

# ONE Minute Brief

26 May 2016

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## Economic and Political News

Deputy President, Cyril Ramaphosa, announced in the parliament that the African National Congress (ANC) will not use state resources for the party's political campaign ahead of the August local government elections.

The South African Revenue Services (SARS) stated that it has roughly identified 1,700 South African residents whose names appear in the Panama papers.

The South African Reserve Bank (SARB) has advised the nation's lenders to be vigilant following the USD13.00mn stolen from ATMs in Japan using counterfeit credit cards of South Africa's Standard Bank.

BankservAfrica Disposable Salary Index (BDSI) indicates that salaries in South Africa are anticipated to decline in real terms.

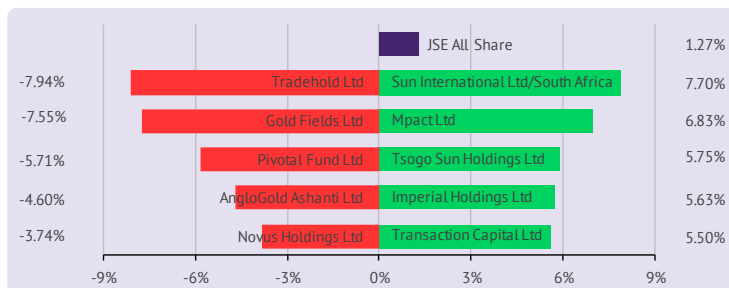
## Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	53721.88	▲	671.12	1.27%	2.06%	1.44%	1.35%	5.97%
JSE Top 40	47727.26	▲	693.49	1.47%	2.57%	2.70%	0.72%	4.21%
FTSE 100	6262.85	▲	43.59	0.70%	1.73%	0.34%	1.08%	0.33%
DAX 30	10205.21	▲	147.90	1.47%	2.92%	1.66%	0.74%	-5.01%
CAC 40	4481.64	▲	50.12	1.13%	2.93%	1.19%	1.00%	-3.35%
S&P 500	2090.54	▲	14.48	0.70%	1.86%	1.22%	0.27%	2.28%
Nasdaq Composite	4894.89	▲	33.84	0.70%	2.63%	2.50%	-1.94%	-2.25%
DJIA	17851.51	▲	145.46	0.82%	2.00%	0.44%	0.50%	2.45%

## South Africa Market ▲

### South African markets closed higher

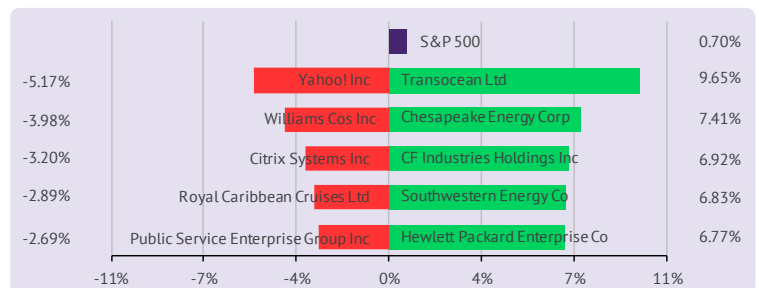
South African markets closed in the green yesterday, amid gains in banking sector stocks. The JSE All Share Index rose 1.3% to close at 53,721.88.



## US Market ▲

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

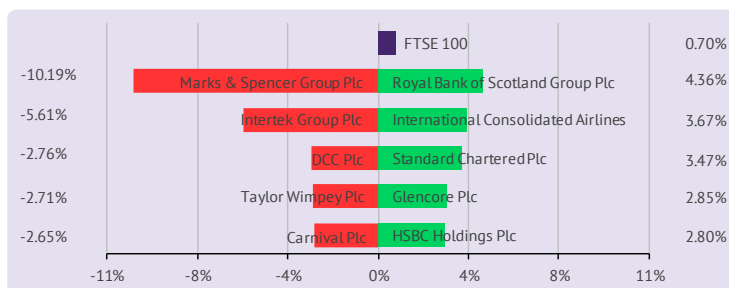
US markets closed higher yesterday, led by gains in energy sector stocks following a rise in oil prices. Data indicated that the Markit services PMI in the US eased unexpectedly in May. The S&P 500 Index climbed 0.7% to close at 2,090.54.



## UK Market ▲

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

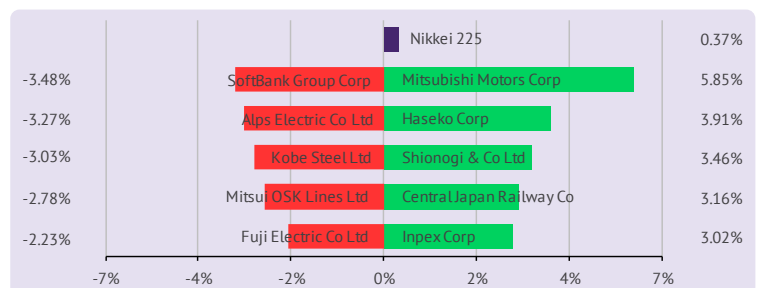
UK markets finished higher yesterday, supported by gains in banking sector stocks. The FTSE 100 Index advanced 0.7% to close at 6,262.85.



