

# ONE Minute Brief

12 April 2016

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## Economic and Political News

The World Bank forecasted that the local economy will grow 0.8% this year and 1.1% next year and that sharp declines in commodity prices, severe drought and a political crisis that hurt the Rand would weigh on the nations' economic growth. It projected that an uptick in economic activity next year would be driven by South Africa, Nigeria and Angola as commodity prices stabilise.

The Treasury spokeswoman, Phumza Macanda, stated that political tensions will not divert the government's attention from implementing growth policies in South Africa. She further added that the Minister of Finance is working closely with businesses to come up with concrete plans that will have a positive impact on growth in the near term.

The Democratic Alliance (DA) launched an "Activist App" to gather more support, especially in the metros such as Nelson Mandela Bay, Tshwane, Johannesburg and Ekurhuleni. Also, the DA supporters will march on Thursday at Nelson Mandela Bay and Johannesburg for change and in defence of the Constitution.

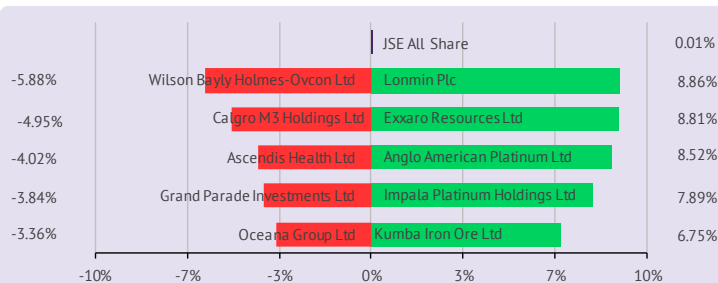
## Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	51428.08	▲	3.60	0.01%	0.01%	-1.57%	5.74%
JSE Top 40	45206.33	▼	-46.03	-0.10%	-0.10%	-2.02%	5.34%
FTSE 100	6200.12	▼	-4.29	-0.07%	-0.07%	0.41%	1.28%
DAX 30	9682.99	▲	60.73	0.63%	0.63%	-2.83%	4.95%
CAC 40	4312.63	▲	9.51	0.22%	0.22%	-1.65%	0.72%
S&P 500	2041.99	▼	-5.61	-0.27%	-0.27%	-0.86%	6.60%
Nasdaq Composite	4833.40	▼	-17.29	-0.36%	-0.36%	-0.75%	6.84%
DJIA	17556.41	▼	-20.55	-0.12%	-0.12%	-0.73%	7.08%

## South Africa Market ▲

### South African markets closed higher

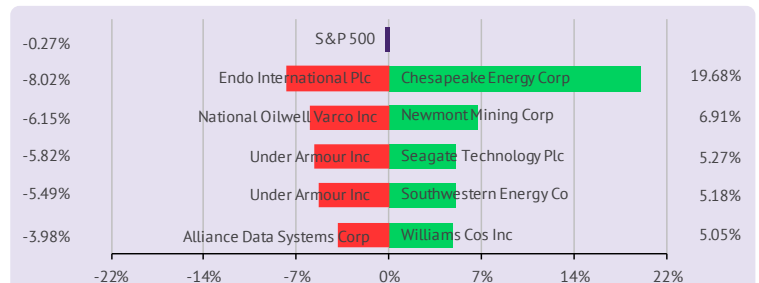
South African markets closed in the green yesterday, buoyed by gains in platinum as well as gold mining sector stocks. The JSE All Share Index rose marginally to close at 51,428.08.



