

ONE Minute Brief

11 January 2016

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Economic and Political News

Net gold & forex reserves in South Africa advanced to a level of USD40.65bn, in December, compared to a level of USD40.47bn in November. Additionally, gross gold & forex reserve registered a rise to USD45.79bn in December, compared to a reading of USD45.14bn in the previous month.

President Jacob Zuma, in the African National Congress's (ANC) anniversary statement, stated that building a non-racial society required a "mind-set" shift and called for ANC members to unite and fight the problems faced in South Africa. He also added that the private sector must change faster to give blacks a larger stake in business. Additionally, he added that candidates from ANC branches for this year's local government elections will now be selected by the people.

Eskom mentioned that it would announce the winning bid to supply coal to its Arnot power station before the end of this quarter, after it expressed discontent with the coal contracts with Exxaro's Arnot Mine which expired on December 31, 2015.

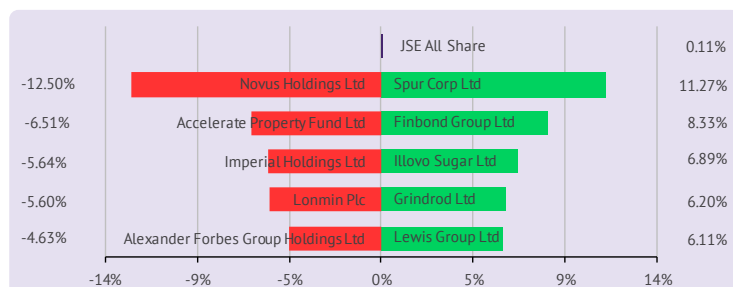
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	48104.68	▲	51.90	0.11%	NA	-5.11%	-5.11%
JSE Top 40	43253.30	▲	66.94	0.16%	NA	-1.15%	-5.55%
FTSE 100	5912.44	▼	-41.64	-0.70%	NA	-1.79%	-5.28%
DAX 30	9849.34	▼	-130.51	-1.31%	NA	-5.62%	-8.32%
CAC 40	4333.76	▼	-69.82	-1.59%	NA	-6.47%	-6.54%
S&P 500	1922.03	▼	-21.06	-1.08%	NA	-1.75%	-5.96%
Nasdaq Composite	4643.63	▼	-45.80	-0.98%	NA	-1.98%	-7.26%
DJIA	16346.45	▼	-167.65	-1.02%	NA	-1.66%	-6.19%

South Africa Market ▲

South African markets closed higher

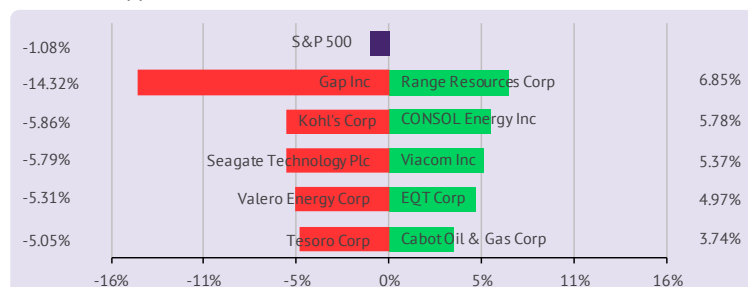
South African markets closed in the green on Friday, supported by gains in platinum mining as well as industrial sector stocks. Data revealed a rise in South Africa's net gold & forex reserves in December. The JSE All Share Index rose 0.1% to close at 48,104.68.



US Market ▼

The S&P 500 futures are trading in the red

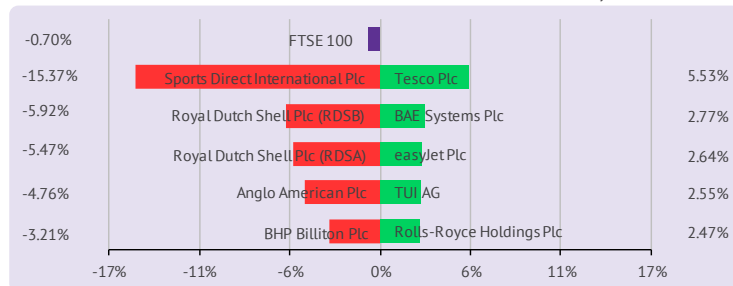
US markets closed lower on Friday, amid persisting concerns of a slowdown in China and other global economies. Data revealed a more-than-expected rise in US non-farm payrolls in December. The S&P 500 Index dropped 1.1% to close at 1,922.03.



