

ONE Minute Brief

15 April 2016

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Economic and Political News

Mining production in South Africa slid 8.7% on a yearly basis in February, higher than market expectations for a fall of 5.6%. Mining production had dropped 4.5% in the prior month.

On an annual basis, in February, gold production advanced 11.1%, in South Africa. In January, gold production had advanced 27.0%.

South Africa's platinum production dropped 18.1% on a yearly basis in February, from a rise of 3.3% in the previous month.

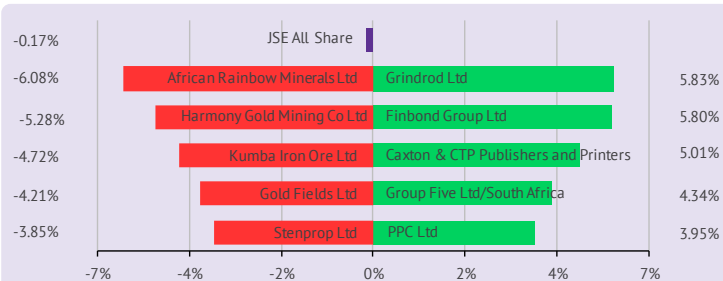
Speaker for the National Assembly, Baleka Mbete, indicated that the Parliament has agreed to study the implications of the Nkandla judgment and to discuss whether any changes would be required in the rules of the legislature.

Anheuser-Busch InBev will invest R1bn to support small South African farmers and has agreed to a package of commitments on employment as well as localisation of production to secure the government's regulatory approval for its takeover of SABMiller Plc.

South Africa Market ▼

South African markets closed lower

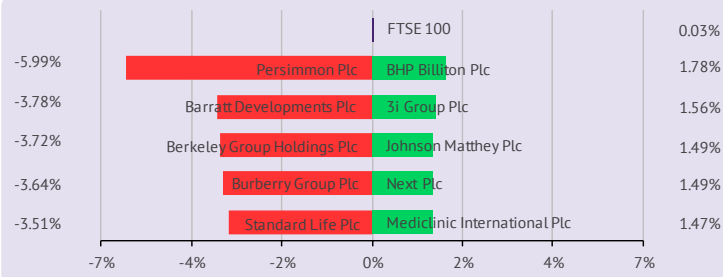
South African markets closed in the red yesterday, led by losses in gold mining sector stocks. Data showed that mining production in South Africa declined more-than-expected on a yearly basis in February. The JSE All Share Index fell 0.2% to close at 52,848.00.



UK Market ▲

The FTSE 100 futures are trading in positive territory

UK markets finished slightly higher yesterday, after the Bank of England (BoE) kept the interest rate unchanged at 0.5% and warned that a Brexit could soften economic growth in 1H16. The FTSE 100 Index advanced marginally to close at 6,365.10.



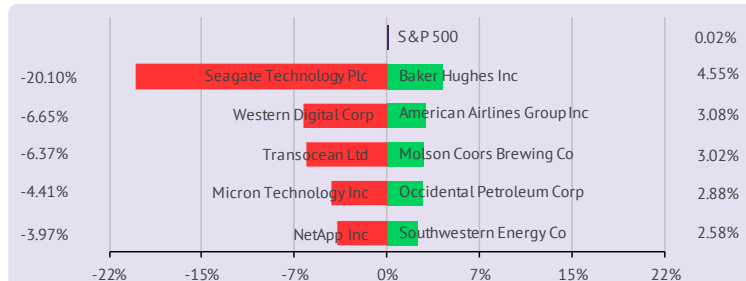
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	52848.00	▼	-90.24	-0.17%	2.77%	1.14%	5.74%	4.25%
JSE Top 40	46551.55	▼	-66.17	-0.14%	2.87%	0.89%	5.34%	1.65%
FTSE 100	6365.10	▲	2.21	0.03%	2.59%	3.08%	1.28%	1.97%
DAX 30	10093.65	▲	67.55	0.67%	4.90%	1.29%	4.95%	-6.04%
CAC 40	4511.51	▲	21.20	0.47%	4.84%	2.88%	0.72%	-2.71%
S&P 500	2082.78	▲	0.36	0.02%	1.72%	1.12%	6.60%	1.90%
Nasdaq Composite	4945.89	▼	-1.53	-0.03%	1.96%	1.56%	6.84%	-1.23%
DJIA	17926.43	▲	18.15	0.10%	1.99%	1.36%	7.08%	2.88%

