

ONE Minute Brief

8 January 2016

GTC
consult • partner • manage

Economic and Political News

The SACCI business confidence index eased to a level of 79.60 in South Africa, in December, from a reading of 82.70 in the previous month.

On an annual basis, South Africa's electricity production registered a drop of 1.5%, in November, compared to a fall of 3.2% in the prior month.

On a yearly basis, electricity consumption in South Africa eased 2.4%, in November. The electricity consumption had fallen 2.7% in October.

On an annual basis, in South Africa, new vehicle sales eased 4.2% in December, compared to market expectations for a fall of 0.8%. In November, new vehicle sales had recorded a rise of 0.4%.

Trade Minister, Rob Davies, announced that it has resolved a dispute with the US over farm exports and felt South Africa would remain in African Growth and Opportunity Act (AGOA) but they were waiting for confirmation from the US.

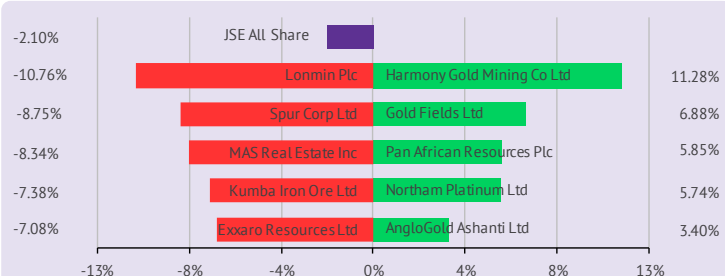
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	48052.78	▼	-1029.51	-2.10%	-5.21%	-5.21%	-5.21%
JSE Top 40	43186.36	▼	-964.10	-2.18%	-5.70%	-1.15%	-5.70%
FTSE 100	5954.08	▼	-119.30	-1.96%	-4.62%	-1.79%	-4.62%
DAX 30	9979.85	▼	-234.17	-2.29%	-7.10%	-5.62%	-7.10%
CAC 40	4403.58	▼	-76.89	-1.72%	-5.04%	-6.47%	-5.04%
S&P 500	1943.09	▼	-47.17	-2.37%	-4.93%	-1.75%	-4.93%
Nasdaq Composite	4689.43	▼	-146.34	-3.03%	-6.35%	-1.98%	-6.35%
DJIA	16514.10	▼	-392.41	-2.32%	-5.23%	-1.66%	-5.23%

South Africa Market ▼

South African markets closed lower

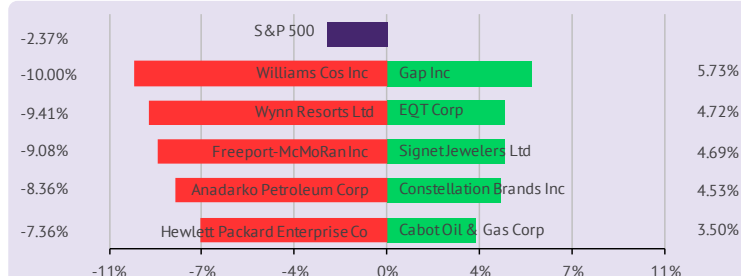
South African markets closed in the red yesterday, led by losses in banking and resources sector stocks. Data revealed a decline in South Africa's business confidence in December since 1993. The JSE All Share Index fell 2.1% to close at 48,052.78.



US Market ▼

The S&P 500 futures are trading in the green

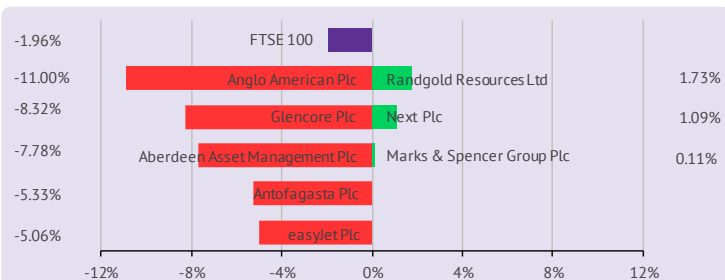
US markets closed lower yesterday, amid concerns about China's economy and high volatility in its markets along with a drop in oil prices. Data indicated a drop in US initial jobless claims last week. The S&P 500 Index dropped 2.4% to close at 1,943.09.



