

ONE Minute Brief

19 February 2018

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Economic and Political News

South Africa's President, Cyril Ramaphosa, gave his first state of the nation address (SONA) in Parliament on Friday. He emphasised that it was necessary to take tough decisions and promised to fight corruption, close the fiscal gap, stabilise debt levels and restore state-owned enterprises to health. He added that a plan to fund free higher education for students from poor households would be announced during the budget and that he will speed up expropriation of land without compensation.

The Chamber of Mines has agreed to postpone its court challenge against the new mining regulations after President Cyril Ramaphosa, on Friday, in his SONA address, promised to end the impasse on the Mining Charter.

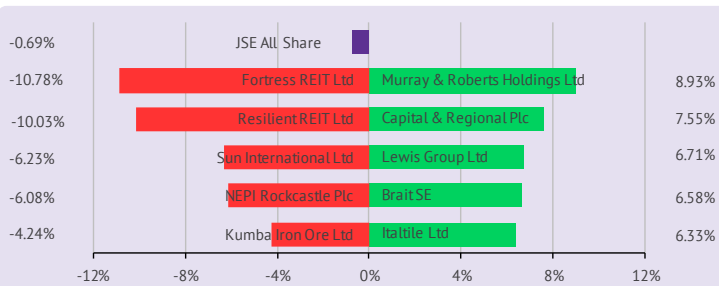
ANC MP, Nkosazana Dlamini-Zuma, has denied reports that she plans to resign from Parliament.

The Democratic Alliance (DA) stated that it wants Parliament to remove Public Protector, Busisiwe Mkhwebane, for alleged incompetence and misconduct. The DA also demanded that President Ramaphosa should get rid of those ministers whose presence in the government has only been a source of scandal and failure and appoint a new national director of public prosecutions (NDPP) to replace Shaun Abrahams.

South Africa Market ▼

South African markets closed lower

South African markets closed in the red on Friday, led by losses in property, retail and financial sector stocks. The JSE All Share Index fell 0.7% to close at 59,122.34.



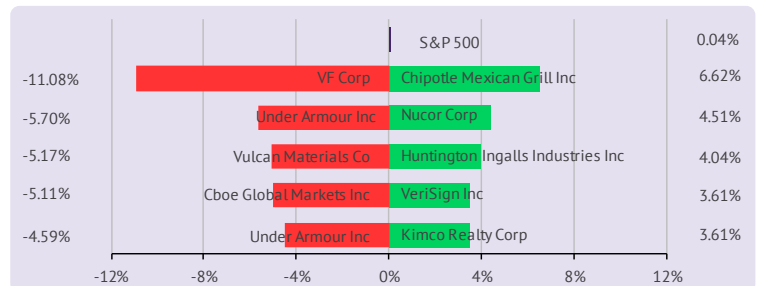
Key Indices

| | Last Close | 1 Day Chg | 1 D % Chg | WTD % Chg | MTD % Chg | Prev. Month % Chg | YTD % Chg |
|------------------|------------|-----------|-----------|-----------|-----------|-------------------|-----------|
| JSE All Share | 59122.34 | ▼ -410.76 | -0.69% | NA | -0.64% | 0.00% | -0.64% |
| JSE Top 40 | 52110.80 | ▼ -454.65 | -0.86% | NA | -0.96% | 0.16% | -0.80% |
| FTSE 100 | 7294.70 | ▲ 59.89 | 0.83% | NA | -3.17% | -2.01% | -5.11% |
| DAX 30 | 12451.96 | ▲ 105.79 | 0.86% | NA | -5.59% | 2.10% | -3.60% |
| CAC 40 | 5281.58 | ▲ 59.06 | 1.13% | NA | -3.65% | 3.19% | -0.58% |
| S&P 500 | 2732.22 | ▲ 1.02 | 0.04% | NA | -3.24% | 5.62% | 2.19% |
| Nasdaq Composite | 7239.47 | ▼ -16.97 | -0.23% | NA | -2.32% | 7.36% | 4.87% |
| DJIA | 25219.38 | ▲ 19.01 | 0.08% | NA | -3.56% | 5.79% | 2.02% |

