

ONE
Minute Brief

13 October 2015



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Economic and Political News

President Jacob Zuma stated that the African National Congress (ANC) has decided that the government should review its membership in the International Criminal Court (ICC), since it unfairly targets African leaders.

The ANC has criticised Public Protector, Thuli Madonsela's decision to join the Economic Freedom Fighters (EFF) Constitutional Court bid to force President Zuma to repay some of the money spent on Nkandla and warned that it could dent her institution's reputation.

Thembinkosi Bonakele, South Africa's Antitrust Commissioner, stated that the ANC needs to focus on economic policy and resolving governance problems in departments which are driving out people with technical skills needed for implementation.

The South African Post Office (Sapo) released a statement announcing the resignation of its acting group Chief Executive Officer and Chief Operating Officer, Mlu Mathonsi, citing "personal reasons".

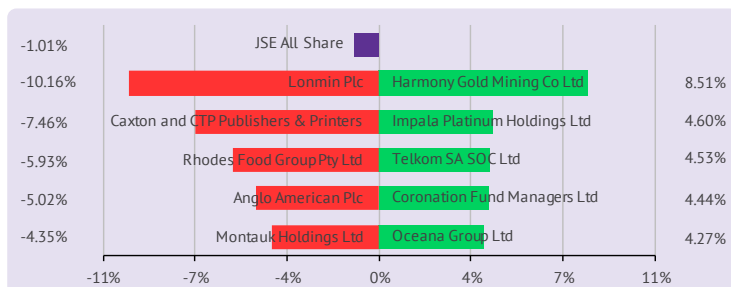
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	52757.60	▼	-538.04	-1.01%	-1.01%	5.33%	0.23%	6.00%
JSE Top 40	47241.76	▼	-568.12	-1.19%	-1.19%	5.26%	1.20%	7.44%
FTSE 100	6371.18	▼	-44.98	-0.70%	-0.70%	5.11%	-2.98%	-2.97%
DAX 30	10119.83	▲	23.23	0.23%	0.23%	4.76%	-5.84%	3.21%
CAC 40	4688.70	▼	-12.69	-0.27%	-0.27%	5.24%	-4.25%	9.73%
S&P 500	2017.46	▲	2.57	0.13%	0.13%	5.07%	-2.64%	-2.01%
Nasdaq Composite	4838.64	▲	8.17	0.17%	0.17%	4.73%	-3.27%	2.17%
DJIA	17131.86	▲	47.37	0.28%	0.28%	5.20%	-1.47%	-3.88%

South Africa Market ▼

South African markets closed lower

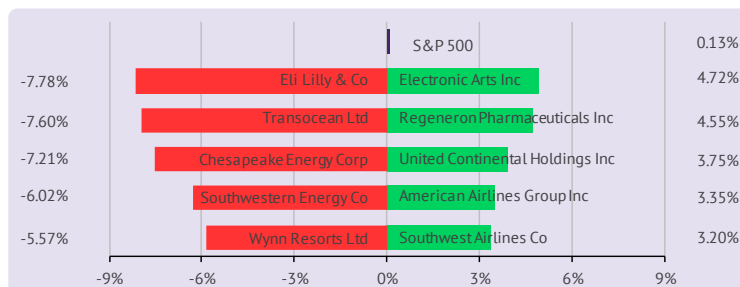
South African markets closed in the red yesterday, led by losses in banking sector stocks. The JSE All Share Index declined 1.0% to close at 52,757.60.



US Market ▲

The S&P 500 futures are trading in the red

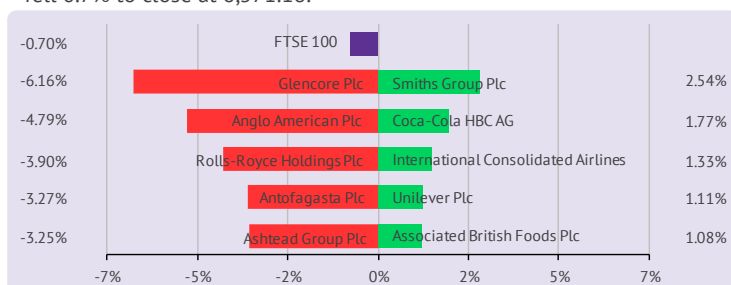
US markets ended higher on yesterday, extending its upward trend for the fourth straight session, amid gains in retail sector stocks. The S&P 500 Index advanced 0.1% to close at 2,017.46.



