

ONE Minute Brief

1 February 2016

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Economic and Political News

South Africa recorded a budget surplus of ZAR32.63bn in December, rebounding from a deficit of ZAR21.79bn for the same month last year. Markets expected a surplus of ZAR29.70bn.

South Africa's trade surplus widened to ZAR8.20bn in December, more than market expectations of a surplus of ZAR4.90bn. The nation had registered a revised surplus of ZAR0.70bn in the prior month.

On a yearly basis, in December, private sector credit growth climbed 10.28% in South Africa, compared to an advance of 9.53% in November. Market expectation was for it to increase 9.85%.

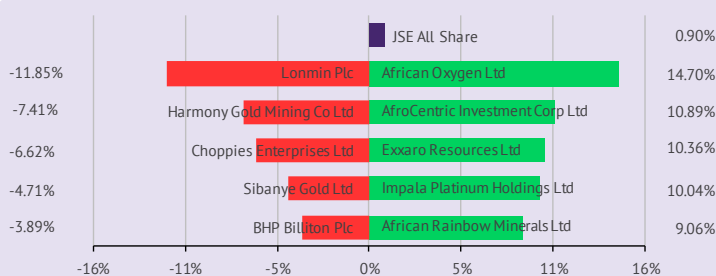
On an annual basis, in December, M3 money supply climbed 10.44% in South Africa, compared to an advance of 9.35% in the previous month. Market expectation was for M3 money supply to climb 9.75%.

The South African Revenue Service (Sars), stated that former Finance Minister, Nhlanhla Nene and all relevant stakeholders had approved the agency's restructuring plans. It further added that it would release the KPMG report into its alleged "covert unit" in the next few weeks.

South Africa Market ▲

South African markets closed higher

South African markets closed in the green on Friday, led by gains in banking and financial sector stocks. Data revealed a budget surplus for South Africa in December. The JSE All Share Index rose 0.9% to close at 49,141.94.



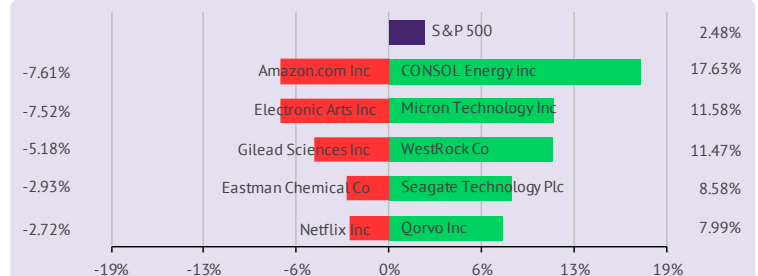
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	49141.94	▲	439.33	0.90%	NA	NA	-3.06%
JSE Top 40	44065.55	▲	319.22	0.73%	NA	NA	-3.78%
FTSE 100	6083.79	▲	152.01	2.56%	NA	NA	-2.54%
DAX 30	9798.11	▲	158.52	1.64%	NA	NA	-8.80%
CAC 40	4417.02	▲	94.86	2.19%	NA	NA	-4.75%
S&P 500	1940.24	▲	46.88	2.48%	NA	NA	-5.07%
Nasdaq Composite	4613.95	▲	107.28	2.38%	NA	NA	-7.86%
DJIA	16466.30	▲	396.66	2.47%	NA	NA	-5.50%

US Market ▲

The S&P 500 futures are trading in the red

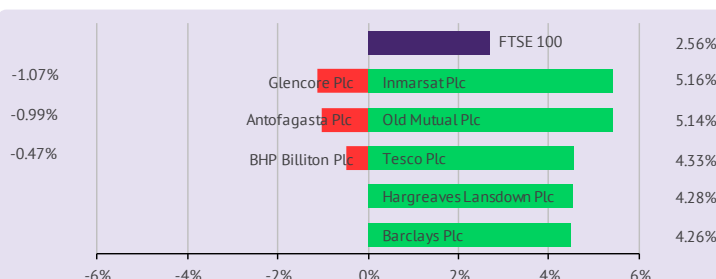
US markets closed higher on Friday, buoyed by the BoJ's negative interest rate policy and a rally in information technology stocks. Meanwhile, data showed that the US economy expanded at a slower pace in 4Q15. The S&P 500 Index climbed 2.5% to close at 1,940.24.



