

ONE Minute Brief

11 May 2016

GTC
consult • partner • manage

Economic and Political News

The Chief Executive Officer (CEO) of the Public Investment Corporation (PIC), Daniel Matjila, admitted that it had lost R99.00bn in 2 days, following the firing of then Finance Minister, Nhlanhla Nene, while the government employees lost R95.00bn worth of pensions when Des van Rooyen was Finance Minister in December.

French group, Engie, has signed a 20-year Power Purchase Agreement with power utility Eskom to connect the 100MW Kathu Solar plant in the Northern Cape Province to the national grid in 2018. The project is funded by a mix of debt and equity. Approximately 1,200 jobs are expected to be created during the construction phase.

Telecommunications and Postal Services Minister, Siyabonga Cwele, announced that the CEO of the South African Post Office (Sapo), Mark Barnes, is in the process of finalising a domestic syndicated loan facility of R3.70bn to stabilise its operations. He noted that the company was correcting maladministration by implementing the recommendations of the Special Investigating Unit (SIU) and the public protector.

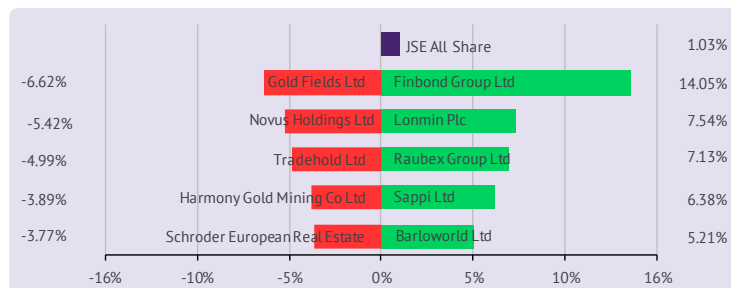
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	51875.26	▲	526.54	1.03%	0.89%	-2.04%	1.35%	2.33%
JSE Top 40	45707.25	▲	570.57	1.26%	1.34%	-1.64%	0.72%	-0.20%
FTSE 100	6156.65	▲	41.84	0.68%	0.51%	-1.37%	1.08%	-1.37%
DAX 30	10045.44	▲	64.95	0.65%	1.78%	0.06%	0.74%	-6.49%
CAC 40	4338.21	▲	15.40	0.36%	0.86%	-2.05%	1.00%	-6.44%
S&P 500	2084.39	▲	25.70	1.25%	1.32%	0.92%	0.27%	1.98%
Nasdaq Composite	4809.88	▲	59.67	1.26%	1.56%	0.72%	-1.94%	-3.94%
DJIA	17928.35	▲	222.44	1.26%	1.06%	0.87%	0.50%	2.89%

South Africa Market ▲

South African markets closed higher

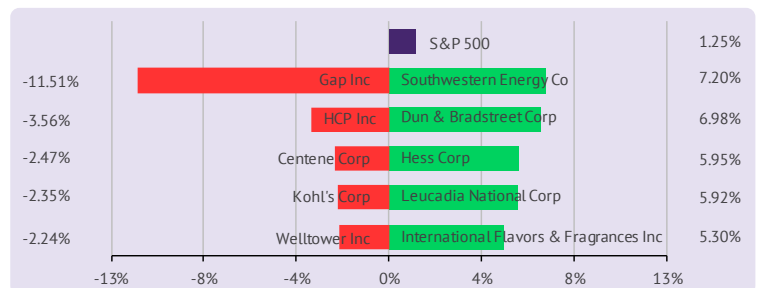
South African markets closed in the green yesterday, amid gains in resources as well as industrial sector stocks. The JSE All Share Index rose 1.0% to close at 51,875.26.



US Market ▲

The S&P 500 futures are trading in the red

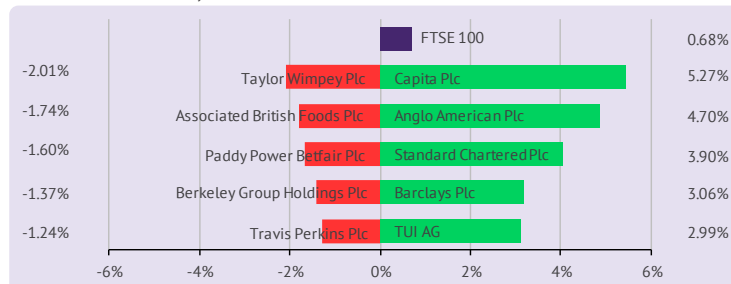
US markets closed higher yesterday, supported by gains in energy, materials and industrials sector stocks and amid a rise in oil prices. Data showed that US wholesale inventories rebounded in March. The S&P 500 Index climbed 1.3% to close at 2,084.39.



