

# ONE Minute Brief

10 February 2016

**GTC**  
consult • partner • manage

## Economic and Political News

President Jacob Zuma's lawyer told the Constitutional Court that the President had accepted that Public Protector, Thuli Madonsela's findings on Nkandla were binding on him, and that he needed to compensate the taxpayer for a portion of the upgrades made to his private home.

Julius Malema, the Leader of the Economic Freedom Fighters (EFF) promised at a gathering outside the Constitutional Court, that if the African National Congress (ANC) doesn't remove President Jacob Zuma, the EFF will call for an impeachment.

President Zuma in a meeting called for local businesses to invest in the local economy and stabilise the currency. He further stated that challenges faced by the country required a strong partnership between the government and business.

The World Bank Group launched the Mining Investment and Governance Review (MInGov) at the Mining Indaba in Cape Town that would measure each country's governance and stability in the mining sector to help ease investors' decisions before they could invest.

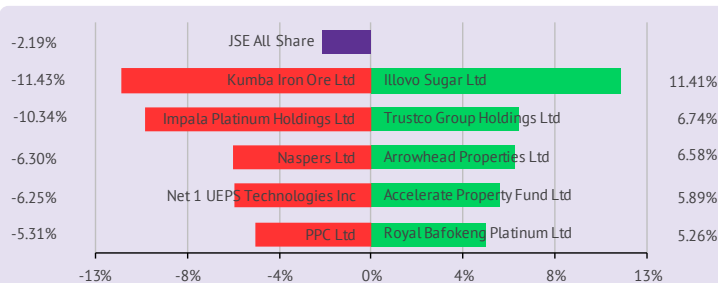
## Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	48344.75	▼	-1084.84	-2.19%	-2.83%	-1.62%	-3.06%
JSE Top 40	42975.42	▼	-1022.89	-2.32%	-3.33%	-2.47%	-3.78%
FTSE 100	5632.19	▼	-57.17	-1.00%	-3.69%	-7.42%	-2.54%
DAX 30	8879.40	▼	-99.96	-1.11%	-4.38%	-9.38%	-8.80%
CAC 40	3997.54	▼	-68.77	-1.69%	-4.84%	-9.50%	-4.75%
S&P 500	1852.21	▼	-1.23	-0.07%	-1.48%	-4.54%	-5.07%
Nasdaq Composite	4268.76	▼	-14.99	-0.35%	-2.16%	-7.48%	-7.86%
DJIA	16014.38	▼	-12.67	-0.08%	-1.18%	-2.74%	-5.50%

## South Africa Market ▼

### South African markets closed lower

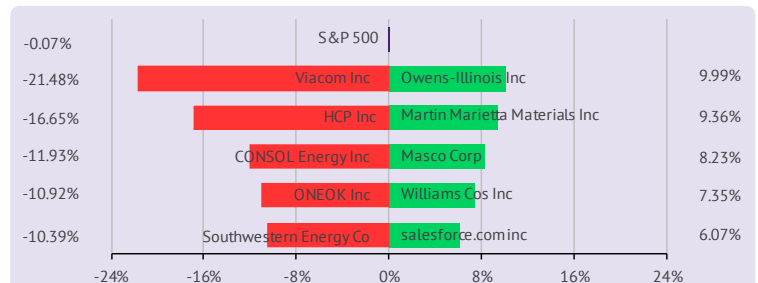
South African markets closed in the red yesterday, led by losses in platinum mining sector stocks. The JSE All Share Index fell 2.2% to close at 48,344.75.



## US Market ▼

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

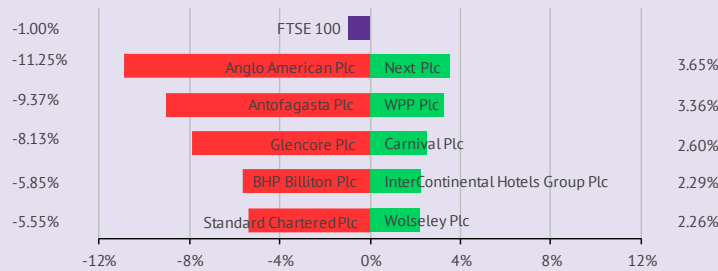
US markets closed lower yesterday, amid losses in energy sector stocks. The S&P 500 Index dropped 0.1% to close at 1,852.21.



