

# ONE Minute Brief

29 February 2016

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## Economic and Political News

South Africa's Finance Minister, Pravin Gordhan, indicated that he would take legal action to guard himself and the Treasury from the attempts made to discredit him and the integrity of the National Treasury following a letter asking him to reveal the inner workings of the South African Revenue Service's (SARS's) rogue unit.

The Presidency stated that President Jacob Zuma had dismissed rumours of a conspiracy against Minister Gordhan and indicated that he had full confidence in the Finance Minister. Additionally, it also stated that Pravin Gordhan will not receive any help from President Zuma relating to the rogue unit at SARS.

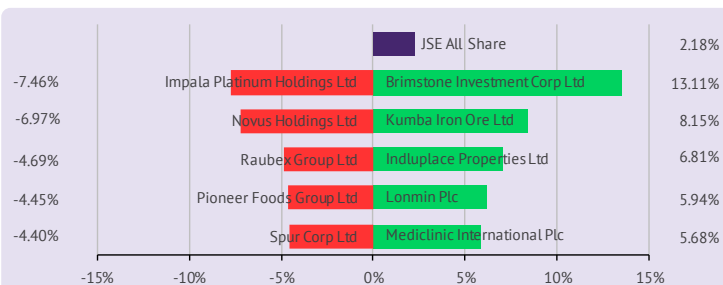
The Democratic Alliance (DA) indicated that over 805,000 e-mails in support of the motion of no confidence debate in President Zuma, have been received on its newly launched online petition.

South Africa's power utility, Eskom stated that its electricity generation capacity touched its highest level in 18 months on Wednesday and that henceforth, no power cuts were expected.

## South Africa Market ▲

### South African markets closed higher

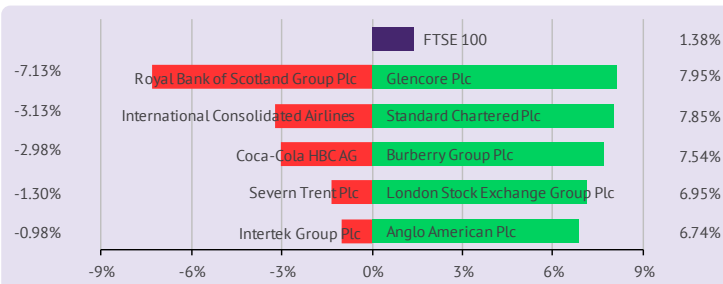
South African markets closed in the green on Friday, led by gains in resources sector stocks. The JSE All Share Index rose 2.2% to close at 49,429.40.



## UK Market ▲

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

UK markets finished higher on Friday, supported by gains in mining sector stocks and upbeat corporate results. The FTSE 100 Index advanced 1.4% to close at 6,096.01.



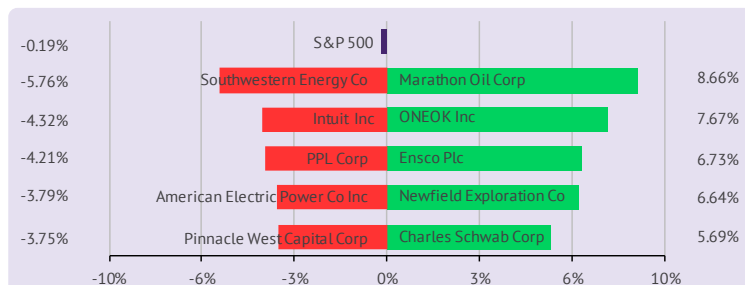
## Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	49429.40	▲ 1056.23	2.18%	NA	0.58%	-3.06%	-2.49%
JSE Top 40	43857.79	▲ 1114.88	2.61%	NA	-0.47%	-3.78%	-4.23%
FTSE 100	6096.01	▲ 83.20	1.38%	NA	0.20%	-2.54%	-2.34%
DAX 30	9513.30	▲ 181.82	1.95%	NA	-2.91%	-8.80%	-11.45%
CAC 40	4314.57	▲ 66.12	1.56%	NA	-2.32%	-4.75%	-6.95%
S&P 500	1948.05	▼ -3.65	-0.19%	NA	0.40%	-5.07%	-4.69%
Nasdaq Composite	4590.47	▲ 8.27	0.18%	NA	-0.51%	-7.86%	-8.33%
DJIA	16639.97	▼ -57.32	-0.34%	NA	1.05%	-5.50%	-4.51%

## US Market ▼

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

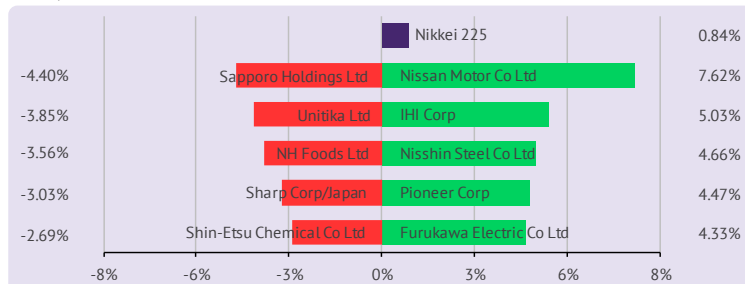
US markets closed lower on Friday, amid losses in utility sector stocks. Data revealed that the second estimate of the US gross domestic product rose more-than-expected in 4Q15. The S&P 500 Index dropped 0.2% to close at 1,948.05.



