

ONE Minute Brief

30 May 2016

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Economic and Political News

Ratings agency, Moody's slashed its economic outlook for South African banks to negative from stable, expecting worsening operating conditions over the next 12-18 months.

The Presidency denied reports stating that President Jacob Zuma is at war with Finance Minister, Pravin Gordhan, over the control of the National Treasury.

State-owned power utility, Eskom has to revise its weekend maintenance plans for ensuring it meets the growing demand for energy in the nation, as winter temperatures began to fall.

South Africa's elite Hawks police unit has denied a report which stated that the enquiry on Finance Minister, Pravin Gordhan has been transferred to another part of the force.

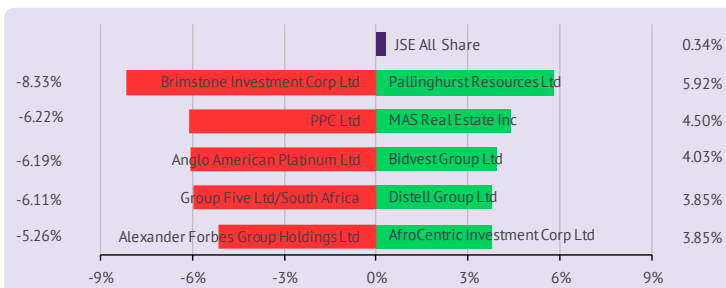
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	54105.37	▲ 184.37	0.34%	NA	2.17%	1.35%	6.73%
JSE Top 40	48069.78	▲ 234.03	0.49%	NA	3.44%	0.72%	4.96%
FTSE 100	6270.79	▲ 5.14	0.08%	NA	0.46%	1.08%	0.46%
DAX 30	10286.31	▲ 13.60	0.13%	NA	2.46%	0.74%	-4.25%
CAC 40	4514.74	▲ 2.10	0.05%	NA	1.94%	1.00%	-2.64%
S&P 500	2099.06	▲ 8.96	0.43%	NA	1.63%	0.27%	2.70%
Nasdaq Composite	4933.51	▲ 31.74	0.65%	NA	3.31%	-1.94%	-1.48%
DJIA	17873.22	▲ 44.93	0.25%	NA	0.56%	0.50%	2.57%

South Africa Market ▲

South African markets closed higher

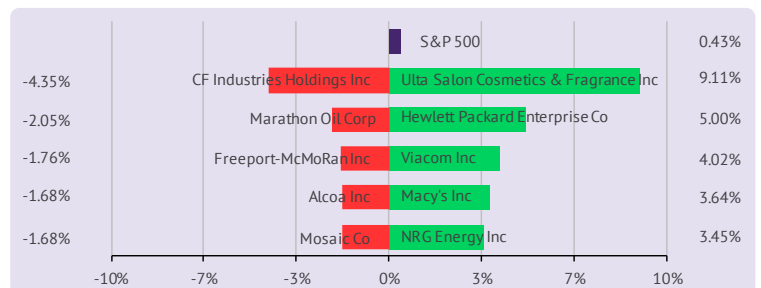
South African markets closed in the green on Friday amid gains in industrial sector stocks. The JSE All Share Index rose 0.3% to close at 54,105.37.



US Market ▲

The S&P 500 futures are trading in the green

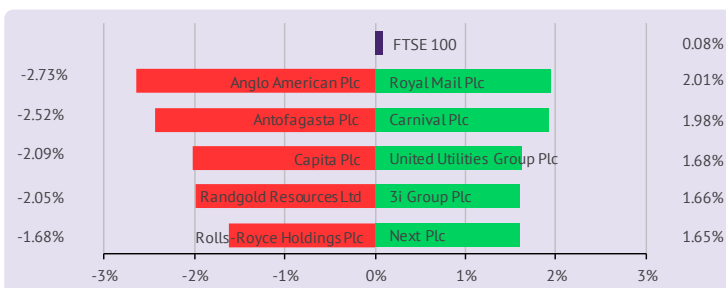
US markets closed higher on Friday, led by gains in financial sector stocks. Data indicated that the gross domestic product (GDP) in the US advanced less-than-expected on an annualised basis in 1Q16. The S&P 500 Index climbed 0.4% to close at 2,099.06.



