

ONE Minute Brief

22 April 2016

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Economic and Political News

President Jacob Zuma announced that the Seriti Commission of Inquiry into the 1999 arms deal has found no evidence of wrongdoing by government officials in the selection of the preferred bidders and the purchase of the weapons was found to be justified.

Former Finance Minister, Nhlanhla Nene, has been appointed as a resident adviser to Thebe Investment Corporation with effect from May 01, 2016. He will assist the company to develop a strategic engagement agenda and framework that will assist Thebe to grow.

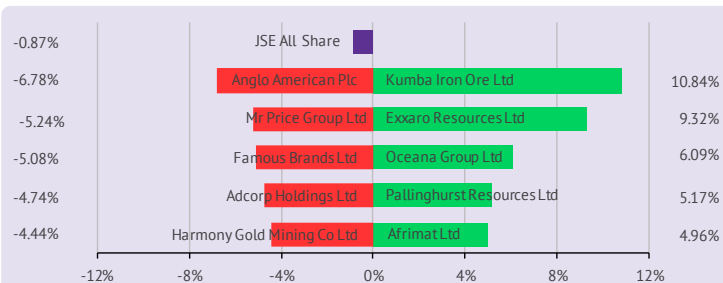
Minister in the Presidency, Jeff Radebe, indicated that the cabinet has established of an inter-ministerial committee to investigate the banks decision to close the accounts of Gupta-owned companies. Also, he stated that the Ministers of mineral resources, labour, and finance would meet with the banks.

Economic Development Minister, Ebrahim Patel, stated that executives who were guilty of cartel behaviour would face jail time after the amendments to the competition law comes into effect on May 01.

South Africa Market ▼

South African markets closed lower

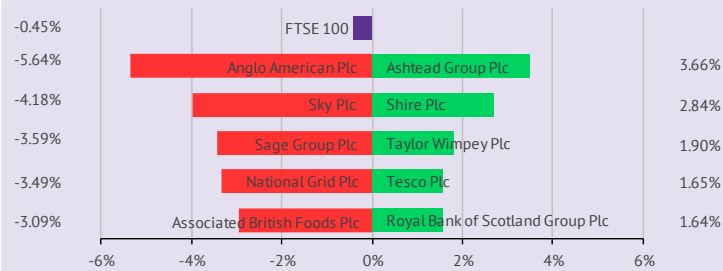
South African markets closed in the red yesterday, weighed down by losses in gold as well as resources sector stocks. The JSE All Share Index fell 0.9% to close at 53,323.58.



UK Market ▼

The FTSE 100 futures are trading in negative territory

UK markets finished lower yesterday, led by losses in shares of Anglo American Plc as well as Sky Plc. Macroeconomic data revealed a more-than-expected drop in retail sales in the UK on a monthly basis in March. The FTSE 100 Index declined 0.5% to close at 6,381.44.



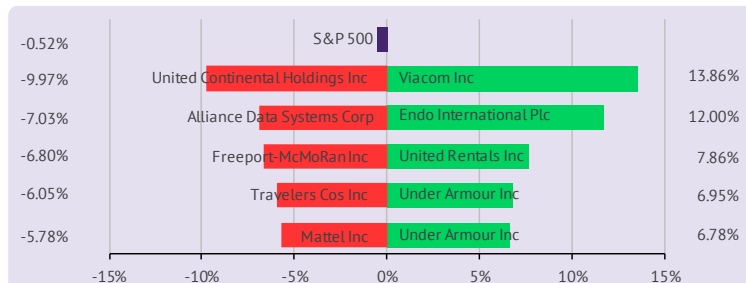
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	53323.58	▼ -466.17	-0.87%	0.54%	2.05%	5.74%	5.19%
JSE Top 40	46845.77	▼ -425.74	-0.90%	0.18%	1.53%	5.34%	2.29%
FTSE 100	6381.44	▼ -28.82	-0.45%	0.59%	3.34%	1.28%	2.23%
DAX 30	10435.73	▲ 14.44	0.14%	3.82%	4.72%	4.95%	-2.86%
CAC 40	4582.83	▼ -9.09	-0.20%	1.95%	4.51%	0.72%	-1.17%
S&P 500	2091.48	▼ -10.92	-0.52%	0.52%	1.54%	6.60%	2.33%
Nasdaq Composite	4945.89	▼ -2.24	-0.05%	0.16%	1.56%	6.84%	-1.23%
DJIA	17982.52	▼ -113.75	-0.63%	0.48%	1.68%	7.08%	3.20%

