

ONE Minute Brief

12 July 2016

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Economic and Political News

A subsidiary of Fitch, BMI Research, increased its forecast for the South African Rand's average value for 2016 to ZAR15.40 from ZAR15.64 to the Dollar.

Department of Trade and Industry's new revamped unit, The Trade Africa unit, will focus on driving South Africa's exports of manufactured goods and services, as well as creating sourcing relationships on the continent.

South Africa's telecoms regulator ordered the South African Broadcasting Corporation to reverse its decision to stop airing footage of violent protests. However, the SABC stated that it would approach the highest court in the land if necessary to challenge the ruling.

Finance Minister, Pravin Gordhan while speaking at We Design Spatial Revolution architectural conference urged and challenged the architecture profession to play a role in shaping the country's economy.

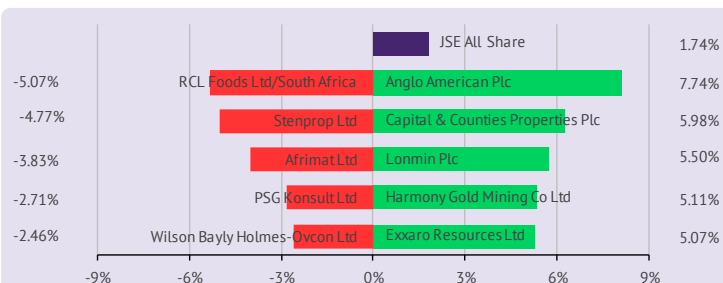
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	52170.37	▲	893.97	1.74%	1.74%	-0.09%	-3.13%	2.91%
JSE Top 40	45683.33	▲	762.68	1.70%	1.70%	-0.63%	-4.17%	-0.25%
FTSE 100	6682.86	▲	92.22	1.40%	1.40%	2.74%	4.39%	7.06%
DAX 30	9833.41	▲	203.75	2.12%	2.12%	1.58%	-5.68%	-8.47%
CAC 40	4264.53	▲	73.85	1.76%	1.76%	0.64%	-5.95%	-8.03%
S&P 500	2137.16	▲	7.26	0.34%	0.34%	1.82%	0.09%	4.56%
Nasdaq Composite	4988.64	▲	31.88	0.64%	0.64%	3.01%	-2.13%	-0.37%
DJIA	18226.93	▲	80.19	0.44%	0.44%	1.66%	0.80%	4.60%

South Africa Market ▲

South African markets closed higher

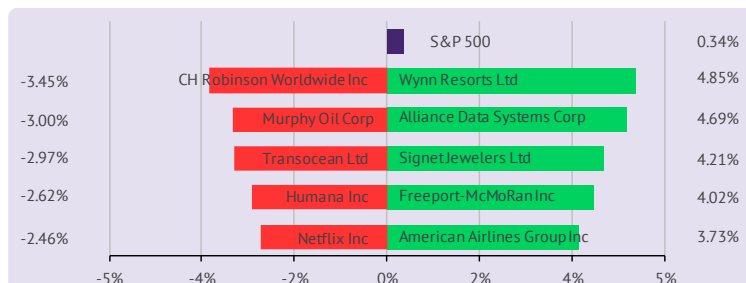
South African markets closed in the green yesterday, amid gains in resources and gold mining sector stocks. The JSE All Share Index rose 1.7% to close at 52,170.37.



US Market ▲

The S&P 500 futures are trading in the green

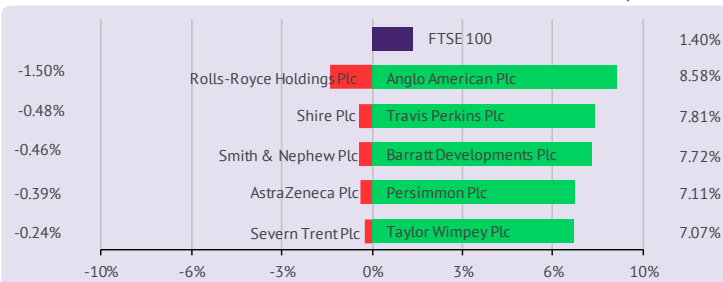
US markets closed higher yesterday, supported by gains in information technology sector stocks. The S&P 500 Index climbed 0.3% to close at 2,137.16.



