

ONE Minute Brief

21 June 2016

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Economic and Political News

The Presidency stated that the South African government is making steady progress in the implementation of its Nine Point Plan to reignite growth and create employment.

The Treasury has sought public comments on draft regulations about the way companies can offset their liability for a carbon tax that will be introduced in 2017.

South African Post Office Chief Executive, Mark Barnes announced that no retrenchments were being expected, but the company was putting together a package for voluntary early retirement.

According to a report of United Nations Refugee Agency, South Africa hosted more asylum seekers than any other country in the world at the end of 2015. Moreover, the UN expressed gratitude towards the nation for being a leader on the continent when it came to giving rights to refugees.

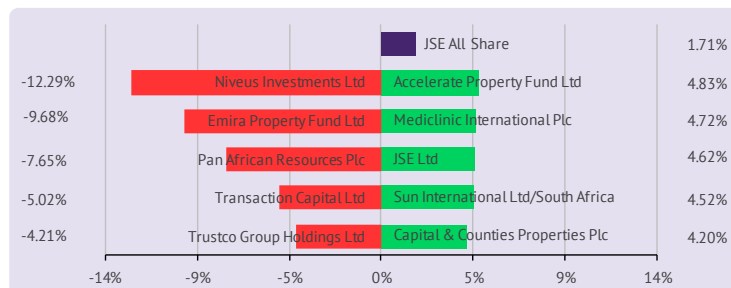
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	53032.14	▲	891.53	1.71%	1.71%	-1.62%	1.79%	4.61%
JSE Top 40	47015.52	▲	878.63	1.90%	1.90%	-2.00%	3.23%	2.66%
FTSE 100	6204.00	▲	182.91	3.04%	3.04%	-0.43%	-0.18%	-0.61%
DAX 30	9962.02	▲	330.66	3.43%	3.43%	-2.93%	2.23%	-7.27%
CAC 40	4340.76	▲	146.93	3.50%	3.50%	-3.66%	1.73%	-6.39%
S&P 500	2083.25	▲	12.03	0.58%	0.58%	-0.65%	1.53%	1.92%
Nasdaq Composite	4837.21	▲	36.88	0.77%	0.77%	-2.24%	3.62%	-3.40%
DJIA	17804.87	▲	129.71	0.73%	0.73%	0.10%	0.08%	2.18%

South Africa Market ▲

South African markets closed higher

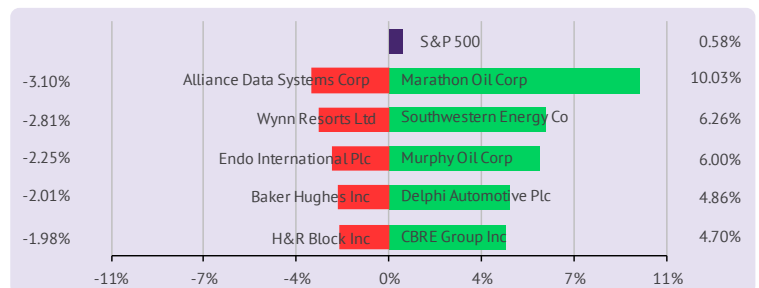
South African markets closed in the green yesterday, amid gains in retail and resources sector stocks. The JSE All Share Index rose 1.7% to close at 53,032.14.



US Market ▲

The S&P 500 futures are trading in the green

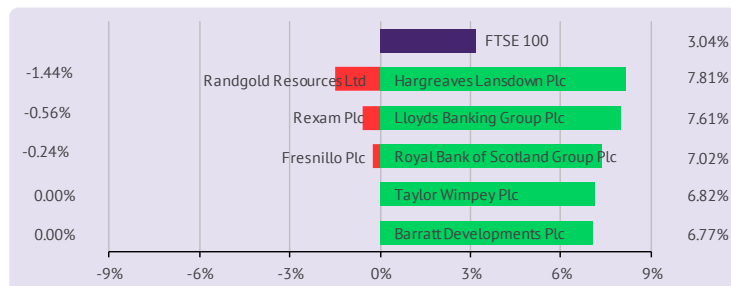
US markets closed higher yesterday, amid gains in industrial sector stocks and a rise in oil prices. The S&P 500 Index climbed 0.6% to close at 2,083.25.