UK Market ▼

The FTSE 100 futures are trading in negative territory

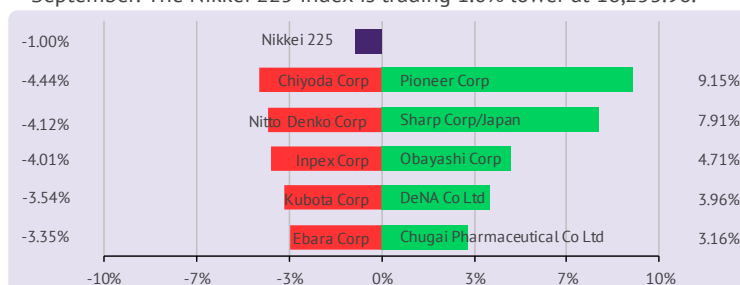
UK markets finished weaker yesterday, weighed down by losses in mining sector stocks and in shares of Rolls-Royce. Data indicated a rise in UK's retail sales across all sectors in September. The FTSE 100 Index fell 0.7% to close at 6,371.18.



Asian Market ▼

Trading lower

Asian markets are trading lower this morning. Bank of Japan's (BoJ) meeting minutes indicated that some board members expect a decline in consumer prices. Data showed a drop in China's exports and imports in September. The Nikkei 225 Index is trading 1.0% lower at 18,253.96.



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USDZAR ▲

USD trading higher against ZAR

At 06:00 SAST, the US Dollar is trading 0.4% firmer against the South African Rand at R13.3745. Later in the session today, traders will track the US monthly budget statement and the NFIB business optimism index for further clues.

The US Dollar fell against the South African Rand yesterday. The President of the Federal Reserve Bank (Fed) of Atlanta, Dennis Lockhart, indicated that the US Fed will have more economic data at its disposal in December to decide on raising interest rates, rather than its meeting later this month.

GBPZAR ▲

GBP trading stronger against ZAR

At 06:00 SAST, the British Pound climbed 0.1% against the South African Rand to trade at R20.4813. Later today, investors will focus on UK's consumer price and producer price inflation data along with reports on retail prices and house prices for further direction. The Bank of England's (BoE) credit conditions survey will also be on traders' radar. Earlier in the session, data showed that retail sales across all sectors in the UK rose more-than-expected in September.

The British Pound strengthened against the South African Rand yesterday. The leading economic index rose on a monthly basis in the UK in August.

EURZAR ▲

EUR trading firmer against ZAR

At 06:00 SAST, the Euro gained 0.3% against the South African Rand to trade at R15.1915. Going forward today, market participants will look forward to the Eurozone and German ZEW surveys on economic sentiment. Additionally, German consumer price inflation data will also attract market attention.

The Euro declined against the South African Rand in a quiet trading session yesterday.

AUDZAR ▼

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.3% weaker against the South African Rand at R9.7759. Earlier in the session, the Reserve Bank of Australia's (RBA) Deputy Governor, Philip Lowe, reiterated that a weaker Australian Dollar is helping the nation's economy transition out of the mining boom. The National Australia Bank (NAB) reported a rise in Australia's business confidence index for September. Additionally, trade surplus in China, Australia's largest trading partner, widened 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	13.3745	▲	-0.22%	-0.22%	-3.84%	4.35%	15.17%
GBPZAR	20.4813	▲	0.04%	0.04%	-2.39%	2.88%	13.49%
EURZAR	15.1915	▲	-0.24%	-0.24%	-2.24%	4.01%	8.16%
AUDZAR	9.7759	▼	0.24%	0.24%	0.89%	2.94%	3.75%
EURUSD	1.1358	▲	0.00%	0.00%	1.63%	-0.31%	-6.14%
GBPU\$D	1.5314	▼	0.24%	0.24%	1.46%	-1.42%	-1.52%
Brent (\$/barrel)	50.4	▲	-5.30%	-5.30%	3.08%	-10.67%	-13.03%
Gold (\$/oz)	1153.8	▼	0.74%	0.74%	4.43%	-1.46%	-1.62%
Platinum (\$/oz)	992.8	▼	1.54%	1.54%	9.63%	-10.22%	-17.73%
Copper (\$/MT)*	5328.8	▲	0.35%	0.35%	2.94%	0.57%	-16.32%

*As of Previous Close

Gold ▼

Trading in the red

At 06:00 SAST, gold prices dropped 1.0% to trade at \$1,153.80/oz.