UK Market ▼

The FTSE 100 futures are trading in positive territory

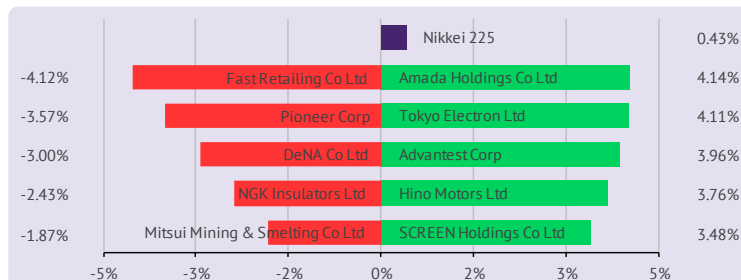
UK markets finished lower yesterday, weighed down by losses in commodity sector stocks triggered by a slump in Chinese equity markets. The FTSE 100 Index declined 2.0% to close at 5,954.08.



Asian Market ▲

Trading higher

Asian markets are trading higher this morning, after China ceased to cut the Yuan's reference rate, providing some reassurance to investors. The Nikkei 225 Index is trading 0.4% higher at 17,842.90.



Address: GTC @Grant Thornton, The Wanderers Office Park, 52 Corlett Drive, Illovo, 2196.
t: +27 (0) 21 412 1074 | e: oneminutebrief@gtc.co.za | w: www.gtc.co.za

An Authorised Financial Services Provider FSP No. 731
formerly Grant Thornton Capital

Employee Benefits Consulting • Employee Benefits Administration • Private Client Wealth Management • Healthcare Consulting •
Short-Term Risk Solutions • Stockbroking • Derivatives Trading • Unit Trust Management • Asset Management • Fiduciary Services

ONE Minute Brief

8 January 2016

GTC
consult • partner • manage

USDZAR ▼

USD trading lower against ZAR

At 06:00 SAST, the US Dollar dropped 0.7% against the South African Rand to trade at R15.9480. Later today, traders will focus on US non-farm payrolls, unemployment rate, consumer credit and average hourly earnings data. Meanwhile, investors would also monitor South Africa's net gold and foreign exchange reserves for further clues.

The US Dollar rose against the South African Rand yesterday, after a more-than-expected drop in the number of people who applied for initial jobless benefits last week. Elsewhere, in South Africa, business confidence dropped to the lowest in more than two decades in December.

GBPZAR ▼

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound is trading 0.6% lower against the South African Rand at R23.3443. Later in the session, investors will look forward to UK's total trade balance and visible trade balance data as well as net gold and foreign exchange reserves of South Africa for further direction.

The British Pound advanced against the South African Rand yesterday. Data revealed that UK's Halifax house price index advanced more-than-expected on a monthly basis in December. Additionally, South Africa's business confidence fell to its lowest level in 23 years in December.

EURZAR ▼

EUR trading lower against ZAR

At 06:00 SAST, the Euro is trading 1.2% weaker against the South African Rand at R17.3610. Going forward, Germany's trade balance, current account balance and industrial production data scheduled in a few hours will be on traders' radar.

The Euro strengthened against the South African Rand yesterday, after unemployment rate in the Eurozone surprisingly fell to its lowest level in over four years in November. Furthermore, Eurozone's economic and services sentiment indicator advanced unexpectedly in December. Meanwhile, retail sales in the Eurozone unexpectedly dropped in November while in Germany, growth in retail sales missed market expectations in the same month. Additionally, factory orders in Germany rose more-than-forecasted in November.

AUDZAR ▲

AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar rose marginally against the South African Rand to trade at R11.2558. Earlier in the session, data revealed a rise in Australia's retail sales for November. Meanwhile, the Australian AiG performance of construction index dropped in December.

