

ONE Minute Brief

25 July 2016

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Economic and Political News

A programming error caused the JSE to misrepresent foreign sellers of equities as net buyers. Instead of buying nearly ZAR100.00bn as earlier indicated, foreigners were net sellers of equities to the tune of more than ZAR30.00bn between May 31 and July 20.

The head of the South African Photovoltaic Industry Association CE Moeketsi Thobela stated that Eskom's recent decision to end further power purchase agreements with independent power producers would have a negative impact on the emerging renewable manufacturing industry.

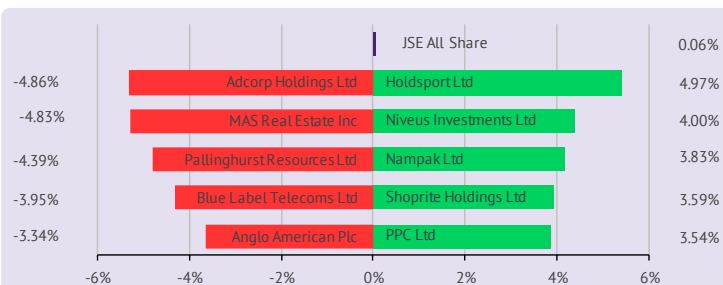
Democratic Alliance's Federal Executive Chairperson, James Selfe, stated that South African taxpayers have footed almost ZAR10.00mn in legal fees for President Jacob Zuma and his exorbitant legal counsel to escape justice.

South African Reserve Bank (SARB) Governor, Lesetja Kganyago mentioned that the nation's economy was in a low-growth trap and that the slowdown was due to structural issues.

South Africa Market ▲

South African markets closed higher

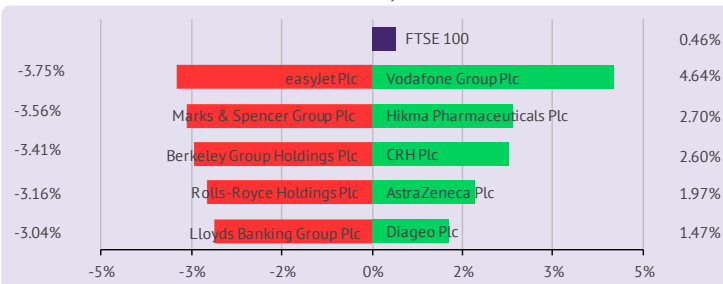
South African markets closed in the green on Friday, amid gains in gold mining sector stocks. The JSE All Share Index rose 0.1% to close at 53,005.22.



UK Market ▲

The FTSE 100 futures are trading in positive territory

UK markets rose on Friday, as speculation of further monetary easing by the BoE increased, after Markit data indicated that UK's manufacturing & services sector contracted at the steepest pace since 2009. The FTSE 100 Index advanced 0.5% to close at 6,730.48.



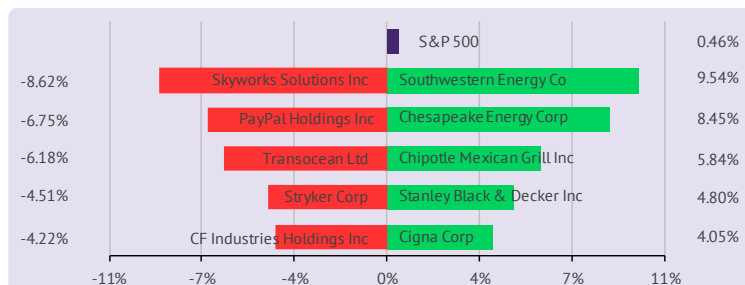
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	53005.22	▲	31.19	0.06%	NA	-3.13%	4.56%
JSE Top 40	46285.24	▲	12.58	0.03%	NA	-4.17%	1.07%
FTSE 100	6730.48	▲	30.59	0.46%	NA	4.39%	7.82%
DAX 30	10147.46	▼	-8.75	-0.09%	NA	-5.68%	-5.54%
CAC 40	4381.10	▲	4.85	0.11%	NA	-5.95%	-5.52%
S&P 500	2175.03	▲	9.86	0.46%	NA	0.09%	6.41%
Nasdaq Composite	5100.16	▲	26.26	0.52%	NA	-2.13%	1.85%
DJIA	18570.85	▲	53.62	0.29%	NA	0.80%	6.58%