US Market ▲

The S&P 500 futures are trading in the red

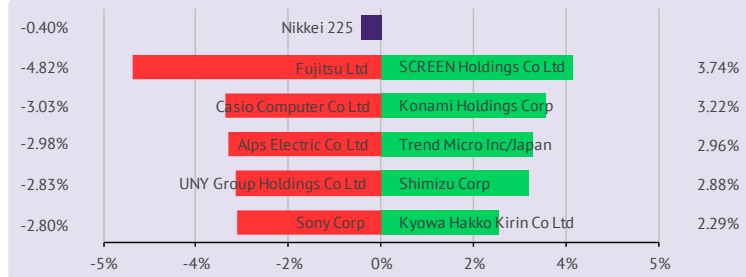
US markets closed higher yesterday, buoyed by gains in financial sector stocks. Data revealed that the US consumer price index edged up in March while first time unemployment claims fell last week. The S&P 500 Index rose marginally to close at 2,082.78.



Asian Market ▼

Trading lower

Asian markets are trading lower this morning. Data indicated that China's economy expanded at a slower pace in 1Q16 while industrial production and retail sales rose more-than-expected on a yearly basis in March. The Nikkei 225 Index is trading 0.4% lower at 16,844.10.



Address: GTC @Grant Thornton, The Wanderers Office Park, 52 Corlett Drive, Illovo, 2196.
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USDZAR ▲

USD trading higher against ZAR

At 06:00 SAST, the US Dollar is trading marginally firmer against the South African Rand at R14.5561. Later today, traders will keep a close watch on US industrial and manufacturing production data along with the New York Empire State manufacturing and the Reuters/Michigan consumer sentiment indices for further clues.

The US Dollar rose against the South African Rand yesterday, after initial jobless claims in the US unexpectedly fell for the second straight week to match its lowest level since 1973. Additionally, the US consumer price index edged slightly higher on a monthly basis in March. Elsewhere, mining production in South Africa fell more-than-expected on a yearly basis in February, a sign that Africa's most industrialised economy was barely growing.

GBPZAR ▲

GBP trading firmer against ZAR

At 06:00 SAST, the British Pound is trading marginally higher against the South African Rand at R20.6041. Later in the session, investors will focus on UK's construction output for further direction in the Pound.

The British Pound declined against the South African Rand yesterday, despite the BoE holding the benchmark interest rate at 0.5%, amid signs of a slowdown in the UK economy and fears over a possible exit from the European Union. The minutes of the central bank's meeting indicated that the committee is likely to react more cautiously to economic data until the June referendum is over. Separately, South Africa's mining production declined more-than-expected on a yearly basis in February.

EURZAR ▼

EUR trading weaker against ZAR

At 06:00 SAST, the Euro is trading marginally lower against the South African Rand at R16.3921. Going forward, Eurozone's trade balance data, set for release in a few hours will also attract market attention.

The Euro strengthened against the South African Rand yesterday, after the Eurozone's consumer price index rose as expected on a monthly basis in March.

AUDZAR ▲

AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar climbed marginally against the South African Rand to trade at R11.2009. Earlier in the session, data showed that economic growth in China, Australia's largest trading partner, rose at its slowest pace in seven years, in line with market expectations. On the other hand, China's industrial output and retail sales advanced in March.