UK Market ▲

The FTSE 100 futures are trading in positive territory

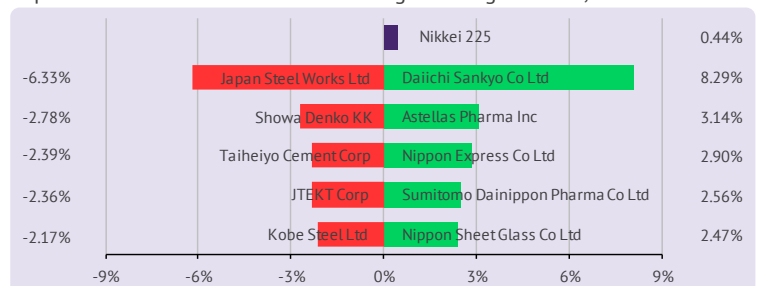
UK markets finished higher yesterday, after recent polls indicated more support for the UK staying in the European Union at the upcoming referendum. The FTSE 100 Index advanced 3.0% to close at 6,204.00.



Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning. The minutes of BoJ's April meeting indicated that policymakers believe that overseas economies continue to pose downside risks to the nation's economy and prices. The Nikkei 225 Index is trading 0.4% higher at 16,035.47.



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 R14.7974. Later today, traders will keep a close watch on Federal Reserve Chairwoman, Janet Yellen's speech scheduled later in the day.

The US Dollar fell against the South African Rand yesterday, extending losses from previous sessions.

GBPZAR ▼

GBP trading lower against ZAR

At 06:00 SAST, the British Pound dropped 0.6% against the South African Rand to trade at R21.6900. Later today, data releases in the UK include public sector net borrowing and CBI's total trends orders

The British Pound advanced against the South African Rand yesterday, amid increasing expectations that Britain will decide to stay in the European Union at its upcoming referendum.

EURZAR ▼

EUR trading weaker against ZAR

At 06:00 SAST, the Euro dropped 0.2% against the South African Rand to trade at R16.7646. Going forward, market participants will keep a tab on ZEW's survey on economic sentiment in Eurozone and Germany, scheduled in a few hours. Moreover, traders will closely monitor ECB President, Mario Draghi's speech, for further direction.

The Euro weakened against the South African Rand yesterday, after Eurozone's construction output declined on a monthly basis in April, falling for the consecutive third month. Elsewhere, Germany's producer prices advanced more-than-expected on a monthly basis in May, while producer prices fell at slower pace on a yearly basis in the same month.

AUDZAR ▼

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.2% weaker against the South African Rand at R11.0477. Earlier in the session, RBA's June meeting minutes indicated that positive economic data, a noticeable depreciation in the currency, rise in housing prices and a more positive view on wages led to the central bank holding the key interest rate. Moreover, the central bank indicated that inflation was expected to remain low for some time.

The Australian Dollar fell against the South African Rand yesterday.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	14.7974	▼	-2.04%	-2.04%	-5.53%	10.36%	-4.09%
GBPZAR	21.6900	▼	0.26%	0.26%	-4.11%	9.38%	-4.32%
EURZAR	16.7646	▼	-1.71%	-1.71%	-3.94%	7.28%	-0.05%
AUDZAR	11.0477	▼	-1.19%	-1.19%	-2.59%	4.99%	-2.58%
EURUSD	1.1328	▲	0.33%	0.33%	1.63%	-2.78%	4.12%
GBPUSD	1.4653	▼	2.37%	2.37%	1.48%	-0.85%	-0.30%
Brent (\$/barrel)	50.4	▼	3.01%	3.01%	1.52%	3.66%	35.86%
Gold (\$/oz)	1289.0	▼	-0.19%	-0.19%	6.19%	-5.87%	21.68%
Platinum (\$/oz)	992.6	▲	2.18%	2.18%	0.69%	-9.09%	10.71%
Copper (\$/MT)*	4633.3	▲	2.02%	2.02%	-1.35%	-7.25%	-1.54%

*As of Previous Close

Gold ▼

Trading in the red

At 06:00 SAST, gold prices dropped 0.1% to trade at \$1,289.00/oz.

Yesterday, gold prices fell 0.2% to close at \$1,290.00/oz, amid a rally in risky assets as concerns surrounding a possible Brexit subsided.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil declined 0.5% to trade at \$50.41/bl.

Yesterday, Brent crude oil advanced 3.0% to settle at \$50.65/bl, as the US Dollar weakened and expectations of Britain remaining in the EU at the upcoming referendum rose.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices climbed 0.5% to trade at \$992.60/oz.

Yesterday, platinum prices climbed 2.2% to close at \$987.20/oz.