## UK Market ▼

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

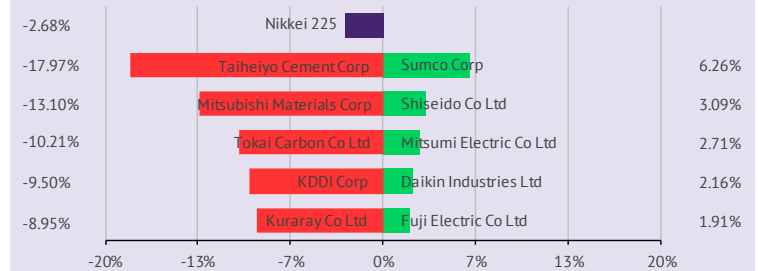
UK markets finished lower yesterday, weighed down by losses in mining sector stocks. Meanwhile, data revealed that UK's total trade deficit narrowed in December. The FTSE 100 Index declined 1.0% to close at 5,632.19.



## Asian Market ▼

### Trading lower

Asian market is trading lower (Nikkei 225) this morning, mirroring overnight losses on Wall Street. Markets in China, Hong Kong and South Korea are closed on account of a holiday. The Nikkei 225 Index is trading 2.7% lower at 15,653.66.



**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

10 February 2016

**GTC**  
consult • partner • manage

## USDZAR ▼

### USD trading lower against ZAR

At 06:00 SAST, the US Dollar declined 0.1% against the South African Rand to trade at R16.0506. Later today, traders will track a testimony by the US Federal Reserve (Fed) Chairwoman, Janet Yellen and a speech by the San Francisco Fed President, John Williams for further direction. Furthermore, the US monthly budget statement will attract market attention.

The US Dollar fell against the South African Rand yesterday. Data revealed that small US businesses were less optimistic in January.

## GBPZAR ▼

### GBP trading weaker against ZAR

At 06:00 SAST, the British Pound dropped 0.1% against the South African Rand to trade at R23.2242. Later in the session today, investors will look forward to UK's NIESR gross domestic product (GDP) estimate along with the nation's manufacturing production and industrial production data for further clues.

The British Pound declined against the South African Rand yesterday. Meanwhile, UK's total trade deficit narrowed in December as oil imports fell to its lowest since February 2009 amid a steep drop in oil prices.

## EURZAR ▼

### EUR trading lower against ZAR

At 06:00 SAST, the Euro is trading 0.2% lower against the South African Rand at R18.1097. Going forward, market participants would closely monitor the European Commission's economic growth forecasts for the Eurozone member countries scheduled for release later today.

The Euro strengthened against the South African Rand yesterday. Data released indicated that trade surplus of Germany decreased in December. Meanwhile, industrial production in Germany surprisingly eased on a monthly basis in December.

## AUDZAR ▼

### AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar fell 0.3% against the South African Rand to trade at R11.3271. Earlier in the session, data revealed that consumer confidence in Australia rose in February while new home sales rebounded on a monthly basis in December.

The Australian Dollar fell against the South African Rand yesterday, after business conditions in Australia tumbled to its lowest level in a year in January.

## Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	16.0506	▼	-0.44%	0.22%	1.10%	2.70%	3.83%
GBPZAR	23.2242	▼	-0.34%	0.20%	2.68%	-0.72%	1.94%
EURZAR	18.1097	▼	0.40%	1.75%	5.49%	2.40%	8.02%
AUDZAR	11.3271	▼	-0.62%	0.32%	0.97%	-0.95%	0.01%
EURUSD	1.1289	▼	0.93%	1.27%	4.25%	-0.30%	3.94%
GBPUSD	1.4471	▲	0.22%	-0.28%	1.47%	-3.33%	-1.91%
Brent (\$/barrel)	31.0	▲	-7.79%	-10.98%	-12.72%	-6.81%	-18.67%
Gold (\$/oz)	1191.1	▼	0.07%	3.53%	7.37%	5.30%	13.06%
Platinum (\$/oz)	930.9	▼	1.15%	3.95%	7.45%	-1.95%	5.35%
Copper (\$/MT)*	4514.0	▼	-2.15%	-2.57%	-1.23%	-2.88%	-4.07%

\*As of Previous Close

## Gold ▼

### Trading in the red

At 06:00 SAST, gold prices edged lower 0.6% to trade at \$1,191.10/oz.

Yesterday, gold prices rose 0.1% to close at \$1,198.70/oz, amid a broadly weaker US Dollar coupled with growing concerns about the global economic outlook.

## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil rose 2.3% to trade at \$31.02/bl.

Yesterday, Brent crude oil dropped 7.8% to settle at \$30.32/bl, for the fourth-straight session, after the International Energy Agency (IEA) in its monthly report warned that risk of prices falling has increased as oil glut is getting worse. Additionally, the US Energy Information Administration (EIA) expects Brent crude oil to average \$37.52 a barrel this year, compared with a previous forecast of \$40.15. Meanwhile, the EIA reduced its 2016 US oil output forecast to 8.69mn bls from 8.73mn bls. Separately, the American Petroleum Institute (API) reported that crude oil inventories advanced by 2.4mn bls last week.

## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices dropped 0.9% to trade at \$930.90/oz.

Yesterday, platinum prices climbed 1.2% to close at \$939.40/oz.



# ONE Minute Brief

10 February 2016



**GTC**  
consult • partner • manage

## Major South Africa Corporate News

### Adcorp Holdings Limited

In its trading update for FY16, the company indicated that changes to the South Africa's labour laws led to an initial loss of volume approximated 20,000 contractors or just over 20.0% of contractor volumes in the South African business. The losses were primarily the result of some clients opting to offer contract workers permanent employment, mainly in the white collar space. However, approximately 80.0% of the gross margin impact was recovered by cost reduction measures such as cutting jobs.

### Discovery Limited

The company notified that Manulife Financial Corporation has agreed with its US Operations, the Vitality Group, to introduce Vitality into the Canadian market.

### Fortress Income Fund Limited

In its results for 1H15, the company stated that its rental revenue advanced 55.2% from the same period of last year to R641.22mn. Its headline EPS increased to 89.07c from 78.62c recorded in the corresponding period of the previous year. Furthermore, the company indicated that the dividend for the A share is 64.72c and dividend for the B share is 62.81c, which represents an increase of 101.2% from the previous comparable period. The board anticipates that the B share dividend for FY16 will rise by about 95.0% from the prior corresponding period.

### Hyprop Investments Limited

The firm announced that through an offshore joint venture company, Hystead Limited, it has acquired stake in two shopping malls situated in South-Eastern Europe for a total purchase consideration of EUR202,750,000.

### Kumba Iron Ore Limited

In its preliminary FY15 results, the company, indicated that its revenue dropped 24.1% from the preceding year to R36.14bn. Its headline diluted EPS stood at R11.82, compared with R34.26 recorded in the previous year, while basic EPS fell to R1.46 from R33.44 a year ago. Moreover, total production was down 7.0% from the prior year to 44.90mnt due to operational challenges at Sishen mine. Also the company faces an additional tax bill of R1.80bn.

### New Europe Property Investments Plc

In its FY15 results, the company, revealed that its gross rental income climbed 64.5% from the previous year to EUR110.94mn. However, its diluted headline EPS fell to 29.42c from 29.62c recorded in the prior year. Moreover, the company stated that it achieved 34.76c in recurring distributable EPS and when combined with 0.58c of non-recurring distributable EPS represents a 19.0% improvement in distributable EPS from last year. Furthermore, it declared a distribution of 17.17c/share for 2H15, making a total of 35.34c/share of distribution for the full year.

