

# ONE Minute Brief

4 July 2016

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## Economic and Political News

In June, the South African manufacturing PMI surprisingly rose to 53.70, from a level of 51.90 recorded in the previous month. The annual decline in South African new vehicle sales worsened to 10.6% in June from 10.3% in May.

South Africa's Finance Minister, Pravin Gordhan stated that the country will challenge market expectations again by avoiding a rating downgrade to junk this year.

South African Reserve Bank's Deputy Governor Daniel Mminele welcomed the recent strength in the currency and added that it will have to test the sustainability of the rally to see if it changes the country's inflation position.

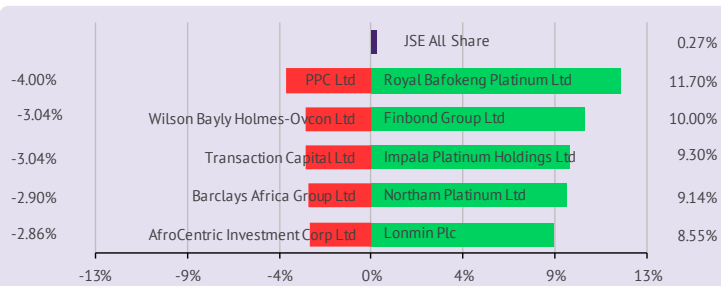
Public Enterprises Minister Lynne Brown held off remuneration increases for Eskom's executives, even as she approved a 4.6% increase for non-executives.

The Energy Department stated that the prices of retail petrol will increase by 0.6% from July 6, and wholesale diesel will go up by 3.7 %.

## South Africa Market ▲

### South African markets closed higher

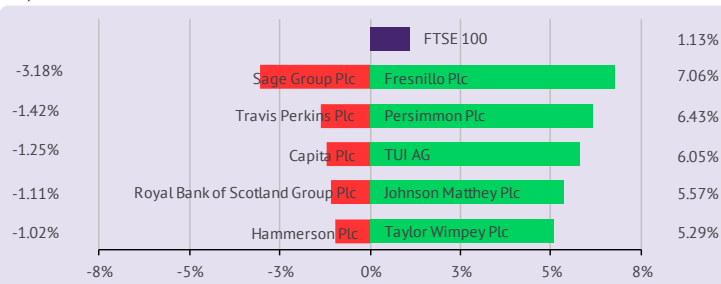
South African markets closed in the green on Friday, amid gains in platinum sector stocks. Data indicated that South Africa's Barclays manufacturing PMI rose surprisingly in June. The JSE All Share Index rose 0.3% to close at 52,357.50.



## UK Market ▲

### The FTSE 100 futures are trading in positive territory

UK markets finished higher on Friday, extending gains from previous sessions. Data indicated that UK's Markit manufacturing PMI advanced unexpectedly in June. The FTSE 100 Index advanced 1.1% to close at 6,577.83.



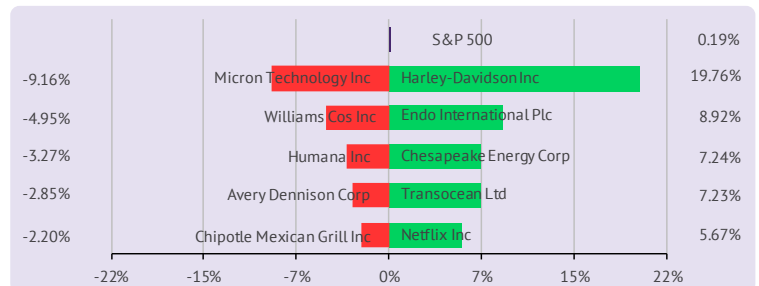
## Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	52357.50	▲	139.78	0.27%	NA	0.27%	-3.13%	3.28%
JSE Top 40	46015.54	▲	41.23	0.09%	NA	0.09%	-4.17%	0.48%
FTSE 100	6577.83	▲	73.50	1.13%	NA	1.13%	4.39%	5.37%
DAX 30	9776.12	▲	96.03	0.99%	NA	0.99%	-5.68%	-9.00%
CAC 40	4273.96	▲	36.48	0.86%	NA	0.86%	-5.95%	-7.83%
S&P 500	2102.95	▲	4.09	0.19%	NA	0.19%	0.09%	2.89%
Nasdaq Composite	4862.57	▲	19.90	0.41%	NA	0.41%	-2.13%	-2.89%
DJIA	17949.37	▲	19.38	0.11%	NA	0.11%	0.80%	3.01%

