

ONE
Minute Brief

19 October 2015



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Economic and Political News

The South African Reserve Bank (SARB) Governor, Lesetja Kganyago stated that the central bank is on a policy tightening cycle, but that does not mean interest rates would be raised at every monetary policy meeting. He also added that the SARB would not intervene in foreign exchange markets to influence the Rand's levels as its mandate is to target inflation. The Deputy Governor, Kuben Naidoo indicated that the country's low economic growth was a concern for the Bank.

Eskom in a statement, disclosed that South Africa will spend R213bn to strengthen its transmission grid over the period 2016-2025, as it seeks to end power shortages that are slowing the country's growth.

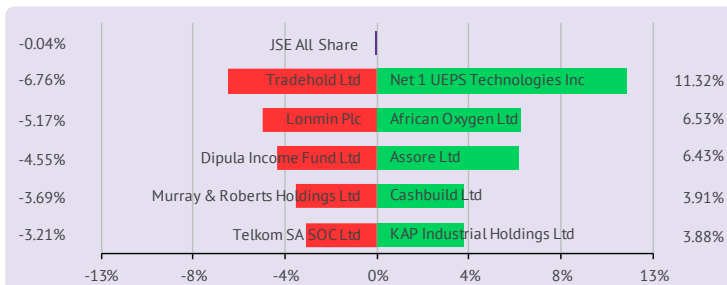
The South African Broadcasting Corporation (SABC) has charged its Chief Operating Officer, Hlaudi Motsoeneng with a number of acts of misconduct ahead of his disciplinary hearing at the end of the month.

The South African Municipal Workers Union (SAMWU) called off a strike planned on Monday at Johannesburg electricity supplier City Power, after the company's Chairperson agreed to look into the complaints against the Managing Director, Sicelo Xulu.

South Africa Market ▼

South African markets closed marginally lower

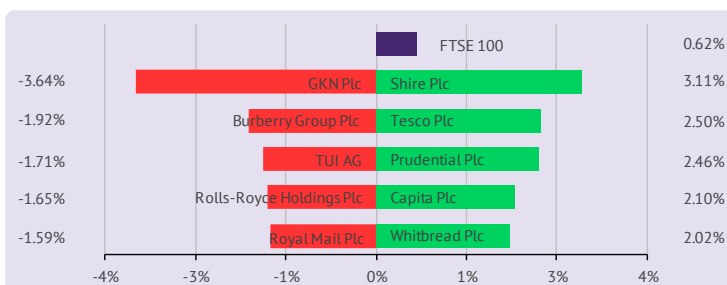
South African markets closed in the red on Friday, led by losses in platinum mining and banking sector stocks. The JSE All Share Index fell marginally to close at 52,945.11.



UK Market ▲

The FTSE 100 futures are trading in negative territory

UK markets finished stronger on Friday, amid gains in oil and mining sector stocks along with speculation of a takeover bid by drug maker Shire Plc. The FTSE 100 Index rose 0.6% to close at 6,378.04.



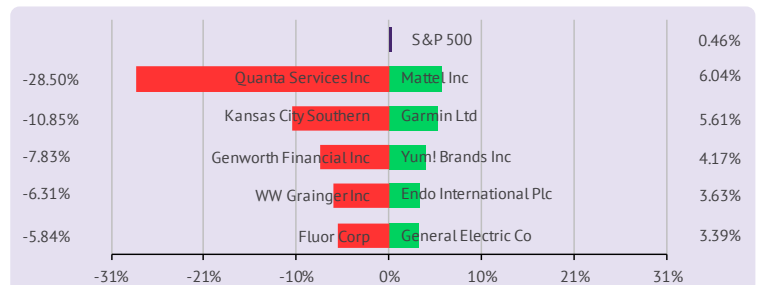
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	52945.11	▼	-21.31	-0.04%	NA	5.70%	0.23%	6.38%
JSE Top 40	47459.95	▼	-3.03	-0.01%	NA	5.75%	1.20%	7.94%
FTSE 100	6378.04	▲	39.37	0.62%	NA	5.22%	-2.98%	-2.86%
DAX 30	10104.43	▲	39.63	0.39%	NA	4.60%	-5.84%	3.05%
CAC 40	4702.79	▲	27.50	0.59%	NA	5.56%	-4.25%	10.06%
S&P 500	2033.11	▲	9.25	0.46%	NA	5.89%	-2.64%	-1.25%
Nasdaq Composite	4886.69	▲	16.59	0.34%	NA	5.77%	-3.27%	3.18%
DJIA	17215.97	▲	74.22	0.43%	NA	5.72%	-1.47%	-3.41%

