

ONE Minute Brief

29 April 2016

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Economic and Political News

The producer price index (PPI) in South Africa climbed 0.7% in March, on a monthly basis, compared to an advance of 0.8% in the previous month. Market anticipation was for the index to advance 1.1%.

The South African government is in the process to extend the term of Treasury head, Lungisa Fuzile, in order to cool off investors' concerns over the management of the nation's finances. The extension of his term was based on recommendations by Finance Minister, Pravin Gordhan.

The Communication Workers' Union (CWU) has notified the South African Post Office (Sapo), that it would embark on a fresh strike action in the next week against the organisation as they haven't received salaries over the last two years.

Credit rating agency, Standard & Poor's warned that South Africa's banks will find it difficult to turn a profit as the economy remains weak for the coming few years and a rise in credit risks.

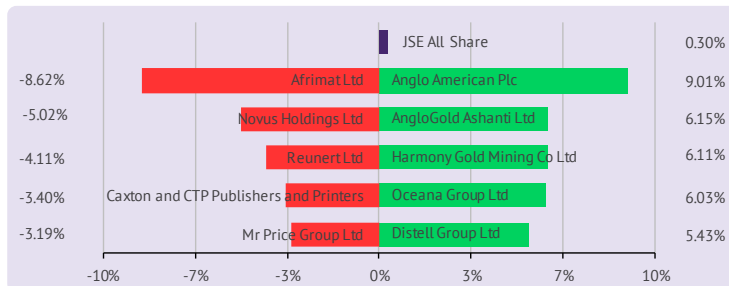
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	53223.98	▲	161.03	0.30%	0.56%	1.86%	5.74%	4.99%
JSE Top 40	46793.34	▲	98.01	0.21%	0.62%	1.42%	5.34%	2.17%
FTSE 100	6322.40	▲	2.49	0.04%	0.19%	2.39%	1.28%	1.28%
DAX 30	10321.15	▲	21.32	0.21%	-0.50%	3.57%	4.95%	-3.93%
CAC 40	4557.36	▼	-2.04	-0.04%	-0.27%	3.93%	0.72%	-1.72%
S&P 500	2075.81	▼	-19.34	-0.92%	-0.75%	0.78%	6.60%	1.56%
Nasdaq Composite	4805.29	▼	-57.85	-1.19%	-2.06%	-1.33%	6.84%	-4.04%
DJIA	17830.76	▼	-210.79	-1.17%	-0.96%	0.82%	7.08%	2.33%

South Africa Market ▲

South African markets closed higher

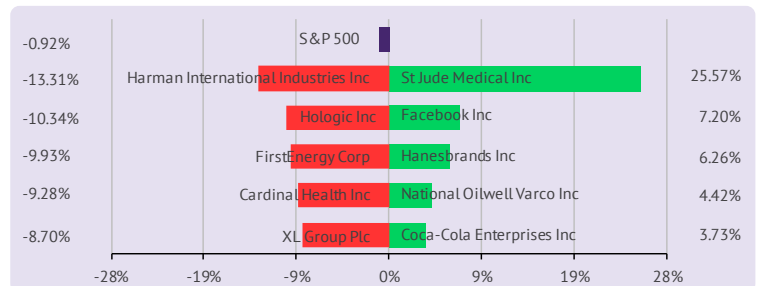
South African markets closed in the green yesterday, amid gains in gold mining sector stocks. Data indicated that South Africa's producer price index advanced less-than-expected on a monthly basis in March. The JSE All Share Index rose 0.3% to close at 53,223.98.