## US Market ▲

### The S&P 500 futures are trading in the green

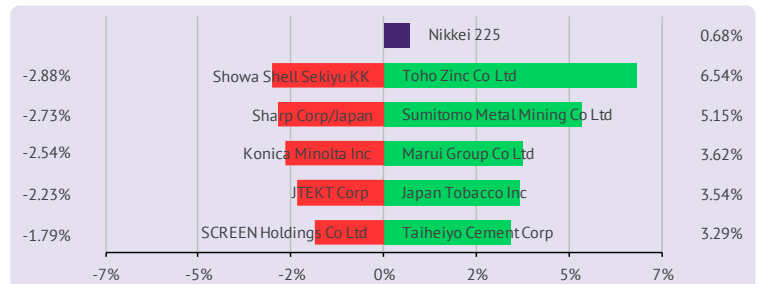
US markets closed higher on Friday, supported by gains in consumer discretionary sector stocks. Data revealed that the ISM manufacturing activity index in the US advanced in June. The S&P 500 Index climbed 0.2% to close at 2,100.47.



## Asian Market ▲

### Trading higher

Asian markets are trading higher this morning, tracking gains in leading global equity markets on Friday. The Nikkei 225 Index is trading 0.7% higher at 15,789.10.



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## USDZAR ▼

### USD trading weaker against ZAR

At 06:00 SAST, the US Dollar declined 0.1% against the South African Rand to trade at R14.5438. Going forward, traders will keep a close watch on US factory orders and durable goods orders for further direction. Additionally, South Africa's non-farm payrolls data will be on investors' radar.

The US Dollar fell against the South African Rand on Friday. Data indicated that the ISM manufacturing activity in the US advanced at its quickest pace in 15 months in June. Meanwhile, the final reading on Markit manufacturing PMI indicated that the index was revised slightly lower in June. Additionally, construction spending dropped for a second consecutive month in May. Separately, South Africa's Barclays manufacturing index rose in June, marking its fourth month of expansion.

## GBPZAR ▼

### GBP trading lower against ZAR

At 06:00 SAST, the British Pound retreated marginally against the South African Rand to trade at R19.3270. Later today, traders will eye UK's Markit construction PMI data for further clues.

The British Pound declined against the South African Rand on Friday. Data revealed that UK's manufacturing activity expanded at the fastest pace in five months in June.

## EURZAR ▼

### EUR trading weaker against ZAR

At 06:00 SAST, the Euro is trading 0.1% lower against the South African Rand at R16.2001. Going forward, market participants will keep a tab on Eurozone Sentix investor confidence and producer price index data scheduled to be released in a few hours.

The Euro weakened against the South African Rand on Friday. Meanwhile, data showed that Eurozone's unemployment rate eased to reach a five-year low in May, indicating strength in the region's labour market. Moreover, growth in the manufacturing sector was revised slightly higher in June to a six month high. Further, German manufacturing PMI advanced in line with previous estimates in June.

## AUDZAR ▼

### AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.3% lower against the South African Rand at R10.8889. Earlier in the session, Australia's building approvals dropped on a monthly basis in May from April.

The Australian Dollar fell against the South African Rand on Friday. Separately, data indicated that Australia's performance of manufacturing index recorded a rise in June. Meanwhile, Chinese manufacturing activity slipped to a four-month low in June.

## Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	14.5438	▼	-1.13%	NA	-1.13%	-6.25%	-5.90%
GBPZAR	19.3270	▼	-1.43%	NA	-1.43%	-13.79%	-15.21%
EURZAR	16.2001	▼	-0.70%	NA	-0.70%	-6.58%	-3.47%
AUDZAR	10.8889	▼	-0.48%	NA	-0.48%	-3.45%	-3.90%
EURUSD	1.1136	=	0.27%	NA	0.27%	-0.23%	2.48%
GBPUSD	1.3282	▲	-0.33%	NA	-0.33%	-8.09%	-10.00%
Brent (\$/barrel)	50.4	▲	1.29%	NA	1.29%	-0.36%	35.06%
Gold (\$/oz)	1348.6	▲	1.39%	NA	1.39%	8.71%	26.30%
Platinum (\$/oz)	1064.6	▲	3.25%	NA	3.25%	4.19%	18.28%
Copper (\$/MT)*	4899.5	▲	1.23%	NA	1.23%	3.05%	4.12%

\*As of Previous Close

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices edged 0.7% higher to trade at \$1,348.60/oz.

On Friday, gold prices rose 1.4% to close at \$1,339.00/oz, amid weakness in the US Dollar and after release of weak economic data from China boosted demand for the safe haven asset.

## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil edged 0.1% higher to trade at \$50.38/bl.

On Friday, Brent crude oil advanced 1.3% to settle at \$50.35/bl, as concerns over the recent Brexit decision abated and after the greenback weakened, increasing demand for the commodity as an alternative investment. Separately, Baker Hughes reported that oil rig count rose by 10 to 431 last week.

## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices edged 0.9% higher to trade at \$1,064.60/oz.

On Friday, platinum prices surged 3.3% to close at \$1054.70/oz.



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## Major South Africa Corporate News

### Barclays Africa Group Limited

The bank revealed that Peter Matlare, an Independent Non-Executive Director, has been appointed as the Deputy Chief Executive Officer, and would become an Executive Director, effective August 01, 2016.

### Hudaco Industries Limited

In its 1H16 results, the company stated that its turnover from ongoing operations decreased to R2.51bn from R2.55bn posted in the corresponding period of the previous year. Its headline EPS fell 13.9% from the same period of the prior year to 472.00c. Its profit before taxation declined to R210.00mn, from R253.00mn recorded in the similar period in the preceding year.

### JSE Limited

The company announced that Freedom Property Fund Limited and Visual International Holdings Limited have been suspended from listing on the exchange with immediate effect, as they have failed to submit their provisional financial statements within the three-month stipulated time period.

## Major Global Economic News

### US

In the US, the final Markit manufacturing PMI advanced to 51.30 in June, compared to a level of 50.70 in the previous month. The preliminary figures had recorded an advance to 51.40 and markets were anticipating the PMI to climb to a level of 51.20.

The ISM manufacturing activity index in the US advanced unexpectedly to a level of 53.20 in June, compared to market expectations of an unchanged reading. The index had recorded a level of 51.30 in the prior month.

In May, construction spending in the US registered an unexpected drop of 0.8% on a monthly basis, lower than market expectations for an advance of 0.6%. Construction spending had registered a drop of 1.8% in the prior month.

### Asia

The seasonally adjusted building approvals in Australia registered a drop of 5.2% on a monthly basis in May, compared to a revised advance of 3.3% in the previous month. Markets were anticipating building approvals to drop 3.5%.

In Japan, the monetary base recorded a rise of 25.4% on an annual basis, in June. The monetary base had risen 25.5% in the prior month.

### Eurozone

In May, the unemployment rate in the Eurozone fell to a level of 10.1%, meeting market expectations. The unemployment rate had registered a reading of 10.2% in the prior month.

In June, the final manufacturing PMI in the Eurozone rose to a level of 52.80, compared to a reading of 51.50 in the prior month. The preliminary figures had indicated a rise to 52.60 and markets were expecting the PMI to advance to a level of 52.60.

In Germany, the final manufacturing PMI advanced to 54.50, in June, higher than market expectations of an advance to 54.40. The preliminary figures had indicated an advance to 54.40 and manufacturing PMI had registered a reading of 52.10 in the prior month.

### UK

In the UK, the manufacturing PMI recorded an unexpected rise to a level of 52.10 in June, compared to market expectations of a fall to a level of 50.10. The PMI had recorded a revised reading of 50.40 in the prior month.



