

ONE Minute Brief

18 July 2016

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Economic and Political News

A Fitch subsidiary, BMI Research indicated that ANC's support for Finance Minister, Pravin Gordhan's fiscal consolidation programme was doubtful.

National Carrier, South African Airways, stated that it has held back a deal to restructure ZAR15.00bn of debt as questions were raised about the awarding of the work.

South Africa's National Prosecuting Authority announced that it will appeal to the nation's top court to challenge a High court ruling reinstating corruption charges against President Jacob Zuma.

Popcru members who have been supporting National Police Commissioner Riah Phiyega stated that she might lose her battle to keep the job.

National Union of Mineworkers' (NUM) spokesman, Livhuwani Mammburu announced that Eskom and the union representatives have failed to reach an agreement on workers' wages.

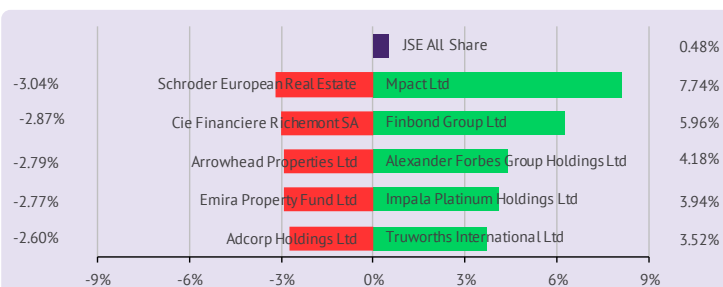
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	53088.46	▲	251.43	0.48%	NA	1.67%	-3.13%	4.72%
JSE Top 40	46454.35	▲	180.86	0.39%	NA	1.04%	-4.17%	1.43%
FTSE 100	6669.24	▲	14.77	0.22%	NA	2.54%	4.39%	6.84%
DAX 30	10066.90	▼	-1.40	-0.01%	NA	4.00%	-5.68%	-6.29%
CAC 40	4372.51	▼	-13.01	-0.30%	NA	3.19%	-5.95%	-5.71%
S&P 500	2161.74	▼	-2.01	-0.09%	NA	3.00%	0.09%	5.76%
Nasdaq Composite	5029.59	▼	-4.47	-0.09%	NA	3.86%	-2.13%	0.44%
DJIA	18516.55	▲	10.14	0.05%	NA	3.27%	0.80%	6.26%

South Africa Market ▲

South African markets closed higher

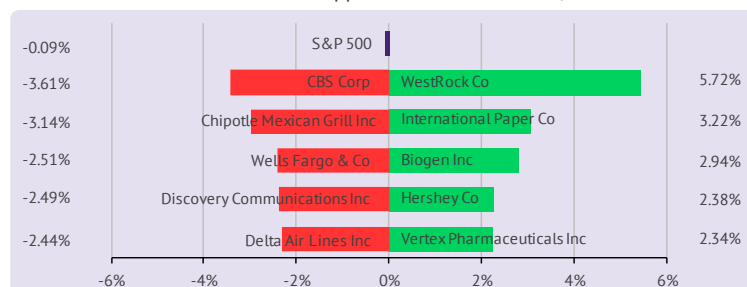
South African markets closed in the green on Friday, amid gains in retail sector stocks. The JSE All Share Index rose 0.5% to close at 53,088.46.



US Market ▼

The S&P 500 futures are trading in the green

US markets closed mostly lower on Friday, weighed down by losses in consumer discretionary sector stocks. Data indicated that consumer price index (CPI) in the US rose less-than-expected on a monthly basis in June. The S&P 500 Index dropped 0.1% to close at 2,161.74.



UK Market ▲

The FTSE 100 futures are trading in negative territory

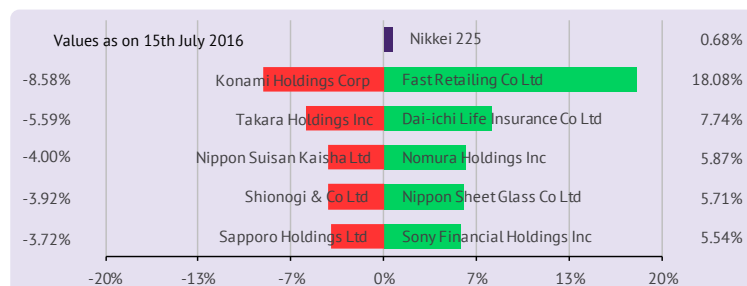
UK markets finished higher on Friday. However, gains were capped after travel sector stocks suffered a selloff following a terrorist attack in France. The FTSE 100 Index advanced 0.2% to close at 6,669.24.



Asian Market ◀▶

Trading mixed

Asian markets are trading mixed this morning. Markets in Japan are closed today on account of a public holiday.



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USDZAR ▼

USD trading lower against ZAR

At 06:00 SAST, the US Dollar is trading 1.5% weaker against the South African Rand at R14.3570. Later today, traders will keep a close watch on US NAHB housing market index for further direction.

