

ONE Minute Brief

9 May 2016

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Economic and Political News

In April, the business confidence index registered a rise to 82.50 in South Africa, from a reading of 81.20, in the previous month.

Credit rating agency, Moody's has maintained South Africa's long-term government bond ratings at Baa2 yet issued a negative outlook for the country. Moreover, the agency stated that the country is approaching a turning point and recent political developments are a proof to the nation's institutional strength compared to its peers. Meanwhile, the affirmation of the ratings was welcomed by Cyril Ramaphosa.

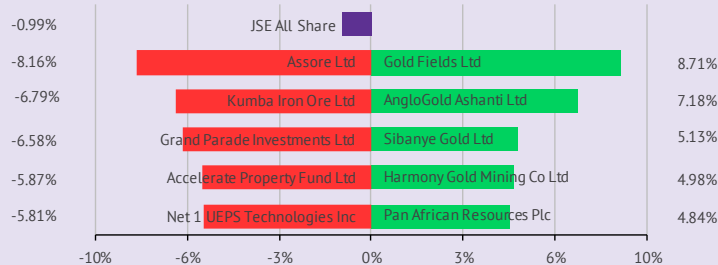
President Jacob Zuma stated that he is happy with the Eskom's improved performance. He further indicated that South Africa will never have to face load shedding anymore, as the power utility boosted electricity generation to meet demands.

The National Treasury stated that it will bring public finances under control and added that it will continue to show its commitment to convert plans into concrete actions that will ensure that South Africa stays as investment grade nation.

South Africa Market ▼

South African markets closed lower

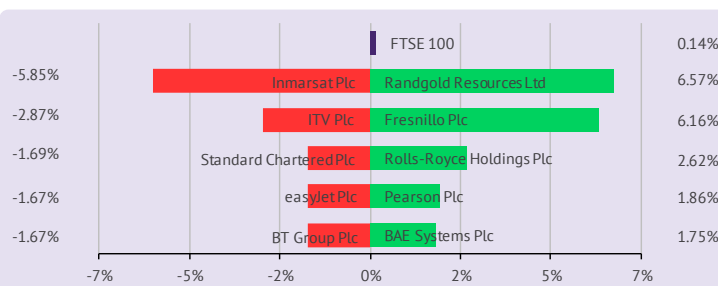
South African markets closed in the red on Friday, amid losses in industrial sector stocks. Data indicated that the SACCI business confidence index rose in April. The JSE All Share Index fell 1.0% to close at 51,417.38.



UK Market ▲

The FTSE 100 futures are trading in positive territory

UK markets finished higher on Friday, led by gains in mining sector stocks. The FTSE 100 Index advanced 0.1% to close at 6,125.70.



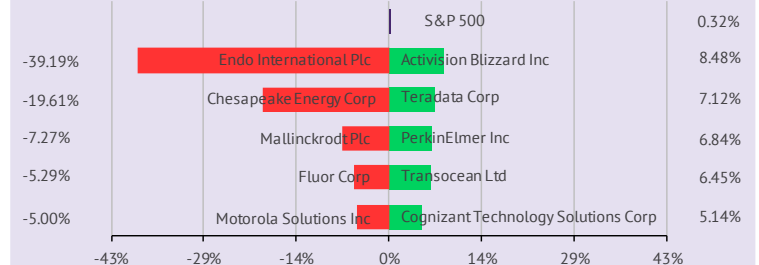
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	51417.38	▼	-516.42	-0.99%	NA	-2.91%	1.35%	1.43%
JSE Top 40	45101.87	▼	-521.61	-1.14%	NA	-2.95%	0.72%	-1.52%
FTSE 100	6125.70	▲	8.45	0.14%	NA	-1.86%	1.08%	-1.87%
DAX 30	9869.95	▲	18.09	0.18%	NA	-1.68%	0.74%	-8.13%
CAC 40	4301.24	▼	-18.22	-0.42%	NA	-2.88%	1.00%	-7.24%
S&P 500	2057.14	▲	6.51	0.32%	NA	-0.40%	0.27%	0.65%
Nasdaq Composite	4736.16	▲	19.06	0.40%	NA	-0.82%	-1.94%	-5.42%
DJIA	17740.63	▲	79.92	0.45%	NA	-0.19%	0.50%	1.81%

