

ONE Minute Brief

11 July 2016

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Economic and Political News

The Department of Trade and Industry remained confident that partnerships between South Africa and India will continue to grow for the benefit of both the countries. Separately, President Jacob Zuma stated that bilateral trade may reach a target of USD18.00bn by 2018.

Even though Moody's indicated that South Africa was most exposed to the Brexit decision amongst the countries of sub-Saharan Africa, the ratings agency stated that the effect will be limited.

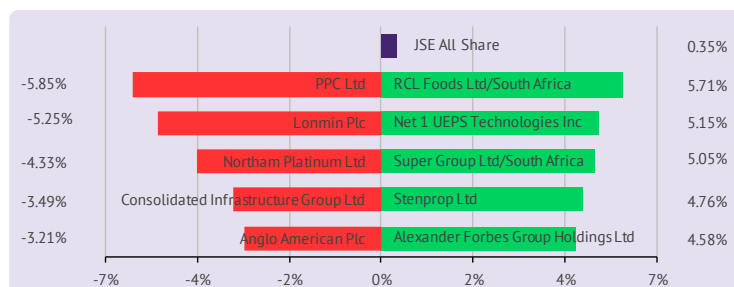
The Associated Mineworkers and Construction Union (AMCU) has revealed its list of demands for the upcoming platinum sector wage talks, which include ZAR12,500 basic wage for entry level employees and a 15% increase for those in higher categories.

South Africa's Treasury proposed a 20.0% tax on sugary drinks. Separately, Finance Minister, Pravin Gordhan announced that the nation is slightly more optimistic about economic growth this year, although it would not be enough to create employment as predicted in government plans.

South Africa Market ▲

South African markets closed higher

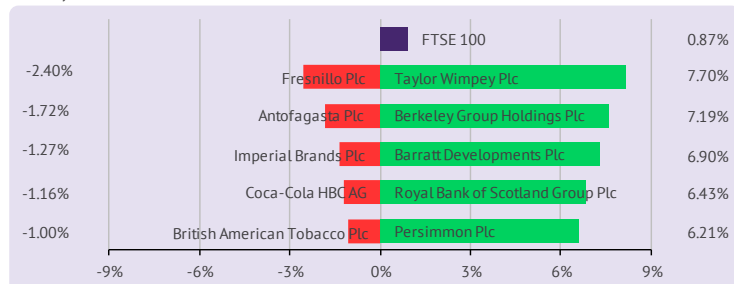
South African markets closed in the green on Friday, amid gains in gold mining sector stocks. The JSE All Share Index rose 1.4% to close at 51,276.40.



UK Market ▲

The FTSE 100 futures are trading in positive territory

UK markets finished higher on Friday, led by gains in property sector stocks. Data indicated that UK's goods trade deficit widened less-than-expected in May from April. The FTSE 100 Index advanced 0.9% to close at 6,590.64.



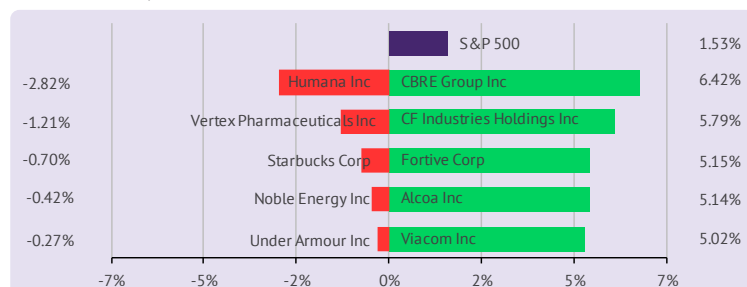
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	51276.40	▲	178.92	0.35%	NA	-1.80%	-3.13%	1.15%
JSE Top 40	44920.65	▲	118.12	0.26%	NA	-2.29%	-4.17%	-1.91%
FTSE 100	6590.64	▲	56.85	0.87%	NA	1.33%	4.39%	5.58%
DAX 30	9629.66	▲	210.88	2.24%	NA	-0.52%	-5.68%	-10.36%
CAC 40	4190.68	▲	72.83	1.77%	NA	-1.10%	-5.95%	-9.63%
S&P 500	2129.90	▲	32.00	1.53%	NA	1.48%	0.09%	4.21%
Nasdaq Composite	4956.76	▲	79.95	1.64%	NA	2.36%	-2.13%	-1.01%
DJIA	18146.74	▲	250.86	1.40%	NA	1.21%	0.80%	4.14%

US Market ▲

The S&P 500 futures are trading in the green

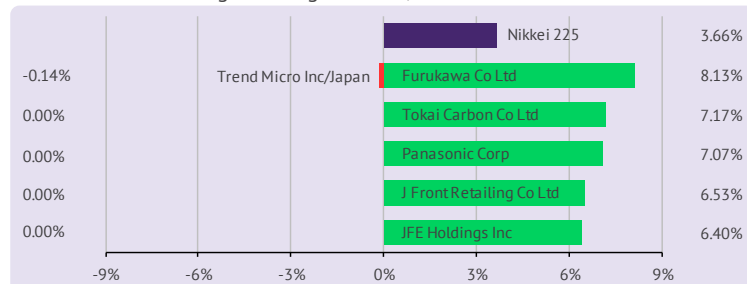
US markets closed higher on Friday, supported by gains in materials sector stocks. Data revealed that non-farm payrolls in the US advanced more-than-expected in June from May. The S&P 500 Index rallied 1.5% to close at 2,129.90.



