

# ONE Minute Brief

26 October 2015

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## Economic and Political News

President Jacob Zuma, announced that there would be no increase in fees at South African universities in 2016 but discussions would continue on broader issues other than fees.

DA Leader, Mmusi Maimane, in his speech suggested that the R2bn generated from a stake sale in mobile communications company, Vodacom Group Limited should be used to address the shortfall for the funding of university fees. Meanwhile, the party also criticised Finance Minister, Nhlanhla Nene for his inability to address university funding issue during his medium-term budget policy statement at Parliament.

Mineral Resources Minister, Mosebenzi Zwane assured stakeholders of his and the department's commitment in moving the South African mining industry forward. He further added that the department has an open-door policy and will not hesitate to resolve problems.

South Africa's biggest water utility, Rand Water, urged its users to consume water sparingly as high temperatures, lack of rain and increasing demand has strained supply to parts of Johannesburg, Tshwane and Ekurhuleni.

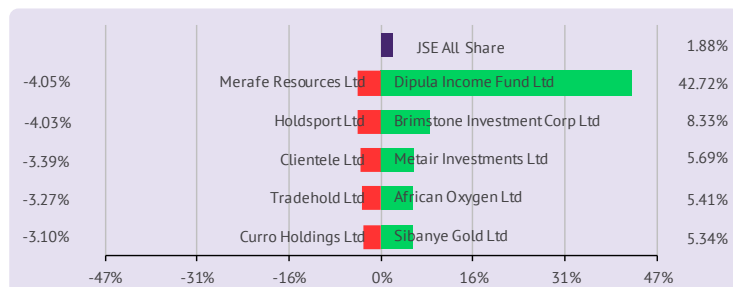
## Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	54298.41	▲	1004.44	1.88%	NA	8.40%	0.23%	9.10%
JSE Top 40	48799.45	▲	984.73	2.06%	NA	8.73%	1.20%	10.98%
FTSE 100	6444.08	▲	67.80	1.06%	NA	6.31%	-2.98%	-1.86%
DAX 30	10794.54	▲	302.57	2.88%	NA	11.74%	-5.84%	10.09%
CAC 40	4923.64	▲	121.46	2.53%	NA	10.51%	-4.25%	15.23%
S&P 500	2075.15	▲	22.64	1.10%	NA	8.08%	-2.64%	0.79%
Nasdaq Composite	5031.86	▲	111.81	2.27%	NA	8.91%	-3.27%	6.25%
DJIA	17646.70	▲	157.54	0.90%	NA	8.36%	-1.47%	-0.99%

## South Africa Market ▲

### South African markets closed higher

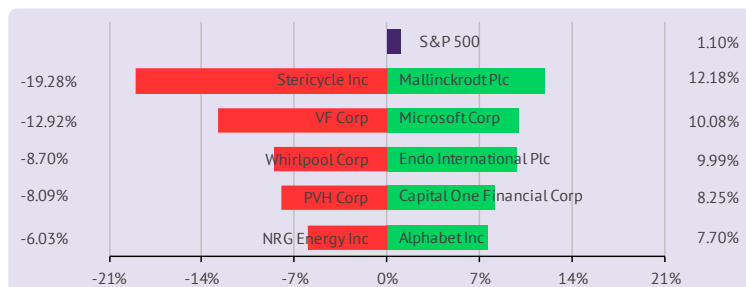
South African markets closed in the green on Friday, led by gains in resources sector stocks. The JSE All Share Index rose 1.9% to close at 54,298.41.