US Market ▲

The S&P 500 futures are trading in the green

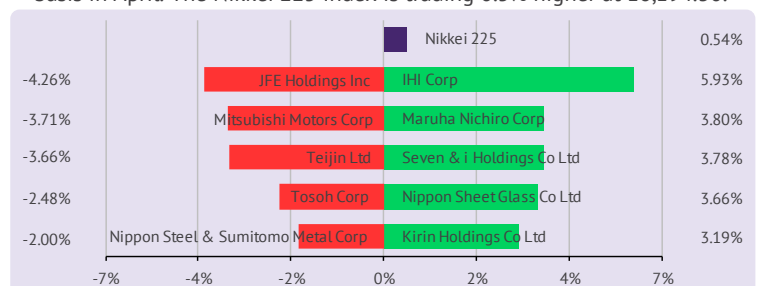
US markets closed higher on Friday, due to gains in material sector stocks. Data revealed that US non-farm payrolls rose less-than-expected in April, raising speculation that the Fed would raise interest rates gradually. The S&P 500 Index climbed 0.3% to close at 2,057.14.



Asian Market ◀▶

Trading mixed

Asian markets are trading mixed this morning. Overnight data indicated China's trade surplus widened more-than-expected in April. However, the imports as well as exports fell more than forecasts on an annual basis in April. The Nikkei 225 Index is trading 0.5% higher at 16,194.30.



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USDZAR ▼

USD trading lower against ZAR

At 06:00 SAST, the US Dollar retreated 0.1% against the South African Rand to trade at R14.8315. Going forward, traders will eye South Africa's gross and net reserves data and the unemployment rate for further clues.

The US Dollar fell against the South African Rand on Friday, after the US economy added less-than-expected jobs in April. Moreover, the nation's unemployment rate remained unchanged in the same month, indicating that a lower-than-expected jobs report could keep the Federal reserve away from raising rates in the coming months. Meanwhile, the average hourly earnings advanced more-than-expected on an annual basis in April. Separately, the US consumer credit widened at its quickest pace in March, since 2001. Elsewhere, in South Africa, the SACCI business confidence advanced in April.

GBPZAR ▼

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound retreated 0.3% against the South African Rand to trade at R21.3999. Later today, traders will keep an eye on UK's BRC retail sales for further direction.

The British Pound declined against the South African Rand on Friday, extending losses from previous sessions. Meanwhile, in South Africa, the business confidence index climbed in April, improving for the fourth straight month.

EURZAR ▼

EUR trading lower against ZAR

At 06:00 SAST, the Euro is trading 0.1% lower against the South African Rand at R16.9117. Going forward, market participants will keep a tab on Eurozone's Sentix investor confidence scheduled in a few hours for May. Moreover, Germany's factory orders will also attract market attention.

The Euro weakened against the South African Rand on Friday. Data showed that Germany's construction activity grew at its weakest pace in five months in April.

AUDZAR ▼

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar retreated 0.2% against the South African Rand to trade at R10.9352. Overnight data revealed that in China, Australia's top trading partner, trade surplus expanded in April, with the imports falling sharply for the consecutive 18th month, indicating weak domestic demand. Meanwhile, a slightly smaller drop was observed in the nation's exports in April.

The Australian Dollar fell against the South African Rand on Friday, after the Reserve Bank of Australia (RBA) slashed the core inflation forecast to be between 1-2% in 2016, from the earlier forecast of 2-3% in February. Elsewhere, in China, Australia's largest trading partner, the leading index advanced in March.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	14.8315	▼	-0.80%	NA	4.31%	-3.60%	-4.04%
GBPZAR	21.3999	▼	-1.06%	NA	3.16%	-1.89%	-5.89%
EURZAR	16.9117	▼	-0.83%	NA	3.88%	-3.01%	0.76%
AUDZAR	10.9352	▼	-1.94%	NA	1.26%	-4.28%	-3.54%
EURUSD	1.1403	▼	-0.01%	NA	-0.40%	0.62%	4.95%
GBPUSD	1.4428	▼	-0.39%	NA	-1.21%	1.72%	-2.11%
Brent (\$/barrel)	46.0	▲	0.80%	NA	-5.73%	19.34%	21.70%
Gold (\$/oz)	1286.1	▼	1.71%	NA	0.27%	4.56%	22.05%
Platinum (\$/oz)	1073.6	▼	2.00%	NA	0.62%	10.42%	21.69%
Copper (\$/MT)*	4825.5	▲	0.48%	NA	-4.71%	3.76%	2.54%

