

# ONE Minute Brief

19 April 2016

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## Economic and Political News

The New Development bank announced that the state owned power utility, Eskom has acquired USD180.00mn loan for assistance in its renewable energy projects, which is a part of the of USD811.00mn in green energy loans approved by the bank last week.

The Democratic Alliance (DA) Finance spokesperson, David Maynier, has demanded the South African Reserve Bank to inspect the relationship that various banks shared with businesses linked to the Gupta family before they call of ties with them. Further, he also stated that investigations should be carried out whether banks followed provisions of the Financial Intelligence Centre Act.

Asset management group, Allan Gray, announced that they have appointed former Finance Minister, Nhlanhla Nene, for the position of Non-Executive Director, after being fired from the position of Finance Minister from the government in December.

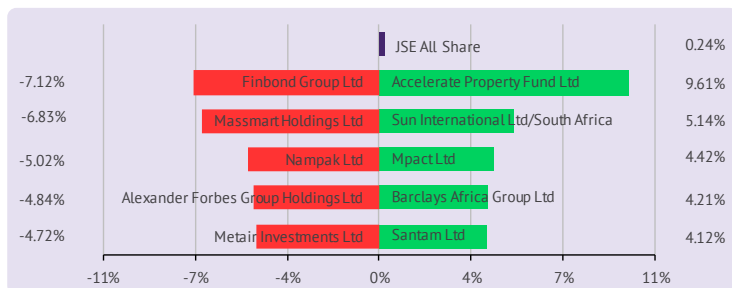
## Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	53166.59	▲	127.68	0.24%	0.24%	1.75%	5.74%	4.88%
JSE Top 40	46879.92	▲	116.84	0.25%	0.25%	1.60%	5.34%	2.36%
FTSE 100	6353.52	▲	9.77	0.15%	0.15%	2.89%	1.28%	1.78%
DAX 30	10120.31	▲	68.74	0.68%	0.68%	1.55%	4.95%	-5.80%
CAC 40	4506.84	▲	11.67	0.26%	0.26%	2.78%	0.72%	-2.81%
S&P 500	2094.34	▲	13.61	0.65%	0.65%	1.68%	6.60%	2.47%
Nasdaq Composite	4960.02	▲	21.80	0.44%	0.44%	1.85%	6.84%	-0.95%
DJIA	18004.16	▲	106.70	0.60%	0.60%	1.80%	7.08%	3.32%

## South Africa Market ▲

### South African markets closed higher

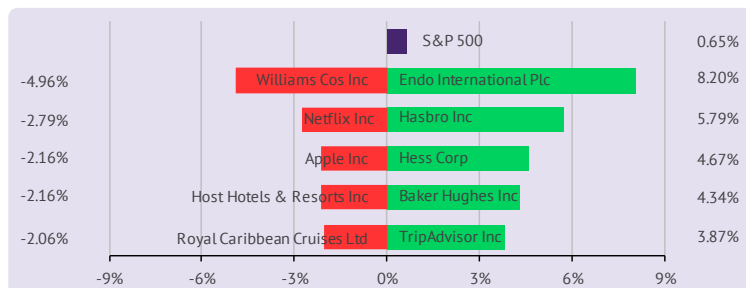
South African markets closed in the green yesterday, amid gains in banking, platinum and resources sector stocks. The JSE All Share Index rose 0.2% to close at 53,166.59.



## US Market ▲

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

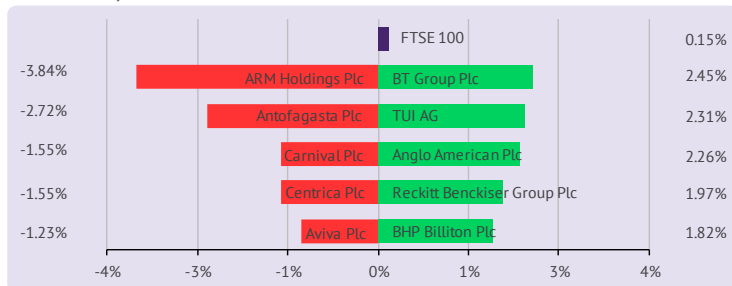
US markets closed higher yesterday, amid gains in energy sector stocks. The S&P 500 Index climbed 0.7% to close at 2,094.34.