US Market ▲

The S&P 500 futures are trading in the red

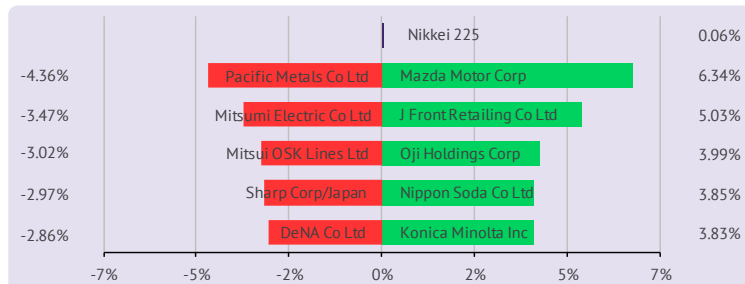
US markets closed higher on Friday, supported by gains in utilities and telecommunication sector stocks. Data revealed that Markit manufacturing PMI in the US expanded more-than-expected in July. The S&P 500 Index climbed 0.5% to close at 2,175.03.



Asian Market ◀▶

Trading mixed

Asian markets are trading mixed this morning. Earlier in the session, data revealed that Japan's adjusted merchandise trade surplus expanded in June. The Nikkei 225 Index is trading 0.1% higher at 16,637.90.



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USDZAR ▲

USD trading stronger against ZAR

At 06:00 SAST, the US Dollar climbed 0.1% against the South African Rand to trade at R14.3062. Later today, traders will keep a close watch on US Dallas Fed manufacturing for further direction.

The US Dollar rose against the South African Rand on Friday, after data indicated that manufacturing PMI in the US expanded more-than-expected to a nine-month high in July.

GBPZAR ▲

GBP trading firmer against ZAR

At 06:00 SAST, the British Pound rose 0.2% against the South African Rand to trade at R18.7779. Later today, traders will keep an eye on UK's CBI industrial trends survey for further cues.

The British Pound declined against the South African Rand on Friday, after data revealed that UK's manufacturing PMI contracted to its lowest level since February 2013 in July. Moreover, services PMI recorded its steepest drop in July, marking an 88 month low.

EURZAR ▼

EUR trading lower against ZAR

At 06:00 SAST, the Euro is trading marginally weaker against the South African Rand at R15.6871. Going forward, market participants will keep a tab on Germany's IFO expectations and business climate index scheduled later in the day.

The Euro weakened marginally against the South African Rand on Friday, after Markit survey indicated that Eurozone's manufacturing PMI expanded at a slower pace in July, while services PMI expanded slightly more-than-expected in the same month. Elsewhere, Germany's manufacturing PMI expanded more-than-expected in July. Moreover, services PMI climbed more-than-expected in the same month.

AUDZAR ▲

AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.2% higher against the South African Rand at R10.6867.

The Australian Dollar rose against the South African Rand on Friday.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	14.3062	▲	0.43%	NA	-2.95%	-6.25%	-7.63%
GBPZAR	18.7779	▲	-0.48%	NA	-4.48%	-13.79%	-17.83%
EURZAR	15.6871	▼	-0.02%	NA	-3.96%	-6.58%	-6.64%
AUDZAR	10.6867	▲	0.03%	NA	-2.76%	-3.45%	-6.10%
EURUSD	1.0971	▼	-0.44%	NA	-1.16%	-0.23%	1.02%
GBPUSD	1.3121	▲	-0.94%	NA	-1.52%	-8.09%	-11.08%
Brent (\$/barrel)	45.6	▼	-1.10%	NA	-8.09%	-0.36%	22.56%
Gold (\$/oz)	1324.8	▲	-0.57%	NA	0.21%	8.71%	24.83%
Platinum (\$/oz)	1085.0	▼	-1.77%	NA	6.28%	4.19%	21.74%
Copper (\$/MT)*	4911.0	▼	-1.12%	NA	1.47%	3.05%	4.36%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices rose 0.1% to trade at \$1,324.80/oz.

On Friday, gold prices fell 0.6% to close at \$1,323.40/oz, amid strength in the greenback and rise in global equity markets.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil declined 0.1% to trade at \$45.64/bl.

