

ONE Minute Brief

21 July 2016

GTC
consult • partner • manage

Economic and Political News

South Africa's consumer price index advanced 0.6% on a monthly basis in June, in line with market expectations. In the previous month, the CPI had registered a rise of 0.2%.

The Independent Communications Authority of South Africa stated that South African Broadcasting Corporation has formally agreed to abide by the order to withdraw the ban on broadcasting violent protests.

AgriSA, an organisation that represents commercial farmers, has indicated that about 15,000 out of the 35,000 commercial farmers in South Africa have been affected severely by drought and many are considering selling off their farms as they struggle to obtain funds to sustain their operations.

ANC deputy President, Cyril Ramaphosa mentioned that South Africa's progress depended on an effective local Government and the ability of municipalities to work with all spheres of Government.

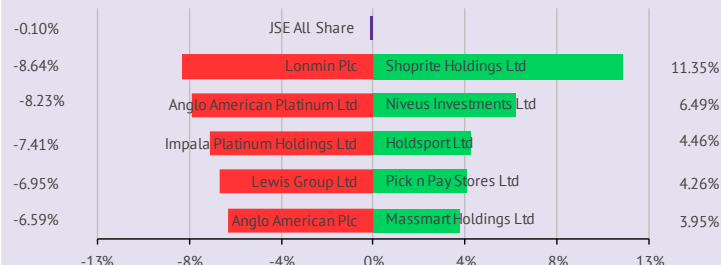
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	52837.86	▼	-55.06	-0.10%	-0.47%	1.19%	-3.13%	4.23%
JSE Top 40	46200.63	▼	-13.65	-0.03%	-0.55%	0.49%	-4.17%	0.88%
FTSE 100	6728.99	▲	31.62	0.47%	0.90%	3.45%	4.39%	7.80%
DAX 30	10142.01	▲	160.77	1.61%	0.75%	4.77%	-5.68%	-5.59%
CAC 40	4379.76	▲	49.63	1.15%	0.17%	3.36%	-5.95%	-5.55%
S&P 500	2173.02	▲	9.24	0.43%	0.52%	3.53%	0.09%	6.32%
Nasdaq Composite	5089.93	▲	53.56	1.06%	1.20%	5.11%	-2.13%	1.65%
DJIA	18595.03	▲	36.02	0.19%	0.42%	3.71%	0.80%	6.71%

South Africa Market ▼

South African markets closed lower

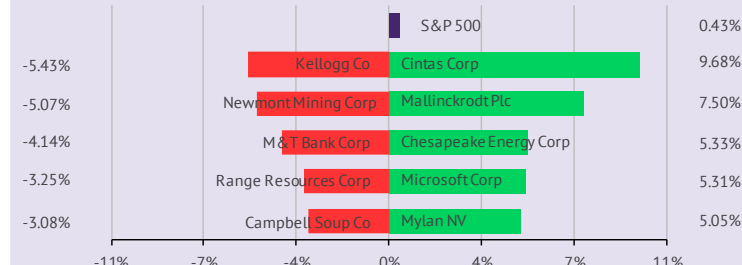
South African markets closed in the red yesterday, led by losses in platinum mining sector stocks. Data indicated that South Africa's consumer prices rose on a monthly basis in June. The JSE All Share Index fell 0.1% to close at 52,837.86.



US Market ▲

The S&P 500 futures are trading in the green

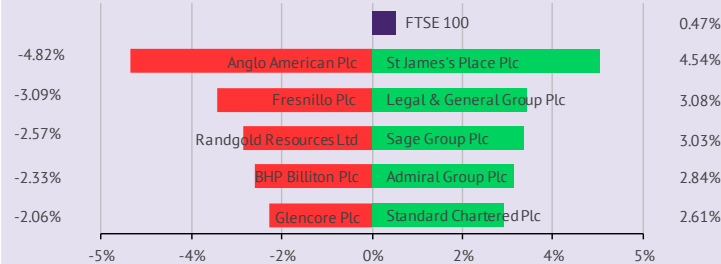
US markets closed higher yesterday, supported by gains in technology sector stocks. The S&P 500 Index climbed 0.4% to close at 2,173.02.