## US Market ▲

### The S&P 500 futures are trading in the red

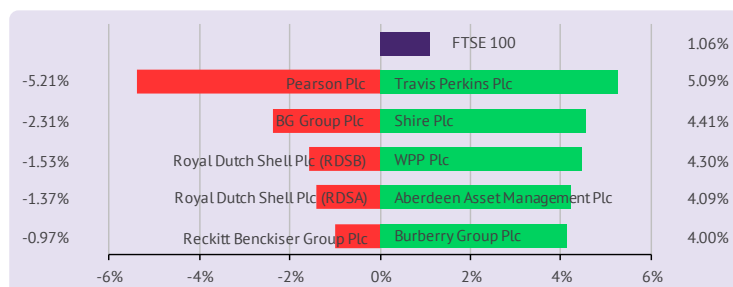
US markets ended higher on Friday, buoyed by positive corporate results of technology sector companies. Data released showed a rise in US manufacturing activity in October. The S&P 500 Index strengthened 1.1% to close at 2,075.15.



## UK Market ▲

### The FTSE 100 futures are trading in negative territory

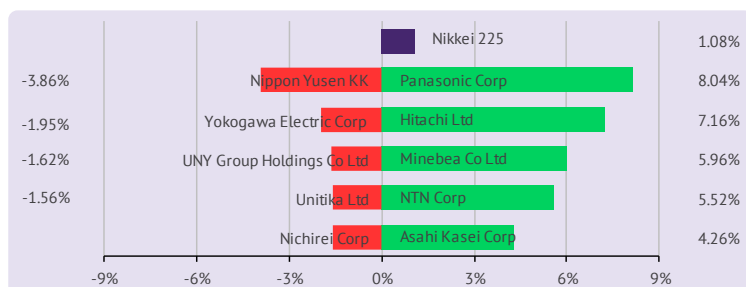
UK markets finished stronger on Friday, amid gains in mining and energy sector stocks. The FTSE 100 Index advanced 1.1% to close at 6,444.08.



## Asian Market ▲

### Trading higher

Asian markets are trading higher this morning, after the People's Bank of China (PBoC) cut benchmark interest rates and reserve-requirement ratio on Friday. The Nikkei 225 Index is trading 1.1% higher at 19,028.73.



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## USDZAR ▼

### USD trading weaker against ZAR

At 06:00 SAST, the US Dollar is trading 0.3% lower against the South African Rand at R13.5923. Later in the session today, traders will focus on new home sales data and the Dallas Fed manufacturing business index in the US for further clues.

The US Dollar rose against the South African Rand on Friday, as the US Markit manufacturing purchasing managers' index (PMI) surprisingly rose to a five-month high level in October.

## GBPZAR ▼

### GBP trading lower against ZAR

At 06:00 SAST, the British Pound retreated 0.2% against the South African Rand to trade at R20.8415. Later today, investors will look forward to UK's CBI industrial trends survey for orders and mortgage approvals data for further direction.

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

## EURZAR ▼

### EUR trading weaker against ZAR

At 06:00 SAST, the Euro fell 0.1% against the South African Rand to trade at R15.0024. Going forward, the German Bundesbank monthly report along with the Ifo survey for business climate and current assessment will attract market attention.

The Euro advanced against the South African Rand on Friday, following an unexpected rise in service activity in the Eurozone and Germany in October. Meanwhile, manufacturing activity declined in Germany in the same month.

## AUDZAR ▲

### AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar rose 0.3% against the South African Rand to trade at R9.8666.

The Australian Dollar rose against the South African Rand on Friday. The PBoC cut the key interest rates for the sixth time since November to 4.35% in an effort to boost the nation's slowing economic growth.

## Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.5923	▼	1.75%	NA	-1.58%	4.35%	17.88%
GBPZAR	20.8415	▼	1.25%	NA	-0.38%	2.88%	15.83%
EURZAR	15.0024	▼	0.92%	NA	-3.00%	4.01%	7.31%
AUDZAR	9.8666	▲	1.85%	NA	1.20%	2.94%	4.08%
EURUSD	1.1039	▲	-0.82%	NA	-1.42%	-0.31%	-8.95%
GBPU\$	1.5337	▲	-0.52%	NA	1.23%	-1.42%	-1.75%
Brent (\$/barrel)	48.1	▲	-0.19%	NA	-0.79%	-10.67%	-16.29%
Gold (\$/oz)	1164.0	▲	-0.28%	NA	4.29%	-1.46%	-1.76%
Platinum (\$/oz)	1000.0	■	-1.21%	NA	10.23%	-10.22%	-17.28%
Copper (\$/MT)*	5183.3	▼	-1.12%	NA	0.13%	0.57%	-18.60%

\*As of Previous Close

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices edged 0.1% higher to trade at \$1,164.00/oz.