Yesterday, gold prices advanced 0.7% to close at \$1,164.90/oz, extending previous session gains.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil climbed 1.0% to trade at \$50.36/bl.

Yesterday, Brent crude oil fell 5.3% to settle at \$49.86/bls, after a monthly report by the Organisation of the Petroleum Exporting Countries (OPEC) indicated that it raised production to 31.57mn bpd in September. Meanwhile, Kuwait Oil Minister, Ali al-Omar said that the organisation will continue to stick to its output policy to defend market share by keeping production high.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices retreated 0.2% to trade at \$992.80/oz.

Yesterday, platinum prices climbed 1.5% to close at \$994.60/oz.



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Major South Africa Corporate News

Afrimat Limited

The company announced that it has agreed to purchase 100.0% of the issued ordinary shares of Cape Lime Proprietary Limited, effective October 30, 2015. The total consideration of the acquisition deal is R276.00mn.

SABMiller Plc

The company announced that it has been approached for a fourth time by Anheuser-Busch InBev, for as much as USD103.00bn in a complicated cash-and-stock deal or for GBP43.50/share of SABMiller.

PSG Group Limited

In its 1H16 results, the company indicated that its revenue from sale of goods climbed 24.3% from the same period of the preceding year to R6.68bn. Its profit before tax advanced to R1.48bn from R0.96bn recorded in the same period of the prior year. The company stated that its diluted headline EPS stood at R4.10, compared with R3.06 posted in the corresponding period of the previous year. Furthermore, the company revealed that that it is confident that its investment portfolio would continue to yield above average returns in future.

Major Global Economic News

UK

The Conference Board leading economic index rose 0.2% on a monthly basis in the UK, in August, compared to a revised drop of 0.2% in the prior month.

On an annual basis, the BRC index for retail sales across all sectors registered a rise of 2.6% on in September, compared to market expectations for an advance of 1.5%. In the prior month, retail sales across all sectors had registered a drop of 1.0%.

Eurozone

The current account surplus in France recorded a reading of EUR0.20bn in August, compared to a deficit of EUR0.40bn in the prior month.

Asia

Trade surplus in China expanded to USD60.34bn in September, compared to market expectations of a surplus of USD48.21bn. China had reported a trade surplus of USD60.24bn in the previous month.

On an annual basis, actual foreign direct investment (FDI) in China recorded a rise of 7.1% in September, compared to an advance of 22.0% in the previous month.

Minutes of the BoJ's recent monetary policy indicated that the board members were of the opinion that Japan's economy has continued to recover moderately, even though exports and production have been affected by the slowdown in emerging economies. The minutes said that the central bank saw consumer prices falling in the year ended March. Furthermore, the central bank will continue with quantitative and qualitative monetary easing to achieve the price stability target of 2%.

Philip Lowe, the Deputy Governor of the RBA, expressed optimism over the domestic economy's fundamentals, though he stated that structural changes were on the horizon. He restated RBA's recent remarks that a weaker Australian Dollar has helped the economy re-balance away from mining investment.

The NAB business confidence index in Australia rose to a level of 5.00 in September, compared to a reading of 1.00 in the prior month.

