

# ONE Minute Brief

13 January 2016

**GTC**  
consult • partner • manage

## Economic and Political News

Manufacturing production in South Africa eased 1.2% on a monthly basis in November, compared to market expectations for a fall of 0.3%. In the previous month, manufacturing production had registered a drop of 1.7%.

South Africa's trade ministry mentioned that that it was working with US officials to facilitate the first shipment of poultry and alleged that the suspension would be lifted as soon as products were in local stores, after US President Barack Obama ordered the suspension of duty-free treatment to South Africa by March 15, 2016 if it does not fully comply with the trade agreement.

The Democratic Alliance Chief, Whip John Steenhuisen, has blamed Baleka Mbete, the Speaker of the National Assembly, of backpedaling on the party's Motion of No Confidence in President Jacob Zuma after she stated that the this year's parliamentary programme was too "busy".

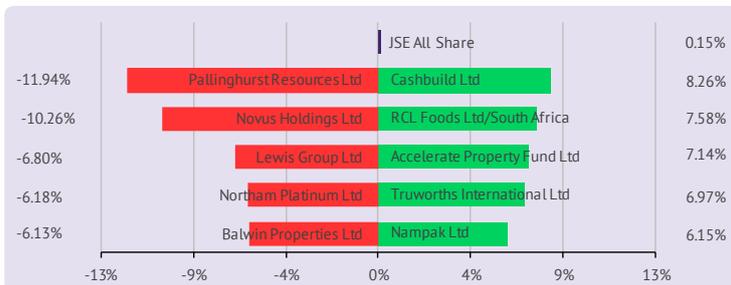
## Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	48396.18	▲	73.50	0.15%	0.61%	-4.53%	-1.77%
JSE Top 40	43489.37	▲	6.83	0.02%	0.55%	-5.04%	-1.15%
FTSE 100	5929.24	▲	57.41	0.98%	0.28%	-5.02%	-1.79%
DAX 30	9985.43	▲	160.36	1.63%	1.38%	-7.05%	-5.62%
CAC 40	4378.75	▲	66.01	1.53%	1.04%	-5.57%	-6.47%
S&P 500	1938.68	▲	15.01	0.78%	0.87%	-5.15%	-1.75%
Nasdaq Composite	4685.92	▲	47.93	1.03%	0.91%	-6.42%	-1.98%
DJIA	16516.22	▲	117.65	0.72%	1.04%	-5.22%	-1.66%

## South Africa Market ▲

### South African markets closed higher

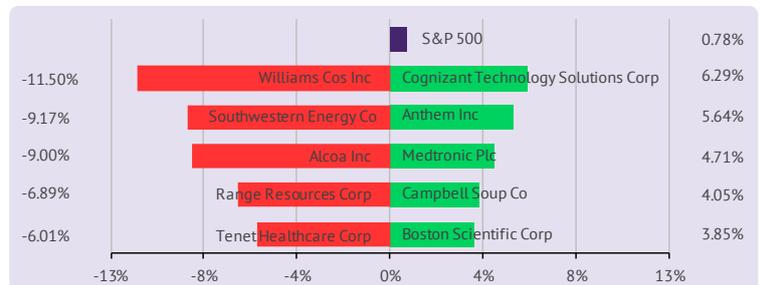
South African markets closed in the green yesterday, led by gains in banking sector stocks. Data revealed that South Africa's manufacturing production declined more-than-expected in November. The JSE All Share Index rose 0.2% to close at 48,396.18.



## US Market ▲

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

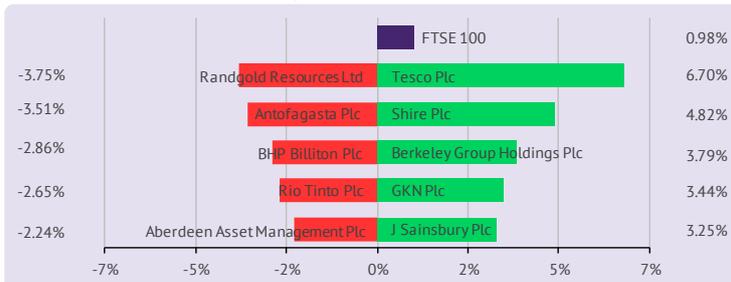
US markets closed higher yesterday, buoyed by gains in information technology sector stocks. The S&P 500 Index climbed 0.8% to close at 1,938.68.



## UK Market ▲

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

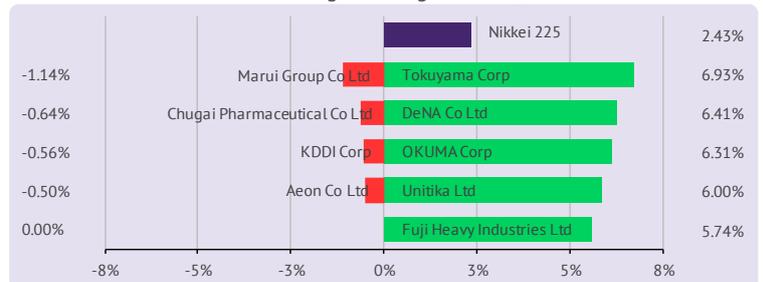
UK markets finished higher yesterday, supported by gains in retail sector stocks. Data indicated an unexpected fall in UK manufacturing production on a monthly basis in November. The FTSE 100 Index advanced 1.0% to close at 5,929.24.



