

# ONE Minute Brief

1 March 2016

**GTC**  
consult • partner • manage

## Economic and Political News

South Africa's budget deficit stood at ZAR30.84bn in January, compared to the surplus of ZAR32.63bn in the prior month.

South Africa's trade balance swung to a deficit of ZAR17.90bn in January, following a revised surplus of ZAR7.60bn recorded in the previous month. Markets were expecting a deficit of ZAR13.00bn.

In January, private sector credit recorded a less-than-expected rise of 8.5% in South Africa on an annual basis, from a revised advance of 10.2% in the prior month.

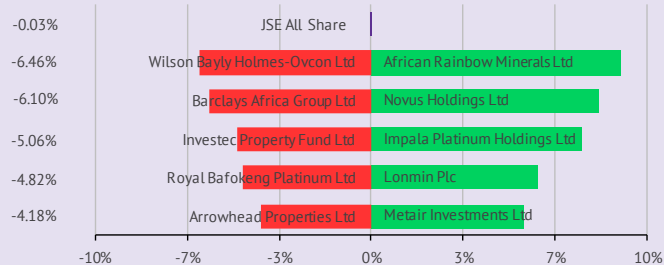
In South Africa, M3 money supply rose 10.3% in January on a yearly basis, compared to a revised climb of 10.5% in December.

The National Union of Mineworkers (NUM) indicated that in the next 3 months, about 36,000 jobs were under threat in the embattled mining industry. NUM General Secretary, David Sipunzi, stated that the union membership had declined from 206,000 in June 2015 to 198,000 at the end of January 2016 due to job losses in the mining sector.

## South Africa Market ▼

### South African markets closed lower

South African markets closed in the red yesterday, amid losses in banking sector stocks. Data revealed that South Africa reported a budget deficit in January. The JSE All Share Index fell marginally to close at 49,415.31.



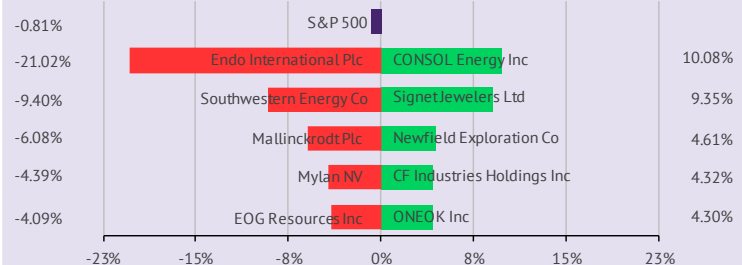
## Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	49415.31	▼	-14.09	-0.03%	-0.03%	NA	0.56%	-2.52%
JSE Top 40	43802.56	▼	-55.23	-0.13%	-0.13%	NA	-0.60%	-4.36%
FTSE 100	6097.09	▲	1.08	0.02%	0.02%	NA	0.22%	-2.33%
DAX 30	9495.40	▼	-17.90	-0.19%	-0.19%	NA	-3.09%	-11.61%
CAC 40	4353.55	▲	38.98	0.90%	0.90%	NA	-1.44%	-6.11%
S&P 500	1932.23	▼	-15.82	-0.81%	-0.81%	NA	-0.41%	-5.47%
Nasdaq Composite	4557.95	▼	-32.52	-0.71%	-0.71%	NA	-1.21%	-8.98%
DJIA	16516.50	▼	-123.47	-0.74%	-0.74%	NA	0.30%	-5.21%

## US Market ▼

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

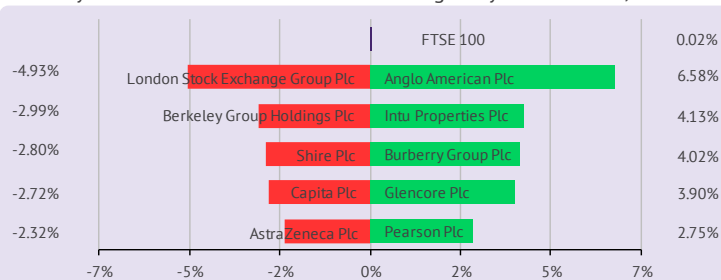
US markets closed lower yesterday, weighed down by losses in health-care sector stocks. Data revealed that pending home sales in the US eased unexpectedly on a yearly basis in January. The S&P 500 Index dropped 0.8% to close at 1,932.23.