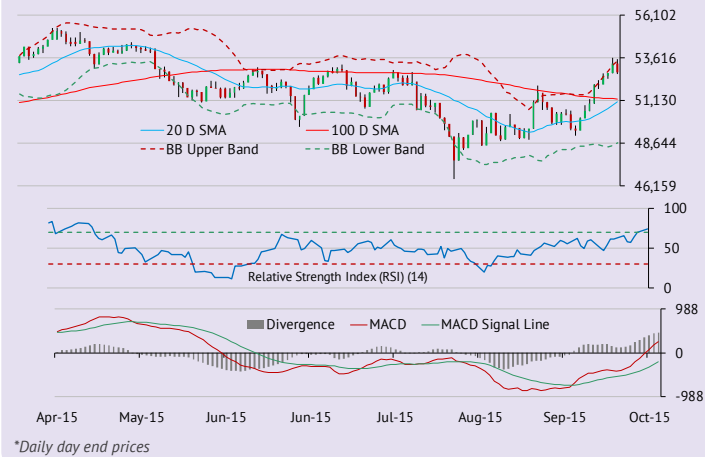
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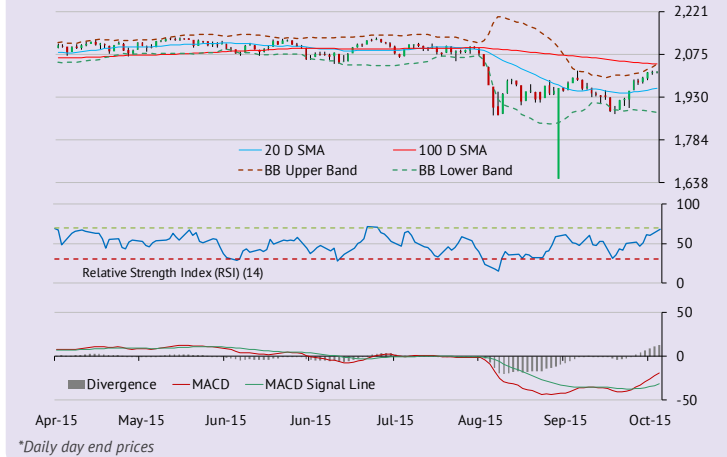
Technical Snapshot

JSE All Share



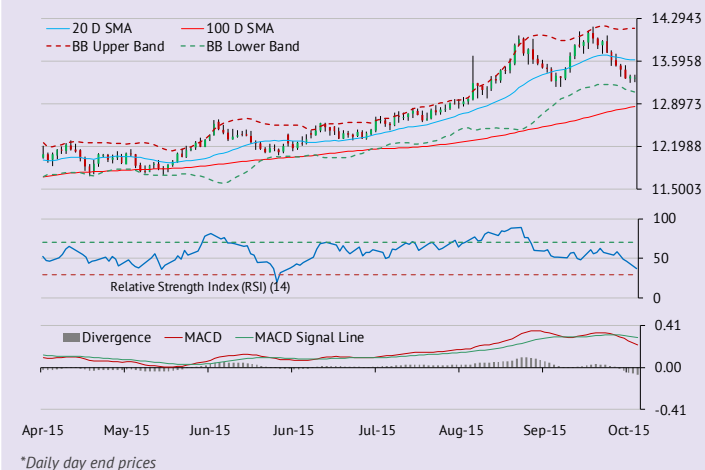
The JSE All Share index is expected to find support at 51,839.02, and a fall through could take it to the next support level of 50,920.44. The index is expected to find its first resistance at 53,651.40, and a rise through could take it to the next resistance level of 54,545.20.

S&P 500



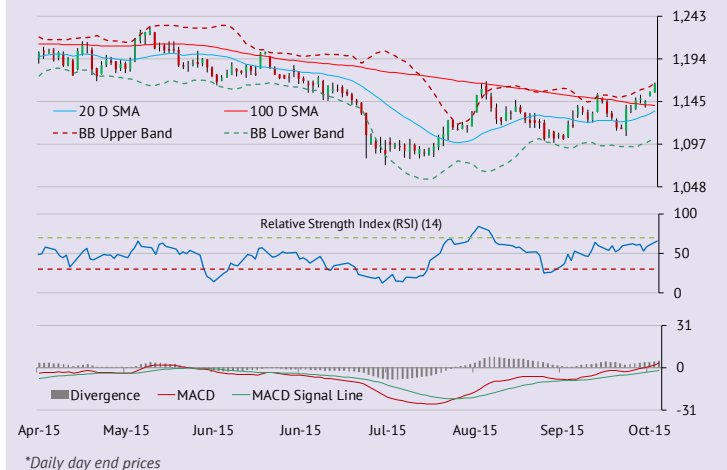
The S&P 500 index is expected to find support at 1,986.26, and a fall through could take it to the next support level of 1,955.05. The index is expected to find its first resistance at 2,034.40, and a rise through could take it to the next resistance level of 2,051.33.

