

ONE Minute Brief

27 January 2016

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Economic and Political News

The South African Reserve Bank (SARB) indicated that the nation's leading indicator in November rose to 93.70, compared to a level of 93.60 in the previous month.

The Congress of South African Trade Unions (Cosatu) has asked the National Energy Regulator of South Africa (Nersa) to reject Eskom's application for increased electricity tariff hikes as it felt strongly that any tariff hike would further burden the working class.

Nigeria's telecommunications minister, Adebayo Shittu, stated that MTN might be advised to withdraw a court case filed against the USD3.9bn fine to help aid talks on a possible settlement. He also added that Nigerian President, Muhammadu Buhari will make the final decision on the matter.

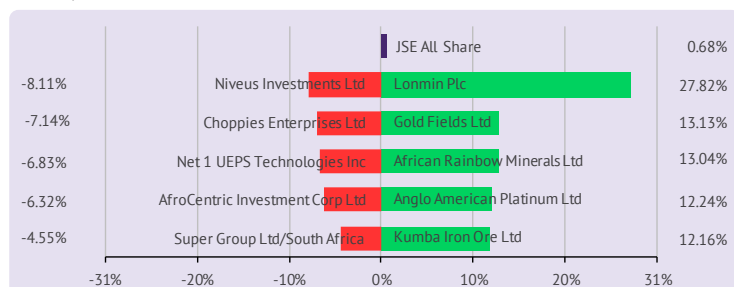
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	47532.40	▲	321.98	0.68%	-0.27%	-6.24%	-1.77%	-6.24%
JSE Top 40	42625.80	▲	212.47	0.50%	-0.76%	-6.93%	-1.15%	-6.93%
FTSE 100	5911.46	▲	34.46	0.59%	0.19%	-5.30%	-1.79%	-5.30%
DAX 30	9822.75	▲	86.60	0.89%	0.59%	-8.57%	-5.62%	-8.57%
CAC 40	4356.81	▲	45.48	1.05%	0.46%	-6.04%	-6.47%	-6.04%
S&P 500	1903.63	▲	26.55	1.41%	-0.17%	-6.86%	-1.75%	-6.86%
Nasdaq Composite	4567.67	▲	49.18	1.09%	-0.51%	-8.78%	-1.98%	-8.78%
DJIA	16167.23	▲	282.01	1.78%	0.46%	-7.22%	-1.66%	-7.22%

South Africa Market ▲

South African markets closed higher

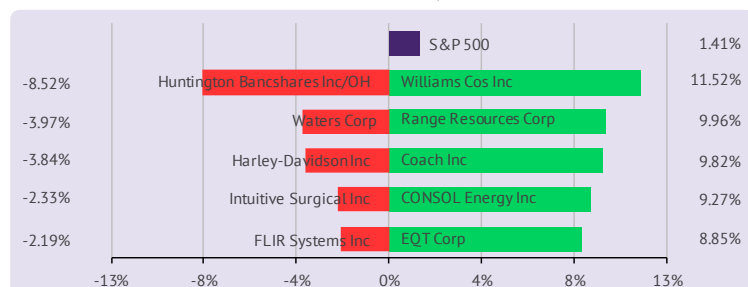
South African markets closed in the green yesterday, led by gains in gold mining sector stocks. Data revealed a rise in South Africa's leading indicator in November. The JSE All Share Index advanced 0.7% to close at 47,532.40.



US Market ▲

The S&P 500 futures are trading in the red

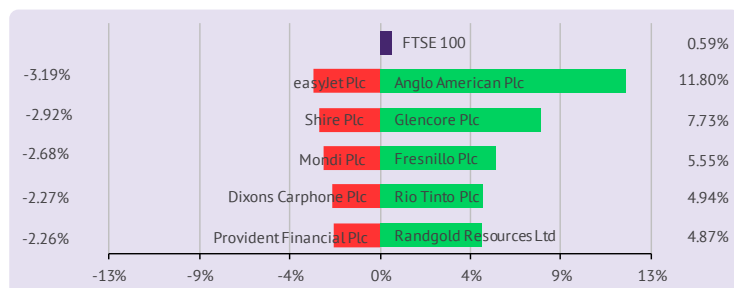
US markets closed higher yesterday, supported by a rally in energy sector stocks after a rebound in oil prices and amid upbeat corporate results. Data indicated a rise in US consumer confidence in January. The S&P 500 Index climbed 1.4% to close at 1,903.63.