On Friday, Brent crude oil dropped 1.1% to settle at \$45.69/bl, after Baker Hughes reported that US oil rig count rose by 14 to 371 last week, adding to concerns that global crude market will remain oversupplied.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged lower 0.1% to trade at \$1,085.00/oz.

On Friday, platinum prices declined 1.8% to close at \$1085.60/oz.



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Major South Africa Corporate News

AngloGold Ashanti Limited

In its trading statement for 1H16, the company revealed that higher gold prices, cost controls and weaker local currencies will help the company to swing to headline earnings (excluding exceptional items) of USD87.00mn to USD99.00mn versus a USD128.00mn loss in the year-ago period. It expects adjusted headline EPS to rise by 16.00c, from the same period of the previous year. It forecasted gold production to decline to 1,745.00k oz, compared with 1,878.00k oz recorded in the similar period of the preceding year.

ArcelorMittal South Africa Limited

In its trading statement for 1H16, the company stated that its loss is expected to increase from 28.00c/share in the corresponding period of the previous year to a loss in the range of 42.00c/share and 46.00c/share. The headline loss is also expected to rise from 27.00c/share in the same period of the prior year to a headline loss between 43.00c/share and 47.00c/share. This is largely due to the slowdown in China, which resulted in the oversupply and flooding of steel into the international market. It added that safeguard duties, together with a fair pricing mechanism and the use of local steel for South Africa's infrastructure programmes, were necessary to ensure the viability of both the company and the steel industry as a whole.

Coronation Fund Managers Limited

The company stated that as on June 30, 2016, its total assets under management were ZAR599.00bn.

Curro Holdings Limited

In its trading statement for 1H16, the company indicated that a reasonable degree of certainty exists that its EPS and headline EPS will rise between 46.0% and 56.0% from the corresponding period of the previous year and be between 21.20c and 22.70c.

Life Healthcare Group Holdings Limited

The company announced that, through its subsidiaries, it has invested ZAR2.10bn in its Polish business, Scanmed SA. The majority of Scanmed's revenue is derived from contracts with the National Health Fund in Poland. The fund has announced updated tariffs in respect of cardiology procedures. The impact of the updated tariffs on Scanmed is on average a reduction of 20.0%, effective July 01, 2016. However, it indicated that this change in tariffs will not have a material impact on its operating results for FY16. On the other hand, Scanmed revealed that Hubert Bojdo would be appointed as the Chief Executive Officer (CEO) of Scanmed with effect from July 01, 2016.

Major Global Economic News

Eurozone

In July, the flash manufacturing PMI eased to 51.90 in the Eurozone, compared to market expectations of a drop to a level of 52.00. In the prior month, the PMI had registered a level of 52.80.

In the Eurozone, the flash services PMI recorded a drop to 52.70 in July, higher than market expectations of a fall to 52.30. Services PMI had recorded a level of 52.80 in the previous month.

The flash manufacturing PMI in Germany fell to a level of 53.70 in July, compared to a level of 54.50 in the prior month. Market anticipation was for PMI to drop to 53.40.

In July, the preliminary services PMI rose unexpectedly to a level of 54.60 in Germany, higher than market expectations of a drop to 53.20. In the prior month, PMI had registered a level of 53.70.

US

In the US, the preliminary Markit manufacturing PMI advanced to 52.90 in July, higher than market expectations of a rise to 51.50. In the previous month, the PMI had recorded a reading of 51.30.

UK

In July, the manufacturing PMI registered a drop to 49.10 in the UK, compared to market expectations of a drop to 48.70. The PMI had registered a level of 52.10 in the prior month.

In the UK, the services PMI fell to a level of 47.40 in July, compared to a level of 52.30 in the prior month. Markets were expecting the PMI to ease to a level of 48.80.

Asia

Adjusted merchandise trade surplus in Japan widened to JPY335.00bn in June, following a revised surplus of JPY294.50bn in the previous month. Market expectation was for the nation to post a surplus of JPY244.20bn.

