

ONE Minute Brief

8 July 2016

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Economic and Political News

South net gold & forex reserves climbed to USD40.83bn in June, higher than market expectations of a rise to USD40.70bn. In the previous month, the net gold & forex reserves stood at USD40.48bn.

On an annual basis, the electricity consumption in South Africa eased 0.8% in May. Electricity consumption had dropped 1.4% in the prior month. Further, electricity production rose 1.0% on yearly basis, in May. In the previous month, electricity production had registered a rise of 0.8%.

The IMF slashed South Africa's growth projections for 2016 to 0.1%, citing domestic politics and policies, heightened global financial volatility and weak Chinese demand.

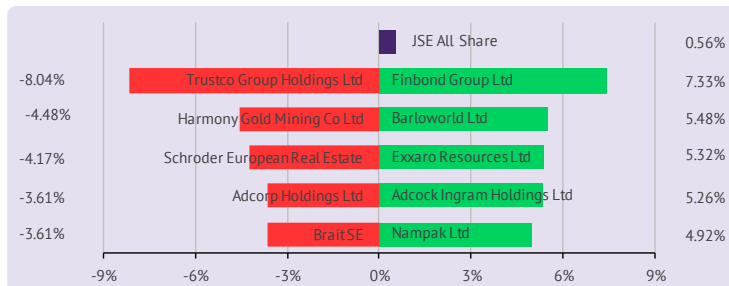
Democratic Alliance stated that it will ask Public Protector, Thuli Madonsela to probe political interference at the SABC.

National Treasury committed to additional funding of ZAR1.50mn for Public Protector Thuli Madonsela for her investigation into state capture.

South Africa Market ▲

South African markets closed higher

South African markets closed in the green yesterday, amid gains in banking sector stocks. Data indicated that South Africa's gross and net gold & forex reserves advanced in June from May. The JSE All Share Index rose 0.6% to close at 51,097.48.



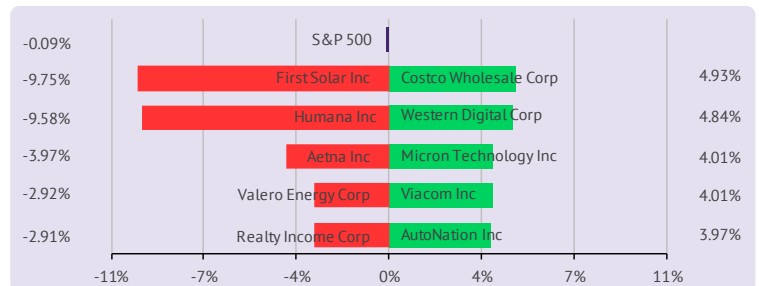
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	51097.48	▲ 285.82	0.56%	-2.41%	-2.15%	-3.13%	0.80%
JSE Top 40	44802.53	▲ 301.31	0.68%	-2.64%	-2.55%	-4.17%	-2.17%
FTSE 100	6533.79	▲ 70.20	1.09%	-0.67%	0.45%	4.39%	4.67%
DAX 30	9418.78	▲ 45.52	0.49%	-3.66%	-2.70%	-5.68%	-12.33%
CAC 40	4117.85	▲ 32.55	0.80%	-3.65%	-2.82%	-5.95%	-11.20%
S&P 500	2097.90	▼ -1.83	-0.09%	-0.24%	-0.05%	0.09%	2.64%
Nasdaq Composite	4876.81	▲ 17.65	0.36%	0.29%	0.70%	-2.13%	-2.61%
DJIA	17895.88	▼ -22.74	-0.13%	-0.30%	-0.19%	0.80%	2.70%

US Market ▼

The S&P 500 futures are trading in the red

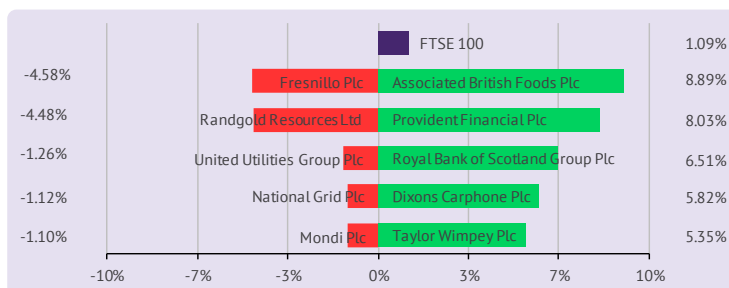
US markets closed lower yesterday, weighed down by losses in utilities and telecom sector stocks and following lower oil prices. Data showed ADP private sector employment in the US increased in June from May. The S&P 500 Index dropped 0.1% to close at 2,097.90.



