

ONE Minute Brief

28 July 2016

GTC
consult • partner • manage

Economic and Political News

South African Broadcasting Corporation announced that it was reinstating the seven fired journalists, following a labour court ruling which termed the dismissal as unlawful.

SARB's Deputy Governor, Daniel Mminele is of the belief that South Africa will have to grow by around 1.0% for each of the three remaining quarters of 2016 to avoid a recession. Separately, Finance Minister, Pravin Gordhan announced that the economy will not grow above 1.0% this year but added that the growth is unlikely to fall below 0%.

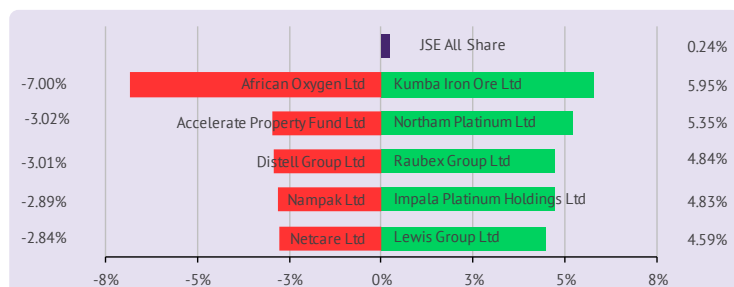
Police Minister Nathi Nhleko indicated that South African Police Service was currently investigating 30 instances of political violence, 14 of which are cases related to murder and attempted murder. He further added that a crack National Prosecuting Authority team has been set up to accelerate cases involving political killings.

A government agency, Crop Estimates Committee indicated that farmers in South Africa will likely harvest 7.26mn tonnes of maize in 2016, up 1.41% from June's estimate of 7.160-mn tonnes.

South Africa Market ▲

South African markets closed higher

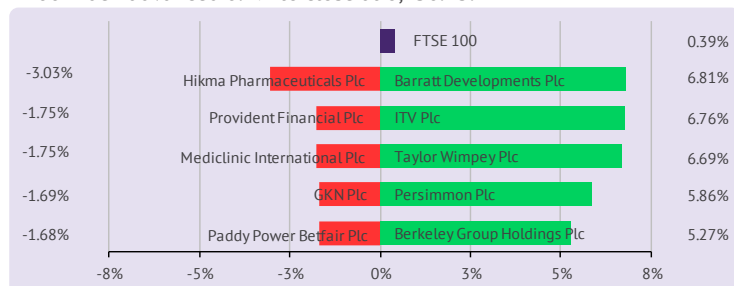
South African markets advanced yesterday, amid gains in platinum mining sector stocks. The JSE All Share Index rose 0.2% to close at 53,764.26.



UK Market ▲

The FTSE 100 futures are trading in positive territory

UK markets finished higher yesterday, supported by gains in housebuilding sector stocks. Preliminary data revealed that UK's GDP advanced more-than-expected on a quarterly basis in 2Q16. The FTSE 100 Index advanced 0.4% to close at 6,750.43.