US Market ▲

The S&P 500 futures are trading in the red

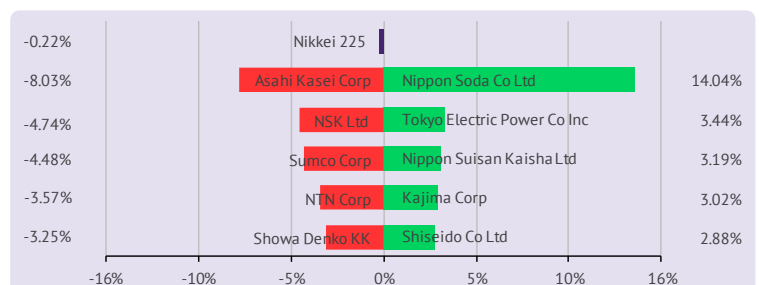
US markets ended higher on Friday, buoyed by gains in consumer staples and health-care sector stocks. Meanwhile, data revealed a higher-than-expected rise in US consumer sentiment in October. The S&P 500 Index advanced 0.5% to close at 2,033.11.



Asian Market ▼

Trading mostly lower

Asian markets are trading mostly higher this morning. Earlier today, data indicated that China's Q3 GDP growth decelerated on a yearly basis. The Nikkei 225 Index is trading 0.2% lower at 18,252.16.



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USDZAR ▼

USD trading lower against ZAR

At 06:00 SAST, the US Dollar fell 0.1% against the South African Rand to trade at R13.0728. Later in the session today, traders will focus on the US NAHB housing market data for further cues.

The US Dollar rose against the South African Rand on Friday, after preliminary print of US consumer sentiment rose more-than-expected in October. Meanwhile, industrial production in the US declined in September, matching market expectations.

GBPZAR ▼

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound fell 0.1% against the South African Rand to trade at R20.1843. With no releases in the UK today, investors will keep a tab on UK's public sector net borrowing and retail sales data scheduled for release this week. Overnight data indicated a rise in UK house prices in October.

The British Pound strengthened against the South African Rand on Friday.

EURZAR ▲

EUR trading firmer against ZAR

At 06:00 SAST, the Euro is trading marginally higher against the South African Rand at R14.8502. Going forward, market participants will concentrate on the Eurozone construction output data and the German Bundesbank's monthly report, scheduled in few hours for further direction.

The Euro declined against the South African Rand on Friday. Data revealed that Eurozone's trade surplus narrowed more than anticipated in August while consumer price inflation advanced on a monthly basis in September.

AUDZAR ▼

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar dropped marginally against the South African Rand to trade at R9.5066. Earlier in the session, China, Australia's largest trading partner revealed an advance in retail sales and a less-than-expected rise in industrial production on a yearly basis in September. Meanwhile, China's economy expanded at its slowest pace in the third quarter.

The Australian Dollar fell against the South African Rand on Friday.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.0728	▼	0.28%	NA	-5.57%	4.35%	13.10%
GBPZAR	20.1843	▼	0.14%	NA	-3.64%	2.88%	12.04%
EURZAR	14.8502	▲	-0.05%	NA	-4.12%	4.01%	6.07%
AUDZAR	9.5066	▼	-0.57%	NA	-2.18%	2.94%	0.60%
EURUSD	1.1359	▲	-0.32%	NA	1.54%	-0.31%	-6.22%
GBPUSD	1.5439	▲	-0.16%	NA	2.04%	-1.42%	-0.96%
Brent (\$/barrel)	50.3	▼	3.59%	NA	4.32%	-10.67%	-11.98%
Gold (\$/oz)	1171.8	▼	-0.36%	NA	6.10%	-1.46%	-0.04%
Platinum (\$/oz)	1021.0	▼	1.56%	NA	12.58%	-10.22%	-15.52%
Copper (\$/MT)*	5303.5	▼	-0.39%	NA	2.45%	0.57%	-16.72%

*As of Previous Close

Gold ▼

Trading in the red

At 06:00 SAST, gold prices retreated 1.0% to trade at \$1,171.80/oz.