## UK Market ▲

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

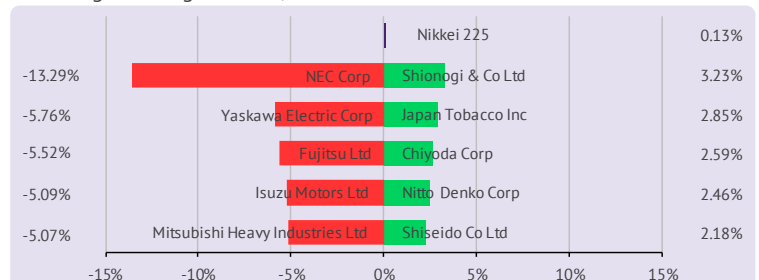
UK markets finished higher yesterday, amid a rally in mining sector stocks after the Chinese central bank provided stimulus measures to boost its economy. Data indicated a rise in UK's net consumer credit in January. The FTSE 100 Index advanced marginally to close at 6,097.09.



## Asian Market ▲

### Trading higher

Asian markets are trading mostly higher this morning. Early morning data indicated that China's NBS manufacturing Purchasing Managers' Index (PMI) deteriorated further in February. The Nikkei 225 Index is trading 0.1% higher at 16,047.39.



**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

1 March 2016

**GTC**  
consult • partner • manage

## USDZAR ▲

### USD trading stronger against ZAR

At 06:00 SAST, the US Dollar is trading marginally higher against the South African Rand at R15.8786. Later today, traders will keep a close watch on the US ISM and Markit manufacturing PMI's for further clues. Separately, in South Africa, the gross domestic product (GDP) for the fourth quarter and new vehicle sales will grab investors' attention.

The US Dollar fell against the South African Rand yesterday, after the US pending home sales fell to its lowest level in a year on a monthly basis in January and the Dallas Fed manufacturing activity remained in contraction in February. Separately, South Africa recorded a trade deficit on a monthly basis in January and the private sector credit growth slowed in January on an annual basis.

## GBPZAR ▲

### GBP trading firmer against ZAR

At 06:00 SAST, the British Pound climbed 0.2% against the South African Rand to trade at R22.1325. Moving ahead, traders will keep an eye on Markit's manufacturing PMI in the UK for further direction. Separately, in South Africa, the gross domestic product (GDP) for the fourth quarter and new vehicle sales will keep investors' on their toes.

The British Pound declined against the South African Rand yesterday, despite UK's consumer credit expanding at the fastest pace in a decade and mortgage approvals hitting a two-year high in January, suggesting that the nation's housing market is heating up. Elsewhere, South Africa's budget deficit widened more than expected in January.

## EURZAR ▲

### EUR trading stronger against ZAR

At 06:00 SAST, the Euro advanced 0.1% against the South African Rand to trade at R17.2756. Going forward, the Eurozone's Markit manufacturing PMI will attract investors' attention.

The Euro weakened against the South African Rand yesterday, after Eurozone's consumer prices estimate fell back into deflation for the first time in five months on an annual basis in February, thus strengthening hopes of more stimulus measures by the European Central Bank (ECB).

## AUDZAR ▲

### AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar climbed marginally against the South African Rand to trade at R11.3366. Earlier in the session, the Reserve Bank of Australia (RBA) kept the key interest rate unchanged at 2.0%. Elsewhere, in China, the NBS manufacturing activity shrank at its fastest rate in 4 years in February.

The Australian Dollar fell against the South African Rand yesterday, after Australia's private sector credit growth rose at par with market expectations on a monthly basis in January.

## Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	15.8786	▲	-1.82%	-1.82%	NA	-0.10%	2.59%
GBPZAR	22.1325	▲	-1.54%	-1.54%	NA	-2.43%	-3.13%
EURZAR	17.2756	▲	-2.48%	-2.48%	NA	0.31%	2.71%
AUDZAR	11.3366	▲	-1.68%	-1.68%	NA	0.74%	-0.22%
EURUSD	1.0879	▼	-0.56%	-0.56%	NA	0.42%	0.12%
GBPUUSD	1.3939	▲	0.40%	0.40%	NA	-2.33%	-5.58%
Brent (\$/barrel)	36.6	▲	4.19%	4.19%	NA	5.27%	-1.90%
Gold (\$/oz)	1244.5	▲	1.15%	1.15%	NA	10.57%	16.43%
Platinum (\$/oz)	936.2	▲	2.10%	2.10%	NA	6.86%	4.78%
Copper (\$/MT)*	4705.5	▼	-0.20%	-0.20%	NA	2.96%	-0.01%

\*As of Previous Close

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices gained 0.8% to trade at \$1,244.50/oz.

Yesterday, gold prices rose 1.2% to close at \$1,234.40/oz, amid volatility in global equity markets and additional stimulus measures from China, increased the precious yellow metal's demand as a safe-haven asset.

## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil edged higher 0.1% to trade at \$36.61/bl.

Yesterday, Brent crude oil advanced 4.2% to settle at \$36.57/bl, following a decline in the US oil drilling rigs to its lowest level since 2009 and continued talks from major oil producers to freeze output levels at January levels.

## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices edged 0.2% higher to trade at \$936.20/oz.

Yesterday, platinum prices climbed 2.1% to close at \$934.30/oz, reversing previous session losses



# ONE Minute Brief

1 March 2016



## Major South Africa Corporate News

### African Oxygen Limited

In its FY15 results, the company, indicated that its revenue fell 6.2% from the preceding year to R5.47bn mainly due to the impact of lower Liquefied Petroleum Gas prices. Its headline EPS was substantially higher from the previous year to 139.20c on the back of improvements in underlying business performance.

### Afrimat Limited

The company revealed that it has been granted a mandate, through its subsidiary company, for the repurchase of its ordinary shares during its closed period commencing from March 1, 2016 to May 19, 2016. The intention is to repurchase a maximum of 3.00mn Afrimat shares for an aggregate consideration not exceeding R72.00mn.

### Brimstone Investment Corporation Limited

In its preliminary results for the year ended 31 December 2015, the company, indicated that its revenue slipped to R2.21bn from R2.22bn recorded a year ago. It reported a diluted headline loss of 295.30/share, compared with headline EPS of 99.80c posted in the prior year. The company stated that the significant contributor to this reduction in earnings was the downward revaluation of investments, the effect of which can be found in both fair value adjustments and equity accounted losses of associates and joint ventures. Also poor results from operating subsidiary Lion of Africa Insurance Company added to the drop in earnings.

### Delta Property Fund Limited

The firm confirmed that Shaneel Maharaj has been appointed as an Executive Director to the board of with immediate effect.

### Harmony Gold Mining Company Limited

The company announced that Beyers Nel has been appointed as the Chief Operating Officer of the South African operations and Phillip Tobias in the new position of Chief Operating Officer of special projects and development (which includes safety, mining projects and company strategy) with effect from March 1, 2016.

### Kumba Iron Ore Limited

The company announced the receipt by its 73.9% owned subsidiary, Sishen Iron Ore Company (SIOC), of a tax assessment from the South African Revenue Service (SARS) in relation to the tax years 2006 to 2010, for the amount of R5.50bn (USD345.00mn). This amount includes R3.70bn (USD230.00mn) in interest and penalties. The company stated that SIOC has shown full commitment with SARS during the audit, but supported by its specialist tax and legal advisors who disagree with the SARS audit findings.

## Major Global Economic News

### Asia

The Reserve Bank of Australia (RBA) maintained the key interest rate at 2.0% for a consecutive 10th month, in March. The RBA Governor, Glenn Stevens, mentioned that the fall in Australia's trade had extended due to a global slump in commodities prices but also suggested reasonable prospects for continued growth in the economy. However, he indicated that the RBA will keep an eye on the low inflation rate..

In February, the NBS manufacturing PMI in China dropped unexpectedly to 49.00, compared to a level of 49.40 in the previous month.

The AiG performance of manufacturing index climbed to 53.50 in February, in Australia, compared to a level of 51.50 in the previous month.

