

ONE Minute Brief

27 June 2016

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Economic and Political News

Finance Minister, Pravin Gordhan indicated that trade links between South Africa, the EU and Britain are strong and that the nation's financial institutions could survive any financial shocks, although he added that the Brexit decision could hurt investment flows into the nation. Separately, the Presidency assured that the country could withstand shocks arising from Brexit.

South African Reserve Bank's annual report suggested that more rate hikes cannot be avoided as inflation expectations remain high.

The National Union of Mineworkers (NUM) announced that it was disappointed by Eskom's decision to grant executives a ZAR6.00mn bonus per person.

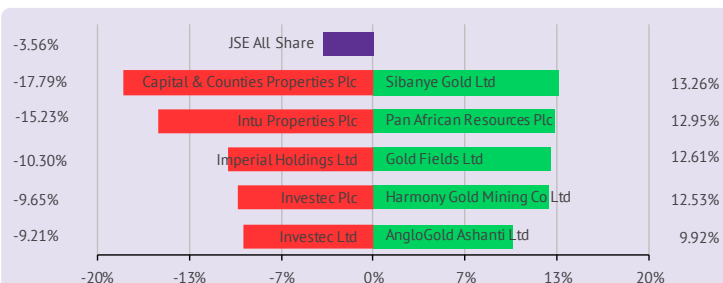
President Jacob Zuma has announced 3rd August, the date for the local government elections in South Africa as a public holiday.

The Presidency stated that President Jacob Zuma was studying the high court ruling denying him leave to appeal the review of the decision to drop corruption charges over the 2009 spy tapes against him.

South Africa Market ▼

South African markets closed lower

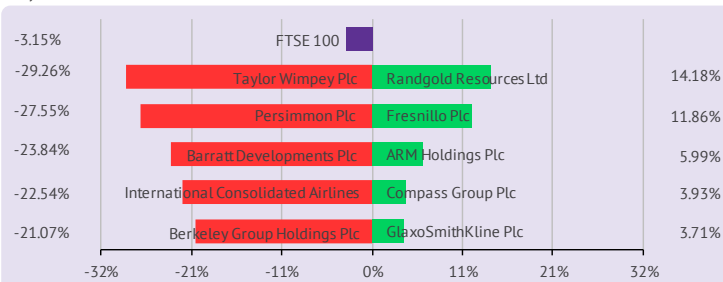
South African markets closed in the red on Friday, amid losses in financial and banking sector stocks. The JSE All Share Index fell 3.6% to close at 51,679.66.



UK Market ▼

The FTSE 100 futures are trading in negative territory

UK markets finished lower on Friday, after Britain decided to exit the European Union at its historic referendum with the leave camp winning with 51.9% of the vote. The FTSE 100 Index declined 3.2% to close at 6,138.69.



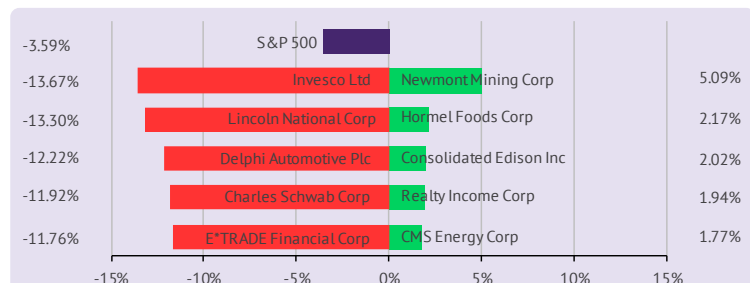
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	51679.66	▼	-1905.87	-3.56%	NA	-4.13%	1.79%	1.94%
JSE Top 40	45570.39	▼	-1883.14	-3.97%	NA	-5.01%	3.23%	-0.50%
FTSE 100	6138.69	▼	-199.41	-3.15%	NA	-1.48%	-0.18%	-1.66%
DAX 30	9557.16	▼	-699.87	-6.82%	NA	-6.88%	2.23%	-11.04%
CAC 40	4106.73	▼	-359.17	-8.04%	NA	-8.85%	1.73%	-11.44%
S&P 500	2037.41	▼	-75.91	-3.59%	NA	-2.84%	1.53%	-0.32%
Nasdaq Composite	4707.98	▼	-202.06	-4.12%	NA	-4.85%	3.62%	-5.98%
DJIA	17400.75	▼	-610.32	-3.39%	NA	-2.17%	0.08%	-0.14%

US Market ▼

The S&P 500 futures are trading in the red

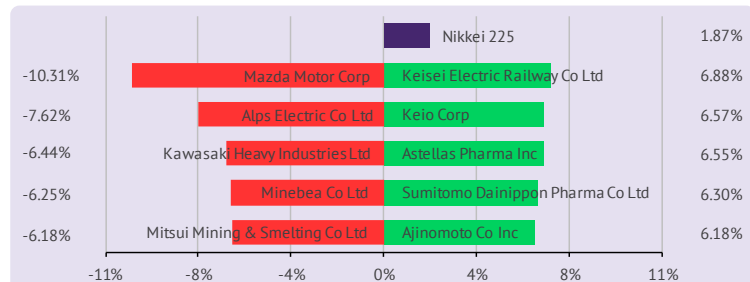
US markets closed lower on Friday, weighed down by losses in financial sector stocks following UK's decision to leave the EU. Data indicated that US durable goods order dropped more-than-expected on a monthly basis in May. The S&P 500 Index dropped 3.6% to close at 2,037.30.