US Market ▲

The S&P 500 futures are trading in the green

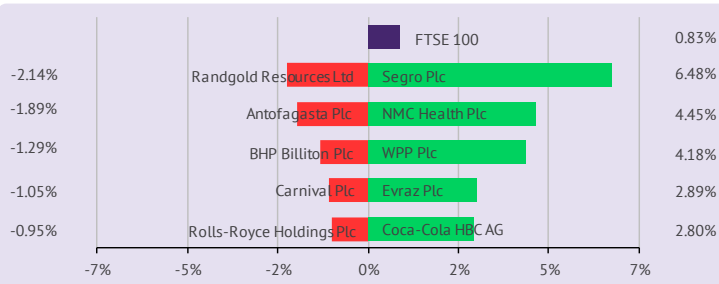
US markets closed marginally firmer on Friday, amid gains in utilities and health care sector stocks. On the data front, US Michigan consumer sentiment index surprisingly advanced in February. The S&P 500 Index marginally rose to close at 2,732.22.



UK Market ▲

The FTSE 100 futures are trading in positive territory

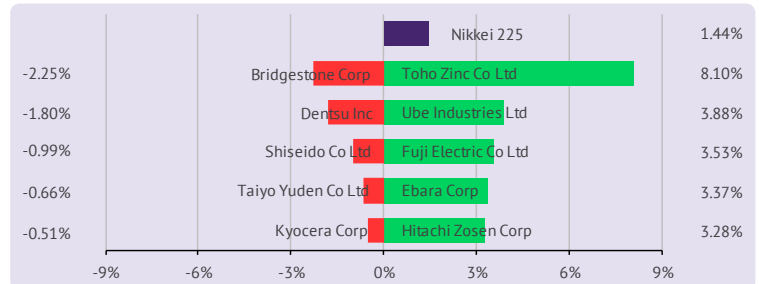
UK markets finished higher on Friday, boosted by telecom and utility sector stocks. Data indicated that UK monthly retail sales missed market expectations in January. The FTSE 100 Index advanced 0.8% to close at 7,294.70.



Asian Market ▲

Trading higher

Asian markets are trading in the green this morning. The Nikkei 225 Index is trading 1.4% higher at 22,032.42.



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USDZAR ▲

USD trading higher against ZAR

At 06:00 SAST, the US Dollar rose 0.4% against the South African Rand to trade at R11.6396. With no major economic releases in the US today, investor sentiment will be determined by global macroeconomic news.

The US Dollar fell against the South African Rand on Friday. Data revealed that US Michigan consumer sentiment index unexpectedly rose in February, reaching its second highest level since 2004. Further, monthly building permits rebounded in January, reaching its highest level since 2007.

GBPZAR ▲

GBP trading firmer against ZAR

At 06:00 SAST, the British Pound is trading 0.1% higher against the South African Rand at R16.3397. Later today, traders will keep an eye on Bank of England Governor, Mark Carney's speech and UK's Rightmove house price index for further indication.

The British Pound declined against the South African Rand on Friday. Data showed that UK's retail sales advanced at a slower-than-expected pace on a monthly basis in January.

EURZAR ▲

EUR trading stronger against ZAR

At 06:00 SAST, the Euro is trading 0.4% higher against the South African Rand at R14.4581. Going forward, market participants will keep a tab on Eurozone's current account balance for further cues.

The Euro weakened against the South African Rand on Friday. On the data front, German wholesale price index rebounded on a monthly basis in January.

AUDZAR ▲

AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.3% higher against the South African Rand at R9.2250.

The Australian Dollar fell against the South African Rand on Friday. The Reserve Bank of Australia (RBA) Governor, Philip Lowe, stated that the progress on lowering unemployment and returning inflation to the midpoint of the central bank's target will determine the timing of the first rate hike since 2010.

