

ONE Minute Brief

23 May 2016

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Economic and Political News

According to news reports, the Hawks have assured the Minister of Finance, Pravin Gordhan, that he is not a suspect in the controversial investigation into the South African Revenue Service (SARS) rogue unit and he will not be facing an arrest. Meanwhile, the National Treasury indicated that it is not aware of any such letter sent to Gordhan assuring that he would not be arrested.

In a statement, President Jacob Zuma has called for a peaceful run-up to the local government elections and maintaining peace at polling stations on the voting day.

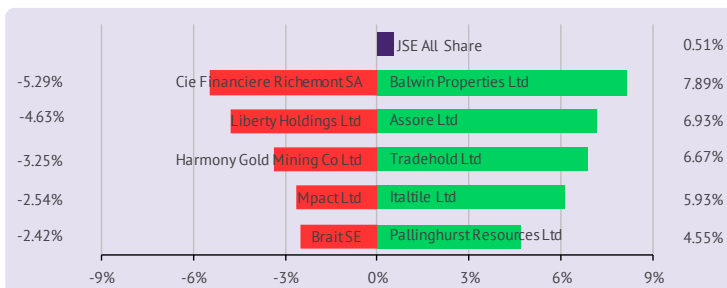
Democratic Alliance (DA) leader, Mmusi Maimane has stated that President Jacob Zuma should take up responsibility for the worsened living conditions of the black people and rising unemployment in the nation. He further stated that DA will increase its majority in the Midvaal region.

South Africa's National Union of Mineworkers (NUM) stated that it is still open to discussions with Eskom, after rejecting a 5.0% wage hike offer.

South Africa Market ▲

South African markets closed higher

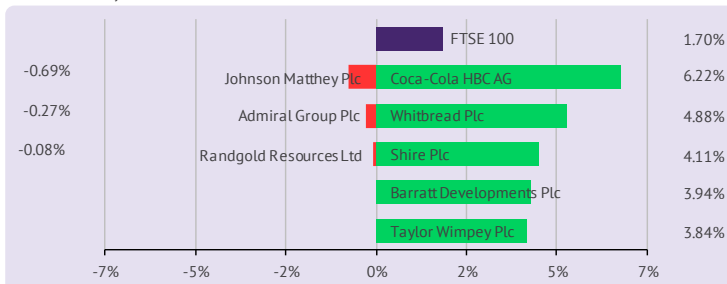
South African markets closed in the green on Friday, amid gains in banking sector stocks. The JSE All Share Index rose 0.5% to close at 52,638.25.



UK Market ▲

The FTSE 100 futures are trading in positive territory

UK markets finished higher on Friday, supported by gains in mining sector stocks. CBI reported a rise in companies reporting total order book above normal for May. The FTSE 100 Index advanced 1.7% to close at 6,156.32.



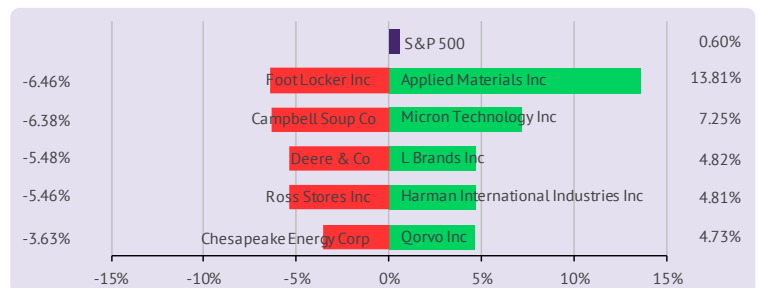
Key Indices

| | Last Close | | 1 Day Chg | 1 D % Chg | WTD % Chg | MTD % Chg | Prev. Month % Chg | YTD % Chg |
|------------------|------------|---|-----------|-----------|-----------|-----------|-------------------|-----------|
| JSE All Share | 52638.25 | ▲ | 268.15 | 0.51% | NA | -0.60% | 1.35% | 3.84% |
| JSE Top 40 | 46531.45 | ▲ | 218.65 | 0.47% | NA | 0.13% | 0.72% | 1.60% |
| FTSE 100 | 6156.32 | ▲ | 102.97 | 1.70% | NA | -1.37% | 1.08% | -1.38% |
| DAX 30 | 9916.02 | ▲ | 120.13 | 1.23% | NA | -1.22% | 0.74% | -7.70% |
| CAC 40 | 4353.90 | ▲ | 71.36 | 1.67% | NA | -1.69% | 1.00% | -6.11% |
| S&P 500 | 2052.32 | ▲ | 12.28 | 0.60% | NA | -0.63% | 0.27% | 0.41% |
| Nasdaq Composite | 4769.56 | ▲ | 57.02 | 1.21% | NA | -0.12% | -1.94% | -4.75% |
| DJIA | 17500.94 | ▲ | 65.54 | 0.38% | NA | -1.53% | 0.50% | 0.44% |