On Friday, gold prices declined 0.4% to close at \$1,183.60/oz, reversing previous session gains, amid upbeat US consumer sentiment data and strength in the US Dollar.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 0.4% lower to trade at \$50.25/bL.

On Friday, Brent crude oil rose 3.6% to settle at \$50.46/bLs, rebounding from previous session losses, as Baker Hughes reported that US oil rigs fell to their lowest level since 2010, thus easing concerns of global over production. Separately, Paul Kibsgaard, the Chief Executive Officer of the world's largest oilfield services company, Schlumberger Limited, indicated that a recovery in oil drilling activity may not occur until 2017.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices declined marginally to trade at \$1,021.00/oz.

On Friday, platinum prices rose 1.6% to close at \$1021.30/oz.



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Major South Africa Corporate News

Adcorp Holdings Limited

In its trading statement for the half year ended August 31, 2015, the company, indicated that it expects headline EPS to decline to the tune of 16.0% to 18.0% from the previous comparable period to be between R1.24 and R1.27. Its EPS is expected to fall between R0.85 and R0.89, compared with R1.51 posted in the prior comparable period. The company stated that the decline in headline EPS and EPS is as a result of the negative revenue impact which has emanated from lower headcount volumes. Additionally, EPS was also impacted by goodwill impairment and a loss on sale of business. On a normalised trading position, normalised EPS is anticipated to drop between 4.0% and 8.0% from the corresponding comparable period to be in the range of R1.76 to R1.84.

British American Tobacco Plc

The company announced that its Brazilian subsidiary, British American Tobacco Prestação de Serviços Ltda. has successfully completed the auction of its public tender offer to purchase up to all of the 24.7% of Souza Cruz SA. This purchase would give the tobacco company total control over Souza Cruz, which is slated to cancel its registration as a publicly listed company.

Sanlam Limited

The company announced that Johan van der Merwe would step down as Chief Executive Officer of Sanlam Investments and would be succeeded by Robert Roux who is currently its Chief Operating Officer, with effect from November 1, 2015.

Major Global Economic News

UK

In October, on a monthly basis, the Rightmove house price index in the UK registered a rise of 0.6%. The index had registered an advance of 0.9% in the previous month.

US

The flash Reuters/Michigan consumer sentiment index rose to a level of 92.10 in the US, in October, compared to market expectations of an advance to a level of 89.00. The index had registered a reading of 87.20 in the previous month.

In September, industrial production registered a drop of 0.2% on a monthly basis in the US, compared to a revised fall of 0.1% in the prior month. Market expectation was for industrial production to drop 0.2%.

On a monthly basis, manufacturing production registered a drop of 0.1% in September, in the US, compared to a revised fall of 0.4% in August. Market anticipation was for manufacturing production to drop 0.2%.

Total net TIC flows in the US dropped to USD9.20bn in August, compared to a revised level of USD141.00bn in the prior month.

Eurozone

The seasonally adjusted trade surplus in the Eurozone narrowed to EUR19.80bn in August, following a surplus of EUR22.40bn in the previous month. Market anticipation was for the region's trade surplus to fall to EUR22.10bn.

In the Eurozone, the consumer price index recorded a rise of 0.2% in September, on a monthly basis, in line with market expectations, compared to an unchanged reading in the prior month.

Asia

The Bank of Japan (BoJ) Governor, Haruhiko Kuroda indicated that the economy is expected to recover moderately, citing a pickup in consumer spending in July and August compared to the previous quarter. He further added that the central bank would make necessary adjustments to its aggressive easing while monitoring risks to growth and inflation.

In China, the gross domestic product (GDP) registered a rise of 1.8% on a quarterly basis in 3Q15, meeting market expectations, compared to a revised similar climb in the prior quarter.

On an annual basis in September, retail sales registered a rise of 10.5% in China, at par with market expectations, compared to a similar advance in August.

In September, on a yearly basis, industrial production climbed 6.2% in China, compared to an advance of 6.3% in the prior month. Market anticipation was for industrial production to rise 6.3%.

