

# ONE Minute Brief

27 October 2015

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## Economic and Political News

The National Union of Mineworkers (NUM) reported that its 450 miners at ASA Metals mine in Dilokong chrome near Burgersfort staged an underground sit-in after workers demanded the resignation of the Human Resource and Employee Relations manager.

The South African Post Office (Sapo) spokesman, Khulani Qoma mentioned that its staff has been paid 70% of their total salaries with the remaining 30% expected to be deposited by October 31, 2015.

The Chairperson of the Portfolio Committee on Police, Francois Beukman, stated that it has adopted five measures to improve police professionalism and conduct during last week's Budgetary Review Recommendation Report (BRRR) that will demilitarise the police and bring their role into line with the National Development Plan (NDP).

The International Air Transport Association (IATA) and the World Travel & Tourism Council (WTTC) have welcomed the changes made to South Africa's visa regulations. The new recommendations were accepted by Cabinet last week and will be implemented over the next three months to over a year.

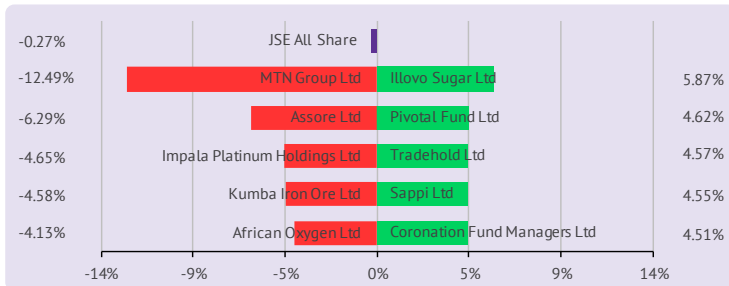
## Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	54150.70	▼ -147.71	-0.27%	-0.27%	8.11%	0.23%	8.80%
JSE Top 40	48569.26	▼ -230.19	-0.47%	-0.47%	8.22%	1.20%	10.46%
FTSE 100	6417.02	▼ -27.06	-0.42%	-0.42%	5.86%	-2.98%	-2.27%
DAX 30	10801.34	▲ 6.80	0.06%	0.06%	11.81%	-5.84%	10.16%
CAC 40	4897.13	▼ -26.51	-0.54%	-0.54%	9.92%	-4.25%	14.61%
S&P 500	2071.18	▼ -3.97	-0.19%	-0.19%	7.87%	-2.64%	0.60%
Nasdaq Composite	5034.70	▲ 2.84	0.06%	0.06%	8.97%	-3.27%	6.31%
DJIA	17623.05	▼ -23.65	-0.13%	-0.13%	8.22%	-1.47%	-1.12%

## South Africa Market ▼

### South African markets closed lower

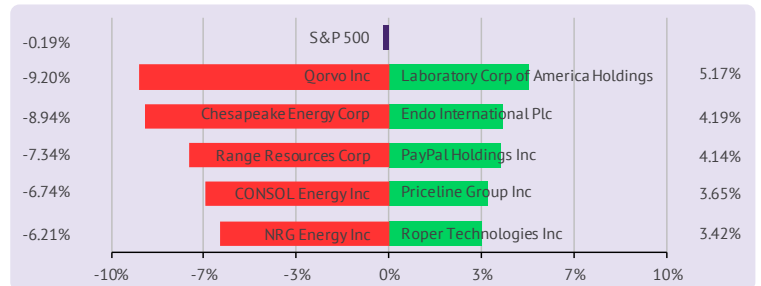
South African markets closed in the red yesterday, led by losses in platinum sector stocks. The JSE All Share Index fell 0.3% to close at 54,150.70.



## US Market ▼

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

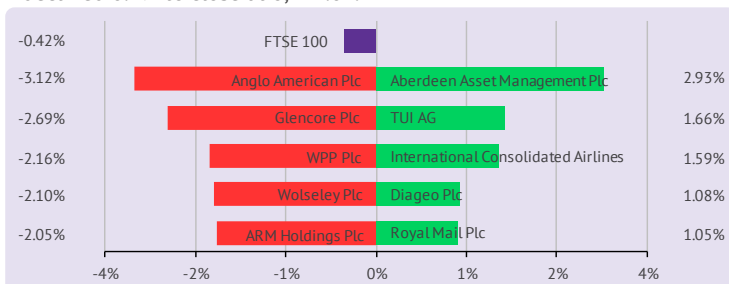
US markets closed lower yesterday, amid losses in energy sector stocks. Data showed a more than expected fall in US new home sales in September. The S&P 500 Index dropped 0.2% to close at 2,071.18.