## UK Market ▲

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

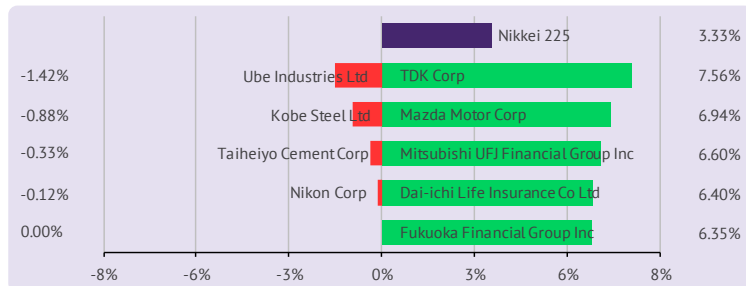
UK markets finished higher yesterday, as investors shrugged off losses in oil prices after oil producers failed to agree on a deal to trim oil production at a meeting in Doha. The FTSE 100 Index advanced 0.2% to close at 6,353.52.



## Asian Market ▲

### Trading mostly higher

Asian markets are mostly trading higher this morning, tracking overnight gains on Wall Street. The Nikkei 225 Index is trading 3.3% higher at 16,818.04.



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## USDZAR ▼

### USD trading weaker against ZAR

At 06:00 SAST, the US Dollar is trading 0.3% weaker against the South African Rand at R14.4516. Going forward, traders will keep a close watch on US housing starts and building permits scheduled to release later in the day.

The US Dollar fell against the South African Rand yesterday. Data showed that the US NAHB housing index remained unchanged in April, indicating an optimistic view amongst the homebuilders regarding the market for new houses.

## GBPZAR ▼

### GBP trading lower against ZAR

At 06:00 SAST, the British Pound dropped marginally against the South African Rand to trade at R20.6844. Later in the day, traders will keep an eye on the Bank of England's Governor, Mark Carney's speech.

The British Pound traded flat against the South African Rand yesterday. Meanwhile, uncertainty surrounding Britain's looming vote on EU membership continued to weigh on economic activity and the Pound.

## EURZAR ▼

### EUR trading weaker against ZAR

At 06:00 SAST, the Euro fell 0.2% against the South African Rand to trade at R16.3592. Going forward, market participants will keep a tab on Eurozone's current account balance, construction output and the ZEW survey for economic sentiment scheduled to release in a few hours.

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

## AUDZAR ▲

### AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar gained 0.2% against the South African Rand to trade at R11.2464. Earlier in the session, the recent monetary policy minutes of the Reserve Bank of Australia indicated that current position of the monetary policy was appropriate and there were reasonable prospects for continued growth in the nation. However, the central bank warned that appreciating exchange rate could harm progress in activity. Separately, the Australian CB leading indicator eased in February.

The Australian Dollar fell against the South African Rand yesterday, reversing gains from previous session.

## Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	14.4516	▼	-0.54%	-0.54%	-1.86%	-6.98%	-6.35%
GBPZAR	20.6844	▼	0.00%	NA	-2.42%	-4.01%	-9.27%
EURZAR	16.3592	▼	-0.24%	-0.24%	-2.45%	-2.64%	-2.44%
AUDZAR	11.2464	▲	-0.22%	-0.22%	-0.78%	-0.26%	-1.25%
EURUSD	1.1320	▲	0.26%	0.26%	-0.59%	4.61%	4.11%
GBPUSD	1.4310	▲	0.53%	0.53%	-0.57%	3.17%	-3.15%
Brent (\$/barrel)	42.7	▼	-0.44%	-0.44%	6.40%	10.28%	15.10%
Gold (\$/oz)	1235.2	▲	0.04%	0.04%	-0.05%	-0.02%	16.36%
Platinum (\$/oz)	980.8	▲	-1.22%	-1.22%	-0.02%	4.53%	9.50%
Copper (\$/MT)*	4850.0	▲	0.45%	0.45%	-0.62%	3.72%	3.07%

\*As of Previous Close

## Gold ▲

### Trading in the green

Gold prices gained 0.1%, at 06:00 SAST, to trade at \$1,235.20/oz, extending previous session gains.

Yesterday, gold prices rose marginally to close at \$1,233.60/oz, as a broad weakness in the greenback, increased demand for the precious metal.

## Brent Crude Oil ▼

### Trading weaker

Brent crude oil retreated 0.5%, at 06:00 SAST, to trade at \$42.71/bl, extending previous session losses.

Yesterday, Brent crude oil dropped 0.4% to settle at \$42.91/bl, due to disappointment from the meeting in Doha on Sunday, as top oil producers failed to reach an agreement on the output freeze.