US Market ▲

The S&P 500 futures are trading in the green

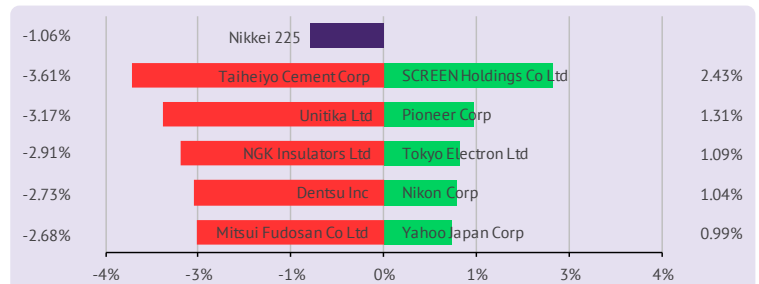
US markets closed higher on Friday, led by gains in information technology sector stocks. Data indicated that existing home sales in the US advanced on a monthly basis in April. The S&P 500 Index climbed 0.6% to close at 2,052.32.



Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning. Overnight data indicated that Japan's total merchandise trade surplus widened in April. The Nikkei 225 Index is trading 1.1% lower at 16,559.35.



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USDZAR ▼

USD trading lower against ZAR

At 06:00 SAST, the US Dollar fell 0.1% against the South African Rand to trade at R15.6156. Later today, traders will keep a close watch on US Markit manufacturing PMI for further clues.

The US Dollar fell against the South African Rand on Friday. Separately, data revealed that the existing home sales in the US advanced more-than-expected in April, marking its highest level in three months, showing signs that economic growth in the US is gaining momentum during the second quarter.

GBPZAR ▲

GBP trading higher against ZAR

At 06:00 SAST, the British Pound is trading marginally firmer against the South African Rand at R22.6840. Traders will keep an eye on UK's public sector net borrowing and CBI distributive trades survey, scheduled to release tomorrow.

The British Pound declined against the South African Rand on Friday, despite data indicating that UK's CBI industrial orders rose marginally to reach a five month high in May.

EURZAR ▲

EUR trading firmer against ZAR

At 06:00 SAST, the Euro is trading marginally higher against the South African Rand at R17.5495. Going forward, market participants will keep a tab on Markit's survey for manufacturing and services PMI across the Eurozone, scheduled for release in a few hours.

The Euro weakened against the South African Rand on Friday. Meanwhile, Eurozone's seasonally adjusted current account surplus expanded, reaching a four month high in March.

AUDZAR ▲

AUD trading stronger against ZAR

At 06:00 SAST, the Australian Dollar climbed 0.2% against the South African Rand to trade at R11.3197. With no major economic releases in Australia today, investor focus will be on global macroeconomic news.

The Australian Dollar fell against the South African Rand on Friday, extending losses from previous sessions.

Key Currencies & Commodities

| | Current | | 1 D % Chg | WTD % Chg | MTD % Chg | Prev. Month % Chg | YTD % Chg |
|-------------------|---------|---|-----------|-----------|-----------|-------------------|-----------|
| USDZAR | 15.6156 | ▼ | -1.13% | NA | 9.82% | -3.60% | 1.03% |
| GBPZAR | 22.6840 | ▲ | -1.78% | NA | 9.01% | -1.89% | -0.56% |
| EURZAR | 17.5495 | ▲ | -0.88% | NA | 7.62% | -3.01% | 4.38% |
| AUDZAR | 11.3197 | ▲ | -1.11% | NA | 4.34% | -4.28% | -0.61% |
| EURUSD | 1.1235 | ▲ | 0.19% | NA | -1.98% | 0.62% | 3.29% |
| GBPUSD | 1.4520 | ▲ | -0.75% | NA | -0.72% | 1.72% | -1.63% |
| Brent (\$/barrel) | 48.5 | ▼ | -0.18% | NA | 1.23% | 19.34% | 30.69% |
| Gold (\$/oz) | 1255.1 | ▲ | -0.15% | NA | -2.91% | 4.56% | 18.18% |
| Platinum (\$/oz) | 1027.4 | ▲ | 0.99% | NA | -5.11% | 10.42% | 14.76% |
| Copper (\$/MT)* | 4588.5 | ▼ | -0.11% | NA | -9.39% | 3.76% | -2.49% |

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices rose 0.2% to trade at \$1,255.10/oz.