*As of Previous Close

Gold ▼

Trading in the red

At 06:00 SAST, gold prices edged 0.6% lower to trade at \$1,286.10/oz.

On Friday, gold prices rose 1.7% to close at \$1,294.00/oz, following weaker than expected jobs report in the US, which raised expectations that the Fed would avoid raising rates for a longer period of time.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged 1.3% higher to trade at \$45.95/bl.

On Friday, Brent crude oil advanced 0.8% to settle at \$45.37/bl, after wildfires in Canada dented its daily oil production capacity. Moreover, Baker Hughes reported that US oil rig count fell by 5 to 415 last week, marking its decline for the seventh consecutive week.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged 1.1% lower to trade at \$1,073.60/oz.

On Friday, platinum prices climbed 2.0% to close at \$1085.10/oz.



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Major South Africa Corporate News

Arcelormittal South Africa Limited

In its operational update for 1Q16, the company revealed that its steel production fell 9.0% from the same period of the prior year to 1.23mnt. However, steel sales advanced 3.0% from the corresponding period of the preceding year, largely due to exports. For 2Q16, the company expects its sales and prices to rise despite challenging market conditions.

Net 1 UEPS Technologies Inc

In its 3Q16 results, the company stated that its revenue fell to USD134.74mn from USD151.12mn posted in the corresponding period of the previous year. Its headline diluted EPS declined 30.8% from the same period of the preceding year to USD0.36. For FY16, the company expects its EPS to be approximately USD2.40.

Major Global Economic News

US

Non-farm payrolls in the US rose by 160.00K in April, lower than market expectations of an advance of 200.00K. Non-farm payrolls had registered a revised gain of 208.00K in the prior month.

In US, unemployment rate remained unchanged at a level of 5.0% in April, compared to market expectations of a drop to 4.9%.

In April, average hourly earnings of all employees rose 0.3% on a monthly basis in the US, compared to a revised rise of 0.2% in the prior month. Markets were expecting average hourly earnings of all employees to climb 0.3%.

In the US, the consumer credit advanced USD29.67bn in March, more than market expectations for a climb of USD16.00bn. In the previous month, consumer credit had risen by a revised USD14.15bn.

Asia

In China, trade surplus registered was USD45.56bn in April, compared to a trade surplus of USD29.86bn in the prior month. Market anticipation was for the nation to record a surplus of USD40.00bn.

In China, imports eased 10.9% in April on an annual basis, compared to a drop of 7.6% in the prior month. Market expectation was for imports to fall 4.0%.

On an annual basis in April, exports unexpectedly eased 1.8% in China, less than market expectations for a steady reading. The nation's exports had registered a rise of 11.5% in the previous month.

The minutes of the Bank of Japan's (BoJ) March meeting, indicated that policymakers agreed that the nation's economy was recovering, but some warned of a sharp weakening of consumer sentiment and a slowdown in consumer inflation. The members added that there remains a number of downside risks and that Japanese exports have been sluggish, although domestic demand is expected to continue its upward trend. Moreover, the central bank held their target of raising the monetary base at an annual pace of about ¥80 trillion and maintained the -0.1% interest rate.

Eurozone

In Germany, the construction PMI eased to 53.40 in April, compared to a level of 55.80, in the previous month.