The Australian Dollar rose against the South African Rand yesterday, after the nation's unemployment rate unexpectedly dropped to its lowest level in two-and-a-half years in March. Moreover, consumer inflation expectations in Australia rose in April.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	14.5561	▲	0.13%	-2.87%	-1.46%	-6.98%	-5.96%
GBPZAR	20.6041	▲	-0.21%	-2.67%	-2.86%	-4.01%	-9.67%
EURZAR	16.3921	▼	0.05%	-3.94%	-2.43%	-2.64%	-2.43%
AUDZAR	11.2009	▲	0.66%	-1.03%	-0.95%	-0.26%	-1.43%
EURUSD	1.1261	▼	-0.06%	-1.14%	-0.99%	4.61%	3.69%
GBPUSD	1.4156	▲	-0.34%	0.20%	-1.42%	3.17%	-3.98%
Brent (\$/barrel)	43.9	▲	-0.77%	4.53%	8.70%	10.28%	17.60%
Gold (\$/oz)	1231.0	▲	-1.75%	-1.41%	-0.75%	-0.02%	15.54%
Platinum (\$/oz)	990.0	▼	-1.01%	2.54%	1.59%	4.53%	11.26%
Copper (\$/MT)*	4848.0	▼	-0.01%	3.95%	-0.67%	3.72%	3.02%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.5% higher to trade at \$1,231.00/oz.

Yesterday, gold prices fell 1.8% to close at \$1,225.00/oz, amid a stronger US Dollar and with dilemma over the timing and number of rate hikes this year adding to volatility.

Brent Crude Oil ▲

Trading stronger

Brent crude oil reversed previous session losses and at 06:00 SAST, gained 0.1% to trade at \$43.90/bl.

Yesterday, Brent crude oil dropped 0.8% to settle at \$43.84/bl, as markets continued to doubt that the meeting of major oil producers on Sunday in Doha will have a tangible effect in reducing the supply glut.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged 0.2% lower to trade at \$990.00/oz.

Yesterday, platinum prices declined 1.0% to close at \$992.10/oz.

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Major South Africa Corporate News

EOH Holdings Limited

The company announced that it has acquired 100.0% stake in Apronics Proprietary Limited for a total consideration of about R194.00mn to be paid over the next two years.

Fortress Income Fund Limited

The company announced that it has appointed Steven Brown as an Alternate Director to Andrew Teixeira, the Executive Director of the company, effective April 13, 2016. Further the company also announced that its Company Secretary, Bernita Schaper has resigned and will be succeeded by Tamlyn Stevens, effective April 13, 2016.

Harmony Gold Mining Company Limited

The firm announced that its total production for FY16 came in line with its forecast to be at 1.10moz. Its total production advanced 6.0% from the corresponding period of the preceding year, while it declined 9.0%, compared with the previous quarter. The total production of the company was largely impacted by the late start-ups following the December holiday, combined with the impact of the earlier than usual Easter holidays, a maintenance upgrade at Kusasaletu and a safety stoppage at Target.

Netcare Limited

The company announced that Prudential Investment Managers Pty Limited, on behalf of its clients has purchased a stake in its ordinary shares and its total holding now stands at 5.02%.

Rebosis Property Fund Limited

In its 1H16 results, the firm, stated that its total group revenue advanced 78.9% from the corresponding period of the prior year to R853.22mn. Its profit before tax stood at R1.39bn, compared with R181.48mn recorded in the same period of the preceding year. However, its basic and diluted headline EPS declined to 22.17c from 82.10c posted in the corresponding period of the previous year. The company declared a dividend of 56.79c for 1H16.

Royal Bafokeng Platinum Limited

In its production report, the firm, revealed that its total production in tonnes delivered to the contractors rose by 9.0%, while total production in tonnes milled advanced 12.0%.

Major Global Economic News

Asia

China's gross domestic product (GDP) advanced 6.7% on an annual basis in 1Q16, meeting market expectations. In the previous quarter, GDP had climbed 6.8%.

In China, industrial production recorded a more-than-expected rise of 6.8% on a yearly basis in March, compared to an advance of 5.9% in the prior month.

Retail sales in China registered a rise of 10.5% on an annual basis in March, more than market expectations for an increase of 10.4%.

In March, new Yuan loans rose to CNY1370.00bn, in China, from a level of CNY726.60bn in the previous month. Markets were expecting new Yuan loans to climb to a level of CNY1100.00bn.