Asian Market ▲

Trading higher

Asian markets are trading higher this morning, tracking Friday's gains on Wall Street. Overnight data indicated that China's consumer price index advanced more-than-expected on an annual basis in June. The Nikkei 225 Index is trading 3.7% higher at 15,660.60.



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USDZAR ▲

USD trading stronger against ZAR

At 06:00 SAST, the US Dollar gained 0.1% against the South African Rand to trade at R14.5526. Going forward, traders will keep a close watch US JOLTS job openings and wholesale inventories, scheduled for release tomorrow.

The US Dollar fell against the South African Rand on Friday. Data indicated that non-farm payrolls increased the most in eight months in June, signalling strength in the US jobs market. On the other hand, unemployment rate advanced slightly more-than-expected in June, as more number of people were added to the labour force. Separately, average hourly earnings rose at a slower pace in June.

GBPZAR ▲

GBP trading firmer against ZAR

At 06:00 SAST, the British Pound rose 0.2% against the South African Rand to trade at R18.8601. Later today, traders will keep an eye on UK's BRC retail sales data for further direction.

The British Pound declined against the South African Rand on Friday. Data indicated that UK's trade deficit widened less-than-expected in May from April.

EURZAR ▲

EUR trading higher against ZAR

At 06:00 SAST, the Euro is trading 0.1% firmer against the South African Rand at R16.0762. Going forward, market participants will keep a tab on Germany's consumer price index, scheduled later tomorrow.

The Euro weakened against the South African Rand on Friday. Separately, Germany's trade surplus narrowed in May, amid a sharp decline in the nation's exports.

AUDZAR ▲

AUD trading stronger against ZAR

At 06:00 SAST, the Australian Dollar gained 0.1% against the South African Rand to trade at R11.0047. Earlier in the session, data revealed Australia's home loans dropped less-than-expected in May. Separately, in China, Australia's largest trading partner, consumer prices grew more than market expectations on an annual basis in June.

The Australian Dollar fell against the South African Rand on Friday.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	14.5526	▲	-1.51%	NA	-1.28%	-6.25%	-6.04%
GBPZAR	18.8601	▲	-1.39%	NA	-4.05%	-13.79%	-17.46%
EURZAR	16.0762	▲	-1.66%	NA	-1.74%	-6.58%	-4.48%
AUDZAR	11.0047	▲	-0.80%	NA	0.23%	-3.45%	-3.21%
EURUSD	1.1052	▲	-0.11%	NA	-0.50%	-0.23%	1.70%
GBPUSD	1.2954	▲	0.36%	NA	-2.68%	-8.09%	-12.13%
Brent (\$/barrel)	46.4	▼	0.78%	NA	-5.93%	-0.36%	25.43%
Gold (\$/oz)	1370.0	▲	-0.27%	NA	2.86%	8.71%	28.13%
Platinum (\$/oz)	1085.0	▼	0.54%	NA	7.39%	4.19%	23.02%
Copper (\$/MT)*	4697.8	▲	0.53%	NA	-2.94%	3.05%	-0.17%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.9% higher to trade at \$1,370.00/oz.

On Friday, gold prices fell 0.3% to close at \$1,358.40/oz, following a stronger than expected US employment report for June and amid a rise in global equity markets.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 0.7% lower to trade at \$46.42/bl.

On Friday, Brent crude oil advanced 0.8% to settle at \$46.76/bl, after a better-than-expected US jobs report. Meanwhile, Baker Hughes reported that the number of active US oil rigs rose by 10 to 351 in the last week.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged 1.1% lower to trade at \$1,085.00/oz.

On Friday, platinum prices climbed 0.5% to close at \$1097.00/oz.



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Major South Africa Corporate News

MTN Group Limited

The company announced that the new Vice President for Strategy, Mergers & Acquisitions, Kholekile Ndamase, will be appointed as Deputy Head of Mergers and Acquisitions, effective September 10, 2016.

Major Global Economic News

US

In the US, non-farm payrolls climbed by 287.00K in June, compared to a revised increase of 11.00K in the prior month. Market expectation was for non-farm payrolls to advance 180.00K.

In June, unemployment rate rose to a level of 4.9% in the US, compared to a reading of 4.7% in the previous month. Markets were expecting unemployment rate to advance to a level of 4.8%.

On a monthly basis in June, average hourly earnings of all employees registered a rise of 0.1% in the US, lower than market expectations for a rise of 0.2%. Average hourly earnings of all employees had risen 0.2% in the previous month.

Consumer credit in the US registered a rise of USD18.56bn in May, compared to a revised advance of USD13.40bn in the previous month. Markets were expecting consumer credit to rise USD16.00bn.