## UK Market ▼

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

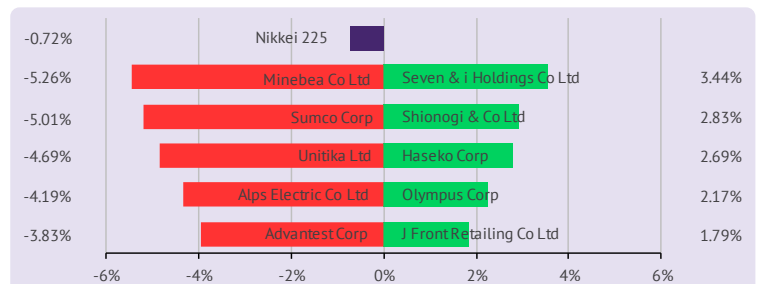
UK markets finished lower yesterday, weighed down by losses in mining sector stocks and in shares of WPP Plc. Data showed a further decline in UK's industrial order book balance for October. The FTSE 100 Index declined 0.4% to close at 6,417.02.



## Asian Market ▼

### Trading lower

Asian markets are trading lower this morning. Early morning data revealed a drop in China's industrial profits in September. The Nikkei 225 Index is trading 0.7% lower at 18,810.84.



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## USDZAR ▲

### USD trading higher against ZAR

At 06:00 SAST, the US Dollar is trading 0.1% firmer against the South African Rand at R13.6549. Later in the session today, traders will focus on US durable goods orders data and the consumer confidence index, Markit services Purchasing Managers' Index (PMI), S&P/Case-Shiller home prices and Richmond Fed manufacturing index. Additionally, unemployment rate data in South Africa will attract market attention.

The US Dollar rose marginally against the South African Rand yesterday. Data indicated a more-than-expected drop in new home sales on a monthly basis in September and an unexpected decline in manufacturing activity in the Dallas region in October.

## GBPZAR ▲

### GBP trading firmer against ZAR

At 06:00 SAST, the British Pound is trading 0.1% higher against the South African Rand at R20.9685. Later today, investors will look forward to UK's gross domestic product (GDP) for 3Q15 and the South African unemployment rate data for further clues.

The British Pound advanced against the South African Rand yesterday. The CBI industrial trends survey revealed a rise in selling prices for October and higher optimism among businesses for the next six months in the UK, while the nation's total factory order balance fell to its lowest level in 3 years. Additionally, mortgage approvals eased unexpectedly to a four-month low in September.

## EURZAR ▲

### EUR trading stronger against ZAR

At 06:00 SAST, the Euro is trading 0.2% firmer against the South African Rand at R15.1089. With a light economic calendar in the Euro-zone today, market participants will track the region's private sector credit and M3 money supply data, scheduled in a few hours for further direction.

The Euro strengthened against the South African Rand yesterday. The Ifo survey indices showed a surprising advance in business expectations, while business climate dropped in October. Furthermore, the German Bundesbank, in its monthly report indicated that Germany's economic trend remained very robust while industrial activity continues to move sideways.

## AUDZAR ▼

### AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar retreated 0.1% against the South African Rand to trade at R9.8755. Earlier in the session, data revealed a decline in industrial profits of China, Australia's largest trading partner, in September.