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40 Best Performers on the All Share Index

Company Name	Last Close	1 Week % Change	MTD % Change	YTD % Change
Montauk Holdings Ltd	1101	-4.26%	4.86%	286.32%
Fortress Income Fund Ltd (Fund B)	3340	2.45%	4.64%	90.64%
PSG Group Ltd	24227	-4.14%	8.89%	89.64%
Brait SE	14715	1.22%	4.73%	88.56%
Cashbuild Ltd	30291	0.70%	-0.69%	84.48%
Net 1 UEPS Technologies Inc	23381	2.55%	0.93%	73.19%
Trustco Group Holdings Ltd	465	0.00%	10.19%	72.22%
Capitec Bank Holdings Ltd	57358	3.08%	15.24%	69.80%
Mondi Ltd	29409	-3.64%	1.34%	55.82%
Mondi Plc	29348	-3.30%	1.51%	54.87%
Advtech Ltd	1255	2.28%	2.12%	44.25%
Pioneer Foods Group Ltd	20492	0.21%	4.68%	43.30%
EOH Holdings Ltd	15300	-3.16%	3.01%	40.92%
Steinhoff International Holdings Ltd	8344	-0.23%	-1.72%	40.47%
Resilient Property Income Fund Ltd	11664	0.50%	0.54%	39.84%
Rhodes Food Group Pty Ltd	2089	-3.95%	-7.07%	38.07%
KAP Industrial Holdings Ltd	670	3.88%	4.52%	36.73%
Mpact Ltd	5000	8.46%	3.95%	36.05%
Curro Holdings Ltd	3833	-0.90%	5.88%	35.84%
SABMiller Plc	80969	7.94%	3.81%	33.75%
Woolworths Holdings Ltd/South Africa	10234	1.33%	5.72%	32.74%
Discovery Ltd	14352	4.49%	4.26%	32.33%
Afrimat Ltd	2245	4.91%	6.90%	32.21%
Capital & Counties Properties Plc	8600	0.19%	-5.29%	30.30%
Holdsport Ltd	6100	6.18%	7.96%	29.51%
Naspers Ltd	194000	1.15%	12.10%	28.04%
Blue Label Telecoms Ltd	1114	4.40%	13.10%	26.59%
Hyprop Investments Ltd	12235	1.22%	1.36%	25.49%
AngloGold Ashanti Ltd	12724	0.19%	16.21%	25.11%
Distell Group Ltd	16838	-2.55%	-3.23%	23.85%
Peregrine Holdings Ltd	2850	-2.56%	-1.42%	22.84%
British American Tobacco PLC	77583	1.02%	2.04%	22.76%
Capital Property Fund Ltd	1630	-0.43%	3.82%	22.74%
Pick n Pay Stores Ltd	6445	5.85%	-2.79%	22.48%
Old Mutual Plc	4230	-1.86%	6.74%	21.90%
Transaction Capital Ltd	969	-1.12%	-3.10%	21.89%
New Europe Property Investments Plc/Fund	13880	0.84%	-0.86%	21.75%
City Lodge Hotels Ltd	14500	1.05%	1.05%	20.68%
Reinet Investments SCA	3033	1.07%	3.13%	20.07%
Consolidated Infrastructure Group Ltd	3478	2.75%	5.23%	19.97%
JSE All Share Index	52945	-0.66%	5.70%	6.38%

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
UK	01:01	Rightmove House Price Index (MoM) (Oct)	✓	0.6%*	0.90%	Monthly
China	04:00	Gross Domestic Product (QoQ) (Q3)	✓✓✓	1.8%*	1.70%	Quarterly
China	04:00	Industrial Production (YoY) (Sep)	✓✓	5.7%*	6.10%	Monthly
China	04:00	Industrial Production (YTD) (YoY) (Sep)	✓✓	6.2%*	6.30%	Monthly
China	04:00	Retail Sales (YoY) (Sep)	✓✓	10.9%*	10.80%	Monthly
China	04:00	Retail Sales (YTD) (YoY) (Sep)	✓✓	10.5%*	10.50%	Monthly
China	04:00	Fixed Assets Inv Excl. Rural YTD (YoY) (Sep)	✓	10.3%*	10.90%	Monthly
Eurozone	11:00	Construction Output s.a (MoM) (Aug)	✓✓	-	1.00%	Monthly
Germany	12:00	German Buba Monthly Report	✓✓	-	-	As scheduled
US	16:00	NAHB Housing Market Index (Oct)	✓✓	62.00	62.00	Monthly
US	18:00	Fed's Lacker Speaks on Education in Richmond	✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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