

ONE Minute Brief

10 August 2016

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Economic and Political News

South Africa's SACCI business confidence index registered a rise to 96.00, in July, compared to a level of 95.10 in the prior month.

In July, the net gold & forex reserves recorded a rise to USD40.90bn in South Africa, compared to USD40.83bn in the previous month.

President, Jacob Zuma urged banks in the private sector to provide loans to women, especially in rural areas, as part of promoting the economic development and growth envisaged in the National Development Plan.

The Democratic Alliance has dismissed rumours that coalition agreements have been finalized, while stating that negotiations were still going on.

Treasury's Director-General, Lungisa Fuzile stated that the Government will maintain its policy continuity and remains committed to accelerating economic reforms. Moreover, Treasury also indicated that it will stick to its fiscal targets set out in the budget and maintain a tight grip on spending and reducing debt.

Key Indices

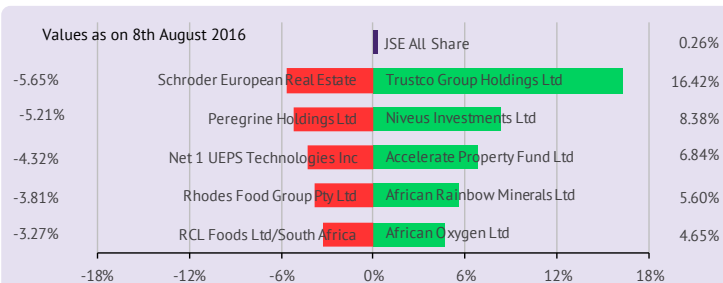
	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share*	52486.65	▲	138.29	0.26%	-0.59%	1.11%	3.54%
JSE Top 40*	45510.65	▲	124.91	0.28%	-0.88%	-0.13%	-0.63%
FTSE 100	6851.30	▲	42.17	0.62%	1.89%	3.38%	9.76%
DAX 30	10692.90	▲	260.54	2.50%	3.14%	6.79%	-0.47%
CAC 40	4468.07	▲	52.61	1.19%	1.30%	4.77%	-3.64%
S&P 500	2181.74	▲	0.85	0.04%	-0.05%	3.56%	6.74%
Nasdaq Composite	5225.48	▲	12.34	0.24%	1.23%	6.60%	4.35%
DJIA	18533.05	▲	3.76	0.02%	-0.06%	2.80%	6.36%

*Values as on 8th August 2016

South Africa Market ▲

South African markets closed higher

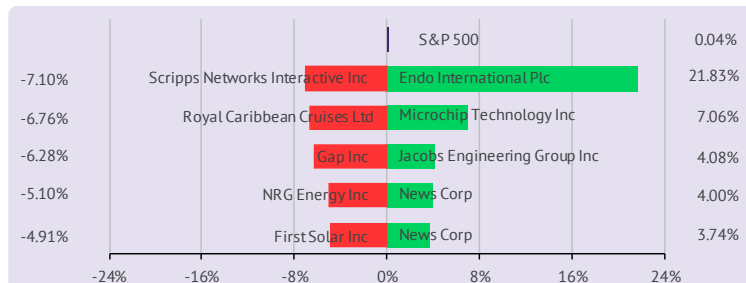
Markets in South Africa were closed yesterday on account of a public holiday. The JSE All Share Index rose 0.3% on Monday to close at 52,486.65.



US Market ▲

The S&P 500 futures are trading in the red

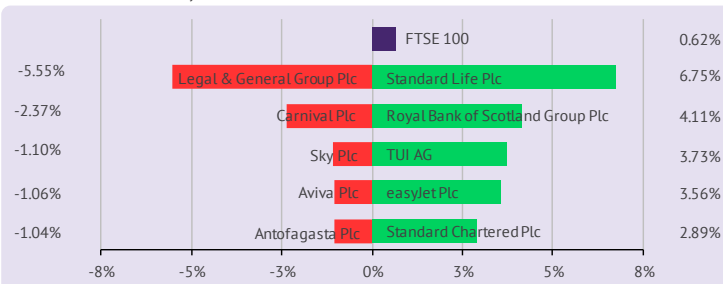
US markets closed higher yesterday, supported by gains in health-care sector stocks. Data revealed that wholesale inventories in the US rose unexpectedly in June. The S&P 500 Index climbed marginally to close at 2,181.74.



