

# ONE Minute Brief

11 April 2016

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## Economic and Political News

The South African government will soon announce its decision regarding the replacement of Lungisa Fuzile, as the head of National Treasury when his five-year term ends in May.

African National Congress (ANC), secretary general, Gwede Mantashe stated that the party was losing supporter's confidence and could lose it all if it does not deal with the discontent with President Jacob Zuma. He further stated that people were beginning to trust ANC a little less and all the members of the organisation must defend and protect the organization, and not the President alone.

The Gupta family, alleged of having influence over President Jacob Zuma, are believed to have left South Africa for Dubai. Moreover, the Gupta brothers resigned from the management of Oakbay Resources, though they remain the largest shareholders in the company. Meanwhile, President Jacob Zuma's son, Duduzane Zuma, also resigned from the role non-executive director of Shiva Uranium, a subsidiary of Oakbay Resources.

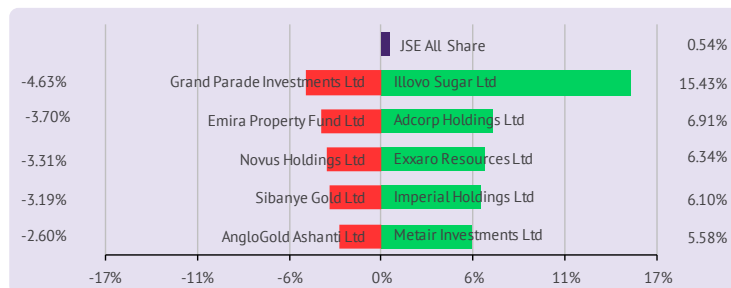
## Key Indices

|                  | Last Close |   | 1 Day Chg | 1 D % Chg | WTD % Chg | MTD % Chg | Prev. Month % Chg | YTD % Chg |
|------------------|------------|---|-----------|-----------|-----------|-----------|-------------------|-----------|
| JSE All Share    | 51424.48   | ▲ | 277.66    | 0.54%     | NA        | -1.58%    | 5.74%             | 1.44%     |
| JSE Top 40       | 45252.36   | ▲ | 228.19    | 0.51%     | NA        | -1.92%    | 5.34%             | -1.19%    |
| FTSE 100         | 6204.41    | ▲ | 67.52     | 1.10%     | NA        | 0.48%     | 1.28%             | -0.61%    |
| DAX 30           | 9622.26    | ▲ | 91.64     | 0.96%     | NA        | -3.44%    | 4.95%             | -10.43%   |
| CAC 40           | 4303.12    | ▲ | 57.21     | 1.35%     | NA        | -1.87%    | 0.72%             | -7.20%    |
| S&P 500          | 2047.60    | ▲ | 5.69      | 0.28%     | NA        | -0.59%    | 6.60%             | 0.18%     |
| Nasdaq Composite | 4850.69    | ▲ | 2.32      | 0.05%     | NA        | -0.39%    | 6.84%             | -3.13%    |
| DJIA             | 17576.96   | ▲ | 35.00     | 0.20%     | NA        | -0.61%    | 7.08%             | 0.87%     |

## South Africa Market ▲

### South African markets closed higher

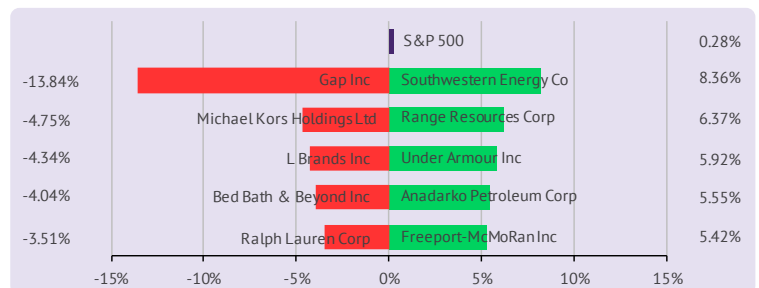
South African markets closed in the green on Friday, amid gains in banking and financial sector stocks. The JSE All Share Index rose 0.5% to close at 51,424.48.