## US Market ▼

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

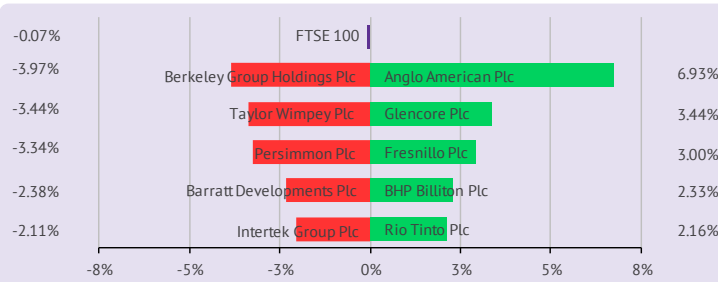
US markets closed lower yesterday, amid losses in consumer staples and health care sector stocks. The S&P 500 Index dropped 0.3% to close at 2,041.99.



## UK Market ▼

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

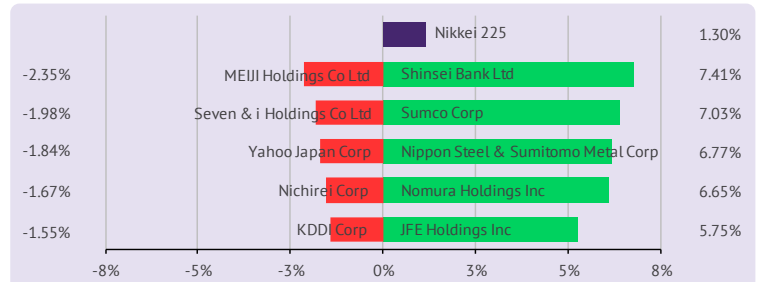
UK markets finished lower yesterday, led by losses in housebuilding sector stocks, following concerns about UK economic growth and a slowdown in the London property market amid a Brexit. The FTSE 100 Index declined 0.1% to close at 6,200.12.



## Asian Market ▲

### Trading mostly higher

Asian markets are trading mostly higher this morning. The Nikkei 225 Index is trading 1.3% higher at 15,956.02.



**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

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## USDZAR ▼

### USD trading weaker against ZAR

At 06:00 SAST, the US Dollar is trading 0.1% lower against the South African Rand at R14.7181. Later today, traders will keep a close watch on speeches by the Fed officials, John C. Williams, Patrick T. Hacker and Jeffrey M. Lacker. Additionally, US monthly budget statement will be on trader's radar. Elsewhere, in South Africa, the BER consumer confidence index will also attract market attention.

The US Dollar fell against the South African Rand yesterday, extending losses from the previous session.

## GBPZAR ▼

### GBP trading lower against ZAR

At 06:00 SAST, the British Pound is trading 0.2% lower against the South African Rand at R20.9523. Earlier in the session, a BRC survey revealed that retail sales in the UK unexpectedly declined for the first time in nearly a year in March, amid a drop in food sales as many supermarkets were closed for Easter. Later in the session, investors will focus on UK's consumer and producer price inflation data along with South Africa's consumer confidence index for further clues.

The British Pound declined against the South African Rand yesterday.

## EURZAR ▼

### EUR trading weaker against ZAR

At 06:00 SAST, the Euro is trading 0.1% lower against the South African Rand at R16.7880. Going forward, market participants will keep a tab on the Germany's consumer price inflation index, scheduled in a few hours for further direction.

The Euro weakened against the South African Rand yesterday, amid lack of major catalysts.

## AUDZAR ▲

### AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar gained 0.5% against the South African Rand to trade at R11.2515. Earlier in the session, data showed that business conditions in Australia improved to its highest level in March, since early 2008. Additionally, business confidence in the nation also rose in the same month.

The Australian Dollar fell against the South African Rand yesterday. Elsewhere, in China, Australia's key trading partner, the consumer price inflation index rose less-than-expected on an annual basis in March but the producer price index declined for the 49<sup>th</sup> consecutive month in the same period.

## Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	14.7181	▼	-1.63%	-1.63%	-0.21%	-6.98%	-4.76%
GBPZAR	20.9523	▼	-0.83%	-0.83%	-1.01%	-4.01%	-7.96%
EURZAR	16.7880	▼	-1.53%	-1.53%	0.02%	-2.64%	0.02%
AUDZAR	11.2515	▲	-1.09%	-1.09%	-1.02%	-0.26%	-1.49%
EURUSD	1.1406	▼	0.10%	0.10%	0.25%	4.61%	4.99%
GBPUSD	1.4237	▼	0.80%	0.80%	-0.84%	3.17%	-3.41%
Brent (\$/barrel)	42.7	▼	2.12%	2.12%	6.20%	10.28%	14.89%
Gold (\$/oz)	1256.7	=	1.14%	1.14%	1.82%	-0.02%	18.53%
Platinum (\$/oz)	991.8	▲	2.26%	2.26%	1.31%	4.53%	10.96%
Copper (\$/MT)*	4678.5	▲	0.32%	0.32%	-4.14%	3.72%	-0.58%

\*As of Previous Close

## Gold ◀▶

### Trading flat

At 06:00 SAST, gold prices were trading flat at \$1,256.70/oz.

Yesterday, gold prices rose 1.1% to close at \$1,256.70/oz, following a broad weakness in the US Dollar. Meanwhile, focus this week would remain on a number of speeches by Fed officials which could shed more light on when the central bank could raise interest rates.

## Brent Crude Oil ▼

### Trading weaker

Brent crude oil reversed previous session gains and at 06:00 SAST, edged 0.3% lower to trade at \$42.69/bl.

Yesterday, Brent crude oil advanced 2.1% to settle at \$42.83/bl, extending gains from the previous session, amid a lower US Dollar. Meanwhile, investors anxiously await the crucial OPEC meeting in Doha, on April 17 where top oil producers are going to discuss their production strategy amid the ongoing supply glut.

## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices edged 0.2% higher to trade at \$991.80/oz.

Yesterday, platinum prices climbed 2.3% to close at \$989.40/oz, extending its gains for the third straight session.



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12 April 2016



## Major South Africa Corporate News

### Cashbuild Limited

In its operational update for 3Q16, the company, revealed that its revenues rose 11.0% from the same period of the previous year, as new stores opened since July 01, 2014 contributed approximately 3.0% of the increase. The company opened two new stores in 3Q16, while two stores were refurbished with total number of stores trading standing at 230 at the end of the period.

### Harmony Gold Mining Company Limited

The firm announced that an employee was injured in an accident at its Kusasalethu mine near Carletonville. The company is investigating further on the issue and as stopped mining activities on the level where the accident occurred.

### Pick N Pay Stores Limited

In its trading statement for 52 weeks ended 28 February 2016, the company, stated that the company expects its headline EPS to increase in the range of 20.0% to 30.0%. It also expects its turnover growth to be approximately 8.2%, its strongest growth in several years and considerable higher from the previous year.

### Steinhoff International Holdings NV

The Board of Directors of its wholly owned subsidiary, Conforama Investissement SNC announced that the offer document containing the full terms and conditions of the offer and the procedures for its acceptance was published and posted on April 11, 2016.

### Zeder Investments Limited

In its FY16 results, the firm, indicated that its revenue rose to R9.32bn from R8.69bn posted in the previous year. Its diluted headline EPS advanced 53.6% from the preceding year to 33.80c. Its profit before tax stood at R910.00mn, compared with R361.00mn recorded in the prior year.

## Major Global Economic News

### US

The President of the Federal Reserve Bank of Dallas, Robert Kaplan, stated that he was not in favour of an interest rate hike this month as the US GDP growth in 1Q16 was weak and probably inconsistent with the rise in employment. However, he indicated that a rate hike in June was possible and that growth will pick up in the final three quarters of the year.

### UK

In the UK, the BRC's retail sales across all sectors registered a drop of 0.7% on a yearly basis in March, higher than market expectations for a rise of 1.4%. In the prior month, retail sales had advanced 0.1%.

### Asia

The NAB business confidence index in Australia recorded a rise to 6.00 in March, compared to a reading of 3.00 in the previous month.