UK Market ▲

The FTSE 100 futures are trading in positive territory

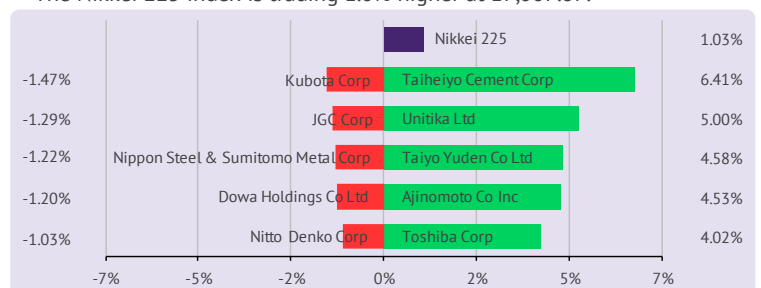
UK markets finished firmer on Friday, supported by gains in Royal Mail Plc. The FTSE 100 Index advanced 0.1% to close at 6,270.79.



Asian Market ▲

Trading mostly higher

Asian markets are trading mostly in the green this morning, amid increasing confidence over the health of the US economy. Meanwhile, overnight data revealed that Japan's large retailer's sales eased in April. The Nikkei 225 Index is trading 1.0% higher at 17,007.87.



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USDZAR ▲

USD trading firmer against ZAR

At 06:00 SAST, the US Dollar is trading 0.3% higher against the South African Rand at R15.7727. As US takes a holiday today, traders will eye US personal income and spending, consumer confidence and Chicago purchasing managers' index, scheduled to release tomorrow.

The US Dollar rose against the South African Rand on Friday, after the US economy expanded on an annualised basis in 1Q16, but at a slower pace, amid higher consumer spending and a robust housing market. Moreover, the US consumers were more confident about the economy, with the consumer sentiment recording its biggest jump in a single month since 2013 in May. Separately, the US Fed Chair, Janet Yellen hinted that a rate hike in the coming months will be apt, provided the economy and the labour market remain robust.

GBPZAR ▲

GBP trading stronger against ZAR

At 06:00 SAST, the British Pound is trading 0.3% firmer against the South African Rand at R23.0783.

The British Pound advanced against the South African Rand on Friday.

EURZAR ▲

EUR trading higher against ZAR

At 06:00 SAST, the Euro is trading 0.2% firmer against the South African Rand at R17.5219. Going forward, market participants will keep a tab on German and Eurozone sentiment indices scheduled to release in a few hours. Moreover, Germany's consumer price index and import price index will gain investors' attention.

The Euro strengthened against the South African Rand on Friday, reversing losses from previous sessions.

AUDZAR ▲

AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% higher against the South African Rand at R11.3043. Earlier in the session, Australia's new home sales dropped on a monthly basis in April.

The Australian Dollar rose against the South African Rand on Friday, reversing previous session losses.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	15.7727	▲	1.36%	NA	10.49%	-3.60%	1.65%
GBPZAR	23.0783	▲	1.03%	NA	10.59%	-1.89%	0.89%
EURZAR	17.5219	▲	0.63%	NA	7.23%	-3.01%	4.01%
AUDZAR	11.3043	▲	0.78%	NA	4.40%	-4.28%	-0.55%
EURUSD	1.1102	▼	-0.71%	NA	-2.93%	0.62%	2.29%
GBPUSD	1.4623	-	-0.32%	NA	0.11%	1.72%	-0.81%
Brent (\$/barrel)	49.2	▼	-0.54%	NA	2.47%	19.34%	32.30%
Gold (\$/oz)	1205.1	▼	-0.54%	NA	-5.94%	4.56%	14.49%
Platinum (\$/oz)	972.7	▼	-1.37%	NA	-8.92%	10.42%	10.15%
Copper (\$/MT)*	4720.5	▲	0.82%	NA	-6.78%	3.76%	0.31%

*As of Previous Close

Gold ▼

Trading in the red

At 06:00 SAST, gold prices edged 0.7% lower to trade at \$1,205.10/oz.

On Friday, gold prices fell 0.5% to close at \$1,213.80/oz, after the US Fed Chair, Janet Yellen gave off strong hints that the central bank would raise interest rate in the coming months.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil fell 0.3% to trade at \$49.17/bl.

On Friday, Brent crude oil dropped 0.5% to settle at \$49.32/bl, amid concerns of a higher production following oil prices reaching USD50.00 a barrel and ahead of the oil producers meet in June.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices retreated 1.0% to trade at \$972.70/oz.