## Asian Market ▼

### Trading mostly lower

Asian markets are trading mostly lower this morning. The Nikkei 225 Index is trading 0.4% higher at 16,819.84.



**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

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## USDZAR ▼

### USD trading weaker against ZAR

At 06:00 SAST, the US Dollar dropped 0.3% against the South African Rand to trade at R15.6248. Later today, traders will keep a close watch on US initial jobless claims, durable goods orders, pending home sales and Kansas City Fed manufacturing activity index for further cues. Additionally, South Africa's producer price index will attract market attention.

The US Dollar rose against the South African Rand yesterday. Data revealed that house prices in the US advanced in the first three months of 2016, rising for the 19<sup>th</sup> successive quarter, while the nation's goods trade deficit expanded less than anticipated in April. Meanwhile, growth in the US service sector slowed in May and business optimism eased to its lowest level in over six and a half years.

## GBPZAR ▼

### GBP trading lower against ZAR

At 06:00 SAST, the British Pound is trading 0.2% lower against the South African Rand at R22.9885. Later today, traders will closely monitor UK's gross domestic product for further direction in the Pound.

The British Pound advanced against the South African Rand yesterday, extending gains from previous sessions.

## EURZAR ▼

### EUR trading weaker against ZAR

At 06:00 SAST, the Euro fell marginally against the South African Rand to trade at R17.4707. With no major economic release in the Eurozone today, investors will focus on global macroeconomic news.

The Euro strengthened against the South African Rand yesterday, after Germany's consumer confidence advanced in June, showing confidence amongst consumers about the economic conditions. Moreover, business confidence rose in May, reaching its highest level in five months, indicating optimism amongst businesses in Eurozone's largest economy. Further, IFO expectations index surged more than expected in May, in the nation.

## AUDZAR ▼

### AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.2% lower against the South African Rand at R11.2545. Earlier in the session, Australia's private capital expenditure dropped more-than-expected in 1Q16.

The Australian Dollar rose against the South African Rand yesterday. Separately, data indicated that Australia's construction work done eased in 1Q16.

## Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	15.6248	▼	0.06%	0.23%	10.08%	-3.60%	1.27%
GBPZAR	22.9885	▼	0.51%	1.60%	10.76%	-1.89%	1.04%
EURZAR	17.4707	▼	0.18%	-0.37%	7.22%	-3.01%	4.00%
AUDZAR	11.2545	▼	0.29%	-0.10%	4.24%	-4.28%	-0.71%
EURUSD	1.1179	▲	0.13%	-0.61%	-2.58%	0.62%	2.66%
GBPUSD	1.4708	▲	0.42%	1.34%	0.61%	1.72%	-0.30%
Brent (\$/barrel)	50.1	▲	2.32%	2.09%	3.35%	19.34%	33.42%
Gold (\$/oz)	1232.3	▲	-0.44%	-2.32%	-5.17%	4.56%	15.43%
Platinum (\$/oz)	1006.8	▲	-0.94%	-2.79%	-7.75%	10.42%	11.56%
Copper (\$/MT)*	4671.8	▲	1.08%	1.81%	-7.75%	3.76%	-0.72%

\*As of Previous Close

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices advanced 0.7% to trade at \$1,232.30/oz.

Yesterday, gold prices fell 0.4% to close at \$1,223.80/oz, as prices dropped to a seven-week low amid increasing expectations of a rate hike by the US Federal Reserve at the June meeting.

## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil gained 0.7% to trade at \$50.07/bl.

Yesterday, Brent crude oil advanced 2.3% to settle at \$49.74/bl, with crude prices reaching a seven month high after the US Energy Department reported that crude oil inventories fell more than expected, by 4.2mn bls to 537.1mn bls last week.

## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices edged 1.2% higher to trade at \$1,006.80/oz.

Yesterday, platinum prices declined 0.9% to close at \$994.80/oz.



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## Major South Africa Corporate News

### Hosken Consolidated Investments Limited

In its FY16 results, the company indicated that its revenue rose 23.8% from the previous year to R15.05bn. Its diluted headline EPS from continuing operations stood at 1,001.76c, compared with 1,020.49c recorded in the preceding year. Its profit before tax fell to R3.40bn from R5.50bn posted in the prior year.

