

ONE Minute Brief

22 February 2016

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Economic and Political News

President Jacob Zuma, stated that black professionals are important to promote radical economic transformation amid a racially skewed economic structure. Further, he also discussed the implementation of the National Development Plan (NDP) and mentioned that the Cabinet revised South Africa's fiscal framework in January after subdued economic performance in December.

The Chief Executive Officer of Grain South Africa, Jannie de Villiers, indicated that the government needs to provide a R1.00bn guarantee for emerging black farmers as part of its food security strategy. He also stated that food riots could take place as a result of a hike in food prices caused by persistent drought conditions.

The South African Broadcasting Corporation (SABC) spokesperson, Kaizer Kganyago, refuted claims that its Chief Operating Officer, Hlaudi Motsoeneng was offering R100,000 rewards for exposing employees who leaked internal information. He further stated that employment contracts signed by all staff prohibited them from speaking to the media.

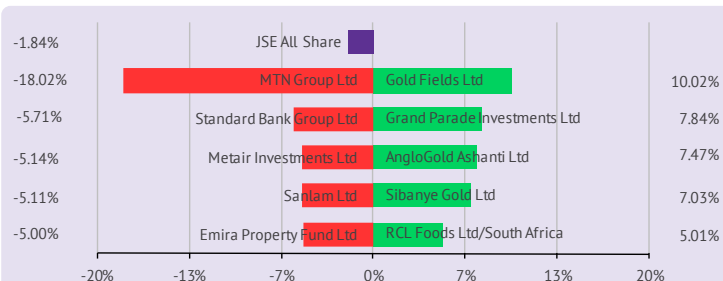
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	48940.43	▼	-917.27	-1.84%	NA	-0.41%	-3.46%
JSE Top 40	43474.46	▼	-986.78	-2.22%	NA	-1.34%	-5.07%
FTSE 100	5950.23	▼	-21.72	-0.36%	NA	-2.20%	-4.68%
DAX 30	9388.05	▼	-75.59	-0.80%	NA	-4.19%	-12.61%
CAC 40	4223.04	▼	-16.72	-0.39%	NA	-4.39%	-8.93%
S&P 500	1917.78	▼	-0.05	0.00%	NA	-1.16%	-6.17%
Nasdaq Composite	4504.43	▲	16.89	0.38%	NA	-7.86%	-10.04%
DJIA	16391.99	▼	-21.44	-0.13%	NA	-5.50%	-5.93%

South Africa Market ▼

South African markets closed lower

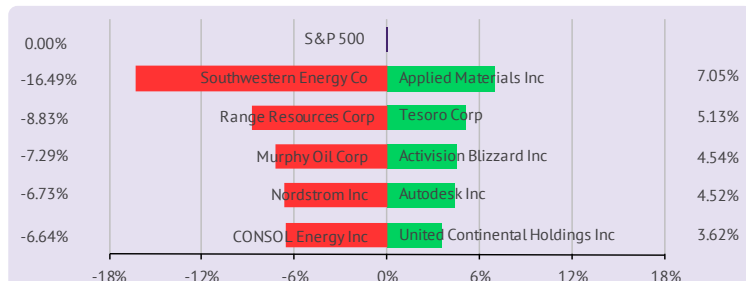
South African markets closed in the red on Friday, amid losses in banking and financial sector stocks. The JSE All Share Index fell 1.8% to close at 48,940.43.



US Market ◀▶

The S&P 500 futures are trading in the green

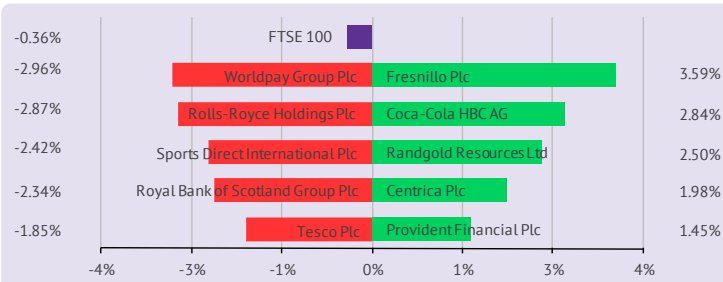
US markets closed flat on Friday, amid a renewed decline in oil prices and losses in material sector stocks. Data revealed that US consumer prices stagnated on a monthly basis in January. The S&P 500 Index traded flat to close at 1,917.78.



