

# ONE Minute Brief

20 April 2016

**GTC**  
consult • partner • manage

## Economic and Political News

Eskom indicated that Oakbay's Tegeta will be fined, if the quality of coal supplied from Optimum mine did not meet specifications in the contract. The power utility company announced that it has started to ramp down planned maintenance programs to increase energy availability during the winter season. Further, it clarified allegations of influence of the Gupta family and mismanagement at the state-owned power utility.

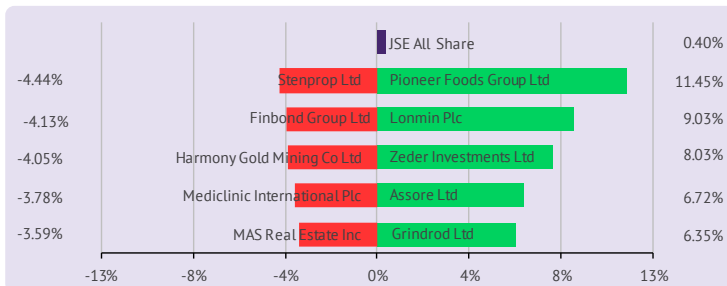
Justice Minister, Michael Masutha, announced that a draft bill on hate crimes would include the category "hate speech", if the speech incited harm. He further stated that it has also developed and released the draft National Action Plan to Combat Racism, Racial Discrimination, Xenophobia and Related Intolerance (NAP) for public comment.

The Deputy President of the SA Medical Association Trade Union (Samatu), Mpho Poee, demanded that the decision to dissolve the union should be reversed as it had been a unilateral and illegal decision. Meanwhile, the Congress of South African Trade Unions (Cosatu) indicated that the all financial records of Samatu should be made transparent.

## South Africa Market ▲

### South African markets closed higher

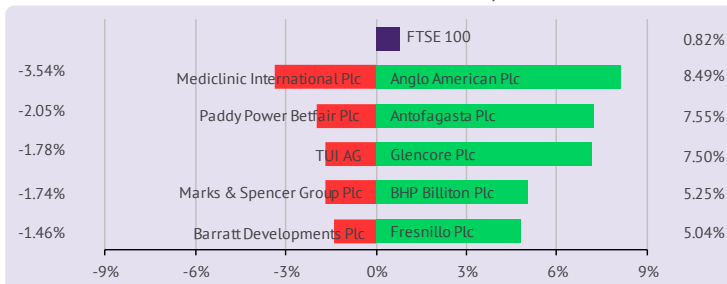
South African markets closed in the green yesterday, led by gains in platinum mining and resources sector stocks. The JSE All Share Index rose 0.4% to close at 53,380.94.



## UK Market ▲

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

UK markets finished higher yesterday, supported by gains in mining sector stocks. Meanwhile, Mark Carney, the Governor of the Bank of England (BoE), warned that a Brexit would be a risk to UK's economy. The FTSE 100 Index advanced 0.8% to close at 6,405.35.



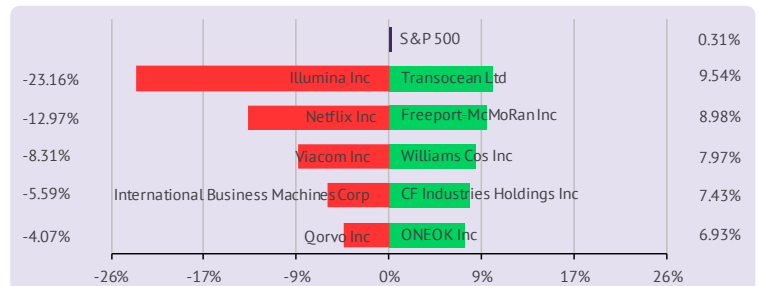
## Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	53380.94	▲ 214.35	0.40%	0.64%	2.16%	5.74%	5.30%
JSE Top 40	47025.18	▲ 145.26	0.31%	0.56%	1.92%	5.34%	2.68%
FTSE 100	6405.35	▲ 51.83	0.82%	0.97%	3.73%	1.28%	2.61%
DAX 30	10349.59	▲ 229.28	2.27%	2.96%	3.85%	4.95%	-3.66%
CAC 40	4566.48	▲ 59.64	1.32%	1.59%	4.14%	0.72%	-1.52%
S&P 500	2100.80	▲ 6.46	0.31%	0.96%	1.99%	6.60%	2.78%
Nasdaq Composite	4940.33	▼ -19.69	-0.40%	0.04%	1.45%	6.84%	-1.34%
DJIA	18053.60	▲ 49.44	0.27%	0.87%	2.08%	7.08%	3.61%