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Major South Africa Corporate News

Harmony Gold Mining Co. Limited

The company revealed that an employee was fatally injured in an underground rail bound related incident at its Phakisa mine on Saturday, near Welkom in the Free State province. It also added that it is conducting an investigation into the incident.

MTN Group Limited

The company announced that Rob Shuter has been appointed as the Group President and Chief Executive Officer and will join the company in 2017 but not later than July 01, 2017. As a result, the Executive Chairman, Phuthuma Nhleko will return to his role as Non-Executive Chairman as soon as Rob assumes his new position.

Sanlam Limited

The company indicated that the Financial Director, Mr Kobus Möller, will retire with effect from September 30, 2016. He will be succeeded by the Chief Executive Officer (CEO) of Sanlam Emerging Markets, Mr Heinie Werth, effective October 01, 2016. It also indicated that Mr Junior John Ngulube will be appointed as the CEO of Sanlam Emerging Markets with effect from October 01, 2016.

Major Global Economic News

Asia

The Bank of Japan's (BoJ) April meeting minutes showed that board members expressed doubts on the central bank's ability to attain the 2.0% sustained inflation goal. Moreover, few policymakers believed that the central bank should continue to examine the risks faced by Japan from overseas economies and ease monetary policy without hesitation in future, if required.

According to the minutes of the Reserve Bank of Australia's (RBA) June meeting, positive economic data, a noticeable depreciation in the Australian dollar, rise in housing prices and a more positive view on wages made the central bank hold the official cash rate steady at 1.75%.

In Australia, the house price index unexpectedly fell 0.2% on a quarterly basis in 1Q16, less than market expectations for an advance of 0.8%. The index had risen 0.2% in the prior quarter.

Eurozone

In April, on a monthly basis, the seasonally adjusted construction output recorded a drop of 0.2% in the Eurozone. In the prior month, construction output had dropped by a revised 1.0%.

In May, on a monthly basis, the producer price index in Germany advanced 0.4%, compared to a rise of 0.1% in the previous month. Markets were expecting the index to advance 0.3%.

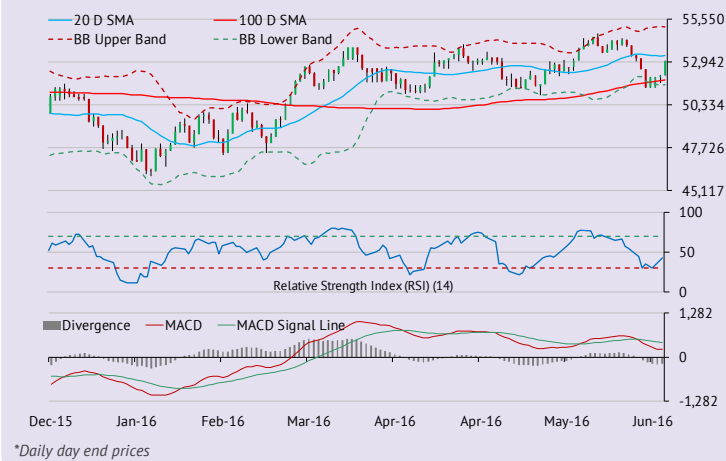
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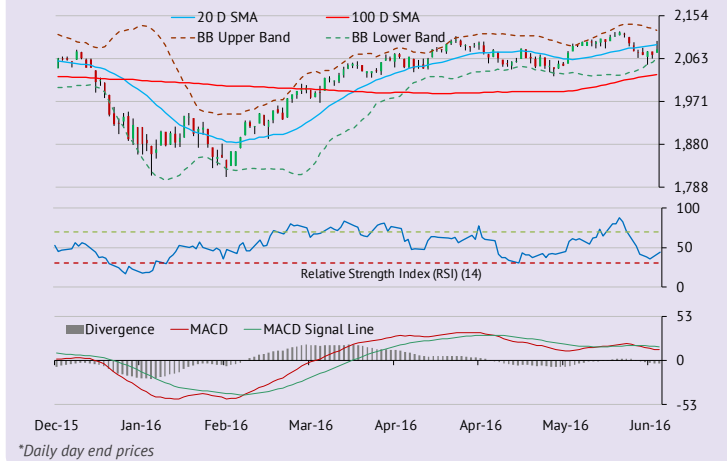
Technical Snapshot

