

# ONE Minute Brief

19 January 2016

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## Economic and Political News

The Presidency in a statement apologised for President Jacob Zuma's error of referring Africa as being the 'largest continent' last month. It further added that Africa is the second biggest continent in terms of population size, and the biggest continent in this regard is Asia.

Zweli Mkhize, the Treasurer-General of the African National Congress (ANC), insisted that the President took the decision on his own after consultations with many people before replacing former Finance Minister, Des van Rooyen's with Finance Minister, Pravin Gordhan.

The National Energy Regulator of SA (Nersa) questioned Eskom if it had considered the effect on the economy of its proposed 16.6% tariff hike for 2016. Eskom has applied to claw back R22.8bn, which would be an 8.6% additional increase on top of the 8% already approved for 2016.

ANC Chief, Whip Stone Sizani, claimed that the billboard proclaiming Zuma Must Fall was sponsored by the wealthy racists of the Democratic Alliance (DA) in to divert attention from the racism.

## Key Indices

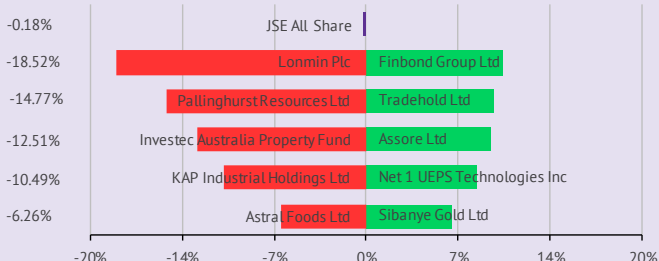
	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	46876.62	▼	-83.75	-0.18%	-0.18%	-7.53%	-7.53%
JSE Top 40	42093.40	▼	-11.60	-0.03%	-0.03%	-8.09%	-8.09%
FTSE 100	5779.92	▼	-24.18	-0.42%	-0.42%	-1.79%	-7.41%
DAX 30	9521.85	▼	-23.42	-0.25%	-0.25%	-5.62%	-11.37%
CAC 40	4189.57	▼	-20.59	-0.49%	-0.49%	-6.47%	-9.65%
S&P 500*	1880.33	▼	-41.51	-2.16%	0.00%	-1.75%	-8.00%
Nasdaq Composite*	4488.42	▼	-126.59	-2.74%	0.00%	-1.98%	-10.36%
DJIA*	15988.08	▼	-390.97	-2.39%	0.00%	-1.66%	-8.25%

\*As on 15 January 2016

## South Africa Market ▼

### South African markets closed lower

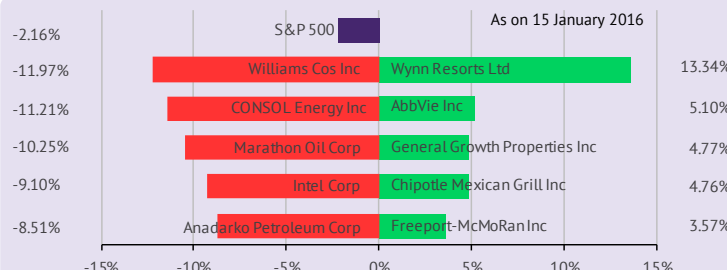
South African markets closed in the red yesterday, weighed down by losses in resources sector stocks. The JSE All Share Index fell 0.2% to close at 46,876.62.



## US Market ▼

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

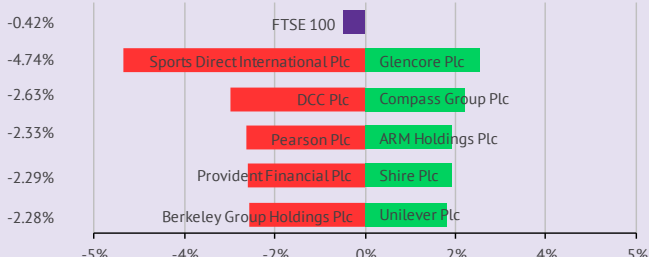
Markets in the US were closed on account of a Martin Luther King Jr holiday. US markets closed lower on Friday, amid disappointing US retail sales and industrial production data. The S&P 500 Index dropped 2.2% to close at 1,880.33.



## UK Market ▼

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

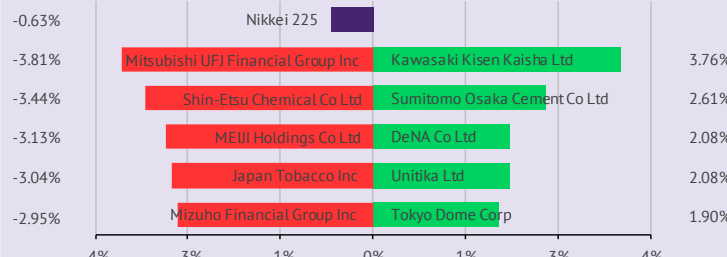
UK markets finished lower yesterday to its lowest level in more than three years, amid losses in banking and mining sector stocks. The FTSE 100 Index declined 0.4% to close at 5,779.92.