UK Market ▲

The FTSE 100 futures are trading in negative territory

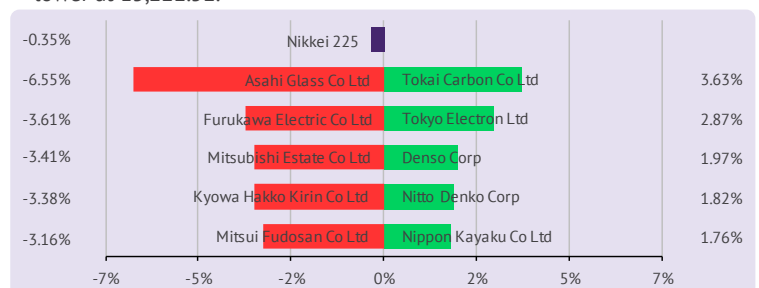
UK markets finished higher yesterday, following gains in financial sector stocks. Data revealed that UK's NIESR estimated GDP advanced in the April-June period. The FTSE 100 Index rose 1.1% to close at 6,533.79.



Asian Market ▼

Trading lower

Asian markets are trading lower this morning, amid decline in oil prices. Earlier in the session, data revealed that Japan's trade surplus on a BOP basis narrowed sharply in May. The Nikkei 225 Index is trading 0.4% lower at 15,222.52.



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USDZAR ▼

USD trading weaker against ZAR

At 06:00 SAST, the US Dollar retreated marginally against the South African Rand to trade at R14.7546. Later today, traders will keep a close watch on US non-farm payrolls and unemployment rate data along with average hourly earnings for further direction.

The US Dollar rose against the South African Rand yesterday, after ADP indicated that employment in the private sector in the US advanced more-than-expected in June. Moreover, the number of people applying for the new unemployment benefits unexpectedly declined during last week. Elsewhere, South Africa's net and gross gold & forex reserves advanced in June from May.

GBPZAR ▲

GBP trading stronger against ZAR

At 06:00 SAST, the British Pound is trading 0.2% higher against the South African Rand at R19.1180. Later today, traders will eye UK's trade balance data for further clues.

The British Pound advanced against the South African Rand yesterday. NIESR estimated that UK's GDP grew 0.6% in the three months to June. Meanwhile, the nation's industrial output shrank less-than-expected in May, while manufacturing production also dropped in the same month.

EURZAR ▲

EUR trading firmer against ZAR

At 06:00 SAST, the Euro climbed 0.2% against the South African Rand to trade at R16.3541. Going forward, market participants will keep a tab on Germany's trade balance data, scheduled to be released in a few hours.

The Euro weakened against the South African Rand yesterday. Separately, minutes of the ECB's latest monetary policy meeting highlighted concerns that Brexit could have significant negative repercussions on Eurozone growth.

AUDZAR ▼

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar fell 0.2% against the South African Rand to trade at R11.0630.

The Australian Dollar rose against the South African Rand yesterday. Separately, data showed that Australia's construction sector expanded in June, making its way out of contraction territory.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	14.7546	▼	0.20%	1.37%	0.23%	-6.25%	-4.60%
GBPZAR	19.1180	▲	0.13%	-1.28%	-2.70%	-13.79%	-16.30%
EURZAR	16.3541	▲	-0.16%	0.63%	-0.07%	-6.58%	-2.86%
AUDZAR	11.0630	▼	0.02%	1.53%	1.04%	-3.45%	-2.43%
EURUSD	1.1080	▲	-0.33%	-0.66%	-0.39%	-0.23%	1.81%
GBPUSD	1.2950	▲	-0.18%	-2.71%	-3.03%	-8.09%	-12.44%
Brent (\$/barrel)	47.0	▲	-4.92%	-7.85%	-6.66%	-0.36%	24.46%
Gold (\$/oz)	1359.6	▼	-0.37%	1.73%	3.14%	8.71%	28.48%
Platinum (\$/oz)	1088.3	▼	0.39%	3.45%	6.81%	4.19%	22.36%
Copper (\$/MT)*	4673.0	▼	-1.24%	-4.62%	-3.45%	3.05%	-0.70%

*As of Previous Close

Gold ▼

Trading in the red

Gold prices edged lower 0.2%, at 06:00 SAST, to trade at \$1,359.60/oz, extending previous session losses.

Yesterday, gold prices fell 0.4% to close at \$1,362.10/oz, amid a broad strength in the US Dollar, weakening demand for the precious yellow metal.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged higher 1.2% to trade at \$46.95/bl.

Yesterday, Brent crude oil dropped 4.9% to settle at \$46.40/bl, falling to a five-month low after the US Energy Department reported that crude oil inventories fell less-than-expected by 2.2mn bls last week.

Platinum ▼

Trading in negative territory

Platinum prices retreated 0.3%, at 06:00 SAST, to trade at \$1,088.30/oz, reversing previous session gains.

Yesterday, platinum prices climbed 0.4% to close at \$1091.10/oz.