US Market ▼

The S&P 500 futures are trading in the green

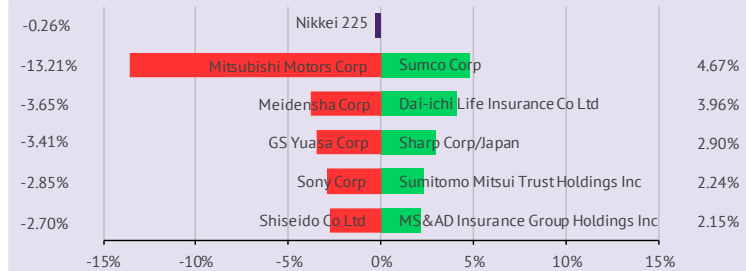
US markets closed lower yesterday, amid losses in telecommunication sector stocks and mixed corporate earnings. Macro data indicated that US weekly jobless claims unexpectedly decreased to its lowest level since 1973. The S&P 500 Index dropped 0.5% to close at 2,091.48.



Asian Market ▼

Trading lower

Asian markets are trading lower this morning, tracking overnight losses on Wall Street. Data showed that manufacturing activity in Japan contracted in April, at the fastest pace in more than three years. The Nikkei 225 Index is trading 0.3% lower at 17,318.72.



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USDZAR ▼

USD trading lower against ZAR

At 06:00 SAST, the US Dollar fell 0.1% against the South African Rand to trade at R14.3114. Later in the session, traders will keep a tab on the preliminary US Markit manufacturing Purchasing Managers' Index (PMI) for further clues.

The US Dollar rose against the South African Rand yesterday, after the number of US workers who applied for new unemployment benefits unexpectedly declined last week to the lowest level in 43 years. Meanwhile, growth in manufacturing activity in the Philadelphia region slipped back into contraction territory in April.

GBPZAR ▲

GBP trading higher against ZAR

At 06:00 SAST, the British Pound rose 0.2% against the South African Rand to trade at R20.5307. With no economic releases in the UK today, investors will look forward to UK's gross domestic product data for 1Q16 along with the GfK consumer confidence index scheduled to release next week for further direction in the Pound.

The British Pound advanced against the South African Rand yesterday, despite retail sales in the UK falling more-than-forecasted on a monthly basis in March, dampening optimism over the strength of the economy. Separately, a report showed that Britain's budget deficit in the last financial year, exceeded Chancellor, George Osborne's target of GBP72.2bn.

EURZAR ▲

EUR trading stronger against ZAR

At 06:00 SAST, the Euro climbed 0.1% against the South African Rand to trade at R16.1737. Going forward, the preliminary print of Markit manufacturing and services PMI's of Eurozone and Germany for April, scheduled for release in a few hours will attract market attention.

The Euro strengthened against the South African Rand yesterday, after the European Central Bank (ECB) held the benchmark interest rate unchanged at 0.0%. However, the ECB President, Mario Draghi, indicated the possibility of further interest-rate cuts and was confident that inflation would rise toward its target of just below 2.0% in the future. Additionally, consumer confidence in the Eurozone rose slightly in April.

AUDZAR ▲

AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% higher against the South African Rand at R11.0890.