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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	61	-5.50%	15.95%	290.00%
Kumba Iron Ore Ltd	126	-6.82%	13.06%	204.61%
AngloGold Ashanti Ltd	304	-0.05%	13.58%	186.03%
Assore Ltd	177	-4.16%	-1.51%	185.51%
Sibanye Gold Ltd	62	0.47%	23.96%	171.90%
Pan African Resources Plc	4	2.54%	7.73%	130.86%
Lonmin Plc	41	-9.47%	8.93%	122.08%
African Rainbow Minerals Ltd	96	-1.81%	4.60%	121.47%
Anglo American Platinum Ltd	389	-2.71%	5.97%	109.98%
Anglo American Plc	144	-8.94%	2.34%	109.16%
Impala Platinum Holdings Ltd	52	-4.80%	9.64%	106.67%
Gold Fields Ltd	84	-1.32%	17.55%	98.53%
Exxaro Resources Ltd	86	4.16%	28.15%	96.30%
Royal Bafokeng Platinum Ltd	49	-2.78%	11.76%	85.37%
Northam Platinum Ltd	47	1.73%	9.56%	78.51%
Bidvest Group Ltd	155	4.75%	11.71%	74.24%
Murray & Roberts Holdings Ltd	13	0.80%	5.29%	56.63%
African Oxygen Ltd	20	5.10%	17.65%	53.85%
Blue Label Telecoms Ltd	18	-6.80%	0.05%	52.18%
Massmart Holdings Ltd	144	6.01%	14.13%	43.80%
Clicks Group Ltd	124	-2.08%	1.06%	39.33%
Shoprite Holdings Ltd	199	13.90%	19.94%	39.25%
JSE Ltd	177	-0.76%	-4.33%	39.24%
Imperial Holdings Ltd	162	3.91%	8.51%	35.89%
Hyprop Investments Ltd	140	2.05%	7.40%	34.98%
Coronation Fund Managers Ltd	71	5.74%	6.32%	34.44%
Niveus Investments Ltd	26	8.42%	4.00%	30.00%
Tongaat Hulett Ltd	118	-1.30%	0.55%	26.76%
Barloworld Ltd	78	-0.18%	6.45%	25.66%
Invicta Holdings Ltd	56	7.02%	4.29%	24.58%
Tiger Brands Ltd	394	1.82%	8.61%	24.42%
Aspen Pharmacare Holdings Ltd	377	-0.40%	4.07%	21.82%
Pick n Pay Stores Ltd	78	3.28%	9.58%	20.75%
Cashbuild Ltd	362	-2.20%	1.94%	20.62%
Standard Bank Group Ltd	137	3.26%	7.12%	20.62%
Omnia Holdings Ltd	160	-0.80%	9.43%	20.42%
Santam Ltd	227	2.09%	-0.91%	19.94%
Foschini Group Ltd	144	-0.35%	3.95%	18.65%
Redefine Properties Ltd	12	2.04%	1.59%	18.56%
Ascendis Health Ltd	24	-0.86%	0.37%	18.44%
JSE All Share Index	53005	-0.16%	1.51%	4.56%

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:50	Adjusted Merchandise Trade Balance (Jun)	✓	JPY335.00bn*	JPY294.50bn	Monthly
Japan	01:50	Exports (YoY) (Jun)	✓✓	-7.40%*	-11.30%	Monthly
Japan	01:50	Imports (YoY) (Jun)	✓	-18.80%*	-13.80%	Monthly
Japan	07:00	Coincident Index (May) (F)	✓	-	110.50**	Monthly
Japan	07:00	Leading Economic Index (May) (F)	✓✓	-	100.00**	Monthly
Germany	10:00	IFO - Business Climate (Jul)	✓✓	107.50	108.70	Monthly
Germany	10:00	IFO - Current Assessment (Jul)	✓✓	114.00	114.50	Monthly
Germany	10:00	IFO - Expectations (Jul)	✓✓	101.10	103.10	Monthly
UK	12:00	CBI Trends Selling Prices (Jul)	✓✓	-	1.00	Monthly
UK	12:00	CBI Business Optimism (7/)	✓	-	-5.00	Quarterly
UK	12:00	CBI Industrial Trends Survey - Orders (Jul)	✓	-6.00	-2.00	Monthly
US	16:30	Dallas Fed Manufacturing Business Index (Jul)	✓	-10.00	-18.30	Monthly
Japan	-	Cabinet Office Monthly Economic Report	✓✓✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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