UK Market ▼

The FTSE 100 futures are trading in positive territory

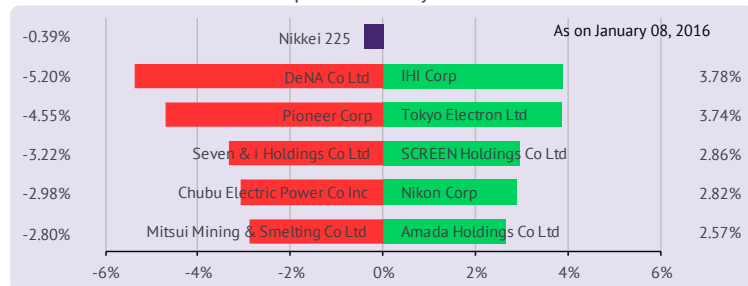
UK markets finished lower on Friday, led by losses in stocks of Sports Direct International Plc after it warned on lower-than-expected profits. Meanwhile, data indicated a decline in UK's total trade deficit in November. The FTSE 100 Index declined 0.7% to close at 5,912.44.



Asian Market ▼

Trading lower

Asian markets are trading lower this morning, tracking Friday's losses on Wall Street. Over the weekend, data revealed that China's consumer price inflation barely edged up on a yearly basis in December. Markets in Japan are closed on account of a public holiday.



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USDZAR ▲

USD trading higher against ZAR

At 06:00 SAST, the US Dollar climbed 2.5% against the South African Rand to trade at R16.7184. Later today, traders will track a speech by Dennis Lockhart, the President of the Federal Reserve of Atlanta and the US labour market conditions index for further clues.

The US Dollar rose against the South African Rand on Friday, after US non-farm payrolls advanced more-than-forecasted last month. Additionally, the nation's unemployment rate and average hourly earnings of all employees remained unchanged on a monthly basis in December.

GBPZAR ▲

GBP trading stronger against ZAR

At 06:00 SAST, the British Pound gained 2.6% against the South African Rand to trade at R24.2825. With no releases in the UK today, traders will look forward to UK's NIESR gross domestic product (GDP) estimate, manufacturing production and industrial production scheduled for release tomorrow.

The British Pound advanced against the South African Rand on Friday, following a drop in UK's total and visible trade deficit in November. On the other hand, South Africa's net gold and foreign exchange reserves increased in December.

EURZAR ▲

EUR trading firmer against ZAR

At 06:00 SAST, the Euro climbed 2.5% against the South African Rand to trade at R18.2446. Going forward, market participants will keep a tab on the Eurozone's Sentix investor confidence index, set for release in a few hours.

The Euro strengthened against the South African Rand on Friday. Data revealed an unexpected fall in Germany's industrial production on a monthly basis and a decline in trade surplus in November.

AUDZAR ▲

AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar climbed 2.7% against the South African Rand to trade at R11.6546. Over the weekend, data revealed that on a yearly basis in China, Australia's key trading partner, the consumer price index advanced less-than-expected while producer price index fell more-than-expected in December, highlighting the nation's on-going battle with low inflation.