## Platinum ▲

### Trading in positive territory

Platinum prices advanced 0.5%, at 06:00 SAST, to trade at \$980.80/oz, reversing previous session losses.

Yesterday, platinum prices declined 1.2% to close at \$976.40/oz.



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## Major South Africa Corporate News

### Lewis Group Limited

The company announced that its operating subsidiary, Lewis Stores Proprietary Limited, was referred to the National Consumer Tribunal by National Credit Regulator (NCR) for breach of the National Credit Act (NCA). The NCR stated that the maintenance costs and club fees were charged to customers in contravention of the NCA and has requested the Tribunal to order the company to repay the same to customers and impose an administrative fine of 10.0% of the annual turnover of Lewis Stores.

### PSG Group Limited

In its FY16 results, the company indicated that its revenue from sale of goods rose to R12.96bn from R10.98bn posted in the preceding year. Its profit before tax stood at R2.79bn, compared with R2.58bn recorded in the previous year. However, its diluted headline EPS declined 20.0% from the prior year to 645.60c.

## Major Global Economic News

### Asia

The minutes from RBA recent monetary policy meeting, indicated that board members agreed that the current setting of monetary policy of retaining interest rate at a record low level of 2.0% was appropriate, given that there were reasonable prospects for continued growth in the Australian economy. Moreover, central bank reiterated that continuing low inflation could allow for a future rate cut if the nation's job market needed a boost.

In Australia, the CB leading indicator index dropped 0.3% in February, following a decline of 0.4% in the previous month.

### Eurozone

In Germany, the Bundesbank monthly report indicated that the economic growth was robust in the first quarter, with a solid domestic demand. However, a slowdown is expected in the second quarter, due to a drop in factory orders with the company executives growing more pessimistic. Moreover, a slight advance in unemployment was expected in the upcoming months.

### US

The housing market index remained steady at a level of 58.00 in the US, in April. Markets were anticipating the housing market index to rise to 59.00.

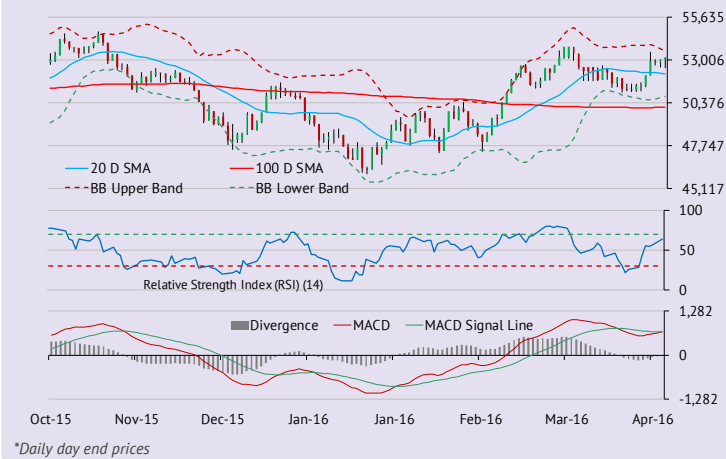
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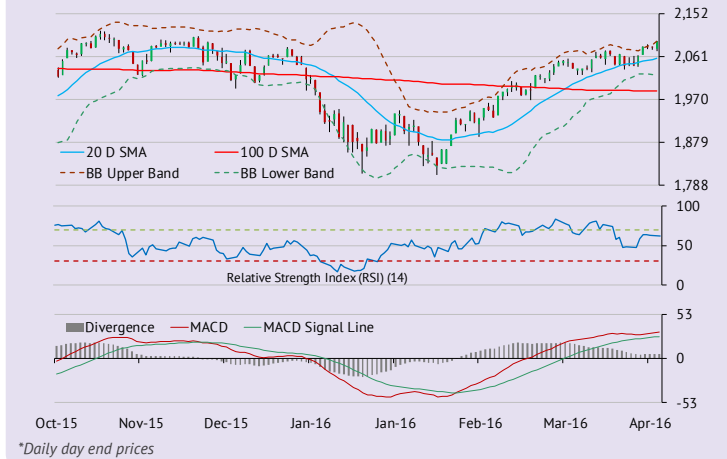
## Technical Snapshot

