

# ONE Minute Brief

14 April 2016

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## Economic and Political News

South Africa's retail sales climbed 4.1% on an annual basis, in February, from a revised advance of 3.6% in the previous month.

The ANC's spokesperson, Thabo Meeko, stated that President Zuma has the support of most of the party leaders against the Constitutional Court judgement on the Nkandla case and will be president of the country until the next election in 2019. Separately, the Parliament mentioned that it will investigate whether to take disciplinary action against the President over the Nkandla debacle.

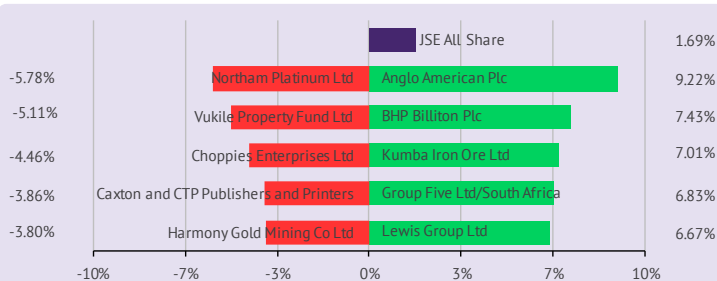
The Treasury announced that they were yet to approve an application by state-owned firm arms manufacturer Denel, to hold a joint venture with a company linked to the Gupta family. Meanwhile, Finance Minister, Pravin Gordhan, warned that if Denel goes ahead with the joint venture without the necessary permission, it will be guilty of financial misconduct.

Public Enterprises Minister, Lynne Brown, announced that Siyabonga Gama, has been appointed as the group Chief Executive of Transnet.

## South Africa Market ▲

### South African markets closed higher

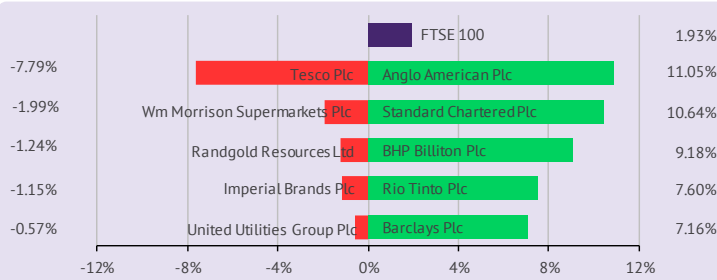
South African markets closed in the green yesterday, amid gains in resources sector stocks. Data revealed that South Africa's retail sales grew more-than-expected on a yearly basis in February. The JSE All Share Index rose 1.7% to close at 52,938.24.



## UK Market ▲

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

UK markets finished higher yesterday, led by gains in mining and bank stocks, following upbeat Chinese trade data. The BoE's survey indicated that lenders plan to expand lending to households at the fastest pace since 3Q 2014. The FTSE 100 Index advanced 1.9% to close at 6,362.89.



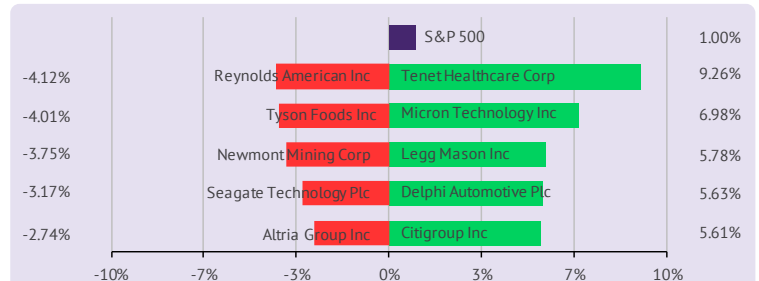
## Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	52938.24	▲	878.48	1.69%	2.94%	1.32%	5.74%	4.43%
JSE Top 40	46617.72	▲	866.64	1.89%	3.02%	1.04%	5.34%	1.79%
FTSE 100	6362.89	▲	120.50	1.93%	2.55%	3.04%	1.28%	1.93%
DAX 30	10026.10	▲	264.63	2.71%	4.20%	0.61%	4.95%	-6.67%
CAC 40	4490.31	▲	144.40	3.32%	4.35%	2.40%	0.72%	-3.16%
S&P 500	2082.42	▲	20.70	1.00%	1.70%	1.10%	6.60%	1.88%
Nasdaq Composite	4947.42	▲	75.33	1.55%	1.99%	1.59%	6.84%	-1.20%
DJIA	17908.28	▲	187.03	1.06%	1.88%	1.26%	7.08%	2.77%

## US Market ▲

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

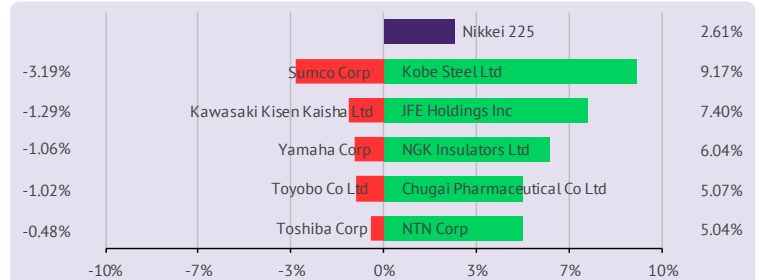
US markets closed higher yesterday, supported by a rally in financial sector stocks. Data indicated that US advance retail sales dropped unexpectedly in March, indicating that consumers are reluctant to spend freely. The S&P 500 Index climbed 1.0% to close at 2,082.42.



