

ONE Minute Brief

12 January 2016

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Economic and Political News

National Assembly Speaker, Baleka Mbete, has approved the Democratic Alliance's (DA) request to schedule a motion of no confidence in President Jacob Zuma which would be published in the first available order paper of the year. The DA had requested the debate after the President's decision to sack Finance Minister, Nhlanhla Nene.

The Treasury spokeswoman, Phumza Macanda, stated that Citibank has cancelled a R250mn loan facility to state-owned South African Airways (SAA) on December 24, 2015. She further added that the treasury is working with SAA to ensure the company has enough liquidity to continue operating.

The Economic Freedom Fighters (EFF) has condemned the Presidency's claim that institutionalised racism is no longer a problem in South Africa as "irresponsible, dangerous and a demonstration that the country is leaderless." The EFF asked the society to reject the African National Congress (ANC) as it is morally, ideologically and intellectually compromised.

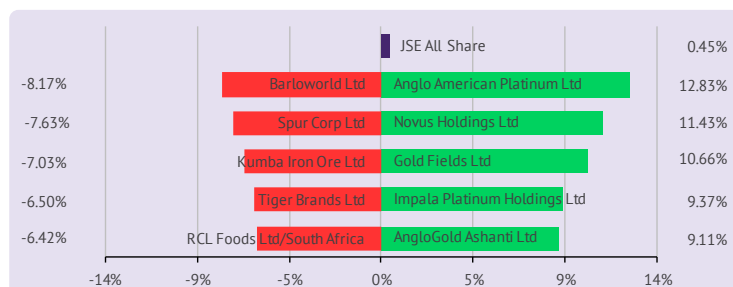
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	48322.68	▲	218.00	0.45%	0.45%	-4.68%	-4.68%
JSE Top 40	43482.54	▲	229.24	0.53%	0.53%	-1.15%	-5.05%
FTSE 100	5871.83	▼	-40.61	-0.69%	-0.69%	-1.79%	-5.94%
DAX 30	9825.07	▼	-24.27	-0.25%	-0.25%	-5.62%	-8.54%
CAC 40	4312.74	▼	-21.02	-0.49%	-0.49%	-6.47%	-6.99%
S&P 500	1923.67	▲	1.64	0.09%	0.09%	-1.75%	-5.88%
Nasdaq Composite	4637.99	▼	-5.64	-0.12%	-0.12%	-1.98%	-7.38%
DJIA	16398.57	▲	52.12	0.32%	0.32%	-1.66%	-5.89%

South Africa Market ▲

South African markets closed higher

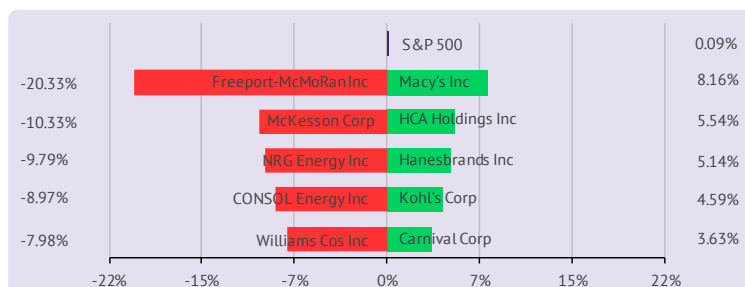
South African markets closed in the green yesterday, buoyed by gains in gold mining sector stocks. The JSE All Share Index rose 0.5% to close at 48,322.68.



US Market ▲

The S&P 500 futures are trading in the red

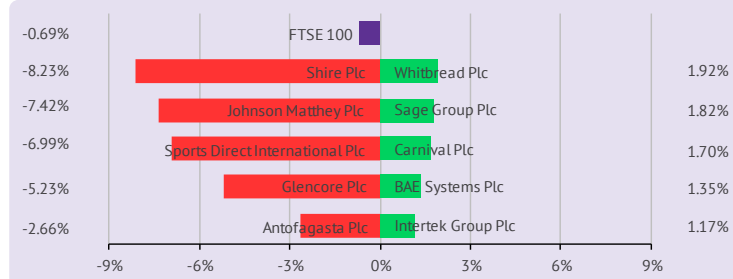
US markets closed higher yesterday, led by gains in consumer staples sector stocks. The S&P 500 Index climbed 0.1% to close at 1,923.67.