### UK

In the UK, the net consumer credit registered a rise of GBP1.60bn in January, higher than market expectations for an advance of GBP1.40bn. In December, credit had risen by a revised GBP1.10bn.

The number of mortgage approvals for house purchases registered a rise to 74.60K in the UK in January, compared to a revised level of 71.30K in the previous month.

### US

In the US, pending home sales unexpectedly eased 2.5% on a monthly basis in January, lower than market expectations for an advance of 0.5%. In the prior month, sales had climbed by a revised 0.9%.

The Chicago Fed PMI in the US, dropped to 47.60 in February, compared to market expectations of a fall to a level of 52.50. The index had registered a reading of 55.60 in the previous month.

### Eurozone

The consumer price index in the Eurozone eased 0.2% on a yearly basis in February, compared to market expectations of a flat reading. The index had recorded a reading of 0.3% in the previous month.

In Germany, retail sales rose 0.7% on a monthly basis, in January, following a revised advance of 0.6% in the previous month.

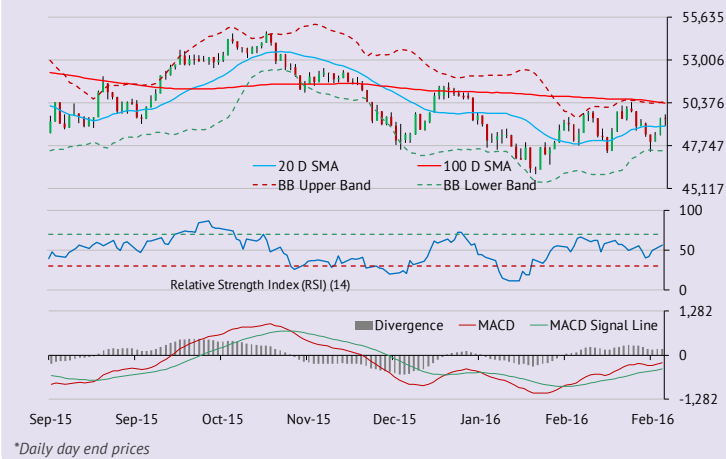
# ONE Minute Brief

1 March 2016

**GTC**  
consult • partner • manage

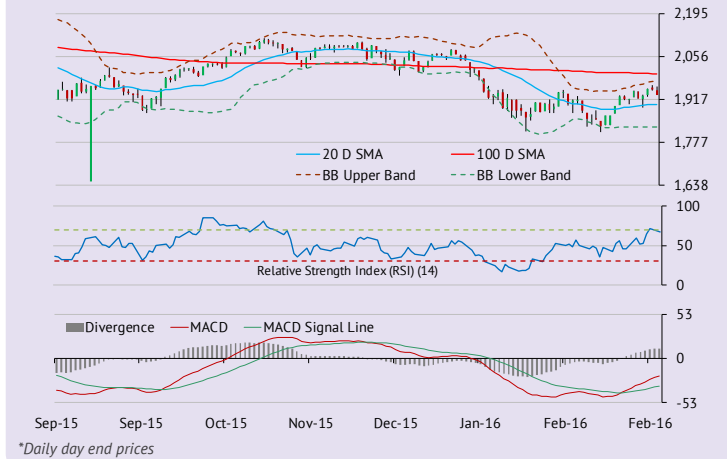
## Technical Snapshot

### JSE All Share



The JSE All Share index is expected to find support at 47,986.02, and a fall through could take it to the next support level of 46,556.73. The index is expected to find its first resistance at 50,246.73, and a rise through could take it to the next resistance level of 51,078.15.