## Asian Market ▲

### Trading higher

Asian markets are trading higher this morning, tracking overnight gains on Wall Street. The Nikkei 225 Index is trading 2.6% higher at 16,808.29.



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## USDZAR ▲

### USD trading stronger against ZAR

At 06:00 SAST, the US Dollar rose 0.6% against the South African Rand to trade at R14.6240. Later today, traders will keep an eye on the US consumer price index, real average weekly earnings and initial jobless claims for further clues. Additionally, South Africa's mining production will also grab investors' attention.

The US Dollar fell against the South African Rand yesterday, after US advance retail sales surprisingly eased in March, signalling signs of a lower spending in households amid lower wages in the domestic market. Moreover, the producer prices fell for a straight second month in March. Meanwhile, the nation's business inventories fell slightly, meeting market expectations in February. Separately, South Africa's retail sales surprisingly grew above market expectations on an annual basis in February.

## GBPZAR ▲

### GBP trading firmer against ZAR

At 06:00 SAST, the British Pound is trading 0.2% firmer against the South African Rand at R20.6782. Later today, traders will keep a watch on the Bank of England's interest rate decision and its asset purchase target for further direction in the Pound. Separately, mining production in South Africa will attract market attention.

The British Pound declined against the South African Rand yesterday. The Bank of England's latest credit conditions report indicated an expansion in lending to households at the fastest pace since 3Q 2014, while lending to the business would be at its slowest pace since 1Q 2012. Moreover, lenders expected demand for buy-to-let loans to fall significantly in the second quarter, while demand for other mortgages would increase slightly.

## EURZAR ▲

### EUR trading higher against ZAR

At 06:00 SAST, the Euro advanced 0.5% against the South African Rand to trade at R16.4769. Going forward, market participants will keep a tab on Eurozone's final consumer price index, scheduled to release in a few hours.

The Euro weakened against the South African Rand yesterday, after Eurozone's industrial output eased more than expected in February, due to widespread weakness among sub-sectors but remained on track to increase after a strong start in the first quarter.

## AUDZAR ▲

### AUD trading stronger against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.5% higher against the South African Rand at R11.1827. Earlier in the session, Australia's unemployment rate surprisingly eased to its lowest level in two-and-a-half years in March and at the same time employment rose indicating a stronger business confidence in the nation. Moreover, consumer inflation expectations rose in April.

The Australian Dollar fell against the South African Rand yesterday. Data showed that, Australia's Westpac consumer confidence index declined in April.

## Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	14.6240	▲	-1.17%	-3.00%	-1.59%	-6.98%	-6.08%
GBPZAR	20.6782	▲	-1.66%	-2.47%	-2.65%	-4.01%	-9.48%
EURZAR	16.4769	▲	-2.07%	-3.98%	-2.48%	-2.64%	-2.47%
AUDZAR	11.1827	▲	-1.51%	-1.68%	-1.60%	-0.26%	-2.08%
EURUSD	1.1267	▼	-0.98%	-1.08%	-0.93%	4.61%	3.75%
GBPUSD	1.4140	▼	-0.49%	0.55%	-1.08%	3.17%	-3.65%
Brent (\$/barrel)	43.5	▼	-1.14%	5.34%	9.55%	10.28%	18.51%
Gold (\$/oz)	1234.3	▼	-1.00%	0.35%	1.02%	-0.02%	17.60%
Platinum (\$/oz)	1000.5	▼	0.37%	3.59%	2.62%	4.53%	12.39%
Copper (\$/MT)*	4848.5	▲	1.25%	3.96%	-0.66%	3.72%	3.03%

\*As of Previous Close

## Gold ▼

### Trading in the red

At 06:00 SAST, gold prices edged lower 1.0% to trade at \$1,234.30/oz.

Yesterday, gold prices fell 1.0% to close at \$1,246.80/oz, amid a broad strength in the greenback and a rally in global equity markets, reduced demand for the precious metal.

## Brent Crude Oil ▼

### Trading weaker

At 06:00 SAST, Brent crude oil edged 1.5% lower to trade at \$43.53/bl.

Yesterday, Brent crude oil dropped 1.1% to settle at \$44.18/bl, after the US Energy Department reported that US crude oil inventories rose by 6.60mn bls last week and the growing pessimism over the agreement between top oil producers, after Saudi Arabia's Oil Minister, Ali al-Naimi, played down the prospect of a potential output freeze deal in the Doha meeting.

## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices declined 0.2% to trade at \$1,000.50/oz.

Yesterday, platinum prices climbed 0.4% to close at \$1002.20/oz, extending gains from previous session.

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## Major South Africa Corporate News

### Advtech Limited

The company announced that it has appointed Didier Oesch as an acting company secretary of the company with immediate effect until a suitable permanent appointment takes place.

### Ascension Properties Limited

In its 1H16 results, the company indicated that its revenue rose to R219.10mn from R205.93mn posted in the corresponding period of the previous year. Its basic and diluted headline EPS stood at 18.36c, compared with 1.95c recorded in the comparable period. Its profit before tax stood at R359.96mn, compared with a loss before tax of R9.24mn recorded in the corresponding period of the preceding year.

### Consolidated Infrastructure Group Limited

In its trading statement for six months ended February 29, 2016, the company indicated that its EPS is expected to be in the range of 132.40c and 137.90c, which is 20.0% to 25.0% higher than the same period of the preceding year. Its headline EPS is expected to be between 132.10c and 137.60c, compared with 110.10c recorded in the corresponding period of the prior year.

### Mondi Plc

The group announced that Coronation Asset Management Pty Limited has disposed certain amount of its stake in Mondi Limited and its total holding in the company now stand at 13.87%.

## Major Global Economic News

### US

In March, on a monthly basis, advance retail sales unexpectedly eased 0.3% in the US, compared to a revised unchanged reading in the previous month. Market anticipation was for it to rise 0.1%.

Fed's Beige book indicated that the US economy continued to expand from late February to early April, boosting employment and put upward pressure on wages and prices. Moreover, the central bank found that 11 of its 12 regions reported wage growth during the period. However, consumer spending increased only modestly in most districts and capital outlays had been lacklustre amid the manufacturing and energy downturn.

On a monthly basis, US business inventories eased 0.1% in February, compared to a similar revised fall in the previous month. Markets were anticipating business inventories to fall 0.1%.

In March, producer prices in the US recorded an unexpected drop of 0.1% on a monthly basis, less than market expectations for a rise of 0.2%. In the prior month, producer prices had fallen 0.2%.

### Asia

In Australia, the seasonally adjusted unemployment rate registered an unexpected drop to a level of 5.7% in March, compared to market expectations of an advance to a level of 5.9%. The nation's unemployment rate had registered a level of 5.8% in the prior month.

In April, consumer inflation expectations rose to a level of 3.6% in Australia, compared to a reading of 3.4% in the prior month.

### UK

The Bank of England's credit conditions survey indicated that lenders planned on expanding lending to households at the quickest pace since 3Q 2014 and lending to businesses at the slowest rate since 1Q 2012.

The RICS house price balance in the UK eased unexpectedly to 42.00 in March, lower than market expectations of a steady reading. In the previous month, house price balance had recorded a level of 50.00.

### Eurozone

In February, the seasonally adjusted industrial production in the Eurozone registered a drop of 0.8% on a monthly basis, higher than market expectations for a drop of 0.7%. The industrial output had advanced by a revised 1.9% in the prior month.

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## Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
UK	01:01	RICS Housing Price Balance (Mar)	✓✓	42.00%*	50.00%	Monthly
Japan	08:00	Tokyo Condominium Sales (YoY) (Mar)	✓	-	-13.90%	Monthly
Switzerland	09:15	Producer and Import Prices (MoM) (Mar)	✓	-0.20%	-0.60%	Monthly
Eurozone	11:00	Consumer Price Index (MoM) (Mar)	✓✓	1.20%	0.20%	Monthly
South Africa	11:30	Gold Production (YoY) (Feb)	✓✓	-	27.00%	Monthly
South Africa	11:30	Platinum Production (YoY) (Feb)	✓✓	-	3.30%	Monthly
South Africa	11:30	Mining Production (YoY) (Feb)	✓✓	-5.60%	-4.50%	Monthly
UK	13:00	BoE Interest Rate Decision	✓✓✓	0.50%	0.50%	As scheduled
UK	13:00	BoE Asset Purchase Facility	✓✓✓	GBP375.00bn	GBP375.00bn	As scheduled
UK	13:00	Monetary Policy Summary	✓✓	-	-	As scheduled
US	14:30	Consumer Price Index (MoM) (Mar)	✓✓	0.20%	-0.20%	Monthly
Canada	14:30	New Housing Price Index (MoM) (Feb)	✓	0.10%	0.10%	Monthly
US	14:30	Initial Jobless Claims (09-Apr)	✓✓	270.00K	267.00K	Weekly
US	16:00	Fed's Lockhart Speaks in Chicago	✓	-	-	As scheduled
US	16:00	Fed's Powell Appears Before Senate Banking Committee	✓	-	-	As scheduled

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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