UK Market ▲

The FTSE 100 futures are trading in negative territory

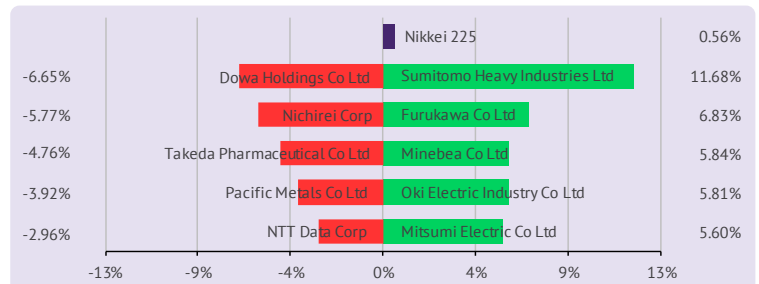
UK markets finished higher yesterday, led by gains in Capita Plc, after it expressed confidence to meet its expectations for 2016. Data revealed that UK's trade deficit narrowed in March. The FTSE 100 Index advanced 0.7% to close at 6,156.65.



Asian Market ◀▶

Trading mixed

Asian markets are trading mixed this morning, despite an overnight rally in global stocks. The Nikkei 225 Index is trading 0.6% higher at 16,657.22.



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

11 May 2016

GTC
consult • partner • manage

USDZAR ▲

USD trading higher against ZAR

At 06:00 SAST, the US Dollar advanced 0.2% against the South African Rand to trade at R15.1494. Later today, traders will focus on the US monthly budget statement along with a report on mortgage applications for further direction.

The US Dollar fell against the South African Rand yesterday. A report indicated that small business optimism in the US increased in April, after declining for 3 months.

GBPZAR ▲

GBP trading stronger against ZAR

At 06:00 SAST, the British Pound is trading 0.2% higher against the South African Rand at R21.8861. Later in the session, investors will closely watch UK's NIESR GDP estimate as well as manufacturing and industrial production data for further clues.

The British Pound declined marginally against the South African Rand yesterday. Data revealed that UK's total trade deficit narrowed in March, amid a rise in exports.

EURZAR ▲

EUR trading firmer against ZAR

At 06:00 SAST, the Euro is trading 0.3% higher against the South African Rand at R17.2486. Later today, speeches by the European Central Bank council members, Ewald Nowotny and Jens Weidmann will be eyed. With no economic releases in the Eurozone today, market participants will look forward to the region's industrial production data scheduled to release tomorrow.

The Euro weakened against the South African Rand yesterday, after Germany's industrial production contracted more-than-expected on a monthly basis in March, indicating that the region's top economy lost some momentum towards the end of the quarter. Meanwhile, the nation's trade surplus widened in March, after an unexpected increase in exports.

AUDZAR ▼

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar is trading marginally weaker against the South African Rand at R11.1276. Earlier in the session, data showed that the Westpac consumer confidence index in Australia rebounded strongly in May, following the Reserve Bank of Australia's (RBA) rate cut last week. Additionally, number of new home loans granted in Australia fell less-than-expected in March.

The Australian Dollar rose against the South African Rand yesterday, after consumer price inflation of China, Australia's key trading partner, rose in line with market expectations on a yearly basis in April.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	15.1494	▲	-0.41%	1.81%	6.20%	-3.60%	-2.30%
GBPZAR	21.8861	▲	-0.02%	1.76%	4.98%	-1.89%	-4.23%
EURZAR	17.2486	▲	-0.44%	1.53%	5.47%	-3.01%	2.30%
AUDZAR	11.1276	▼	0.24%	1.57%	2.85%	-4.28%	-2.03%
EURUSD	1.1383	▲	-0.09%	-0.28%	-0.68%	0.62%	4.66%
GBPUUSD	1.4442	▲	0.23%	0.07%	-1.14%	1.72%	-2.04%
Brent (\$/barrel)	45.3	▼	4.33%	0.33%	-5.42%	19.34%	22.10%
Gold (\$/oz)	1271.9	▲	-0.14%	-2.26%	-1.99%	4.56%	19.30%
Platinum (\$/oz)	1059.1	▲	0.24%	-3.30%	-2.70%	10.42%	17.67%
Copper (\$/MT)*	4691.3	▼	-0.15%	-2.78%	-7.36%	3.76%	-0.31%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged higher 0.6% to trade at \$1,271.90/oz.

Yesterday, gold prices fell 0.1% to close at \$1,264.80/oz, extending previous session losses, amid a broad strength in the greenback.