UK Market ▼

The FTSE 100 futures are trading in negative territory

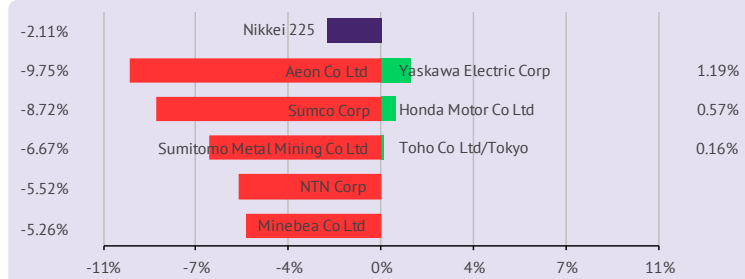
UK markets finished lower yesterday, amid losses in stocks of Shire Plc after it agreed to acquire Baxalta International Inc. The combined entity will be the largest rare disease-focused company in the world. The FTSE 100 Index declined 0.7% to close at 5,871.83.



Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning. Early morning data revealed that Japan registered a trade deficit in November. The Nikkei 225 Index is trading 2.1% lower at 17,324.43.



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USDZAR ▲

USD trading firmer against ZAR

At 06:00 SAST, the US Dollar is trading 0.5% higher against the South African Rand at R16.8689. Later today, traders will focus on the US NFIB business optimism index and economic optimism data along with speeches by US Federal Reserve (Fed) officials Stanley Fischer and Jeffrey Lacker for further clues. Additionally, data on South Africa's manufacturing production will be eyed.

The US Dollar rose against the South African Rand yesterday. Meanwhile, the President of the Federal Reserve of Atlanta, Dennis Lockhart stated that there may not be enough economic data to support a second US Fed interest rate hike in 1Q16.

GBPZAR ▲

GBP trading stronger against ZAR

At 06:00 SAST, the British Pound is trading 0.1% firmer against the South African Rand at R24.5195. Earlier in the session, data revealed that UK retail sales across all sectors advanced less-than-expected on a yearly basis in December. Later in the session, traders will look forward to UK's NIESR gross domestic product (GDP) estimate, manufacturing production and industrial production for further direction. Additionally, the manufacturing production data of South Africa will attract market attention.

The British Pound advanced against the South African Rand yesterday, amid lack of major catalysts.

EURZAR ▲

EUR trading higher against ZAR

At 06:00 SAST, the Euro rose 0.5% against the South African Rand to trade at R18.3526. Going forward, a speech by the European Central Bank's (ECB) Executive Board Member, Peter Praet will attract market attention.

The Euro strengthened against the South African Rand yesterday, despite a deterioration in Eurozone's investor confidence in January.

AUDZAR ▲

AUD trading stronger against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.4% firmer against the South African Rand at R11.7817.

The Australian Dollar rose against the South African Rand yesterday. Elsewhere, in China, Australia's largest trading partner, the consumer price index edged higher while producer price index dropped more-than-expected on a yearly basis in December.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	16.8689	▲	2.85%	2.85%	8.46%	7.12%	8.46%
GBPZAR	24.5195	▲	3.49%	3.49%	7.43%	4.72%	7.43%
EURZAR	18.3526	▲	2.68%	2.68%	8.71%	10.03%	8.71%
AUDZAR	11.7817	▲	3.42%	3.42%	3.32%	8.80%	3.32%
EURUSD	1.0880	▲	-0.62%	-0.62%	-0.13%	2.84%	-0.13%
GBPUUSD	1.4536	▼	0.12%	0.12%	-1.34%	-2.13%	-1.34%
Brent (\$/barrel)	31.3	▼	-5.96%	-5.96%	-15.37%	-16.43%	-15.37%
Gold (\$/oz)	1096.7	▲	-0.15%	-0.15%	3.40%	-0.53%	3.40%
Platinum (\$/oz)	845.6	▲	-3.66%	-3.66%	-5.24%	7.06%	-5.24%
Copper (\$/MT)*	4378.3	▼	-2.33%	-2.33%	-6.96%	2.32%	-6.96%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices rose marginally to trade at \$1,096.70/oz.