US Market ▼

The S&P 500 futures are trading in the red

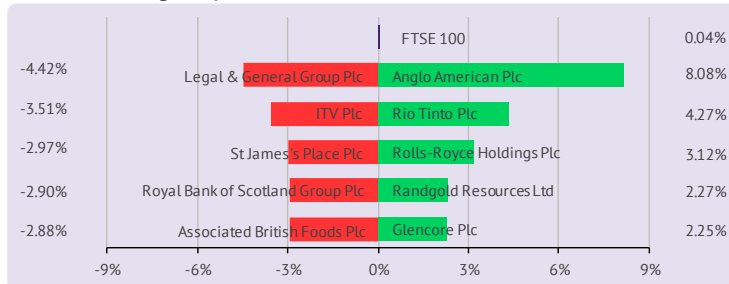
US markets closed lower yesterday, due to losses in information technology sector stocks. Data revealed that the US annualized GDP grew less-than-expected in 1Q16, as consumer spending softened. The S&P 500 Index dropped 0.9% to close at 2,075.81.



UK Market ▲

The FTSE 100 futures are trading in positive territory

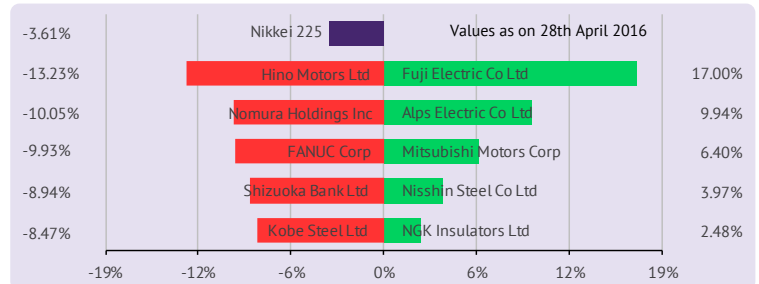
UK markets finished higher yesterday, led by gains in mining sector stocks, which offset the losses in financial sector stocks. Data indicated that UK's GfK consumer confidence slid in April. The FTSE 100 Index advanced marginally to close at 6,322.40.



Asian Market ▼

Trading lower

Asian markets are trading lower this morning. Markets in Japan are closed today on account of a public holiday.



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USDZAR ▼

USD trading lower against ZAR

At 06:00 SAST, the US Dollar dropped 0.2% against the South African Rand to trade at R14.2570. Later today, traders will keep a close watch on US personal income and spending and the Reuters/Michigan consumer sentiment index for further clues. Additionally, South Africa's private sector credit, trade balance and the nation's budget will grab market attention.

The US Dollar fell against the South African Rand yesterday, after data indicated that the US economy grew at the slowest pace in two years in between January to March, due to declining domestic demand and a stronger US Dollar which hurt the exports. Moreover, personal consumption grew modestly, but at the slowest rate since first quarter of 2015. Meanwhile, the number of Americans filling applications for fresh unemployment benefits rose during the last week but stayed at historically low levels.

GBPZAR ▲

GBP trading firmer against ZAR

At 06:00 SAST, the British Pound climbed marginally against the South African Rand to trade at R20.8772. Earlier in the morning, UK's GfK consumer confidence dropped in April to its lowest level in fifteen months, as worries about Britain's exit in the EU referendum weighed on consumers' confidence.

The British Pound declined against the South African Rand yesterday, extending previous session losses. Elsewhere, in South Africa, the PPI climbed on an annual basis in March.

EURZAR ▲

EUR trading stronger against ZAR

At 06:00 SAST, the Euro is trading 0.1% firmer against the South African Rand at R16.2338. Going forward, market participants will keep a tab on Eurozone's unemployment rate and consumer price index scheduled in a few hours.

The Euro weakened against the South African Rand yesterday. Data showed that Eurozone's economic confidence rose more-than-expected in April, recovering from its previous three months of declines, pointing towards a positive sentiment in consumers and businesses about their prospects. Additionally, in Germany, unemployment rate stayed unchanged in April at a record low level of 6.2%, while a sharpest fall was observed in the number of jobless since 2015. Meanwhile, the consumer price index dropped on monthly basis in April.

AUDZAR ▲

AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar is trading marginally firmer against the South African Rand at R10.8980. Earlier in the session, Australia's private sector credit grew less-than-expected on a monthly basis in March and the producer price index dropped at the fastest pace on a quarterly basis in 1Q16.