UK Market ▼

The FTSE 100 futures are trading in positive territory

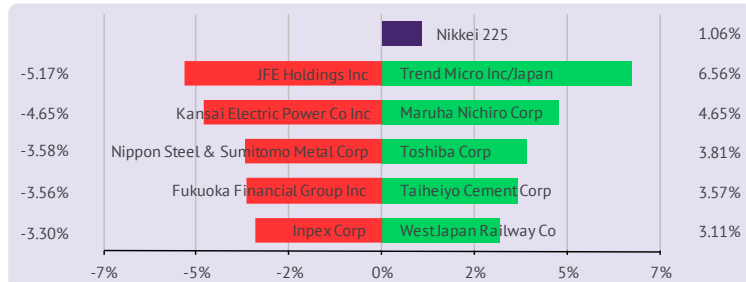
UK markets finished lower on Friday, weighed down by a drop in oil prices. Data revealed that UK's retail sales advanced more-than-expected on a monthly basis in January. The FTSE 100 Index declined 0.4% to close at 5,950.23.



Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning. Earlier morning data showed growth in manufacturing activity in Japan slowed in February after a decline in new export orders. The Nikkei 225 Index is trading 1.1% higher at 16,135.91.



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USDZAR ▲

USD trading firmer against ZAR

At 06:00 SAST, the US Dollar gained marginally against the South African Rand to trade at R15.4019. Later today, traders will keep a close watch on the US market manufacturing Purchasing Managers Index (PMI) and Chicago's Fed National activity index for further clues.

The US Dollar fell against the South African Rand on Friday, after the US consumer price inflation remained flat on a monthly basis in January. However, core consumer prices edged up in the same period, suggesting that the Fed would gradually tighten monetary policy this year.

GBPZAR ▼

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound is trading 0.5% lower against the South African Rand at R21.9998. With no major economic releases in the UK today, investors will look forward to the nation's mortgage approvals data, scheduled tomorrow for further direction.

The British Pound declined marginally against the South African Rand on Friday. Meanwhile, UK retail sales surged most in more than two years and public sector net borrowing posted a surplus in January.

EURZAR ▼

EUR trading lower against ZAR

At 06:00 SAST, the Euro retreated 0.2% against the South African Rand to trade at R17.1163. Going forward, market participants will keep a tab on the Markit's services and manufacturing PMI's across the Eurozone.

The Euro strengthened against the South African Rand on Friday. Data showed that the Eurozone's consumer confidence index dropped sharply in February, notching its lowest level since December 2014.

AUDZAR ▲

AUD trading stronger against ZAR

At 06:00 SAST, the Australian Dollar advanced 0.3% against the South African Rand to trade at R11.0335. Amid no economic data in Australia today, investor sentiment would be determined by global macroeconomic news.

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

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	15.4019	▲	-0.09%	NA	-3.12%	2.70%	-0.50%
GBPZAR	21.9998	▼	-0.02%	NA	-2.31%	-0.72%	-3.01%
EURZAR	17.1163	▼	0.08%	NA	-0.37%	2.40%	2.01%
AUDZAR	11.0335	▲	-0.28%	NA	-2.20%	-0.95%	-3.14%
EURUSD	1.1112	▼	0.29%	NA	2.74%	-0.30%	2.43%
GBPUSD	1.4283	▼	0.20%	NA	0.76%	-3.33%	-2.60%
Brent (\$/barrel)	33.4	▲	-3.70%	NA	-4.98%	-6.81%	-11.45%
Gold (\$/oz)	1218.1	▼	0.35%	NA	10.21%	5.30%	16.05%
Platinum (\$/oz)	934.6	▼	0.00%	NA	8.16%	-1.95%	6.04%
Copper (\$/MT)*	4624.3	▲	1.06%	NA	1.19%	-2.88%	-1.73%

*As of Previous Close

Gold ▼

Trading in the red

At 06:00 SAST, gold prices fell 1.0% to trade at \$1,218.10/oz.

On Friday, gold prices rose 0.4% to close at \$1,230.40/oz, amid weakness in the US Dollar and a fall in global equity markets, increased demand for the precious yellow metal.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged 1.2% higher to trade at \$33.39/bl.

On Friday, Brent crude oil dropped 3.7% to settle at \$33.01/bl, as persistent concerns over the oil supply glut overshadowed the production cut talks by major oil producers. Meanwhile, the Baker Hughes, reported that US oil rig count fell for a ninth straight week to 514.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged 1.2% lower to trade at \$934.60/oz.