JSE All Share



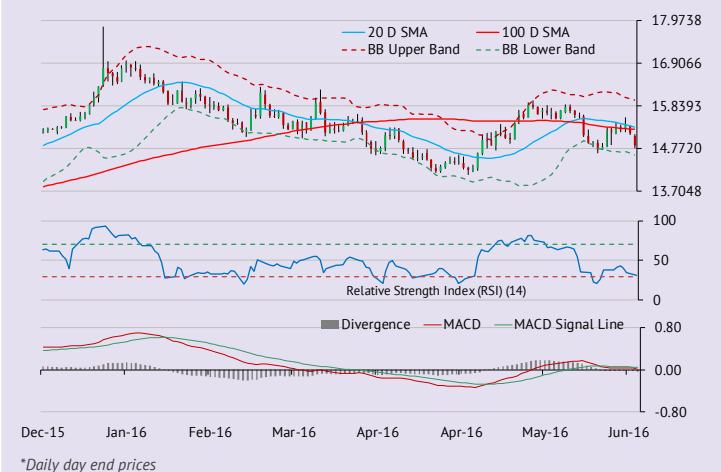
The JSE All Share index is expected to find support at 51,938.64, and a fall through could take it to the next support level of 50,845.15. The index is expected to find its first resistance at 53,581.30, and a rise through could take it to the next resistance level of 54,130.47.

S&P 500



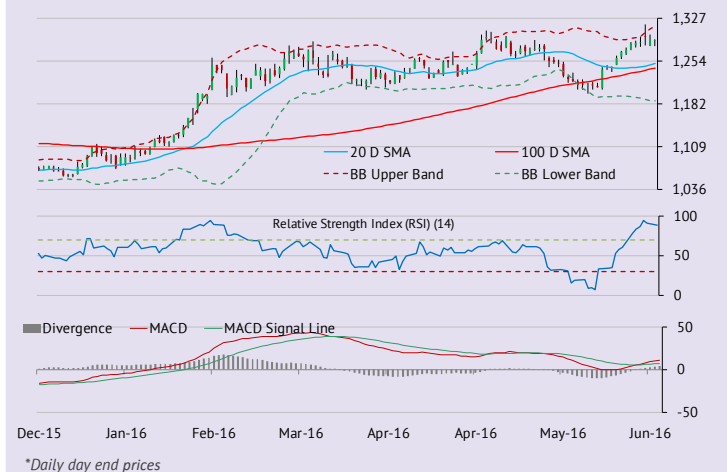
The S&P 500 index is expected to find support at 2,055.53, and a fall through could take it to the next support level of 2,027.80. The index is expected to find its first resistance at 2,105.82, and a rise through could take it to the next resistance level of 2,128.38.

USDZAR



The pair is expected to find support at 14.5566, and a fall through could take it to the next support level of 14.2729. The pair is expected to find its first resistance at 15.3348, and a rise through could take it to the next resistance level of 15.8293.

XAU/USD



Gold is expected to find support at \$1,273.07/oz, and a fall through could take it to the next support level of \$1,256.13/oz. The precious metal is expected to find its first resistance at \$1,311.67/oz, and a rise through could take it to the next resistance level of \$1,333.33/oz.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	06:30	All Industry Activity Index (MoM) (Apr)	✓✓	1.20%	0.10%	Monthly
Japan	07:00	Supermarket Sales (YoY) (May)	✓	-	-0.70%	Monthly
Switzerland	08:00	Trade Balance (May)	✓✓	-	CHF2.50bn	Monthly
South Africa	09:00	Leading Indicator (Apr)	✓✓	-	91.90	Monthly
Germany	10:00	German Constitutional Court Rules on Legality of ECB OMT	✓	-	-	As scheduled
UK	10:30	Public Sector Net Borrowing (May)	✓✓	GBP9.40bn	GBP6.60bn	Monthly
Germany	11:00	ZEW Survey - Economic Sentiment (Jun)	✓✓✓	4.80	6.40	Monthly
Eurozone	11:00	ZEW Survey - Economic Sentiment (Jun)	✓✓	-	16.80	Monthly
Germany	11:00	ZEW Survey - Current Situation (Jun)	✓✓	53.00	53.10	Monthly
UK	12:00	CBI Trends Selling Prices (Jun)	✓✓	-	2.00	Monthly
UK	12:00	CBI Industrial Trends Survey - Orders (Jun)	✓	-10.00	-8.00	Monthly
US	14:55	Redbook Index s.a. (MoM) (17-Jun)	✓	-	-1.00%	Weekly
Eurozone	15:00	ECB's Draghi Speaks at European Parliament in Brussels	✓✓	-	-	As scheduled
US	16:00	Yellen Testifies on Monetary Policy to Senate Banking Panel	✓✓	-	-	As scheduled

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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