## US Market ▲

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

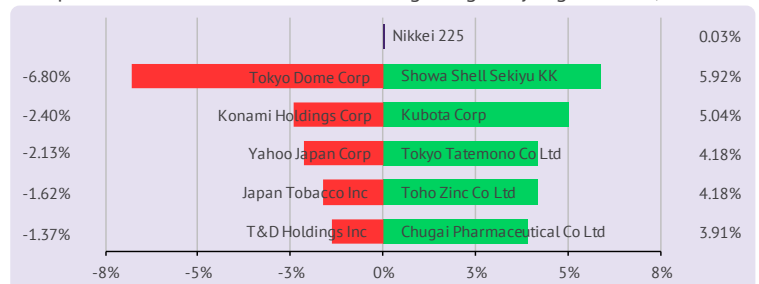
US markets closed higher yesterday, amid gains in material and energy sector stocks. The S&P 500 Index climbed 0.3% to close at 2,100.80.



## Asian Market ▼

### Trading mostly lower

Asian markets are trading mostly lower this morning. Early morning data revealed that Japan's total trade surplus expanded in March, weighed down by a stronger Yen and contraction in imports as well as exports. The Nikkei 225 Index is trading marginally higher at 16,879.48.



**Address:** GTC @Grant Thornton, The Wanderers Office Park, 52 Corlett Drive, Illovo, 2196.  
t: +27 (0) 21 412 1074 | e: oneminutebrief@gtc.co.za | w: www.gtc.co.za

An Authorised Financial Services Provider FSP No. 731  
formerly Grant Thornton Capital

Employee Benefits Consulting • Employee Benefits Administration • Private Client Wealth Management • Healthcare Consulting • Short-Term Risk Solutions • Stockbroking • Derivatives Trading • Unit Trust Management • Asset Management • Fiduciary Services

# ONE Minute Brief

20 April 2016

**GTC**  
consult • partner • manage

## USDZAR ▲

### USD trading higher against ZAR

At 06:00 SAST, the US Dollar is trading 0.5% firmer against the South African Rand at R14.3485. Later today, traders will keep a close watch on US existing home sales data. Additionally, South Africa's consumer price inflation data will also attract market attention.

The US Dollar fell against the South African Rand yesterday, after data revealed that housing starts in the US fell more-than-expected on a monthly basis in March, recording its lowest level since October while building permits unexpectedly dropped in the same month.

## GBPZAR ▲

### GBP trading firmer against ZAR

At 06:00 SAST, the British Pound advanced 0.4% against the South African Rand to trade at R20.6370. Later in the session, investors will keep a tab on UK's ILO unemployment rate, claimant count change and average earnings data as well as South Africa's consumer price inflation data for further direction in the currency pair.

The British Pound declined against the South African Rand yesterday, after the BoE Governor, Mark Carney, warned that Britain's economy could struggle to grow after a decision to quit the European Union.

## EURZAR ▲

### EUR trading stronger against ZAR

At 06:00 SAST, the Euro is trading 0.5% firmer against the South African Rand at R16.3044. Going forward, market participants will focus on Germany's producer price inflation data, scheduled in a few hours for further clues.

The Euro weakened against the South African Rand yesterday, despite a rise in economic sentiment index in the region in April. Also, economic sentiment in Germany improved for the second straight month in April. Meanwhile, Eurozone's current account surplus narrowed sharply in February while construction output eased in February after rebounding strongly in the previous month.

## AUDZAR ▲

### AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar climbed 0.1% against the South African Rand to trade at R11.1686. Earlier in the session, data showed that a leading index in Australia declined in March, pointing towards a loss of momentum and growth in the nation.

The Australian Dollar fell against the South African Rand yesterday. The minutes of the RBA's April monetary policy meeting, indicated that continued mild inflation provides scope for easing and that there were reasonable prospects for consistent growth in the Australian economy.

## Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	14.3485	▲	-1.43%	-1.96%	-3.27%	-6.98%	-7.69%
GBPZAR	20.6370	▲	-0.60%	-0.60%	-3.00%	-4.01%	-9.81%
EURZAR	16.3044	▲	-1.05%	-1.29%	-3.47%	-2.64%	-3.46%
AUDZAR	11.1686	▲	-0.56%	-0.78%	-1.33%	-0.26%	-1.81%
EURUSD	1.1361	▲	0.40%	0.66%	-0.19%	4.61%	4.53%
GBPUSD	1.4370	▼	0.84%	1.37%	0.27%	3.17%	-2.33%
Brent (\$/barrel)	43.1	▼	2.61%	2.16%	9.17%	10.28%	18.11%
Gold (\$/oz)	1254.0	▲	1.57%	1.61%	1.52%	-0.02%	18.19%
Platinum (\$/oz)	1015.2	▲	3.85%	2.58%	3.83%	4.53%	13.72%
Copper (\$/MT)*	4954.8	▲	2.16%	2.62%	1.52%	3.72%	5.29%

\*As of Previous Close

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices rose 0.1% to trade at \$1,254.00/oz.

