

ONE Minute Brief

29 June 2016

GTC
consult • partner • manage

Economic and Political News

The list of nominations of candidates to succeed Public Protector, Thuli Madonsela includes 59 people. Meanwhile, the Chairwoman of Parliament's ad hoc committee responsible for appointing a new Public Protector, Makhosi Khoza warned that South Africa has been caught up in moral and leadership credibility crisis.

The Presidency has warned members of the public about scams asking for aid towards helping President Jacob Zuma pay off his ZAR7.8mn bill for the Nkandla home.

KwaZulu-Natal Chief Electoral Officer Mawethu Mosery confirmed that the National Freedom Party (NFP) was disqualified from participating in the upcoming local government election as it failed to pay the Electoral Commission the registration fees by June 2, the commission's deadline.

South African Reserve Bank Governor, Lesetja Kganyago indicated that although the Brexit decision would not cause a recession, but it would affect growth in the nation.

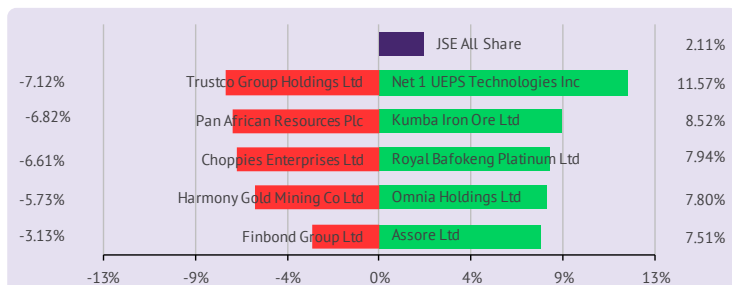
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	51141.14	▲	1054.46	2.11%	-1.04%	-5.13%	1.79%	0.88%
JSE Top 40	45107.14	▲	964.39	2.18%	-1.02%	-5.98%	3.23%	-1.51%
FTSE 100	6140.39	▲	158.19	2.64%	0.03%	-1.45%	-0.18%	-1.63%
DAX 30	9447.28	▲	178.62	1.93%	-1.15%	-7.95%	2.23%	-12.06%
CAC 40	4088.85	▲	104.13	2.61%	-0.44%	-9.25%	1.73%	-11.82%
S&P 500	2036.09	▲	35.55	1.78%	-0.06%	-2.90%	1.53%	-0.38%
Nasdaq Composite	4691.87	▲	97.42	2.12%	-0.34%	-5.18%	3.62%	-6.30%
DJIA	17409.72	▲	269.48	1.57%	0.05%	-2.12%	0.08%	-0.09%

South Africa Market ▲

South African markets closed higher

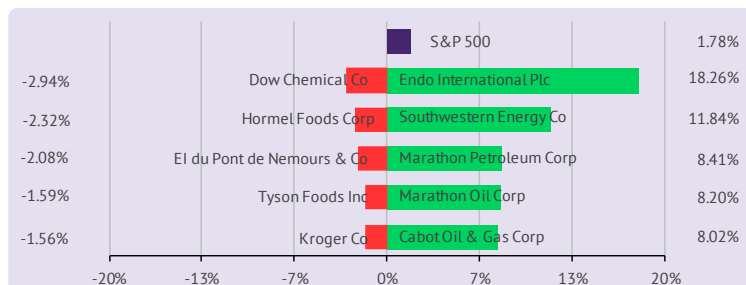
South African markets closed in the green yesterday, amid gains in banking and retail sector stocks. The JSE All Share Index rose 2.1% to close at 51,141.14.



US Market ▲

The S&P 500 futures are trading in the green

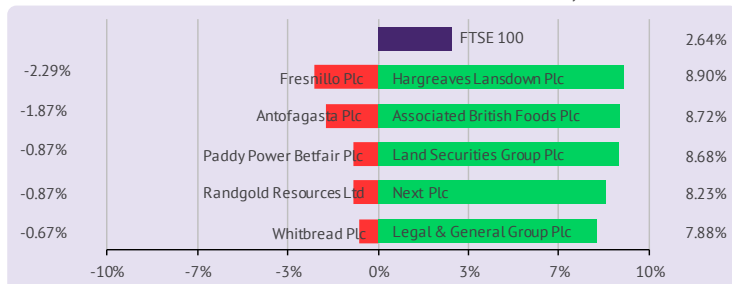
US markets closed higher yesterday, supported by gains in energy sector stocks. Data indicated that annualised gross domestic product in the US advanced higher than market expectations in the first three months of 2016. The S&P 500 Index climbed 1.8% to close at 2,036.09.