## Asian Market ▲

### Trading mostly higher

Asian markets are trading mostly higher this morning, tracking overnight gains on Wall Street. Data revealed an unexpected rise in China's exports and less-than-expected climb in imports on a yearly basis last month. The Nikkei 225 Index is trading 2.4% higher at 17,638.05.



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

13 January 2016

**GTC**  
consult • partner • manage

## USDZAR ▼

### USD trading weaker against ZAR

At 06:00 SAST, the US Dollar retreated 0.7% against the South African Rand to trade at R16.5515. Later today, traders will await the release of the US monthly budget statement and the Federal Reserve's (Fed) Beige Book. Additionally, speeches by US Fed officials Eric S. Rosengren and Charles L. Evans will be eyed.

The US Dollar fell against the South African Rand yesterday. Data released indicated an improvement in US small business optimism in December and economic optimism in January. Elsewhere, manufacturing production in South Africa decreased at a faster-than-expected pace for the second straight month in November.

## GBPZAR ▼

### GBP trading lower against ZAR

At 06:00 SAST, the British Pound is trading 0.5% weaker against the South African Rand at R23.9358. With no major economic releases in the UK today, investors will look forward to the Bank of England (BoE)'s decision on interest rates and asset purchases scheduled tomorrow.

The British Pound declined against the South African Rand yesterday, after UK's manufacturing and industrial production unexpectedly declined on a monthly basis in November. Meanwhile, NIESR estimated that UK's gross domestic product (GDP) climbed in the October-December 2015 period. On the other hand, South Africa's manufacturing output declined more-than-expected in November.

## EURZAR ▼

### EUR trading weaker against ZAR

At 06:00 SAST, the Euro fell 0.9% against the South African Rand to trade at R17.9161. Going forward, market participants will look forward to Eurozone's industrial production data for further clues, scheduled in a few hours.

The Euro weakened against the South African Rand yesterday, surrendering its gains from the previous session.

## AUDZAR ▼

### AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% weaker against the South African Rand at R11.6426. Earlier in the session, data revealed that in China, Australia's largest trading partner, exports surprisingly rose while imports fell less-than-expected on an annual basis in December.

The Australian Dollar fell against the South African Rand yesterday.

## Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	16.5515	▼	-0.67%	2.16%	7.74%	7.12%	7.74%
GBPZAR	23.9358	▼	-1.82%	1.61%	5.48%	4.72%	5.48%
EURZAR	17.9161	▼	-1.05%	1.60%	7.57%	10.03%	7.57%
AUDZAR	11.6426	▼	-0.75%	2.64%	2.54%	8.80%	2.54%
EURUSD	1.0825	▼	0.02%	-0.60%	-0.11%	2.84%	-0.11%
GBPUSD	1.4462	▲	-0.72%	-0.60%	-2.05%	-2.13%	-2.05%
Brent (\$/barrel)	31.1	▲	-2.19%	-8.02%	-17.22%	-16.43%	-17.22%
Gold (\$/oz)	1083.8	▼	-1.00%	-1.16%	2.36%	-0.53%	2.36%
Platinum (\$/oz)	836.5	▼	-0.89%	-4.51%	-6.08%	7.06%	-6.08%
Copper (\$/MT)*	4342.0	▼	-0.83%	-3.13%	-7.73%	2.32%	-7.73%

\*As of Previous Close

## Gold ▼

### Trading in the red

At 06:00 SAST, gold prices retreated 0.1% to trade at \$1,083.80/oz.

Yesterday, gold prices fell 1.0% to close at \$1,085.20/oz, for the third consecutive session amid a broadly stronger US Dollar.

## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil advanced 0.8% to trade at \$31.10/bl.

Yesterday, Brent crude oil dropped 2.2% to settle at \$30.86/bl. The US Energy Information Administration (EIA) expects that US production to fall more quickly in 2016 to an average of 8.7mn bpd this year from 9.4mn bpd in 2015. Meanwhile, BP Plc announced plans to cut at least 4,000 jobs as oil prices continue to decline. On the other hand, the American Petroleum Institute reported that crude oil inventories fell by 3.9mn bls last week.

## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices declined 0.1% to trade at \$836.50/oz.

Yesterday, platinum prices declined 0.9% to close at \$837.50/oz.



# ONE Minute Brief

13 January 2016



**GTC**  
consult • partner • manage

## Major South Africa Corporate News

### Anglo American Plc

The company announced that it has concluded the sale of its stake in the operating joint venture entities which have historically operated under the Tarmac name in the United Arab Emirates, Oman and Qatar to Colas Moyen Orient SAS (Colas), a subsidiary of Colas SA. Meanwhile, it has not completed the sale of an additional non-operating joint venture entity in Oman to Colas. The company revealed that the completion of the disposal of its 50.0% ownership interest in Lafarge Tarmac to Lafarge would mark its final exit from the Tarmac businesses.