## Asian Market ▲

### Trading mostly higher

Asian markets are trading mostly higher this morning. Early morning data revealed that, the Chinese economy grew at its slowest pace since 1990 in 4Q15. The Nikkei 225 Index is trading 0.6% lower at 16848.74.



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## USDZAR ▼

### USD trading weaker against ZAR

At 06:00 SAST, the US Dollar is trading 0.2% lower against the South African Rand at R16.8463. Later today, traders will look forward to a report on the US NAHB's housing market index for further clues.

The US Dollar rose against the South African Rand yesterday, amid a quiet trading session as US markets were closed on account of a holiday.

## GBPZAR ▼

### GBP trading lower against ZAR

At 06:00 SAST, the British Pound is trading 0.1% lower against the South African Rand at R24.0040. Later in the session, investors will keep a tab on UK's consumer and producer price inflation data for further direction.

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

## EURZAR ▼

### EUR trading weaker against ZAR

At 06:00 SAST, the Euro retreated 0.2% against the South African Rand to trade at R18.3523. Going forward, Eurozone and Germany's consumer price inflation data and ZEW surveys on economic sentiment scheduled to release in a few hours will attract market attention.

The Euro strengthened against the South African Rand yesterday, extending its previous session gains.

## AUDZAR ▼

### AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.2% weaker against the South African Rand at R11.5670. Earlier in the session, data indicated that the Chinese economy grew at its slowest pace in 25 years in 4Q15. Furthermore, on a yearly basis, retail sales and industrial production in China, Australia's largest trading partner, rose less-than-expected in December.

The Australian Dollar rose against the South African Rand yesterday. Elsewhere, in China, house prices rose on a yearly basis in December.

## Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	16.8463	▼	0.53%	0.53%	9.06%	7.12%	9.06%
GBPZAR	24.0040	▼	0.40%	0.40%	5.39%	4.72%	5.39%
EURZAR	18.3523	▼	0.26%	0.26%	9.41%	10.03%	9.41%
AUDZAR	11.5670	▼	0.53%	0.53%	1.97%	8.80%	1.97%
EURUSD	1.0888	▼	-0.17%	-0.17%	0.30%	2.84%	0.30%
GBPUUSD	1.4249	▲	-0.07%	-0.07%	-3.39%	-2.13%	-3.39%
Brent (\$/barrel)	29.0	▲	-1.35%	-1.35%	-23.42%	-16.43%	-23.42%
Gold (\$/oz)	1089.4	▼	0.00%	NA	2.88%	-0.53%	2.88%
Platinum (\$/oz)	826.3	▲	0.00%	NA	-7.40%	7.06%	-7.40%
Copper (\$/MT)*	4378.0	▲	1.17%	1.17%	-6.96%	2.32%	-6.96%

\*As of Previous Close

## Gold ▼

### Trading in the red

At 06:00 SAST, gold prices edged 0.1% lower to trade at \$1,089.40/oz.

Yesterday, gold prices closed flat at \$1,090.70/oz. Markets in the US were closed on account of the Martin Luther King Jr. holiday.

## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil rose 1.5% to trade at \$28.98/bl.

Yesterday, Brent crude oil dropped 1.4% to settle at \$28.55/bl, to its lowest since 2003, as Iran issued an order to increase production by 500,000 bpd. Meanwhile, the Organization of the Petroleum Exporting Countries (OPEC) forecasted that oil supply from non-member countries would decline larger-than-expected by 660,000 bpd in 2016, led by the US.

## Platinum ▲

### Trading in positive territory

Platinum prices climbed 0.1% at 06:00 SAST to trade at \$826.30/oz.

Yesterday, platinum prices closed flat at \$825.70/oz. US markets were closed yesterday on account of a holiday.



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## Major South Africa Corporate News

### Anglo American Platinum Limited

The firm notified that Sibanye Gold Limited has received shareholder vote in favour of the transaction wherein it has agreed to acquire the Rustenburg operations from Anglo American Platinum. With one of the conditions satisfied precedent to the transaction, Sibanye Gold now requires a number of other conditions met, including the approval of the transaction by the South African Competition Authorities.

### ArcelorMittal South Africa Limited

The company announced that 68.1% of its R4.50bn (USD270.00mn) rights offer had been taken up and the remainder amounting to about R1.40bn will be subscribed by its parent company.