UK Market ▲

The FTSE 100 futures are trading in positive territory

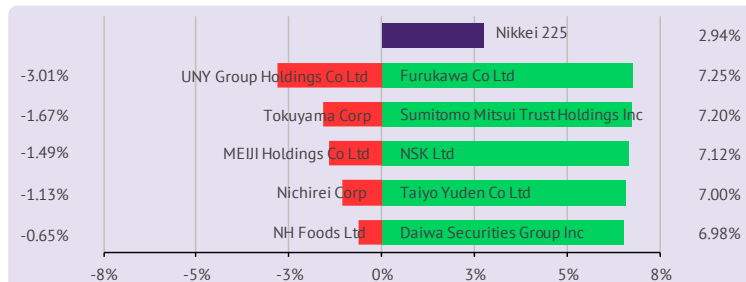
UK markets rose yesterday, as confusion regarding the next UK Prime Minister seems to have been cleared after reports that Theresa May was likely to succeed David Cameron. Meanwhile, UK's BRC retail sales fell across all sectors in June. The FTSE 100 Index rallied 1.4% to 6,682.86.



Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning, tracking overnight gains on Wall Street. The Nikkei 225 Index is trading 2.9% higher at 16,171.06.



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USDZAR ▼

USD trading weaker against ZAR

At 06:00 SAST, the US Dollar fell 0.3% against the South African Rand to trade at R14.4100. Later today, traders will keep a close watch on US JOLTS job openings and wholesale inventories, for further direction. Additionally, South Africa's manufacturing production data will be on investors' radar.

The US Dollar fell against the South African Rand yesterday, extending losses from previous sessions.

GBPZAR ▲

GBP trading stronger against ZAR

At 06:00 SAST, the British Pound is trading 0.3% firmer against the South African Rand at R18.8270. Later today, traders will keep an eye on inflation hearings and BoE's quarterly bulletin for further clues. Earlier in the session, UK's BRC retail sales fell on annual basis in June.

The British Pound declined against the South African Rand yesterday. Losses were limited, following news that Theresa May emerged as the only candidate to lead Britain's Conservative Party and would soon be succeeding Prime Minister, David Cameron.

EURZAR ▼

EUR trading lower against ZAR

At 06:00 SAST, the Euro retreated 0.1% against the South African Rand to trade at R15.9609. Going forward, market participants will keep a tab on Germany's consumer price index, scheduled to release in a few hours.

The Euro weakened against the South African Rand yesterday, extending previous session losses.

AUDZAR ▲

AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar advanced 0.4% against the South African Rand to trade at R10.9213. Earlier in the session, data indicated that Australia's business confidence index advanced in June from May.

The Australian Dollar fell against the South African Rand yesterday. Data revealed Australia's home loans declined less-than-expected in May.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	14.4100	▼	-0.63%	-0.63%	-1.90%	-6.25%	-6.63%
GBPZAR	18.8270	▲	-0.22%	-0.22%	-4.26%	-13.79%	-17.64%
EURZAR	15.9609	▼	-0.49%	-0.49%	-2.22%	-6.58%	-4.94%
AUDZAR	10.9213	▲	-1.04%	-1.04%	-0.81%	-3.45%	-4.22%
EURUSD	1.1076	▲	0.06%	0.06%	-0.43%	-0.23%	1.77%
GBPUSD	1.3059	▲	0.34%	0.34%	-2.35%	-8.09%	-11.83%
Brent (\$/barrel)	46.3	▲	-1.09%	-1.09%	-6.96%	-0.36%	24.06%
Gold (\$/oz)	1357.2	▲	-0.13%	-0.13%	2.73%	8.71%	27.96%
Platinum (\$/oz)	1098.0	▼	0.70%	0.70%	8.14%	4.19%	23.89%
Copper (\$/MT)*	4729.0	▲	0.67%	0.67%	-2.29%	3.05%	0.49%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged marginally higher to trade at \$1,357.20/oz.

Yesterday, gold prices fell 0.1% to close at \$1,356.60/oz, as the US Dollar strengthened and following a rise in global equity markets.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged 0.1% higher to trade at \$46.30/bl.

Yesterday, Brent crude oil dropped 1.1% to settle at \$46.25/bl, following a survey which indicated that oil production from the OPEC nations advanced to a nearly eight-year high.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices declined 0.6% to trade at \$1,098.00/oz.

Yesterday, platinum prices climbed 0.7% to close at \$1104.70/oz.