## US Market ▲

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

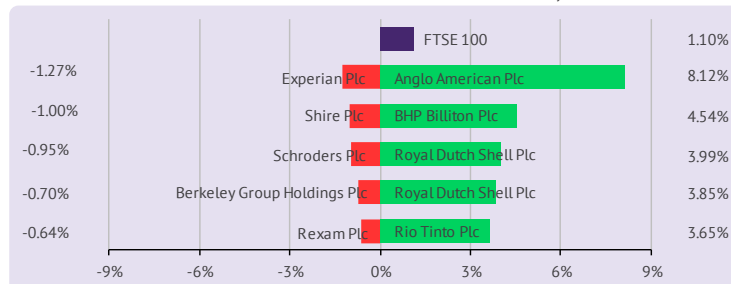
US markets closed higher on Friday, buoyed by gains in energy sector stocks. Data indicated that US wholesale inventories dropped more-than-expected on a monthly basis in February. The S&P 500 Index climbed 0.3% to close at 2,047.60.



## UK Market ▲

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

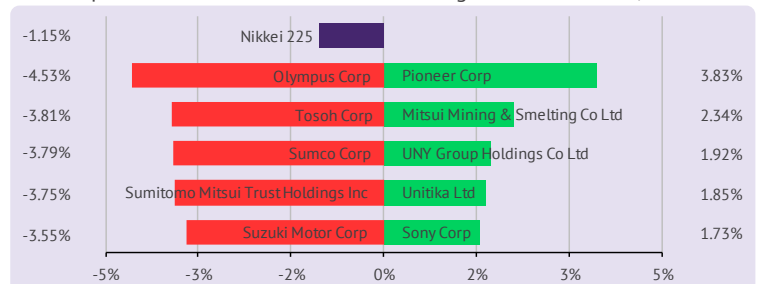
UK markets finished higher on Friday, led by gains in mining and energy sector stocks. Data revealed that the UK's NIESR GDP estimate rose in January-March period, but is the weakest quarterly estimate since 4Q 2012. The FTSE 100 Index advanced 1.1% to close at 6,204.41.



## Asian Market ◀▶

### Trading mixed

Asian markets are trading mixed this morning. Earlier in the session, data showed that China's inflation missed market expectations on a yearly basis in March, while producer prices extended its slump in the same period. The Nikkei 225 Index is trading 1.2% lower at 15,639.22.



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## USDZAR ▼

### USD trading weaker against ZAR

At 06:00 SAST, the US Dollar declined 0.4% against the South African Rand to trade at R14.9267. With no economic releases in the US today, traders will look ahead to the US import & export price indices and monthly budget statement, scheduled to release tomorrow.

The US Dollar fell against the South African Rand on Friday, after the US wholesale inventories dropped more-than expected in February, easing at its fastest pace in nearly three years, signalling a greater slowdown in first quarter economic growth.

## GBPZAR ▼

### GBP trading lower against ZAR

At 06:00 SAST, the British Pound retreated 0.3% against the South African Rand to trade at R21.0896. Later today, traders will keep an eye on UK's BRC retail sales monitor for further direction in the Pound.

The British Pound declined against the South African Rand on Friday, after UK's NIESR GDP estimate indicated expansion of 0.3% in 1Q16, the weakest growth since fourth quarter of 2012. Moreover, industrial activity suffered its biggest decline since August 2013 in February and manufacturing production dropped higher than market expectations in the same month, raising concerns about nation's economic growth. Furthermore, UK's trade deficit widened more-than-expected in February.

## EURZAR ▼

### EUR trading weaker against ZAR

At 06:00 SAST, the Euro is trading 0.2% weaker against the South African Rand at R17.0330. Going forward, market participants will keep a tab on German consumer price index, scheduled to release tomorrow for further direction.

The Euro weakened against the South African Rand on Friday. In Germany, the trade surplus expanded surprisingly in February, on the back of solid gains in exports.

