

ONE Minute Brief

30 June 2016

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Economic and Political News

A Statistics South Africa report showed that Free State municipalities were the worst payers to suppliers and creditors. Separately, the report also indicated that municipalities' employee-related expenses increased by 43.9% between 2011 and 2015, or from ZAR50.00bn in 2011 to ZAR73.00bn in 2015.

The Democratic Alliance (DA) attacked the Critical Infrastructure Protection Bill as it did little to redress the concerns over the apartheid-era National Key Point Act, which it is meant to replace.

South Africa's Strategic Fuel Fund expressed its interest in acquiring a 75.0% share Chevron's downstream assets.

The Public Works Ministry announced that its Minister, Thulas Nxesi cannot be held accountable for failure to give proper Nkandla documents to the National Treasury, as they were not kept properly before he become a Minister.

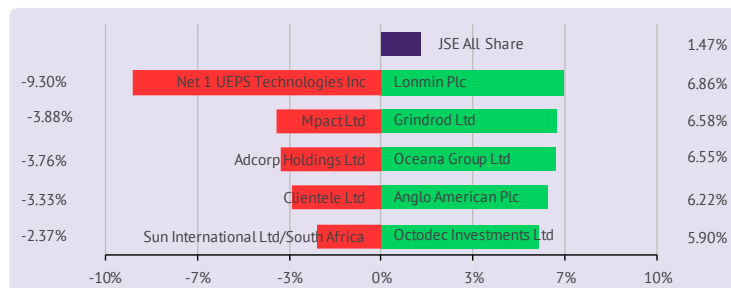
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	51890.42	▲	749.28	1.47%	0.41%	-3.74%	1.79%	2.36%
JSE Top 40	45732.46	▲	625.32	1.39%	0.36%	-4.67%	3.23%	-0.14%
FTSE 100	6360.06	▲	219.67	3.58%	3.61%	2.07%	-0.18%	1.89%
DAX 30	9612.27	▲	164.99	1.75%	0.58%	-6.34%	2.23%	-10.53%
CAC 40	4195.32	▲	106.47	2.60%	2.16%	-6.89%	1.73%	-9.53%
S&P 500	2070.77	▲	34.68	1.70%	1.64%	-1.25%	1.53%	1.31%
Nasdaq Composite	4779.25	▲	87.38	1.86%	1.51%	-3.41%	3.62%	-4.56%
DJIA	17694.68	▲	284.96	1.64%	1.69%	-0.52%	0.08%	1.55%

South Africa Market ▲

South African markets closed higher

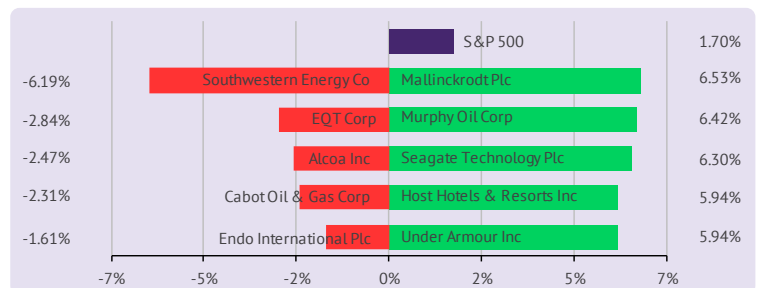
South African markets closed in the green yesterday, amid gains in platinum mining sector stocks. The JSE All Share Index rose 1.5% to close at 51,890.42.



US Market ▲

The S&P 500 futures are trading in the red

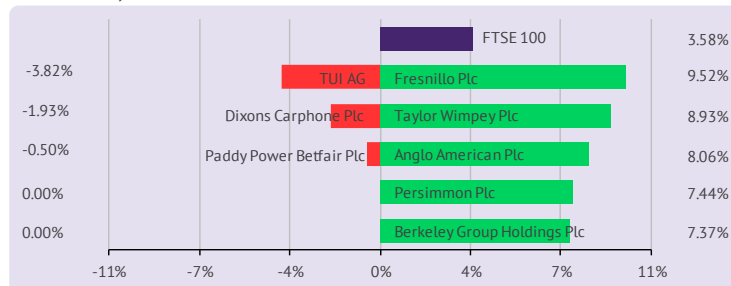
US markets rose yesterday, supported by gains in energy stocks. Data indicated that US personal income advanced less-than-expected in May, while the gain in personal spending for the same month was in line with market expectations. The S&P 500 Index climbed 1.7% to 2,070.77.