Asian Market ◀▶

Trading mixed

Asian markets are trading mixed this morning. The Nikkei 225 Index is trading 1.9% higher at 15,231.91.



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USDZAR ▲

USD trading firmer against ZAR

At 06:00 SAST, the US Dollar climbed 0.9% against the South African Rand to trade at R15.2200. Later today, traders will keep a close watch on goods trade balance and Markit's services PMI in the US for further direction.

The US Dollar rose against the South African Rand on Friday, amid a rise in risk aversion. Data indicated that durable goods orders in the US declined more-than-expected on a monthly basis in May. Moreover, the consumer sentiment index in the US eased more than expected in June, indicating declining optimism amongst consumers.

GBPZAR ▼

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound fell 0.8% against the South African Rand to trade at R20.4379.

The British Pound declined against the South African Rand on Friday, after UK's citizens voted to exit from the EU. Meanwhile, BoE's Governor Mark Carney announced that the central bank is well prepared to prop up Britain's financial system in order to protect it from any adverse impact of Brexit. He further stated that the BoE is ready to provide £250 billion of additional funds to support financial markets and will consider whether to take additional policy responses in the coming weeks.

EURZAR ▲

EUR trading stronger against ZAR

At 06:00 SAST, the Euro gained 0.3% against the South African Rand to trade at R16.7825. Going forward, market participants will keep a tab on Eurozone's private loans data scheduled in a few hours.

The Euro strengthened against the South African Rand on Friday. Separately, Germany's Ifo business climate index advanced surprisingly in June, while the current conditions index advanced in the same month, indicating an overall positive business sentiment.

AUDZAR ▲

AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% firmer against the South African Rand at R11.2780.

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

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	15.2200	▲	4.62%	NA	-3.99%	10.36%	-2.52%
GBPZAR	20.4379	▼	-3.84%	NA	-9.40%	9.38%	-9.60%
EURZAR	16.7825	▲	1.97%	NA	-4.31%	7.28%	-0.44%
AUDZAR	11.2780	▲	2.69%	NA	-0.83%	4.99%	-0.82%
EURUSD	1.1027	▼	-2.35%	NA	-0.13%	-2.78%	2.31%
GBPUUSD	1.3405	▼	-8.05%	NA	-5.55%	-0.85%	-7.21%
Brent (\$/barrel)	48.3	▼	-4.91%	NA	-2.97%	3.66%	29.86%
Gold (\$/oz)	1328.7	▲	4.66%	NA	8.66%	-5.87%	24.50%
Platinum (\$/oz)	990.6	▲	2.15%	NA	0.68%	-9.09%	10.70%
Copper (\$/MT)*	4690.0	▼	-1.81%	NA	-0.14%	-7.25%	-0.33%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices climbed 0.7% to trade at \$1,328.70/oz.

On Friday, gold prices rose 4.7% to close at \$1,320.00/oz, with prices rising to the highest level in nearly two years after the UK decided to leave the EU at its referendum.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 0.3% lower to trade at \$48.27/bl.

On Friday, Brent crude oil dropped 4.9% to settle at \$48.41/bl, declining to its lowest level in about a week, following the Brexit decision. Meanwhile, Baker Hughes reported that US oil rig count fell by 7 to 330 last week.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices climbed 0.4% to trade at \$990.60/oz.

On Friday, platinum prices climbed 2.2% to close at \$987.10/oz, reversing losses from previous sessions.



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Major South Africa Corporate News

Attacq Limited

The company, revealed that it would accelerate internalisation of the development of Waterfall, its key development pipeline in South Africa, to enable Attacq to take full control of strategic planning, marketing and roll-out of Waterfall development.

Naspers Limited

In its FY16 results, the company indicated that its revenue declined 9.7% from the preceding year to \$5.93bn. Its profit before taxation fell to \$1.26bn, from \$1.60bn recorded in the prior year. Its fully diluted headline EPS stood at 162.00c, compared with 161.00c recorded in the previous year.

Steinhoff International Holdings NV

The company, announced that Poundland Group Plc has not accepted its proposal of a cash offer for Poundland's entire issued and to be issued share capital. The Board of Steinhoff stated that it is considering its position and a further announcement will be made in due course.

Major Global Economic News

UK

At UK's historic referendum, Britain decided to leave the European Union with the leave camp winning with 51.9% of the vote, following which UK's Prime Minister, David Cameron announced his resignation. Moreover, BoE Governor, Mark Carney, stated that the central bank is "well prepared" to prop up Britain's financial system in order to protect it from any adverse impact of Brexit. He stated that the BoE is ready to provide GBP250.00 billion of additional funds to support financial markets. He also said the central bank will consider whether to take additional policy responses in the coming weeks.