Australia's NAB business conditions index registered a rise to 12.00, in March, from a level of 8.00 in the prior month.

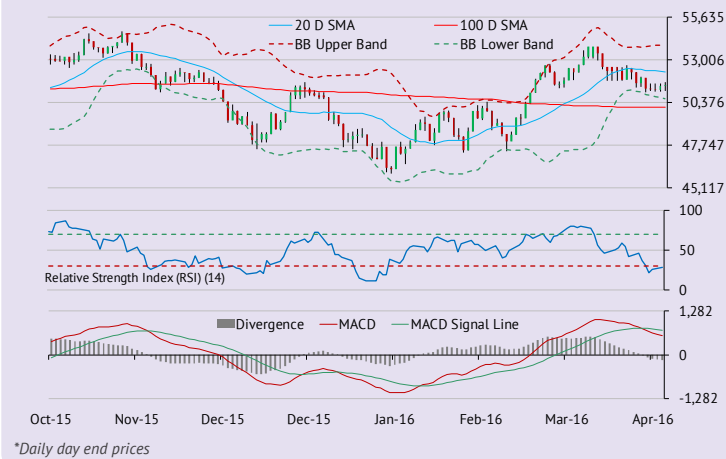
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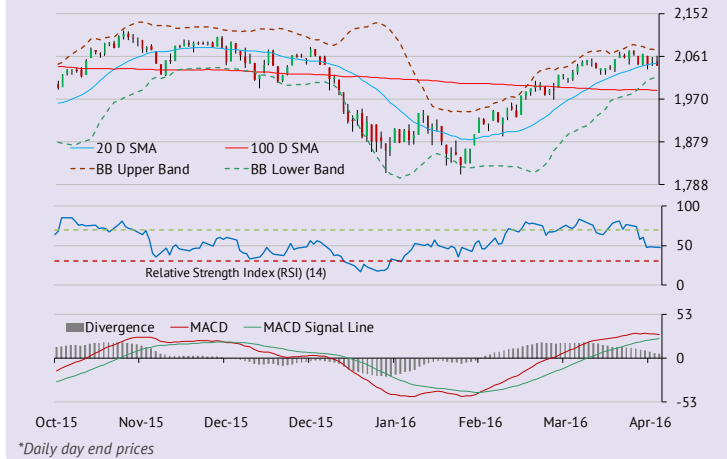
## Technical Snapshot

### JSE All Share



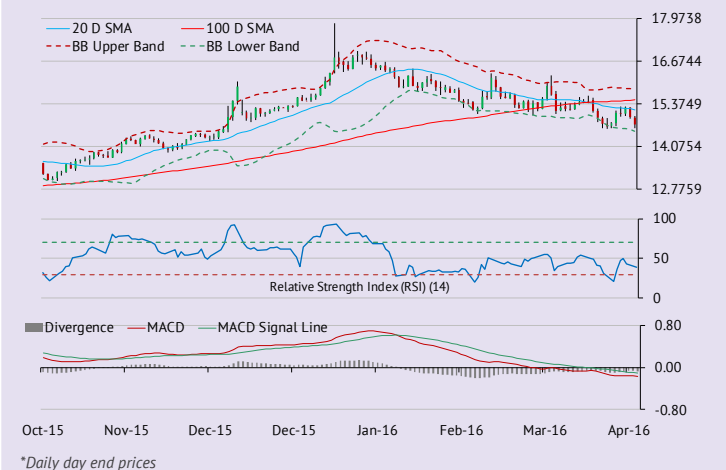
The JSE All Share index is expected to find support at 50,984.56, and a fall through could take it to the next support level of 50,541.04. The index is expected to find its first resistance at 51,883.37, and a rise through could take it to the next resistance level of 52,338.66.