The US Dollar rose against the South African Rand on Friday, after data indicated that retail sales in the US increased more-than-expected in June. Moreover, consumer prices advanced on a monthly basis in June, rising for a fourth consecutive month. Further, industrial output rebounded more-than-expected in June, while manufacturing production also advanced in the same month. Additionally, inventories held by businesses rose slightly more-than-expected in May. On the other hand, consumer sentiment eased to a three-month low in June.

GBPZAR ▼

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound fell 1.3% against the South African Rand to trade at R18.9923. Going forward, traders will keep an eye on UK's consumer price index and house price index data, scheduled to release tomorrow.

The British Pound advanced against the South African Rand on Friday. Data revealed that UK's construction output dropped more-than-expected in May.

EURZAR ▼

EUR trading lower against ZAR

At 06:00 SAST, the Euro is trading 1.4% lower against the South African Rand at R15.8664. Going forward, market participants will keep a tab on ZEW's economic sentiment survey in the Eurozone, scheduled to release tomorrow.

The Euro strengthened against the South African Rand on Friday. Data showed that the final reading on Eurozone's CPI came in line with market expectations on an annual basis in June. Meanwhile, the region's trade surplus narrowed in May, as a drop in exports exceeded the fall in imports.

AUDZAR ▼

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar is trading 1.2% lower against the South African Rand at R10.9027.

The Australian Dollar rose against the South African Rand on Friday, reversing previous session losses.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	14.3570	▼	2.45%	NA	-1.04%	-6.25%	-5.81%
GBPZAR	18.9923	▼	1.33%	NA	-1.93%	-13.79%	-15.63%
EURZAR	15.8664	▼	1.70%	NA	-1.54%	-6.58%	-4.29%
AUDZAR	10.9027	▼	1.67%	NA	0.62%	-3.45%	-2.84%
EURUSD	1.1060	▲	-0.76%	NA	-0.64%	-0.23%	1.55%
GBPUSD	1.3222	▲	-1.13%	NA	-0.89%	-8.09%	-10.51%
Brent (\$/barrel)	47.8	▲	0.51%	NA	-4.22%	-0.36%	27.71%
Gold (\$/oz)	1329.0	▲	-0.36%	NA	0.51%	8.71%	25.20%
Platinum (\$/oz)	1085.2	▼	-0.94%	NA	6.75%	4.19%	22.29%
Copper (\$/MT)*	4900.5	▼	-0.44%	NA	1.25%	3.05%	4.14%

*As of Previous Close

Gold ▲

Trading in the green

Gold prices edged 0.1% higher at 06:00 SAST, to trade at \$1,329.00/oz, reversing previous session losses.

On Friday, gold prices fell 0.4% to close at \$1,327.40/oz, amid a broad strength in the US Dollar.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil advanced 0.5% to trade at \$47.84/bl.

On Friday, Brent crude oil advanced 0.5% to settle at \$47.61/bl, as the release of better-than-expected economic data from China boosted the demand prospects of the commodity. Separately, the Baker Hughes reported that US oil rig count rose by 6 to 357 last week.

Platinum ▼

Trading in negative territory

Platinum prices fell 0.5% at 06:00 SAST, to trade at \$1,085.20/oz, extending losses from previous sessions.

On Friday, platinum prices declined 0.9% to close at \$1090.50/oz.



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Major South Africa Corporate News

Famous Brands Limited

The company announced that the Competition Commission has unconditionally approved its acquisition of 100.0% of the business of Lamberts Bay Foods, a wholly-owned subsidiary of Oceana Group Limited. The effective date of the transaction is August 01 2016.

Truworths International Limited

In its trading update for 52 weeks ended 26 June 2016, the company indicated that group retail sales rose 46.1% from the previous year to R17.00bn. Like-for-like store retail sales climbed 7.3% from the preceding year. Credit sales which increased 11.0% from the prior year, comprised of 53.0% of retail sales. Cash sales climbed 130.0%, from the last year.

Major Global Economic News

US

In June, on a monthly basis, advance retail sales registered a rise of 0.6% in the US, higher than market expectations for an advance of 0.1%. In the previous month, advance retail sales had recorded a revised rise of 0.2%.

The CPI registered a rise of 0.2% on a monthly basis in the US, in June, compared to a similar rise in the prior month. Markets were expecting the CPI to advance 0.3%.

In the US, industrial production rose 0.6% on a monthly basis in June, compared to a revised drop of 0.3% in the previous month. Markets were anticipating industrial production to rise 0.3%.

In June, on a monthly basis, manufacturing production in the US recorded a rise of 0.4%, compared to a revised drop of 0.3% in the previous month. Markets were anticipating manufacturing production to rise 0.3%.

In the US, the preliminary Reuters/Michigan consumer sentiment index registered an unexpected drop to 89.50 in July, compared to market expectations of a steady reading. In the previous month, the index had registered a level of 93.50.

