

ONE
Minute Brief

2 March 2016

GTC
consult • partner • manage

Economic and Political News

The annualised gross domestic product (GDP) in South Africa registered a rise of 0.6% in 4Q15 on a quarterly basis, less than market expectations for an advance of 0.9%. The GDP had registered a climb of 0.7% in the previous quarter.

The Barclays manufacturing Purchasing Managers' Index (PMI) in South Africa advanced more-than-expected to 47.10, in February, compared to a level of 43.50 in the previous month.

On a yearly basis, the Naamsa new vehicle sales in South Africa fell 8.1% in February, compared to a drop to a level of 6.9% in January.

President Jacob Zuma, survived his second no-confidence vote in a year, which was called by the opposition Democratic Alliance (DA) for his reckless handling of the economy.

The National Energy Regulator of South Africa (NERSA) granted Eskom approval to raise electricity tariffs by 9.4% in 2016-17, less than the company's application of a 16.6% hike.

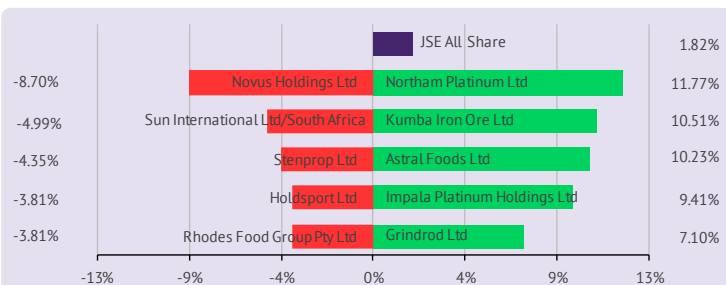
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	50315.09	▲	899.78	1.82%	1.79%	1.82%	0.56%	-0.75%
JSE Top 40	44620.53	▲	817.97	1.87%	1.74%	1.87%	-0.60%	-2.57%
FTSE 100	6152.88	▲	55.79	0.92%	0.93%	0.92%	0.22%	-1.43%
DAX 30	9717.16	▲	221.76	2.34%	2.14%	2.34%	-3.09%	-9.55%
CAC 40	4406.84	▲	53.29	1.22%	2.14%	1.22%	-1.44%	-4.96%
S&P 500	1978.35	▲	46.12	2.39%	1.56%	2.39%	-0.41%	-3.21%
Nasdaq Composite	4689.60	▲	131.65	2.89%	2.16%	2.89%	-1.21%	-6.35%
DJIA	16865.08	▲	348.58	2.11%	1.35%	2.11%	0.30%	-3.21%

South Africa Market ▲

South African markets closed higher

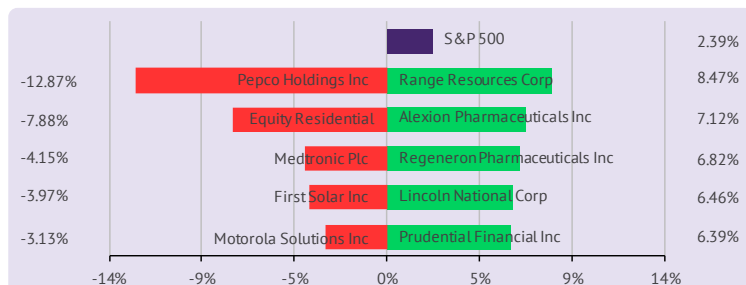
South African markets closed in the green yesterday, amid a recovery in banking sector stocks. Data revealed that South Africa's (GDP) rose less than market expectations on a quarterly basis in 4Q15. The JSE All Share Index rose 1.8% to close at 50,315.09.