Yesterday, gold prices rose 1.6% to close at \$1,253.00/oz, as the greenback weakened, after the US housing data came below market expectations.

## Brent Crude Oil ▼

### Trading weaker

Brent crude oil reversed previous session gains and at 06:00 SAST, dropped 2.0% to trade at \$43.14/bl. Earlier today, Kuwaiti oil workers ended a three-day strike that had temporarily reduced the nation's crude production by nearly half, thus adding to the global supply glut.

Yesterday, Brent crude oil advanced 2.6% to settle at \$44.03/bl. Meanwhile, the American Petroleum Institute (API) reported that crude oil inventories advanced by 3.1mn bls last week.

## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices edged 0.1% higher to trade at \$1,015.20/oz.

Yesterday, platinum prices climbed 3.9% to close at \$1,014.00/oz, amid weakness in the US Dollar.



# ONE Minute Brief

20 April 2016



consult • partner • manage

## Major South Africa Corporate News

### AECI Limited

The company announced that Coronation Asset Management Pty Limited on behalf of its clients has disposed ordinary shares of the company and now holds a total stake of 18.83% of the total issued ordinary shares of the company.

### Consolidated Infrastructure Group Limited

In its 1H16 results, the company, indicated that its revenues rose 26.4% from the same period of the prior year to R2.10bn. Its diluted headline EPS stood at 132.60c, compared with 107.40c recorded in the corresponding period of the preceding year. Its profit before tax advanced to R193.38mn from R153.30mn posted in the same period of the previous year.

### Gold Fields Limited

In its operating update for 3 months ended 31 March 2016, the firm, indicated that its gold production increased to 515.00koz from 501.00koz posted in the same period of the preceding year. Its total milled production stood at 8.59mnt, compared with 8.17mnt recorded in the corresponding period of the prior year. For FY16, the company expects its gold production to be between 2.05moz to 2.10moz.

## Major Global Economic News

### Asia

The RBA Governor, Glenn Stevens, stated that policymakers should look beyond low interest rates for ways to encourage economic growth and boost inflation, including worthwhile infrastructure projects. Further, he mentioned that ultra-low global interest rates are playing havoc with retirement income plans.

The Governor of the Bank of Japan (BoJ), Haruhiko Kuroda, stated that a rising Yen could affect inflation, business confidence and business activity, which would prompt the central bank to take further easing measures if necessary to achieve the 2.0% inflation target.

In March, Japan reported a total merchandise trade surplus of JPY755.00bn, compared to market expectations of a surplus of JPY834.60bn. Japan had registered a revised trade surplus of JPY242.20bn in the prior month.

The Westpac leading index in Australia slid 0.12% on a monthly basis, in March, from a revised drop of 0.23% in February.

### UK

The BoE Governor, Mark Carney, indicated that a Brexit could result in less domestic economic growth as a result of the UK's remarkably high current account deficit. He further stated that the June 23 referendum had potential to reinforce existing vulnerabilities in relation to financial stability and that a vote to leave the EU might result in an extended period of uncertainty about the economic outlook.

### Lonmin Plc

The firm announced that Barrie van der Merwe has been appointed as the Chief Financial Officer and an Executive Director of the company, effective May 17, 2016.

### Pioneer Food Group Limited

In its guidance for six months ended 31 March 2016, the company, revealed that it expects headline EPS to be in the range of 549.00c and 566.20c, indicating an increase between 61.1% and 66.1%. It expects adjusted headline EPS from continuing operations to be between 471.90c and 489.20c, an increase of 4.6% to 8.4%.

### Eurozone

The ZEW economic sentiment index climbed to 11.20 in April, in Germany, compared to market expectations of a rise to 8.00. In the previous month, the index had registered a reading of 4.30.

In February, the seasonally adjusted current account surplus in the Eurozone dropped to EUR19.00bn, from a revised surplus of EUR27.50bn in the prior month.

On a monthly basis, in February, the seasonally adjusted construction output slid 1.1% in the Eurozone. Construction output had risen by a revised 2.4% in the preceding month.

The ZEW economic sentiment index in Germany climbed to 11.20 in April, compared to market expectations of a rise to 8.00. In the previous month, the index had registered a reading of 4.30.

### US

Housing starts in the US registered a drop of 8.8%, on a monthly basis, to an annual rate of 1089.00K, in March, compared to a revised level of 1194.00K in the previous month. Markets were anticipating housing starts to ease to 1166.00K.