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	13.6549	▲	0.03%	0.03%	-1.55%	4.35%	17.91%
GBPZAR	20.9685	▲	0.30%	0.30%	-0.08%	2.88%	16.17%
EURZAR	15.1089	▲	0.41%	0.41%	-2.60%	4.01%	7.75%
AUDZAR	9.8755	▼	0.50%	0.50%	1.71%	2.94%	4.60%
EURUSD	1.1067	▲	0.37%	0.37%	-1.05%	-0.31%	-8.62%
GBPUUSD	1.5358	▲	0.26%	0.26%	1.48%	-1.42%	-1.50%
Brent (\$/barrel)	47.2	▼	-0.94%	-0.94%	-1.72%	-10.67%	-17.08%
Gold (\$/oz)	1164.2	▼	0.32%	0.32%	4.62%	-1.46%	-1.44%
Platinum (\$/oz)	995.8	■	-0.42%	-0.42%	9.77%	-10.22%	-17.63%
Copper (\$/MT)*	5201.5	▲	0.35%	0.35%	0.48%	0.57%	-18.32%

\*As of Previous Close

## Gold ▼

### Trading in the red

Gold prices, reversed previous session gains and at 06:00 SAST edged 0.2% lower to trade at \$1,164.20/oz.

Yesterday, gold prices rose 0.3% to close at \$1,167.00/oz, amid a weaker US Dollar and disappointing US housing data.

## Brent Crude Oil ▼

### Trading weaker

At 06:00 SAST, Brent crude oil dropped 0.7% to trade at \$47.20/bl.

Yesterday, Brent crude oil dropped 0.9% to settle at \$47.54/bl, on worries of global oversupply. Meanwhile, Goldman Sachs warned of downside risks for oil prices through 2016. Separately, a Reuters survey, forecasted that US crude stockpiles last week rose for a fifth straight week to 3mn bls.

## Platinum ◀▶

### Trading flat

At 06:00 SAST, platinum prices were trading flat at \$995.80/oz.

Yesterday, platinum prices declined 0.4% to close at \$995.80/oz, extending its previous session losses.

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## Major South Africa Corporate News

### Coronation Fund Managers Limited

In its voluntary trading statement for FY15, the company, revealed that its diluted headline EPS is expected to be between R4.86 and R5.43, compared with R5.72 recorded in the same period of the previous year. Moreover, its total assets under management as at September 30, 2015 were R610.00mn.

### Delta Property Fund Limited

In its 1H16 results, the company indicated that its total revenue increased to R587.16mn from R480.19mn recorded in the same period of the previous year. However, its basic and diluted headline EPS from continuing operations dropped 54.2% from the corresponding period of the prior year to R0.33. Furthermore, the company declared a distribution of 42.89154c/share, which represents a 7.2% increase from the comparable period in FY14. It also stated that it is on track to deliver combined distribution growth of 8.0% in FY16.

### JSE Limited

South Africa's stock exchange has dropped an investigation into an insider trading claim made against the former chairman of private education firm Advtech Limited following a takeover bid.

### MTN Group Limited

The company announced that the Nigerian Communications Commission (NCC) has imposed a fine equivalent to USD5.20bn on MTN Nigeria for failing to disconnect 5.10mn of unregistered cellphone subscribers. The penalty is based on N200,000 (USD1,000) for each of 5.10mn cellphone SIM cards that had not been registered and should have been disconnected by an August deadline.

### Naspers Limited

Africa's biggest company by market value, is selling stakes in two internet companies in the Czech Republic for USD201.00mn after an aborted attempt to create an e-commerce platform across Central and Eastern Europe.

### Raubex Group Limited

In its voluntary trading statement for the six months ended 31 August 2015, the company, indicated that it expects EPS to increase in the range of 0.0% to 10.0% from the corresponding period of the previous year to be between R1.04 and R1.14. Its headline EPS is anticipated to be between R1.02 and R1.12, compared with R1.02 posted in the same period of the prior year.

## Major Global Economic News

### UK

In the UK, the CBI balance of firms reporting total order book above normal fell to a level of -18.00 in October, compared to a level of -7.00 in the prior month. Markets were anticipating the balance of firms reporting total order book above normal to ease to a level of -9.00.

In October, the CBI trends selling prices in the UK advanced to -7.00, compared to a level of -8.00 in September. Markets were anticipating CBI trends selling prices to climb to -7.00.

In September, BBA mortgage approvals registered an unexpected drop to 44.48K in the UK, compared to market expectations of a rise to a level of 47.40K. In the previous month, mortgage approvals had registered a revised reading of 46.56K.

### US

In September, new home sales dropped 11.5%, on monthly basis, to a level of 468.00K in the US, compared to a revised level of 529.00K in the prior month. Market anticipation was for new home sales to advance to a level of 550.00K.