The Australian Dollar rose against the South African Rand on Friday, after a rise in Australia's retail sales for November. Meanwhile, the Australian AiG performance of construction index dropped in December.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	16.7184	▲	1.58%	NA	5.46%	7.12%	5.46%
GBPZAR	24.2825	▲	0.76%	NA	3.80%	4.72%	3.80%
EURZAR	18.2446	▲	1.30%	NA	5.88%	10.03%	5.88%
AUDZAR	11.6546	▲	0.85%	NA	-0.10%	8.80%	-0.10%
EURUSD	1.0912	▼	-0.13%	NA	0.50%	2.84%	0.50%
GBPUUSD	1.4525	▼	-0.65%	NA	-1.46%	-2.13%	-1.46%
Brent (\$/barrel)	32.8	▼	-0.59%	NA	-10.01%	-16.43%	-10.01%
Gold (\$/oz)	1103.8	▲	-0.89%	NA	3.56%	-0.53%	3.56%
Platinum (\$/oz)	871.2	▼	0.08%	NA	-1.64%	7.06%	-1.64%
Copper (\$/MT)*	4482.5	▼	-0.92%	NA	-4.74%	2.32%	-4.74%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.5% higher to trade at \$1,103.80/oz.

On Friday, gold prices fell 0.9% to close at \$1,097.90/oz, snapping a 5-day winning streak amid a stronger US Dollar and a strong US jobs report.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 2.3% lower to trade at \$32.77/bL.

On Friday, Brent crude oil dropped 0.6% to settle at \$33.55/bL, falling for a fifth straight day amid concerns of a global supply glut. Separately, Baker Hughes reported that the number of US oil rigs fell for a third straight week.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices dropped 0.7% to trade at \$871.20/oz.

On Friday, platinum prices climbed 0.1% to close at \$877.10/oz, extending previous session gains.



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Major South Africa Corporate News

Intu Properties Plc

The firm announced that after the retirement of its Chief Operating Officer (COO), Mike Butterworth at the end of 2015, a number of following changes have been made to its senior management structure. The changes include the appointment of Martin Breeden as the Development Director, Julian Wilkinson as the Asset Management Director and Martin and Julian to the Executive Committee. With these appointments and changes, the former role of COO would not be directly replaced.

Major Global Economic News

Eurozone

On a monthly basis in November, the seasonally adjusted industrial production unexpectedly fell 0.3% in Germany, compared to market expectations for an advance of 0.5%. Industrial production had recorded a revised rise of 0.5% in the prior month.

The seasonally adjusted trade surplus in Germany fell to EUR20.60bn in November, following a revised surplus of EUR22.30bn in the previous month. Markets were anticipating the nation to record a surplus of EUR20.20bn.

The seasonally adjusted unemployment rate remained steady at 3.4% in Switzerland, in December, in line with market expectations.

UK

The UK reported total trade deficit of GBP3.17bn in November, from a revised total deficit of GBP3.51bn in the previous month. Markets were expecting the nation to post a deficit of GBP2.70bn.

Visible trade deficit in the UK narrowed to GBP10.64bn in November, following a revised deficit of GBP11.20bn in the prior month. Markets were expecting the nation to post a deficit of GBP10.50bn.

US

Non-farm payrolls in the US climbed by 292.00K in December, higher than market anticipations of an advance of 200.00K. Non-farm payrolls had registered a revised increase of 252.00K in the prior month.

The US unemployment rate remained flat at a level of 5.0% in December, at par with market expectations.

In December, average hourly earnings of all employees remained flat in the US on a monthly basis, compared to market expectations for a rise of 0.2%. In November, average hourly earnings of all employees had climbed 0.2%.

In November, consumer credit advanced by USD13.95bn in the US, lower than market expectations for a rise of USD18.00bn.

Asia

In December, the consumer price index (CPI) in China recorded a rise of 1.6% on a yearly basis, at par with market expectations. In the prior month, the CPI had registered an advance of 1.5%.

In December, the producer price index (PPI) in China, slid 5.9% on an annual basis, compared to market expectations for a fall of 5.8%. The PPI had registered a similar fall in the previous month.