UK Market ▲

The FTSE 100 futures are trading in negative territory

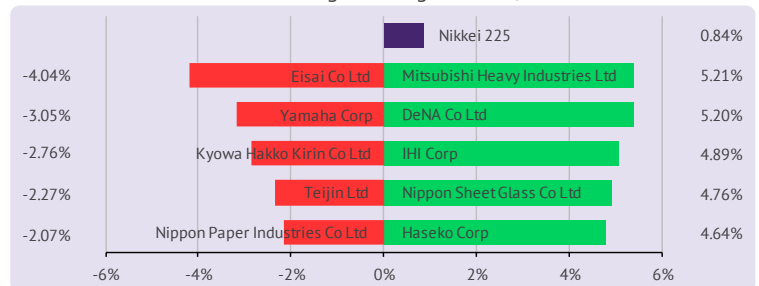
UK markets finished higher yesterday, as markets reversed losses occurred during the event of Brexit. Data revealed UK's net consumer credit advanced in May from April. The FTSE 100 Index rallied 3.6% to close at 6,360.06.



Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning, tracking overnight gains on Wall Street. Earlier in the session, Japan's industrial production dropped more-than-forecasted on a monthly basis in May. The Nikkei 225 Index is trading 0.8% higher at 15,697.26.



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USDZAR ▲

USD trading firmer against ZAR

At 06:00 SAST, the US Dollar is trading 0.3% higher against the South African Rand at R14.8300. Later today, traders will keep a close watch on US initial jobless claims and Chicago purchasing managers' index for further clues. Additionally, South Africa's private sector credit, trade balance, producer price index and budget will be on investors' radar.

The US Dollar fell against the South African Rand yesterday. Data revealed that US consumer spending advanced for a second consecutive month in May, backed by a robust demand for automobiles and other goods. Moreover, personal income grew at a slower than expected pace in the same month. Meanwhile, pending home sales eased more-than-expected in May, pointing towards a slowing housing market.

GBPZAR ▲

GBP trading stronger against ZAR

At 06:00 SAST, the British Pound is trading 0.2% firmer against the South African Rand at R19.8970. Later today, traders will keep an eye on UK's final GDP and total business investment data for further direction. Earlier in the session, UK's GfK consumer confidence steadied in June from May.

The British Pound declined against the South African Rand yesterday. Data indicated UK's net consumer credit expanded more-than-expected in May, while net lending to individuals also increased higher than expected in the same month.

EURZAR ▼

EUR trading weaker against ZAR

At 06:00 SAST, the Euro is trading marginally weaker against the South African Rand at R16.4517. Going forward, market participants will keep a tab on Eurozone's consumer price index estimate, scheduled to be released in a few hours. Moreover, Germany's unemployment and retail sales data will be on investors' radar.

The Euro weakened against the South African Rand yesterday, after Eurozone's economic sentiment indicator eased in June, while consumer sentiment dropped in line with market expectations in the same month. Moreover, the regions' services sentiment slid more-than-expected in June. Separately, Germany's consumer price growth slowed on a monthly basis in June, amid a slowdown in energy prices.

AUDZAR ▼

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar declined marginally against the South African Rand to trade at R11.0187. Earlier in the session, Australia's private sector credit advanced in May from April.

The Australian Dollar fell against the South African Rand yesterday. Separately, data indicated Australia's new home sales dropped on a monthly basis in May from April.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	14.8300	▲	-2.55%	-1.92%	-5.83%	10.36%	-4.40%
GBPZAR	19.8970	▲	-1.94%	-3.62%	-12.68%	9.38%	-12.87%
EURZAR	16.4517	▼	-2.07%	-1.64%	-5.88%	7.28%	-2.07%
AUDZAR	11.0187	▼	-1.71%	-2.18%	-2.99%	4.99%	-2.98%
EURUSD	1.1102	▼	0.54%	0.07%	-0.06%	-2.78%	2.38%
GBPUUSD	1.3401	▼	0.64%	-1.83%	-7.28%	-0.85%	-8.91%
Brent (\$/barrel)	50.0	▼	4.18%	4.54%	1.44%	3.66%	35.76%
Gold (\$/oz)	1317.8	▼	0.68%	0.52%	9.23%	-5.87%	25.16%
Platinum (\$/oz)	1008.4	▼	3.31%	2.45%	3.15%	-9.09%	13.41%
Copper (\$/MT)*	4830.3	▲	0.44%	2.99%	2.84%	-7.25%	2.65%

*As of Previous Close

Gold ▼

Trading in the red

At 06:00 SAST, gold prices edged 0.7% lower to trade at \$1,317.80/oz.

Yesterday, gold prices rose 0.7% to close at \$1,326.90/oz, as a broad weakness in the US Dollar increased demand for the precious yellow metal as an alternative investment.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 1.2% lower to trade at \$49.99/bl.

Yesterday, Brent crude oil surged 4.2% to settle at \$50.61/bl, after the US Energy Department reported that crude oil inventories fell by 4.1mn bls last week, reporting a sixth straight weekly decline in domestic crude supplies.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged 0.3% lower to trade at \$1,008.40/oz.

Yesterday, platinum prices climbed 3.3% to close at \$1011.30/oz.



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Major South Africa Corporate News

Net 1 UEPS Technologies Inc.

The company announced that it has adopted a plan under Rule 10b5-1 to repurchase around USD50.00mn of its common stock, in connection with its USD100.00mn share repurchase program announced earlier. A plan under Rule 10b5-1 permits a broker selected by the company, to repurchase shares on its behalf, when it might be prevented from doing so.