In October, the Dallas Fed manufacturing business index dropped unexpectedly to -12.70 in the US, compared to a reading of -9.50 in September. Markets were anticipating the index to rise to -6.50.

### Eurozone

The Bundesbank in its monthly report, indicated that despite slower growth in Germany in 3Q15, the underlying economic trend remains very robust with a favourable consumer climate. Additionally, households' real income was benefitting from higher wages and lower energy prices while industrial activity continues to move sideways. The central bank cautioned that activity in the manufacturing sector was failing to pick up speed.

In October, the Ifo business climate index eased to 108.20 in Germany, compared to a level of 108.50 in the prior month.

In Germany, the Ifo current assessment index dropped to 112.60 in October, compared to a level of 114.00 in the previous month. Markets were anticipating the index to fall to 113.50.

In October, the Ifo business expectations index recorded an unexpected rise to a level of 103.80 in Germany, compared to market expectations of a drop to 102.30.

### Asia

In September, on a yearly basis, industrial profits dropped 0.1% in China. Industrial profits had registered a decline of 8.8% in the prior month.

In Japan, the corporate service price index rose 0.6% in September on an annual basis, in line with market expectations. The index had advanced by a revised 0.8% in August.

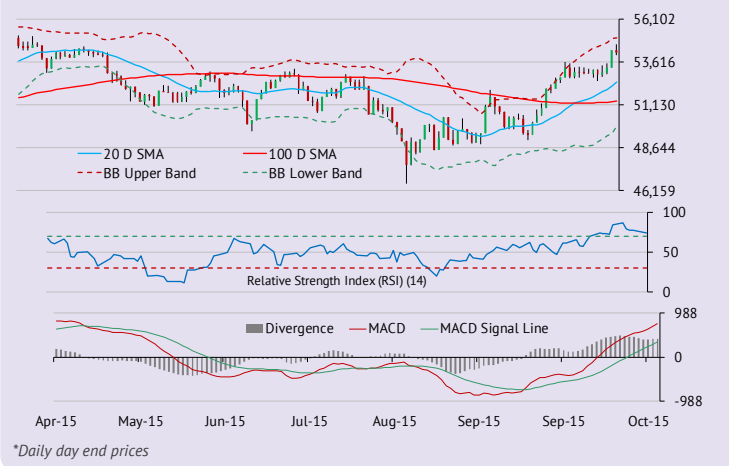
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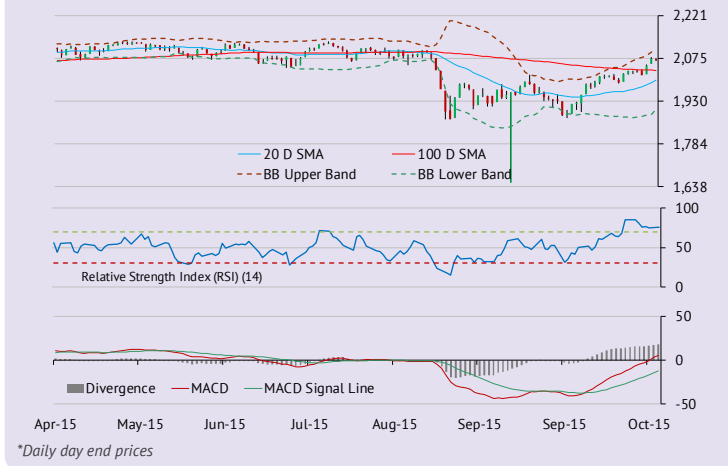
## Technical Snapshot

### JSE All Share



The JSE All Share index is expected to find support at 52,905.90, and a fall through could take it to the next support level of 51,661.10. The index is expected to find its first resistance at 55,015.53, and a rise through could take it to the next resistance level of 55,880.36.