## AUDZAR ▼

### AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar retreated 0.2% against the South African Rand to trade at R11.2875. Earlier in the session, in China, Australia's largest trading partner, the consumer price inflation index rose less-than-expected on an annual basis in March but producer prices fell in the same month.

The Australian Dollar fell against the South African Rand on Friday, extending losses from previous sessions.

## Key Currencies & Commodities

|                   | Current |   | 1 D % Chg | WTD % Chg | MTD % Chg | Prev. Month % Chg | YTD % Chg |
|-------------------|---------|---|-----------|-----------|-----------|-------------------|-----------|
| USDZAR            | 14.9267 | ▼ | -1.84%    | NA        | 1.45%     | -6.98%            | -3.18%    |
| GBPZAR            | 21.0896 | ▼ | -1.34%    | NA        | -0.19%    | -4.01%            | -7.19%    |
| EURZAR            | 17.0330 | ▼ | -1.70%    | NA        | 1.57%     | -2.64%            | 1.57%     |
| AUDZAR            | 11.2875 | ▼ | -1.23%    | NA        | 0.08%     | -0.26%            | -0.40%    |
| EURUSD            | 1.1412  | ▲ | 0.18%     | NA        | 0.15%     | 4.61%             | 4.89%     |
| GBPU\$D           | 1.4130  | ▲ | 0.51%     | NA        | -1.62%    | 3.17%             | -4.17%    |
| Brent (\$/barrel) | 42.10   | ▲ | 6.37%     | NA        | 3.99%     | 10.28%            | 12.50%    |
| Gold (\$/oz)      | 1251.60 | ▲ | 0.51%     | NA        | 0.67%     | -0.02%            | 17.19%    |
| Platinum (\$/oz)  | 967.5   | = | 1.44%     | NA        | -0.93%    | 4.53%             | 8.50%     |
| Copper (\$/MT)*   | 4663.8  | ▼ | -0.04%    | NA        | -4.44%    | 3.72%             | -0.89%    |

\*As of Previous Close

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices gained 0.7% to trade at \$1,251.60/oz.

On Friday, gold prices rose 0.5% to close at \$1,242.50/oz, amid a broad weakness in the US Dollar and worries about the growth in the global economy, increased demand for the yellow metal.

## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil edged 0.4% higher to trade at \$42.10/bl.

On Friday, Brent crude oil advanced 6.4% to settle at \$41.94/bl, after Baker Hughes reported that US oil rig count fell to 354 last week, falling for a consecutive third week and renewed hopes of an agreement being reached by oil producers at the April 17 Doha meeting.

## Platinum ◀▶

### Trading flat

At 06:00 SAST, platinum prices dropped marginally to trade at \$967.50/oz.

On Friday, platinum prices climbed 1.4% to close at \$967.50/oz.



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## Major South Africa Corporate News

### Brimstone Investment Corporation Limited

The company announced that its subsidiary, Sea Harvest Holdings Proprietary Limited will make a conditional proportional cash offer to acquire 1 out of every 2 shares in Mareterram Limited held by the shareholders of Mareterram. The transaction could increase Sea Harvest Holdings Proprietary Limited's stake in Mareterram Limited from 19.9% to 59.6%. The company also announced that its wholly-owned subsidiary, Brimco Proprietary Limited will purchase Kagiso's stake in Sea Harvest such that the company's effective shareholding in Sea Harvest will increase from 58.4% to 85%. The transaction is anticipated to take place effective April 30, 2016.

### Illovo Sugar Limited

The company announced that it has entered into an agreement with Associated British Foods (ABF) in which either ABF or a wholly-owned subsidiary of ABF will make an offer to purchase all of the company's issued shares.

### KAP Industrial Holdings Limited

The company announced that its Chief Financial Officer, John Haveman will resign from his position effective April 15, 2016, but will continue to remain with the company for a period of at least 6 months to facilitate smooth transition.

## Major Global Economic News

### UK

The NIESR estimated GDP in the UK registered a rise of 0.3% in the January-March 2016 period on a monthly basis, from a revised climb by 0.2%, in the December-February 2016 period.