UK Market ▲

The FTSE 100 futures are trading in negative territory

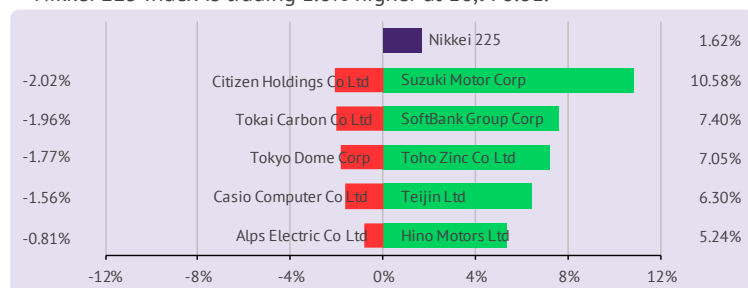
UK markets finished higher yesterday, amid gains in mining sector stocks. The FTSE 100 Index advanced 0.6% to close at 5,911.46.



Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning, tracking overnight gains on Wall Street. Early morning data showed a further decline in Chinese industrial profits on a yearly basis in December. The Nikkei 225 Index is trading 1.6% higher at 16,978.81.



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USDZAR ▲

USD trading stronger against ZAR

At 06:00 SAST, the US Dollar is trading 0.1% firmer against the South African Rand at R16.4050. Later today, traders will closely track the US Federal Open Market Committee's (FOMC) monetary policy decision for cues on the future course of interest rates in the nation. Additionally, US new home sales data and a report on mortgage applications will be eyed for further clues.

The US Dollar fell against the South African Rand yesterday, despite an improvement in US consumer confidence in January to its highest level since 3 months. Meanwhile, S&P/Case-Shiller indicated that growth in US home prices picked up in November while a preliminary reading showed that service sector in January expanded at its slowest pace since December 2014. Elsewhere, in South Africa, the nation's leading indicator advanced in November.

GBPZAR ▲

GBP trading firmer against ZAR

At 06:00 SAST, the British Pound advanced 0.1% against the South African Rand to trade at R23.5269. Later in the session today, investors will focus on UK's nationwide house price data and mortgage approvals for further direction.

The British Pound declined against the South African Rand yesterday. Meanwhile, a leading economic indicator in South Africa increased for the third straight month in November.

EURZAR ▲

EUR trading higher against ZAR

At 06:00 SAST, the Euro is trading 0.2% firmer against the South African Rand at R17.8239. Going forward, market participants will keep a close watch on the German GfK consumer confidence data scheduled for release in a few hours along with speeches by European Central Bank officials.

The Euro weakened against the South African Rand yesterday, reversing previous session gains.

AUDZAR ▲

AUD trading stronger against ZAR

At 06:00 SAST, the Australian Dollar gained 0.2% against the South African Rand to trade at R11.5030. Earlier in the session, data revealed that Australia's consumer price index rose more-than-expected on a quarterly basis in 4Q15 while the Westpac leading index dropped in December. Elsewhere, industrial profits in China, Australia's largest trading partner, contracted at a faster pace on a yearly basis in December, amid the economic slowdown.

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	16.4050 ▲		-0.90%	-0.47%	5.94%	7.12%	5.94%
GBPZAR	23.5269 ▲		-0.27%	0.10%	3.12%	4.72%	3.12%
EURZAR	17.8239 ▲		-0.88%	0.13%	5.81%	10.03%	5.81%
AUDZAR	11.5030 ▲		-0.25%	-0.46%	1.03%	8.80%	1.03%
EURUSD	1.0866 ▲		0.04%	0.58%	-0.07%	2.84%	-0.07%
GBPUUSD	1.4342 ▼		0.72%	0.55%	-2.61%	-2.13%	-2.61%
Brent (\$/barrel)	31.1 ▼		4.26%	-1.18%	-14.70%	-16.43%	-14.70%
Gold (\$/oz)	1122.0 ▲		1.35%	2.18%	5.66%	-0.53%	5.66%
Platinum (\$/oz)	877.3 ▲		1.80%	5.48%	-1.85%	7.06%	-1.85%
Copper (\$/MT)*	4545.8 ▲		2.87%	2.17%	-3.40%	2.32%	-3.40%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices rose 0.2% to trade at \$1,122.00/oz.

Yesterday, gold prices rose 1.4% to close at \$1,120.20/oz, amid a broad weakness in the US Dollar as the US Federal Reserve (Fed) commenced its two-day monetary policy meeting.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil retreated 2.3% to trade at \$31.06/bl.

Yesterday, Brent crude oil advanced 4.3% to settle at \$31.80/bl, on hopes that Organization of the Petroleum Exporting Countries (OPEC) and non-OPEC producers may reach an agreement to reduce output. Additionally, Iraq oil minister, Adel Abdul Mahdi stated that Saudi Arabia and Russia have become more flexible in considering steps to cut production. Meanwhile, the American Petroleum Institute (API) reported that crude oil inventories climbed more-than-expected by 11.4mn bls last week.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged 0.2% higher to trade at \$877.30/oz.