Eurozone

In June, on a monthly basis, the CPI in the Eurozone climbed 0.2%, compared to a rise of 0.4% in the prior month. Markets were expecting the CPI to climb 0.2%.

The seasonally adjusted trade surplus in the Eurozone fell to EUR24.50bn in May, following a revised trade surplus of EUR25.40bn in the prior month. Markets were expecting the region's trade surplus to narrow to EUR25.00bn.

UK

Construction output in the UK slid 1.9% on a yearly basis in May, lower than market expectations for a fall of 3.5%. In the prior month, construction output had fallen by a revised 0.6%.

On a monthly basis, the Rightmove house price index in the UK fell 0.9% in July. In the previous month, the index had recorded a rise of 0.8%.



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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	64	3.84%	22.70%	312.69%
Kumba Iron Ore Ltd	135	14.14%	21.33%	226.89%
Assore Ltd	185	3.05%	2.77%	197.91%
AngloGold Ashanti Ltd	304	1.88%	13.64%	186.17%
Sibanye Gold Ltd	62	9.76%	23.38%	170.63%
Lonmin Plc	45	4.57%	20.32%	145.30%
Anglo American Plc	158	13.10%	12.38%	129.69%
African Rainbow Minerals Ltd	98	7.28%	6.52%	125.55%
Pan African Resources Plc	4	-9.43%	5.07%	125.14%
Impala Platinum Holdings Ltd	54	6.80%	15.17%	117.09%
Anglo American Platinum Ltd	400	2.77%	8.91%	115.82%
Gold Fields Ltd	85	4.81%	19.12%	101.18%
Royal Bafokeng Platinum Ltd	51	2.34%	14.95%	90.66%
Exxaro Resources Ltd	83	16.34%	23.04%	88.47%
Northam Platinum Ltd	46	3.67%	7.70%	75.48%
Bidvest Group Ltd	148	9.99%	6.64%	66.33%
Blue Label Telecoms Ltd	20	3.60%	7.36%	63.29%
Murray & Roberts Holdings Ltd	12	6.15%	4.45%	55.38%
African Oxygen Ltd	19	5.02%	11.94%	46.38%
Clicks Group Ltd	127	1.30%	3.20%	42.28%
JSE Ltd	178	-1.19%	-3.60%	40.31%
Massmart Holdings Ltd	136	7.40%	7.66%	35.65%
Hyprop Investments Ltd	137	5.97%	5.24%	32.27%
Imperial Holdings Ltd	156	8.03%	4.43%	30.78%
Tongaat Hulett Ltd	120	3.70%	1.87%	28.43%
Coronation Fund Managers Ltd	67	2.47%	0.55%	27.15%
Barloworld Ltd	78	2.79%	6.64%	25.88%
Cashbuild Ltd	370	2.78%	4.23%	23.33%
Aspen Pharmacare Holdings Ltd	379	0.42%	4.48%	22.31%
Shoprite Holdings Ltd	175	7.03%	5.31%	22.26%
Tiger Brands Ltd	387	5.44%	6.66%	22.20%
Omnia Holdings Ltd	162	5.04%	10.32%	21.40%
Niveus Investments Ltd	24	-1.52%	-4.08%	19.90%
Ascendis Health Ltd	24	-3.53%	1.25%	19.47%
Foschini Group Ltd	145	6.24%	4.32%	19.07%
Tsogo Sun Holdings Ltd	29	4.93%	7.33%	17.93%
Alexander Forbes Group Holdings Ltd	7	5.44%	4.02%	17.71%
Santam Ltd	223	-0.49%	-2.94%	17.48%
Pick n Pay Stores Ltd	76	5.39%	6.10%	16.92%
Standard Bank Group Ltd	133	6.83%	3.74%	16.81%
JSE All Share Index	53088	3.53%	1.67%	4.72%

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
UK	01:01	Rightmove House Price Index (MoM) (Jul)	✓	-0.90%*	0.80%	Monthly
China	03:30	House Price Index (YoY) (Jun)	✓	7.30%*	6.90%	Monthly
UK	10:15	BOE's Weale speaks in London Brexit Impact on Monetary Policy	✓	-	-	As scheduled
Spain	11:00	Bank of Spain Governor Linde Speaks in Almeria	✓	-	-	As scheduled
Germany	12:00	German Buba Monthly Report	✓	-	-	As scheduled
Canada	14:30	Foreign portfolio investment in Canadian securities (May)	✓	-	CAD15.52bn	Monthly
Canada	14:30	Canadian portfolio investment in foreign securities (May)	✓	-	CAD4.67bn	Monthly
France	15:00	Bank of France's Villeroy speaks at FinTech conference	✓	-	-	As scheduled
US	16:00	NAHB Housing Market Index (Jul)	✓	60.00	60.00	Monthly
US	22:00	Net Long-Term TIC Flows (May)	✓✓	-	-USD79.60bn	Monthly
US	22:00	Total Net TIC Flows (May)	✓	-	USD80.40bn	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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