UK Market ▲

The FTSE 100 futures are trading in negative territory

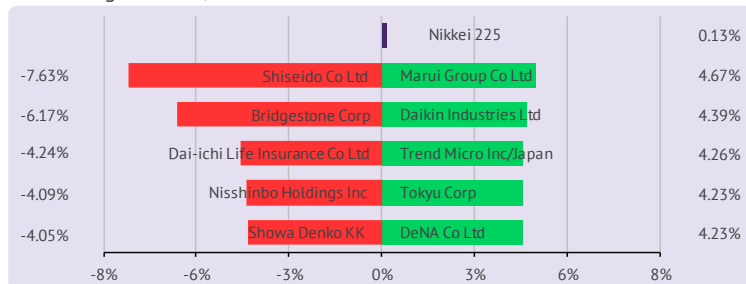
UK markets finished higher yesterday, led by gains in financial sector stocks. Data indicated that UK's NIESR estimated GDP expanded less-than-expected in the May-July period. The FTSE 100 Index advanced 0.6% to close at 6,851.30.



Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning. Earlier in the session, data indicated that Japan's machinery orders rebounded strongly on a monthly basis in June. The Nikkei 225 Index is trading 0.1% higher at 16,787.55.



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USDZAR ▼

USD trading weaker against ZAR

At 06:00 SAST, the US Dollar declined 0.4% against the South African Rand to trade at R13.3623. Later today, traders will keep a close watch on US monthly budget statement and JOLTS job openings for further cues.

The US Dollar fell against the South African Rand yesterday. Separately, data revealed that wholesale inventories in the US advanced unexpectedly in June from May.

GBPZAR ▲

GBP trading firmer against ZAR

At 06:00 SAST, the British Pound gained 0.1% against the South African Rand to trade at R17.4650. With no major economic releases in the UK today, investor sentiment will be decided by global macroeconomic news.

The British Pound declined against the South African Rand yesterday. NIESR estimated that UK's GDP grew 0.3% in the three months to July. Further, trade deficit widened more-than-estimated in June. Moreover, manufacturing production dropped more-than-expected in June. Meanwhile, the nation's industrial output grew at the fastest pace in 17 years in June.

EURZAR ▼

EUR trading lower against ZAR

At 06:00 SAST, the Euro fell marginally against the South African Rand to trade at R14.9032.

The Euro weakened against the South African Rand yesterday. Separately, data indicated that Germany's trade surplus advanced more-than-expected in June.

AUDZAR ▼

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.2% weaker against the South African Rand at R10.2743. Earlier in the session, the Reserve Bank of Australia's Governor, Glenn Stevens stated that slowing economic growth rate will make repairing the budget difficult and urgent, while reiterating his "serious reservations" about reliance on monetary policy across the world. Separately, data indicated that Australia's home loan approvals rebounded in June from May.

The Australian Dollar fell against the South African Rand yesterday, after data indicated that Australia's NAB business confidence index eased in July. Elsewhere, in China, Australia's largest trading partner, consumer price index advanced at a slower pace on an annual basis in July.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.3623	▼	-1.19%	-2.29%	-3.36%	-5.76%	-13.31%
GBPZAR	17.4650	▲	-1.50%	-2.65%	-4.99%	-6.41%	-23.51%
EURZAR	14.9032	▼	-0.96%	-1.94%	-3.88%	-5.05%	-11.28%
AUDZAR	10.2743	▼	-0.92%	-1.49%	-2.55%	-3.73%	-9.41%
EURUSD	1.1148	▲	0.26%	0.28%	-0.51%	0.61%	2.31%
GBPUSD	1.3063	▲	-0.28%	-0.54%	-1.72%	-0.61%	-11.80%
Brent (\$/barrel)	45.0	▼	-0.90%	1.60%	3.33%	-12.43%	20.65%
Gold (\$/oz)	1356.3	▲	0.42%	0.19%	-0.74%	2.15%	26.30%
Platinum (\$/oz)	1183.2	▲	0.39%	0.73%	0.81%	12.64%	30.08%
Copper (\$/MT)*	4769.3	▼	-0.63%	-0.21%	-2.97%	1.55%	1.35%
*As of Previous Close							

Gold ▲

Trading in the green

At 06:00 SAST, gold prices climbed 1.3% to trade at \$1,356.30/oz.

Yesterday, gold prices rose 0.4% to close at \$1,339.00/oz, as weakness in the US Dollar increased demand for the precious metal as an alternative investment.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil dropped marginally to trade at \$44.97/bl.

