

ONE Minute Brief

26 July 2016

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Economic and Political News

President Jacob Zuma requested Speaker of the National Assembly and the Chairperson of the National Council of Provinces to guide him over the procedure followed by Parliament in passing the Expropriation Bill.

The Department of Transport stated that it will closely watch South African Airways' (SAA's) investment in aircraft as it wanted African airlines to control Africa's air space. Separately, Democratic Alliance urged Parliament's standing committee on finance to seek legal advice whether it should grant National Treasury a third extension in tabling SAA's financial results.

South Africa's Minister of Telecommunications & Postal Services plans to conduct legal proceedings to review the actions of the nation's communications regulator, ICASA, regarding its auction spectrum plan.

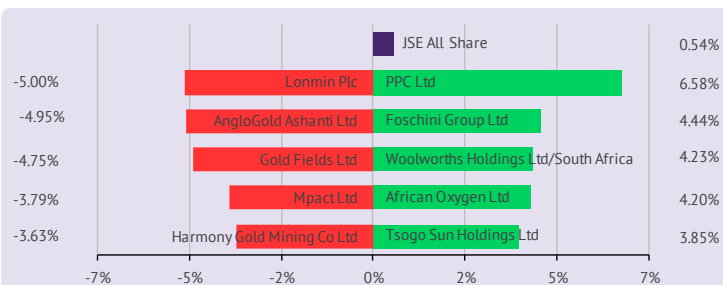
The South African Revenue Service (SARS) stated that one million returns had been filed during the first 21 days of this year's filing season.

Fitch Ratings downgraded South Africa's local currency debt rating by one level to bring it at par with the nation's foreign currency rating.

South Africa Market ▲

South African markets closed higher

South African markets closed in the green yesterday, amid gains in retail and banking sector stocks. The JSE All Share Index rose 0.5% to close at 53,292.52.



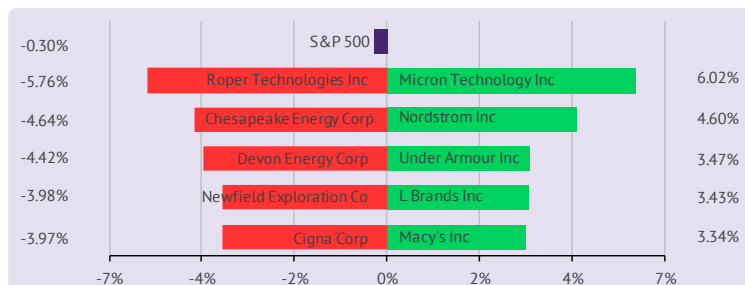
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	53292.52	▲	287.30	0.54%	0.54%	2.06%	-3.13%	5.13%
JSE Top 40	46544.67	▲	259.43	0.56%	0.56%	1.24%	-4.17%	1.63%
FTSE 100	6710.13	▼	-20.35	-0.30%	-0.30%	3.16%	4.39%	7.49%
DAX 30	10198.24	▲	50.78	0.50%	0.50%	5.35%	-5.68%	-5.07%
CAC 40	4388.00	▲	6.90	0.16%	0.16%	3.55%	-5.95%	-5.37%
S&P 500	2168.48	▼	-6.55	-0.30%	-0.30%	3.32%	0.09%	6.09%
Nasdaq Composite	5097.63	▼	-2.53	-0.05%	-0.05%	5.26%	-2.13%	1.80%
DJIA	18493.06	▼	-77.79	-0.42%	-0.42%	3.14%	0.80%	6.13%

US Market ▼

The S&P 500 futures are trading in the green

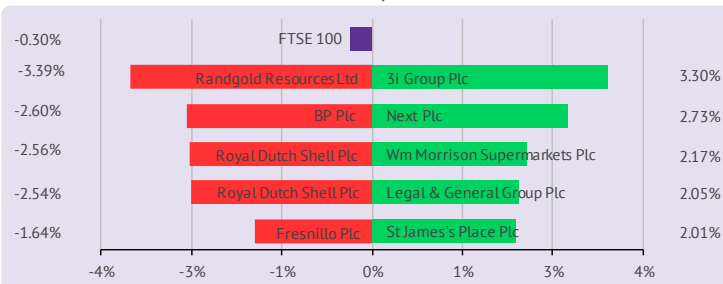
US markets closed lower yesterday, amid losses in energy sector stocks following a decline in oil prices. The S&P 500 Index dropped 0.3% to close at 2,168.48.