Brent Crude Oil ▼

Trading weaker

Brent crude oil, reversed previous session gains and at 06:00 SAST dropped 0.4% to trade at \$45.33/bl.

Yesterday, Brent crude oil advanced 4.3% to settle at \$45.52/bl, after wildfires in Canada and attacks on oil infrastructure in Nigeria boosted prices. Meanwhile, the American Petroleum Institute (API) reported that crude oil inventories advanced more-than-expected by 3.45mn bls to 543.10mn bls last week.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged higher 0.9% to trade at \$1,059.10/oz.

Yesterday, platinum prices climbed 0.2% to close at \$1049.30/oz, reversing previous session losses.



ONE Minute Brief

11 May 2016



Major South Africa Corporate News

SABMiller Plc

The company along with the Coca-Cola Company and Gutsche Family Investments has received the approval for the merger given by the South African Competition Tribunal for the formation of the largest soft-drink beverage operation in the nation.

Transaction Capital Limited

In its 1H16 results, the company, indicated that its net interest income fell 4.2% from the corresponding period of the prior year to R429.00mn. However, its diluted basic and headline EPS rose to 36.60c from 30.90c posted in the same period of the preceding year. Its profit before tax stood at R274.00mn, compared with R221.00mn recorded in the corresponding period of the previous year.

Major Global Economic News

UK

UK's total trade deficit narrowed to GBP3.83bn in March, following a revised deficit of GBP4.30bn in the previous month. Market expectation was for the nation to record a total deficit of GBP4.20bn.

Visible trade deficit in the UK fell to GBP11.20bn in March, less than market expectations of a deficit of GBP11.45bn. UK had registered a revised visible deficit of GBP11.42bn in February.

US

In the US, the NFIB small business optimism index rose to a level of 93.60 in April, higher than market expectations of an advance to a level of 93.00. In the previous month, the index had recorded a level of 92.60.

The seasonally adjusted wholesale inventories in the US rose 0.1% in March, compared to a revised drop of 0.6% in the prior month. Market anticipation was for the wholesale inventories to advance 0.1%.

Eurozone

In March, on a monthly basis, the seasonally adjusted industrial production registered a drop of 1.3% in Germany, from a revised fall of 0.7% in February. Market anticipation was for industrial production to ease 0.2%.

Germany registered a seasonally adjusted trade surplus of EUR26.00bn in March, following a revised surplus of EUR20.20bn in the prior month. Markets were anticipating a surplus of EUR20.60bn.

In France, industrial production unexpectedly eased 0.3% on a monthly basis in March, against a revised fall of 1.3% in the previous month. Markets were anticipating industrial production to climb 0.7%.

Asia

The Westpac consumer confidence index in Australia rose 8.5%, to a level of 103.20 in May. The index had registered a reading of 95.10 in the preceding month.

The seasonally adjusted home loan approvals registered a drop of 0.9% in March, in Australia, from a revised advance of 0.9% in the previous month. Market expectation was for home loan approvals to decline 1.5%.

ONE Minute Brief

11 May 2016

GTC
consult • partner • manage

Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:50	Japan Foreign Reserves (Apr)	✓	USD1262.50bn*	USD1262.10bn	Monthly
Japan	07:00	Leading Economic Index (Mar) (P)	✓✓	96.30	96.80	Monthly
UK	10:30	Industrial Production (MoM) (Mar)	✓✓	0.50%	-0.30%	Monthly
UK	10:30	Manufacturing Production (MoM) (Mar)	✓✓	0.30%	-1.10%	Monthly
Portugal	12:00	Unemployment Rate (Q1)	✓	-	12.20%	Quarterly
Portugal	12:00	Consumer Price Index (MoM) (Apr)	✓	-	1.90%	Monthly
US	13:00	Composite leading indicator (Mar)	✓	-	98.90	Monthly
US	13:00	MBA Mortgage Applications (06-May)	✓	-	-3.40%	Weekly
Canada	14:45	Bank of Canada's Wilkins speaks on CFA Panel in Montreal	✓	-	-	As scheduled
UK	16:00	NIESR GDP Estimate (3M) (Apr)	✓✓✓	-	0.30%	Monthly
US	16:30	EIA Crude Oil Stocks Change (Barrels) (06-May)	✓	-	2.78mn bls	Weekly
Eurozone	18:30	ECB's Nowotny Speaks in Vienna	✓	-	-	As scheduled
US	20:00	Monthly Budget Statement (Apr)	✓✓	USD107.00bn	-USD108.00bn	Monthly
Eurozone	20:10	ECB Governing Council's Weidmann Speaks in Frankfurt	✓	-	-	As scheduled

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