On Friday, platinum prices declined 1.4% to close at \$982.20/oz, reversing previous session gains.



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30 May 2016



Major South Africa Corporate News

Anglo American Plc

The company announced that Bruce Cleaver has been appointed as the Chief Executive Officer of the De Beers Group following Philippe Mellier's decision to step down after five years. It also indicated that Duncan Wanblad, CEO of Anglo American's Base Metals business, will handle the Strategy & Business Development portfolio. Both appointments will be with effect from July 1, 2016.

Grindrod Limited

In its trading statement, the company indicated that its EPS and headline EPS for 1H16 is expected to be negative, primarily due to exceptionally weak drybulk shipping rates during 1Q16. The firm stated that the tanker shipping and ship operating businesses continued to perform well during 1Q16.

Group Five Limited

The company indicated that SG Morris and Dr. JL Job have given up their duties as Chairpersons of the Audit and Remuneration committees, respectively, but will continue to serve as members of the Board and these committees until retirement date. The board announced that KK Mpinga will succeed SG Morris as Lead Independent Director and B Ngonyama will succeed SG Morris as Chairperson to the Audit Committee; with immediate effect.

Sibanye Gold Limited

The company reported that the Association of Mineworkers and Construction Union (AMCU) has embarked on a strike from the morning shift on May 27, 2016, relating to the provision of transport for employees. A joint Kroondal/AMCU task team had been established in order to perform a feasibility study and make final recommendations on the issue.

Major Global Economic News

US

The US Federal Reserve (Fed) Chairwoman, Janet Yellen, mentioned that it will be appropriate to raise the benchmark interest rate in the coming months provided the economy and the labour market remain resilient. She further reiterated the importance of increasing interest rate at a gradual pace. Moreover, she stated that the US economy was improving with the unemployment rate close to what many economists associate with "full employment" and signs of economic activity firming.

In the US, the second estimate of annualised GDP rose 0.8% on a quarterly basis, in 1Q16, less than market expectations for a rise of 0.9%. The annualised GDP had climbed 1.4% in the previous quarter and the preliminary figures had indicated an advance of 0.5%.

In May, the final Reuters/Michigan consumer sentiment index in the US registered a rise to 94.70, lower than market expectations of a rise to a level of 95.40. The preliminary figures had indicated an advance to 95.80 and the index had registered a level of 89.00, in the prior month.

Eurozone

In France, consumer confidence recorded a rise to 98.00 in May, compared to a reading of 94.00 in the prior month. Market anticipation was for consumer confidence to advance to a level of 95.00.

Asia

On a monthly basis in Japan, retail trade remained flat in April, more than market expectations for a fall of 0.5%. In the prior month, retail trade had advanced by a revised 1.5%.

On a quarterly basis, the seasonally adjusted gross operating profits of companies in Australia unexpectedly dropped 4.7% in 1Q16, lower than market expectations for a rise of 0.4%. Gross operating profits of companies had registered a revised drop of 3.6% in the previous quarter.

In Australia, new home sales registered a drop of 4.7% on a monthly basis, in April, following a climb 8.9%, in the prior month.