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Major South Africa Corporate News

Netcare Limited

The company indicated that Peregrine Capital (Pty) Limited, on behalf of its clients, acquired a beneficial interest in preference shares of the company, such that the total stake of preference shares held by Peregrine is now 15.4% of the total issued securities of that class.

Aveng Limited

The company announced that it received a formal notification that the clients of Coronation Asset Management (Pty) Limited have, in aggregate, acquired a stake in the company, such that the total interest held by Coronation's clients now amounts to 5.1% of the total issued ordinary shares of the company.

Major Global Economic News

UK

In the UK, manufacturing production recorded a drop of 0.5% on a monthly basis in May, compared to a revised advance of 2.4% in the previous month. Market expectation was for manufacturing production to fall 1.20%.

On a monthly basis, in May, industrial production registered a drop of 0.5% in the UK, less than market expectations for a fall of 1.0%. In the previous month, industrial production had risen by a revised 2.1%.

On a monthly basis, NIESR estimated gross domestic product (GDP) climbed 0.6% in the April-June 2016 period, in the UK. In the March-May 2016 period, estimated GDP had registered a revised similar rise.

US

The private sector employment in the US registered a rise of 172.00K in June, following a revised gain of 168.00K in the previous month. Market expectation was for the private sector employment to rise 160.00K.

In the US, the seasonally adjusted initial jobless claims eased to 254.00K in the week ended July 02, 2016, compared to market expectations of a fall to a level of 269.00K. Initial jobless claims had recorded a revised level of 270.00K in the previous week.

Asia

Trade surplus (BOP basis) in Japan narrowed to Yen39.90bn in May, compared to a surplus of Yen697.10bn in the previous month. Market expectation was for the nation to post a surplus of Yen56.00bn.

In May, adjusted (total) current account surplus in Japan fell to Yen1414.50bn, less than market expectations of surplus of Yen1515.40bn. Japan had reported surplus of Yen1625.80bn in the previous month.

Eurozone

According to minutes of the European Central Bank's (ECB) latest monetary policy meeting, which took place ahead of the UK's referendum, policymakers warned that UK's vote to leave the European Union could have significant negative repercussions on Eurozone growth. Further, the officials reiterated that the central bank stands ready to provide additional stimulus if inflation continued to miss the near 2.0% target.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:50	Adjusted Current Account Total (May)	✓	Yen1414.50bn*	Yen1625.80bn	Monthly
Japan	01:50	Trade Balance - BOP Basis (May)	✓✓	Yen39.90bn*	Yen697.10bn	Monthly
Japan	07:00	Eco Watchers Survey: Current (Jun)	✓✓	43.10	43.00	Monthly
Japan	07:00	Eco Watchers Survey: Outlook (Jun)	✓✓	46.70	47.30	Monthly
Switzerland	07:45	Unemployment Rate s.a. (Jun)	✓✓	3.50%	3.50%	Monthly
Germany	08:00	Exports s.a. (MoM) (May)	✓	0.40%	0.00%	Monthly
Germany	08:00	Trade Balance s.a. (May)	✓✓	EUR32.50bn	EUR25.60bn	Monthly
France	08:30	Bank of France Business Sentiment (Jun)	✓	97.00	97.00	Monthly
France	08:45	Budget Balance (May)	✓	-	-EUR56.50bn	Monthly
France	08:45	Industrial Production (MoM) (May)	✓✓	-0.50%	1.20%	Monthly
France	08:45	Manufacturing Production (MoM) (May)	✓✓	-0.50%	1.30%	Monthly
UK	10:30	Total Trade Balance (May)	✓✓	-GBP3.58bn	-GBP3.29bn	Monthly
UK	10:30	Visible Trade Balance (May)	✓✓	-GBP10.70bn	-GBP10.53bn	Monthly
US	14:30	Average Hourly Earnings (Jun)	✓✓	-	USD21.49	Monthly
Canada	14:30	Full Time Employment Change (Jun)	✓✓	-	60.50K	Monthly
Canada	14:30	Unemployment Rate (Jun)	✓✓✓	7.00%	6.90%	Monthly
US	14:30	Average Hourly Earnings All Employees (MoM) (Jun)	✓✓	0.20%	0.20%	Monthly
US	14:30	Unemployment Rate (Jun)	✓✓✓	4.80%	4.70%	Monthly
Canada	14:30	Net Change in Employment (Jun)	✓✓✓	5.00K	13.80K	Monthly
US	14:30	Change in Non-farm Payrolls (Jun)	✓✓✓	180.00K	38.00K	Monthly
US	14:30	Change in Private Payrolls (Jun)	✓✓	170.00K	25.00K	Monthly
US	21:00	Consumer Credit Change (May)	✓✓	USD16.00bn	USD13.42bn	Monthly

Note: ✓✓✓High ✓✓Medium ✓Low

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