The Australian Dollar rose against the South African Rand yesterday, after Australia's trade deficit narrowed in November.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	15.9480	▼	1.30%	3.83%	3.82%	7.12%	3.82%
GBPZAR	23.3443	▼	1.21%	3.05%	3.02%	4.72%	3.02%
EURZAR	17.3610	▼	2.70%	4.54%	4.52%	10.03%	4.52%
AUDZAR	11.2558	▲	0.35%	0.59%	-0.93%	8.80%	-0.93%
EURUSD	1.0883	▼	1.36%	0.67%	0.63%	2.84%	0.63%
GBPUSD	1.4636	▲	-0.06%	-0.76%	-0.82%	-2.13%	-0.82%
Brent (\$/barrel)	34.4	▲	-1.40%	-9.47%	-9.47%	-16.43%	-9.47%
Gold (\$/oz)	1103.0	▼	1.46%	4.49%	4.49%	-0.53%	4.49%
Platinum (\$/oz)	875.2	▼	0.31%	-1.72%	-1.72%	7.06%	-1.72%
Copper (\$/MT)*	4524.0	▼	-2.07%	-3.86%	-3.86%	2.32%	-3.86%

*As of Previous Close

Gold ▼

Trading in the red

At 06:00 SAST, gold prices edged 0.4% lower to trade at \$1,103.00/oz..

Yesterday, gold prices rose 1.5% to close at \$1,107.80/oz, as concerns about the Chinese economy and its turbulent financial markets increased the demand of the safe-haven asset.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged 1.9% higher to trade at \$34.40/bl.

Yesterday, Brent crude oil dropped 1.4% to settle at \$33.75/bl to its lowest level in more than a decade, as turmoil in China increased the risk for a decline in energy demand from one of the world's top consumers.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices declined 0.1% to trade at \$875.20/oz.

Yesterday, platinum prices climbed 0.3% to close at \$876.40/oz, reversing previous session losses.



ONE Minute Brief

8 January 2016



Major South Africa Corporate News

Arcelormittal South Africa Limited

In its operational update, the company stated that it has extended tariffs on some steel imports from China as producers deal with a glut of cheap supply from the nation. In addition, duties have been implemented with regard to Wire Rod and Rebar with effect from December 18, 2015, making a total of 3 out of 10 applications submitted to the International Trade Administration Commission (ITAC). Additionally, the company announced its plans to use R3.20bn of an R4.50bn rights issue to reduce debt while the remainder will be used for its operations.

Major Global Economic News

UK

The Halifax house price index climbed 9.5% on an annual basis in the UK in the October-December 2015 period, compared to market expectations for an advance of 9.0%. In the September-November 2015 period, the index had registered a rise of 9.0%.

Eurozone

The seasonally adjusted retail sales in the Eurozone unexpectedly dropped 0.3% on a monthly basis in November, compared to a revised fall of 0.2% in the previous month.

In the Eurozone, the unemployment rate dropped unexpectedly to 10.5% in November, compared to a revised reading of 10.6% in the prior month.

In the Eurozone, the economic sentiment indicator recorded an unexpected rise to 106.80 in December, compared to a level of 106.10 in the previous month.

In Germany, retail sales recorded a rise of 0.2% on a monthly basis in November, lower than market expectations for an advance of 0.5%. Retail sales had dropped by a revised 0.1% in October.

In November, the seasonally adjusted factory orders in Germany rose 1.5% on a monthly basis, compared to a revised advance of 1.7% in the prior month. Markets were anticipating factory orders to climb 0.1%.

US

The seasonally adjusted initial jobless claims fell to a level of 277.00K in the US, in the week ended January 02, 2016, compared to a level of 287.00K in the previous week. Market expectation was for initial jobless claims to drop to 275.00K.

Asia

Seasonally adjusted retail sales climbed 0.4% on a monthly basis in November, in Australia, in line with market expectations. In the prior month, retail sales had recorded a revised rise of 0.6%.

The AiG performance of construction index in Australia eased to 46.80 in December, compared to a reading of 50.70 in November.