### Murray & Roberts Holdings Limited

The company announced that Peter Bennett has been appointed as Chief Executive Officer (CEO) of the Murray & Roberts Oil & Gas business platform and of Clough Limited, effective February 01, 2016. His appointment is in place of Kevin Gallagher, who was appointed CEO of Santos Limited.

### Sanlam Limited

The firm announced that Junior John Ngulube has been appointed as the Chief Executive Officer of the newly established Sanlam Corporate business cluster and a member of the Sanlam Executive Committee effective February 01, 2016.

## Major Global Economic News

### Asia

The seasonally adjusted gross domestic product (GDP) registered a rise of 6.8% on a quarterly basis, in 4Q15, in China. In the prior quarter, GDP had advanced 6.9%. Markets expected the GDP to climb 6.9%

Retail sales advanced 11.1% on an annual basis in China, in December, less than market expectations for a rise of 11.3%. Retail sales had climbed 11.2% in the prior month.

In December, industrial production climbed 5.9% on a yearly basis in China, compared to an advance of 6.2% in the previous month. Markets were expecting industrial production to rise 6.0%.

In November, on a monthly basis, the final industrial production fell 0.9% in Japan. The preliminary figures had indicated a fall of 1.0%.

### Eurozone

Italy has reported a trade surplus of EUR4.41bn in November, following a revised surplus of EUR4.82bn in the previous month.

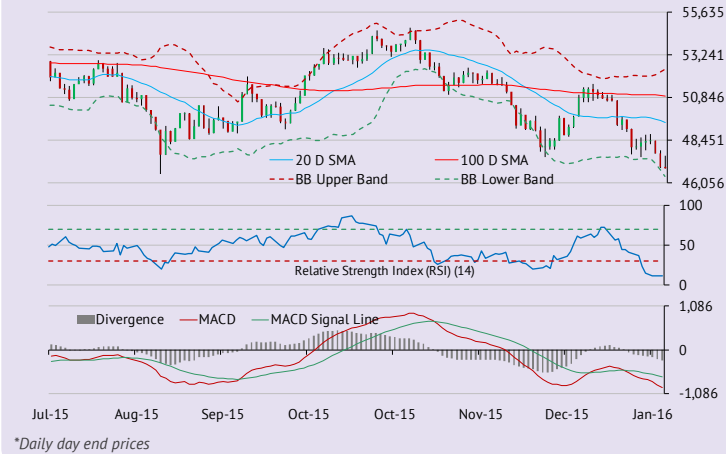
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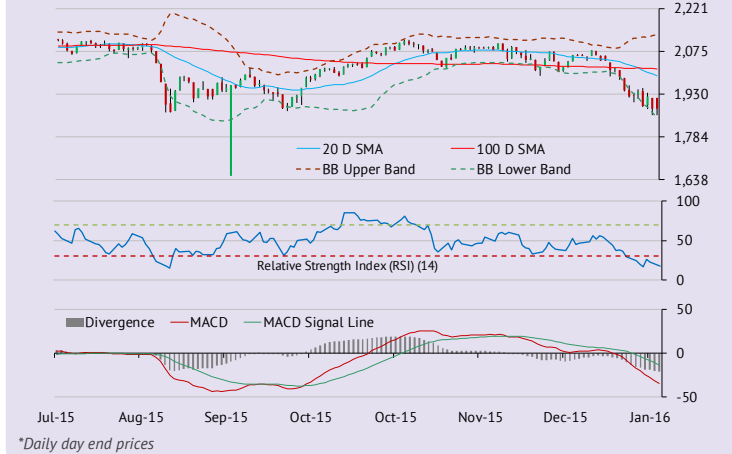
## Technical Snapshot

### JSE All Share



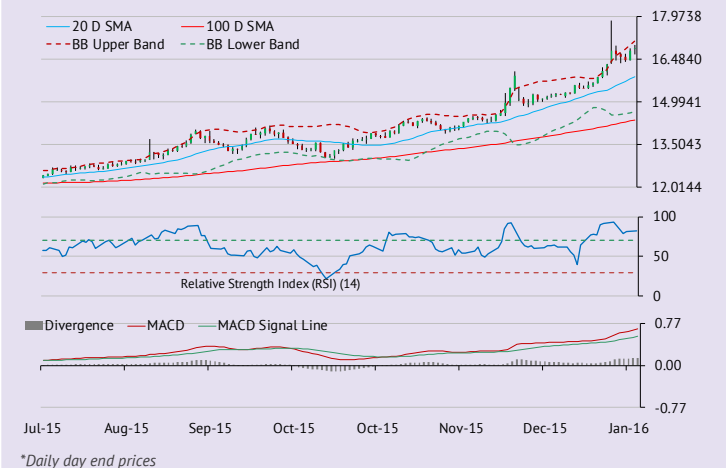
The JSE All Share index is expected to find support at 46,225.36, and a fall through could take it to the next support level of 45,574.09. The index is expected to find its first resistance at 48,157.88, and a rise through could take it to the next resistance level of 49,439.13.