UK Market ▲

The FTSE 100 futures are trading in positive territory

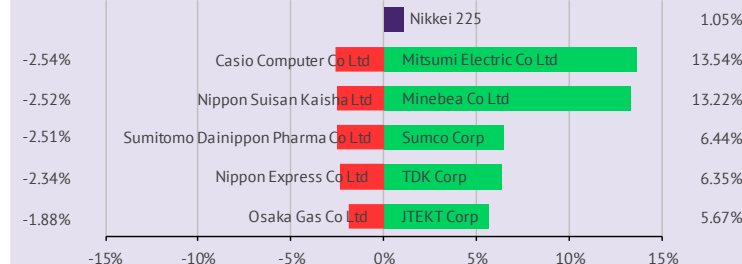
UK markets finished higher yesterday, amid gains in insurance sector stocks. Data revealed that UK's ILO unemployment rate eased unexpectedly in the March-May 2016 period. The FTSE 100 Index advanced 0.5% to close at 6,728.99.



Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning. The Nikkei 225 Index is trading 1.1% higher at 16,857.09.



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

An Authorised Financial Services Provider FSP No. 731
formerly Grant Thornton Capital

Employee Benefits Consulting • Employee Benefits Administration • Private Client Wealth Management • Healthcare Consulting • Short-Term Risk Solutions • Stockbroking • Derivatives Trading • Unit Trust Management • Asset Management • Fiduciary Services

ONE Minute Brief

21 July 2016

GTC
consult • partner • manage

USDZAR ▼

USD trading weaker against ZAR

At 06:00 SAST, the US Dollar dropped 0.3% against the South African Rand to trade at R14.2985. Later today, traders will keep a close watch on initial jobless claims, existing home sales, house price index and Philadelphia Fed Manufacturing survey in the US for further direction. Additionally, investors will closely monitor South African Reserve Bank's interest rate decision, scheduled in a few hours.

The US Dollar rose against the South African Rand yesterday. Data indicated that MBA mortgage applications in the US dropped during the week ended July 15. Separately, South Africa's consumer price inflation rate accelerated in line with market expectations in June.

GBPZAR ▼

GBP trading lower against ZAR

At 06:00 SAST, the British Pound fell 0.2% against the South African Rand to trade at R18.9050. Later today, traders will keep an eye on UK's retail sales and public sector net borrowing for further clues.

The British Pound advanced against the South African Rand yesterday, after data indicated that UK's ILO unemployment rate slipped at the end of May, its lowest level since 2005. Moreover, the number of people in work advanced in the March-to-May period. On the other hand, the claimant count rate advanced as expected in June.

EURZAR ▼

EUR trading weaker against ZAR

At 06:00 SAST, the Euro is trading 0.1% weaker against the South African Rand at R15.7776. Going forward, market participants will keep a tab on European Central Bank's interest rate decision along with monetary policy statement, scheduled later today.

The Euro traded flat against the South African Rand yesterday. Separately, data revealed that Eurozone's current account surplus narrowed in May, falling to the lowest level since February. Elsewhere, Germany's producer prices advanced more-than-expected on a monthly basis in June.

AUDZAR ▼

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% weaker against the South African Rand at R10.7167. Earlier in the session, data revealed that Australia's NAB business confidence declined in the second quarter of 2016, indicating that the economy was losing momentum after beginning the year on a stronger footing.

The Australian Dollar fell against the South African Rand yesterday, after data indicated that Australia's Westpac leading index declined on a monthly basis in May.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	14.2985	▼	0.07%	-1.56%	-2.58%	-6.25%	-7.28%
GBPZAR	18.9050	▼	0.80%	-1.49%	-3.39%	-13.79%	-16.90%
EURZAR	15.7776	▼	0.00%	-1.77%	-3.28%	-6.58%	-5.98%
AUDZAR	10.7167	▼	-0.32%	-2.86%	-2.26%	-3.45%	-5.62%
EURUSD	1.1036	▲	-0.05%	-0.18%	-0.82%	-0.23%	1.37%
GBPUSD	1.3219	▲	0.74%	0.12%	-0.77%	-8.09%	-10.40%
Brent (\$/barrel)	47.3	▲	1.09%	-0.92%	-5.11%	-0.36%	26.53%
Gold (\$/oz)	1314.8	▼	-0.98%	-0.61%	-0.10%	8.71%	24.44%
Platinum (\$/oz)	1087.8	▲	-0.65%	-0.27%	6.47%	4.19%	21.97%
Copper (\$/MT)*	4953.8	▼	-0.28%	1.09%	2.35%	3.05%	5.27%

*As of Previous Close

Gold ▼

Trading in the red

At 06:00 SAST, gold prices edged lower 0.3% to trade at \$1,314.80/oz.