### S&P 500



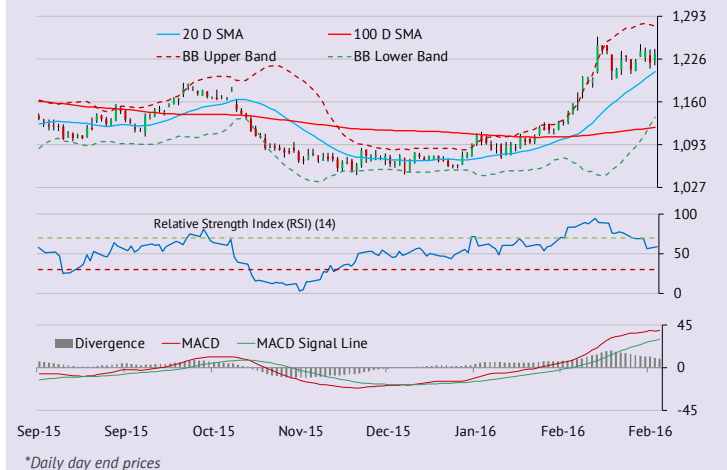
The S&P 500 index is expected to find support at 1,894.50, and a fall through could take it to the next support level of 1,856.77. The index is expected to find its first resistance at 1,966.46, and a rise through could take it to the next resistance level of 2,000.69.

### USDZAR



The pair is expected to find support at 15.1843, and a fall through could take it to the next support level of 14.4944. The pair is expected to find its first resistance at 16.4396, and a rise through could take it to the next resistance level of 17.0050.

### XAU/USD



Gold is expected to find support at \$1,211.17/oz, and a fall through could take it to the next support level of \$1,187.93/oz. The precious metal is expected to find its first resistance at \$1,253.87/oz, and a rise through could take it to the next resistance level of \$1,273.33/oz.

# ONE Minute Brief

1 March 2016

**GTC**  
consult • partner • manage

## Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:30	Job-To-Applicant Ratio (Jan)	✓	1.28*	1.27	Monthly
Japan	01:30	Unemployment Rate (Jan)	✓✓	3.20%*	3.30%	Monthly
Japan	01:30	Household Spending (YoY) (Jan)	✓✓	-3.10%*	-4.40%	Monthly
Japan	01:50	Capital Spending Ex Software (YoY) (Q4)	✓	8.90%*	11.20%	Quarterly
Japan	01:50	Capital Spending (Q4)	✓✓	8.50%*	11.20%	Quarterly
China	03:00	NBS Manufacturing PMI (Feb)	✓✓	49.00*	49.40	Monthly
China	03:00	NBS Non-manufacturing PMI (Feb)	✓	52.70*	53.50	Monthly
China	03:45	Caixin/Markit Manufacturing PMI (Feb)	✓✓	48.00*	48.40	Monthly
Japan	04:00	Nomura/ JMMA Manufacturing PMI (Feb) (F)	✓✓	50.10*	50.20**	Monthly
Spain	10:15	Markit Manufacturing PMI (Feb)	✓	54.50	55.40	Monthly
Germany	10:55	Markit Manufacturing PMI (Feb) (F)	✓✓	50.20	50.20**	Monthly
Germany	10:55	Unemployment Rate s.a. (Feb)	✓✓	6.20%	6.20%	Monthly
Eurozone	11:00	Markit Manufacturing PMI (Feb) (F)	✓✓✓	51.00	51.00**	Monthly
South Africa	11:00	PMI Manufacturing (Feb)	✓✓	44.30	43.50	Monthly
UK	11:30	Markit Manufacturing PMI (Feb)	✓✓	52.30	52.90	Monthly
Eurozone	12:00	Unemployment Rate (Jan)	✓✓	10.40%	10.40%	Monthly
South Africa	12:00	Gross Domestic Product (QoQ) (Q4)	✓✓✓	0.90%	0.70%	Quarterly
South Africa	12:00	Gross Domestic Product (YoY) (Q4)	✓✓✓	0.50%	1.00%	Quarterly
US	16:45	Markit Manufacturing PMI (Feb) (F)	✓✓	51.20	51.00**	Monthly
US	17:00	ISM New Orders (Feb)	✓	-	51.50	Monthly
US	17:00	ISM Prices Paid (Feb)	✓✓	35.00	33.50	Monthly
US	17:00	ISM Manufacturing PMI (Feb)	✓✓	48.50	48.20	Monthly
US	17:00	Construction Spending (MoM) (Jan)	✓✓	0.30%	0.10%	Monthly
US	17:00	IBD/TIPP Economic Optimism (MoM) (Mar)	✓	47.90	47.80	Monthly
South Africa	-	Naamsa Vehicle Sales (YoY) (Feb)	✓	-6.30%	-6.90%	Monthly

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