On Friday, gold prices fell 0.2% to close at \$1,252.90/oz, as the US Dollar strengthened amid increasing expectations of a rate hike by the US Fed at the June meeting.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 0.4% lower to trade at \$48.54/bl.

On Friday, Brent crude oil dropped 0.2% to settle at \$48.72/bl. Losses were limited after supply outages at Canada and Nigeria raised expectations of a supply decline in oil markets. Separately, Baker Hughes reported that US oil rig count remained unchanged during the last week.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices advanced 0.4% to trade at \$1,027.40/oz.

On Friday, platinum prices climbed 1.0% to close at \$1023.30/oz.



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Major South Africa Corporate News

Cie Financiere Richemont SA

In its FY16 results, the company stated that its sales increased to EUR11.08bn from EUR10.41bn posted in the previous year. Its diluted EPS from continuing operations climbed 26.5% from the prior year to EUR2.98. The firm warned of challenging conditions in the months ahead after it reported a decline in sales by 18.0% on a reported basis and 15.0% on a constant rates basis in April.

Netcare Limited

The company announced that Old Mutual Investment Group (OMIG), on behalf of its clients, has acquired a beneficial interest in ordinary shares of the company. OMIG's total beneficial stake now stands at 5.1% of total issued securities of that class.

Tongaat Hulett Limited

In its voluntary trading statement for FY16, the company indicated that its operating profit is expected to fall 13.5% from the prior year to R1.81bn. Its headline earnings is expected to be approximately R783.00mn, compared with R945.00mn recorded in the preceding year.

Major Global Economic News

Asia

The flash manufacturing PMI in Japan eased to 47.60 in May, compared to the index registering a level of 48.20 in the prior month.

In April, total merchandise trade surplus in Japan widened to JPY823.50bn, more than market expectations of a surplus of JPY540.00bn. Japan had posted a revised surplus of JPY754.20bn in the prior month.

In April, exports slid 10.1% on a yearly basis in Japan, compared to a drop of 6.8% in the previous month. Market expectation was for exports to drop 9.9%.

In Japan, imports dropped 23.3% in April on an annual basis, higher than market expectations for a fall of 19.2%. In the previous month, imports had fallen 14.9%.

UK

In the UK, the balance of firms reporting total order book above normal advanced unexpectedly to a level of -8.00 in May, compared to market expectations of a fall to -13.00. The balance of firms reporting total order book above normal had registered a level of -11.00 in the previous month.

US

In April, the existing home sales registered a rise of 1.7%, on monthly basis, to a level of 5.45mn in the US, compared to a revised level of 5.36mn in the prior month. Markets were anticipating sales to advance to a level of 5.40mn.