Yesterday, gold prices fell 1.0% to close at \$1,319.30/oz, amid heightened expectations that the US Fed might raise interest rates this year.

Brent Crude Oil ▲

Trading stronger

Brent crude oil rose 0.3% at 06:00 SAST, to trade at \$47.32/bl, extending gains from previous sessions.

Yesterday, Brent crude oil advanced 1.1% to settle at \$47.17/bl, after the US Energy Department reported that crude oil inventories fell more-than-expected by 2.3mn bls last week, its ninth consecutive weekly decline. Meanwhile, operations at the port of Hariga in Libya resumed, after the protest among workers over wages ended.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices rose marginally to trade at \$1,087.80/oz.

Yesterday, platinum prices declined 0.7% to close at \$1087.60/oz.



ONE Minute Brief

21 July 2016



consult • partner • manage

Major South Africa Corporate News

Anglo American Platinum Limited

In its production report for 2Q16, the company stated that platinum production rose 0.9% from the corresponding period of the previous year to 586k oz, as a result of improved performances during the quarter at Unki, Union and the joint venture operations. Refined platinum production increased to 748.00k oz from 561.00k oz posted in the same period of the preceding year, reflecting the recovery at the Precious Metals Refinery after a planned stock take and safety stoppage in 1Q16.

Anglo American Plc

In its production report for 2Q16, the company indicated that total iron ore output rose to 12.40mnt, compared with 12.20mnt posted in the same period a year earlier. Diamond production fell 19.0% to 6.45Mct after it decided to reduce output at its majority-owned De Beers unit. It now expects copper production in FY16 to fall and be between 570,000.00t to 600,000.00t, compared with an earlier expectation of 600,000.00t – 630,000.00t as severe winter weather limited its ability to mine at higher altitudes at its Los Bronces mines in Chile during 2Q16.

Astral Foods Limited

In its operational update for 3Q16, the company stated that high feed costs, increasing poultry imports and the weak consumer market have had a detrimental effect on the results of the group, with the impact more severe than originally anticipated. The group has implemented an import programme for maize and is also forced to introduce more cutbacks in the poultry production chain going forward, which will negatively impact on labour force due to reduction in hours to be worked.

Major Global Economic News

UK

In the UK, the ILO unemployment rate eased unexpectedly to 4.9% in the March-May 2016 period, lower than market expectations of an unchanged reading. The ILO unemployment rate had recorded a level of 5.0% in the February-April 2016 period.

In June, the claimant count rate remained steady at a level of 2.2% in the UK, meeting market expectations.

In the March-May 2016 period, employment advanced by 176.00K in the UK, higher than market anticipations of an advance of 73.00K. Employment had registered a gain of 55.00K in the February-April 2016 period.

US

In the week ended July 15, 2016, mortgage applications slid 1.3% on a weekly basis, in the US. In the prior week, mortgage applications had risen 7.2%.

Datatec Limited

In its interim management statement for the period 01 March 2016 to 30 June 2016, the company indicated that it had a sound trading start to the year with a 13.8% increase in gross margins in a tough global macro environment marked by continuing volatility in many markets. Group revenues fell to USD1.97bn, compared with USD 2.22bn recorded in the same period of the prior year, due to a stronger dollar. It added that the gross margins of WestconGroup improved to 10.6% from 10.0% in the corresponding period in the previous year. However, WestconGroup's revenues fell 13.0% due to strong revenue growth in the same period last year, particularly in the Comstor business.

Kumba Iron Ore Limited

In its production and sales report for 2Q16, the company revealed that overall production declined 14.6% from the corresponding period of the previous year to 8.86mnt. Total sales fell to 9.67mnt from 13.08mnt posted in the same period of the prior year. Production from its Sishen mine dropped 20.6% from the similar period of the preceding year to 5.70mnt due to the implementation of a revised mine plan and a reduction about 31.0% of Sishen's workforce.

Tiger Brands Limited

The company announced that Mr. Noel Doyle has been appointed as the Chief Financial Officer, with effect from August 01, 2016. Mr Doyle has been the Chief Operating Officer of the company since July 13, 2015 and served as an Acting Chief Executive Officer, from January 01, until May 9, 2016.