UK Market ▲

The FTSE 100 futures are trading in negative territory

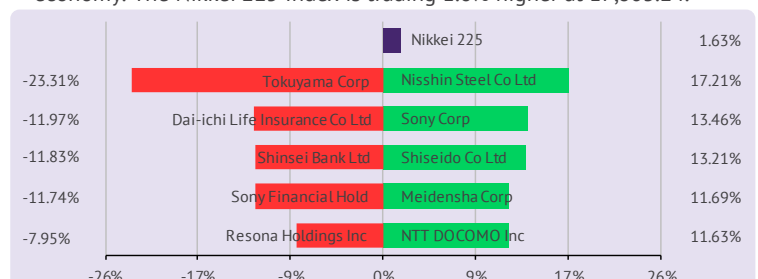
UK markets finished higher on Friday, after the Bank of Japan (BoJ) unexpectedly adopted negative interest rates to stimulate the nation's economy. The FTSE 100 Index advanced 2.6% to close at 6,083.79.



Asian Market ◀▶

Trading mixed

Asian markets are trading mixed this morning. Early morning data revealed that China's manufacturing sector contracted for the sixth consecutive month in January, underlining weakness in the nation's economy. The Nikkei 225 Index is trading 1.6% higher at 17,803.24.



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USDZAR ▲

USD trading stronger against ZAR

At 06:00 SAST, the US Dollar is trading 0.1% higher against the South African Rand at R15.9014. Later today, traders will look forward to the US ISM and Markit manufacturing Purchasing Managers' Indices (PMI) along with personal spending and construction spending data. Additionally, South Africa's manufacturing PMI will be eyed for further cues.

The US Dollar fell against the South African Rand on Friday, after data indicated that the US economy slowed in 4Q15, renewing fears that the country's economic expansion is losing momentum amid signs of a global economic downturn.. Separately, South Africa recorded a budget and trade surplus in December.

GBPZAR ▲

GBP trading firmer against ZAR

At 06:00 SAST, the British Pound rose 0.2% against the South African Rand to trade at R22.6696. Later today, investors will keep a tab on UK's Markit manufacturing PMI and net consumer credit data. Furthermore, manufacturing PMI and vehicle sales data of South Africa will attract market attention.

The British Pound declined against the South African Rand on Friday. Elsewhere, South Africa's trade surplus widened in four years in December and recorded a budget surplus too in the same month. Additionally, private sector credit growth and M3 money supply in South Africa rose more-than-expected in December.

EURZAR ▲

EUR trading higher against ZAR

At 06:00 SAST, the Euro advanced 0.2% against the South African Rand to trade at R17.2468. Going forward, market participants will keep a keen eye on Eurozone and Germany's Markit manufacturing PMIs for further direction.

The Euro weakened against the South African Rand on Friday. Meanwhile, consumer price inflation estimate in the Eurozone picked up on an annual basis in January. Furthermore, data showed that growth in private sector credit and M3 money supply in the Eurozone slowed in December. Meanwhile, retail sales in Germany unexpectedly dipped on a monthly basis in December.

AUDZAR ▼

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% weaker against the South African Rand at R11.2375. Earlier in the session, data revealed that Australia's AiG performance of manufacturing index declined in January. In China, Australia's key trading partner, the NBS manufacturing PMI dropped to its lowest level in 3 years, while the Caixin/Markit manufacturing PMI advanced surprisingly in January. Additionally, China's NBS non-manufacturing PMI eased in January.

The Australian Dollar fell against the South African Rand on Friday. Meanwhile, data indicated a rise in Australia's producer price index in 4Q15 while credit given to the private sector climbed less-than-expected in December.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	15.9014	▲	-1.88%	NA	NA	2.70%	2.70%
GBPZAR	22.6696	▲	-2.69%	NA	NA	-0.72%	-0.72%
EURZAR	17.2468	▲	-2.92%	NA	NA	2.40%	2.40%
AUDZAR	11.2375	▼	-1.92%	NA	NA	-0.95%	-0.95%
EURUSD	1.0848	▲	-0.98%	NA	NA	-0.30%	-0.30%
GBPUUSD	1.4259	▲	-0.73%	NA	NA	-3.33%	-3.33%
Brent (\$/barrel)	35.3	▲	2.51%	NA	NA	-6.81%	-6.81%
Gold (\$/oz)	1122.1	▲	0.07%	NA	NA	5.30%	5.30%
Platinum (\$/oz)	872.3	▼	0.74%	NA	NA	-1.95%	-1.95%
Copper (\$/MT)*	4570.0	▲	0.67%	NA	NA	-2.88%	-2.88%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged higher 0.5% to trade at \$1,122.10/oz.

On Friday, gold prices rose 0.1% to close at \$1,116.40/oz, after data showed that growth in the US economy slowed in 4Q15, supporting expectations that the Fed would not raise interest rate again as soon as March.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil climbed 1.6% to trade at \$35.31/bl.

On Friday, Brent crude oil advanced 2.5% to settle at \$34.74/bl, amid speculation of a deal between major oil exporters to cut production. Additionally, Baker Hughes reported that US oil rigs fell by 12 last week. Furthermore, the Energy Information Administration (EIA) in its monthly report indicated that US oil production fell in November for the second straight month and output stood at 9.3mn bpd in November.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged 0.2% lower to trade at \$872.30/oz.