The Australian Dollar fell against the South African Rand yesterday, after Australia's import and export price index eased more-than-expected on a quarterly basis in last quarter.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	14.2570	▼	-0.93%	-0.78%	-3.24%	-6.98%	-7.66%
GBPZAR	20.8772	▲	-0.41%	0.54%	-1.57%	-4.01%	-8.48%
EURZAR	16.2338	▲	-0.63%	0.32%	-3.52%	-2.64%	-3.51%
AUDZAR	10.8980	▲	-0.42%	-1.91%	-3.65%	-0.26%	-4.11%
EURUSD	1.1385	▲	0.27%	1.14%	-0.25%	4.61%	4.47%
GBPUSD	1.4642	▲	0.45%	1.43%	1.73%	3.17%	-0.90%
Brent (\$/barrel)	48.1	=	2.03%	6.72%	19.37%	10.28%	29.13%
Gold (\$/oz)	1276.7	▲	1.28%	3.07%	2.61%	-0.02%	19.45%
Platinum (\$/oz)	1060.0	▲	2.47%	4.03%	7.59%	4.53%	17.83%
Copper (\$/MT)*	4956.3	▲	0.87%	-1.73%	1.55%	3.72%	5.32%

*As of Previous Close

Gold ▲

Trading in the green

Gold prices climbed 0.8%, at 06:00 SAST, to trade at \$1,276.70/oz, extending gains from previous sessions.

Yesterday, gold prices rose 1.3% to close at \$1,266.40/oz, as the US Dollar weakened, after the US Fed signaled that it was in no hurry to increase the interest rates.

Brent Crude Oil ◀▶

Traded flat

At 06:00 SAST, Brent crude oil edged marginally lower to trade at \$48.14/bl.

Yesterday, Brent crude oil advanced 2.0% to settle at \$48.14/bl, amid increasing hopes that the volatility in the oil prices will decrease and the oversupplied markets will soon be balanced.

Platinum ▲

Trading in positive territory

Platinum prices edged 0.9% higher at 06:00 SAST, to trade at \$1,060.00/oz, extending gains from previous sessions.

Yesterday, platinum prices climbed 2.5% to close at \$1050.70/oz, extending gains from previous sessions.

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Major South Africa Corporate News

Advtech Limited

The company announced that Coronation Asset Management Pty Limited on behalf of its clients has trimmed its stake in the securities of the company and its total interest now stands at 18.9% of the total issued securities of that class in the ordinary share capital of the company.

Anglo American Plc

The company announced that it has reached an agreement with China Molybdenum Co. Limited to sell its Niobium and Phosphates businesses for a total consideration of about USD1.50bn to be paid in cash at the closing of the transaction, subject to certain closing and post-closing adjustments.

Steinhoff International Holdings NV

The company announced that its third offer of 160.00p/share of Darty will be final and will not be increased any further.

Major Global Economic News

US

In the week ended 23 April, 2016, the seasonally adjusted initial jobless claims in the US rose to a level of 257.00K, compared to market expectations of a rise to 259.00K. In the previous week, claims had recorded a revised level of 248.00K.

On a quarterly basis, the preliminary annualized GDP in the US recorded a rise of 0.5% in 1Q16, less than market expectations for an advance of 0.7%. The GDP had registered a rise of 1.4% in the previous quarter.

In the US, the flash personal consumption climbed 1.9%, on a quarterly basis, in 1Q16, higher than market expectations for an advance of 1.7%. In the previous quarter, personal consumption had risen 2.4%.

The Kansas City Fed manufacturing activity index in the US recorded a rise to -4.00 in April, from a reading of -6.00 in the prior month.

Eurozone

In the Eurozone, the economic sentiment indicator recorded a rise to 103.90 in April, compared to a level of 103.00 in the prior month. Markets were expecting the indicator to climb to 103.40.

In April, the services sentiment indicator advanced to 11.50 in the Eurozone, compared to a reading of 9.60 in the prior month. Market anticipation was for the indicator to rise to a level of 10.00.