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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	55	2.47%	4.38%	251.09%
Assore Ltd	188	4.08%	4.68%	203.45%
Kumba Iron Ore Ltd	111	22.31%	0.27%	170.15%
AngloGold Ashanti Ltd	275	7.49%	2.63%	158.44%
Sibanye Gold Ltd	52	5.88%	4.47%	129.15%
Lonmin Plc	41	15.29%	8.55%	121.31%
African Rainbow Minerals Ltd	94	12.32%	2.45%	116.92%
Anglo American Plc	145	7.18%	3.16%	110.84%
Anglo American Platinum Ltd	390	10.48%	6.19%	110.42%
Pan African Resources Plc	4	-1.87%	-1.87%	110.29%
Impala Platinum Holdings Ltd	52	15.80%	9.30%	106.03%
Royal Bafokeng Platinum Ltd	49	24.99%	11.70%	85.25%
Northam Platinum Ltd	47	16.92%	9.14%	77.83%
Gold Fields Ltd	75	9.31%	4.81%	77.01%
Exxaro Resources Ltd	70	9.21%	4.42%	59.95%
Bidvest Group Ltd	137	-1.01%	-1.15%	54.19%
Blue Label Telecoms Ltd	19	3.98%	0.43%	52.76%
Murray & Roberts Holdings Ltd	12	0.17%	0.17%	49.00%
JSE Ltd	184	4.26%	-0.82%	44.35%
Clicks Group Ltd	122	3.93%	-0.33%	37.42%
Massmart Holdings Ltd	135	6.02%	6.87%	34.65%
African Oxygen Ltd	17	2.05%	2.35%	33.85%
Coronation Fund Managers Ltd	69	3.08%	2.57%	29.70%
Hyprop Investments Ltd	132	7.48%	1.50%	27.57%
Tongaat Hulett Ltd	118	8.01%	0.78%	27.06%
Imperial Holdings Ltd	150	2.60%	0.35%	25.68%
Niveus Investments Ltd	25	10.98%	-0.12%	24.85%
Santam Ltd	232	-2.52%	1.12%	22.40%
Cashbuild Ltd	363	2.39%	2.25%	21.00%
Aspen Pharmacare Holdings Ltd	373	4.85%	3.03%	20.61%
Barloworld Ltd	74	3.85%	1.70%	20.04%
Ascendis Health Ltd	24	3.45%	0.00%	17.99%
Foschini Group Ltd	143	1.22%	3.00%	17.56%
Invicta Holdings Ltd	53	6.06%	-2.14%	16.90%
Shoprite Holdings Ltd	167	0.52%	0.25%	16.38%
Redefine Properties Ltd	11	3.39%	-0.44%	16.19%
Italtile Ltd	14	1.48%	0.00%	16.10%
Raubex Group Ltd	19	2.72%	-0.47%	14.30%
Tiger Brands Ltd	361	0.84%	-0.41%	14.09%
Resilient REIT Ltd	132	3.67%	-0.15%	13.94%
<b>JSE All Share Index</b>	<b>52358</b>	<b>1.31%</b>	<b>0.27%</b>	<b>3.28%</b>

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## Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:50	Monetary Base (YoY) (Jun)	✓	25.40%*	25.50%	Monthly
Spain	09:00	Unemployment Change (Jun)	✓	-	-119.80K	Monthly
UK	10:30	Markit Construction PMI (Jun)	✓✓	50.70	51.20	Monthly
Eurozone	10:30	Sentix Investor Confidence (Jul)	✓✓	5.00	9.90	Monthly
Eurozone	11:00	Producer Price Index (MoM) (May)	✓	0.30%	-0.30%	Monthly
South Africa	12:00	Non-Farm Payrolls QoQ	✓		0.50%	Quarterly
Canada	16:30	Bank of Canada Senior Loan Officer Survey (Q2)	✓✓	-	6.60	Quarterly
Canada	16:30	Bank of Canada Business Outlook Survey (Q2)	✓✓	-	16.00%	Quarterly

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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