Key Currencies & Commodities

| | Current | | 1 D % Chg | WTD % Chg | MTD % Chg | Prev. Month % Chg | YTD % Chg |
|-------------------|---------|---|-----------|-----------|-----------|-------------------|-----------|
| USDZAR | 11.6396 | ▲ | -0.21% | NA | -2.16% | -4.29% | -6.35% |
| GBPZAR | 16.3397 | ▲ | -0.38% | NA | -2.87% | 0.50% | -2.38% |
| EURZAR | 14.4581 | ▲ | -0.90% | NA | -2.09% | -0.98% | -3.05% |
| AUDZAR | 9.2250 | ▲ | -0.37% | NA | -3.63% | -1.24% | -4.82% |
| EURUSD | 1.2421 | ▲ | -0.80% | NA | -0.06% | 3.41% | 3.34% |
| GBPUSD | 1.4040 | ▲ | -0.52% | NA | -1.16% | 5.02% | 3.80% |
| Brent (\$/barrel) | 65.4 | ▲ | 0.79% | NA | -5.88% | 3.02% | -3.04% |
| Gold (\$/oz) | 1352.0 | ▼ | 0.08% | NA | 1.06% | 2.27% | 3.35% |
| Platinum (\$/oz) | 1013.0 | ▲ | 1.12% | NA | 0.80% | 7.50% | 8.36% |
| Copper (\$/MT)* | 7191.0 | ▲ | 0.67% | NA | 1.59% | -1.78% | -0.22% |

*As of Previous Close

Gold ▼

Trading in the red

At 06:00 SAST, gold prices declined 0.1% to trade at \$1,352.00/oz.

On Friday, gold prices rose 0.1% to close at \$1,353.20/oz, as a weaker greenback increased demand for the precious metal

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged 0.8% higher to trade at \$65.38/bl.

On Friday, Brent crude oil advanced 0.8% to settle at \$64.84/bl, as ongoing efforts to curb global oil output continued to support prices. Meanwhile, Baker Hughes reported that US oil rig count rose by 7 to 798, compared to 791 last week.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged 0.1% higher to trade at \$1,013.00/oz.

On Friday, platinum prices climbed 1.1% to close at \$1012.30/oz.



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Major Global Economic News

US

In the US, the flash Reuters/Michigan consumer sentiment index unexpectedly rose to a level of 99.90 in February. In the previous month, the index had registered a level of 95.70.

In the US, building permits surprisingly advanced 7.4% on a monthly basis in January. Building permits had registered a revised fall of 0.2% in the previous month.

UK

In the UK, retail sales registered a less-than-expected rise of 0.1% on a monthly basis in January. Retail sales had fallen by a revised 1.4% in the previous month.

Asia

In Japan, adjusted merchandise trade surplus widened more-than-expected to Yen373.30bn in January. Japan had posted a revised adjusted merchandise trade surplus of Yen90.70bn in the prior month.

Eurozone

In Germany, the wholesale price index rose 0.9% on a monthly basis in January. In the prior month, the index had dropped 0.3%.



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40 Best Performers on the All Share Index