Major Global Economic News

Eurozone

In the Eurozone, the final consumer confidence index eased to -7.30 in June, at par with market expectations. The preliminary figures had also indicated a fall to -7.30 and the index had registered a level of -7.00 in the previous month.

In the Eurozone, the economic sentiment indicator dropped unexpectedly to 104.40 in June, lower than market expectations of a rise to a level of 104.70. The economic sentiment indicator had recorded a revised level of 104.60 in the prior month.

The Eurozone services sentiment indicator registered a drop to 10.80 in June, lower than market expectations of a fall to a level of 11.00. The services sentiment indicator had registered a reading of 11.30 in the prior month.

In Germany, the flash consumer price index registered a rise of 0.1% in June on a monthly basis, less than market expectations for a rise of 0.2%. The CPI had climbed 0.3% in the prior month.

UK

In the UK, the GfK consumer confidence remained flat at a level of -1.00 in June, compared to market expectations of a drop to -2.00.

In the UK, net consumer credit advanced GBP1.50bn in May, compared to a rise of GBP1.30bn in the previous month. Market anticipation was for net consumer credit to climb GBP1.50bn.

US

In the US, personal income registered a rise of 0.2% on a monthly basis in May, lower than market expectations for a rise of 0.3%. Personal income had registered a revised rise of 0.5% in the prior month.

In May, personal spending rose 0.4% on a monthly basis in the US, compared to a revised rise of 1.1% in the previous month. Markets were expecting personal spending to rise 0.4%.

Pending home sales in the US fell 3.7% on a monthly basis in May, compared to a revised rise of 3.9% in the previous month. Market anticipation was for pending home sales to ease 1.1%.

Asia

On a monthly basis, the private sector credit rose 0.4% in Australia in May, compared to a rise of 0.5% in the previous month. Market expectation was for the private sector credit to advance 0.5%.

In May, on a monthly basis, the preliminary industrial production in Japan registered a drop of 2.3%, compared to an advance of 0.5% in the previous month. Market expectation was for industrial production to fall 0.2%.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
UK	01:05	Gfk Consumer Confidence (Jun)	✓✓	-1.00*	-1.00	Monthly
Japan	01:50	Industrial Production (MoM) (May) (P)	✓	-2.30%*	0.50%	Monthly
Japan	01:50	Loans & Discounts Corp (YoY) (May)	✓	2.58%*	3.05%	Monthly
Japan	06:00	Vehicle Production (YoY) (May)	✓	1.70%*	-9.70%	Monthly
Japan	07:00	Construction Orders (YoY) (May)	✓	-	-16.90%	Monthly
Japan	07:00	Housing Starts (YoY) (May)	✓	4.80%	9.00%	Monthly
South Africa	08:00	Private Sector Credit (YoY) (May)	✓✓	7.00%	7.06%	Monthly
France	08:45	Producer Prices (MoM) (May)	✓	-	-0.50%	Monthly
France	08:45	Consumer Spending (MoM) (May)	✓	0.00%	-0.10%	Monthly
Germany	09:55	Unemployment Rate s.a. (Jun)	✓✓	6.10%	6.10%	Monthly
Spain	10:00	Current Account Balance (Apr)	✓	-	EUR0.80bn	Monthly
UK	10:30	Total Business Investment (QoQ) (Q1) (F)	✓	-	-0.50%**	Quarterly
UK	10:30	Gross Domestic Product (QoQ) (Q1) (F)	✓✓	0.40%	0.40%**	Quarterly
UK	10:30	Current Account (Q1)	✓✓	-GBP28.00bn	-GBP32.70bn	Quarterly
Eurozone	11:00	Consumer Price Index - Core (YoY) (Jun) (P)	✓✓✓	0.80%	0.80%	Monthly
Eurozone	11:00	Consumer Price Index (YoY) (Jun) (P)	✓✓✓	0.00%	-0.10%	Monthly
Greece	11:00	Retail Sales (YoY) at constant prices (Apr)	✓	-	-1.60%	Monthly
Italy	11:00	Consumer Price Index (MoM) (Jun) (P)	✓	0.20%	0.30%	Monthly
South Africa	11:30	Producer Price Index (MoM) (May)	✓✓	0.60%	0.80%	Monthly
Eurozone	13:30	ECB account of the monetary policy meeting	✓	-	-	As scheduled
South Africa	14:00	South Africa Budget (May)	✓✓	-	-ZAR29.14bn	Monthly
South Africa	14:00	Trade Balance (May)	✓✓	ZAR4.10bn	ZAR0.40bn	Monthly
Canada	14:30	Gross Domestic Product (MoM) (Apr)	✓✓	0.10%	-0.20%	Monthly
US	14:30	Initial Jobless Claims (25-Jun)	✓✓	267.00K	259.00K	Weekly
US	15:45	Chicago PMI (Jun)	✓	51.00	49.30	Monthly
US	19:30	Fed's Bullard Speaks in London	✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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