In February, UK's manufacturing production dropped 1.1%, on a monthly basis, more than market expectations for a fall of 0.2%. The production had recorded a revised rise of 0.5% in the prior month.

On a monthly basis, industrial production in the UK recorded an unexpected drop of 0.3% in February, compared to a revised advance of 0.2% in the prior month. Markets were anticipating production to climb 0.1%.

In February, total trade deficit in the UK dropped to GBP4.84bn, more than market expectations of a deficit of GBP3.40bn. The UK had reported a revised deficit of GBP5.23bn in the prior month.

### Asia

In China, the consumer price index registered a rise of 2.30% on a YoY basis in March, lower than market expectations for a rise of 2.40%. In the previous month, the index had registered a similar rise.

In February, machinery orders dropped 9.2% in Japan on a monthly basis, less than market expectations for a drop of 12.0%. In the prior month, machinery orders had registered a rise of 15.0%.

### Eurozone

In Germany, the seasonally adjusted trade surplus widened to EUR20.30bn in February, compared to market expectations of a surplus of EUR18.00bn. Germany had reported a revised surplus of EUR13.40bn in the prior month.

On a monthly basis, industrial production in France slid 1.0% in February, more than market expectations for a drop of 0.4%. The production had risen by a revised 1.0% in the prior month.

The budget deficit in France rose to EUR25.60bn in February, compared to a deficit of EUR9.20bn in the prior month.

### US

The seasonally adjusted US wholesale inventories recorded a drop of 0.5% in February, compared to a revised drop of 0.2% in the previous month. Market expectation was for the inventories to drop 0.2%.



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## 40 Best Performers on the All Share Index

| Company Name                        | Last Close   | 1 Week % Change | MTD % Change  | YTD % Change |
|-------------------------------------|--------------|-----------------|---------------|--------------|
| Harmony Gold Mining Co Ltd          | 56           | 8.72%           | 6.45%         | 261.86%      |
| Assore Ltd                          | 152          | -8.13%          | -5.90%        | 143.96%      |
| Sibanye Gold Ltd                    | 55           | 1.02%           | -2.40%        | 141.93%      |
| Kumba Iron Ore Ltd                  | 86           | 6.16%           | 8.26%         | 109.00%      |
| AngloGold Ashanti Ltd               | 214          | 7.40%           | 4.78%         | 101.65%      |
| African Rainbow Minerals Ltd        | 87           | -7.37%          | -8.13%        | 100.92%      |
| Anglo American Platinum Ltd         | 364          | 1.89%           | 0.59%         | 96.40%       |
| Impala Platinum Holdings Ltd        | 45           | -2.18%          | -5.32%        | 77.72%       |
| Pan African Resources Plc           | 3            | 0.34%           | 0.00%         | 66.86%       |
| Anglo American Plc                  | 114          | 2.76%           | -1.04%        | 65.71%       |
| Northam Platinum Ltd                | 43           | 1.85%           | 3.28%         | 64.65%       |
| Murray & Roberts Holdings Ltd       | 13           | 1.75%           | 1.75%         | 60.25%       |
| Exxaro Resources Ltd                | 70           | -3.41%          | -2.43%        | 59.51%       |
| Royal Bafokeng Platinum Ltd         | 39           | 1.80%           | 0.65%         | 44.58%       |
| Gold Fields Ltd                     | 61           | 6.42%           | 3.80%         | 43.77%       |
| Lonmin Plc                          | 26           | -5.48%          | -8.47%        | 40.55%       |
| Illovo Sugar Ltd                    | 24           | 15.66%          | 14.82%        | 40.30%       |
| African Oxygen Ltd                  | 18           | -0.95%          | -0.28%        | 37.00%       |
| Coronation Fund Managers Ltd        | 70           | -3.57%          | -4.63%        | 32.33%       |
| Blue Label Telecoms Ltd             | 16           | 4.53%           | 4.46%         | 31.11%       |
| Massmart Holdings Ltd               | 129          | 1.83%           | 1.96%         | 29.32%       |
| Imperial Holdings Ltd               | 150          | 2.28%           | -0.27%        | 25.67%       |
| Santam Ltd                          | 235          | 2.47%           | 0.17%         | 24.10%       |
| JSE Ltd                             | 156          | 4.87%           | 4.94%         | 23.00%       |
| Redefine Properties Ltd             | 12           | 0.68%           | -1.17%        | 22.06%       |
| Steinhoff International Holdings NV | 95           | 1.02%           | -1.83%        | 21.11%       |
| Resilient REIT Ltd                  | 138          | 1.11%           | 1.79%         | 19.45%       |
| Liberty Holdings Ltd                | 137          | -5.35%          | -5.07%        | 19.15%       |
| Hudaco Industries Ltd               | 112          | 5.73%           | 3.33%         | 17.54%       |
| Shoprite Holdings Ltd               | 168          | -3.67%          | -3.38%        | 17.09%       |
| Barloworld Ltd                      | 72           | -1.59%          | -4.19%        | 16.88%       |
| Hyprop Investments Ltd              | 120          | 0.93%           | 1.77%         | 15.87%       |
| Clicks Group Ltd                    | 103          | 4.50%           | 5.99%         | 15.73%       |
| AVI Ltd                             | 89           | 6.29%           | 2.89%         | 15.52%       |
| Foschini Group Ltd                  | 140          | -1.32%          | -0.74%        | 15.29%       |
| Super Group Ltd/South Africa        | 44           | 0.72%           | -0.32%        | 14.65%       |
| Tongaat Hulett Ltd                  | 107          | 4.82%           | 2.08%         | 14.54%       |
| SPAR Group Ltd                      | 211          | 4.93%           | 5.88%         | 14.45%       |
| Italtile Ltd                        | 13           | 9.52%           | 11.25%        | 13.14%       |
| Ascendis Health Ltd                 | 23           | 5.73%           | 2.65%         | 12.54%       |
| <b>JSE All Share Index</b>          | <b>51424</b> | <b>-0.31%</b>   | <b>-1.58%</b> | <b>1.44%</b> |