On Friday, platinum prices climbed 0.7% to close at \$874.30/oz.

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Major South Africa Corporate News

African Oxygen Limited

In its trading statement for the year ended 31 December 2015, the company, indicated that its EPS is expected to be in the range of 131.00c to 136.00c, representing an increase of between 388.0% and 407.0% from the preceding year. It expects headline EPS to be between 135.00c and 142.00c, compared with 36.20c reported in the previous corresponding period. The company stated that the substantial rise in forecasted earnings was driven largely due to the improvement in margins as a result of reduction in fixed costs and the successful finalisation of its restructuring activities.

Harmony Gold Mining Company Limited

The firm announced that an employee was fatally injured in an accident at its Masimong mine in the Free State province on January 29, 2016. Investigations into the same are underway.

Hudaco Industries Limited

In its FY15 results, the company, stated that its turnover increased to R5.23bn from R4.48bn posted in the preceding year. Its profit before tax advanced 15.1% from the previous year to R527.00mn. The company indicated that its headline diluted EPS substantially increased to R1.16 from the prior year, while its comparable diluted EPS gained 18.6% from last year to R1.17.

Mediclinic International Limited

The firm announced that it has received unconditional approval for its combination of businesses with Al Noor Hospitals Group Plc by the South African Competition Tribunal.

Major Global Economic News

US

In 4Q15, the preliminary annualized gross domestic product (GDP) registered a rise of 0.7% on a quarterly basis in the US, lower than market expectations for an advance of 0.8%. In the previous quarter, the GDP had climbed 2.0%.

In January, the final Reuters/Michigan consumer sentiment index registered an unexpected drop to a level of 92.00 in the US. The preliminary figures had indicated an advance to 93.30.

The preliminary personal consumption advanced 2.2% on a quarterly basis in 4Q15 in the US, more than market expectations for a rise of 1.8%. In the prior quarter, personal consumption had climbed 3.0%.

In January, the Chicago Fed PMI in the US recorded a rise to a level of 55.60, compared to market expectations of an advance to a level of 45.30. The index had registered a level of 42.90 in the previous month.

Asia

The Australia's AiG performance of manufacturing index dropped to 51.50 in January, from a level of 51.90 in the prior month.

The NBS manufacturing PMI eased to 49.40 in January, in China, more than market expectations of a drop to 49.60. In the prior month, the PMI had recorded a reading of 49.70.

The Caixin/Markit manufacturing PMI index climbed unexpectedly to 48.40 in January in China, compared to a reading of 48.20 in the previous month.

In January, the NBS non-manufacturing PMI in China eased to 53.50, from a reading of 54.40 in the prior month.

In January, the final Nomura/JMMA manufacturing PMI in Japan fell to a level of 52.30. The preliminary figures had recorded a drop to 52.40.

Eurozone

In the Eurozone, the consumer price index rose 0.4% in January, in line with market expectations and compared to an advance of 0.2% in the previous month.

M3 money supply in the Euro-zone registered a rise of 4.7% in December on an annual basis, less than market expectations for an advance of 5.2%. M3 money supply had recorded an increase of 5.1% in the previous month.

Retail sales registered an unexpected drop of 0.2% in Germany on a monthly basis in December. In the prior month, retail sales had advanced by a revised 0.4%.



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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	2910	5.82%	NA	86.54%
Sibanye Gold Ltd	3500	4.51%	NA	53.17%
Exxaro Resources Ltd	6070	31.07%	NA	37.83%
Pan African Resources Plc	238	8.18%	NA	36.00%
Assore Ltd	8276	4.14%	NA	33.27%
African Rainbow Minerals Ltd	5708	25.45%	NA	31.37%
Impala Platinum Holdings Ltd	3288	25.98%	NA	31.31%
AngloGold Ashanti Ltd	13523	3.85%	NA	27.26%
Gold Fields Ltd	5330	9.65%	NA	26.30%
Anglo American Platinum Ltd	23141	20.49%	NA	24.86%
African Oxygen Ltd	1600	16.36%	NA	23.08%
Northam Platinum Ltd	3148	18.75%	NA	19.29%
Barloworld Ltd	7069	13.56%	NA	18.83%
Coronation Fund Managers Ltd	6107	19.46%	NA	15.44%
Bidvest Group Ltd	36474	10.11%	NA	11.13%
Illovo Sugar Ltd	1875	12.28%	NA	10.95%
Sappi Ltd	7208	-0.07%	NA	10.45%
Aquarius Platinum Ltd	287	-1.03%	NA	10.38%
Truworths International Ltd	9804	7.14%	NA	7.56%
Royal Bafokeng Platinum Ltd	2826	24.49%	NA	6.04%
FirstRand Ltd	4472	10.56%	NA	5.55%
Hudaco Industries Ltd	10000	18.34%	NA	5.32%
MTN Group Ltd	13950	13.42%	NA	4.97%
Foschini Group Ltd	12344	10.21%	NA	4.21%
Reinet Investments SCA	3300	1.10%	NA	3.51%
MMI Holdings Ltd/South Africa	2264	9.48%	NA	2.91%
AVI Ltd	7960	5.12%	NA	2.87%
Super Group Ltd/South Africa	3900	1.72%	NA	2.79%
Investec Australia Property Fund	1322	1.87%	NA	2.64%
Remgro Ltd	25081	5.05%	NA	2.28%
Rand Merchant Investment Holdings Ltd	3950	8.52%	NA	2.04%
Rockcastle Global Real Estate Co Ltd	3560	1.86%	NA	2.01%
Resilient REIT Ltd	11780	12.40%	NA	1.99%
Shoprite Holdings Ltd	14587	8.87%	NA	1.82%
Imperial Holdings Ltd	12133	8.79%	NA	1.65%
Mediclinic International Ltd	12050	-0.82%	NA	1.26%
RMB Holdings Ltd	5630	10.72%	NA	1.24%
Blue Label Telecoms Ltd	1227	4.43%	NA	0.99%
Netcare Ltd	3360	8.70%	NA	0.85%
Stenprop Ltd	2750	-1.79%	NA	0.84%
JSE All Share Index	49142	3.11%	NA	-3.06%