On Friday, platinum prices remained flat to close at \$945.60/oz.



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Major South Africa Corporate News

Assore Limited

In its 1H16 results, the company, indicated that its revenue fell to R1.34bn from R1.68bn posted in the same period of the preceding year. Its basic and diluted headline EPS declined 25.4% from the corresponding period of the prior year to 715.00c, due to substantially lower headline earnings recorded by Assmang Proprietary Limited, the group's principal interest. The company revealed that its results were affected by weak commodity markets across all of its products. Moving ahead, the company expects commodity markets in which it sells its products to remain weak and oversupplied for the short term.

Aveng Limited

In its trading statement for the six months ended 31 December 2015, the firm, stated that it currently anticipates headline loss to be in the range of R220.00mn and R240.00mn, with headline loss likely to be between 55.00c/share and 60.0c/share, representing a decrease of between 259.0% and 274.0% from the same period of the previous year. Its basic earnings are forecasted to be between R220.00mn and R240.00mn, compared with R358.00mn posted in the same period a year ago. Its EPS expected to be between 55.00c and 60.00c, indicating a fall of between 38.0% and 33.0% from the corresponding period a year ago.

Grand Parade Investments Limited

The company announced that Jaye Sinclair, the Chief Executive Officer (CEO) of Burger King South Africa (Pty) Limited, its wholly owned subsidiary, wants to resign from his post on February 29, 2016.

RCL Foods Limited

In its trading statement for the six months ended 31 December 2015, the company, revealed that its EPS will be in between 80.00c and 90.00c, indicating an increase of 13.3% to 27.5% from the same period of the prior year. Its headline EPS is expected to be in the range of 80.00c to 90.00c, compared with 70.00c recorded in the corresponding period of the preceding year. Furthermore, the company stated that all of its business units with the exception of Sugar and Chicken have shown positive growth over the comparable period.

Truworths International Limited

The company announced that it has been notified by Aberdeen Asset Managers Limited that it has disposed off a beneficial interest in the company's securities by way of a scrip lending transaction. Following the disposal, the company currently holds a stake of 19.19% in the company.

Major Global Economic News

UK

Retail sales in the UK advanced 2.3% on a monthly basis in January, compared to a revised fall of 1.3% in the prior month. Markets were expecting sales to rise 0.8%.

The public sector net borrowing in the UK has posted a surplus of GBP11.80bn in January, following a revised deficit of GBP7.50bn in December. Markets were expecting borrowings to post a surplus of GBP13.90bn.

US

The consumer price index, in the US, recorded a flat reading in January on a monthly basis, higher than market expectations for a drop of 0.1%. In the previous month, the index had fallen 0.1%.

Eurozone

The preliminary consumer confidence index, in the Eurozone, fell to a level of -8.80 in February, compared to a reading of -6.30 in the previous month. Market anticipation was for the index to ease to -6.60.

The producer price index registered a drop of 0.7% on a monthly basis in Germany, in January, higher than market expectations for a fall of 0.3%. The index had dropped 0.5% in the prior month.

Asia

In February, the MNI business sentiment index in China registered a drop to 49.90, from a reading of 52.30 in the prior month.

The Markit/Nikkei flash manufacturing PMI, in Japan, fell to a level of 50.20 in February, compared to a reading of 52.30 in the previous month. Markets expected the index to fall to 52.00.