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## Economic Calendar

| Country | SAST  | Economic Indicator                                       | Relevance | Consensus/<br>*Actual | Previous/<br>**Previous Est. | Frequency    |
|---------|-------|--|-----------|-----------------------|------------------------------|--------------|
| Japan   | 01:50 | Machinery Orders (MoM) (Feb)                             | ✓         | -9.20%*               | 15.00%                       | Monthly      |
| China   | 03:30 | Consumer Price Index (YoY) (Mar)                         | ✓✓✓       | 2.30%*                | 2.30%                        | Monthly      |
| China   | 03:30 | Producer Price Index (YoY) (Mar)                         | ✓✓✓       | -4.30%*               | -4.90%                       | Monthly      |
| China   | 03:30 | Consumer Price Index (MoM) (Mar)                         | ✓✓        | -0.40%*               | 1.60%                        | Monthly      |
| Italy   | 10:00 | Industrial Production s.a. (MoM) (Feb)                   | ✓         | -0.90%                | 1.90%                        | Monthly      |
| Italy   | 11:00 | Bank of Italy Publishes Monthly Report 'Money and Banks' | ✓         | -                     | -                            | As scheduled |
| US      | 15:25 | Fed's Dudley Speaks in New York                          | ✓✓        | -                     | -                            | As scheduled |
| US      | 19:00 | Fed's Kaplan Speaks in Louisiana                         | ✓✓        | -                     | -                            | As scheduled |
| China   | -     | FDI - Foreign Direct Investment (YTD) (YoY) (Mar)        | ✓         | -                     | 2.70%                        | Monthly      |
| China   | -     | Actual FDI (YoY) (Mar)                                   | ✓✓        | 2.40%                 | 1.80%                        | Monthly      |
| China   | -     | New Yuan Loans (Mar)                                     | ✓✓✓       | CNY1100.00bn          | CNY726.60bn                  | Monthly      |
| China   | -     | Aggregate Financing (Mar)                                | ✓         | CNY1400.00bn          | CNY780.20bn                  | Monthly      |

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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