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
China	03:00	NBS Manufacturing PMI (Jan)	✓✓	49.40*	49.70	Monthly
China	03:00	NBS Non-manufacturing PMI (Jan)	✓	53.50*	54.40	Monthly
China	03:45	Caixin/Markit Manufacturing PMI (Jan)	✓✓	48.40*	48.20	Monthly
Japan	04:00	Nomura/ JMMA Manufacturing PMI (Jan) (F)	✓✓	52.30*	52.40**	Monthly
Japan	07:00	Vehicle Sales (YoY) (Jan)	✓	-	3.10%	Monthly
Spain	10:15	Markit Manufacturing PMI (Jan)	✓	52.50	53.00	Monthly
Switzerland	10:30	SVME - PMI (Jan)	✓✓	51.10	52.10	Monthly
Italy	10:45	Markit Manufacturing PMI (Jan)	✓	54.80	55.60	Monthly
France	10:50	Markit Manufacturing PMI (Jan) (F)	✓	50.00	50.00**	Monthly
Germany	10:55	Markit Manufacturing PMI (Jan) (F)	✓✓	52.10	52.10**	Monthly
Eurozone	11:00	Markit Manufacturing PMI (Jan) (F)	✓✓✓	52.30	52.30**	Monthly
Greece	11:00	Manufacturing PMI (Jan)	✓✓	-	50.20	Monthly
South Africa	11:00	PMI Manufacturing (Jan)	✓	45.20	45.50	Monthly
Eurozone	11:15	ECB Executive Board Member Coeure Speaks in Budapest	✓	-	-	As scheduled
UK	11:30	Gross Consumer Credit (Dec)	✓✓	-	GBP20.93bn	Monthly
UK	11:30	M4 Money Supply (MoM) (Dec)	✓	-	0.40%	Monthly
UK	11:30	Net Consumer Credit (Dec)	✓✓	GBP1.30bn	GBP1.50bn	Monthly
UK	11:30	Markit Manufacturing PMI (Jan)	✓✓	51.60	51.90	Monthly
UK	11:30	Net Lending Sec. on Dwellings (Dec)	✓✓	GBP3.70bn	GBP3.90bn	Monthly
UK	11:30	Mortgage Approvals (Dec)	✓✓	69.60K	70.40K	Monthly
US	15:30	Personal Income (MoM) (Dec)	✓✓	0.20%	0.30%	Monthly
US	15:30	Personal Spending (Dec)	✓✓	0.10%	0.30%	Monthly
US	15:30	Personal Consumption Expenditure Core (MoM) (Dec)	✓✓	0.10%	0.10%	Monthly
US	16:45	Markit Manufacturing PMI (Jan) (F)	✓✓	52.70	52.70**	Monthly
US	17:00	Construction Spending (MoM) (Dec)	✓✓	0.60%	-0.40%	Monthly
US	17:00	ISM Manufacturing PMI (Jan)	✓✓	48.50	48.20	Monthly
US	17:00	ISM Prices Paid (Jan)	✓✓	35.00	33.50	Monthly
US	17:00	ISM New Orders (Jan)	✓	-	48.90	Monthly
Eurozone	18:00	Draghi Speaks in EU Parliament Debate on ECB Annual Report	✓	-	-	As scheduled
South Africa	-	Naamsa Vehicle Sales (YoY) (Jan)	✓✓	-4.10%	-4.20%	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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