Eurozone

The Eurozone has posted a seasonally adjusted current account surplus of EUR27.30bn in March, from a surplus of EUR19.20bn 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 | 50 | -1.65% | -0.68% | 220.58% |
| Assore Ltd | 187 | 1.84% | -6.54% | 201.00% |
| Lonmin Plc | 43 | 17.65% | 5.06% | 132.73% |
| Kumba Iron Ore Ltd | 91 | 0.59% | -21.47% | 120.49% |
| African Rainbow Minerals Ltd | 94 | 0.07% | -16.08% | 116.50% |
| Sibanye Gold Ltd | 49 | -9.71% | -9.44% | 112.43% |
| AngloGold Ashanti Ltd | 224 | -6.28% | -0.89% | 110.78% |
| Anglo American Platinum Ltd | 375 | -2.53% | -8.74% | 102.47% |
| Impala Platinum Holdings Ltd | 50 | -0.02% | -15.25% | 99.68% |
| Anglo American Plc | 137 | 9.23% | -13.35% | 99.07% |
| Pan African Resources Plc | 3 | -4.18% | 5.94% | 83.43% |
| Northam Platinum Ltd | 46 | 1.11% | -6.20% | 72.41% |
| Royal Bafokeng Platinum Ltd | 42 | -1.82% | -3.67% | 57.60% |
| Murray & Roberts Holdings Ltd | 13 | 0.40% | -15.25% | 56.25% |
| Exxaro Resources Ltd | 67 | 1.37% | -25.72% | 51.39% |
| Gold Fields Ltd | 62 | -4.49% | -4.70% | 46.07% |
| Illovo Sugar Ltd | 24 | 0.08% | -0.08% | 43.85% |
| Blue Label Telecoms Ltd | 16 | -2.44% | 1.78% | 31.69% |
| Coronation Fund Managers Ltd | 68 | -4.28% | -8.71% | 27.75% |
| JSE Ltd | 162 | 2.59% | -1.83% | 27.43% |
| African Oxygen Ltd | 16 | 0.00% | -9.09% | 23.08% |
| Niveus Investments Ltd | 24 | -7.43% | -2.12% | 22.10% |
| Tongaat Hulett Ltd | 114 | 2.54% | -3.52% | 22.01% |
| Alexander Forbes Group Holdings Ltd | 7 | -1.50% | 0.28% | 21.42% |
| Cashbuild Ltd | 359 | 4.09% | 3.48% | 19.70% |
| Santam Ltd | 224 | -0.44% | -4.62% | 18.21% |
| Clicks Group Ltd | 104 | 2.12% | 0.07% | 16.90% |
| Massmart Holdings Ltd | 117 | -1.27% | -4.60% | 16.50% |
| Redefine Properties Ltd | 11 | -0.44% | -8.06% | 16.49% |
| Raubex Group Ltd | 19 | 0.68% | 3.32% | 14.66% |
| Shoprite Holdings Ltd | 164 | -1.58% | -4.18% | 14.53% |
| Hyprop Investments Ltd | 118 | 1.88% | -3.69% | 14.50% |
| Clover Industries Ltd | 19 | 1.31% | 2.88% | 13.59% |
| Italtile Ltd | 13 | 6.35% | 5.93% | 13.56% |
| Pick n Pay Stores Ltd | 74 | -1.60% | -0.09% | 13.54% |
| Group Five Ltd/South Africa | 23 | -3.49% | -10.12% | 13.36% |
| Resilient REIT Ltd | 131 | 1.24% | -3.97% | 12.99% |
| Invicta Holdings Ltd | 51 | -0.69% | -7.00% | 12.45% |
| Barloworld Ltd | 70 | -1.12% | -15.44% | 12.33% |
| SPAR Group Ltd | 206 | -3.87% | -3.30% | 11.74% |
| JSE All Share Index | 52638 | 2.01% | -0.60% | 3.84% |

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Economic Calendar

| Country | SAST | Economic Indicator | Relevance | Consensus/ *Actual | Previous/ **Previous Est. | Frequency |
|----------|-------|---|-----------|-----------------------|------------------------------|--------------|
| Japan | 01:50 | Adjusted Merchandise Trade Balance (Apr) | ✓ | JPY426.60bn* | JPY295.30bn | Monthly |
| Japan | 01:50 | Exports (YoY) (Apr) | ✓✓ | -10.10%* | -6.80% | Monthly |
| Japan | 01:50 | Imports (YoY) (Apr) | ✓ | -23.30%* | -14.90% | Monthly |
| Japan | 01:50 | Merchandise Trade Balance Total (Apr) | ✓✓ | JPY823.50bn* | JPY754.20bn | Monthly |
| Japan | 04:00 | Nomura/ JMMA Manufacturing PMI (May) (P) | ✓✓ | 47.60* | 48.20 | Monthly |
| Japan | 07:00 | Coincident Index (Mar) (F) | ✓ | - | 111.20** | Monthly |
| Japan | 07:00 | Leading Economic Index (Mar) (F) | ✓✓ | - | 98.40** | Monthly |
| France | 09:00 | Bank of France's Villeroy presents Fr bank regulator report | ✓ | - | - | As scheduled |
| France | 09:00 | Markit Manufacturing PMI (May) (P) | ✓ | 49.00 | 48.00 | Monthly |
| France | 09:00 | Markit Services PMI (May) (P) | ✓ | 50.60 | 50.60 | Monthly |
| Germany | 09:30 | Markit Manufacturing PMI (May) (P) | ✓✓ | 52.00 | 51.80 | Monthly |
| Germany | 09:30 | Markit Services PMI (May) (P) | ✓✓ | 54.60 | 54.50 | Monthly |
| Eurozone | 10:00 | Markit Manufacturing PMI (May) (P) | ✓✓✓ | 51.90 | 51.70 | Monthly |
| Eurozone | 10:00 | Markit Services PMI (May) (P) | ✓✓✓ | 53.20 | 53.10 | Monthly |
| US | 14:00 | Fed's Williams Speaks in New York | ✓ | - | - | As scheduled |
| US | 15:45 | Markit Manufacturing PMI (May) (P) | ✓✓ | 51.00 | 50.80 | Monthly |
| Eurozone | 16:00 | Consumer Confidence (May) (P) | ✓✓ | -9.00 | -9.30 | Monthly |
| Japan | - | Cabinet Office Monthly Economic Report | ✓✓✓ | - | - | As scheduled |

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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