ONE Minute Brief

8 January 2016

GTC
consult • partner • manage

Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:50	Japan Foreign Reserves (Dec)	✓	USD1233.20bn*	USD1233.00bn	Monthly
Japan	07:00	Leading Economic Index (Nov) (P)	✓✓	103.90	104.20	Monthly
South Africa	08:00	Net Gold & Forex Reserve (Dec)	✓✓	-	USD40.47bn	Monthly
South Africa	08:00	Gross Gold & Forex Reserve (Dec)	✓✓	-	USD45.14bn	Monthly
Japan	08:30	BOJ Deputy Governor Nakaso Speech	✓	-	-	As scheduled
Switzerland	08:45	Unemployment Rate s.a. (Dec)	✓✓	3.40%	3.40%	Monthly
Germany	09:00	Industrial Production s.a. (MoM) (Nov)	✓	0.50%	0.20%	Monthly
Germany	09:00	Trade Balance s.a. (Nov)	✓✓	EUR20.20bn	EUR22.50bn	Monthly
France	09:45	Industrial Production (MoM) (Nov)	✓✓	-0.30%	0.50%	Monthly
France	09:45	Manufacturing Production (MoM) (Nov)	✓✓	0.10%	-0.50%	Monthly
France	09:45	Trade Balance (Nov)	✓	-EUR3.94bn	-EUR4.58bn	Monthly
Switzerland	10:15	Consumer Price Index (MoM) (Dec)	✓✓	-0.30%	-0.10%	Monthly
UK	11:30	Total Trade Balance (Nov)	✓✓	-GBP2.70bn	-GBP4.14bn	Monthly
UK	11:30	Visible Trade Balance (Nov)	✓✓	-GBP10.50bn	-GBP11.83bn	Monthly
Canada	15:30	Unemployment Rate (Dec)	✓✓✓	7.10%	7.10%	Monthly
US	15:30	Average Hourly Earnings All Employees (MoM) (Dec)	✓✓	0.20%	0.20%	Monthly
US	15:30	Change in Household Employment (Dec)	✓	-	244.00K	Monthly
US	15:30	Unemployment Rate (Dec)	✓✓✓	5.00%	5.00%	Monthly
Canada	15:30	Building Permits (MoM) (Nov)	✓	-2.90%	9.10%	Monthly
US	15:30	Change in Non-farm Payrolls (Dec)	✓✓✓	200.00K	211.00K	Monthly
Canada	15:30	Net Change in Employment (Dec)	✓✓✓	8.00K	-35.70K	Monthly
US	15:30	Change in Private Payrolls (Dec)	✓✓	201.00K	197.00K	Monthly
US	15:30	Change in Manufacturing Payrolls (Dec)	✓	-2.00K	-1.00K	Monthly
US	18:30	Fed's Williams Speaks on Outlook in Santa Barbara	✓	-	-	As scheduled
US	20:00	Fed's Lacker Speaks in Baltimore to Maryland Bankers	✓	-	-	As scheduled
US	22:00	Consumer Credit Change (Nov)	✓✓	USD18.00bn	USD15.98bn	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

Disclaimer

This report and its contents are confidential, privileged and only for the information of the intended recipient. GTC (Pty) Ltd make no representations or warranties in respect of this report or its content and will not be liable for any loss or damage of any nature arising from this report, the content thereof, your reliance thereon its unauthorised use or any electronic viruses associated therewith. Please note that content does not necessarily represent or reflect the views and opinions of GTC (Pty) Ltd. This report is proprietary to GTC (Pty) Ltd and you may not copy or distribute the report without the prior written consent of the authors. Any feedback or contributions are most welcome. GTC (Pty) Ltd Registration No 1996/001488/07 FSP No 731. An authorised Financial Services Provider.

Address: GTC @Grant Thornton, The Wanderers Office Park, 52 Corlett Drive, Illovo, 2196.
t: +27 (0) 21 412 1074 | e: oneminutebrief@gtc.co.za | w: www.gtc.co.za

An Authorised Financial Services Provider FSP No. 731
formerly Grant Thornton Capital

Employee Benefits Consulting • Employee Benefits Administration • Private Client Wealth Management • Healthcare Consulting •
Short-Term Risk Solutions • Stockbroking • Derivatives Trading • Unit Trust Management • Asset Management • Fiduciary Services