Yesterday, gold prices fell 0.2% to close at \$1,096.20/oz, extending previous session losses.

Brent Crude Oil ▼

Trading weaker

Brent crude oil extended previous session losses and at 06:00 SAST, fell 0.9% to trade at \$31.27/bl.

Yesterday, Brent crude oil dropped 6.0% to settle at \$31.55/bl, amid concerns about slowing demand from China, the world's second-largest oil consumer.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices advanced 0.1% to trade at \$845.60/oz.

Yesterday, platinum prices declined 3.7% to close at \$845.00/oz.



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Major South Africa Corporate News

The Foschini Group Limited

In its sales update, the company stated that trading in the Christmas season was above expectations with group sales growth of 27.2% for the period from November 29, 2015 to December 26, 2015. It added that the group sales for the 9 months to December 26, 2015 increased by 33.0% with cash sales accounting for 17.3% growth and credit sales growth of around 7.0%. Furthermore, it indicated that post-Christmas for the period from December 27, 2015 to 9 January 09, 2016 overall group sales increased by 39.7%.

Major Global Economic News

UK

Retail sales across all sectors advanced 0.1% on a yearly basis in the UK, in December, less than market expectations for a climb of 0.5%. Retail sales across all sectors had dropped 0.4% in the prior month.

Asia

In November, the total adjusted current account surplus in Japan dropped to JPY1423.5bn, compared to market expectations of a surplus of JPY1512.9bn expected. Japan had registered a surplus of JPY1493.7bn in October.

On a balance of payment basis, Japan posted a trade deficit of JPY271.5bn in November from a surplus of JPY200.20bn in the previous month. Market expectation was for the nation's deficit to stand at JPY158.70bn.

Eurozone

The Sentix investor confidence index dropped to 9.60 in January, in the Eurozone, compared to market expectations of a fall to a level of 11.40. In the prior month, the index had registered a level of 15.70.

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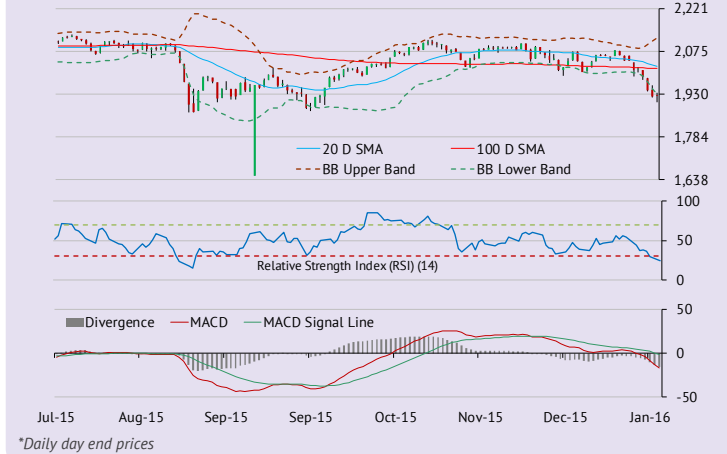
Technical Snapshot

JSE All Share



The JSE All Share index is expected to find support at 47,283.77, and a fall through could take it to the next support level of 46,244.86. The index is expected to find its first resistance at 49,577.39, and a rise through could take it to the next resistance level of 50,832.10.