### JSE All Share



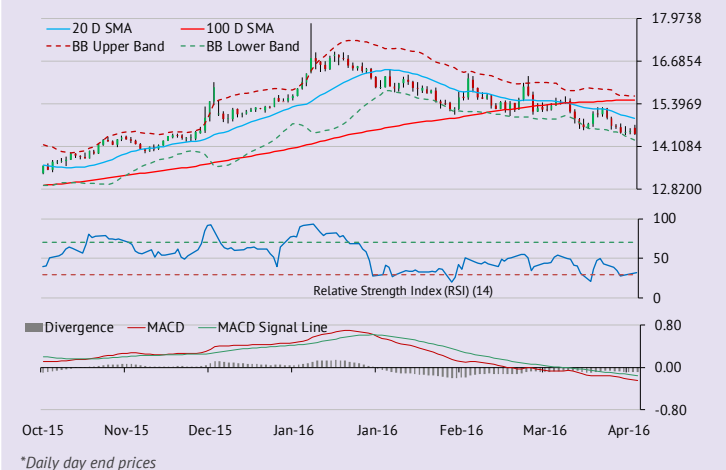
The JSE All Share index is expected to find support at 51,829.21, and a fall through could take it to the next support level of 50,491.82. The index is expected to find its first resistance at 54,016.00, and a rise through could take it to the next resistance level of 54,865.40.

### S&P 500



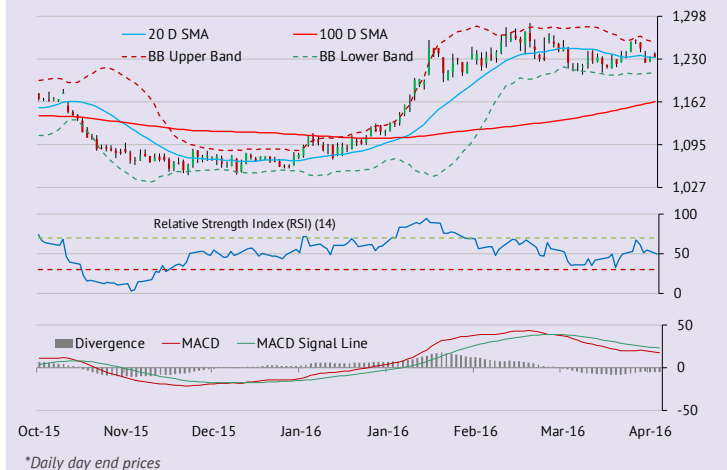
The S&P 500 index is expected to find support at 2,057.83, and a fall through could take it to the next support level of 2,021.33. The index is expected to find its first resistance at 2,112.75, and a rise through could take it to the next resistance level of 2,131.17.

### USDZAR



The pair is expected to find support at 14.3571, and a fall through could take it to the next support level of 14.2233. The pair is expected to find its first resistance at 14.7121, and a rise through could take it to the next resistance level of 14.9333.

### XAU/USD



Gold is expected to find support at \$1,218.17/oz, and a fall through could take it to the next support level of \$1,202.73/oz. The precious metal is expected to find its first resistance at \$1,255.37/oz, and a rise through could take it to the next resistance level of \$1,277.13/oz.

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## Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	07:30	Tokyo Department Store Sales (YoY) (Mar)	✓	-	2.70%	Monthly
Eurozone	10:00	Current Account s.a (Feb)	✓	-	EUR25.40bn	Monthly
Eurozone	10:00	ECB Bank Lending Survey	✓	-	-	As scheduled
Germany	11:00	ZEW Survey - Economic Sentiment (Apr)	✓✓✓	8.00	4.30	Monthly
Eurozone	11:00	Construction Output s.a (MoM) (Feb)	✓	-	3.60%	Monthly
Eurozone	11:00	ZEW Survey - Economic Sentiment (Apr)	✓✓	-	10.60	Monthly
Germany	11:00	ZEW Survey - Current Situation (Apr)	✓✓	50.80	50.70	Monthly
US	14:30	Building Permits (MoM) (Mar)	✓✓	2.00%	-3.10%	Monthly
US	14:30	Housing Starts (MoM) (Mar)	✓✓	-1.10%	5.20%	Monthly
US	14:55	Redbook Index s.a. (MoM) (15-Apr)	✓	-	-2.80%	Weekly
UK	16:35	BOE's Governor Carney speech	✓	-	-	As scheduled
Canada	17:00	BoC Governor Poloz Speech	✓✓✓	-	-	As scheduled
France	-	Bank of France's Villeroy speaks in New York	✓	-	-	As scheduled

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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