The Australian Dollar rose against the South African Rand yesterday. Data indicated that both business conditions and confidence in Australia eased slightly in 1Q16.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	14.3114	▼	0.82%	-1.69%	-3.00%	-6.98%	-7.43%
GBPZAR	20.5307	▲	0.62%	-0.92%	-3.32%	-4.01%	-10.10%
EURZAR	16.1737	▲	0.62%	-1.72%	-3.89%	-2.64%	-3.89%
AUDZAR	11.0890	▲	0.04%	-1.45%	-2.00%	-0.26%	-2.47%
EURUSD	1.1301	▲	-0.08%	0.03%	-0.81%	4.61%	3.88%
GBPUUSD	1.4343	▲	-0.07%	0.85%	-0.26%	3.17%	-2.84%
Brent (\$/barrel)	45.0	▲	-2.77%	3.32%	10.41%	10.28%	19.45%
Gold (\$/oz)	1251.2	▲	-0.34%	1.29%	1.20%	-0.02%	17.81%
Platinum (\$/oz)	1025.5	▼	0.38%	4.26%	5.53%	4.53%	15.58%
Copper (\$/MT)*	5014.3	▲	0.40%	3.85%	2.74%	3.72%	6.56%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices gained 0.2% to trade at \$1,251.20/oz.

Yesterday, gold prices fell 0.3% to close at \$1,249.00/oz, snapping a 4-day winning streak amid a stronger US Dollar and a robust US jobs report.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil advanced 1.0% to trade at \$44.97/bl.

Yesterday, Brent crude oil dropped 2.8% to settle at \$44.53/bl. The OPEC's Secretary General, Abdullah El-Badri, stated that the oil market would begin to rebalance by 3Q16 and would turn positive by 2017. He also added that he expects the organization's members to discuss about a cut in oil production at a meeting in June. Market intelligence firm, Genscape Inc., reported that US crude stockpiles at the Cushing delivery point rose by more than 840,000 bls in the four days to April 19.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices dropped 0.5% to trade at \$1,025.50/oz.

Yesterday, platinum prices climbed 0.4% to close at \$1030.60/oz.



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Major South Africa Corporate News

Anglo American Plc

In its 1Q16 production report, the company, stated that its diamond production fell 10.4% from the same period of the prior year to 6.90mct, reflecting the decision to reduce production in response to trading conditions in the previous year. Its copper production slightly declined to 146.50kt from 146.80kt posted in the corresponding period of the preceding year.

Anglo American Platinum Limited

In its 1Q16 production report, the firm, revealed that its total platinum production rose to 567.00koz to 544.00koz posted in the same period of the prior year. For FY16, the company kept its platinum production outlook unchanged to be in the range of 2.30moz to 2.40moz.

Clicks Group Limited

In its 1H16 results, the firm, stated that its revenue rose 13.4% from the corresponding period of the preceding year to R12.70bn. Its headline diluted EPS stood at 204.40c, compared with 177.60c recorded in the same period of the previous year. For FY16, the company expects its headline EPS to increase in the range of 10.0% to 15.0% over the previous year.

Kumba Iron Ore Limited

In its production and sales report for quarter ended 31 March 2016, the firm, revealed that its total production fell to 8.93mt from 12.17mt posted in the same period of the prior year. Its total sales volumes declined 18.3% from the corresponding period of the preceding year to 10.54mt.

MTN Group Limited

In its quarterly update for period ended 31 March 2016, the company, indicated that its group subscribers decreased 1.4% from the same period of the preceding year, due to disconnections of subscribers in Nigeria related to the substantial subscriber registration process and compliance exercise. Its revenue was bolstered by significant depreciation in South African Rand against number of operational currencies during the year.

Steinhoff International Holdings NV

The company announced that Conforama Investissement SNC has increased its cash offer for a third time for the entire issued and to be issued ordinary share capital of Darty Plc to 160.00p/share.

Major Global Economic News

US

In the week ended April 16, 2016, the seasonally adjusted initial jobless claims recorded an unexpected drop to a level of 247.00K in the US, lower than market expectations of a rise to 265.00K. In the previous week, initial jobless claims had recorded a reading of 253.00K.