## Major Global Economic News

### Eurozone

In December, the seasonally adjusted industrial production recorded an unexpected drop of 1.2% in Germany on a monthly basis, compared to a revised fall of 0.1% in November. Market anticipation was for industrial production to rise 0.5%.

The seasonally adjusted trade surplus in Germany narrowed to EUR18.80bn in December, compared to market expectations of a surplus of EUR20.00bn. The nation had posted a revised surplus of EUR20.50bn in the prior month.

The budget deficit in France narrowed to EUR70.50bn in December, from a deficit of EUR82.80bn in the previous month.

### UK

In December, the total trade deficit in the UK dropped to GBP2.71bn, compared to a revised deficit of GBP4.03bn in the prior month. Markets were anticipating the country's deficit to narrow to GBP3.00bn.

Visible trade deficit in the UK narrowed to GBP9.92bn in December, following a revised deficit of GBP11.50bn in November. Markets were anticipating the nation's deficit to drop to GBP10.40bn.

### Asia

The Westpac consumer confidence index recorded a rise of 4.2%, on monthly basis, to a level of 101.30 in February, in Australia. In the previous month, the index had recorded a reading of 97.30.

In Australia, new home sales advanced 6.0% on a monthly basis in December, compared to a drop of 2.7% in the prior month.

On an annual basis, the preliminary machine tool orders registered a decline of 17.2% in Japan, in January, from a drop of 25.7% in the previous month.

### US

In the US, the NFIB small business optimism index fell to a level of 93.90 in January, lower than market expectations of a drop to 94.50. The index had registered a level of 95.20 in the prior month.

On a monthly basis, the seasonally adjusted wholesale inventories recorded a drop of 0.1% in the US, in December, compared to a revised fall of 0.4% in the prior month. Market anticipated wholesale inventories to ease 0.2%.

**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

10 February 2016

**GTC**  
consult • partner • manage

## Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:50	Domestic Corporate Goods Price Index (MoM) (Jan)	✓	-0.90%*	-0.40%	Monthly
Japan	01:50	Housing Loans (YoY) (Q4)	✓	2.20%*	2.40%	Quarterly
France	09:45	Industrial Production (MoM) (Dec)	✓✓	0.20%	-0.90%	Monthly
France	09:45	Manufacturing Production (MoM) (Dec)	✓✓	0.30%	0.40%	Monthly
Italy	11:00	Industrial Production s.a. (MoM) (Dec)	✓	0.30%	-0.50%	Monthly
UK	11:30	Manufacturing Production (MoM) (Dec)	✓✓	0.10%	-0.40%	Monthly
UK	11:30	Industrial Production (MoM) (Dec)	✓✓	-0.10%	-0.70%	Monthly
Eurozone	12:00	European Commission Releases Economic Growth Forecasts	✓✓	-	-	As scheduled
Portugal	13:00	Unemployment Rate (Q4)	✓	-	11.90%	Quarterly
Portugal	13:00	Trade Balance (Dec)	✓	-	-EUR0.70bn	Monthly
Portugal	13:00	Consumer Price Index (MoM) (Jan)	✓	-	-0.30%	Monthly
US	14:00	MBA Mortgage Applications (05-Feb)	✓	-	-2.60%	Weekly
Eurozone	16:00	ECB's Praet speaks in Washington	✓	-	-	As scheduled
UK	17:00	NIESR GDP Estimate (3M) (Jan)	✓✓✓	-	0.60%	Monthly
US	17:00	Fed's Yellen to Appear Before House Financial Services Committee	✓✓	-	-	As scheduled
US	17:30	EIA Crude Oil Stocks Change (Barrels) (05-Feb)	✓✓	-	7.79mn bls	Weekly
US	20:30	Fed's Williams Speaks on Health and the Economy in LA	✓	-	-	As scheduled
US	21:00	Monthly Budget Statement (Jan)	✓✓	USD47.50bn	-USD14.40bn	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