## Asian Market ▼

### Trading mostly lower

Asian markets are trading mostly lower this morning. Data indicated Japan's industrial production rose for the first time in 3 months on a monthly basis in January. The Nikkei 225 Index is trading 0.8% higher at 16,325.14.



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## USDZAR ▲

### USD trading stronger against ZAR

At 06:00 SAST, the US Dollar is trading marginally higher against the South African Rand at R16.1747. Later today, traders will keep a close watch US pending home sales and Dallas fed manufacturing activity for further clues. Separately, the private sector credit and trade balance data in South Africa will grab investors' attention.

On Friday, the US Dollar rose against the South African Rand, after the US GDP was unexpectedly revised higher than initially estimated in 4Q15. Moreover, US personal spending as well as personal income rose solidly in January.

## GBPZAR ▼

### GBP trading weaker against ZAR

At 06:00 SAST, the British Pound is trading 0.1% weaker against the South African Rand at R22.4132. Moving ahead, traders will keep an eye on net consumer credit and mortgage approvals in the UK, for further direction. Separately, private sector credit and trade balance data in South Africa will attract market attention.

The British Pound advanced against the South African Rand on Friday, extending previous session gains.

## EURZAR ▼

### EUR trading weaker against ZAR

At 06:00 SAST, the Euro retreated 0.2% against the South African Rand to trade at R17.6732. Going forward, market participants will keep a tab on the Eurozone's consumer price index estimate for February for further direction in the Euro.

On Friday, the Euro strengthened against the South African Rand. However, gains in the common-currency were kept in check, after Germany's inflation returned to zero percent on an annual basis in February. Also, Eurozone's economic confidence fell in February, its lowest level since June 2015.

## AUDZAR ▲

### AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar is trading marginally higher against the South African Rand at R11.5348. Earlier in the session, data showed Australia's private sector credit growth rose at par with market expectations on a monthly basis in January.

The Australian Dollar rose against the South African Rand on Friday, continuing previous session gains.

## Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	16.1747	▲	3.78%	NA	1.75%	2.70%	4.49%
GBPZAR	22.4132	▼	3.06%	NA	-0.90%	-0.72%	-1.61%
EURZAR	17.6732	▼	3.05%	NA	2.86%	2.40%	5.32%
AUDZAR	11.5348	▲	2.27%	NA	2.46%	-0.95%	1.48%
EURUSD	1.0924	▼	-0.77%	NA	0.99%	-0.30%	0.68%
GBPUSD	1.3857	▼	-0.71%	NA	-2.71%	-3.33%	-5.95%
Brent (\$/barrel)	35.5	▲	-0.54%	NA	1.04%	-6.81%	-5.85%
Gold (\$/oz)	1225.1	▲	-1.49%	NA	9.32%	5.30%	15.11%
Platinum (\$/oz)	920.8	▲	-1.28%	NA	4.67%	-1.95%	2.62%
Copper (\$/MT)*	4714.8	▲	2.29%	NA	3.17%	-2.88%	0.19%

\*As of Previous Close

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices edged higher 0.4% to trade at \$1,225.10/oz.

On Friday, gold prices fell 1.5% to close at \$1,220.40/oz, amid a broad strength in the US Dollar, on the back of upbeat US 4Q GDP data reduced demand for the safe-haven asset.

## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil edged 1.2% higher to trade at \$35.53/bl.

On Friday, Brent crude oil dropped 0.5% to settle at \$35.10/bl, over persistent concerns of crude oil supply glut with lingering hopes of a gradual slowdown in global oil production. Meanwhile, Baker Hughes reported that US oil rig count fell by 13 last week, its 10<sup>th</sup> consecutive weekly decline.

## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices edged 0.6% higher to trade at \$920.80/oz.

On Friday, platinum prices declined 1.3% to close at \$915.10/oz.



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## Major South Africa Corporate News

### Attacq Limited

In its trading statement for the year ended 31 December 2015, the company indicated that it expects its net asset value to be between 326.00c/share and 404.00c/share higher than the net asset value of 1,552.00c/share posted in the prior year.