S&P 500



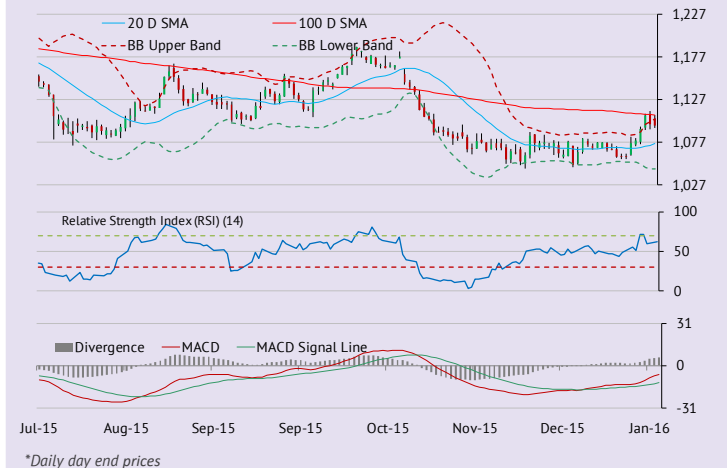
The S&P 500 index is expected to find support at 1,875.87, and a fall through could take it to the next support level of 1,828.06. The index is expected to find its first resistance at 1,996.71, and a rise through could take it to the next resistance level of 2,069.74.

USDZAR



The pair is expected to find support at 15.5811, and a fall through could take it to the next support level of 14.3799. The pair is expected to find its first resistance at 17.9074, and a rise through could take it to the next resistance level of 19.0325.

XAU/USD



Gold is expected to find support at \$1,074.37/oz, and a fall through could take it to the next support level of \$1,052.53/oz. The precious metal is expected to find its first resistance at \$1,115.57/oz, and a rise through could take it to the next resistance level of \$1,134.93/oz.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:50	Adjusted Current Account Total (Nov)	✓	JPY1423.50bn*	JPY1493.70bn	Monthly
Japan	01:50	Trade Balance - BOP Basis (Nov)	✓✓	-JPY271.50bn*	JPY200.20bn	Monthly
UK	02:01	BRC Retail Sales Monitor - All (YoY) (Dec)	✓	0.10%*	-0.40%	Monthly
US	02:50	Fed's Kaplan Speaks on Economy and Monetary Policy in Dallas	✓	-	-	As scheduled
Japan	07:00	Consumer Confidence Index (Dec)	✓✓	42.50	42.60	Monthly
Japan	08:00	Eco Watchers Survey: Current (Dec)	✓✓	46.60	46.10	Monthly
France	10:30	Bank of France Hold Monetary-Policy Conference	✓	-	-	As scheduled
UK	11:30	Manufacturing Production (MoM) (Nov)	✓✓	0.10%	-0.40%	Monthly
UK	11:30	Industrial Production (MoM) (Nov)	✓✓	0.00%	0.10%	Monthly
Eurozone	12:30	ECB Executive Board Member Praet Speaks in Paris	✓	-	-	As scheduled
US	12:30	Fed's Vice Chair Fischer Speaks at Banque de France in Paris	✓	-	-	As scheduled
Japan	12:30	Bank of Japan Governor Kuroda Speech	✓✓	-	-	As scheduled
US	13:00	NFIB Small Business Optimism (Dec)	✓	95.00	94.80	Monthly
South Africa	13:00	Manufacturing Production s.a. (MoM) (Nov)	✓✓✓	-0.30%	-1.70%	Monthly
US	15:55	Redbook Index s.a. (MoM) (08-Jan)	✓	-	-0.30%	Weekly
UK	16:15	BOE's Mark Carney Speaks in Paris	✓	-	-	As scheduled
UK	17:00	NIESR GDP Estimate (3M) (Dec)	✓✓✓	-	0.60%	Monthly
US	17:00	IBD/TIPP Economic Optimism (MoM) (Jan)	✓	47.50	47.20	Monthly
Eurozone	21:00	ECB Executive Board Member Lautenschlaeger Speaks in Frankfurt	✓	-	-	As scheduled
US	22:15	Fed's Lacker To Speak on Outlook in Columbia, South Carolina	✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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