Eurozone

The seasonally adjusted current account surplus in the Eurozone dropped to EUR30.80bn in May, compared to a revised current account surplus of EUR36.40bn in the previous month.

In June, the producer price index registered a rise of 0.4% in Germany on a monthly basis, more than market expectations for a rise of 0.2%. In the prior month, the index had registered a similar rise.

Asia

The business confidence index in Australia fell to a level of 2.00 in 2016. The index had recorded a level of 4.00 in the prior quarter.

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

An Authorised Financial Services Provider FSP No. 731
formerly Grant Thornton Capital

Employee Benefits Consulting • Employee Benefits Administration • Private Client Wealth Management • Healthcare Consulting • Short-Term Risk Solutions • Stockbroking • Derivatives Trading • Unit Trust Management • Asset Management • Fiduciary Services

ONE Minute Brief

21 July 2016

GTC
consult • partner • manage

Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus	Previous/ **Previous Est.	Frequency
Japan	06:30	All Industry Activity Index (MoM) (May)	✓✓	-1.10%	1.30%	Monthly
Switzerland	08:00	Trade Balance (Jun)	✓✓	-	CHF3.79bn	Monthly
Japan	08:00	Machine Tool Orders (YoY) (Jun) (F)	✓✓	-	-19.90%**	Monthly
France	08:45	Business Climate (Jul)	✓	99.00	100.00	Monthly
France	08:45	Business Survey Overall Demand (Jul)	✓	-	12.00	Monthly
Spain	10:00	Trade Balance (May)	✓	-	-EUR0.64bn	Monthly
UK	10:30	Public Sector Net Cash Requirement (Jun)	✓✓	-	GBP3.42bn	Monthly
UK	10:30	Retail Sales (MoM) (Jun)	✓	-0.60%	0.90%	Monthly
UK	10:30	PSNB ex Interventions (Jun)	✓	GBP9.50bn	GBP9.70bn	Monthly
UK	10:30	Public Sector Net Borrowing (Jun)	✓✓	GBP9.20bn	GBP9.10bn	Monthly
Eurozone	13:45	ECB Interest Rate Decision	✓✓✓	0.00%	0.00%	As scheduled
Eurozone	14:30	ECB Monetary Policy Statement and Press Conference	✓✓✓	-	-	As scheduled
Canada	14:30	Wholesale Sales (MoM) (May)	✓	0.20%	0.10%	Monthly
US	14:30	Initial Jobless Claims (16-Jul)	✓✓	265.00K	254.00K	Weekly
US	14:30	Chicago Fed National Activity Index (Jun)	✓	-0.20	-0.51	Monthly
US	14:30	Philadelphia Fed Manufacturing Survey (Jul)	✓✓	4.50	4.70	Monthly
Eurozone	14:30	ECB President Draghi Speaks to Press After Rate Decision	✓	-	-	As scheduled
US	15:00	Housing Price Index (MoM) (May)	✓	0.40%	0.20%	Monthly
US	16:00	House Price Index (SA) (May)	✓✓	-	233.78	Monthly
US	16:00	Leading Indicator (MoM) (Jun)	✓✓	0.20%	-0.20%	Monthly
US	16:00	Existing Home Sales (MoM) (Jun)	✓	-0.90%	1.80%	Monthly
South Africa	-	SARB Interest Rate Decision	✓✓✓	7.00%	7.00%	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

Disclaimer

This report and its contents are confidential, privileged and only for the information of the intended recipient. GTC (Pty) Ltd make no representations or warranties in respect of this report or its content and will not be liable for any loss or damage of any nature arising from this report, the content thereof, your reliance thereon its unauthorised use or any electronic viruses associated therewith. Please note that content does not necessarily represent or reflect the views and opinions of GTC (Pty) Ltd. This report is proprietary to GTC (Pty) Ltd and you may not copy or distribute the report without the prior written consent of the authors. Any feedback or contributions are most welcome. GTC (Pty) Ltd Registration No 1996/001488/07 FSP No 731. An authorised Financial Services Provider.

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

An Authorised Financial Services Provider FSP No. 731
formerly Grant Thornton Capital

Employee Benefits Consulting • Employee Benefits Administration • Private Client Wealth Management • Healthcare Consulting •
Short-Term Risk Solutions • Stockbroking • Derivatives Trading • Unit Trust Management • Asset Management • Fiduciary Services