| Company Name | Last Close | 1 Week % Change | MTD % Change | YTD % Change |
|---------------------------------------|--------------|-----------------|---------------|---------------|
| Lewis Group Ltd | 4055 | 19.23% | 21.04% | 53.37% |
| Royal Bafokeng Platinum Ltd | 3450 | 4.55% | 7.81% | 23.21% |
| JSE Ltd | 18768 | 2.84% | -0.06% | 22.00% |
| Adcock Ingram Holdings Ltd | 7000 | 8.19% | 6.76% | 19.97% |
| Consolidated Infrastructure Group Ltd | 453 | 0.67% | 22.43% | 19.84% |
| RCL Foods Ltd | 1815 | 6.76% | 4.67% | 19.41% |
| Clover Industries Ltd | 1550 | 1.64% | 3.40% | 18.32% |
| Emira Property Fund Ltd | 1590 | 9.73% | 7.51% | 18.13% |
| Hudaco Industries Ltd | 16890 | 9.59% | 14.90% | 17.29% |
| Steinhoff International Holdings NV | 544 | -8.42% | -20.47% | 16.99% |
| PPC Ltd | 808 | 4.26% | -0.25% | 15.93% |
| Barloworld Ltd | 18451 | 14.29% | 9.32% | 15.64% |
| Famous Brands Ltd | 11900 | 7.21% | 7.03% | 15.55% |
| Mr Price Group Ltd | 28292 | 5.79% | -1.08% | 15.54% |
| Shoprite Holdings Ltd | 25362 | 7.24% | 2.78% | 14.66% |
| Bidvest Group Ltd | 24936 | 9.16% | -0.25% | 14.34% |
| Vodacom Group Ltd | 16647 | 4.75% | 1.82% | 14.27% |
| Choppies Enterprises Ltd | 339 | 2.73% | 2.73% | 14.14% |
| Nedbank Group Ltd | 29225 | 6.27% | 10.70% | 14.12% |
| Investec Ltd | 10150 | 2.00% | 9.25% | 13.13% |
| Investec Plc | 10139 | 1.39% | 8.72% | 12.96% |
| Mpact Ltd | 2750 | -0.72% | 2.23% | 12.70% |
| Truworths International Ltd | 10633 | 10.31% | 8.50% | 12.55% |
| MMI Holdings Ltd/South Africa | 2363 | 5.26% | 4.23% | 12.52% |
| Barclays Africa Group Ltd | 20478 | 11.90% | 13.70% | 12.52% |
| Super Group Ltd/South Africa | 4599 | 7.00% | 2.54% | 11.22% |
| Brimstone Investment Corp Ltd | 1250 | 4.69% | 8.23% | 11.11% |
| Anglo American Plc | 28353 | 5.01% | -2.12% | 10.92% |
| Standard Bank Group Ltd | 21695 | 9.57% | 8.12% | 10.88% |
| City Lodge Hotels Ltd | 16000 | 6.67% | 8.84% | 10.83% |
| KAP Industrial Holdings Ltd | 880 | 5.39% | 3.04% | 10.69% |
| Coronation Fund Managers Ltd | 8159 | 6.24% | 3.59% | 10.41% |
| Hosken Consolidated Investments Ltd | 15340 | 2.31% | 2.02% | 10.36% |
| Santam Ltd | 29453 | 1.17% | -1.60% | 10.29% |
| Sanlam Ltd | 9570 | 8.75% | 8.50% | 10.00% |
| SA Corporate Real Estate Ltd | 529 | 7.96% | 5.38% | 9.98% |
| Foschini Group Ltd | 21699 | 14.21% | 12.11% | 9.96% |
| Accelerate Property Fund Ltd | 565 | 5.61% | 2.91% | 9.71% |
| FirstRand Ltd | 7368 | 10.60% | 10.80% | 9.56% |
| AECI Ltd | 10898 | 6.94% | 5.81% | 8.98% |
| JSE All Share Index | 59122 | 5.76% | -0.64% | -0.64% |

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Economic Calendar

| Country | SAST | Economic Indicator | Relevance | Consensus/ *Actual | Previous | Frequency |
|----------|-------|--|-----------|-----------------------|-------------|--------------|
| Japan | 01:50 | Adjusted Merchandise Trade Balance (Jan) | ✓✓✓ | Yen373.30bn* | Yen90.70bn | Monthly |
| Japan | 01:50 | Exports (YoY) (Jan) | ✓✓ | 12.20%* | 9.30% | Monthly |
| Japan | 01:50 | Imports (YoY) (Jan) | ✓✓ | 7.90%* | 14.90% | Monthly |
| Japan | 01:50 | Merchandise Trade Balance Total (Jan) | ✓✓✓ | -Yen943.40bn* | Yen359.00bn | Monthly |
| UK | 02:01 | Rightmove House Price Index (MoM) (Feb) | ✓ | 0.80%* | 0.70% | Monthly |
| UK | 02:01 | Rightmove House Price Index (YoY) (Feb) | ✓ | 1.50%* | 1.10% | Monthly |
| Eurozone | 11:00 | Current Account Balance n.s.a. (Dec) | ✓ | - | EUR37.80bn | Monthly |
| Eurozone | 11:00 | Current Account Balance s.a (Dec) | ✓✓✓ | - | EUR32.50bn | Monthly |
| Italy | 11:00 | Current Account Balance (Dec) | ✓ | - | EUR4.88bn | Monthly |
| Eurozone | 12:00 | Construction Output s.a. (MoM) (Dec) | ✓✓✓ | - | 0.50% | Monthly |
| Eurozone | 12:00 | Construction Output w.d.a. (YoY) (Dec) | ✓ | - | 2.70% | Monthly |
| UK | 19:45 | BoE's Carney Speaks at Event in London | ✓✓✓ | - | - | As scheduled |
| Germany | - | German Buba Monthly Report | ✓ | - | - | As scheduled |

Note: ✓✓✓High ✓✓Medium ✓Low

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