In March, building permits unexpectedly fell by 7.7%, on monthly basis, to an annual rate of 1086.00K in the US, from a revised reading of 1177.00K in February. Market anticipation was for building permits to rise to a level of 1200.00K.

**Address:** GTC @Grant Thornton, The Wanderers Office Park, 52 Corlett Drive, Illovo, 2196.  
t: +27 (0) 21 412 1074 | e: oneminutebrief@gtc.co.za | w: www.gtc.co.za

An Authorised Financial Services Provider FSP No. 731  
formerly Grant Thornton Capital

Employee Benefits Consulting • Employee Benefits Administration • Private Client Wealth Management • Healthcare Consulting •  
Short-Term Risk Solutions • Stockbroking • Derivatives Trading • Unit Trust Management • Asset Management • Fiduciary Services

# ONE Minute Brief

20 April 2016

**GTC**  
consult • partner • manage

## Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:50	Adjusted Merchandise Trade Balance (Mar)	✓	JPY276.50bn*	JPY150.40bn	Monthly
Japan	01:50	Exports (YoY) (Mar)	✓✓	-6.80%*	-4.00%	Monthly
Japan	01:50	Imports (YoY) (Mar)	✓	-14.90%*	-14.20%	Monthly
Japan	01:50	Total Merchandise Trade Balance (Mar)	✓✓	JPY755.00bn*	JPY242.20bn	Monthly
Germany	08:00	Producer Price Index (MoM) (Mar)	✓✓	0.20%	-0.50%	Monthly
Japan	08:00	Machine Tool Orders (YoY) (Mar) (F)	✓✓	-	-21.20%**	Monthly
South Africa	10:00	Consumer Price Index (MoM) (Mar)	✓✓	0.80%	1.40%	Monthly
South Africa	10:00	Consumer Price Index (YoY) (Mar)	✓✓	6.40%	7.00%	Monthly
UK	10:30	Average Earnings excluding Bonus (3Mo/Yr) (Feb)	✓	2.10%	2.20%	Monthly
UK	10:30	Average Earnings including Bonus (3Mo/Yr) (Feb)	✓✓	2.30%	2.10%	Monthly
UK	10:30	Claimant Count Rate (Mar)	✓✓	2.10%	2.10%	Monthly
UK	10:30	ILO Unemployment Rate (3M) (Feb)	✓✓	5.10%	5.10%	Monthly
UK	10:30	Claimant Count Change (Mar)	✓✓	-10.00K	-18.00K	Monthly
UK	10:30	Employment Change (3M/3M) (Feb)	✓✓	60.00K	116.00K	Monthly
Switzerland	11:00	ZEW Survey - Expectations (Apr)	✓✓	-	2.50	Monthly
Eurozone	12:00	ECB President Draghi Speaks Opening Remarks in Frankfurt	✓	-	-	As scheduled
US	13:00	MBA Mortgage Applications (15-Apr)	✓	-	10.00%	Weekly
Canada	14:30	Wholesale Sales (MoM) (Feb)	✓	-0.40%	0.00%	Monthly
China	15:00	Leading Index (Mar)	✓✓	-	99.00	Monthly
US	16:00	Existing Home Sales (Mar)	✓	5.28mn	5.08mn	Monthly
US	16:00	Existing Home Sales (MoM) (Mar)	✓	3.90%	-7.10%	Monthly
US	16:30	EIA Crude Oil Stocks Change (Bls) (15-Apr)	✓	-	6.63mn bls	Weekly

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

### Disclaimer

This report and its contents are confidential, privileged and only for the information of the intended recipient. GTC (Pty) Ltd make no representations or warranties in respect of this report or its content and will not be liable for any loss or damage of any nature arising from this report, the content thereof, your reliance thereon its unauthorised use or any electronic viruses associated therewith. Please note that content does not necessarily represent or reflect the views and opinions of GTC (Pty) Ltd. This report is proprietary to GTC (Pty) Ltd and you may not copy or distribute the report without the prior written consent of the authors. Any feedback or contributions are most welcome. GTC (Pty) Ltd Registration No 1996/001488/07 FSP No 731. An authorised Financial Services Provider.

**Address:** GTC @Grant Thornton, The Wanderers Office Park, 52 Corlett Drive, Illovo, 2196.  
t: +27 (0) 21 412 1074 | e: oneminutebrief@gtc.co.za | w: www.gtc.co.za

An Authorised Financial Services Provider FSP No. 731  
formerly Grant Thornton Capital

Employee Benefits Consulting • Employee Benefits Administration • Private Client Wealth Management • Healthcare Consulting •  
Short-Term Risk Solutions • Stockbroking • Derivatives Trading • Unit Trust Management • Asset Management • Fiduciary Services