ONE Minute Brief



30 May 2016

40 Best Performers on the All Share Index

Company Name	Last Close	1 Week % Change	MTD % Change	YTD % Change
Harmony Gold Mining Co Ltd	46	-8.32%	-8.94%	193.91%
Assore Ltd	168	-10.35%	-16.21%	169.86%
Lonmin Plc	41	-3.22%	1.68%	125.25%
Sibanye Gold Ltd	47	-3.98%	-13.04%	103.98%
Anglo American Plc	141	2.44%	-11.24%	103.93%
AngloGold Ashanti Ltd	216	-3.79%	-4.65%	102.80%
Kumba Iron Ore Ltd	83	-9.11%	-28.62%	100.39%
Anglo American Platinum Ltd	371	-1.13%	-9.77%	100.17%
Pan African Resources Plc	3	6.85%	13.20%	96.00%
African Rainbow Minerals Ltd	85	-9.85%	-24.35%	95.17%
Impala Platinum Holdings Ltd	48	-4.50%	-19.07%	90.69%
Northam Platinum Ltd	43	-4.84%	-10.74%	64.08%
Royal Bafokeng Platinum Ltd	42	-1.07%	-4.70%	55.91%
Exxaro Resources Ltd	66	-0.63%	-26.18%	50.43%
Murray & Roberts Holdings Ltd	12	-4.48%	-19.05%	49.25%
Illovo Sugar Ltd	25	1.52%	1.44%	46.04%
JSE Ltd	171	5.56%	3.63%	34.52%
Gold Fields Ltd	56	-9.15%	-13.42%	32.70%
Blue Label Telecoms Ltd	16	-0.62%	1.15%	30.86%
Coronation Fund Managers Ltd	69	2.10%	-6.79%	30.43%
Niveus Investments Ltd	25	1.92%	-0.24%	24.45%
Massmart Holdings Ltd	124	6.01%	1.13%	23.50%
African Oxygen Ltd	16	-0.62%	-9.66%	22.31%
Ascendis Health Ltd	25	12.27%	7.63%	21.44%
Tongaat Hulett Ltd	113	-0.48%	-3.98%	21.43%
Santam Ltd	229	2.19%	-2.53%	20.79%
Cashbuild Ltd	362	0.81%	4.31%	20.67%
Clicks Group Ltd	106	2.07%	2.14%	19.31%
Steinhoff International Holdings NV	93	6.39%	4.78%	18.72%
Imperial Holdings Ltd	141	6.75%	-5.39%	18.13%
Shoprite Holdings Ltd	168	2.10%	-2.17%	16.93%
Hyprop Investments Ltd	120	1.59%	-2.16%	16.32%
Italtile Ltd	14	0.75%	6.72%	14.41%
Sasol Ltd	479	4.64%	3.25%	14.33%
Investec Australia Property Fund	15	5.60%	6.29%	14.18%
Redefine Properties Ltd	11	-2.21%	-10.09%	13.92%
Foschini Group Ltd	138	4.34%	-9.33%	13.66%
Resilient REIT Ltd	131	0.49%	-3.50%	13.54%
Barloworld Ltd	70	0.99%	-14.60%	13.44%
Pick n Pay Stores Ltd	74	-0.14%	-0.23%	13.38%
JSE All Share Index	54105	2.79%	2.17%	6.73%

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:50	Retail Trade (YoY) (Apr)	✓✓	-0.80%*	-1.00%	Monthly
Japan	01:50	Retail Trade s.a (MoM) (Apr)	✓	0.00%*	1.50%	Monthly
US	02:20	Fed's Bullard speech	✓	-	-	As scheduled
Germany	08:00	Import Price Index (MoM) (Apr)	✓	0.40%	0.70%	Monthly
France	08:45	Gross Domestic Product (QoQ) (Q1) (S)	✓	0.50%	0.50%**	Quarterly
France	06:45	Consumer Spending (MoM) (Apr)	✓	0.00%	0.20%	Monthly
Switzerland	09:00	KOF Economic Barometer (May)	✓✓	102.70	102.70	Monthly
Spain	09:00	Consumer Price Index (MoM) (May) (P)	✓	0.50%	0.70%	Monthly
Italy	10:00	Producer Price Index (MoM) (Apr)	✓	-	0.20%	Monthly
Portugal	10:30	Business Confidence (May)	✓	-	1.30	Monthly
Portugal	10:30	Consumer Confidence (May)	✓	-	-12.40	Monthly
Eurozone	11:00	Consumer Confidence (May) (F)	✓✓	-7.00	-7.00**	Monthly
Eurozone	11:00	Economic Sentiment Indicator (May)	✓	104.40	103.90	Monthly
Eurozone	11:00	Business Climate Indicator (May)	✓✓	0.17	0.13	Monthly
Eurozone	11:00	Industrial Confidence (May)	✓	-3.50	-3.70	Monthly
Eurozone	11:00	Services Sentiment Indicator (May)	✓	11.30	11.50	Monthly
Germany	14:00	Consumer Price Index (MoM) (May) (P)	✓✓	0.30%	-0.40%	Monthly
Canada	14:30	Industrial Product Price (MoM) (Apr)	✓	0.40%	-0.60%	Monthly
Canada	14:30	Raw Material Price Index (Apr)	✓	1.10%	4.50%	Monthly
Canada	14:30	Current Account (Q1)	✓✓	-CAD16.80bn	-CAD15.38bn	Quarterly

Note: ✓✓✓High ✓✓Medium ✓Low

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