USDZAR



The pair is expected to find support at 13.1346, and a fall through could take it to the next support level of 12.9467. The pair is expected to find its first resistance at 13.6141, and a rise through could take it to the next resistance level of 13.9057.

XAU/USD



Gold is expected to find support at \$1,145.20/oz, and a fall through could take it to the next support level of \$1,125.50/oz. The precious metal is expected to find its first resistance at \$1,175.70/oz, and a rise through could take it to the next resistance level of \$1,186.50/oz.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
UK	01:01	BRC Retail Sales Monitor - All (YoY) (Sep)	✓✓	2.60%*	-1.00%	Monthly
Japan	01:50	Bank Lending including Trusts (YoY) (Sep)	✓	2.60%*	2.70%	Monthly
Japan	01:50	BoJ Monetary Policy Meeting Minutes	✓✓✓	-	-	As scheduled
China	04:00	Imports (YoY) (Sep)	✓✓	-20.40%*	-13.80%	Monthly
China	04:00	Trade Balance (Sep)	✓✓	USD60.34bn*	USD60.24bn	Monthly
China	04:00	Exports (YoY) (Sep)	✓✓	-3.70%*	-5.50%	Monthly
Japan	07:00	Consumer Confidence Index (Sep)	✓✓	41.50	41.70	Monthly
Germany	08:00	Wholesale Price Index (MoM) (Sep)	✓	-	-0.80%	Monthly
Japan	08:00	Machine Tool Orders (YoY) (Sep) (P)	✓✓	-	-16.50%	Monthly
Germany	08:00	Consumer Price Index (MoM) (Sep) (F)	✓✓✓	-0.20%	-0.20%**	Monthly
Eurozone	08:30	ECB's Mersch Speaks in Singapore	✓	-	-	As scheduled
Switzerland	09:15	Producer and Import Prices (MoM) (Sep)	✓	-0.10%	-0.70%	Monthly
UK	10:30	Bank of England Credit Conditions & Bank Liabilities Surveys	✓✓	-	-	As scheduled
UK	10:30	Consumer Price Index (MoM) (Sep)	✓✓	0.00%	0.20%	Monthly
UK	10:30	PPI Core Output (MoM) n.s.a (Sep)	✓	0.00%	0.00%	Monthly
UK	10:30	Producer Price Index - Input n.s.a (MoM) (Sep)	✓✓	0.30%	-2.40%	Monthly
UK	10:30	Producer Price Index - Output n.s.a (MoM) (Sep)	✓✓	-0.10%	-0.40%	Monthly
UK	10:30	Retail Price Index (MoM) (Sep)	✓✓	0.10%	0.50%	Monthly
UK	10:30	ONS House Price Index (YoY) (Aug)	✓	5.00%	5.20%	Monthly
Eurozone	11:00	ZEW Survey - Economic Sentiment (Oct)	✓✓✓	-	33.30	Monthly
Germany	11:00	ZEW Survey - Current Situation (Oct)	✓✓	64.00	67.50	Monthly
Germany	11:00	ZEW Survey - Economic Sentiment (Oct)	✓✓✓	6.50	12.10	Monthly
US	12:00	NFIB Small Business Optimism (Sep)	✓✓	95.50	95.90	Monthly
US	14:00	Fed's Bullard Speaks to NABE in Washington	✓	-	-	As scheduled
US	14:55	Redbook Index s.a. (MoM) (09-Oct)	✓	-	-1.60%	Weekly
US	20:00	Monthly Budget Statement (Sep)	✓✓	-	-USD64.42bn	Monthly
China	-	M2 Money Supply (YoY) (Sep)	✓	13.10%	13.30%	Monthly
China	-	New Yuan Loans (Sep)	✓✓✓	CNY900.00bn	CNY809.60bn	Monthly
China	-	Aggregate Financing (Sep)	✓	CNY1200.00bn	CNY1080.00bn	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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Address: GTC @Grant Thornton, The Wanderers Office Park, 52 Corlett Drive, Illovo, 2196. | T: +27 (0) 10 597 6800 | F: +27 (0) 10 597 6801 | W: www.gtc.co.za
Ground Floor, Block B, Mind Pearl House, 7 West Quay Rd, V&A Waterfront, Cape Town, 8002. | T: +27 (0) 861 070 071 | E: securities@gtc.co.za