### S&P 500



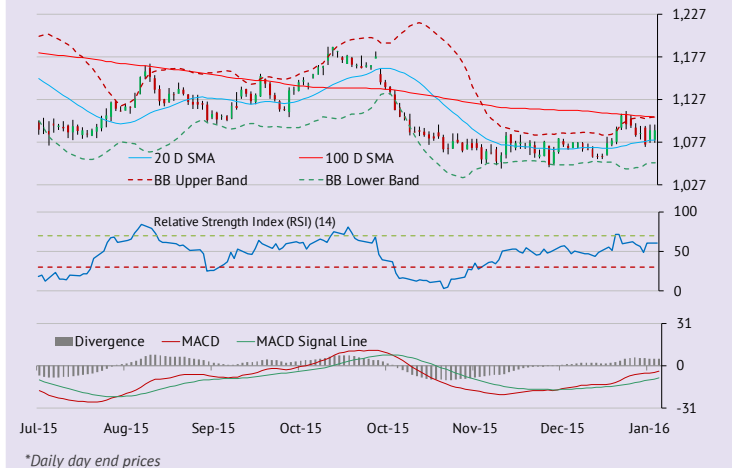
The S&P 500 index is expected to find support at 1,842.00, and a fall through could take it to the next support level of 1,803.66. The index is expected to find its first resistance at 1,934.50, and a rise through could take it to the next resistance level of 1,988.66.

### USDZAR



The pair is expected to find support at 16.4927, and a fall through could take it to the next support level of 16.1099. The pair is expected to find its first resistance at 17.1216, and a rise through could take it to the next resistance level of 17.3677.

### XAU/USD



Gold is expected to find support at \$1,074.83/oz, and a fall through could take it to the next support level of \$1,058.97/oz. The precious metal is expected to find its first resistance at \$1,102.83/oz, and a rise through could take it to the next resistance level of \$1,114.97/oz.

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## Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
China	04:00	Gross Domestic Product (QoQ) (Q4)	✓✓	1.60%*	1.80%	Quarterly
China	04:00	Gross Domestic Product (YoY) (Q4)	✓✓✓	6.80%*	6.90%	Quarterly
China	04:00	Industrial Production (YoY) (Dec)	✓✓	5.90%*	6.20%	Monthly
China	04:00	Retail Sales (YoY) (Dec)	✓✓	11.10%*	11.20%	Monthly
China	04:00	Fixed Assets Inv Excl. Rural YTD (YoY) (Dec)	✓✓	10.00%*	10.20%	Monthly
Japan	08:00	Machine Tool Orders (YoY) (Dec) (F)	✓✓	-	-25.80%**	Monthly
Germany	09:00	Consumer Price Index (MoM) (Dec) (F)	✓✓	-0.10%	-0.10%**	Monthly
Switzerland	10:15	Producer and Import Prices (MoM) (Dec)	✓	-0.20%	0.40%	Monthly
Eurozone	11:00	Current Account s.a (Nov)	✓	-	EUR20.40bn	Monthly
UK	11:30	ONS House Price Index (YoY) (Nov)	✓	-	7.00%	Monthly
UK	11:30	Consumer Price Index (MoM) (Dec)	✓✓	0.00%	0.00%	Monthly
UK	11:30	Producer Price Index - Input n.s.a (MoM) (Dec)	✓	-1.70%	-1.60%	Monthly
UK	11:30	Producer Price Index - Output n.s.a (MoM) (Dec)	✓	-0.20%	-0.20%	Monthly
UK	11:30	Retail Price Index (MoM) (Dec)	✓	0.20%	0.10%	Monthly
Eurozone	12:00	Construction Output s.a (MoM) (Nov)	✓	-	0.50%	Monthly
Eurozone	12:00	ZEW Survey - Economic Sentiment (Jan)	✓✓	-	33.90	Monthly
Eurozone	12:00	Consumer Price Index (YoY) (Dec) (F)	✓✓✓	0.20%	0.20%**	Monthly
Germany	12:00	ZEW Survey - Current Situation (Jan)	✓✓	53.10	55.00	Monthly
Germany	12:00	ZEW Survey - Economic Sentiment (Jan)	✓✓✓	8.00	16.10	Monthly
Eurozone	12:00	Consumer Price Index (MoM) (Dec)	✓✓	0.00%	-0.10%	Monthly
US	17:00	NAHB Housing Market Index (Jan)	✓	61.00	61.00	Monthly
US	23:00	Net Long-Term TIC Flows (Nov)	✓✓	-	-USD16.60bn	Monthly

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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