ONE Minute Brief

12 July 2016



Major South Africa Corporate News

Brimstone Investment Corporation Limited

In its trading statement for 1H16, the company revealed that it expects EPS and headline EPS to be positive (an increase of more than 100.0%), due to fair value adjustments to investments.

Mondi Limited

The company stated that Mondi Group has signed an agreement to acquire 100.0% of the outstanding share capital of ZAO Uralplastic-N, a consumer flexible packaging product manufacturer in Russia, from joint stock company, Rusnano and a private investor. The transaction is expected to be completed in July 2016.

Sibanye Gold Limited

The firm announced that it has given notice in terms of Section 189A of the Labour Relations Act 66 of 1995, wherein it will enter into a 60-day period of consultation with organised labour and other relevant stakeholders, regarding continued operational underperformance and accumulating financial losses at the Cooke 4 underground mine and Ezulwini Gold and Uranium processing plant

Major Global Economic News

Asia

In Australia, the business confidence index climbed to 6.00 in June. In the previous month, the index had registered a reading of 3.00.

In June, the business conditions index rose to a level of 12.00 in Australia, compared to a reading of 10.00 in the prior month.

UK

On an annual basis, retail sales across all sectors in the UK recorded a drop of 0.5% in June. Retail sales across all sectors had recorded a rise of 0.5% in the previous month.

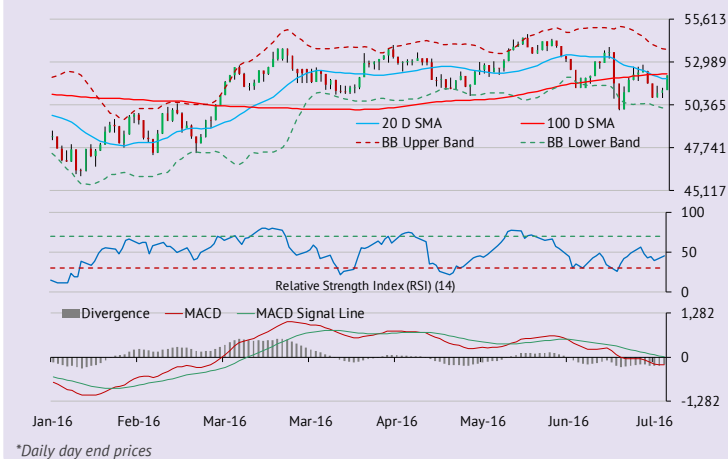
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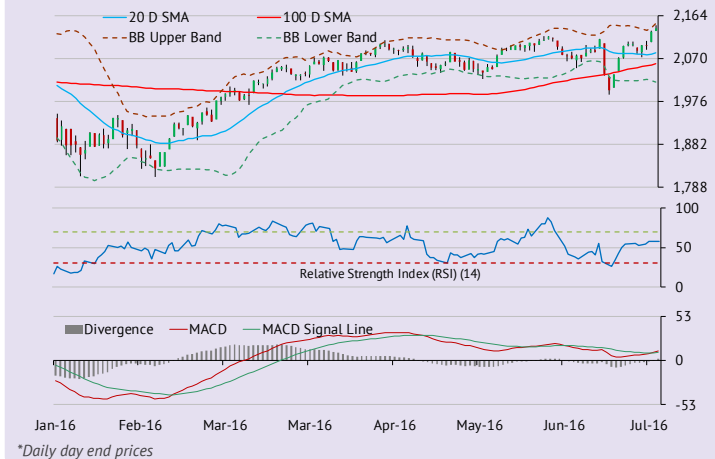
Technical Snapshot

JSE All Share



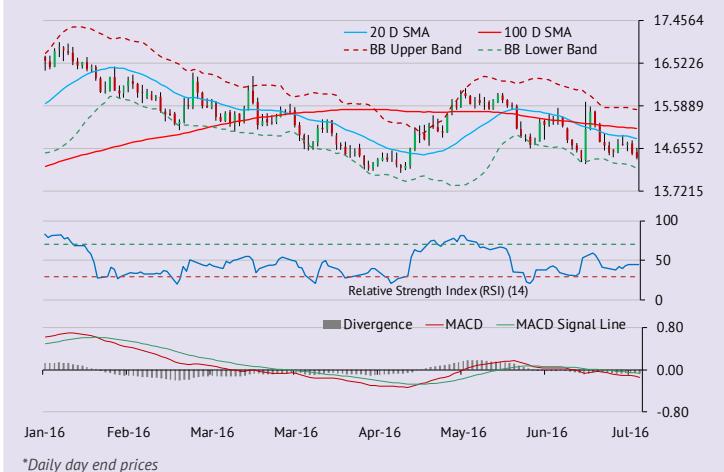
The JSE All Share index is expected to find support at 51,153.33, and a fall through could take it to the next support level of 50,136.28. The index is expected to find its first resistance at 52,820.83, and a rise through could take it to the next resistance level of 53,471.28.