UK Market ▲

The FTSE 100 futures are trading in positive territory

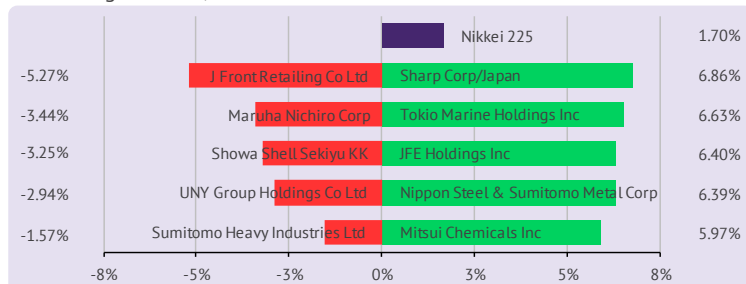
UK markets finished higher yesterday, rebounding from earlier losses as concerns surrounding the Brexit decision eased. Data revealed UK's distributive trades survey's retail sales balance eased on a monthly basis in June. The FTSE 100 Index advanced 2.6% to close at 6,140.39.



Asian Market ▲

Trading higher

Asian markets are trading higher this morning, tracking overnight gains on Wall Street. Earlier in the session, Japan's large retailers' sales declined on a monthly basis in May. The Nikkei 225 Index is trading 1.7% higher at 15,582.90.



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

29 June 2016

GTC
consult • partner • manage

USDZAR ▼

USD trading weaker against ZAR

At 06:00 SAST, the US Dollar dropped 0.3% against the South African Rand to trade at R15.1300. Later today, traders will keep a close watch on US personal income and spending along with pending home sales for further direction. Additionally, investors will monitor South Africa's non-farm payrolls, scheduled in a few hours.

The US Dollar fell against the South African Rand yesterday. Data revealed that annual economic growth in the US was revised higher in the first three months of 2016. Moreover, consumer confidence rose to its highest level since October, indicating that the consumers remained optimistic about economic conditions. Meanwhile, the final reading on personal consumption indicated a lower than expected rise in 1Q16.

GBPZAR ▼

GBP trading lower against ZAR

At 06:00 SAST, the British Pound retreated 0.4% against the South African Rand to trade at R20.1850. Later today, traders will keep an eye on UK's net consumer credit and mortgage approvals for further clues.

The British Pound declined against the South African Rand yesterday, extending previous session losses. Separately, UK's distributive trades survey indicated a drop in retail sales for June.

EURZAR ▼

EUR trading weaker against ZAR

At 06:00 SAST, the Euro is trading 0.4% lower against the South African Rand at R16.7430. Going forward, market participants will keep a tab on the sentiment indices in the Eurozone scheduled in a few hours. Moreover, Germany's consumer price inflation data will be on investors' radar.

The Euro weakened against the South African Rand yesterday. Separately, European Central Bank (ECB) President, urged major central banks to better coordinate their policies to deal with the issue of ultralow inflation. Elsewhere, Germany's import prices advanced more-than-expected in May.

AUDZAR ▲

AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar is trading marginally firmer against the South African Rand at R11.2144. Earlier in the session, Australia's new home sales dropped on a monthly basis in May.