In Germany, the seasonally adjusted unemployment rate remained unchanged at a level of 6.2% in April. Markets were expecting unemployment rate to record a steady reading.

The flash consumer price index registered a drop of 0.20% in Germany, on a monthly basis in April, in line with market expectations. In the prior month, the index had advanced 0.8%.

UK

In April, the GfK consumer confidence fell to a level of -3.00 in the UK, compared to a reading of 0.00 in the previous month. Market expectation was for the consumer confidence to fall to a level of -1.00.

In the UK, the business barometer registered a drop to 38.00 in April, compared to a level of 43.00 in the prior month.

In the UK, the seasonally adjusted Nationwide house prices rose 0.2% in April on a monthly basis, lower than market expectations for an advance of 0.4%. In the prior month, house prices had advanced by a revised 0.7%.

Asia

The private sector credit growth in Australia advanced 0.4% on a monthly basis in March, less than market expectations for a rise of 0.5%. In the previous month, the private sector credit had registered a rise of 0.6%.

In 1Q16, the producer price index recorded a drop of 0.2%, on a quarterly basis, in Australia, from a 0.3% climb in the previous quarter.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
UK	01:01	Lloyds Business Barometer (Apr)	✓	38.00*	43.00	Monthly
UK	01:05	Gfk Consumer Confidence (Apr)	✓✓	-3.00*	0.00	Monthly
France	07:30	Gross Domestic Product (QoQ) (Q1) (P)	✓	0.40%	0.30%	Quarterly
Germany	08:00	Retail Sales (MoM) (Mar)	✓✓	0.40%	-0.40%	Monthly
South Africa	08:00	M3 Money Supply (YoY) (Mar)	✓✓	10.00%	10.25%	Monthly
South Africa	08:00	Private Sector Credit (YoY) (Mar)	✓✓	8.90%	9.02%	Monthly
France	08:45	Producer Prices (MoM) (Mar)	✓	-	-0.50%	Monthly
France	08:45	Consumer Spending (MoM) (Mar)	✓	-0.40%	0.60%	Monthly
Switzerland	09:00	KOF Economic Barometer (Apr)	✓✓	102.50	102.50	Monthly
Spain	09:00	Gross Domestic Product (QoQ) (Q1) (P)	✓	0.70%	0.80%	Quarterly
Switzerland	10:00	SNB's Thomas Jordan Speaks at Annual General Meeting in Bern	✓✓✓	-	-	As scheduled
UK	10:30	Net Consumer Credit (Mar)	✓✓	GBP1.30bn	GBP1.30bn	Monthly
UK	10:30	Mortgage Approvals (Mar)	✓✓	74.20 K	73.90 K	Monthly
Eurozone	11:00	Gross Domestic Product s.a. (QoQ) (Q1) (P)	✓✓	0.40%	0.30%	Quarterly
Eurozone	11:00	Unemployment Rate (Mar)	✓✓	10.30%	10.30%	Monthly
Eurozone	11:00	Consumer Price Index (YoY) (Apr) (P)	✓✓✓	-0.10%	0.00%	Monthly
South Africa	14:00	Trade Balance (Mar)	✓✓	-ZAR1.90bn	-ZAR1.10bn	Monthly
US	14:30	Personal Income (MoM) (Mar)	✓✓	0.30%	0.20%	Monthly
US	14:30	Personal Spending (Mar)	✓✓	0.20%	0.10%	Monthly
US	14:30	Personal Consumption Expenditure Core (MoM) (Mar)	✓✓	0.10%	0.10%	Monthly
Canada	14:30	Gross Domestic Product (MoM) (Feb)	✓✓	-0.20%	0.60%	Monthly
US	14:30	Personal Consumption Expenditure Core (YoY) (Mar)	✓✓	1.60%	1.70%	Monthly
US	15:00	NAPM-Milwaukee (Apr)	✓	-	57.78	Monthly
US	16:00	Reuters/Michigan Consumer Sentiment Index (Apr) (F)	✓✓✓	90.00	89.70**	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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