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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 Company Ltd	40	-8.91%	37.73%	156.92%
Sibanye Gold Ltd	47	-6.59%	34.89%	106.61%
Assore Ltd	108	1.89%	30.50%	73.91%
African Rainbow Minerals Ltd	73	3.29%	28.29%	68.54%
Exxaro Resources Ltd	73	6.24%	19.44%	64.62%
Pan African Resources Plc	3	-8.92%	20.17%	63.43%
AngloGold Ashanti Ltd	170	-5.99%	25.75%	60.03%
Anglo American Platinum Ltd	296	-6.01%	27.96%	59.77%
Royal Bafokeng Platinum Ltd	39	-4.22%	39.74%	48.18%
Kumba Iron Ore Ltd	61	22.05%	74.12%	46.99%
Gold Fields Ltd	62	-11.37%	15.57%	45.97%
Anglo American Plc	96	16.31%	52.25%	39.03%
Impala Platinum Holdings Ltd	34	-2.78%	4.26%	36.90%
Northam Platinum Ltd	35	-4.49%	12.13%	33.76%
African Oxygen Ltd	17	4.87%	6.25%	30.77%
Illovo Sugar Ltd	22	-1.23%	16.00%	28.70%
Murray & Roberts Holdings Ltd	10	5.47%	26.84%	25.25%
Coronation Fund Managers Ltd	61	3.23%	-0.11%	15.31%
Super Group Ltd	42	8.95%	7.69%	10.70%
FirstRand Ltd	46	4.14%	3.40%	9.13%
Bidvest Group Ltd	357	-0.03%	-2.22%	8.67%
Wilson Bayly Holmes - Ovcon Ltd	122	-1.22%	14.47%	7.72%
Resilient Property Income Fund Ltd	124	-1.18%	5.51%	7.61%
Aquarius Platinum Ltd	3	-5.14%	-3.48%	6.54%
Barloworld Ltd	66	-3.00%	-6.63%	6.50%
Growthpoint Properties Ltd	25	4.66%	8.38%	6.33%
Alexander Forbes Group Holdings Ltd	6	3.28%	17.57%	6.07%
Imperial Holdings Ltd	127	14.47%	4.26%	5.98%
JSE Ltd	135	2.44%	5.27%	5.76%
Redefine Properties Ltd	10	5.03%	7.79%	5.57%
Barclays Africa Group Ltd	151	3.33%	5.15%	5.50%
Hudaco Industries Ltd	100	4.99%	-0.05%	5.27%
Rebosis Property Fund Ltd	10	8.80%	8.23%	5.06%
Santam Ltd	199	7.56%	11.46%	5.00%
MMI Holdings Ltd	23	5.58%	1.94%	4.91%
Hyprop Investments Ltd	108	8.63%	7.10%	4.79%
Rand Merchant Investment Holdings Ltd	41	2.61%	2.61%	4.70%
Tongaat Hulett Ltd	97	-2.93%	9.25%	4.68%
Clicks Group Ltd	93	3.35%	6.44%	3.93%
RMB Holdings Ltd	58	4.21%	2.56%	3.83%
JSE All Share Index	48940	0.72%	-0.41%	-3.46%

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	02:00	Nomura/ JMMA Manufacturing PMI (Feb) (P)	✓✓	50.20*	52.30	Monthly
Japan	05:00	Supermarket Sales (YoY) (Jan)	✓	-	0.00%	Monthly
Switzerland	08:00	M3 Money Supply (YoY) (Jan)	✓	-	1.60%	Monthly
France	08:00	Markit Manufacturing PMI (Feb) (P)	✓	-	50.00	Monthly
France	08:00	Markit Services PMI (Feb) (P)	✓	-	50.30	Monthly
Switzerland	08:15	Producer and Import Prices (MoM) (Jan)	✓	-	-0.40%	Monthly
Germany	08:30	Markit Manufacturing PMI (Feb) (P)	✓✓	52.00	52.30	Monthly
Germany	08:30	Markit Services PMI (Feb) (P)	✓✓	55.00	55.00	Monthly
Italy	09:00	Consumer Price Index (MoM) (Jan) (F)	✓	-	-0.20%**	Monthly
Italy	09:00	Consumer Price Index (YoY) (Jan) (F)	✓	-	0.30%**	Monthly
Eurozone	09:00	Markit Composite PMI (Feb) (P)	✓✓✓	53.50	53.60	Monthly
Eurozone	09:00	Markit Manufacturing PMI (Feb) (P)	✓✓✓	52.00	52.30	Monthly
Eurozone	09:00	Markit Services PMI (Feb) (P)	✓✓✓	53.60	53.60	Monthly
UK	11:00	CBI Trends Selling Prices (Feb)	✓✓	-	1.00	Monthly
UK	11:00	CBI Industrial Trends Survey - Orders (Feb)	✓	-	-15.00	Monthly
US	13:30	Chicago Fed National Activity Index (Jan)	✓	-	-0.22	Monthly
US	14:45	Markit Manufacturing PMI (Feb) (P)	✓✓	-	52.40	Monthly
Eurozone	14:45	ECB Publishes Weekly QE Details	✓	-	-	As scheduled
Eurozone	18:00	ECB's Sabine Lautenschläger Speaks in Stuttgart	✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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