The Chicago Fed national activity index fell unexpectedly to -0.44 in the US, in March, compared to a revised level of -0.38 in the prior month. Market expectation was for the index to climb to -0.15.

In April, the Philadelphia Fed manufacturing index in the US recorded a drop to -1.60, compared to a level of 12.40 in March. Markets were expecting the index to fall to 9.00.

The CB leading indicator recorded a rise of 0.2% in the US on a monthly basis in March, compared to a revised drop of 0.1% in the previous month. Markets were expecting it to advance 0.4%.

UK

Retail sales in the UK eased 1.6% in March on a monthly basis, more than market expectations for a fall of 0.3%. In the previous month, retail sales had registered a revised drop of 0.3%.

In the UK, public sector net borrowing posted a deficit of GBP4.20bn in March, following a revised deficit of GBP6.30bn in the prior month. Market anticipation was for borrowings to post a deficit of GBP5.40bn.

Eurozone

In its latest monetary policy meeting, the ECB kept the key interest rate unchanged at 0.0% and maintained its bond-buying program intact at EUR80.00bn, in line with market expectations. In a statement post the decision, the ECB President Mario Draghi, left the door open to further interest rate cuts to ensure inflation returns to target. He also added that the risks to the Eurozone economy remain "tilted to the downside" and warned that inflation could turn negative again in the coming months but was confident that it would rise back toward its target of just below 2.0%.

In the Eurozone, the preliminary consumer confidence index rose to a level of -9.30 in April, at par with market expectations. In the prior month, the index had registered a level of -9.70.

Asia

The flash Nikkei manufacturing PMI in Japan eased unexpectedly to 48.00 in April, compared to market expectations of an advance to 49.50. In the prior month, the PMI had registered a level of 49.10.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
China	03:45	MNI Business Sentiment Survey (Apr)	✓	50.50*	49.90	Monthly
Japan	04:00	Nomura/ JMMA Manufacturing PMI (Apr) (P)	✓✓	48.00*	49.10	Monthly
Japan	06:30	Tertiary Industry Index (MoM) (Feb)	✓✓	-0.10%*	0.70%	Monthly
France	09:00	Markit Manufacturing PMI (Apr) (P)	✓	49.90	49.60	Monthly
France	09:00	Markit Services PMI (Apr) (P)	✓	50.10	49.90	Monthly
Germany	09:30	Markit Manufacturing PMI (Apr) (P)	✓✓	51.00	50.70	Monthly
Germany	09:30	Markit Services PMI (Apr) (P)	✓✓	55.10	55.10	Monthly
Eurozone	10:00	Markit Composite PMI (Apr) (P)	✓✓✓	53.30	53.10	Monthly
Eurozone	10:00	Markit Services PMI (Apr) (P)	✓✓✓	53.30	53.10	Monthly
Italy	10:00	Industrial Orders s.a (MoM) (Feb)	✓	-	0.70%	Monthly
Italy	10:00	Industrial Sales s.a. (MoM) (Feb)	✓	-	1.00%	Monthly
Eurozone	10:00	ECB Survey of Professional Forecasters	✓	-	-	As scheduled
Eurozone	10:00	Markit Manufacturing PMI (Apr) (P)	✓✓✓	51.90	51.60	Monthly
Italy	11:00	Retail Sales s.a. (MoM) (Feb)	✓	-	0.00%	Monthly
Eurozone	11:00	Euro Area Fourth Quarter Government Debt	✓	-	-	As scheduled
Canada	14:30	Retail Sales (MoM) (Feb)	✓✓	-0.80%	2.10%	Monthly
Canada	14:30	Bank of Canada Consumer Price Index Core (YoY) (Mar)	✓✓✓	1.70%	1.90%	Monthly
Canada	14:30	Consumer Price Index (Mar)	✓✓	127.90	127.10	Monthly
Canada	14:30	Consumer Price Index (MoM) (Mar)	✓✓	0.50%	0.20%	Monthly
US	15:45	Markit Manufacturing PMI (Apr) (P)	✓✓	52.00	51.50	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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