### S&P 500



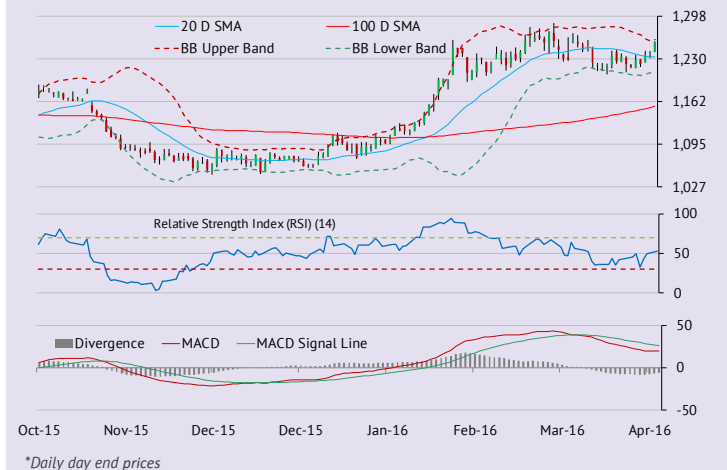
The S&P 500 index is expected to find support at 2,028.08, and a fall through could take it to the next support level of 2,014.18. The index is expected to find its first resistance at 2,061.61, and a rise through could take it to the next resistance level of 2,081.24.

### USDZAR



The pair is expected to find support at 14.4758, and a fall through could take it to the next support level of 14.2156. The pair is expected to find its first resistance at 15.1475, and a rise through could take it to the next resistance level of 15.5590.

### XAU/USD



Gold is expected to find support at \$1,228.50/oz, and a fall through could take it to the next support level of \$1,200.30/oz. The precious metal is expected to find its first resistance at \$1,271.80/oz, and a rise through could take it to the next resistance level of \$1,286.90/oz.

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## Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
UK	01:01	BRC Retail Sales Monitor - All (YoY) (Mar)	✓	-0.70%*	0.10%	Monthly
Japan	03:30	BOJ Harada speaks in Shimonoseki	✓	-	-	As scheduled
Germany	08:00	Consumer Price Index (MoM) (Mar) (F)	✓✓	0.80%	0.80%**	Monthly
Germany	08:00	Wholesale Price Index (MoM) (Mar)	✓	-	-0.50%	Monthly
Japan	08:00	Machine Tool Orders (YoY) (Mar) (P)	✓✓	-	-22.50%	Monthly
UK	10:30	Consumer Price Index (MoM) (Mar)	✓✓	0.30%	0.20%	Monthly
UK	10:30	ONS House Price Index (YoY) (Feb)	✓	-	7.90%	Monthly
UK	10:30	Retail Price Index (Mar)	✓	260.80	260.00	Monthly
UK	10:30	PPI Core Output (MoM) n.s.a (Mar)	✓	0.10%	0.20%	Monthly
UK	10:30	Producer Price Index - Input n.s.a (MoM) (Mar)	✓	2.30%	0.10%	Monthly
UK	10:30	Retail Price Index (MoM) (Mar)	✓	0.30%	0.50%	Monthly
Portugal	12:00	Consumer Price Index (MoM) (Mar)	✓	-	-0.40%	Monthly
US	12:00	NFIB Small Business Optimism (Mar)	✓	93.50	92.90	Monthly
US	14:30	Import Price Index (MoM) (Mar)	✓	1.00%	-0.30%	Monthly
US	14:55	Redbook Index s.a. (MoM) (08-Apr)	✓	-	3.10%	Weekly
US	15:00	Fed's Harker Speaks on Economic Outlook in Philadelphia	✓	-	-	As scheduled
US	20:00	Monthly Budget Statement (Mar)	✓✓	-USD104.00bn	-USD192.61bn	Monthly
US	21:00	Fed's Williams Speaks in San Francisco	✓✓	-	-	As scheduled
South Africa	-	BER Consumer Confidence (1Q)	✓✓	-12.00	-14.00	Quarterly

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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**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

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