UK

Visible trade deficit in the UK widened to GBP9.88bn in May, compared to a revised deficit of GBP9.41bn in the prior month. Markets were expecting the nation to post a deficit of GBP10.70bn.

Asia

In China, the consumer price index registered a rise of 1.9% on a yearly basis in June, higher than market expectations for a rise of 1.8%. In the prior month, the CPI had climbed 2.0%.

The producer price index in China registered a drop of 2.6% in June on an annual basis, compared to a drop of 2.8% in the previous month. Market anticipation was for the PPI to ease 2.5%.

On a monthly basis, seasonally adjusted home loan approvals registered a drop of 1.0% in May, in Australia, compared to a revised rise of 1.4% in the previous month. Markets were expecting home loan approvals to fall 2.0%.

In May, on a monthly basis, machinery orders unexpectedly fell 1.4% in Japan, lower than market expectations for a rise of 3.2%. In the prior month, machinery orders had dropped 11.0%.

Eurozone

Germany has posted a seasonally adjusted trade surplus of EUR21.00bn in May, from a surplus of EUR25.70bn in the prior month. Markets were expecting the nation to register a surplus of EUR23.50bn.



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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	62	13.20%	18.16%	297.44%
Assore Ltd	180	-4.73%	-0.27%	189.10%
Kumba Iron Ore Ltd	118	6.02%	6.31%	186.41%
AngloGold Ashanti Ltd	298	8.68%	11.54%	180.89%
Pan African Resources Plc	4	18.21%	16.00%	148.57%
Sibanye Gold Ltd	56	7.60%	12.41%	146.56%
Lonmin Plc	43	6.00%	15.06%	134.59%
African Rainbow Minerals Ltd	91	-3.08%	-0.71%	110.24%
Anglo American Platinum Ltd	389	-0.21%	5.97%	109.99%
Impala Platinum Holdings Ltd	51	-1.34%	7.84%	103.27%
Anglo American Plc	140	-3.68%	-0.64%	103.07%
Gold Fields Ltd	81	8.43%	13.65%	91.94%
Royal Bafokeng Platinum Ltd	50	0.57%	12.33%	86.30%
Northam Platinum Ltd	45	-4.82%	3.88%	69.27%
Exxaro Resources Ltd	71	1.28%	5.75%	61.99%
Blue Label Telecoms Ltd	19	3.18%	3.63%	57.61%
Bidvest Group Ltd	134	-1.92%	-3.04%	51.23%
Murray & Roberts Holdings Ltd	12	-1.76%	-1.60%	46.38%
JSE Ltd	181	-1.63%	-2.44%	41.99%
Clicks Group Ltd	125	2.21%	1.87%	40.45%
African Oxygen Ltd	18	4.14%	6.59%	39.38%
Massmart Holdings Ltd	126	-6.20%	0.24%	26.30%
Hyprop Investments Ltd	129	-2.15%	-0.69%	24.82%
Coronation Fund Managers Ltd	66	-4.33%	-1.87%	24.08%
Tongaat Hulett Ltd	115	-2.53%	-1.76%	23.85%
Ascendis Health Ltd	25	4.96%	4.96%	23.84%
Barloworld Ltd	76	2.02%	3.75%	22.46%
Aspen Pharmacare Holdings Ltd	377	0.99%	4.05%	21.80%
Niveus Investments Ltd	24	-2.48%	-2.60%	21.75%
Imperial Holdings Ltd	145	-3.67%	-3.33%	21.06%
Cashbuild Ltd	360	-0.82%	1.41%	20.00%
Santam Ltd	224	-3.54%	-2.46%	18.06%
Invicta Holdings Ltd	53	0.00%	-2.14%	16.90%
Tiger Brands Ltd	367	1.58%	1.16%	15.90%
Omnia Holdings Ltd	154	3.76%	5.02%	15.57%
Redefine Properties Ltd	11	-0.62%	-1.06%	15.46%
Italtile Ltd	14	-0.73%	-0.73%	15.25%
Shoprite Holdings Ltd	164	-1.85%	-1.61%	14.23%
Zeder Investments Ltd	7	2.55%	1.33%	13.43%
Raubex Group Ltd	19	-0.99%	-1.45%	13.18%
JSE All Share Index	51276	-2.06%	-1.80%	1.15%

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:50	Machinery Orders (MoM) (May)	✓	-1.40%*	-11.00%	Monthly
Japan	08:00	Machine Tool Orders (YoY) (Jun) (P)	✓✓	-	-24.70%	Monthly
Italy	10:00	Industrial Production s.a. (MoM) (May)	✓	0.10%	0.50%	Monthly
Greece	11:00	Industrial Production (YoY) (May)	✓	-	2.80%	Monthly
Portugal	12:00	Trade Balance (May)	✓	-	-EUR0.71bn	Monthly
US	13:00	Composite leading indicator (May)	✓	-	98.90	Monthly
Canada	14:15	Housing Starts s.a (Jun)	✓✓	189.00K	188.60K	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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