US Market ▲

The S&P 500 futures are trading in the green

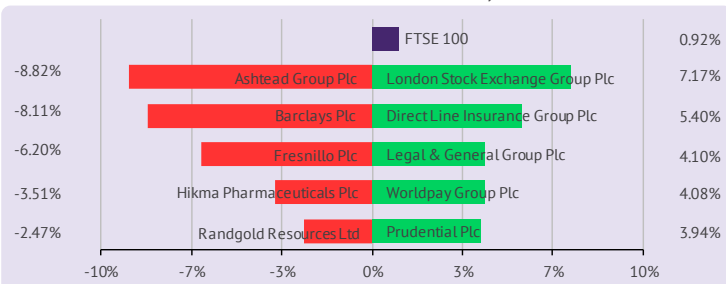
US markets closed higher yesterday, due to gains in financial sector stocks and amid a rally in oil prices. Meanwhile, data indicated that the US ISM manufacturing activity index contracted at a slower pace in February. The S&P 500 Index climbed 2.4% to close at 1,978.35.



UK Market ▲

The FTSE 100 futures are trading in positive territory

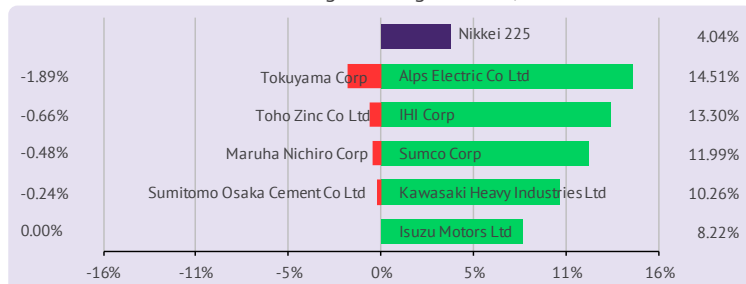
UK markets finished higher yesterday, led by gains in shares of London Stock Exchange Group Plc following a potential counter offer. Data revealed that growth in UK's manufacturing activity slowed in February. The FTSE 100 Index advanced 0.9% to close at 6,152.88.



Asian Market ▲

Trading higher

Asian markets are trading higher this morning, tracking overnight gains on Wall Street. Earlier in the session, Ratings agency, Moody's changed its outlook on China's government credit rating from stable to negative. The Nikkei 225 Index is trading 4.0% higher at 16,734.96.



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

2 March 2016

GTC
consult • partner • manage

USDZAR ▼

USD trading weaker against ZAR

At 06:00 SAST, the US Dollar is trading 0.1% lower against the South African Rand at R15.5798. Later today, traders will keep a close watch on the US ADP employment report and the ISM New York index for further direction. Additionally, investors await the release of the US Federal Reserve's (Fed) Beige Book report.

The US Dollar fell against the South African Rand yesterday, after the US ISM manufacturing activity contracted for a fifth consecutive month and the Markit manufacturing PMI recorded its lowest reading since October 2013 in February respectively. Separately, in South Africa, the economic growth declined to its slowest rate since 2009 in 4Q15, defying expectations for mild improvement while the Barclays manufacturing PMI recorded its strongest reading since October 2015.

GBPZAR ▼

GBP trading lower against ZAR

At 06:00 SAST, the British Pound retreated 0.1% against the South African Rand to trade at R21.7449. Moving ahead, traders will keep an eye on the UK's Markit construction PMI for further clues.

The British Pound declined against the South African Rand yesterday, after UK's Markit manufacturing PMI dropped to a 34-month low in February, as domestic demand slowed and export orders weakened. Separately, South Africa's economy grew at a slower than expected pace in 4Q15.

EURZAR ▼

EUR trading weaker against ZAR

At 06:00 SAST, the Euro is trading 0.2% weaker against the South African Rand at R16.9180. Going forward, market participants will keep a tab on the Eurozone's producer price index for January.

The Euro weakened against the South African Rand yesterday, on the back of mixed economic data in the Euro-zone. Data showed that Eurozone's unemployment rate fell to its lowest level since August 2011 in January while manufacturing activity expanded at its weakest pace for a year in February.

AUDZAR ▲

AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar gained 0.6% against the South African Rand to trade at R11.2580. Earlier in the session, Australia's economic growth slowed less than estimates in 4Q15, with household spending the major upside surprise. The GDP data backed the RBA's decision to keep key interest rate intact.