The Australian Dollar fell against the South African Rand yesterday, reversing previous session gains.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	15.1300	▼	-1.87%	0.64%	-3.37%	10.36%	-1.90%
GBPZAR	20.1850	▼	-0.93%	-1.72%	-10.95%	9.38%	-11.15%
EURZAR	16.7430	▼	-1.41%	0.44%	-3.90%	7.28%	0.00%
AUDZAR	11.2144	▲	-0.85%	-0.48%	-1.31%	4.99%	-1.29%
EURUSD	1.1065	=	0.36%	-0.47%	-0.60%	-2.78%	1.83%
GBPUSD	1.3319	▼	0.90%	-2.45%	-7.86%	-0.85%	-9.48%
Brent (\$/barrel)	48.8	▲	3.01%	0.35%	-2.63%	3.66%	30.31%
Gold (\$/oz)	1322.1	▲	-0.35%	-0.16%	8.49%	-5.87%	24.31%
Platinum (\$/oz)	988.7	▲	-0.03%	-0.83%	-0.15%	-9.09%	9.78%
Copper (\$/MT)*	4809.3	▲	2.36%	2.54%	2.40%	-7.25%	2.20%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.3% higher to trade at \$1,322.10/oz.

Yesterday, gold prices fell 0.4% to close at \$1,317.90/oz, as a rise in risk appetite reduced demand for the precious yellow metal.

Brent Crude Oil ▲

Trading stronger

Brent crude oil edged 0.4% higher at 06:00 SAST, to trade at \$48.79/bl.

Yesterday, Brent crude oil advanced 3.0% to settle at \$48.58/bl, following the threats of union strikes by Norwegian oil and gas workers. Moreover, the American Petroleum Institute (API) reported that crude oil inventories declined 3.9mn bls last week.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices advanced 1.0% to trade at \$988.70/oz.

Yesterday, platinum prices declined marginally to close at \$978.90/oz.



ONE Minute Brief

29 June 2016



Major South Africa Corporate News

Allied Electronics Corporation Limited

The company announced that Hengtong Optic – Electric International Co. Limited confirmed on June 27, 2016, that all conditions precedent pertaining to the disposal of Aberdare Cables International Holdings Proprietary Limited's 100.0% equity interest in Aberdare Holding Europe BV have now been fulfilled or waived, following receipt of formal notification from the Namibian Competition Commission

Anglo American Plc

The company indicated that De Beers' reported that its revenue for rough diamond sales declined to USD560.00mn for the fifth sales cycle of 2016, compared with USD636.00mn recorded in its fourth sales cycle of 2016, which reflects an expected seasonal dip in demand. The Chief Executive of De Beers Group, Philippe Mellier, revealed that demand for rough diamond and prices of polished diamond remain stable, reflecting steady consumer demand.

Mediclinic International Plc

The company revealed the completion of the refinancing of the Mediclinic Bridge Facility associated with its merger with Al Noor Hospitals Group Plc. The remainder of GBP266.00mn drawn down from the bridge facility has been satisfied by a USD64.50mn payment from its existing cash resources.

New Europe Property Investments Plc

The company indicated that it acquired Shopping City Sibiu, in Romania, from the Argo Group for EUR100.00mn on June 24, 2016. Also, it concluded an agreement with the Austrian development group, Real4You, to purchase its 30.0% interest in Mega Mall, Bucharest. It revealed that it acquired a land plot of 3.3ha in Novi Sad, Serbia, where it plans to develop a shopping mall.

Net 1 UEPS Technologies Inc.

The company announced that the declaratory order being pursued by the company regarding the interpretation of the regulations to the Social Assistance Act has been set down for argument in the Gauteng Division, Pretoria of the High Court of South Africa on 17 and 18 October 2016. The court order restricted the South African Social Security Agency from making any representations to the South African Police Services and the National Prosecuting Authority regarding the criminal charges laid against the company and Grindrod Bank for the alleged contravention of the Act.

Omnia Holdings Limited

In its FY16 results, the company stated that its revenue declined to R16.77bn from R16.84bn posted in the previous year. Its diluted EPS fell 28.3% from the prior year to 979.00c. Its profit before tax dropped to R1.01bn from R1.33bn recorded in the preceding year.

Major Global Economic News

US

On a quarterly basis, the final annualised gross domestic product in the US, advanced 1.1% in 1Q16, higher than market expectations for a rise of 1.0%. The preliminary figures had indicated a rise of 0.8%, and in the prior quarter, the annualised GDP had recorded a rise of 1.4%.

In 1Q16, on a quarterly basis, the final personal consumption in the US recorded a rise of 1.5%, compared to an advance of 2.4% in the prior quarter. The preliminary figures had recorded an advance of 1.9% and the market expectations were for personal consumption to climb 2.0%.