UK Market ▼

The FTSE 100 futures are trading in positive territory

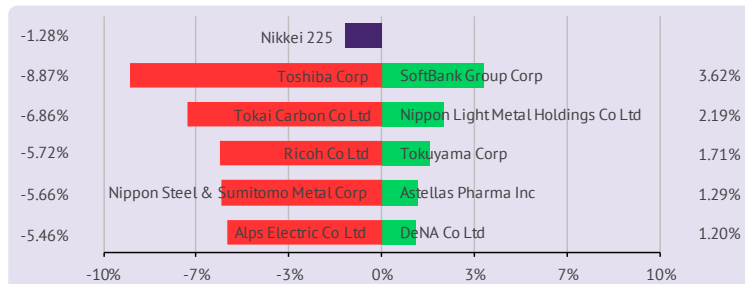
UK markets finished lower yesterday, weighed down by losses in energy sector stocks. CBI's UK order book data suggested that optimism among UK manufacturers was the lowest since 2009 after Brexit vote. The FTSE 100 Index declined 0.3% to close at 6,710.13.



Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning. The Nikkei 225 Index is trading 1.3% lower at 16,407.41.



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 retreated 0.2% against the South African Rand to trade at R14.3300. Later today, traders will keep a close watch on US Markit services PMI and consumer confidence index along with new home sales data for further direction. Additionally, South Africa's leading indicator will be on investors' radar.

The US Dollar rose against the South African Rand yesterday. Separately, the Dallas Fed manufacturing index improved in July from June, yet remained in the negative territory.

GBPZAR ▼

GBP trading lower against ZAR

At 06:00 SAST, the British Pound declined 0.3% against the South African Rand to trade at R18.8030. Later today, traders will keep an eye on UK's BBA mortgage approvals data for further clues.

The British Pound advanced against the South African Rand yesterday. Meanwhile, CBI survey showed that optimism amongst businesses about UK's economy declined at its fastest pace in seven years post the Brexit vote. Moreover, the nation's industrial orders fell in July.

EURZAR ▼

EUR trading weaker against ZAR

At 06:00 SAST, the Euro dropped 0.4% against the South African Rand to trade at R15.7363. Going forward, market participants will keep a tab on Eurozone's private loans data, scheduled for release tomorrow.

The Euro strengthened against the South African Rand yesterday. Separately, data revealed that Germany's IFO business climate index eased in July from June. Moreover, the overall business expectations index fell less-than-expected in the same month. Meanwhile, the IFO current assessment index advanced in July.

AUDZAR ▼

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% weaker against the South African Rand at R10.7188. Going forward, traders will keep a watch on Australia's consumer price index scheduled for release tomorrow.

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

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	14.3300	▼	0.50%	0.50%	-2.46%	-6.25%	-7.17%
GBPZAR	18.8030	▼	0.68%	0.68%	-3.83%	-13.79%	-17.27%
EURZAR	15.7363	▼	0.68%	0.68%	-3.31%	-6.58%	-6.01%
AUDZAR	10.7188	▼	0.53%	0.53%	-2.24%	-3.45%	-5.60%
EURUSD	1.0982	▼	0.16%	0.16%	-1.00%	-0.23%	1.19%
GBPUSD	1.3115	▼	0.24%	0.24%	-1.28%	-8.09%	-10.87%
Brent (\$/barrel)	44.9	▲	-2.12%	-2.12%	-10.04%	-0.36%	19.96%
Gold (\$/oz)	1323.0	▲	-0.29%	-0.29%	-0.08%	8.71%	24.46%
Platinum (\$/oz)	1084.6	▼	-0.06%	-0.06%	6.22%	4.19%	21.68%
Copper (\$/MT)*	4886.8	▼	-0.49%	-0.49%	0.97%	3.05%	3.85%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.3% higher to trade at \$1,323.00/oz.