On Friday, gold prices declined 0.3% to close at \$1,163.30/oz, amid a stronger US Dollar and upbeat US manufacturing data hurt the demand for the precious yellow metal.

## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil edged 0.2% higher to trade at \$48.08/bl.

On Friday, Brent crude oil fell 0.2% to settle at \$47.99/bls, reversing previous session gains amid strength in the US Dollar and ongoing concerns that global supply glut will continue to persist. Baker Hughes reported that the number of US oil rigs fell by 1 last week. Meanwhile, the PBoC cut interest rates and lowered the reserve requirement ratio in order to stimulate growth in China, world's second largest oil consumer.

## Platinum ◀▶

### Trading flat

At 06:00 SAST, platinum prices are trading flat at \$1,000.00/oz.

On Friday, platinum prices declined 1.2% to close at \$1000.00/oz.



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## Major South Africa Corporate News

### Northam Platinum Limited

The company announced that it has agreed terms to extend its co-operation agreement with Heraeus Deutschland GmbH & Co. KG and Heraeus South Africa Proprietary Limited to build a second smelter for R750.00mn, with Heraeus Deutschland, contributing about R300.00mn to the project. The platinum miner added that having a second smelter, which would be commissioned at the end of 2017, would give Northam in-house alternatives if there was a problem with its existing smelter as well as allow it to treat third-party material.

## Major Global Economic News

### US

The preliminary Markit manufacturing PMI registered an unexpected rise to a level of 54.00 in the US, in October, compared to market expectations of a fall to a level of 52.70. In the prior month, the PMI had registered a reading of 53.10.

### Eurozone

The preliminary manufacturing PMI remained flat at a level of 52.00 in the Eurozone, in October, compared to market expectations of a fall to a level of 51.70.

The preliminary services PMI rose unexpectedly to 54.20 in the Eurozone, in October, compared to a level of 53.70 in September. Markets were anticipating the PMI to fall to a level of 53.50.

In October, the flash manufacturing PMI in Germany eased to 51.60, compared to a reading of 52.30 in the prior month. Market anticipation was for the index to decline to 51.70.

In October, the flash services PMI recorded an unexpected rise to 55.20 in Germany, compared to market expectations of a drop to 53.90. The index had registered a reading of 54.10 in the previous month.

In France, the flash manufacturing PMI registered an unexpected rise to a level of 50.70 in October, compared to market expectations of a fall to a level of 50.20. In the prior month, the index had recorded a level of 50.60.

The flash services PMI rose unexpectedly to 52.30 in October, in France, compared to market expectations of a drop to a level of 51.70. In September, the index had registered a level of 51.90.