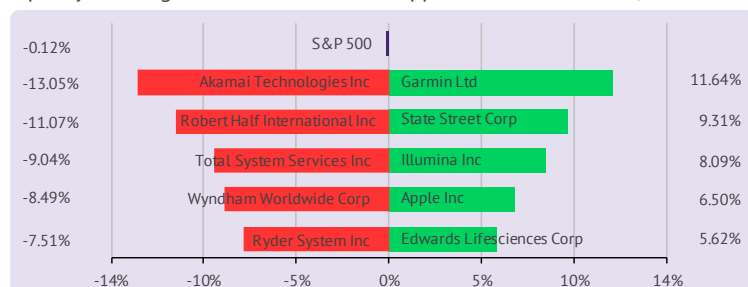
Key Indices

| | Last Close | 1 Day Chg | 1 D % Chg | WTD % Chg | MTD % Chg | Prev. Month % Chg | YTD % Chg |
|------------------|------------|-----------|-----------|-----------|-----------|-------------------|-----------|
| JSE All Share | 53764.26 | ▲ 126.22 | 0.24% | 1.43% | 2.96% | -3.13% | 6.06% |
| JSE Top 40 | 46874.05 | ▲ 85.73 | 0.18% | 1.27% | 1.96% | -4.17% | 2.35% |
| FTSE 100 | 6750.43 | ▲ 26.40 | 0.39% | 0.30% | 3.78% | 4.39% | 8.14% |
| DAX 30 | 10319.55 | ▲ 71.79 | 0.70% | 1.70% | 6.61% | -5.68% | -3.94% |
| CAC 40 | 4446.96 | ▲ 52.19 | 1.19% | 1.50% | 4.94% | -5.95% | -4.10% |
| S&P 500 | 2166.58 | ▼ -2.60 | -0.12% | -0.39% | 3.23% | 0.09% | 6.00% |
| Nasdaq Composite | 5139.81 | ▲ 29.76 | 0.58% | 0.78% | 6.14% | -2.13% | 2.64% |
| DJIA | 18472.17 | ▼ -1.58 | -0.01% | -0.53% | 3.02% | 0.80% | 6.01% |

US Market ▼

The S&P 500 futures are trading in the green

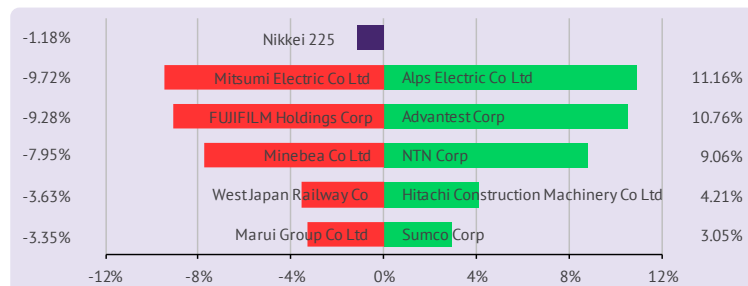
US markets closed mostly lower yesterday, weighed down by losses in consumer staples sector stocks. The Federal Open Market Committee kept the interest rate unchanged as widely expected at its monetary policy meeting. The S&P 500 Index dropped 0.1% to close at 2,166.58.



Asian Market ▼

Trading lower

Asian markets are trading lower this morning. The Nikkei 225 Index is trading 1.2% lower at 16,468.24.



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

28 July 2016

GTC
consult • partner • manage

USDZAR ▼

USD trading lower against ZAR

At 06:00 SAST, the US Dollar fell 0.3% against the South African Rand to trade at R14.2100. Later today, traders will keep a close watch on US initial jobless claims and goods trade balance data for further direction. Additionally, investors will keep an eye on South Africa's unemployment rate and producer price index for further clues.

The US Dollar fell against the South African Rand yesterday, after the US Fed kept the benchmark interest rate unchanged at 0.5% at its July monetary policy meeting. However, the central bank indicated that labour market was strengthening, while also stating that near-term risks to the economy have faded away. Meanwhile, orders for long lasting goods in the US dropped more than expected in June, marking its biggest drop in almost two years while pending home sales rebounded on a monthly basis in June.

GBPZAR ▼

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound fell 0.5% against the South African Rand to trade at R18.7750.

The British Pound advanced marginally against the South African Rand yesterday, after the preliminary estimate revealed that UK's economy grew at a faster pace during the second quarter of 2016, showing signs that the nation's economy remained strong despite the uncertainty surrounding the Brexit vote. On the other hand, CBI's distributive trades survey reported that retail sales declined at fastest rate in four years in July.

EURZAR ▼

EUR trading lower against ZAR

At 06:00 SAST, the Euro is trading 0.3% lower against the South African Rand at R15.7353. Going forward, market participants will keep a tab on the sentiment indices in the Eurozone for further clues. Further, Germany's unemployment rate and consumer price index will be on investors' radar.

The Euro weakened marginally against the South African Rand yesterday, Data indicated that Germany's GfK consumer confidence edged slightly lower in August. Moreover, import prices advanced at slower pace on a monthly basis in June.

AUDZAR ▲

AUD trading stronger against ZAR

At 06:00 SAST, the Australian Dollar gained marginally against the South African Rand to trade at R10.6888. Earlier in the session, data indicated that Australia's import price index dropped on a quarterly basis in 2Q16, while the export price index rebounded in the same period.