The Australian Dollar fell against the South African Rand yesterday. The Reserve Bank of Australia (RBA) kept the key interest rate unchanged at 2.0%. Elsewhere, in China, Australia's largest trading partner, the NBS manufacturing activity shrank at its fastest pace in last 4 years in February.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	15.5798	▼	-1.81%	-3.59%	-1.81%	-0.10%	0.74%
GBPZAR	21.7449	▼	-1.41%	-2.93%	-1.41%	-2.43%	-4.49%
EURZAR	16.9180	▼	-1.76%	-4.20%	-1.76%	0.31%	0.90%
AUDZAR	11.2580	▲	-1.31%	-2.97%	-1.31%	0.74%	-1.53%
EURUSD	1.0859	▼	-0.10%	-0.66%	-0.10%	0.42%	0.01%
GBPUSD	1.3956	▲	0.27%	0.66%	0.27%	-2.33%	-5.33%
Brent (\$/barrel)	36.7	▼	0.66%	4.87%	0.66%	5.27%	-1.26%
Gold (\$/oz)	1228.3	▼	-0.29%	0.85%	-0.29%	10.57%	16.09%
Platinum (\$/oz)	939.1	▲	0.26%	2.36%	0.26%	6.86%	5.05%
Copper (\$/MT)*	4728.0	▲	0.48%	0.28%	0.48%	2.96%	0.47%

*As of Previous Close

Gold ▼

Trading in the red

At 06:00 SAST, gold prices edged 0.2% lower to trade at \$1,228.30/oz.

Yesterday, gold prices fell 0.3% to close at \$1,230.80/oz, amid a broad strength in the US Dollar and a rally in global equity markets, reduced demand for the precious yellow metal.

Brent Crude Oil ▼

Trading weaker

Brent crude oil reversed previous session gains and at 06:00 SAST, declined 0.2% to trade at \$36.74/bl.

Yesterday, Brent crude oil advanced 0.7% to settle at \$36.81/bl, after Russia's energy minister, Alexander Novak, indicated that major oil producing countries had decided to freeze their levels of oil production at January levels to allow the market to rebalance. Meanwhile, the American Petroleum Institute (API) reported that crude oil inventories rose 9.9mn bls last week.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged 0.3% higher to trade at \$939.10/oz.

Yesterday, platinum prices climbed 0.3% to close at \$936.70/oz.



ONE Minute Brief

2 March 2016



GTC
consult • partner • manage

Major South Africa Corporate News

African Oxygen Limited

The company announced that it has been awarded a three-year contract extension to supply bulk liquid nitrogen, compressed and special gases and welding consumables to a South African oil refinery till 2018 for R60.00mn. It has also been awarded a five-year contract extension to supply liquefied petroleum gas and industrial gases to a Pretoria-based distributor until 2020, valuing approximately R40.00mn.

Allied Electronics Corporation Limited

The company announced that its Executive Director, RJ Abraham has retired effective March 1, 2016. In addition, A Holden has been appointed as the company's Operations Executive: Information Technology with immediate effect.

Barclays Africa Group Limited

In its FY15 results, the company, stated that its revenue rose to R67.20bn from R63.13bn posted in the prior year. Its headline diluted EPS advanced 9.7% from the preceding year to R16.86 as the entire bank's operating divisions reported growth in headline earnings. For FY16, the company indicated that it anticipates low single digit loan growth, with rest of Africa growing faster than South Africa.

Cashbuild Limited

In its 1H16 results, the company, revealed that its revenue gained 13.7% from the same period of the prior year to R4.51bn. Its headline diluted EPS stood at 814.40c, compared with 789.10c recorded in the corresponding period of the preceding year. Additionally, the company stated that it remains positive about top line trading prospects for the financial period, with revenue for the first six weeks trading since period end having increased 16.0% from the prior comparable six weeks.

Royal Bafokeng Platinum Limited

In its FY15 results, the firm, indicated that its revenue declined 19.2% from the prior year to R3.04bn. It reported a headline diluted loss of 83.20c/share, compared with headline diluted EPS of 238.00c recorded in the preceding year. The company recorded a hefty R4.50bn impairment against its assets due to the reduction in platinum group metal (PGM) prices and the reduction in its market value. Furthermore, the company stated that it expects to end FY16 with a positive cash balance.