US

The consumer price index in the US rose 0.1% on a monthly basis in March, less than market expectations for an advance of 0.2%. In the previous month, the index had dropped 0.2%.

The seasonally adjusted initial jobless claims in the US dropped unexpectedly to a level of 253.00K in the week ended April 09, 2016, compared to market expectations of a rise to 270.00K and a revised reading of 266.00K in the prior week.

The President of the Federal Reserve Bank of Atlanta, Dennis P. Lockhart, reversed his previous stance after he stated that he no longer supported a Fed rate hike in April, citing weak inflation and downbeat consumer spending in the US, but added that there was still time for two or three rate hikes this year.

UK

All 9 members of the monetary policy committee of the BoE decided to maintain the key interest rate at 0.5% and asset purchase facility at GBP375.00bn, at par with market expectations. The minutes of the bank's latest monetary policy meeting indicated that uncertainty over the referendum on Britain's future in the European Union had begun to hit the economy, and could also have significant implications on the exchange rate. The members of the monetary policy committee also reported that domestic growth had been steady and expected inflation to rise over the next year.

Eurozone

The consumer price index in the Eurozone, rose 1.2% on a monthly basis in March, at par with market expectations. In the prior month, the index had advanced 0.2%.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
China	04:00	Gross Domestic Product (YoY) (Q1)	✓✓✓	6.70%*	6.80%	Quarterly
China	04:00	Fixed Assets Inv Excl. Rural YTD (YoY) (Mar)	✓✓	10.70%*	10.20%	Monthly
China	04:00	M2 Money Supply (YoY) (Mar)	✓	13.40%*	13.30%	Monthly
China	04:00	New Yuan Loans (Mar)	✓✓✓	CNY1370.00bn*	CNY726.60bn	Monthly
China	04:00	Retail Sales (YoY) (Mar)	✓✓	10.50%*	11.10%	Monthly
China	04:00	Industrial Production (YoY) (Mar)	✓✓	6.80%*	5.90%	Monthly
Japan	06:30	Capacity Utilisation (MoM) (Feb)	✓	-5.40%*	2.60%	Monthly
Japan	06:30	Industrial Production (MoM) (Feb) (F)	✓✓	-1.20%*	-6.20%**	Monthly
Eurozone	08:00	EU 28 New Car Registrations (YoY) (Mar)	✓	-	14.30%	Monthly
Italy	10:00	Global Trade Balance (Feb)	✓	-	EUR0.04bn	Monthly
Italy	10:00	Trade Balance (Feb)	✓	-	EUR35.00mn	Monthly
UK	10:30	Construction Output (YoY) (Feb)	✓	0.70%	-0.80%	Monthly
Eurozone	11:00	Trade Balance s.a. (Feb)	✓	EUR21.50bn	EUR21.20bn	Monthly
Canada	14:30	Teranet/National Bank HPI (MoM) (Mar)	✓	-	0.60%	Monthly
US	14:30	NY Empire State Manufacturing Index (Apr)	✓	2.00	0.62	Monthly
Canada	14:30	Manufacturing Shipments (MoM) (Feb)	✓	-1.50%	2.30%	Monthly
Canada	15:00	Existing Home Sales (MoM) (Mar)	✓	-	0.80%	Monthly
US	15:15	Capacity Utilisation (Mar)	✓	75.30%	76.70%	Monthly
US	15:15	Industrial Production (MoM) (Mar)	✓✓	-0.10%	-0.50%	Monthly
US	15:15	Manufacturing (SIC) Production (MoM) (Mar)	✓✓	0.10%	0.20%	Monthly
US	16:00	Reuters/Michigan Consumer Sentiment Index (Apr) (P)	✓✓✓	92.00	91.00	Monthly
US	18:30	Fed's Evans Speaks on Economy and Policy in Washington	✓	-	-	As scheduled
US	22:00	Net Long-Term TIC Flows (Feb)	✓✓	-	-USD12.00bn	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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