The Australian Dollar fell against the South African Rand yesterday, after data indicated that Australia's consumer price index grew at a slower pace on annual basis in 2Q16.

Key Currencies & Commodities

| | Current | | 1 D % Chg | WTD % Chg | MTD % Chg | Prev. Month % Chg | YTD % Chg |
|-------------------|---------|---|-----------|-----------|-----------|-------------------|-----------|
| USDZAR | 14.2100 | ▼ | -0.72% | -0.24% | -3.18% | -6.25% | -7.85% |
| GBPZAR | 18.7750 | ▼ | 0.01% | 0.68% | -3.83% | -13.79% | -17.27% |
| EURZAR | 15.7353 | ▼ | -0.03% | 0.56% | -3.42% | -6.58% | -6.12% |
| AUDZAR | 10.6888 | ▲ | -0.85% | 0.17% | -2.60% | -3.45% | -5.95% |
| EURUSD | 1.1071 | ▲ | 0.66% | 0.74% | -0.43% | -0.23% | 1.77% |
| GBPUSD | 1.3216 | ▼ | 0.71% | 0.87% | -0.66% | -8.09% | -10.30% |
| Brent (\$/barrel) | 43.6 | ▲ | -3.12% | -4.86% | -12.55% | -0.36% | 16.60% |
| Gold (\$/oz) | 1345.2 | ▲ | 0.45% | 0.25% | 0.46% | 8.71% | 25.14% |
| Platinum (\$/oz) | 1141.6 | ▲ | 2.90% | 3.92% | 10.45% | 4.19% | 26.52% |
| Copper (\$/MT)* | 4839.0 | ▼ | -1.59% | -1.47% | -0.02% | 3.05% | 2.83% |

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 1.4% higher to trade at \$1,345.20/oz.

Yesterday, gold prices rose 0.5% to close at \$1,326.70/oz, following Federal Reserve's decision to keep its monetary policy unchanged. However, the central bank has left an interest-rate rise on the table for September.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged higher 0.4% to trade at \$43.64/bl.

Yesterday, Brent crude oil slipped 3.1% to settle at \$43.47/bl, as the US Energy Department reported that crude oil inventories rose unexpectedly by 1.7mn bls last week.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged higher 1.2% to trade at \$1,141.60/oz.

Yesterday, platinum prices climbed 2.9% to close at \$1128.20/oz.



ONE Minute Brief

28 July 2016



Major South Africa Corporate News

Fortress Income Fund Limited

In its trading statement, the company indicated that the dividend per Fortress B share for 1H16 will rise and be between 89.0% and 91.0% higher than the 39.20c per B share recorded in the corresponding period of the prior year. Consequently, the dividend per Fortress B share for FY16 will be more than 70.41c posted in the previous year and would be between 136.90c and 137.68c per share.

Sibanye Gold Limited

In its trading statement and operating update for 1H16, the company stated that earnings are expected to be significantly higher than corresponding period of the prior year, primarily due to a 31.0% higher average rand gold price. Headline EPS is expected to rise and be between 92.00c and 116.00c, significantly higher than 19.00c reported in the same period of the prior year. Gold production was approximately 746,800.00oz, compared with 713,900oz recorded in the similar period of the preceding year.

Spur Corporation Limited

In its sales update for FY16, the company revealed that total restaurant sales rose by 12.9% from the corresponding period of the prior year to R6.97bn. It sales from South African restaurant sales grew by 13.0%, while sales from international restaurants increased by 12.1%. The firm opened 74 outlets in South Africa and 10 internationally. As on June 30, 2016, the group's restaurant base comprised of 575 outlets, of which 58 operate outside of South Africa.

Major Global Economic News

US

The US Federal Reserve (Fed) kept the overnight interest rate target steady in the 0.25% to 0.5% range and reiterated that it continues to closely monitor global economic and financial developments. Moreover, the central bank cited improvements in the US labour market and stated that near-term risks to the economy have diminished.

In the US, the flash durable goods orders slid 4.0% on a monthly basis in June, compared to a drop of 2.3% in the previous month. Markets were anticipating durable goods orders to ease 1.4%.