### Cashbuild Limited

In its operational update for 2Q16, the firm, stated that its revenue rose 15.0% from the corresponding period of the prior year. 15 new stores have opened since July 01, 2014 and have contributed to 4.0% of the increase in total revenue, while the existing 213 stores contributed to 11.0% of an increase in revenue. Additionally, the company revealed that 5 new stores were opened, refurbished 3 stores and 1 store was relocated bringing the total number of stores trading at the end of the quarter to 228.

### EOH Holdings Limited

The company announced that it has completed the acquisition of 50.0% or more in the following businesses, in the EOH ICT Division such as the consol system – Morocco, BC skills – Morocco, Acron – Turkey, Cozumevi – Turkey, Acron – Iran and EBS – Mozambique. The takeover would help the company to expand its operations in these territories, both organically and through further acquisitions. Separately, the company indicated that for the six month ending 31 January 2016, it expects year-on-year growth in revenue, profit and headline EPS.

### Shoprite Holdings Limited

In its operational update for the six months ended December 2015, the company, stated that its turnover rose 8.8% from the previous comparable period to around R62.50bn. On a like-for-like basis, turnover growth was 2.8%. The company added that sales at the South African supermarket improved 7.2% from the prior comparable period, driven by good festive season trading in 2Q16.

## Major Global Economic News

### UK

The NIESR estimated GDP advanced 0.6% in the UK, in the October-December 2015 period. In the September-November 2015 period, the NIESR estimated GDP had registered a similar rise.

Manufacturing production in the UK unexpectedly dropped 0.4% on a monthly basis in November, compared to a similar fall in December. Market expectation was for manufacturing production to rise 0.1%.

Industrial production in the UK registered an unexpected drop of 0.7% in November on a monthly basis, less than market expectations for a steady reading. In the prior month, industrial production had recorded a revised flat reading.

### US

In December, the NFIB small business optimism index advanced to 95.20 in the US, compared to a reading of 94.80 in the previous month. Markets were expecting the small business optimism index to advance to a level of 95.00.

The IBD/TIPP economic optimism index recorded a rise to 47.30 in January, in the US, lower than market expectations of an advance to a level of 47.50. In December, the index had recorded a reading of 47.20.

### Asia

Exports rose 2.3% on a yearly basis in China, in December, compared to a fall of 3.7% in the prior month. Markets were expecting exports to drop 4.1%.

In December, on an annual basis, imports in China slid 4.0%, compared to a drop of 5.6% in November. Market anticipation was for imports to ease 7.9%.

The Eco Watchers Survey for the current situation in Japan climbed to 48.70 in December, compared to market expectations of a rise to a level of 46.60. In the previous month, Eco Watchers Survey for the current situation had recorded a level of 46.10.

# ONE Minute Brief

13 January 2016

**GTC**  
consult • partner • manage

## Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
US	04:00	President Obama speech	✓✓	-	-	As scheduled
China	04:55	Trade Balance (Dec)	✓✓	USD60.09bn*	USD54.10bn	Monthly
China	04:55	Exports (YoY) (Dec)	✓✓	-1.40%*	-6.80%	Monthly
China	04:55	Imports (YoY) (Dec)	✓✓	-7.60%*	-8.70%	Monthly
France	09:45	Inflation ex-tobacco (MoM) (Dec)	✓	-	-0.20%	Monthly
France	09:45	Current Account (Nov)	✓	-	-EUR1.40bn	Monthly
France	09:45	Consumer Price Index (EU norm) (MoM) (Dec)	✓	0.10%	-0.20%	Monthly
Eurozone	10:00	Non-monetary policy's ECB meeting	✓	-	-	As scheduled
Eurozone	12:00	Industrial Production s.a. (MoM) (Nov)	✓✓	-0.30%	0.60%	Monthly
Greece	12:00	Consumer Price Index (YoY) (Dec)	✓	-0.50%	-0.70%	Monthly
Portugal	13:00	Consumer Price Index (MoM) (Dec)	✓	-	-0.20%	Monthly
Eurozone	13:00	ECB Executive Board Member Lautenschlaeger Speaks in Frankfurt	✓	-	-	As scheduled
US	14:00	MBA Mortgage Applications (08-Jan)	✓	-	-11.60%	Weekly
US	15:00	Fed's Rosengren Speaks on Economic Outlook to Boston Chamber	✓	-	-	As scheduled
Canada	15:30	Teranet/National Bank HPI (MoM) (Dec)	✓	-	0.20%	Monthly
UK	18:15	BOE's Governor Carney speech	✓	-	-	As scheduled
US	19:30	Fed's Evans Speaks on Economy and Monetary Policy in Iowa	✓	-	-	As scheduled
US	21:00	Fed's Beige Book	✓✓✓	-	-	As scheduled
US	21:00	Monthly Budget Statement (Dec)	✓✓	-USD10.00bn	-USD64.55bn	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