### Lewis Group Limited

In its FY16 results, the company stated that its revenue rose 2.2% from the previous year to R5.79bn. However, its headline diluted EPS declined to 616.70c from 838.30c posted in the prior year. Its profit before tax stood at R1.28bn, compared with R1.12bn recorded in the preceding year.

### Mediclinic International Plc

In its FY16 results, the company revealed that its revenue rose 6.6% from the prior year to GBP2.11bn. However, its diluted headline EPS fell to 29.50p from 41.60p posted in the preceding year. Its profit before tax stood at GBP245.00mn, compared with GBP266.00mn recorded in the previous year.

### Niveus Investments Limited

In its FY16 results, the company stated that its revenue advanced to R1.30bn from R1.21bn posted in the preceding year. However, its headline diluted EPS fell 17.8% from the prior year to 58.50c. Its total profit before tax stood at R118.21mn, compared with R167.33mn recorded in the previous year.

### Sabmiller Plc

The company announced that Anheuser-Busch InBev has received clearance from the European Commission for the intended combination with the company.

### Tsogo Sun Holdings Limited

In its FY16 results, the company indicated that its income rose to R12.28bn from R11.34bn posted in the preceding year. Its adjusted basic and diluted headline EPS advanced 12.3% from the prior year to 196.50c. Its profit before tax stood at R2.58bn, compared with R2.39bn recorded in the previous year.

## Major Global Economic News

### US

In May, the preliminary Markit services Purchasing Managers' Index (PMI) in the US fell unexpectedly to a level of 51.20, compared to market expectations of an advance to 53.00. The services PMI had registered a reading of 52.80 in the prior month.

The US advance goods trade deficit widened to USD57.50bn in April, from the deficit of USD55.60bn in the previous month. Markets were expecting a trade deficit of USD60.00bn.

In the US, the housing price index registered a rise of 0.7% on a monthly basis in March, higher than market expectations for an advance of 0.5%. In the previous month, the index had advanced by a revised 0.5%.

In the US, mortgage applications registered a rise of 2.3% on a weekly basis, in the week ended May 20, 2016. Mortgage applications had recorded a revised drop of 1.0% in the previous week.

### Asia

In 1Q16, the seasonally adjusted private capital expenditure slid 5.2% in Australia on a quarterly basis, compared to a revised rise of 1.8% in the prior quarter. Markets were expecting private capital expenditure to fall 3.5%.

### Eurozone

In June, the consumer confidence index climbed unexpectedly to a level of 9.80 in Germany, higher than market expectations of a steady reading. In the prior month, the index had registered a level of 9.70.

The Ifo business expectations index in Germany rose to a level of 101.60 in May, compared to a revised reading of 100.50 in the prior month. Market anticipation was for the index to advance to a level of 100.80.

In May, the Ifo business climate index climbed to 107.70 in Germany, higher than market expectations of a rise to 106.80. The index had recorded a level of 106.60 in the previous month.

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## Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:50	Corporate Service Price (YoY) (Apr)	✓	0.20%*	0.20%	Monthly
Spain	09:00	Gross Domestic Product (QoQ) (Q1) (F)	✓	0.80%	0.80%**	Quarterly
Switzerland	09:15	Industrial Production (YoY) (Q1)	✓✓	-	-4.50%	Quarterly
Italy	10:00	Retail Sales s.a. (MoM) (Mar)	✓	-	0.30%	Monthly
UK	10:30	Gross Domestic Product (QoQ) (Q1) (S)	✓✓	0.40%	0.40%**	Quarterly
UK	10:30	Total Business Investment (QoQ) (Q1) (P)	✓	-	-2.00%	Quarterly
UK	10:30	Exports (QoQ) (Q1) (P)	✓	0.10%	-0.10%	Quarterly
UK	10:30	Imports (QoQ) (Q1) (P)	✓	1.00%	1.20%	Quarterly
UK	10:30	Private Consumption (Q1) (P)	✓	0.50%	0.70%	Quarterly
UK	10:30	Government Spending (Q1) (P)	✓	0.40%	0.50%	Quarterly
UK	10:30	Index of Services (MoM) (Mar)	✓	0.20%	0.10%	Monthly
UK	10:30	BBA Mortgage Approvals (Apr)	✓✓	44.80K	45.10K	Monthly
US	11:15	Fed's Bullard Speaks in Singapore	✓	-	-	As scheduled
South Africa	11:30	Producer Price Index (MoM) (Apr)	✓✓	0.90%	0.70%	Monthly
US	14:30	Initial Jobless Claims (21-May)	✓✓	275.00K	278.00K	Weekly
US	14:30	Durable Goods Orders (Apr) (P)	✓✓✓	0.50%	0.80%	Monthly
US	16:00	Pending Home Sales (MoM) (Apr)	✓	0.70%	1.40%	Monthly
US	17:00	Kansas City Fed Manufacturing Activity (May)	✓	-3.00	-4.00	Monthly

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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**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

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