In June, pending home sales advanced 0.2% in the US, on a monthly basis, lower than market expectations for an advance of 1.2%. Pending home sales had registered a drop of 3.7% in the prior month.

Eurozone

In Germany, the GfK consumer confidence index fell to a level of 10.00 in August, compared to a reading of 10.10 in the previous month. Market expectation was for the index to fall to 9.90.

In June, the import price index registered a rise of 0.5% in Germany on a monthly basis, compared to an advance of 0.9% in the previous month. Markets were expecting the index to advance 0.6%.

UK

In the UK, on a quarterly basis, the flash gross domestic product (GDP) rose 0.6% in 2Q16, more than market expectations for a rise of 0.5%. In the previous quarter, GDP had advanced 0.4%.

The CBI distributive trade survey's retail sales balance in the UK fell to a level of 14.0% in July, compared to a level of 4.0% in the prior month. Market expectation was for retail sales balance to fall to 1.0%.

Asia

On a quarterly basis, the import price index unexpectedly eased 1.0% in 2Q16, in Australia, lower than market expectations for a rise of 1.5%. In the previous quarter, the index had recorded a drop of 3.0%.

In Australia, on a quarterly basis, the export price index climbed 1.4% in 2Q16, compared to a drop of 4.7% in the previous quarter. Markets were expecting the index to climb 3.0%.

ONE Minute Brief

28 July 2016

GTC
consult • partner • manage

Economic Calendar

| Country | SAST | Economic Indicator | Relevance | Consensus/ *Actual | Previous/ **Previous Est. | Frequency |
|--------------|-------|--|-----------|-----------------------|------------------------------|--------------|
| UK | 08:00 | Nationwide House Prices s.a. (MoM) (Jul) | ✓ | 0.00% | 0.20% | Monthly |
| Spain | 09:00 | Total mortgage lending YoY (May) | ✓ | - | 28.60% | Monthly |
| Spain | 09:00 | House mortgage approvals YoY (May) | ✓ | - | 24.60% | Monthly |
| Spain | 09:00 | Unemployment Rate (Survey) (Q2) | ✓ | 20.30% | 21.00% | Quarterly |
| Germany | 09:55 | Unemployment Rate s.a. (Jul) | ✓✓ | 6.10% | 6.10% | Monthly |
| Italy | 10:00 | Wage Inflation (MoM) (Jun) | ✓ | - | 0.00% | Monthly |
| Portugal | 10:30 | Business Confidence (Jul) | ✓ | - | 1.20 | Monthly |
| Portugal | 10:30 | Consumer Confidence (Jul) | ✓ | - | -12.60 | Monthly |
| Eurozone | 11:00 | Consumer Confidence (Jul) (F) | ✓✓ | -7.90 | -7.90** | Monthly |
| Eurozone | 11:00 | Business Climate Indicator (Jul) | ✓✓ | 0.17 | 0.22 | Monthly |
| Eurozone | 11:00 | Economic Sentiment Indicator (Jul) | ✓ | 103.50 | 104.40 | Monthly |
| Eurozone | 11:00 | Services Sentiment Indicator (Jul) | ✓ | 10.30 | 10.80 | Monthly |
| Eurozone | 11:00 | Industrial Confidence (Jul) | ✓ | -3.30 | -2.80 | Monthly |
| South Africa | 11:30 | Producer Price Index (MoM) (Jun) | ✓✓ | 0.60% | 0.30% | Monthly |
| South Africa | 12:30 | Unemployment Rate (Q2) | ✓✓ | - | 26.70% | Quarterly |
| Germany | 14:00 | Consumer Price Index (MoM) (Jul) (P) | ✓✓ | 0.20% | 0.10% | Monthly |
| US | 14:30 | Initial Jobless Claims (23-Jul) | ✓✓ | 262.00K | 253.00K | Weekly |
| US | 17:00 | Kansas City Fed Manufacturing Activity (Jul) | ✓ | 4.00 | 2.00 | Monthly |
| Eurozone | 20:00 | ECB's Coeure speaks at Yale Forum on financial crisis mgmt | ✓ | - | - | 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