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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 Co Ltd	52	3.81%	3.81%	235.06%
Assore Ltd	200	0.01%	0.01%	222.08%
African Rainbow Minerals Ltd	108	-3.66%	-3.66%	148.56%
Kumba Iron Ore Ltd	102	-12.16%	-12.16%	146.60%
Sibanye Gold Ltd	56	3.96%	3.96%	143.85%
AngloGold Ashanti Ltd	244	7.97%	7.97%	129.63%
Anglo American Platinum Ltd	401	-2.45%	-2.45%	116.41%
Impala Platinum Holdings Ltd	53	-9.49%	-9.49%	113.26%
Anglo American Plc	138	-13.19%	-13.19%	99.43%
Lonmin Plc	36	-11.35%	-11.35%	96.39%
Pan African Resources Plc	3	7.26%	7.26%	85.71%
Northam Platinum Ltd	48	-0.56%	-0.56%	82.80%
Exxaro Resources Ltd	77	-14.31%	-14.31%	74.64%
Royal Bafokeng Platinum Ltd	44	0.62%	0.62%	64.62%
Murray & Roberts Holdings Ltd	13	-11.46%	-11.46%	63.25%
Gold Fields Ltd	68	5.72%	5.72%	62.04%
Illovo Sugar Ltd	24	-0.16%	-0.16%	43.73%
Blue Label Telecoms Ltd	17	6.36%	6.36%	37.61%
African Oxygen Ltd	17	-3.41%	-3.41%	30.77%
Coronation Fund Managers Ltd	68	-7.79%	-7.79%	29.04%
Niveus Investments Ltd	25	0.20%	0.20%	25.00%
JSE Ltd	157	-4.86%	-4.86%	23.50%
Alexander Forbes Group Holdings Ltd	7	1.81%	1.81%	23.27%
Santam Ltd	233	-0.79%	-0.79%	22.95%
Grindrod Ltd	14	-4.26%	-4.26%	21.35%
Group Five Ltd/South Africa	24	-3.97%	-3.97%	21.12%
Massmart Holdings Ltd	121	-0.85%	-0.85%	21.08%
Tongaat Hulett Ltd	112	-5.28%	-5.28%	19.79%
Barloworld Ltd	74	-10.16%	-10.16%	19.35%
Invicta Holdings Ltd	53	-2.85%	-2.85%	17.46%
Redefine Properties Ltd	11	-7.40%	-7.40%	17.32%
Foschini Group Ltd	143	-6.46%	-6.46%	17.25%
Imperial Holdings Ltd	140	-6.24%	-6.24%	17.07%
Tradehold Ltd	34	-0.30%	-0.30%	15.52%
Liberty Holdings Ltd	133	-4.93%	-4.93%	15.47%
Cashbuild Ltd	346	-0.30%	-0.30%	15.33%
Shoprite Holdings Ltd	164	-3.96%	-3.96%	14.79%
Resilient REIT Ltd	132	-3.01%	-3.01%	14.12%
Truworths International Ltd	104	-2.35%	-2.35%	13.89%
Clicks Group Ltd	101	-2.56%	-2.56%	13.83%
JSE All Share Index	51417	-2.91%	-2.91%	1.43%

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:50	BoJ Monetary Policy Meeting Minutes	✓	-	-	As scheduled
Japan	02:00	Labour Cash Earnings (YoY) (Mar)	✓✓	1.40%*	0.70%	Monthly
Japan	07:00	Consumer Confidence Index (Apr)	✓✓	40.70	41.70	Monthly
Germany	08:00	Factory Orders s.a. (MoM) (Mar)	✓✓	0.60%	-1.20%	Monthly
South Africa	08:00	Net Gold & Forex Reserve (Apr)	✓✓	USD41.37bn	USD41.18bn	Monthly
South Africa	08:00	Gross Gold & Forex Reserve (Apr)	✓✓	USD47.26bn	USD46.77bn	Monthly
Switzerland	09:15	Consumer Price Index (MoM) (Apr)	✓✓	0.10%	0.30%	Monthly
UK	09:30	Halifax House Prices (MoM) (Apr)	✓	-0.30%	2.60%	Monthly
Eurozone	10:30	Sentix Investor Confidence (May)	✓✓	6.00	5.70	Monthly
South Africa	11:30	Unemployment Rate (Q1)	✓✓	-	24.50%	Quarterly
Canada	14:15	Housing Starts s.a (Apr)	✓✓	193.00K	204.30K	Monthly
Canada	17:45	Bank of Canada Markets Chief Discusses Bond Market Liquidity	✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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