In the US, the CB consumer confidence index climbed to 98.00, in June, compared to a revised level of 92.40 in the previous month. Markets were expecting the index to climb to a level of 93.50.

In June, the Richmond Fed manufacturing index registered an unexpected drop to -7.00 in the US. The index had registered a reading of -1.00 in the previous month.

Asia

In Japan, Large retailer's sales fell 2.2% on a monthly basis in May. Large retailer's sales had recorded a drop of 0.8% in the prior month.

New home sales recorded a drop of 4.4% in Australia on a monthly basis, in May. New home sales had recorded a drop of 4.7% in the previous month.

Eurozone

At the ECB conference in Portugal, the ECB President, Mario Draghi, urged major central banks to better coordinate their policies to tackle the shared problem of ultralow inflation, as global economies become more integrated.

In Germany, the import price index registered a rise of 0.9% in May on a monthly basis, more than market expectations for an advance of 0.6%. In the previous month, the index had recorded a drop of 0.1%.

UK

In June, the CBI distributive trade survey's retail sales balance dropped to 4.0% in the UK. In the previous month, the CBI distributive trade survey's retail sales balance had recorded a level of 7.0%.

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

29 June 2016

GTC
consult • partner • manage

Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:50	Large Retailer's Sales (May)	✓✓	-2.20%*	-0.80%	Monthly
China	03:45	Westpac-MNI Consumer sentiment index (Jun)	✓	115.90*	114.20	Monthly
Japan	07:00	Small Business Confidence (Jun)	✓	46.10	45.60	Monthly
Switzerland	08:00	UBS Consumption Indicator (May)	✓✓	-	1.47	Monthly
Germany	08:00	Gfk Consumer Confidence Survey (Jul)	✓✓	9.80	9.80	Monthly
UK	08:00	Nationwide House Prices s.a. (MoM) (Jun)	✓	0.00%	0.20%	Monthly
Spain	09:00	Consumer Price Index (MoM) (Jun) (P)	✓	-	0.50%	Monthly
Eurozone	10:00	ECB Board Member Lautenschlaeger Chairs Panel in Sintra	✓	-	-	As scheduled
UK	10:30	Gross Consumer Credit (May)	✓✓	-	GBP21.69bn	Monthly
UK	10:30	M4 Money Supply (MoM) (May)	✓	-	-0.10%	Monthly
UK	10:30	Net Consumer Credit (May)	✓✓	GBP1.50bn	GBP1.30bn	Monthly
UK	10:30	Mortgage Approvals (May)	✓✓	65.30 K	66.30K	Monthly
South Africa	11:00	Non-farm Payrolls (QoQ)	✓✓✓	-	0.50%	Quarterly
Eurozone	11:00	Consumer Confidence Index (Jun) (F)	✓✓	-7.30	-7.30**	Monthly
Eurozone	11:00	Business Climate Indicator (Jun)	✓✓	0.26	0.26	Monthly
Eurozone	11:00	Economic Sentiment Indicator (Jun)	✓	104.70	104.70	Monthly
Eurozone	11:00	Industrial Confidence (Jun)	✓	-3.40	-3.60	Monthly
Eurozone	11:00	Services Sentiment Indicator (Jun)	✓	11.00	11.30	Monthly
Eurozone	12:30	ECB Vice President Constancio Chairs Panel in Sintra	✓	-	-	As scheduled
US	13:00	MBA Mortgage Applications (24-Jun)	✓	-	2.90%	Weekly
Germany	14:00	Consumer Price Index (MoM) (Jun) (P)	✓✓	0.20%	0.30%	Monthly
US	14:30	Personal Income (MoM) (May)	✓✓	0.30%	0.40%	Monthly
US	14:30	Personal Spending (May)	✓✓	0.40%	1.00%	Monthly
US	14:30	Personal Consumption Expenditure Core (YoY) (May)	✓✓	1.60%	1.60%	Monthly
Eurozone	15:30	ECB President Draghi on Panel in Sintra, Portugal	✓	-	-	As scheduled
US	16:00	US Pending home sales (May)	✓	-	116.30	Monthly
US	16:00	Pending Home Sales (MoM) (May)	✓	-1.10%	5.10%	Monthly

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