### Liberty Holdings Limited

In its FY15 results, the company, indicated that its net insurance premium fell to R37.57bn from R40.72bn posted in the prior year. Its total revenue stood at R74.00bn, compared with R79.71bn recorded in the preceding year. However, its diluted headline EPS rose 4.9% from the previous year to R14.61, driven by growth in its corporate division and investment arm. Its normalised headline EPS which take into account the impact of its black shareholder scheme, increased to R14.65 from R14.03 recorded in last year.

### Intu Properties Plc

In its FY15 results, the firm revealed that its net rental income advanced 5.3% from the prior year to GBP381.80mn which was a result of quality lettings in aggregate 10.0% ahead of previous passing rent, improved occupancy rate and benefits from its investment programme. Its diluted headline EPS stood at 12.50p, compared with headline diluted loss of 2.30p/share recorded in the preceding year. For FY16, the company expects like-for-like net rental income growth in the range of 2.0% to 3.0%, subject to no material tenant failures. Additionally, the company recommended a dividend of 9.10p/share bringing the amount paid and payable in respect of FY15 to 13.7p, unchanged from FY14.

### Northam Platinum Limited

In its 1H16 results, the company stated that its sales revenue rose 5.4% from the same period of the prior year to R3.21bn. However, it reported a headline diluted loss of 66.30c/share, compared with headline diluted EPS of 89.40c reported in the corresponding period of the previous year, due to low commodity prices, impairments and charges relating to a black empowerment deal. Furthermore, the company indicated that it is likely to remain in the trough for some time as it enters the bottom of the price cycle and as the market adjusts to an excess of metal supply and poor macroeconomic conditions in the world's key economies.

## Major Global Economic News

### Eurozone

In the Eurozone, the final consumer confidence index dropped to -8.80 in February. The preliminary figure had also indicated a fall to -8.80.

In February, the economic sentiment indicator eased to 103.80 in the Eurozone, compared to market expectations of a fall to a level of 104.30. The indicator had registered a revised level of 105.10 in January.

In February, the preliminary consumer price index in Germany, rose 0.4% on a monthly basis, lower than market expectations for an advance of 0.5%. The index had registered a drop of 0.8% in the prior month.

The final GDP registered a rise of 0.3% in France on a quarterly basis in 4Q15, more than market expectations for an advance of 0.2%. The preliminary figure had indicated a climb of 0.2%.

### UK

The Llyod's business barometer in the UK dropped to 28.00 in February, from a level of 45.00 in the previous month.

### Asia

The preliminary industrial production in Japan rose 3.7% on a monthly basis in January, compared to the market expectations of an advance of 3.2%.

In Japan, retail trade dropped 1.1% on a monthly basis in January, from a revised fall of 0.3% in the previous month. Markets expected retail trade to register a rise of 0.1%.

In Australia, private sector credit rose 0.5% on a monthly basis in January, in-line with market expectations

### US

The annualized GDP rose 1.0% in the US on a quarterly basis in 4Q15, higher than market expectations for an advance of 0.4%. The preliminary figure had indicated a climb of 0.7%.

In the US, the final Reuters/Michigan consumer sentiment index recorded a drop to 91.70 in February, higher than market expectations of a fall to 91.00. The preliminary figure had recorded a fall to 90.70. In the prior month the index had registered a reading of 92.00.