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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	1150	4.45%	9.52%	303.51%
Brait SE	15820	7.51%	12.60%	102.72%
PSG Group Ltd	25699	6.08%	15.50%	101.17%
Fortress Income Fund Ltd (Fund B)	3400	1.80%	6.52%	94.06%
Cashbuild Ltd	31650	4.49%	3.77%	92.75%
Trustco Group Holdings Ltd	480	3.23%	13.74%	77.78%
Net 1 UEPS Technologies Inc	24000	2.65%	3.60%	77.78%
Capitec Bank Holdings Ltd	58900	2.69%	17.56%	73.24%
Dipula Income Fund Ltd (Fund B)	1500	42.86%	39.02%	68.54%
Mondi Ltd	30781	4.67%	6.06%	63.09%
Mondi Plc	30718	4.67%	6.25%	62.10%
Advtech Ltd	1292	2.95%	5.13%	48.51%
Resilient Property Income Fund Ltd	12200	4.60%	5.16%	46.27%
Curro Holdings Ltd	4060	5.92%	12.15%	43.89%
Steinhoff International Holdings Ltd	8523	2.15%	0.39%	43.48%
Rhodes Food Group Pty Ltd	2165	3.64%	-3.69%	43.09%
Pioneer Foods Group Ltd	20336	-0.76%	3.88%	42.21%
EOH Holdings Ltd	15199	0.32%	3.34%	41.37%
Capital & Counties Properties Plc	9242	7.47%	1.78%	40.03%
KAP Industrial Holdings Ltd	673	0.45%	4.99%	37.35%
SABMiller Plc	82360	1.72%	5.59%	36.04%
Discovery Ltd	14596	1.70%	6.03%	34.58%
Naspers Ltd	203062	4.67%	17.33%	34.02%
Woolworths Holdings Ltd/South Africa	10292	0.57%	6.32%	33.49%
Blue Label Telecoms Ltd	1169	4.94%	18.68%	32.84%
Afrimat Ltd	2250	0.22%	7.14%	32.51%
Mpact Ltd	4835	-3.30%	0.52%	31.56%
Transaction Capital Ltd	1035	6.81%	3.50%	30.19%
Peregrine Holdings Ltd	2995	5.09%	3.60%	29.09%
Pick n Pay Stores Ltd	6769	5.03%	2.10%	28.64%
Hyprop Investments Ltd	12530	2.41%	3.80%	28.51%
Old Mutual Plc	4457	5.37%	12.47%	28.44%
British American Tobacco Plc	80344	3.56%	5.68%	27.13%
Holdsport Ltd	5950	-2.46%	5.31%	26.33%
Clicks Group Ltd	10209	5.24%	13.65%	26.04%
New Europe Property Investments Plc/Fund	14300	3.03%	2.14%	25.44%
Capital Property Fund Ltd	1659	1.78%	5.67%	24.92%
Rockcastle Global Real Estate Co Ltd	3012	5.13%	2.97%	24.46%
City Lodge Hotels Ltd	14933	2.99%	4.06%	24.29%
Distell Group Ltd	16886	0.29%	-2.95%	24.21%
<b>JSE All Share Index</b>	<b>54298</b>	<b>2.56%</b>	<b>8.40%</b>	<b>9.10%</b>

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## Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
 Spain	10:00	Producer Price Index (MoM) (Sep)	✓	-	-1.70%	Monthly
 Germany	11:00	IFO - Business Climate (Oct)	✓✓	107.80	108.50	Monthly
 Germany	11:00	IFO - Current Assessment (Oct)	✓✓	113.50	114.00	Monthly
 Germany	11:00	IFO - Expectations (Oct)	✓✓	102.30	103.30	Monthly
 UK	11:30	BBA Mortgage Approvals (Sep)	✓✓	47.40K	46.74K	Monthly
 Germany	12:00	German Buba Monthly Report	✓✓	-	-	As scheduled
 Eurozone	12:45	ECB Executive Board Member Yves Mersch Speaks in Brussels	✓	-	-	As scheduled
 UK	13:00	CBI Trends Selling Prices (Oct)	✓✓	-7.00	-8.00	Monthly
 UK	13:00	CBI Business Optimism (10)	✓	2.00	8.00	Quarterly
 UK	13:00	CBI Industrial Trends Survey - Orders (Oct)	✓✓	-9.00	-7.00	Monthly
 US	16:00	New Home Sales Change (Sep)	✓✓	550.00K	552.00K	Monthly
 US	16:00	New Home Sales (MoM) (Sep)	✓	-0.40%	5.70%	Monthly
 US	16:30	Dallas Fed Manufacturing Business Index (Oct)	✓	-6.50	-9.50	Monthly

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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