz.

Yesterday, platinum prices climbed 1.0% to close at \$908.80/oz.



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Major South African corporate news

Coronation Fund Managers Limited

In its 1H18 results, the company stated that its revenue increased to ZAR2.07bn, compared to ZAR1.94bn posted in the corresponding period of the previous year. Its diluted EPS rose 2.2% to 223.40c compared to the same period of the prior year. Further, the company declared an interim dividend of 223.00c per share.

Trencor Limited

In its FY17 results, the company stated that its revenues decreased to ZAR8.34bn from ZAR9.37bn posted in the corresponding period of the previous year. Its diluted loss per share significantly fell to 181.50c, compared to the same period of the prior year. Further, the company declared a cash dividend of 50.00c per share.

Resilient REIT Limited

In its half yearly restated results for the period ended December 2017, the company revealed that its total revenues increased 9.8% to ZAR2.02bn, compared to the same period a year ago. Further, due to the restatement, basic EPS and HEPS increased by 23.0% and 29.0% respectively.

Major global economic news

Asia

In Australia, the Westpac leading index climbed 0.19% on a monthly basis in April. The index had dropped by a revised 0.13% in the prior month.

In Japan, the flash manufacturing PMI fell to a level of 52.50 in May. Manufacturing PMI had recorded a reading of 53.80 in the prior month.

UK

In the UK, the public-sector net borrowing has posted a less-than-expected deficit of GBP6.20bn in April, compared to a revised surplus of GBP0.80bn in the prior month.

In May, the CBI total trend orders dropped to -3.00 in the UK, compared to a level of 4.00 in the previous month.

US

In the US, the Richmond Fed manufacturing index advanced to 16.00 in May, compared to a level of -3.00 in the previous month.

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Economic calendar

Country	SAST	Economic indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	02:30	Nomura/ JMMA Manufacturing PMI (May) (P)	✓✓✓	52.50*	53.80	Monthly
Japan	06:30	All Industry Activity Index (MoM) (Mar)	✓✓✓	0.00%*	0.40%	Monthly
Germany	09:30	Markit Manufacturing PMI (May) (P)	✓✓✓	57.90	58.10	Monthly
Germany	09:30	Markit Services PMI (May) (P)	✓✓✓	53.00	53.00	Monthly
Eurozone	10:00	Markit Manufacturing PMI (May) (P)	✓✓✓	56.10	56.20	Monthly
Eurozone	10:00	Markit Composite PMI (May) (P)	✓✓✓	55.10	55.10	Monthly
Eurozone	10:00	Markit Services PMI (May) (P)	✓✓✓	54.70	54.70	Monthly
South Africa	10:00	Consumer Price Index (MoM) (Apr)	✓✓	0.90%	0.40%	Monthly
South Africa	10:00	Consumer Price Index (YoY) (Apr)	✓✓	4.70%	3.80%	Monthly
UK	10:30	Consumer Price Index (MoM) (Apr)	✓✓✓	0.50%	0.10%	Monthly
UK	10:30	Consumer Price Index (YoY) (Apr)	✓✓✓	2.50%	2.50%	Monthly
UK	10:30	Retail Price Index (MoM) (Apr)	✓✓✓	0.50%	0.10%	Monthly
UK	10:30	Retail Price Index (YoY) (Apr)	✓✓	3.40%	3.30%	Monthly
UK	10:30	Retail Price Index (Apr)	✓	279.80	278.30	Monthly
UK	10:30	Consumer Price Index Core (YoY) (Apr)	✓✓✓	2.20%	2.30%	Monthly
UK	10:30	Producer Price Index - Input n.s.a. (YoY) (Apr)	✓	5.80%	4.20%	Monthly
UK	10:30	Producer Price Index - Output n.s.a. (YoY) (Apr)	✓✓	2.30%	2.40%	Monthly
US	13:00	MBA Mortgage Applications (18-May)	✓	-	-2.70%	Weekly
US	15:45	Markit Manufacturing PMI (May) (P)	✓✓✓	56.50	56.50	Monthly
US	15:45	Markit Services PMI (May) (P)	✓✓✓	55.00	54.60	Monthly
US	16:00	New Home Sales (MoM) (Apr)	✓✓✓	-2.20%	4.00%	Monthly
Eurozone	16:00	Consumer Confidence (May) (P)	✓✓✓	0.40	0.40	Monthly
US	16:00	New Home Sales (Apr)	✓✓✓	679.00K	694.00K	Monthly
US	20:00	Fed Releases Minutes of FOMC Meeting	✓✓✓	-	-	As scheduled
US	20:15	FOMC Member Kashkari Speech	✓✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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