### S&P 500



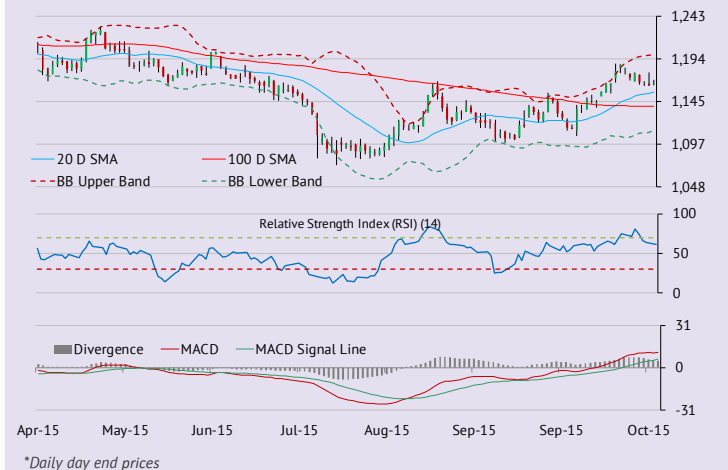
The S&P 500 index is expected to find support at 2,032.35, and a fall through could take it to the next support level of 1,993.53. The index is expected to find its first resistance at 2,094.87, and a rise through could take it to the next resistance level of 2,118.57.

### USDZAR



The pair is expected to find support at 13.3090, and a fall through could take it to the next support level of 12.9781. The pair is expected to find its first resistance at 13.8363, and a rise through could take it to the next resistance level of 14.0327.

### XAU/USD



Gold is expected to find support at \$1,160.50/oz, and a fall through could take it to the next support level of \$1,154.00/oz. The precious metal is expected to find its first resistance at \$1,176.30/oz, and a rise through could take it to the next resistance level of \$1,185.60/oz.

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## Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:50	Corporate Service Price (YoY) (Sep)	✓	0.60%*	0.80%	Monthly
China	03:30	Industrial Profits (YTD) (YoY) (Sep)	✓✓	-1.70%*	-1.90%	Monthly
Switzerland	09:00	UBS Consumption Indicator (Sep)	✓✓	-	1.63	Monthly
Spain	10:00	Total mortgage lending YoY (Aug)	✓	-	47.80%	Monthly
Spain	10:00	House mortgage approvals YoY (Aug)	✓	-	21.80%	Monthly
Eurozone	11:00	M3 Money Supply (3m) (Sep)	✓	-	5.00%	Monthly
Eurozone	11:00	Private Loans (YoY) (Sep)	✓	1.10%	1.00%	Monthly
UK	11:30	Gross Domestic Product (QoQ) (Q3) (P)	✓✓✓	0.60%	0.70%	Quarterly
UK	11:30	Index of Services (MoM) (Aug)	✓	0.20%	0.20%	Monthly
South Africa	11:30	Unemployment Total (3Q15)	✓✓✓	-	5.23mn	Quarterly
South Africa	11:30	Unemployment Rate (3Q15)	✓✓✓	25.10%	25.00%	Quarterly
Eurozone	13:15	ECB's Nowotny Speaks in Zurich	✓	-	-	As scheduled
US	14:30	Cap Goods Orders Nondef Ex Air (Sep)	✓	0.20%	-0.20%	Monthly
US	14:30	Durable Goods Orders (Sep)	✓✓✓	-1.30%	-2.00%	Monthly
US	14:30	Cap Goods Ship Nondef Ex Air (Sep)	✓	0.40%	-0.20%	Monthly
US	14:55	Redbook Index s.a. (MoM) (23-Oct)	✓	-	-0.10%	Weekly
US	15:00	S&P/Case-Shiller 20 City s.a. (MoM) (Aug)	✓	0.10%	-0.20%	Monthly
US	15:00	S&P/Case-Shiller Composite-20 (YoY) (Aug)	✓	5.10%	4.96%	Monthly
US	15:00	S&P/Case-Shiller Home Price Index (Aug)	✓	182.26	181.90	Monthly
US	15:45	Markit Composite PMI (Oct) (P)	✓	-	55.00	Monthly
US	15:45	Markit Services PMI (Oct) (P)	✓✓	55.50	55.10	Monthly
US	16:00	Consumer Confidence (Oct)	✓✓✓	103.00	103.00	Monthly
US	16:00	Richmond Fed Manufacturing Index (Oct)	✓	-3.00	-5.00	Monthly
Canada	17:20	BoC Gov Council Member Lane Speech	✓	-	-	As scheduled

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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