Yesterday, gold prices fell 0.3% to close at \$1,319.50/oz, ahead of the central bank's two-day policy meeting scheduled for tomorrow.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged 0.5% higher to trade at \$44.94/bl.

Yesterday, Brent crude oil dropped 2.1% to settle at \$44.72/bl, amid mounting concerns over the global crude glut and as more oil-drilling activities in the US coupled with fears of an expected slowdown in domestic refining activities, continued to weigh on the commodity.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged marginally lower to trade at \$1,084.60/oz.

Yesterday, platinum prices declined 0.1% to close at \$1085.00/oz.



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Major South Africa Corporate News

Anglo American Platinum Limited

In its 1H16 results, the company revealed that its net sales revenue advanced 2.7% from the same period of the preceding year to R30.66bn, primarily due to an increase in sales of platinum. Its diluted headline EPS stood at 398.00c, compared with 943.00c recorded in the corresponding period of the previous year. The company expects production to be at the upper end of 2.30mn oz to 2.40 mn oz.

Holdsport Limited

The company indicated that it was notified that Old Mutual Plc, which include the Old Mutual Investment Group have, in aggregate, disposed of a portion of their interest in its ordinary shares, such that the total interest held by Old Mutual decreased to 4.99% of the total issued ordinary shares of the company.

Arrowhead Properties Limited

The company submitted a non-binding expression of interest to the board of directors of Emira Property Fund Limited. Emira shareholders, who collectively hold about 22.0% of its shares, have indicated their support for the transaction. Arrowhead would purchase all of the shares owned by Emira shareholders for 1.67 Arrowhead shares for every Emira share acquired.

Major Global Economic News

Eurozone

In Germany, the IFO business climate index dropped to 108.30 in July, higher than market expectations of a drop to a level of 107.50. In the prior month, the index had recorded a reading of 108.70.

In July, the IFO business expectations index recorded a drop to 102.20 in Germany, higher than market expectations of a drop to 101.60. In the prior month, the index had recorded a reading of 103.10.

The IFO current assessment index in Germany recorded an unexpected rise to a level of 114.70 in July, higher than market expectations of a drop to 114.00. The index had registered a revised level of 114.60 in the previous month.

UK

The balance of firms reporting total order book above normal in the UK recorded a drop to -4.00 in July, higher than market expectations of a drop to -6.00. In the previous month, the balance of firms reporting total order book above normal had recorded a level of -2.00.

US

In the US, the Dallas Fed manufacturing business index registered a rise to -1.30 in July, higher than market expectations of a rise to -10.00. The index had registered a reading of -18.30 in the previous month.

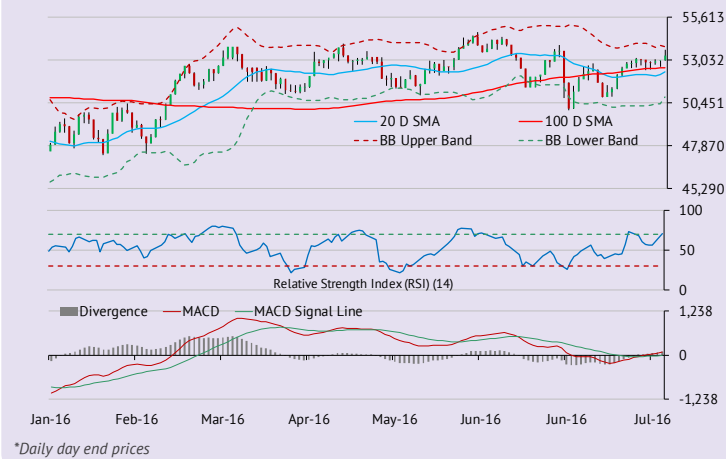
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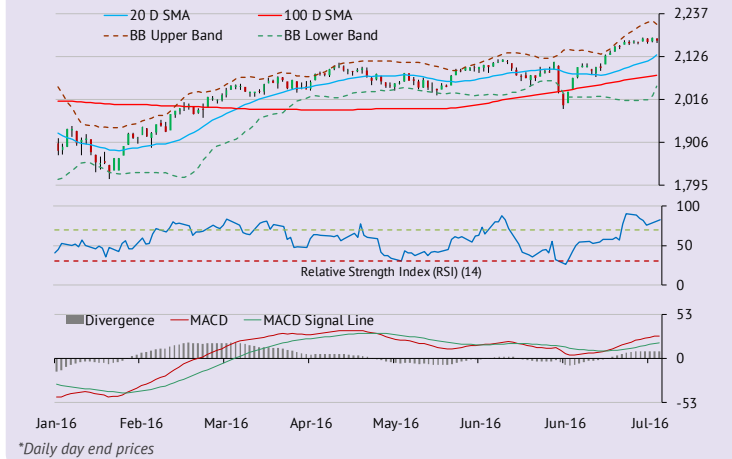
Technical Snapshot