In May, BBA mortgage approvals recorded an unexpected rise to 42.19K in the UK, higher than market expectations of a fall to a level of 37.85K. In the previous month, BBA mortgage approvals had recorded a revised reading of 39.97K.

Eurozone

The Ifo business climate index in Germany rose unexpectedly to 108.70 in June, compared to a revised reading of 107.80 in the prior month. Market expectation was for the index to drop to 107.40.

In June, the Ifo current assessment index registered an unexpected rise to a level of 114.50 in Germany, compared to a level of 114.20 in the prior month. Market anticipation was for the index to fall to a level of 114.00.

US

In May, the flash durable goods orders slid 2.2% in the US on a monthly basis, higher than market expectations for a fall of 0.5%. In the previous month, durable goods orders had registered a rise of 3.4%.

In the US, the final Reuters/Michigan consumer sentiment index fell to a level of 93.50 in June, lower than market expectations of a fall to 94.10. The preliminary figures had recorded a fall to 94.30 and in the previous month, the index had registered a reading of 94.70.

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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	53	4.95%	16.40%	242.63%
Assore Ltd	181	-4.66%	13.09%	191.55%
AngloGold Ashanti Ltd	255	5.40%	21.60%	140.44%
Kumba Iron Ore Ltd	91	2.76%	12.36%	120.87%
Sibanye Gold Ltd	49	10.21%	9.89%	116.41%
Pan African Resources Plc	4	-1.06%	15.38%	114.29%
Anglo American Plc	136	-2.47%	-2.84%	96.72%
African Rainbow Minerals Ltd	84	-1.56%	-0.08%	93.12%
Lonmin Plc	35	-16.34%	-16.56%	91.97%
Anglo American Platinum Ltd	353	-5.63%	0.47%	90.46%
Impala Platinum Holdings Ltd	45	-5.21%	-1.00%	77.92%
Gold Fields Ltd	68	8.27%	25.12%	61.94%
Bidvest Group Ltd	139	4.53%	10.46%	55.76%
Northam Platinum Ltd	40	-3.28%	-2.34%	52.10%
Murray & Roberts Holdings Ltd	12	-0.83%	0.85%	48.75%
Royal Bafokeng Platinum Ltd	40	-7.06%	-3.09%	48.22%
Blue Label Telecoms Ltd	18	8.44%	13.69%	46.91%
Exxaro Resources Ltd	65	-3.75%	3.10%	46.46%
JSE Ltd	176	4.74%	4.14%	38.45%
Clicks Group Ltd	118	1.60%	9.26%	32.21%
African Oxygen Ltd	17	-2.96%	8.60%	31.15%
Massmart Holdings Ltd	127	2.02%	6.21%	27.00%
Coronation Fund Managers Ltd	67	3.27%	-1.94%	25.82%
Santam Ltd	238	4.32%	4.32%	25.56%
Imperial Holdings Ltd	146	-4.46%	4.44%	22.49%
Alexander Forbes Group Holdings Ltd	7	1.59%	6.50%	18.89%
Hyprop Investments Ltd	123	3.42%	4.00%	18.68%
Cashbuild Ltd	355	2.75%	-2.34%	18.17%
Tongaat Hulett Ltd	110	-1.36%	-2.18%	17.64%
Foschini Group Ltd	141	0.07%	1.04%	16.15%
Shoprite Holdings Ltd	166	2.39%	0.58%	15.78%
Barloworld Ltd	72	2.39%	-0.53%	15.59%
Aspen Pharmacare Holdings Ltd	356	-0.84%	10.56%	15.03%
Italtile Ltd	14	2.20%	1.12%	14.41%
Ascendis Health Ltd	23	-1.28%	-6.07%	14.06%
Tiger Brands Ltd	358	2.01%	3.03%	13.15%
Niveus Investments Ltd	23	-6.25%	-13.46%	12.50%
Redefine Properties Ltd	11	-1.36%	-0.46%	12.37%
Zeder Investments Ltd	7	4.01%	0.75%	11.94%
Raubex Group Ltd	19	0.27%	1.74%	11.28%
JSE All Share Index	51680	-0.88%	-4.13%	1.94%

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
China	03:30	Industrial Profits (YoY) (May)	✓✓	3.70%*	4.20%	Monthly
Eurozone	10:00	M3 Money Supply (YoY) (May)	✓	4.80%	4.60%	Monthly
Eurozone	10:00	M3 Money Supply (3m) (May)	✓	-	4.90%	Monthly
Eurozone	10:00	Private Loans (YoY) (May)	✓	-	1.50%	Monthly
US	15:45	Markit Services PMI (Jun) (P)	✓✓	51.90	51.30	Monthly
US	15:45	Markit Composite PMI (Jun) (P)	✓✓	-	50.90	Monthly
US	16:30	Dallas Fed Manufacturing Business Index (Jun)	✓	-15.00	-20.80	Monthly
Eurozone	19:30	ECB's Draghi, Fed's Yellen, BOE's Carney Speak in Portugal	✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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