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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	51	26.77%	74.60%	225.71%
Sibanye Gold Ltd	56	19.00%	60.51%	145.86%
Assore Ltd	123	13.43%	48.02%	97.26%
AngloGold Ashanti Ltd	198	16.24%	46.17%	86.02%
African Rainbow Minerals Ltd	80	8.79%	39.58%	83.36%
Kumba Iron Ore Ltd	71	17.24%	104.14%	72.33%
Anglo American Platinum Ltd	319	7.86%	38.02%	72.33%
Pan African Resources Plc	3	2.45%	23.11%	67.43%
Gold Fields Ltd	67	9.20%	26.21%	59.41%
Exxaro Resources Ltd	70	-3.45%	15.32%	58.95%
Royal Bafokeng Platinum Ltd	39	-0.23%	39.42%	47.84%
Anglo American Plc	100	3.91%	58.21%	44.47%
Northam Platinum Ltd	33	-6.09%	5.30%	25.62%
Illovo Sugar Ltd	21	-3.45%	12.00%	24.26%
Impala Platinum Holdings Ltd	31	-9.57%	-5.72%	23.80%
African Oxygen Ltd	16	-7.35%	-1.56%	21.15%
Coronation Fund Managers Ltd	62	2.30%	2.18%	17.96%
Wilson Bayly Holmes - Ovcon Ltd	132	7.79%	23.38%	16.10%
Niveus Investments Ltd	23	17.90%	14.95%	14.95%
Murray & Roberts Holdings Ltd	9	-10.38%	13.67%	12.25%
Resilient Property Income Fund Ltd	127	2.18%	7.81%	9.96%
Bidvest Group Ltd	361	1.16%	-1.08%	9.93%
Shoprite Holdings Ltd	157	7.91%	7.70%	9.66%
Aquarius Platinum Ltd	3	2.17%	-1.39%	8.85%
Super Group Ltd	41	-1.90%	5.64%	8.59%
Blue Label Telecoms Ltd	13	8.84%	6.36%	7.41%
Massmart Holdings Ltd	107	5.79%	18.96%	7.17%
FirstRand Ltd	45	-1.82%	1.52%	7.15%
Barloworld Ltd	66	-0.12%	-6.75%	6.37%
JSE Ltd	136	0.50%	5.80%	6.29%
Redefine Properties Ltd	10	0.39%	8.21%	5.98%
Steinhoff International Holdings NV	83	5.33%	8.78%	5.72%
MMI Holdings Ltd	23	0.09%	2.03%	5.00%
Santam Ltd	198	-0.47%	10.93%	4.51%
Growthpoint Properties Ltd	24	-1.86%	6.36%	4.35%
Lonmin Plc	19	11.52%	60.25%	4.21%
Liberty Holdings Ltd	120	4.07%	7.15%	4.19%
RMB Holdings Ltd	58	-0.05%	2.50%	3.78%
Rand Merchant Investment Holdings Ltd	40	-1.11%	1.47%	3.54%
Sasol Ltd	434	-0.17%	3.89%	3.54%
<b>JSE All Share Index</b>	<b>49429</b>	<b>1.00%</b>	<b>0.58%</b>	<b>-2.49%</b>

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## Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:50	Industrial Production (MoM) (Jan) (P)	✓	3.70%*	-1.70%	Monthly
Japan	01:50	Industrial Production (YoY) (Jan) (P)	✓✓	-3.80%*	-1.90%	Monthly
Japan	01:50	Large Retailer's Sales (Jan)	✓✓	1.00%*	0.00%	Monthly
Japan	01:50	Retail Trade (YoY) (Jan)	✓✓	-0.10%*	-1.10%	Monthly
Japan	01:50	Retail Trade s.a (MoM) (Jan)	✓	-1.10%*	-0.30%	Monthly
UK	02:01	Lloyds Business Barometer (Feb)	✓	28.00*	45.00	Monthly
Japan	06:00	Vehicle Production (YoY) (Jan)	✓	-	-2.30%	Monthly
Japan	07:00	Construction Orders (YoY) (Jan)	✓	-	14.80%	Monthly
Japan	07:00	Annualised Housing Starts (Jan)	✓✓	0.87mn units	0.86mn units	Monthly
Japan	07:00	Housing Starts (YoY) (Jan)	✓	-0.30%	-1.30%	Monthly
South Africa	08:00	M3 Money Supply (YoY) (Jan)	✓✓	10.55%	10.44%	Monthly
South Africa	08:00	Private Sector Credit (YoY) (Jan)	✓✓	9.80%	10.28%	Monthly
Germany	09:00	Retail Sales (MoM) (Jan)	✓✓	-	-0.20%	Monthly
Germany	09:00	Import Price Index (MoM) (Jan)	✓	-1.00%	-1.20%	Monthly
UK	11:30	Gross Consumer Credit (Jan)	✓✓	-	GBP20.67bn	Monthly
UK	11:30	M4 Money Supply (MoM) (Jan)	✓	-	-0.20%	Monthly
UK	11:30	Net Consumer Credit (Jan)	✓✓	GBP1.40bn	GBP1.20bn	Monthly
UK	11:30	Net Lending Sec. on Dwellings (Jan)	✓✓	GBP3.70bn	GBP3.20bn	Monthly
UK	11:30	Mortgage Approvals (Jan)	✓✓	74.10K	70.80K	Monthly
Eurozone	12:00	Consumer Price Index - Core (YoY) (Feb) (P)	✓✓✓	-	1.00%	Monthly
South Africa	14:00	Trade Balance (Jan)	✓✓	-	ZAR8.20bn	Monthly
US	16:00	NAPM-Milwaukee (Feb)	✓	50.00	50.36	Monthly
US	16:45	Chicago PMI (Feb)	✓	53.00	55.60	Monthly
US	17:00	US Pending home sales (Jan)	✓	-	106.80	Monthly
US	17:00	Pending Home Sales (MoM) (Jan)	✓	0.50%	0.10%	Monthly
US	17:30	Dallas Fed Manufacturing Business Index (Feb)	✓	-30.00	-34.60	Monthly

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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