JSE All Share



The JSE All Share index is expected to find support at 52,602.57, and a fall through could take it to the next support level of 51,912.62. The index is expected to find its first resistance at 53,824.72, and a rise through could take it to the next resistance level of 54,356.92.

S&P 500



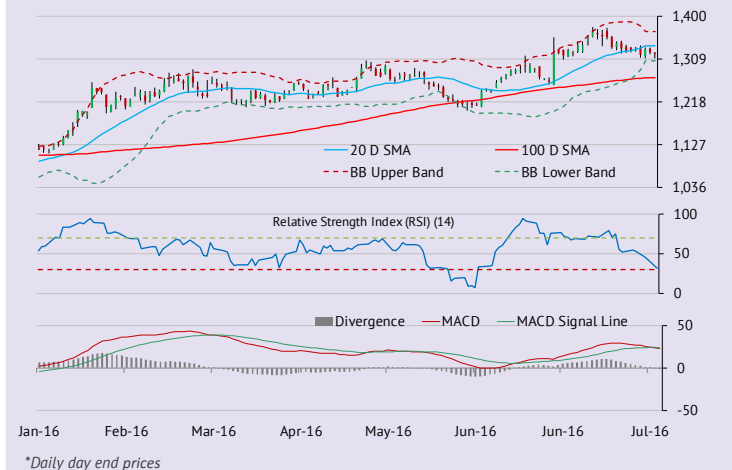
The S&P 500 index is expected to find support at 2,159.78, and a fall through could take it to the next support level of 2,151.09. The index is expected to find its first resistance at 2,176.40, and a rise through could take it to the next resistance level of 2,184.33.

USDZAR



The pair is expected to find support at 14.1972, and a fall through could take it to the next support level of 14.0308. The pair is expected to find its first resistance at 14.4960, and a rise through could take it to the next resistance level of 14.6284.

XAU/USD



Gold is expected to find support at \$1,307.20/oz, and a fall through could take it to the next support level of \$1,294.90/oz. The precious metal is expected to find its first resistance at \$1,335.30/oz, and a rise through could take it to the next resistance level of \$1,351.10/oz.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:50	Corporate Service Price (YoY) (Jun)	✓	0.20%*	0.20%	Monthly
Spain	09:00	Producer Price Index (MoM) (Jun)	✓	-	0.80%	Monthly
Spain	09:00	Producer Price Index (YoY) (Jun)	✓	-	-5.50%	Monthly
South Africa	09:00	Leading Indicator (May)	✓	-	90.90	Monthly
UK	10:30	BBA Mortgage Approvals (Jun)	✓✓	39.65K	42.19K	Monthly
US	14:55	Redbook Index s.a. (MoM) (22-Jul)	✓	-	-0.50%	Weekly
US	15:45	Markit Composite PMI (Jul) (P)	✓✓	-	51.20	Monthly
US	15:45	Markit Services PMI (Jul) (P)	✓✓	52.00	51.40	Monthly
US	16:00	New Home Sales Change (Jun)	✓✓	-	551.00K	Monthly
US	16:00	New Home Sales (MoM) (Jun)	✓	1.60%	-6.00%	Monthly
US	16:00	Richmond Fed Manufacturing Index (Jul)	✓	-5.00	-7.00	Monthly
US	16:00	Consumer Confidence Index (Jul)	✓✓✓	96.00	98.00	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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