Yesterday, platinum prices climbed 1.8% to close at \$875.20/oz, extending its gains for the fourth straight session.



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Major South Africa Corporate News

Anglo American Plc

The company announced that rough diamond sales for De Beers' first sales cycle of the year significantly improved to USD540.00mn, compared with USD248.00mn value of the final sales cycle of 2015.

Reinet Investments SCA

In its management statement for 3Q16, the company, stated that its net asset value increased by EUR278.00mn from the previous quarter to EUR5, 362.00mn, reflecting an increase in asset values during the quarter. Net asset value per ordinary share stood at EUR27.36, compared with EUR25.95 recorded in the previous quarter. Furthermore, the company revealed that its commitments to new investments of EUR92.00mn were made during the quarter.

Spur Corporation Limited

In its sales update for the six months ended 31 December 2015, the firm, indicated that its total restaurant sales rose 12.6% from the same period of the preceding year to R3.50bn. Its sales in South Africa increased by 13.2% and sales from international restaurants rose 8.3%.

Major Global Economic News

US

In January, the Conference Board consumer confidence index rose to 98.10 in the US, compared to market expectations of an advance to a level of 96.50. The index had recorded a revised level of 96.30 in December.

In the US, the flash Markit services Purchasing Managers' Index (PMI) recorded a drop to 53.70 in January, compared to a level of 54.30 in the prior month. Market expectation was for the index to fall to a level of 54.00.

In the US, the seasonally adjusted S&P/Case-Shiller composite index of 20 metropolitan areas advanced 0.94% on a monthly basis, in November, higher than market expectations for a rise of 0.80%. In the previous month, the index had climbed by a revised 0.78%

In January, the Richmond Fed manufacturing index dropped to a level of 2.00 in the US, meeting market expectations. In the prior month, the index had recorded a reading of 6.00.

Eurozone

Trade surplus in Switzerland narrowed to CHF2.54bn in December, more than market expectations of a surplus of CHF2.90bn and compared to a revised surplus of CHF3.16bn in the previous month.

Asia

In Australia, the consumer price index on a quarterly basis climbed 0.4% in 4Q15, compared to an advance of 0.5% in the prior quarter. Markets were anticipating the index to rise 0.3%.

In Australia, the Westpac leading index dropped 0.3% on a monthly basis in December. In the previous month, the index had registered a revised similar fall.

In China, industrial profits dropped 4.7% on an annual basis in December, compared to a fall of 1.4% in November.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
China	03:30	Industrial Profits (YoY) (Dec)	✓✓	-4.70%*	-1.40%	Monthly
China	03:45	Westpac-MNI Consumer sentiment index (Jan)	✓	114.90*	113.70	Monthly
Japan	07:00	Small Business Confidence (Jan)	✓	48.50	48.30	Monthly
Switzerland	09:00	UBS Consumption Indicator (Dec)	✓✓	-	1.66	Monthly
Germany	09:00	GfK Consumer Confidence Survey (Feb)	✓✓	9.30	9.40	Monthly
UK	09:00	Nationwide House Prices s.a. (MoM) (Jan)	✓	0.60%	0.80%	Monthly
France	09:45	Consumer Confidence (Jan)	✓	96.00	96.00	Monthly
Spain	10:00	Total mortgage lending YoY (Nov)	✓	-	12.50%	Monthly
Spain	10:00	House mortgage approvals YoY (Nov)	✓	-	7.10%	Monthly
Eurozone	10:00	ECB Executive Board Member Coeure Speaks in Frankfurt	✓	-	-	As scheduled
Italy	11:00	Business Confidence (Jan)	✓	103.80	104.10	Monthly
Italy	11:00	Consumer Confidence (Jan)	✓	117.00	117.60	Monthly
Eurozone	11:15	ECB's Lane Speaks at Conference in Dublin	✓	-	-	As scheduled
UK	11:30	BBA Mortgage Approvals (Dec)	✓✓	45.50K	44.96K	Monthly
Eurozone	13:00	ECB Board Member Mersch Speaks in Munich	✓	-	-	As scheduled
US	14:00	MBA Mortgage Applications (22-Jan)	✓	-	9.00%	Weekly
Eurozone	15:00	ECB Board Member Lautenschlaeger Speaks in Frankfurt	✓	-	-	As scheduled
US	17:00	New Home Sales (MoM) (Dec)	✓	2.00%	4.30%	Monthly
US	17:00	New Home Sales Change (Dec)	✓✓	500.00K	490.00K	Monthly
US	21:00	Fed's Monetary Policy Statement	✓✓✓	-	-	As scheduled
US	21:00	Fed Interest Rate Decision	✓✓✓	0.50%	0.50%	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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