Trencor Limited

In its trading statement for FY15, the company, indicated that its headline EPS is expected to be in the range of 493.00c to 520.00c, compared with 548.00c reported in the earlier year. It expects adjusted headline EPS, which excludes net unrealised foreign exchange gains on translation of long-term receivables, to fall between 12.0% and 17.0% from the previous year to be in the range of 432.00c to 458.00c. Its basic EPS growth is expected to be greater than 20.0% from 543.00c recorded a year ago.

Major Global Economic News

Eurozone

In Eurozone, the final Markit manufacturing PMI fell to a level of 51.20 in February, compared to market expectations of a drop to 51.00. In the previous month, the index had recorded a reading of 52.30.

In January, the unemployment rate eased unexpectedly to 10.3% in the Eurozone, from a reading of 10.4% in December.

In February, the final Markit manufacturing PMI in Germany dropped to 50.50, following a reading of 52.30 in the prior month. Market expectation was for the index to fall to a level of 50.20.

The seasonally adjusted unemployment rate in Germany, remained steady at a level of 6.2%, at par with market expectations.

UK

In the UK, the Markit manufacturing PMI registered a more-than-expected drop to 50.80 in February, compared to a reading of 52.90 in the prior month.

The BRC shop price index in the UK, fell 2.0% on an annual basis in February. In the previous month, the index had dropped 1.8%.

Asia

In 4Q15, the seasonally adjusted GDP in Australia registered a rise of 0.6% on a quarterly basis, compared to a revised advance of 1.1% in the prior quarter. Market expectation was for GDP to climb 0.4%.

The HIA new home sales in Australia climbed 3.1% on a monthly basis, in January. In the prior month, new home sales had advanced 6.0%.

The monetary base in Japan registered a rise of 3.1% on a yearly basis in February, following an increase of 28.9% in the previous month.

US

In February, the US ISM manufacturing activity index climbed to 49.50, compared to market expectations of a rise to 48.50. The index had registered a reading of 48.20 in January.

In the US, the final Markit manufacturing PMI eased to 51.30 in February, from a reading of 52.40 in the previous month. The preliminary figure had indicated a drop to 51.00.

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

2 March 2016

GTC
consult • partner • manage

Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:50	Monetary Base (YoY) (Feb)	✓	29.00%*	28.90%	Monthly
Japan	01:50	Monetary Base (Feb)	✓✓✓	JPY358.80tn*	JPY358.80tn	Monthly
UK	02:01	BRC Shop Price Index (YoY) (Feb)	✓	-2.00%*	-1.80%	Monthly
Switzerland	08:45	Gross Domestic Product (YoY) (Q4)	✓✓✓	0.10%	0.80%	Quarterly
Switzerland	08:45	Gross Domestic Product s.a. (QoQ) (Q4)	✓✓	0.10%	0.00%	Quarterly
Spain	10:00	Unemployment Change (Feb)	✓	7.90K	57.20K	Monthly
Eurozone	10:30	ECB Executive Board Member Coeure Speaks in Frankfurt	✓	-	-	As scheduled
UK	11:30	Markit Construction PMI (Feb)	✓✓	55.50	55.00	Monthly
Eurozone	12:00	Producer Price Index (MoM) (Jan)	✓	-1.00%	-0.80%	Monthly
UK	12:00	MPC Member Broadbent Speech	✓	-	-	As scheduled
US	14:00	MBA Mortgage Applications (26-Feb)	✓	-	-4.30%	Weekly
US	15:15	ADP Employment Change (Feb)	✓✓✓	190.00K	205.00K	Monthly
UK	16:00	MPC Member Cunliffe Speech	✓	-	-	As scheduled
US	16:45	ISM New York Index (Feb)	✓	-	54.60	Monthly
US	17:30	EIA Crude Oil Stocks Change (Barrels) (26-Feb)	✓✓	-	3.50mn bls	Weekly
Eurozone	19:00	ECB's Coeuré Speaks at EU Parliament in Brussels	✓	-	-	As scheduled
US	21:00	Fed's Beige Book	✓✓✓	-	-	As scheduled

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