Yesterday, Brent crude oil dropped 0.9% to settle at \$44.98/bl, after the American Petroleum Institute (API) reported that crude oil inventories advanced 2.1 mn bls last week, raising oversupply concerns. Additionally, the US Energy Information Administration, in its monthly short-term energy outlook, projected output to reach 8.31mn bls per day in 2017.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices climbed 2.0% to trade at \$1,183.20/oz.

Yesterday, platinum prices climbed 0.4% to close at \$1159.90/oz.



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Major South Africa Corporate News

Trencor Limited

The company indicated that Messrs NI Jowell and C Jowell have retired as Executive Directors and members of the Executive Committee and from all other positions within the group, with effect from August 05, 2016. Mr DM Nurek was appointed as independent Non-Executive Chairman of the board in the place of Mr NI Jowell. The Chief Executive Officer, Mr. JE McQueen was appointed Chairman of the Executive Committee in the place Mr NI Jowell. All these appointments are effective, August 05, 2016.

Major Global Economic News

UK

In the UK, NIESR estimated GDP registered a rise of 0.3% on a monthly basis in the May-July 2016 period, compared to an advance of 0.6% in the April-June 2016 period. Markets were expecting NIESR estimated GDP to climb 0.4%.

On a monthly basis in June, industrial production registered a rise of 0.1% in the UK, compared to a revised drop of 0.6% in the previous month. Market anticipation was for industrial production to climb 0.1%.

In June, manufacturing production eased 0.3% on a monthly basis in the UK, higher than market expectations for a drop of 0.2%. Manufacturing production had recorded a revised drop of 0.6% in the prior month.

Total trade deficit in the UK rose to GBP5.08bn in June, more than market expectations of a deficit of GBP2.55bn. The UK had reported a revised deficit of GBP4.23bn in the previous month.

US

In the US, on a monthly basis, the seasonally adjusted wholesale inventories unexpectedly advanced 0.3% in June, higher than market expectations for an unchanged reading. In the prior month, the wholesale inventories had advanced by a revised 0.2%.

Asia

On a monthly basis, machinery orders in Japan registered a rise of 8.3% in June, more than market expectations for a rise of 3.2%. Machinery orders had recorded a drop of 1.4% in the prior month.

Westpac consumer confidence index in Australia climbed 2.0%, on monthly basis, to a level of 101.00 in August. Westpac consumer confidence index had recorded a reading of 99.10 in the prior month.

In June, on a monthly basis, the seasonally adjusted home loan approvals climbed 1.2% in Australia, less than market expectations for an advance of 2.3%. Home loan approvals had registered a revised drop of 0.8% in the previous month.

Eurozone

The seasonally adjusted trade surplus in Germany widened to EUR24.90bn in June, compared to market expectations of a surplus of EUR23.00bn. Germany had reported a surplus of EUR21.00bn in the previous month.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:50	Domestic Corporate Goods Price Index (MoM) (Jul)	✓	0.00%*	-0.10%	Monthly
Japan	01:50	Housing Loans (YoY) (Q2)	✓	2.40%*	1.90%	Quarterly
Japan	01:50	Machinery Orders (MoM) (Jun)	✓	8.30%*	-1.40%	Monthly
Japan	04:00	Tokyo Average Office Vacancies (Jul)	✓	3.94%*	4.07%	Monthly
Japan	06:30	Tertiary Industry Index (MoM) (Jun)	✓✓	0.30%	-0.70%	Monthly
Switzerland	08:00	UBS Real Estate Bubble Index (Q2)	✓✓	-	1.38	Quarterly
France	08:45	Industrial Production (MoM) (Jun)	✓✓	0.10%	-0.50%	Monthly
France	08:45	Industrial Production (YoY) (Jun)	✓✓	-0.40%	0.50%	Monthly
France	08:45	Manufacturing Production (MoM) (Jun)	✓✓	0.20%	0.00%	Monthly
France	08:45	Manufacturing Production (YoY) (Jun)	✓✓	0.10%	0.60%	Monthly
Portugal	12:00	Unemployment Rate (Q2)	✓	-	12.40%	Quarterly
Portugal	12:00	Consumer Price Index (MoM) (Jul)	✓	-	0.10%	Monthly
US	13:00	MBA Mortgage Applications (05-Aug)	✓	-	-3.50%	Weekly
US	16:00	JOLTs Job Openings (Jun)	✓✓	5588.00 K	5500.00 K	Monthly
US	20:00	Monthly Budget Statement (Jul)	✓✓	-	USD6.25bn	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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