S&P 500



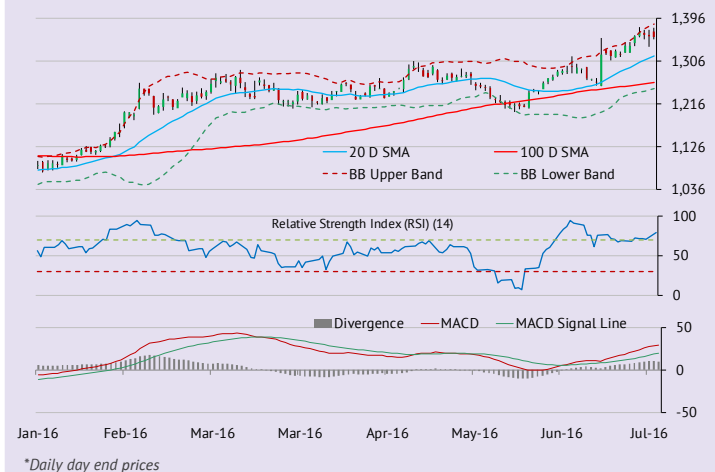
The S&P 500 index is expected to find support at 2,093.07, and a fall through could take it to the next support level of 2,048.97. The index is expected to find its first resistance at 2,162.21, and a rise through could take it to the next resistance level of 2,187.25.

USDZAR



The pair is expected to find support at 14.2587, and a fall through could take it to the next support level of 14.0707. The pair is expected to find its first resistance at 14.7928, and a rise through could take it to the next resistance level of 15.1389.

XAU/USD



Gold is expected to find support at \$1,336.10/oz, and a fall through could take it to the next support level of \$1,315.60/oz. The precious metal is expected to find its first resistance at \$1,377.30/oz, and a rise through could take it to the next resistance level of \$1,398.00/oz.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
UK	01:01	BRC Retail Sales Monitor - All (YoY) (Jun)	✓	-0.50%*	0.50%	Monthly
Japan	01:50	Domestic Corporate Goods Price Index (MoM) (Jun)	✓	-0.10%*	0.10%	Monthly
US	03:30	Fed's Mester speaks at Sydney Banking and Financial Stability	✓	-	-	As scheduled
Japan	06:30	Tertiary Industry Index (MoM) (May)	✓✓	-0.70%	1.40%	Monthly
Germany	08:00	Consumer Price Index (MoM) (Jun) (F)	✓✓	0.10%	0.10%**	Monthly
Germany	08:00	Wholesale Price Index (MoM) (Jun)	✓	-	0.90%	Monthly
Italy	11:00	Bank of Italy Publishes Monthly Report 'Money and Banks'	✓	-	-	As scheduled
UK	11:00	Inflation Report Hearings	✓	-	-	As scheduled
Portugal	12:00	Consumer Price Index (MoM) (Jun)	✓	-	0.30%	Monthly
US	12:00	NFIB Small Business Optimism (Jun)	✓	93.90	93.80	Monthly
South Africa	13:00	Manufacturing Production s.a. (MoM) (May)	✓✓	0.40%	0.80%	Monthly
UK	13:00	BoE Quarterly Bulletin	✓	-	-	As scheduled
US	14:55	Redbook Index s.a. (MoM) (08-Jul)	✓	-	-0.90%	Weekly
US	15:15	Fed's Tarullo speech	✓	-	-	As scheduled
US	15:35	Fed's Bullard speech	✓	-	-	As scheduled
US	16:00	Wholesale Inventories (May)	✓	0.20%	0.60%	Monthly
US	16:00	JOLTs Job Openings (May)	✓	5650.00 K	5788.00 K	Monthly
Spain	19:30	Bank of Spain Governor Linde Speaks in Zaragoza, Spain	✓	-	-	As scheduled
US	23:30	Fed's Kashkari Holds Town Hall Meeting in Marquette, MI	✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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