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40 Best Performers on the All Share Index

Company Name	Last Close	1 Week % Change	MTD % Change	YTD % Change
Harmony Gold Mining Co Ltd	2241	43.65%	43.65%	43.65%
AngloGold Ashanti Ltd	12570	18.29%	18.29%	18.29%
Northam Platinum Ltd	3090	17.09%	17.09%	17.09%
Gold Fields Ltd	4934	16.92%	16.92%	16.92%
Sibanye Gold Ltd	2650	15.97%	15.97%	15.97%
Pan African Resources Plc	195	11.43%	11.43%	11.43%
Pallinghurst Resources Ltd	369	7.89%	7.89%	7.89%
Aquarius Platinum Ltd	276	6.15%	6.15%	6.15%
Impala Platinum Holdings Ltd	2593	3.55%	3.55%	3.55%
Advtech Ltd	1479	1.58%	1.58%	1.58%
Capevin Holdings Ltd	980	1.55%	1.55%	1.55%
SABMiller Plc	95016	1.24%	1.24%	1.24%
Rockcastle Global Real Estate Co Ltd	3530	1.15%	1.15%	1.15%
New Europe Property Investments Plc	17975	1.09%	1.09%	1.09%
Italtile Ltd	1188	0.68%	0.68%	0.68%
Pivotal Fund Ltd	1700	0.65%	0.65%	0.65%
African Oxygen Ltd	1305	0.38%	0.38%	0.38%
DataTec Ltd	5166	0.31%	0.31%	0.31%
Distell Group Ltd	16500	0.01%	0.01%	0.01%
Brimstone Investment Corp Ltd	1270	0.00%	0.00%	0.00%
Indluplace Properties Ltd	1100	0.00%	0.00%	0.00%
Stenprop Ltd	2800	0.00%	0.00%	0.00%
Santam Ltd	18883	-0.35%	-0.35%	-0.35%
Assore Ltd	6175	-0.56%	-0.56%	-0.56%
Delta Property Fund Ltd	680	-0.73%	-0.73%	-0.73%
Wilson Bayly Holmes-Ovcon Ltd	11226	-0.88%	-0.88%	-0.88%
Hudaco Industries Ltd	9400	-1.00%	-1.00%	-1.00%
Clientele Ltd	1580	-1.25%	-1.25%	-1.25%
Lewis Group Ltd	5420	-1.31%	-1.31%	-1.31%
City Lodge Hotels Ltd	14800	-1.33%	-1.33%	-1.33%
Fortress Income Fund Ltd (Fund A)	1586	-1.37%	-1.37%	-1.37%
Reunert Ltd	6423	-1.51%	-1.51%	-1.51%
Sappi Ltd	6425	-1.55%	-1.55%	-1.55%
British American Tobacco Plc	85781	-1.76%	-1.76%	-1.76%
Illovo Sugar Ltd	1660	-1.78%	-1.78%	-1.78%
PPC Ltd	1475	-2.12%	-2.12%	-2.12%
Hosken Consolidated Investments Ltd	11302	-2.15%	-2.15%	-2.15%
SA Corporate Real Estate Fund Nominees Pty Ltd	450	-2.17%	-2.17%	-2.17%
Arrowhead Properties Ltd	825	-2.25%	-2.25%	-2.25%
Vodacom Group Ltd	14877	-2.39%	-2.39%	-2.39%
JSE All Share Index	48105	-5.11%	-5.11%	-5.11%

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Spain	10:00	Industrial Output Cal Adjusted (YoY) (Nov)	✓✓	4.20%	4.00%	Monthly
Switzerland	10:15	Real Retail Sales (YoY) (Nov)	✓✓	-	-0.80%	Monthly
Eurozone	11:30	Sentix Investor Confidence (Jan)	✓✓	11.40	15.70	Monthly
Canada	15:15	Housing Starts s.a (Dec)	✓✓	200.00K	211.90K	Monthly
Eurozone	16:45	ECB Publishes Weekly QE Details	✓	-	-	As scheduled
Canada	17:30	Bank of Canada Senior Loan Officer Survey (Q4)	✓✓	-	4.40	Quarterly
Canada	17:30	Business Outlook Survey and Senior Loan Officer Survey	✓	-	-	As scheduled
Canada	17:30	Bank of Canada Business Outlook Survey (Q4)	✓✓	12.00%	16.00%	Quarterly
US	19:40	Fed's Lockhart Speaks on U.S. Economic Outlook in Atlanta	✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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